

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Operator

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018**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.*5. Lease Serial No.  
NMNM16104

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.

SALT DRAW 11 FEDERAL 1

2. Name of Operator

CHISHOLM ENERGY OPERATING LLC

Contact: DAVID A EYLER

Email: DEYLER@MILAGRO-RES.COM

9. API Well No.

30-015-34436-00-S1

3a. Address

801 CHERRY STREET  
FORT WORTH, TX 76012

3b. Phone No. (include area code)

Ph: 432-687-3033

10. Field and Pool or Exploratory Area

WILLOW LAKE-BONE SPRING, SE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 11 T25S R28E SWNW 2590FNL 330FWL

11. County or Parish, State

EDDY COUNTY, NM

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

## TYPE OF SUBMISSION

- ☒
- Notice of Intent
- 
- ☐
- Subsequent Report
- 
- ☐
- Final Abandonment Notice

- ☐
- Acidize
- 
- ☐
- Alter Casing
- 
- ☐
- Casing Repair
- 
- ☐
- Change Plans
- 
- ☐
- Convert to Injection

- ☐
- Deepen
- 
- ☐
- Hydraulic Fracturing
- 
- ☐
- New Construction
- 
- ☒
- Plug and Abandon
- 
- ☐
- Plug Back

## TYPE OF ACTION

- ☐
- Production (Start/Resume)
- 
- ☐
- Reclamation
- 
- ☐
- Recomplete
- 
- ☐
- Temporarily Abandon
- 
- ☐
- Water Disposal
- 
- ☐
- Water Shut-Off
- 
- ☐
- Well Integrity
- 
- ☐
- Other

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

1) TAG EXISTING 5-1/2" CIBP + CMT. @ +/-4,265' CIRC. WELL W/ M.L.F.

2) PUMP 50 SXS.CMT. @ 2,650'-2,310'(T/DLWR., B/SALT); WOC X TAG CMT. PLUG.

3) MIX X CIRC. TO SURF. 120 SXS.CMT. @ 975'-3'(T/SALT, 9-5/8" CSG.SHOE).

4) DIG OUT X CUT OFF WELLHEAD 3' B.G.L.; WELD ON STEEL PLATE TO CSGS. X INSTALL DRY HOLE MARKER.

DURING THIS PROCEDURE WE PLAN TO USE THE CLOSED-LOOP SYSTEM W/ A STEEL TANK AND HAUL CONTENTS TO THE REQUIRED DISPOSAL, PER OCD RULE 19.15.17.

GC 1/28/20  
Accepted for record - NMOCD

RECEIVED

JAN 27 2020

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**EMNRD-OCD ARTESIA**

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #495065 verified by the BLM Well Information System  
For CHISHOLM ENERGY OPERATING LLC, sent to the Carlsbad  
Committed to AFMSS for processing by DEBORAH MCKINNEY on 12/10/2019 (20DLM0230SE)

Name (Printed/Typed) DAVID A EYLER

Title AGENT

Signature (Electronic Submission)

Date 12/09/2019

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By

Title

Date

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

Title 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.

(Instructions on page 2)

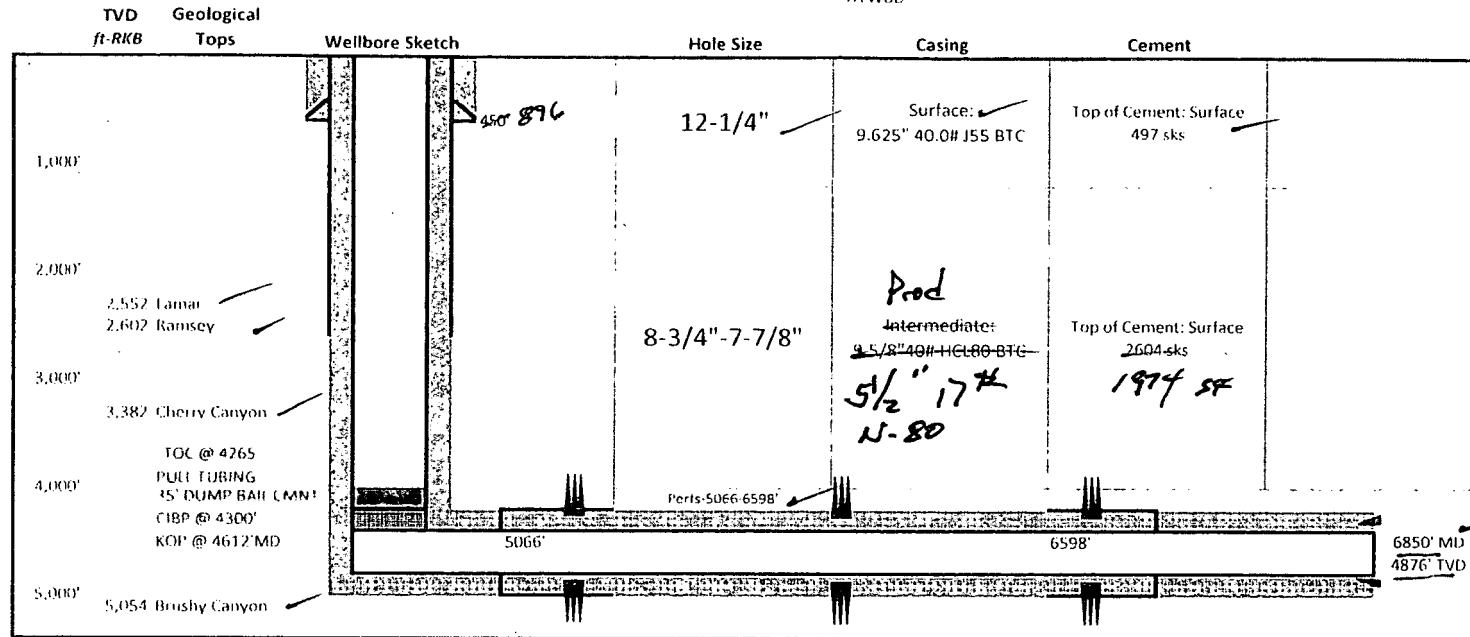
\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

JL

# Salt Draw 11 Federal 1

API # 30-015-34436

TA WBD



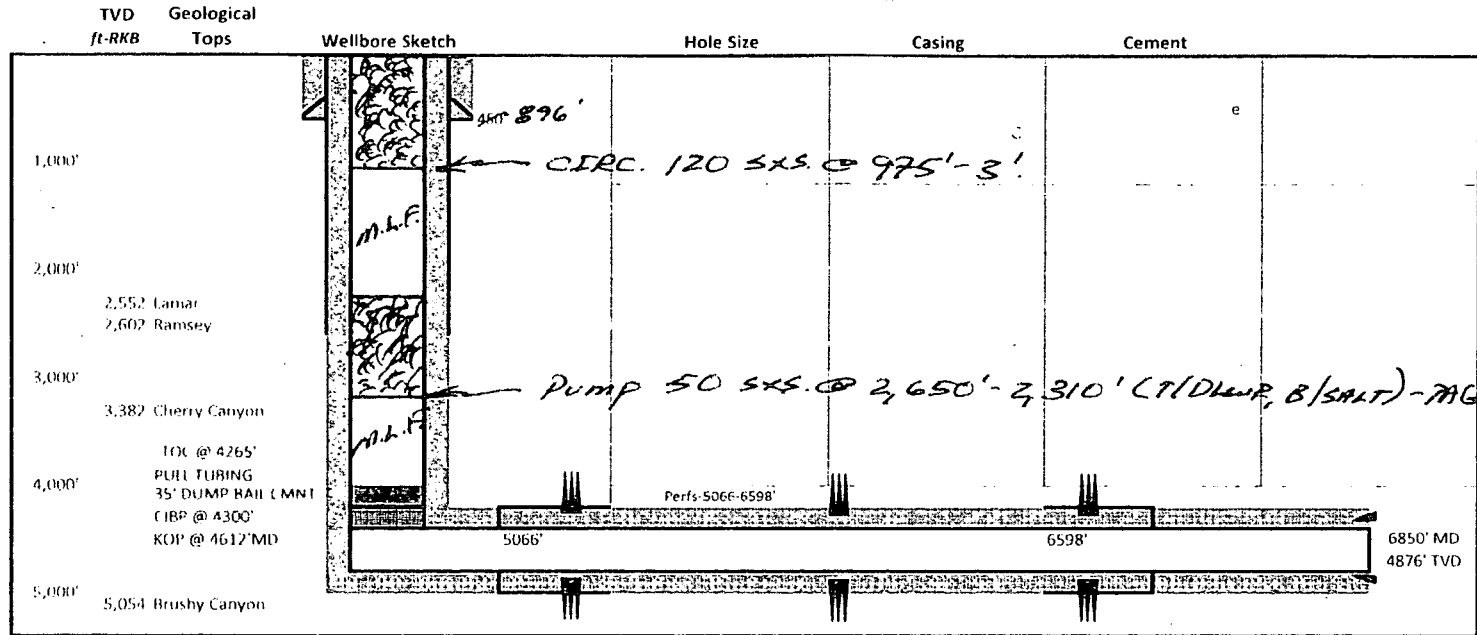
1<sup>st</sup> stage 480 sk Circ. 115 sk

2<sup>nd</sup> stage 1494 sk Circ. 161 sk

# Salt Draw 11 Federal 1

API # 30-015-34436

TA WRD



T/SALT ~ 925'  
B/SALT ~ 2,360'  
T/DLWR ~ 2,600'

DAE 12/04/19

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 ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> 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. Notification: 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. Blowout Preventers. 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. Mud Requirement. 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. Cement Requirement. 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 15 sacks of cement. If a barrier is used to cap this plug, 15 feet of cement shall be sufficient. Before pumping or balling 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. Dry Hole Marker: 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 10<sup>th</sup> 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. Subsequent Plugging Reporting: 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. Trash. 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.