

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

| | |
|--|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | 8. Well Name and No. HOLLY A FEDERAL 5 |
| 2. Name of Operator RKI EXPLORATION & PROD LLC Contact: CAITLIN O'HAIR E-Mail: caitlin.ohair@wpenergy.com | 9. API Well No. 30-015-25322-00-S1 |
| 3a. Address 3500 ONE WILLIAMS CENTER MD 35 TULSA, OK 74172 | 3b. Phone No. (include area code) Ph: 539-573-3527 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T26S R29E NENW 990FNL 1910FWL | 10. Field and Pool or Exploratory Area BRUSHY DRAW-WOLFCAMP |
| | 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 | 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"/> Hydraulic Fracturing | <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 recomplate 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 recomplate 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.

RKI EXPLORATION & PRODUCTION RESPECTFULLY REQUESTS TO P&A THE ABOVE MENTIONED WELL. THE WBD AND PROCESS ARE ATTACHED.

OC 1-31-18
Accepted for record - NMOCD

NM OIL CONSERVATION
ARTESIA DISTRICT

JAN 31 2018

RECLAMATION PROCEDURE
ATTACHED

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

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

**Electronic Submission #392460 verified by the BLM Well Information System
For RKI EXPLORATION & PROD LLC, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 11/05/2017 (18PP0160SE)**

| | |
|-------------------------------------|----------------------------|
| Name (Printed/Typed) CAITLIN O'HAIR | Title PERMIT TECHNICIAN II |
| Signature (Electronic Submission) | Date 10/19/2017 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|------------------------|------------------------|
| Approved By <i>James G. [Signature]</i> | Title <i>Supv. PET</i> | Date <i>1-23-18</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>Carlsbad</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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

WPXENERGY

Holly Fed. #5 Plug and Abandon Procedure

Brushy Draw Field

Section 26 T-26S, R-29E
Eddy Co., New Mexico

API # 30-015-25322
Lease # NM-21502
GPS: 32.016993 -103.956594

Spud Date: 09/10/1985
TD Date: 10/15/1985

Producing Formations:
Cherry Canyon: 5,003' – 5,063'

KB Elev: 2907'
GL Elev: 2894'
TD: 5502'
PBTD: 5457'
Marker Joint: N/A

CASING SUMMARY:

Safety Factor = 80% of new applied to burst, collapse and tension parameters in table.

| Size | Depth (ft) | Weight (#/ft) | Grade | Connection Type | Capacity (bbls/ft) | ID (in) | Drift (in) | Burst (psi) | Collapse (psi) | Tension (lbs) |
|---------|------------|---------------|-------|-----------------|--------------------|---------|------------|-------------|----------------|---------------|
| 13 3/8" | 440' | 54.5 # | | | .1546 | 12.615 | 12.459 | 2,184 | 905 | 437,600 |
| 8 5/8" | 2,783' | 32 # | | | 0.0609 | 8.835 | 8.679 | 3,160 | 2,050 | 416,000 |
| 5 1/2" | 5,502' | 15.5 # | | | 0.0238 | 4.892 | 4.767 | 8,512 | 5,984 | 454,400 |

Surface: 13 3/8": 0'- 440' – TOC @ surface w- 500 sxs.
Production: 8 5/8" 0'- 2,783' – TOC @ Base of Salt w- 150 sxs.
Production 5 1/2": 0'- 5,502' - TOC @ 2,850' w-925 sxs.

COMPLETION HISTORY TO DATE:

OBJECTIVE: Plug and abandon.

WPX REQUIRES THAT HARD HATS, STEEL TOE BOOTS, FIRE RETARDANT CLOTHING, AND SAFETY GLASSES BE WORN ON LOCATION.

HOLD SAFETY MEETING PRIOR TO COMMENCING PERFORATING, WIRE LINE AND PUMPING OPERATIONS

NO IGNITION SOURCES WITHIN 100 FT OF THE WELLHEAD, FLOWBACK TANKS OR MANIFOLD.

Current Completion

KB: 2907.0'

GL: 2894.0'

Datum: 13.0' above GL

Spud: 09/10/1985

Completed: 10/15/1985

13 3/8" (17 1/2" Hole) 54.5# to 440'
cmt'd w- 500 sxs. to surface *1" To Surf.*

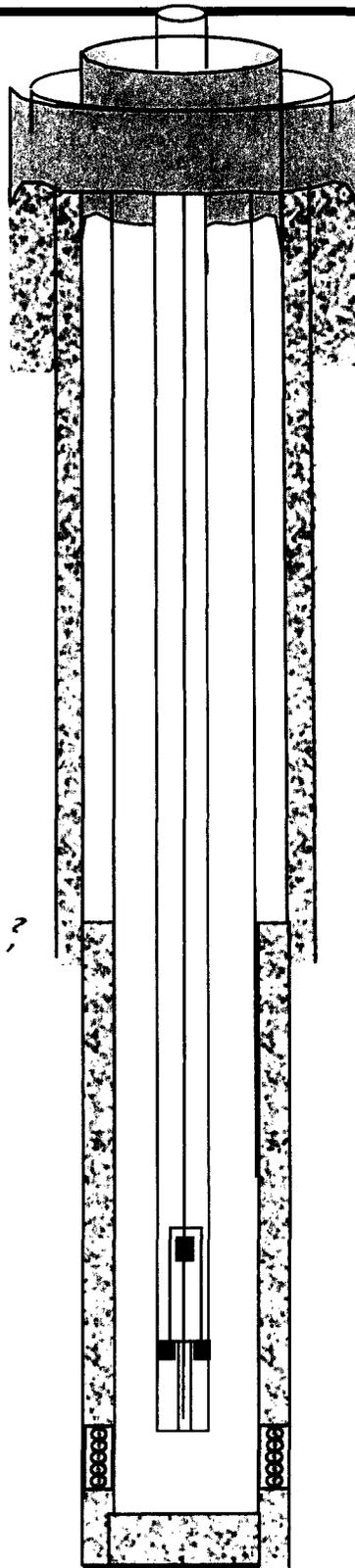
8 5/8" (11" Hole) 32# J-55 to 2,783'
cmt'd w- 150 sxs. to base of salt
TOC ?

5 1/2" (7 7/8" Hole) 15.5 # to 5,457' ✓
cmt'd w- 925 sxs. cmt.TOC @ 2,850' by CBL *?*

DV Tool @ 3,919' ✓

PBTD: 5,457'

Holly Federal #5
Current WB



Les Peeler 10-18-17

API No: 30-015-25322

Sec. 26, 26 S, 29 E.
Eddy Co. New Mexico
Brushy Draw Field
Property # NM19609
GPS: 32.016993 -103.956594

N. of Orla on State Line Road

Surface Trissic: 0' - 78' ✓

Dewey Lake: 78' - 464' ✓

Rustler 464' - 600' ✓

Salado: 600' - 1145' -

Castille: 1145' - 2940' -

Delaware 2,940' - 2,972'

Delaware Sand: 2,972' - 3,885'

Cherry Canyon: 3,885' - TD

Cherry Canyon 5,003' - 5,063'

TD @ 5,502'

Proposed Plugged Completion

KB: 2907.0'

GL: 2894.0'

Datum: 13.0' above GL

Spud: 09/10/1985
Completed: 10/15/1985

Perf @ 150' & Sqz. 60 sxs. to surface

13 3/8" (17 1/2" Hole) 54.5# to 440'
cmt'd w- 500 sxs. to surface

Perf @ 490' & Sqz. 60 sxs.

Perf @ 650' & Sqz. 60 sxs. WOC -Tag @500'

8 5/8" (11" Hole) 32# J-55 to 2,783'
cmt'd w- 150 sxs. to base of salt

*TOC (?) Not
Circ.*

5 1/2" (7 7/8" Hole) 15.5 # to 5,502'
cmt'd w- 925 sxs. cmt.TOC @ 2,850' by CBL (?)

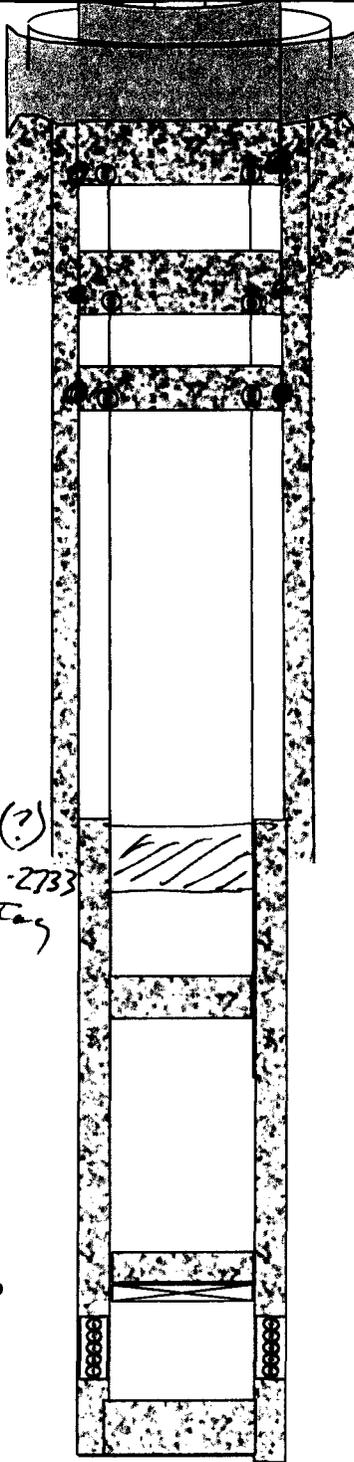
*spot plug from 2993-2733
WOC Tag*

Spot 30 sxs. from 3,969' - 3,800'
DV Tool @ 3,919'

Set CIBP @ 4,903' & Spot 30 sxs. cmt. on top

PBTD: 5,457'

**Holly Federal #5
Proposed WB**



TD @ 5,502'

Les Peeler 10-18-17
API No: 30-015-25322

Sec. 26, 26 S, 29 E.
Eddy Co. New Mexico
Brushy Draw Field
Property # NM 21502
GPS: 32.016993 -103.956594

N. of Orla on State Line Road

Surface Trissic: 0' - 78'

Dewey Lake: 78' - 464'

Rustler 464' - 600'

Salado: 600' - 1145'

Castille: 1145' - 2940'

Delaware 2,940' - 2,972'

Delaware Sand: 2,972' - 3,885'

Cherry Canyon: 3,885' - TD

Cherry Canyon 5,003' - 5,063'

PROCEDURE:

- 1) Test safety anchors and replace as necessary. Set 1 clean frac tank and fill with 480 BFW.
- 2) MIRU Service Unit. Deliver, unload and tally 5,000' - 2-3/8" 4.7# J-55 EUE work string.
- 3) ND WH, NU 3K# BOP.
- 4) POOH rods & tbgs. & Lay Dn.
- 5) MI RU wireline unit. Run 5 1/2" GR/JB to 4,903'.
- 6) RIH w- 5 1/2" tbgs. conveyed CIBP & set @ 4,903' - PU 1 jt. Pump 116 bbls. heavy mud. Spot 30 sx Class C Cement (14.8 ppg, 6.3 gps, 1.32 cfs yield) 4,903' - 4,700' flush with heavy mud. TOOH w- tbgs.
- 7) POOH & LD tbgs. to 3,969' -
- 8) Spot 30 sxs. from 3,969' - 3,800' (over DV Tool). *WOC Tag*
- 9) RU WL & Perforate 4 holes @ 650'. RD wireline. *add plug 8(a)*
Deep penetrating shots. perf both 5 1/2 and 8 5/8"
- 10) RIH w- Pkr & tbgs. - set Pkr - Attempt to establish pump rate. Squeeze 60 sx Class C Cement (14.8 ppg, 6.3 gps, 1.32 cfs yield) from 650' to 500'. *SPZ cmt behind both casings.*
- 11) WOC & Tag @ 500'.
- 12) RU WL - Perf @ 490' - *Deep penetrating shots. perf both 5 1/2 and 8 5/8*
- 13) RIH w- Pkr & tbgs. - set Pkr - Establish pump rate. Squeeze 60 sx Class C Cement (14.8 ppg, 6.3 gps, 1.32 cfs yield) @ 490' *WOC Tag NO lower than 390. all annulus*
- 14) RU WL - Perf @ 150' -. Squeeze 60 sxs. cmt. to surface, *Deep penetrating shots, perf both 5 1/2 and 8 5/8. cover all annulus.*
- 15) RDMO Service Unit. RDMO Cementers.
- 16) MIRU Welder. Cut-off casing head. WO cap with well name and number, operator name, and date.
- 17) Pull safety anchors, dress, and reclaim surface location if necessary.

8(a). Add plug (Base Salt & 8 5/8" shoe) spot plug from 2993 - 2733. WOC Tag

WPX Contact List:

| WPX | Title | Ofc. | Cell |
|------------------|-----------------------------|--------------|--------------|
| Justin Warren | Production Superintendent | 575-885-7525 | 701-421-7324 |
| Danny Emerson | Production Superintendent | 575-885-1313 | 505-614-4867 |
| Scott Armstrong | Permian Production Engineer | 539-573-0162 | 918-557-9944 |
| Brad Ballinger | Permian Production Engineer | 539-573-0135 | 303-928-0799 |
| Heather Stephens | Permian Production Engineer | 539-573-8961 | 303-898-3918 |
| David Hernandez | Permian Production Engineer | 539-573-0205 | 918-282-8382 |
| Josh Walker | Regulatory Specialist | 539-573-0108 | 580-716-0330 |
| Les Peeler | Plugging Consultant | 405-659-5185 | 405-318-4726 |

Emergency Contacts – New Mexico:

Hospital: Carlsbad Medical Center (575) 887-4100
2430 W. Pierce St., Carlsbad, NM 88220

Sheriff's Office: Lea County Sheriff Dept (575) 396-3611
Eddy County Sheriff Dept (575) 887-7551

Emergency Contacts – Texas:

Hospital: Reeves County Hospital (432) 447-3551
2323 Texas St, Pecos TX 79772

Sheriff's Office: Reeves County Sheriff Dept (432) 445-4901
Loving County Sheriff Dept (432) 377-2411

Les Peeler: Peeler Oilfield Services Inc.

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 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. **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 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. 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.

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office

620 East Greene Street

Carlsbad, New Mexico 88220

575-234-5972

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