

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

OCD-HOBBS
HOBBS OCD
SEP 18 2017
RECEIVED

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.

5. Lease Serial No. LC-055546 ✓
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
 Oil Well Gas Well Other ✓
 2. Name of Operator
 Herman L. Loeb LLC ✓
 3a. Address PO Box 838
 Lawrenceville, Ill. 62439
 3b. Phone No. (include area code)
 (618) 943-2227
 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 Unit letter I, 1,980' FSL, 660' FL, Sec 5, 25S, 37E ✓

7. If Unit of CA/Agreement, Name and/or No.
 8. Well Name and No. Wells Federal #1 ✓
 9. API Well No. 30-025-11462
 10. Field and Pool or Exploratory Area
 Jalmat
 11. Country or Parish, State
 Lea Co. 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)	[INT TO PA PmX P&A NR _____ P&A R _____
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<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 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.)

Note: All work will be performed with a closed loop system. All materials will be disposed of at a licensed disposal site.

- Spot 2 sx cmt on top of CIBP @ 3,085'. Set CIBP @ 2,880'. Press test csg & CIBP to 500 psi. Spot 25 sx cmt on top of CIBP. Spot 9.5 ppg salt gel spacer fr/2,630' to 1,800' (20 bbl). SDFN
- Tag cmt plug to confirm depth. Perf 1,800'-1,801'. Att to establish an injection rate. If rate established pmp 100 sx cmt & displace to 1,500'. If no injection rate established spot 100 sx cmt plug @ 1,900'.
- Tag cmt plug to confirm depth. Spot 9.5 ppg salt gel spacer fr/top of plug to 412'. Perf 412'-413'. Att to circulate up csg annulus. Pmp cmt until good cmt to surface leaving inside full. If no circulation established spot 20 sx cmt @ 512'.
- If no circulation on step 3, tag plug to confirm depth. Perf 60'-61'. Establish circulation up csg annulus and pmp until good cmt to surface and leave inside full.
- Cut off all csg strings. Weld on cap and install dry hole marker. Restore location.

SUBJECT TO LIKE APPROVAL BY STATE

APPROVED

WITNESS

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
 Michael Polley 719-342-5600
 Title Agent for Hermal L. Loeb LLC
 Signature *Michael Polley*
 Date 06/13/2017

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *PR Swartz*
 Title TPET
 Date 08/30/2017
 Office BUREAU OF LAND MANAGEMENT
 CARLSBAD FIELD OFFICE

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)

FOR RECORD ONLY
 MW/OCD 09/18/2017

MICHAEL POLLEY OILFIELD CONSULTING, INC

9223 Lakeview Road • Trinidad, CO 81082

MICHAEL POLLEY

COMPANY: Herman L. Loeb LLC

WELL NAME: Wells Fed #1

LEGALS: I, 5, 255, 37E

API 30-025-37E

COMPLETION, WORKOVER
AND
DRILLING SUPERVISION

PHONE: 719-846-3434
MOBILE: 719-342-5600
polleyms@gmail.com

VOL. BETWEEN PIPE & HOLE CAP.

	BBL/FT	FT/BBL	CF/LF
4 1/2 - 7 7/8	0406	24.65	2278
5 1/2 - 7 7/8	0309	32.41	1733
8 5/8 - 12 1/4	0735	13.61	4127
9 5/8 - 12 1/4	0558	17.93	3132
13 3/8 - 17 1/2	.1924	8.08	6946

TUBING & CASING SIZE & CAP

	WT	BBL/FT	FT/BBL
2 3/8	4.6	0039	258.65
2 7/8	6.5	0058	172.76
3 1/2	9.3	0087	114.99
4 1/2	10.5	0159	62.70
4 1/2	11.6	0155	64.34
5 1/2	15.5	0238	42.01
5 1/2	17.0	0232	43.02
5 1/2	20.0	0222	45.09
5 1/2	23.0	0212	47.20
8 5/8	32.0	0609	16.41
9 5/8	36.0	0773	12.94

D.P. SIZE _____ TUBING SIZE: _____ CASING SIZE: _____

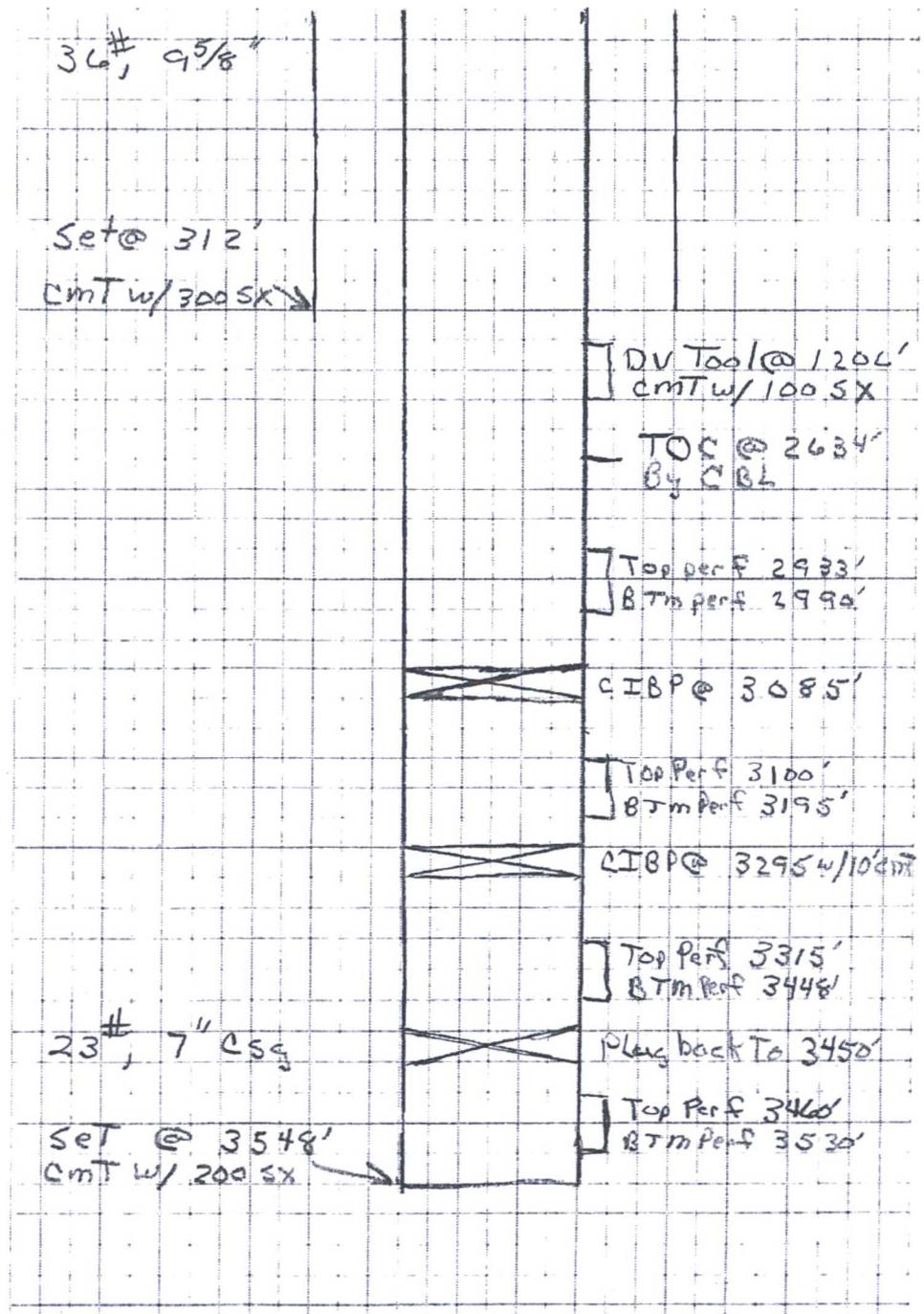
HOLE SIZE: _____ PERFS: _____

PACKER SETTING: _____ BP SETTING: _____ MAX RATE: _____

MAX PSI: _____ BHST: _____ FORM: _____ TAIL PIPE: _____

VOL. BETWEEN PIPE & PIPE CAP.

	WT	BBL/FT	FT/BBL	CF/LF
2 3/8 - 4 1/2	11.6	0101	99.37	0565
2 3/8 - 5 1/2	17.0	0178	56.28	0998
2 7/8 - 5 1/2	17.0	0152	65.71	0854
2 7/8 - 7	23.0	0313	31.91	1760



Conditions of Approval

Herman L. Loeb LLC
Wells - 01, API 3002511462
T25S-R37E, Sec 05, 1980FSL & 660FEL
August 30, 2017

1. **Within 90 days of these conditions of approval 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. Notify 575-393-3612 Lea Co as work begins. Plugging procedures are to be witnessed. 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. 2000 (2M) Blow Out Prevention Equipment 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) equipment shall be 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.) shall be employed when needed for reasonable well control requirements.
9. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations 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 witness is to run tbg 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. Pressure test the casing to 500psig after a CIBP is set within 100' of the top perf 2933.
16. Set a balanced plug on the CIBP set within 100' of the top perf 2933'. WOC, and tag the plug with tbg at 2790'.
17. Perf the 7" csg at 1800' or below, establish an injection rate, and squeeze cmt through a packer leaving the plug top in the 7" csg 1100' or above. Close the tubing valve and hold 9 1/2 lb/gal displacement fluid in place until the plug sets up. Tag the plug with tbg at 1100 or above.
18. Perf the 7" csg at 350' (Step 3 of procedure depths seem to conflict with records) or below, establish an injection rate, and squeeze cmt through a packer leaving the plug top in the 7" csg and 7" x 9 5/8" annulus at 240' or above. Close the tubing valve and hold 9 1/2 lb/gal displacement fluid in place until the plug sets up. Tag the plug with tbg at 240' or above.
19. Perf at 60' or below. Establish circulation through the 7" x 9 5/8" annulus. Circulate cement through the 7" x 9 5/8" annulus and 7" csg from 60' to surface.
20. 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.

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)

Robertson, Jeffery
Natural Resource Specialist
575-234-2230, 575-706-1920 (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)

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)

Operator: Herman L. Loeb LLC
 Surface Lease: LC055546
 Case No: LC055546

BHL: LC055546
 Lease Agreement

Well: WELLS FEDERAL-1
 API: 3002511462
 @ Srfce: T25S-R37E,05.1980s660e
 @ M TD: T25S-R37E,05.1980s660e

Subsurface Concerns for Casing Designs:

Well Status: NOI-abd
 Spud date: 8/17/1955
 Plug'd Date:
 Reentry Date:

KB: 3229
 GL: 3229
 Corr: 0

Estate: P\VF
 CWDW, R of W:
 OCD Admn Order, date:
 Frmnt, Depths, psig:

