OCD-ARTESIA

Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
OM B No 1004-0137
Expires March 31, 2007

BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS				5 Lease Senal No NM 025527-A			
							Do not use this form for proposals to drill or to re-enter an abandoned well: Use Form 3160-3 (APD) for such proposals.
SUBMIT IN TRIPLICATE- Other instructions on reverse side.					7 If Unit or CA/Agreement, Name and/or No		
I. Type of Well ☐ ☐ Gas Well ☐ Other					8 Well Name	and No.	
2 Name of Operator Alamo Permian Resources, LLC OGRID #274841					Berry & Federal #27 9. API Well No		
3a Address 3b Phone No. (include area code) 415 W. Wall Street, Suite 500, Midland, TX 79701 432-897-0673					30-015-00	Pool, or Exploratory Area	
4 Location of Well (Footage, Sec.,	T, R., M., or Survey Descript	ton)				KE; Queen-Grayburg-SA	
1650' FNL & 990' FWL, Unit E Sec 24, T-17S, R-27E					11 County or Parish, State Eddy, NM		
12. CHECK AI	PPROPRIATE BOX(ES)) TO INDICATE	NATURE C	OF NOTICE, RI	EPORT, OR C	OTHER DATA	
TYPE OF SUBMISSION			ТҮРЕ О	F ACTION		•	
✓ Notice of Intent Subsequent Report Final Abandonment Notice	Acidize Alter Casing Casing Repair Change Plans Convert to Injection	Deepen Fracture Tr New Const Plug and A Plug Back	ruction _	Production (Star Reclamation Recomplete Temporanly Aba Water Disposal		Water Shut-Off Well Integrity Other	
testing has been completed. Fir determined that the site is ready Records indicate that this the surface); and Queen gath. Rig up plugging contract	nal Abandonment Notices shat for final inspection) well has 5-1/2" surface ca as completion perforation tor.	all be filed only after a sing set at 404' (ce	ll requirements	, including reclama	tion, have been c	Form 3160-4 shall be filed once ompleted, and the operator has sing set at 1,200' (cemented to RECEIVED	
2. Trip in hole with tubing 3. Pull out of hole with tub 4. WOC and tag top of cen 5. Top off cement to surfac 6. Cut off wellhead and ver 7. Install P&A Marker. 8. Clean and restore location	ing while filling 3-1/2" can nent. se. rify cement to surface in a					AUG 2 9 2011 NMOCD ARTESIA	
					SEE AT	TACHED FOR	
NOTE: Notify BLM prior	to rig up. RE	CLAMATION PR ATTACHE	OCEDURE D			TONS OF APPROVAL	
14 Thereby certify that the foreg Name (Printed/Typed)	going is true and correct						
Tyler Woodruff			Title Senior	Landman			
Signature	1	-	Date	08	/19/2011		
	THIS SPACE FO	R FEDERAL	OR STAT	E OFFICE I	JSĘ	N. C4	
Approved by Conditions of approval, if any, are a certify that the applicant holds legal which would entitle the applicant to Title I& U.S.C. Section 1001 and Title	or equitable title to those rig conduct operations thereon. 43 U.S.C. Section 1212 make	thts in the subject lease	Office	SEPS.		partment or agency of the United	
States any false, fictitious or fraudule	ent statements or representat	ions as to any matter	within its juris	diction		-F	

(Instructions on page 2)

A1 8/31/2011

Accepted for record NMOCD

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment, data on any former or

present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2 48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., Washington D.C. 20240

ALAMO PERMIAN RESOURCES, LLC WELLBORE DIAGRAM ---- PRIOR TO P&A

Lease/Well No.: **BERRY FEDERAL No. 27 ELEVATION, GL:** 3,484 ft Location: 1,650' FNL & 990' FWL UL: E, SEC: 24, T: 17-S, R: 27-E FIELD: RED LAKE; QN-GB-SA EDDY County, NM <u>Original</u> Re-Entry Spudded: 11/26/55 07/14/74 LEASE No.: LC 025527-A API No.: Drlg Stopped: 07/21/74 30-015-00483 04/01/56 Completed: 08/05/74 CABLE & ROTARY TOOLS LAT: LONG: TOC = Surface 7-3/4" HOLE **TOPS** DEPTH, ft **SALT** Original Circulated **YATES** 420-465' Surface Csg: 404' 5-1/2" 14# J-55 SEVEN RIVERS Csg Set @ 404' **BOWERS** QUEEN Cmt'd w/ 150 sx 1140-1164' **GRAYBURG** SAN ANDRES TOC = Surface Calculated > 200% SF 4-3/4" HOLE Re-Entry Production Csg: 3-1/2" 9.6# 1148 - 1164' **PENROSE** 1 spf - 18 perfs (8/05/74) Csg Set @ 1,200' Cmt'd w/ 150 sx 1,200' Csg Set 1,200' TD

Well was originally drilled w/cable tools to 428' in 1955 & completed as openhole 7 Rivers: 404-428'; frac'd w/4,000 gelled oil + 8,000# sand; IP = 1 BOPD (4/01/56). Well was P&A'd in Nov 1965 - Set 35 sx cmt plug 340-428', plug @ top & marker. Well was re-entered & deepened w/rotary tools in 1974 to 1200' & completed as a Penrose (QN) gas well (1148-1164') w/3-1/2" tbg set as csg to 1200'. Treated with 1000 gal HCl & frac'd w/40,000 gal gel + 40,000# sand; IP = 410 MCFD (8/24/74). Well was connected to Southern Union Gas Co P/L - 8/30/74.

HPS: 08/15/2011

ALAMO PERMIAN RESOURCES, LLC WELLBORE DIAGRAM ---- PROPOSED P&A PLAN

Lease/Well No.: BERRY FEDERAL No. 27 ELEVATION, GL: 3,484 ft 1,650' FNL & 990' FWL Location: UL: E, SEC: 24, T: 17-S, R: 27-E FIELD: RED LAKE; QN-GB-SA EDDY County, NM Re-Entry <u>Original</u> LEASE No.: LC 025527-A Spudded: 11/26/55 07/14/74 API No.: 30-015-00483 Drlg Stopped: 07/21/74 04/01/56 Completed: 08/05/74 **CABLE & ROTARY TOOLS** LAT: LONG: 7-3/4" HOLE TOC = Surface **TOPS** DEPTH, ft Circulated **SALT** Original Surface Csg: YATES 420-465 5-1/2" 14# J-55 404 **SEVEN RIVERS** Csg Set @ 404' **BOWERS** Cmt'd w/ 150 sx QUEEN 1140-1164' TOC = Surface for 3-1/2" Csg Calculated > 200% SF 4-3/4" HOLE RECORDS INDICATE 3-1/2" CASING CEMENTED FROM 1,200' TO SURFACE. CEMENT PLUG #1 = 60 sx CEMENT FILL 3-1/2" CASING FROM 1,200' TO SURFACE WITH CEMENT. TAG & TOP OUT IF NECESSARY. SET SURFACE P&A MARKER. Re-Entry Production Csg: 3-1/2" 9.6# 1148 - 1164' **PENROSE** 1 spf - 18 perfs (8/05/74) Csg Set @ 1,200' Cmt'd w/ 150 sx 1,200' Csg Set 1,200' TD

Well was originally drilled w/cable tools to 428' in 1955 & completed as openhole 7 Rivers: 404-428'; frac'd w/4,000 gelled oil + 8,000# sand; IP = 1 BOPD (4/01/56). Well was P&A'd in Nov 1965 - Set 35 sx cmt plug 340-428', plug @ top & marker. Well was re-entered & deepened w/rotary tools in 1974 to 1200' & completed as a Penrose (QN) gas well (1148-1164') w/3-1/2" tbg set as csg to 1200'. Treated with 1000 gal HCl & frac'd w/40,000 gal gel + 40,000# sand; IP = 410 MCFD (8/24/74). Well was connected to Southern Union Gas Co P/L - 8/30/74.

HPS: 08/15/2011

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. 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 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 procedure.

J. Amos 3/6/11



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 Environmental Protection Specialist 575-234-5909, 575-361-2648 (Cell)

Terry Gregston Environmental Protection Specialist 575-234-5958

Bobby Ballard Environmental Protection Specialist 575-234-2230

Randy Rust Environmental Protection Specialist 575-234-5943

Linda Denniston Environmental Protection Specialist 575-234-5974

Jennifer Van Curen Environmental Protection Specialist 575-234-5905

Justin Frye Environmental Protection Specialist 575-234-5922 Cody Layton Natural Resource Specialist 575-234-5959

Trishia Bad Bear Natural Resource Specialist 575-393-3612

Todd Suter Surface Protection Specialist 575-234-5987

Doug Hoag Civil Engineering Technician 575-234-5979