

**NM OIL CONSERVATION**  
 For August 2013  
 ARTESIA DISTRICT  
**AUG 19 2014**

ARTESIA DISTRICT  
 OCD Artesia  
**AUG 19 2014**

UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT

**RECEIVED**

FORM APPROVED  
 OMB NO. 1004-0135  
 Expires: July 31, 2010

**RECEIVED DNDRY 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.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

|  |   |  |
|--|---|--|
| 1. Type of Well<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other |   | 5. Lease Serial No.<br>NMLC054988B                     |
| 2. Name of Operator<br>COG OPERATING LLC<br>Contact: DAVID A EYLER<br>E-Mail: DEYLER@MILAGRO-RES.COM                             |   | 6. If Indian, Allottee or Tribe Name                   |
| 3a. Address<br>600 W. ILLINOIS AVE.<br>MIDLAND, TX 79701   | 3b. Phone No. (include area code)<br>Ph: 432-687-3033 | 7. If Unit or CA/Agreement, Name and/or No.            |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>Sec 20 T17S R30E Mer NMP SENW 1650FNL 1650FWL          |   | 8. Well Name and No.<br>JENKINS B FEDERAL 004          |
|  |   | 9. API Well No.<br>30-015-04231                        |
|  |   | 10. Field and Pool, or Exploratory<br>GRAYBURG-JACKSON |
|  |   | 11. County or Parish, and State<br>EDDY COUNTY, NM     |

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

| TYPE OF SUBMISSION                                   | TYPE OF ACTION                                |  |  |   |
|--|---|--|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen                      | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report           | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat              | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice    | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction            | <input type="checkbox"/> Recomplete                | <input type="checkbox"/> Other          |
|  | <input type="checkbox"/> Change Plans         | <input checked="" type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       |   |
|  | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back                   | <input type="checkbox"/> Water Disposal            |   |

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 recomplete 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall 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 4-1/2" CIBP + CMT. @ +/-4,185'; PUMP 30 SXS.CMT. @ 4,185'-3,946' (4-1/2" DY TOOL); CIRC. WELL W/ PXA MUD.
- 2) PUMP 65 SXS.CMT. @ 3,305'-2,795'(ORG. O/H COMPL., 7"CSG.SHOE); WOC X TAG.
- 3) PUMP 25 SXS.CMT. @ 2,105'-1,985'(B/ANHY.); WOC X TAG CMT. PLUG.
- 4) PERF. X ATTEMPT TO SQZ.50 SXS.CMT. @ 1,000'-890'(B/SALT); WOC X TAG.
- 5) PERF. X ATTEMPT TO SQZ.50 SXS.CMT. @ 590'-455'(T/SALT.ANHY.8-5/8"CSG.SHOE);TAG.
- 6) PERF. X CIRC. TO SURF., FILLING ALL ANNULI, 40 SXS.CMT. @ 100'-3'.
- 7) DIG OUT X CUT OFF WELLHEAD 3' B.G.L.; WELD ON STEEL PLATE TO CSGS. X INSTALL GROUND LEVEL 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.

*APC Habitat Requires Ground Level Dry Hole Marker.*

**SEE ATTACHED FOR  
 CONDITIONS OF APPROVAL**

*(Deep penetrating shots)*

**RECLAMATION  
 PLAN**

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

|  |                 |  |
|--|-----------------|--|
| Electronic Submission #244955 verified by the BLM Well Information System<br>For COG OPERATING LLC, sent to the Carlsbad<br>Committed to AFMSS for processing by LINDA DENNISTON on 05/13/2014 ( ) |                 | <b>RECLAMATION PROCEDURE<br/>         ATTACHED</b> |
| Name (Printed/Typed) DAVID A EYLER   | Title AGENT     |  |
| Signature (Electronic Submission)  | Date 05/08/2014 | Accepted for record<br><i>8-19-14 NMOCD JH</i>     |

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

|   |                   |                     |
|---|-------------------|---------------------|
| Approved By <i>James A. Amos</i>  | Title <i>SPET</i> | Date <i>8-12-14</i> |
| 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 <i>CFD</i>   |

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.

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

COG Operating LLC

Lease & Well #

Jenkins B Federal #4

Spudded 5/18/1937

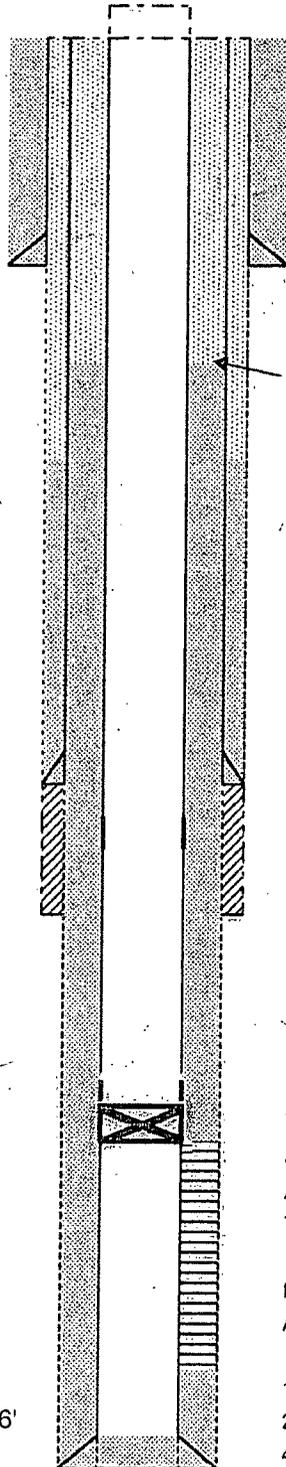
Sec 20 4, 17S, 30E, Eddy Co, NM

API# 3001504231

*U/L F*

Elevation -3640'

KB -



*TOC ?*

8 5/8" 32# @ 506', cmt w 50 sx

*T/Salt 503*

*B/Salt 945*

Top of cmt @ 1624' fs, heavy mud to surface.

*TOC ?*

*24#*

7" 20# csg @ 2843', cmt w/100 sx

GB/SA

Completed in Open Hole, 2843 - 3253'

Acidized 1000 gal 15% HCL, fraced w/10,000 gal LG, 250 sx sd

Now behind pipe.

Marker jt 2999'

*Csg Issues: 2700' - 4100'*

*GL 4194*

*Yeso 4273*

DV tool @ 3996'

CIBP @ 4225' w/ 40' of CMT

Top of CMT 4185'

Yeso

4286 - 4637, 1 spf, 25 holes

Acidized w/2000 gal 15% HCL

Treated w/32,000 gal 20% HCL, 54,000 gal LG, 5000 gal 15% HCL

Reperforated 4307- 4519, 15 holes

Acidized w/4,000 gal 15% HCL, balls, PPI

PBTD - 4776'

1st stage cmt: 100 sx 50/50/2 .5% FL25, 5#slt, circ ? sx.

2nd stage cmt: 250 sx 50/50 .5% fl-25, 5# slt, TOC @ 1624'

4 1/2" 11.6# csg @ 4788'.

COG Operating LLC

Lease & Well #

Jenkins B Federal #4

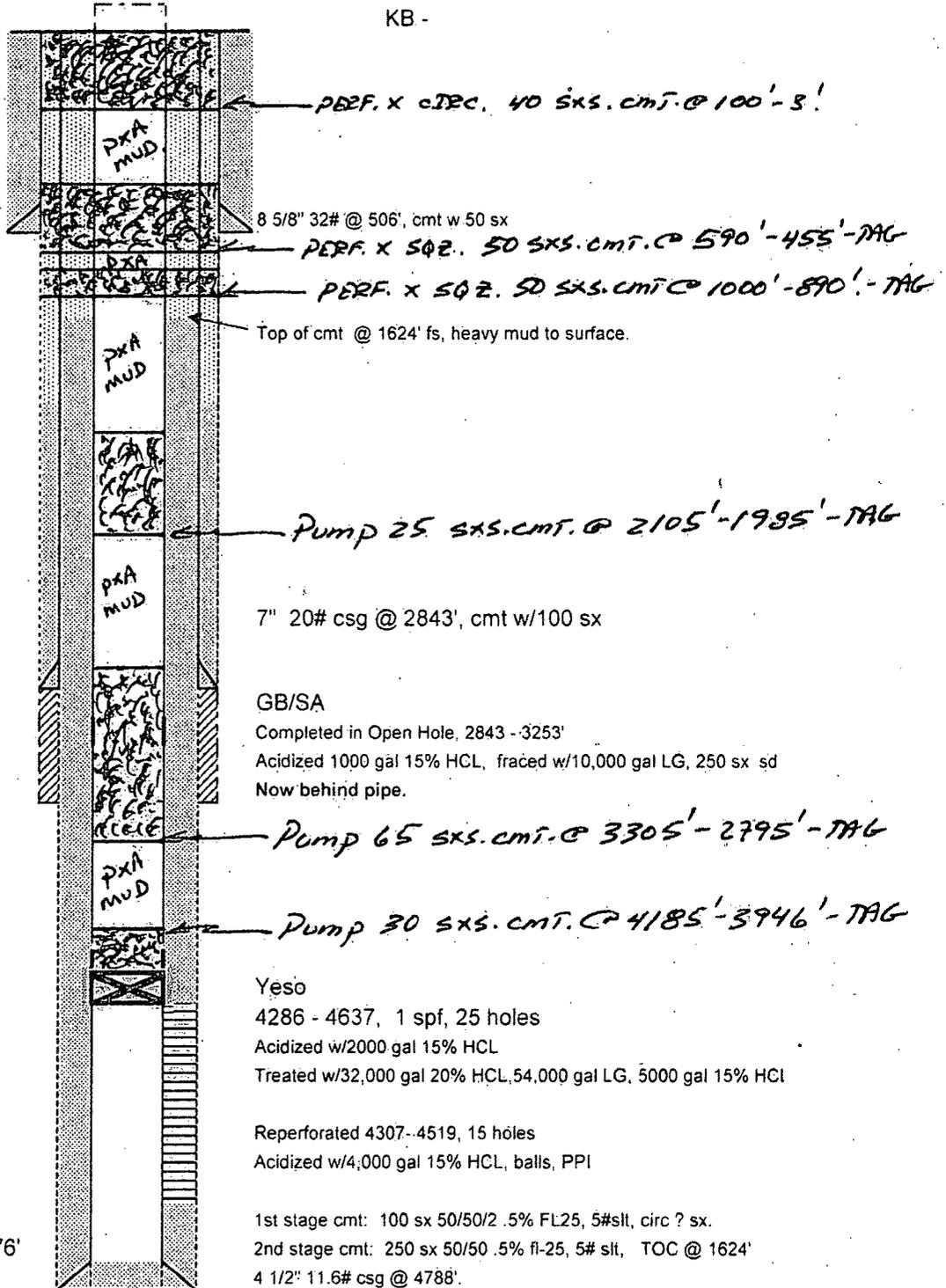
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Elevation -3640'

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Marker jt 2999'

DV tool @ 3996'  
CIBP @ 4225' w/ 40' of CMT  
Top of CMT 4185'

PBTD - 4776'

DAE 05/08/14  
SH

**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.**

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 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 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. In lieu of a cement plug in a cased hole, 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.

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 well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. 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 five 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 conditions of approval will be developed and furnished to you.

## Requirements for ground level dry hole markers

### Well Identification Markers

#### Conditions of Approval (COA)

The BLM Carlsbad Field Office (CFO) Conditions of Approval (COA) Requires that ground level dry hole markers be placed on well within the Lesser Prairie Chicken habitat area. The dry hole markers will be to the following specifications. The operator will construct the markers as follows:

1. An 8 inch X 8 inch steel plate 1/8 to 3/16 of an inch thick is to be placed on the old dry hole marker stand pipe 2 inches from ground level, in the Lesser Prairie Chicken habitat area.
2. Steel plate may be welded or bolted approximately 2 inches from ground level on the stand pipes. If plates are bolted to the stand pipe, the person installing the plate will be required to weld a pipe collar on the plate and place a minimum of two set screws/bolt on each collar. Aluminum data plates may be bolted with minimum 1/4 inch bolt and locking nuts or self tapping fine threaded screws. A minimum of one in each corner is to be installed on each plate.
3. An 8 inch x 8 inch aluminum plate, which is 12 gauge or .080 sign material (1/8 inch aluminum plate may be used in place of the .080 plate) with the required information for that well stamped or engraved in a minimum 3/8 inch tall letter or number.
4. The following information will be stamped or engraved on the 8 inch X 8 inch aluminum plate in the following order.
  - a. First row: Operators name
  - b. Second row: Well name and number
  - c. Third row: Legal location to include 1/4 1/4, Section, Township, and range. If the legal location cannot be placed on one row it can be split into two rows with the 1/4 1/4 (example: 1980 FNL 1980 FWL) being on the top row.
  - d. Fourth row: Lease Number and API number.
    - i. Example marker plate: (attached)

NMOCD Order No. R-12965 also required 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 ground level dry hole marker was installed as required in the COA's from the BLM.



# 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 pre-disturbance 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, re-distribute 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.

1. 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)

Cody Layton  
Supervisory Multi Resources  
575-234-5959

Solomon Hughes  
Natural Resource Specialist  
575-234-5951

Trishia Bad Bear  
Natural Resource Specialist  
575-393-3612

Jeffery Robertson  
Natural Resource Specialist  
575-234-2230

Amanda Lynch  
Natural Resource Specialist  
575-234-5922

Duncan Whitlock  
Environmental Protection Specialist  
575-234-5926

Jessie Rice  
Natural Resource Specialist  
575-234-5913

Linda Denniston  
Environmental Protection Specialist  
575-234-5974

Indra Dahal  
Natural Resource Specialist  
575-234-5996