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2. Name of Openair FASKEN OLIS ARANCH LIMITED E-Mail: addioxing/glot.com B. Phose No (include area code) FASKEN OLIS ARANCH LIMITED E-Mail: addioxing/glot.com B. Phose No (include area code) F. 422-556-5661 D. Phot and Phol of Exploratory Area AVALON-DRAMARE F. Mark Storm, Description B. Avacan-Description I. County of Parah, Sale EDDY COUNTY, NM EDDY COUNTY, NM I.2. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION IVPE OF ACTION IVPE OF ACTION IN A construction I address I addr							AL 4
6101 HOLIDAY HILL ROAD Ph: 432-556-8661 AVALON-DELAWARE 4. Location of Weil (Footage, Sec. T. R. M. or Survey Description) II. County or Parink, State 5. Sec. 3 721S R26E Lot 3 660FNL 1980FWL III. County or Parink, State 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Subsequent Report Acidize Deepen Subsequent Report Chaing Repiar New Construction Subsequent Report Chaing Repiar New Construction I. Section Proposed or Complete Operation: Charly atta all peritemet deals, including estimated starting date of any proposed work and approximate durates thereof. 13. Decembe Proposed or Completed Operation: Charly atta all peritemet deals, including estimated starting date of any proposed work and approximate durates thereof. 14. Is deeped wetchild for work will be performed or provide the book No. on the work MON NO. Toposes to plug and abandon the EI Pass Federal No. 4 as proposed on the fild are state and proposed or Completed Operation: Charly atta all peritements, including estimated states date of any proposed work on the fild are states and peritements. 13. Decende procedure. Also attached is the current and proposed wellbore diagramment. Field are states and one of the astate of provide the work of the peritement and proposed wellbore diagrams. 14. Iseedy certify that the foregong is tore and correct. Electronit: Sta	2. Name of Operator	Contact:		DNG			
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Electronic Submission #364913 verified by the BLM Well Information System For FASKEN OIL & RANCH LIMITED, sent to the Carlsbad Committed to AFMSS for processing by PRSCILLA PEREZ on 01/31/2017 (17PP0124SE) Name (Printed/Typed) ADDISON LONG Title REGULATORY ANALYST Signature (Electronic Submission) Date 01/25/2017 01/25/2017 Mane (Printed/Typed) ADDISON LONG Title REGULATORY ANALYST 01/25/2017 Marce (Electronic Submission) Date 01/25/2017 01/25/2017 Approved By Title Title Title Title Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office Office The 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Office	Attach the Bond under which the wo following completion of the involvec testing has been completed. Final Al determined that the site is ready for f Fasken Oil and Ranch, Ltd. pl	rk will be performed or provide l operations. If the operation re bandonment Notices must be fil inal inspection. roposes to plug and aban	the Bond No. or sults in a multipl ed only after all don the El Pa d proposed w RECLANN	n file with BLM/BIA e completion or reco requirements, includ so Federal No. 4 vellbore diagrams	Required st mpletion in a ing reclamation as propos s. RE SE	absequent reports must be new interval, a Form 316 on, have been completed : ied on	filed within 30 days 0-4 must be filed once and the operator has
Committed to AFMSS for processing by PRISCILLA PEREZ on 01/31/2017 (17PP0124SE) Name (Printed/Typed) ADDISON LONG Title REGULATORY ANALYST Signature (Electronic Submission) Date 01/25/2017 THIS SPACE FOR FEDERAL OR STATE OFFICE USB, CC NMM Z-20-1 Approved By Title Title Title Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office Office The 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.		Electronic Submission #		111 TO	· · · · · · · · · · · · ·		
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^{n page 2)} ** BLM REVISED **

Recommended Procedure EL Paso Fed. No. 4 AFE # 3418

OBJECTIVE:	Plug and Abandon
WELL DATA (as of 10-5-15):	
13-3/8" 48# H-40 casing:	Set at 346', cement circ.
8-5/8" 24 & 32# J-55 casing:	Set at 4260' cement circ.
4-1/2" 11.6 & 13.5# N-80 casing:	Set at 11,019.64 DV @ 6990', TOC @ 3750'.
Perfs & plugs:	CIBP @ 9590' w/35' "H" 10-5-15)
	Strawn: 9766'-71'; 9866'-79'
	CIBP @ 9744' w/35' "H" 4-15-09
•	Strawn: 9638'-45' (4-15-09)
	CIBP @ 10470' w/1.5 sx "H" 4-14-09
	Morrow: 10,648'- 10,652', 10,686' - 10,702', 10,770'-
	10,786', 10,862' – 10870'.
Tubing:	2-3/8:" notched collar (0.30'), 301 jts 2-3/8" EUE 8rd N-80
	(9,479'). EOT 9490.30' KB
KB:	14'
TD:	11,206'
PBTD:	9555', well circulated w/FW containing packer fluid 10-5-15
	•

- 1. Notify BLM in Carlsbad @ 575-361-2822 of the intent to plug and abandon 24 hours prior to rigging up on well.
- 2. Make sure mast anchors have been tested and tagged in last 24 months. Fasken will furnish 4-1/2" pin end thread protectors for 3700' of cutoff casing.
- 3. RUPU, set rig mats, cat walk, 3 sets pipe racks and a half-frac workover tank on location.
- 4. Lay flow line to workover tank. Bleed tubing and casing pressure (if any) to tank.
- 5. ND wellhead and NU 7-1/16" 3K manual BOP with 2-3/8" pipe rams and blind rams. Will need an extra set of 4-1/2" pipe rams with BOP.
- 6. PU and RIW with collar, seating nipple, and 2-3/8" EUE 8rd J-55 workstring. RIW w/4 its of tbg to PBTD +/-9,555'. Report tag depth to Midland office.

7. Add .

- POW to 8225' and RU cement pump. 9227 9027 -Plug #1 (bottom plug): Mud up well with 9.5# salt gel mud with a minimum of 12.5 pounds of 8. gel per barrel and mix and spot a 25 sx Class "H" cement plug at 8225'-7890'.
- 9. POW and WOC 2 hours. RIW with tubing and TAG cement plug @ or above 7890' and notify Midland Office and BLM of the results.

10. Plug #2: POW laying down tubing to 6550'. Mix and spot a 25 sx Class "C" cement plug at 5845. 5655-6170'. POW and WOC 2 hours. RIW with tubing and TAG cement plug @ or above 6170 and notify Midland Office and BLM of the results.

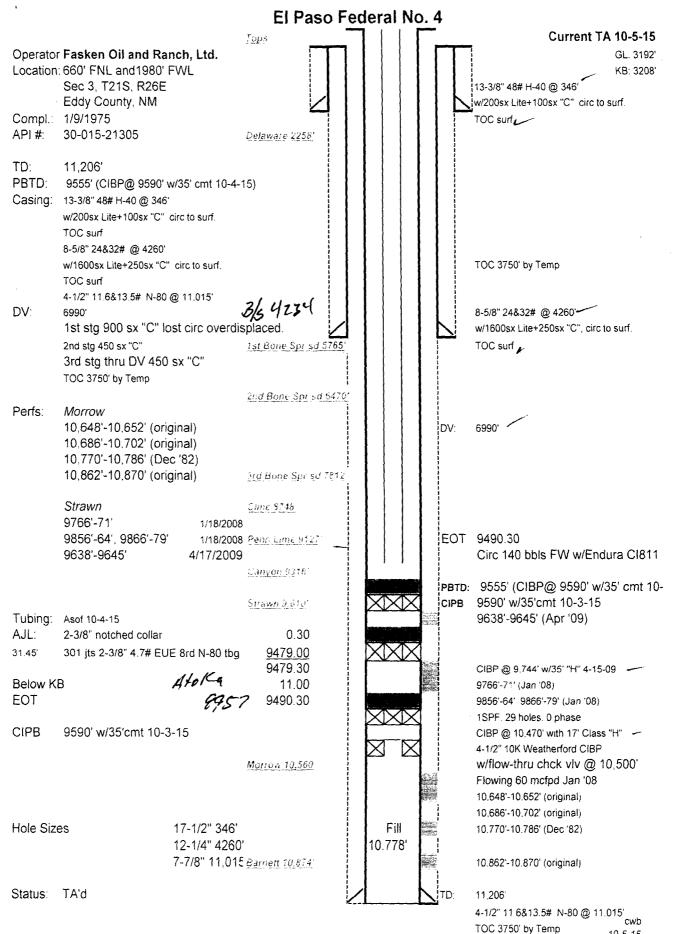
- Plug #3 (8-5/8" shoe plug): POW to laying down tubing to 4330'. Mix and spot a 25 sx Class "C" cement plug at 4330'-3950'. POW and WOC 2 hrs. RIW with tubing and TAG cement plug @ or above 3950' and notify Midland Office and BLM of the results.
- 12. POW with 2-3/8" workstring. Lay down all but 2100' of tubing.

- 13. RUWL and 3000 psi lubricator. RIW with 3-1/8" casing gun and perforate 4 squeeze holes at 2350'. RDWL.
- 14. RIW with 4-1/2" AD-1 tension packer, SN, 2-3/8" EUE 8rd N80 tubing and set packer at +/- 2100'.
- Plug #4: Open 4-1/2" x 8-5/8" casing to pit. Squeeze perfs at 2350' with 30 sx Class "C" cement, displacing cement with 9.5 ppg gel laden mud to 2240' or above.
- 16. Release packer and POW and lay down tubing, SN, packer.
- 17. RUWL and 3000 psi lubricator. RIW with 3-1/8" casing gun and perforate 4 squeeze holes at 400'. RDWL.
- Plug #5: Open 4-1/2" x 8-5/8" casing to pit. RIW with pkr, SN and tubing to 10' FS and set pkr. Squeeze perfs at 400' with 100 sx Class "C" cement, displacing cement with 9.5 ppg gel laden mud. Attempt to circulate cement to surface; top must be 280' or above.
- Release packer and POW with tubing, SN, packer. Top off cement to surface inside 4-1/2" casing and 8-5/8" x 4-1/2" annulus. WOC 2 hours. RIW with tubing and <u>TAG</u> cement plug at or above 280' (if cement was not circulated), and notify Midland Office and BLM of the results. POW with tubing to 60'.
- 20. Plug #6: Mix and spot a 15 sx Class "C" cement plug at 60', displacing cement to surface.
- 21. Dig out wellheads and cut-off below "A" section.
- 22. Weld plate onto casing with marker joint with the following information. Fasken Oil & Ranch Ltd., El Paso Federal No. 4,, Section 3, T21S, R26E, 660' FNL and 1980' FWL, Unit C.
- 23. Install 1" 2000 psi valve welded into top of marker joint. Remove valve handle and close valve.
- 24. Send wellheads to Downing Wellhead in Midland. Clean location, RDPU and release all rental equipment.

CWB/SRF

1-25-17

(M:\Common\WELLFILE\E\EI Paso 4\Engineering\EI Paso Fed 4_AFE 3418_P&A proc srf rev1 1-25-17.doc)



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El Paso Federal No. 4

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		EIPaso	recerarin	0.4	Proposed P&A 10-5-16
Onerster	Freiken Olland Denah 14d	<u>1005</u>	1 10 (0)	1 1 1	
Location:	Fasken Oil and Ranch, Ltd. 660' FNL and 1980' FWL		Surf Plo	╙╋╼┥┥╽	15 sx Surf plg 0'-60' GL, 3192' KB: 3208'
Location.	Sec 3, T21S. R26E				13-3/8" 48# H-40 @ 346'
	Eddy County, NM		100 sx		TOC suf
Compl.	1/9/1975		"C"		
API #:	30-015-21305	T Salt 440	TAG		100 sx 400'-60'
$r_{1} = \pi$.	30-013-21003	1 3601 440	<u> ^0</u>	╉╌┫┊	100 37 400 00
TD:	11.206'				
PBTD:	9555' (CIBP@ 9590' w/35' cmt 10-4-	15)			
Casing:	13-3/8" 48# H-40 @ 346'	Delaware 2258'	30 sx	+-1	
ouonig.	w/200sx Lite+100sx "C", circ to surf.	BUILDING ALLER	"C"		30 sx 2350'-2240'
	TOC surf		<u> </u>	+-1	
	8-5/8" 24&32# @ 4260'				
	w/1600sx Lite+250sx "C", circ to surf.				TOC 3750' by Temp
	TOC surf	i i			, .
	4-1/2" 11.6&13.5# N-80 @ 11,015'		11		
DV [.]	6990'				8-5/8" 24&32# @ 4260'
	1st stg 900 sx "C" lost circ overdis	splaced.	25 sx	1 N	TOC surf
	2nd stg 450 sx "C"			G 25 s	x 4330'-3950'
	3rd stg thru DV 450 sx "C"	1st BS sd 5765			
	TOC 3750' by Temp	a a de la construction d			
BLM App	roved (5-16-09) Plugs	2nd BS sa 6470	25 sx	25 s	x 6550'-6170'
15 sx "C"	0 60' Pig #6 Surface		"C" TA	G DV:	6990'
100 sx "C	2 400'-60' Plg #5 13-3/8° sho	e Prf&Sqz TAG		7	
	2350'-2230' Plg #4, Prf&Sqz, N				
	4330'-3950' Plg #3 Shoe. TAG	Wolfcamp 8225			
	6550'-6170' Plg #2. TAG		25 sx		
25 sx "H"	' 8225'-7890' Plg #1 TAG		"H" TA	G 25 s	5x 8225'-7890'
		Penn 8801			
		0 07 mil			
		<u>Canyon 9313'</u>		DOT	0555' (CIRD@ 0500' w/25' amt 1(
		5			D: 9555' (CIBP@ 9590' w/35' cmt 1(9590' w/35'cmt 10-3-15
Tubing	Apple 10 4 15	<u> Strawo 3 610</u>			
AJL.	Asof 10-4-15 2-3/8" notched collar	0.30			9638'-9645' (Apr '09)
31.45		9479.00			
31.45	301 jts 2-3/8" 4.7# EUE 8rd N-80 tbg	<u>9479.00</u> 9479.30			
Below KB		11.00			CIBP @ 9.744' w/35' "H" 4-15-09 9766'-71' (Jan '08)
EOT		9490.30		8,949 m 29,000 m	9856'-64', 9866'-79' (Jan '08)
LUI		0400.00			1SPF. 29 holes. 0 phase
CIPB	9590' w/35'cmt 10-3-15		KXX	1 F	CIBP @ 10,470' with 17' Class "H"
U. U				7	4-1/2" 10K Weatherford CIBP
		Morrew 10,560"	KX K	4	w/flow-thru chck viv @ 10,500'
		an contraction of the second o			Flowing 60 mcfpd Jan '08
					0-60'
					400'-60'
Hole Sizes	s 17-1/2" 346'		Fill		2350'-2230'
	12-1/4" 4260'		10,778		
	7-7/8" 11,015'	Barnett 10,874			4330'-3950'
		and and a second a signal and at a training			
Status:	TA'd			NTD.	11,206'
			× L	ن لسنا	4-1/2" 11 6&13.5# N-80 @ 11.015
					TOC 3750' by Temp cwb
					10-5-15

10-5-15 EP4_WBD.xls

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Permanent Abandonment of Federal Wells Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within <u>ninety (90)</u> days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. <u>Notification:</u> Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. <u>Cement Requirement</u>: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. <u>Dry Hole Marker</u>: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. <u>Subsequent Plugging Reporting</u>: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. <u>Trash</u>: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 E. Greene St. Carlsbad, New Mexico 88220-6292 www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its predisturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, redistribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

- The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
- 2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Appropriate time for submittal would be when filing the Vell Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
- 3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
- 4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

- 5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
- 6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
- 7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos Supervisory Petroleum Engineering Tech 575-234-5909, 575-361-2648 (Cell)

Arthur Arias Environmental Protection Specialist 575-234-6230

Henryetta Price Environmental Protection Specialist 575-234-5951

Shelly Tucker Environmental Protection Specialist 575-234-5979

Trishia Bad Bear, Hobbs Field Station Natural Resource Specialist 575-393-3612