

UNITED STATES **OCB Artesia**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator **JKM Energy LLC**

3a. Address **26 E Compress Road Artesia, NM
88210**

3b. Phone No. (include area code)
575-748-2854

4. Location of Well (*Footage, Sec. T, R, M, or Survey Description*)
**898' FSL and 195' FEL
Section 5 T19S, R24E**

5. Lease Serial No.
NM 103591

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Deliah Federal #1

9. API Well No.
30-015-37344

10. Field and Pool, or Exploratory Area

11. County or Parish, State
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 checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input 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 must 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 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) MOVE IN WELL SERVICE UNIT AND PULL OUT OF HOLE WITH PRODUCTION EQUIPMENT
- 2) TRIP IN HOLE WITH PACKER AND SET BELOW CURRENT PERFORATIONS IN CISCO CANYON FROM 6328' TO 7024 TO TEST CASING BELOW PERFS
- 3) IF TEST IS SUCCESSFUL, MOVE PACKER TO 6100' AND SET.
- 4) SQUEEZE OFF CISCO PERFS WITH 200 SX OF CLASS "C" CEMENT
- 5) AFTER WOC (12 HOURS), PICK UP A 4 3/4" BIT AND DRILL COLLARS, DRILL OUT CEMENT, TEST CASING.
- 6) DRILL OUT CIBP AT 8168' AND 8398'
- 7) TRIP OUT OF HOLE LAYING DOWN DRILL EQUIPMENT
- 8) TRIP IN HOLE WITH PRODUCTION PACKER AND SET BETWEEN ATOKE AND MORROW PERFORATION AND RETURN TO PRODUCTION

DTC Request for Deal completion see CCAs

SUBJECT TO LIKE APPROVAL BY STATE

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct
Name (*Printed/Typed*)

JACK MATTHEWS

Title **OWNER/OPERATOR**

Signature

Jack Matthews

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Title

ENG

Date

1/24/17

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

(FC)

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)

submit C/O 2 to OCT

NM OIL CONSERVATION

ARTESIA DISTRICT

FEB 06 2017

R.P. 2-13-17.

RECEIVED

Deliah #1

(Proposed Cisco Completion)

898' FSL and 1952' FEL
 Section 5, T-19-S, R24E
 Eddy County, NM

Drilled: 11/23/2009
 API: 30-015-37344
 GL: 3782'

Casing Depth: 380'
 Casing Specs: 13 3/8", 48#, J-55
 Hole - 17.5"
 Cement: TOC - Surface, circulated

IMPORTANT DATES AND INFO:

Tubing Information:
 2 7/8", N-80, 6.5# tbg, with
 Arrowset Packer @ 6200'

Casing Depth: 1400'
 Casing Specs: 8 5/8", J-55
 Hole - 12 1/4"
 Cement: TOC - surface, circulated

PROPOSED PERFS:

DEPTH FORMATION

6328-32, 6344-8, 6354-6, Cisco
 6360-4, 6498-6510, 7011-24

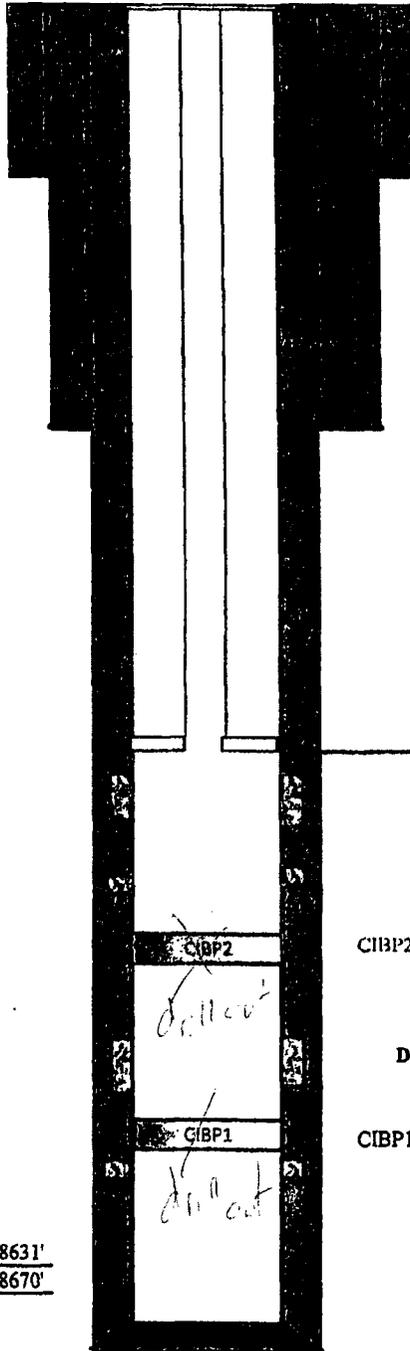
propose to sqc

DEPTH FORMATION

8218-28, 8248-51, 8259-64, Atoka
 8311-14 (4 SPF)

8428-44 (4 SPF) Morrow

PBTD: 8631'
 TD: 8670'



Packer Set: 6200'

CIBP2: 8168'

Casing Depth: 8670'
 Casing Specs: 5 1/2", 17#, N-80
 Downhole Equipment: DV Tool @ 5000'
 Cement: TOC - Surface, Circulated

CIBP1: 8398'

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

Permanent Abandonment of Production Zone 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.

Provide fixed production allocation for Atoka and Morrow prior to DHC.

1. Plugging operations shall commence within **ninety (90)** days from this approval.

If you are unable to plug back 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 back. 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 plug back operations. For wells in Eddy County, call 575-361-2822. For wells in 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 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.**

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. **Subsequent Plug back Reporting:** Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back 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 work was completed and supply current wellbore diagram.**

7. Within 30 days after plug back work is completed, file one original and three copies of the Completion Report, Form 3160-4 for to reflect current completed formations.

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.