Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

5. Lease Serial No. NMLC029415B

| SUNDRY NOTICES AND REPORTS ON WELLS | |
|---|-----|
| Do not use this form for proposals to drill or to re-enter an | |
| abandoned well. Use form 3160-3 (APD) for such proposals | \$. |

6. If Indian, Allottee or Tribe Name

| SUBMIT IN T | 7. If Unit or CA/Agree | ment, Name and/or No. | | | | |
|--|--|---|--|---|---|--|
| 1. Type of Well ☑ Oil Well ☐ Gas Well ☐ Other | | | | | 8. Well Name and No. NOSLER FEDERAL 3 | |
| Name of Operator Contact: LESLIE GARVIS BURNETT OIL COMPANY INC E-Mail: lgarvis@burnettoil.com | | | | | 9. API Well No. 30-015-38635-0 | 0-S1 |
| 3a. Address 801 CHERRY STREET UNIT 9 FORT WORTH, TX 76102-6881 3b. Phone No. (include area code) Ph: 817.583.8730 | | | | | 10. Field and Pool or E FREN | xploratory Area |
| 4. Location of Well (Footage, Sec., T. | | 11. County or Parish, State | | | | |
| Sec 24 T17S R31E SESE 25FSL 380FEL | | | | | EDDY COUNTY, NM | |
| 12. CHECK THE AF | PROPRIATE BOX(ES) | TO INDICA | TE NATURE O | F NOTICE, | REPORT, OR OTH | ER DATA |
| TYPE OF SUBMISSION | | | ТҮРЕ О | F ACTION | | |
| Notice of Intent | ☐ Acidize | ☐ Dee | pen | ☐ Product | ion (Start/Resume) | ■ Water Shut-Off |
| Notice of Intent | ☐ Alter Casing | ☐ Hyd | raulic Fracturing | ☐ Reclama | ation | ■ Well Integrity |
| ☐ Subsequent Report | ☐ Casing Repair | □ New | Construction | ☐ Recomp | olete | Other |
| ☐ Final Abandonment Notice | ☐ Change Plans | ☑ Plug | and Abandon | □ Tempor | arily Abandon | |
| | ☐ Convert to Injection | ☐ Plug | Back | ☐ Water D | Disposal | |
| 13. Describe Proposed or Completed Ope If the proposal is to deepen directions Attach the Bond under which the wor following completion of the involved testing has been completed. Final Abdetermined that the site is ready for fit Burnett proposes to Plug and 1.) MIRU NDWH NUBOP 2.) Spot 80 sxs @ 3619?-317(3.) Spot 25 sxs @ 2672?-2572(4.) Spot 50 sxs @ 1925?-1644(5.) Spot 50 sxs @ 742?-462? 6.) Spot 15 sxs 100?-0? 7.) POOH. Top off well, cut off clean loc. See attached Proposed WBD | ally or recomplete horizontally, k will be performed or provide operations. If the operation re andonment Notices must be fill nal inspection. Abandon this well using the provided operation of the provided operation operation of the provided operation o | give subsurface the Bond No. or sults in a multipl led only after all the following p | locations and measing file with BLM/BL ecompletion or recrequirements, inclusion of the second of th | ured and true ve A. Required sul completion in a r ding reclamation S/2 S 4-10 for record | ortical depths of all pertinosequent reports must be new interval, a Form 3160 n, have been completed a ARTES APR NMOCD | ent markers and zones. filed within 30 days 0-4 must be filed once |
| | Electronic Submission # | OIL COMPAN | Y INC, sent to the | ne Carlsbad | • | |
| Name (Printed/Typed) LESLIE G. | ARVIS | | Title REGUI | _ATORY MA | NAGER | |
| Signature (Electronic S | ubmission) | | Date 03/23/2 | 2018 | | |
| | THIS SPACE FO | OR FEDERA | L OR STATE | OFFICE U | SE | |
| Approved By Conditions of approval, if any, are attached certary that the applicant holds legal or equ | | | Title Sugar | ov. PE | CT. | 4/-2-18 Date |
| which would entitle the applicant to condu | ct operations thereon. | | Office (ac | Isbed | | |
| Nitle 18 U.S.C. Section 1001 and Title 43 I | | | | d willfully to ma | ake to any department or | agency of the United |

| VELL COMPLETION SKETCH | Burnett Oil Co., Inc. | Date: 3/22/2018 | |
|---|---|---|---------|
| Nosler Federal 3 | Fren Glorietta Yeso | CO/ST Eddy Co., New Mexico | |
| ocation: UNIT P, 25' FSL & 380' FEL, SEC 24 | | | |
| PRESENT COMPLETION | RECOMMENDED COMPLETION | API# 30-015-38635 | |
| PERMANENT WELL BORE DATA | DENDRESSEDEN | DATA ON THIS COMPLETION | |
| Spud: <u>7/1/2012</u> 14-3/4" Hole Elevation: 3,912' KB | | spot 15 sx cmnt plug 100' to surf, verify | |
| GL 10 3/4" 32.75# H-40 @ 692' | | Proposed in Red | |
| Depth MD TVD Dev. Cmtd w/ 650 sx 8-3/4" H | lole | spot 50 sx cmnt plug 742-462', Tag | |
| Rustler 700 T/Salt 880 | sp | pot 50 sx cmnt 1,925-1,644' | |
| Rustler 700 T/Salt 880 B/Salt 1850 Value DV Tool @ 2,6 Cmnt w/ 800 | 522' × sp | pot 25 sx cmnt plug 2,672-2,572', Tag | |
| 7 7R 2375 | | | |
| 6B 3450 SA 3718 Gl. 5225 | et | pot 80 sx cmnt 3,619-3,170' | |
| | | | |
| Lower Blinebry | | 5' cmnt on top of CIBP Za ASacc | 10/22/1 |
| Perf 6,600'-6,758', 19 Int, 2 S | PF FI | rac w/ 905,268 Gal SW+20,475# 100 Mesh+ 284,985# 40/70 | 10/29/1 |
| 7" 26# L-80 LTC @ 7,0 Cmnt w/ 800 | 17 March 2011 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | BTD @ 6,962' | 10/30/1 |

Cicc. Both Stages

TD 7,020'

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 (LPC Habitat)

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. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): 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. Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

- 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.

<u>Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:</u>
From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted



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 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