Form 3160-5 (June 2015)

ARLSBAD FIELD OFFICE OIL CONSERVATION

NITED STATES DEPARTMENT OF THE INTERIOR DEPARTMENT OF LAND MANAGEMENT DEC.

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

SUNDRY NOTICES AND REPORTS ON WELLS 100 Perial Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such-proposals.

Lease Serial No. NMLC009627A- LC 0543288 5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

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SUBMIT IN 1	7. If Unit or CA/Agr	eement, Name and/or No.			
1. Type of Well ☐ Oil Well ☐ Gas Well ☒ Other: INJECTION			8. Well Name and No. HUDSON FEDERAL 001		
Name of Operator BOPCO LP	Contact: E-Mail: tjcherry@b	TRACIE J CHERRY passpet.com	9. API Well No. 30-015-21052		
3a. Address P O BOX 2760 MIDLAND, TX 7970 2		3b. Phone No. (include area code) Ph: 432-683-2277		10. Field and Pool or Exploratory Area DELAWARE; SWD	
4. Location of Well (Footage, Sec., T.	., R., M., or Survey Description)	11. County or Parish	11. County or Parish, State	
Sec 1 T23S R30E Mer NMP S	SENW 1830FNL 1980FW	L	EDDY COUNT	EDDY COUNTY, NM	
6401 Holiday Hill	Rd Bldg 5 Si	nite 200		,	
			F NOTICE, REPORT, OR OT	THER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION				
57 Nation of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off	
☑ Notice of Intent	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity	
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other	
☐ Final Abandonment Notice	Change Plans	Plug and Abandon	□ Temporarily Abandon		
	☐ Convert to Injection	☐ Plug Back	□ Water Disposal		
well. 1. MIRU plugging company. N tubing and packer. Follow. 2. PU 7 5/8" CIBP for 26.4# Comt on top of CIBP. (Perf, T/L) 3. PUH to ~3,490?, spot 9.5#	Y COA proced asing, RILL to 3,990? and Del B(Salt plugs)	ure for approved	OOH and lay down IPC Labandonment. 100 sxs Class C 3-17 SEE ATT	ROVED ACHED FOR	
4. PUH to 549?,spot 22 s xs C			CONDITIONS	S OF APPROVAL	
14. I hereby certify that the foregoing is	# Electronic Submission For I	#394337 verified by the BLM We BOPCO LP, sent to the Carlsba of for processing by JAMES AMO	Il Information System APP	JECT TO LIKE ROVAL BY STATI	
Name (Printed/Typed) TRACIE J	CHERRY	Title REGUL	ATORY ANALYST		
Signature (Electronic S	Submission)	Date 11/07/2	017		
	THIS SPACE FO	OR FEDERAL OR STATE	OFFICE USE		
Approved By Paul K	Swark 14	129/17 Title TF	ZET	Date	
certify that the applicant holds legal or eq	uitable title to those rights in th	s not warrant or le subject lease Office	BUREAU OF LAN CARLSBAD F		
Approved By Conditions of approval, if any, are attache certify that the applicant holds legal or equilibrium would entitle the applicant to conduct the second of the se	uitable title to those rights in th uct operations thereon. U.S.C. Section 1212, make it a	s not warrant or le subject lease Office a crime for any person knowingly and		D MANAGEMENT IELD OFFIC E	

(Instructions on page 2)

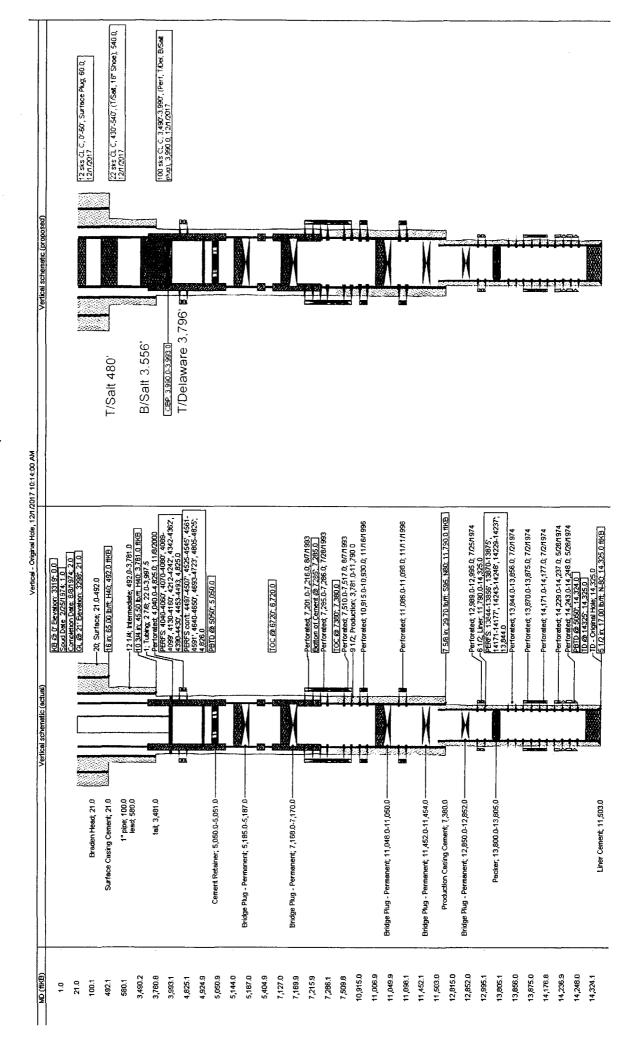
** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Anesded 12-4-17

Additional data for EC transaction #394337 that would not fit on the form

- 32. Additional remarks, continued
- 5. PUH to 60', spet 12-sxs-Glass-C cmt 60' to surface. Verify to surface (Surface plug).
- 6. ND BOP and cut off wellhead 5? below surface. RDMO equipment. Set P&A marker

Hudson Federal 1H Current and Proposed WBD's



Operator: BOPCO LP Well: HUDSON FEDERAL-1 Surface Lease: NM0543280a BHL: NM0543280a API: 3001521052 @ Srfce: T23S-R30E,01.1830n1980w Case No: NM0543280a Unit Agreement @ M TD: T23S-R30E,01.1830n1980w Subsurface Concerns for Casing Designs: R111P HiCvKst w Well Status: NOI-Abd KB: 3318 Estate: F\F\F Spud date: 2/24/1974 GL: 3298 CWDW, R of W: OCD Admn Order, date: SWD-788, 09/01/2000 Corr: 20 Plug'd Date: Frmtn, Depths, psig: Delaware, 4040-4825, 808psi Reentry Date: 07/26/93 492, 20"hole, 16"65# H40 ST&C csg, Mix 650sx circ 150sx 2/27/1974 580' (no tag) 1" w/350sx, then pmp'd 300sx down braden head ???? TOC 3560 TOC CBL (3700 GIS 8 Salt) 3/9/1974 3781, 12.25"hole, 10.75" 45.5# K55 ST&C csg, Mix 1300sx circ 0sx (3,796 Delaware) 01/2001 <4060-4825> 01/2001 <4060-4825> <5100 Sqzd w/430sx 01/2001>| 01/2001 ,200 CIBP w/35'cmt cap 🕟 🗻 01/2001 1,1/0 CIBF w/35'cmt cap 8/1993 |<7201-7517>| Sqz'd w/600sx 10/25/19997 12/28/2000 MIT held 340psig 15m 10/21/2005 MIT 340psig held 30m (7,676 Bone Spring) 🛩 01/06/2010 MIT 520psig held 30m 10/21/2015 MIT held 540-530psig 30m (IBBC 81534 95x end TOC 8478 * D3 8 250 01/2001 10,900 CIBP w/35'cmt cap 11/1996 <10,915-30 > ----(10,988 Wolfcamp) 🛩 12.27.96 PSTO 01/2001 11,050 CIBP W/35 cmt cap 11/1996 11,452 CIBP w/35' cmt cap 08/1993 11,503 TOL - test to 1750psig - CBL ran 05/14/1974 drilled out 500ft cmt on top of liner, liner CBL of 05/14/1974 - "good bonding" 4/3/1974 11800, 9.5"hole, 7.625" 29.7# N80 LT&C csg, Mix 600sx circ 0sx (12,802 Atoka) 12,815 CIBP 08/1993 07/24/1974 <12,989-95> (13,724 Morrow) 13,800 PBTD (OTIS plug in pkr) 07/24/1974 X 07/01/1974 <13,844-75> TA 07/01/1974 <14,171-77> 🗸 05/27 & 06/16/1974 <14,229-48> 14325, 6.5" hole, 5.5" 17# N80 FL-4S csg, Mix sx circ 300' cmt above liner // _WB Rcd (5.93 HudsonFedCom-1 1521052 5/11/1974 last updated: 11/28/2017

Conditions of Approval

BOPCO LP Hudson - 01, API 3001521052 T23S-R30E, Sec 01, 1830FNL & 1980FWL November 29, 2017

- 1. Within 90 days of these conditions of approval for the processed Electronic Submission #394337 notice of intent begin wellbore operations or request an extension.
- 2. Operator is required to have the BLM approved NOI procedure with applicable conditions of approval on location during this workover operation
- 3. Subject to like approval by the New Mexico Oil Conservation Division.
- 4. <u>Notify 575-361-2822 Eddy Co as work begins.</u> If there is no response leave a voice mail with the API#, workover purpose, and a call back phone number.
- 5. Surface disturbance beyond the existing pad must have prior approval.
- 6. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
- 7. Functional H₂S monitoring equipment shall be on location.
- 8. Blow Out Prevention Equipment 5000 (5M) to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels or automatic locking devices) equipment installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) employed when needed for reasonable well control requirements.
- 9. Created operation waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during any other crew-intensive operations.
- 10. The BLM PET is to run the tally and agree to cement volumes and placement. Sample each plug for cement curing time and tag and/or pressure test as requested by BLM PET witness.
- 11. Cementing procedure is subject to the next three numbered paragraphs.
- 12. Mix cement plugs to cover a minimum of 100ft plus 10ft for every 1,000ft to the bottom of the plug, rounding the number of necessary sacks up to the nearest 5 sacks. Never use less than 25sx. Examples: A cement plug set at 8000 in 7" casing would require a min of 35sx. A 25sx plug in 5 ½" casing should cover 250ft, which may exceed 100ft plus 10ft per 1000ft.
- 13. Class H > 7500ft & C < 7500ft) neat cement plugs(s) will be necessary. For any plug that requires a tag or pressure test a minimum WOC time of 4 hours(C) & 8 hours(H) is recommended. Isolation plugs of Class "C" neat cement to be mixed 14.8#/gal, 1.32 ft³/sx, 6.3gal/sx water and Class "H" neat cement to be mixed 16.4#/gal, 1.06ft³/sx, 4.3gal/sx water.
- 14. Minimum requirement for mud placed between plugs is 25 sacks of saltwater gel per 100 barrels in 9 lb/gal brine.

- 15. RIH removing well plugs and tag the 13,800' Otis Pkr w/plug inserted. Set a min 30sx balanced "H" cmt plug on this Pkr (set within 100' of the top perf 13844'). WOC, and tag the plug with tbg at 13540' or above and over the Morrow formation top of 13724'.
- 16. Set a 5 ½" CIBP within 100' of the top Atoka perf 12989'. Set a min 30sx balanced "H" cmt plug on the CIBP. WOC, and tag the plug with tbg at 12650' or above and over the 12802' Atoka formation top.
- 17. Set a min 30sx balanced "H" cmt plug in the $5\frac{1}{2}$ " csg from 11875' or below across the intermediate 7 5/8" shoe. WOC, and tag the plug with tbg at 11660' or above.
- 18. Set a 7 5/8" CIBP within 100' of the top Wolfcamp perf 11086'. Set a min 50sx balanced "C" cmt plug on the CIBP. WOC, and tag the plug with tbg at 10850' or above and over the 10988' Wolfcamp formation top.
- 19. Set a-min-50sx balanced "H" cmt plug in the 7 5/8" csg from 7750 or below across the 7676' Bone Spring formation top. WOC, and tag the plug with tbg at 7550' or above.
- 20. Set a 7 5/8" CIBP within 100' of the top Delaware perf 4060'. Set a min 70sx balanced "C" cmt plug on the CIBP. WOC, and tag the plug with tbg at 3640' or above and over the 3796' Delaware formation top, the 10 3/4" intermediate shoe of 3781', and 3700' Base of Salt.
- 21. The well is located near the Waste Isolation Project, within High Cave Karst and Secretary Potash R-111-P areas and requires a solid cement plug across the salt formation.
- 22. Cut and pull the 7 5/8" intermediate csg as deep as possible (3560' CBL TOC reported).
- 23. Pressure test the 10 3/4" csg to 300psig and evaluate its condition. Locate the leak(s) should injection rate above 1/2bpm be found and consider a cmt sqz.
- 24. Conduct a CBL of the 10 34" csg and evaluate the condition of cement behind 10 34" csg See Below across the salt formation.
 - across the salt formation.

 25. Set a solid Class "C" cmt slurry (about 1330sx) in the 10 ¾" csg from the tag of the cmt plug set on the last 7 5/8" CIBP. WOC, and tag the plug with tbg at 430' or above.
 - 26. Perf at 60' or below. Establish circulation through the $10 \frac{3}{4}$ " x 16" annulus. Fill with (±20sx) balanced "C" cmt plug and verify the $10 \frac{3}{4}$ " x 16" annulus and $10 \frac{3}{4}$ " csg from 60' cemented to surface.
 - 27. File **subsequent sundry** Form 3160-**5** within 30 days of workover procedures. Include (dated daily) descriptions of the well work, i.e. procedure descriptions and setting depths of each plug in the subsequent sundry.

19. Change: Perf @ 7726; Soz Class H Cmt to 7546 woc Tag.

24. It CBL indicates No Cont Behind 103/4 CSg. Pert and Squeezer no: 11 be required to assure all annulus cemented.

12.4-17

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See Below ALS

Reclamation Objectives and Procedures

In Reply Refer To: 1310

Reclamation Objective: 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 needed. This will apply to well pads, facilities, and access roads. Barricade all access road(s) at the starting point. If reserve pits have not been adequately reclaimed due to salts or other contaminants, propose a plan for BLM approval to provide restoration of the pit area.

- 1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations should have included 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 locations and/or access roads not having an approved plan, or an inadequate plan for surface reclamation the operator must submit a proposal describing the procedures for reclamation. The appropriate time for submittal would be when filing the Notice of Intent, or with the Subsequent Sundry Report of Abandonment on Form 3160-5. The final reclamation goal is to be completed within 6 months of wellbore abandonment.
- 3. With 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 may 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.
- 4. Upon reclamation conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a BLM specialist to inspect the location to verify work was completed as per approved plans.
- 5. The BLM approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been tentatively reestablished. If the objectives have not been met BLM will be notify the operator of the required corrective actions.
- 6. It is the responsibility of the operator to monitor these locations and/or access roads until such time the full 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 full 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 a BLM specialist will again 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 for 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)

Trishia Bad Bear Natural Resource Specialist 575-393-3612, 575-390-2258 (Cell)

Jesse Bassett Natural Resource Specialist 575-234-5913, 575-499-5114 (Cell)

Paul Murphy Natural Resource Specialist 757-234-5975, 575-885-9264 (Cell)

Henryetta Price Environmental Protection Specialist 575-234-5951, 575-706-2780 (Cell) Robertson, Jeffery Natural Resource Specialist 575-234-2230, 575-706-1920 (Cell)

Vance Wolf Natural Resource Specialist 575-234-5979

Brooke Wilson Natural Resource Specialist 575-234-6237

Arthur Arias Environmental Protection Specialist 575-234-6230, 575-499-3378 (Cell)

Shelly Tucker Environmental Protection Specialist 575-234-5905, 575-361-0084 (Cell)