

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD

Hobbs

HOBBS OGD

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

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.

JUL 11 2016

5. Lease Serial No.
NMNM0199070A

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

RECEIVED

1. Type of Well
 Oil Well Gas Well Other: INJECTION

8. Well Name and No.
ELYSE FEDERAL 2

2. Name of Operator **Sheridan Production Company**
Contact: JOYCE WILLIAMS
E-Mail: jwilliams@sheridanproduction.com

9. API Well No.
30-005-20348-00-S1

3a. Address
**9 Greenway Plaza, Suite 1300
Houston, TX 77046**

3b. Phone No. (include area code)
Ph: 713-548-1000

10. Field and Pool, or Exploratory
 DOUBLE L-QUEEN (ASSOCIATED)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 31 T14S R30E NWSE Tract 3 1650FSL 2310FEL
33.056869 N Lat, 103.963485 W Lon

11. County or Parish, and State
 CHAVES 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/
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Aban
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal

INT TO PA Pm ✓
P&A NR _____
P&A R _____

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.)

P&A PROCEDURE IS ATTACHED.

SHERIDAN IS A RECORD TITLE OWNER OF THE UNDERLYING LEASE AND IS NOT NOR HAS EVER BEEN THE OPERATOR OF RECORD. THE PROCEDURE ATTACHED IS BASED UPON PROCEDURES USED FOR SIMILAR WELLS IN THE AREA. SHERIDAN HAS NO DATA REGARDING THE WELL HISTORY OR DESIGN. THEREFOREK, THE ATTACHED PROCEDURE TO PLUG AND ABANDON THE WELL IS SUBJECT TO CHANGE PENDING WELLBORE CONDITION AND DESIGN.

APPROVED FOR 3 MONTH PERIOD
ENDING OCT 0 6 2016

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Electronic Submission #343935 verified by the BLM Well Information System
For CANYON E&P COMPANY, sent to the Roswell
Committed to AFSS for processing by DAVID GLASS on 07/06/2016 (16DRG0310SE)

Name (Printed/Typed) JOYCE WILLIAMS

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 07/06/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DAVID R GLASS

Title PETROLEUM ENGINEER

Date 07/06/2016

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 Roswell

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.

** BLM REVISED **

FOR RECORD ONLY

mw/ocd 7/18/2016

ELYSE FEDERAL #2
API#30-005-20348

SECTION 31, T14S, R30E 1650FSL-2310FeL
CHAVES COUNTY, NEW MEXICO

PA PROCEDURE

AFE#

WORKOVER OPERATIONS PROTOCOL:

SAFETY IS THE HIGHEST PRIORITY. ALL WORK ENVIRONMENTS ARE H2S WORKING ENVIRONMENTS.

NOTIFY AREA PRODUCTION FOREMAN OF PENDING WORKOVER OPERATIONS 48 HOURS PRIOR TO MOVING TO LOCATION. OBTAIN INFORMATION FROM PRODUCTION FOREMAN PERTAINING TO WORKING CONDITIONS THAT REQUIRE ADDITIONAL PROTECTIVE EQUIPMENT BEYOND STANDARD PPE, AND VERIFY ANY H2S PPM FOR WELLS IN THE SURROUNDING AREA. CONFIRM API NUMBER AND WELL NAME WITH AREA PUMPER, AND VERIFY WELL'S CURRENT STATUS.

INSPECT LOCATION PRIOR TO MOVE IN AND RIG UP, ADDRESS LOCATION REPAIRS AS NEEDED, AND VERIFY RIG ANCHORS ARE TAGGED AND CURRENT, IF NOT RE-SET AND PULL TEST AS PER OSHA SPECIFICATIONS **TED 01-00-015 [TED 1-0.15A]**'s. (UTILIZE ONE CALL LOCATE SHOULD EXCAVATION OR RE-SETTING OF ANCHORS BE NECESSARY). INSPECT WELLHEAD FOR CONNECTIONS AND INSPECT SURFACE CASING VALVE. VERIFY ACCESSIBLE AND FUNCTIONING (IF ANY EQUIPMENT IS DEFECTIVE ADVISE PRODUCTION OPERATIONS AND REPLACE/REPAIR EQUIPMENT AFTER WELL IS REPAIRED AND PRIOR TO RUNNING PRODUCTION EQUIPMENT).

RIGS MUST HAVE A MINIMUM OF THREE STATIONARY H2S MONITORS. CONTRACTORS AND/OR EMPLOYEES MUST PROVIDE DOCUMENTATION VERIFYING H2S TRAINING IS CURRENT, AND MUST HAVE A FUNCTIONING PERSONAL H2S MONITOR. PROPER PPE AND FRCs ARE REQUIRED FOR ALL WORKOVER OPERATIONS. INCIDENTS INCLUDING INJURIES/FIRST AID, NEAR MISSES, SPILLS, FIRES, ETC. MUST BE REPORTED WITHIN ONE HOUR TO AN SPC REPRESENTATIVE. TAG LINES ARE TO BE USED FOR MOVING EQUIPMENT SUSPENDED BY CAT LINE.

NOTIFY AREA PRODUCTION FOREMAN JUST PRIOR TO MOVING TO LOCATION. PRODUCTION OPERATIONS SHALL HAVE THE PRIMARY HASP & LOCK AND SHALL INITIATE ALL LOTOs. EXECUTE HANDOVER WITH PRODUCTION OPERATIONS. ENSURE ALL LOTOs ARE COMPLETE FOR PRESSURE LINES, INJECTION LINES, AND ELECTRICAL/ENERGY SOURCES.

HOLD PRE-JOB SAFETY MEETINGS PRIOR TO SIGNIFICANT OPERATIONS AND PERFORM DAILY JSEAs FOR ALL OPERATIONS. REVIEW CRITICAL TASKS AND ESTABLISH AN EMERGENCY ACTION PLAN.

OBJECTIVE: PA WELLBORE

PBTD: 2004'
QUEEN PERFS: 1974-1979 2 SPF

SURFACE CSG: 8 5/8" SET @ 369' CMT W/ 150 SACKS CEMENT TO SURFACE
PRODUCTION CSG: 4 1/2" SET @ 2003' CMT W/ 250 SACKS TOC-516' CALCULATED
TBG: UNKNOWN
ZONES: QUEENS 1972
7 RIVERS 1776-1972
YATES 1275-1776

DAYS ON LOCATION EXPECTATION: 5
SET PLUGS AS FOLLOWS OR PER OCC GUIDANCE

PREP LOCATION FOR WORKOVER RIG
a. LOTO ALL ENERGY SOURCES PRIOR TO MIRU.

- b. CLEAN & LEVEL LOCATION.
- c. CHECK ANCHORS.
- d. CHECK TBG & CSG FOR PRESSURE AND BLOW DOWN / KILL AS NECESSARY.

1. CLEAR LOCATION. CHECK ANCHORS.
2. MIRU WO RIG. CHECK WELL FOR PRESSURE. BLEED DOWN IF NECESSARY. ND WH. NU BOP. PU & RIW w/ 2 3/8" TUBING TO TAG PBD-2003 FT.
3. PLUG # 1-SET CIBP @ 1930 FT. SPOT A 25 SACK CEMENT PLUG ON TOP OF CIBP-COVER 35 FT ON TOP OF PLUG.
4. RIH W/ TUBING TO 1900 FT. CIRCULATE WELL W/ 9.5 PPG MUD LADEN FLUID.
5. PLUG # 2-SPOT 25 SKS CEMENT PLUG AT 1250-1150 FT. WOC 4 HRS, TAG TOP OF CEMENT
6. PERFORATE CASING 50 FEET BELOW BASE OF 8 5/8" CASING.
7. PLUG # 3-SPOT 25 SKS CEMENT PLUG 419-319 FEET. WOC 4 HRS, TAG TOP OF CEMENT
8. PLUG # 4) FILL UP CASING FROM 60 FEET TO SURFACE USING 25 SKS CEMENT.
9. CUT WELLHEAD OFF 4-6 FEET BELOW SURFACE. MAKE SURE CEMENT IS TO SURFACE. BLM REPRESENTATIVE SHOULD WITNESS. INSTALL DRY HOLE MARKER PER RULE 202.B.2 WELD ON API NUMBER, LEASE AND WELL NUMBER, DATE.
10. REMOVE ALL EQUIPMENT FROM THE SITE. IF MATERIAL NEEDS RECLAIMING PROCEED WITH THAT, IF NOT THEN COMMUNICATE WITH LAND SO THAT CONTACT CAN BE MADE TO SURFACE LAND OWNER.

PERFORATE @ 60' & CIRCULATE CEMENT

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(575) 627-0272

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 the BLM Roswell Field Office (RFO), prior to the 90th day, with the reason for not meeting the deadline and a date when the BLM Roswell Field Office can expect the well to be plugged. Failure to do so will result in enforcement action. Unless the well has been properly plugged, the rig shall not be removed from over the hole without prior approval.**

2. Notification: Contact the BLM Roswell Field Office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.

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 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a 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 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 cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet 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 class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

6. Monument: Upon abandonment of the well, 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 covered with a metal plate at least ¼ inch thick and welded in place. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

7. Timing Limitation Lease Stipulation / Condition of Approval For Lesser Prairie-Chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1 through June 15 annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D seismic operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leaks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

8. 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 the BLM Roswell Field Office. 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.**

Following the submittal and approval of the Subsequent Report of Abandonment, a Notice of Intent for Final Abandonment with the proposed surface restoration procedure must be submitted for approval.