Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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.

HOBBS OCD
JAN 03 2018
RECEIVED

SUBMIT IN TRIPLICATE *- Other instructions on page 2*

1. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other	5. Lease Serial No. NMLC 031621A
2. Name of Operator: Burgundy Oil & Gas of New Mexico, Inc.	6. If Indian, Allottee or Tribe Name
3a. Address: 401 W. Texas Ave., Suite 1003, Midland TX 79701	7. If Unit of CA/Agreement, Name and/or No.
3b. Phone No. *(include area code)*: (432) 684-4033	8. Well Name and No. Barber Federal #1
4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*: 1773' FSL & 2017' FWL; UL 'K', Section 7, T20S, R37E	9. API Well No. 30-025-33736
	10. Field and Pool or Exploratory Area: Monument Paddock
	11. Country or Parish, State: Lea, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)
	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete
	☐ Change Plans	☑ Plug and Abandon	☐ Temporarily Abandon
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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 perfonned 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 detennined that the site is ready for final inspection.)

1. Pull Prod Equip
2. Set 4" CIBP @ 5100' - cap w/ 20' cmt
3. Set 100' cmt plug @ 2400' - 2500'
4. Set 100' cmt plug @ 1250' - 1350'
5. Set 100' cmt plug @ 1078' - 1052'
6. Set surf plug to 50'
7. Cut off WH - Install DHM - Clean location

See Follow COA procedure for approved wellbore abandonment.

No uphole potential exists, current zone is watered out and non-productive.

Plugging to be done with state approved plugging company

APPROVED

SUBJECT TO LIKE APPROVAL BY STATE

SEE ATTACHED FOR CONDITIONS OF APPROVAL

WITNESS

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*: Cindy Campbell — Title: Production Assistant

Signature: Cindy Campbell — Date: 10/24/2017

THE SPACE FOR FEDERAL OR STATE OFICE USE

Approved by: Paul R. Swartz — Title: _____ — Date: 12/05/2017

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: 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 01/03/18

Proposed PxA

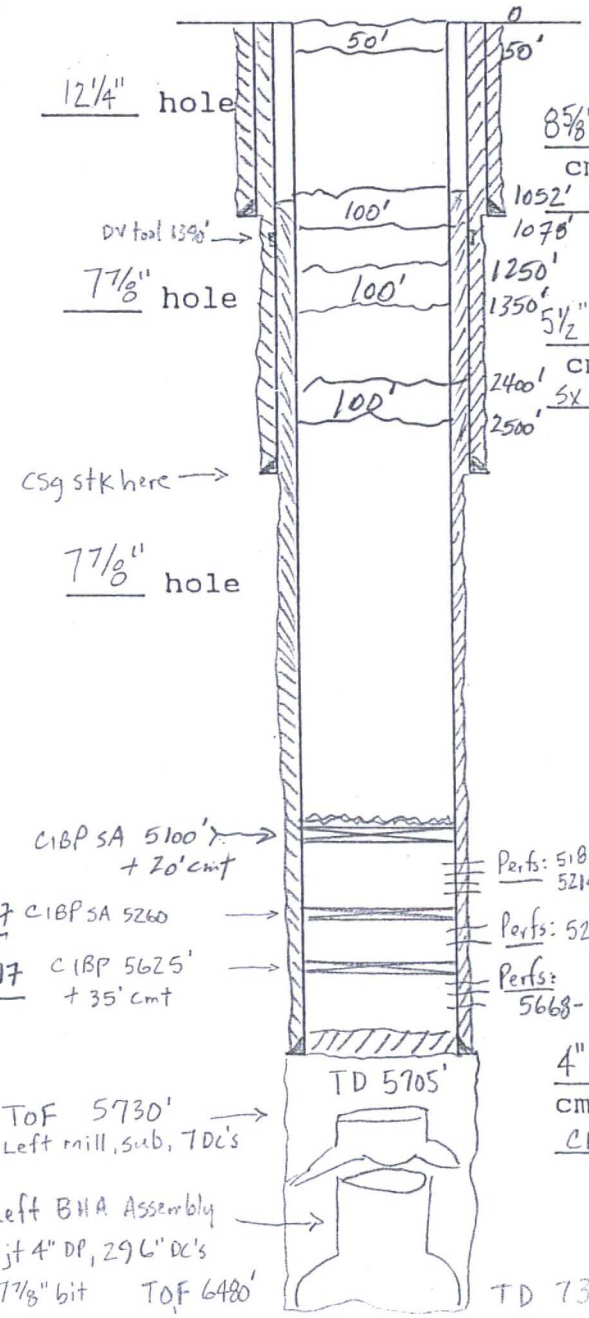
Company	Burg Dy Ox & of NM, Inc	WI	
Lease	Barb. Federal	NRI	
Well No	1	Yr Dril'd	12-96
Field		TD	7330 / 5705'
County	Lea	PBTD	5689' / 5590' / 5260'
State	New Mexico	DF	3556'
Location	1773' FSX 2017' FWL, Sect. 7 T 20S R 37E	KB-GL	11'

Completion

Year	2-'97
Perforations	5668-5685 (36 hole)
Formation	Blinebry
Stimulation	A / 2000 gal 15% HCl
Potential	Non-Comm 0 x 0 x 46 BW

Additional

Year	3-97
Perforations	5270-5274
Formation	L. PADDOCK
Stimulation	A / 1000 gal 15% HCl
Potential	?
Year	4-'97
Perforations	5181-88; 5214-22 (16)
Formation	Up Paddock
Stimulation	A / 2100 gal foamed 15% HCl
Potential	IP 388 x 25 BW x 15 MCF ?



Well History

10-01 - Parted rods - Vry heavy paraffin
Clean out 5239-5260' - Spot 500 gal @ 5222'
Flush w/ 13 bbls 2% KCl

BY: BDT
Date: 1/03

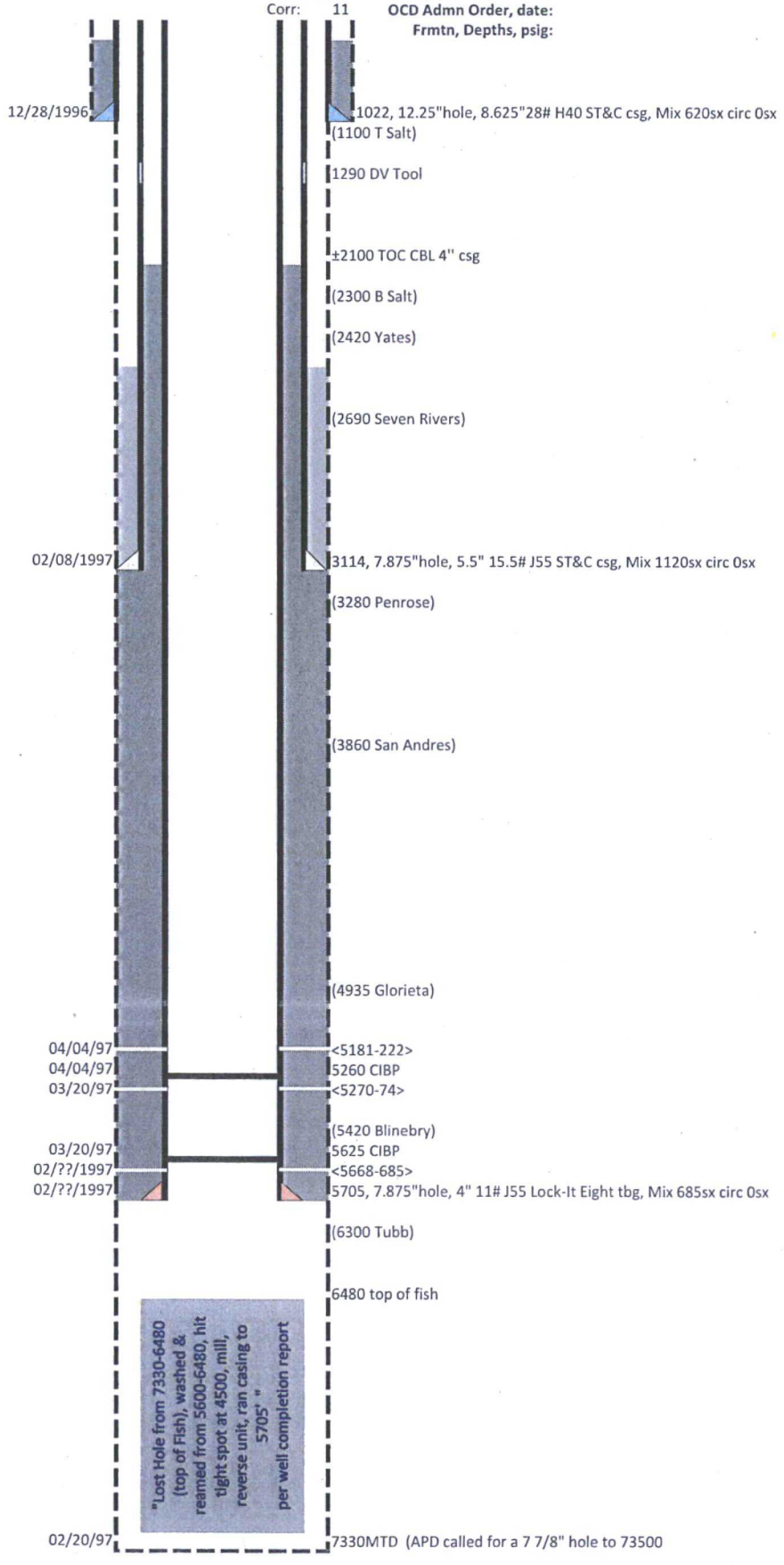
Operator: Burgundy Oil & Gas of New Mexico, Inc
Surface Lease: LC031621a **BHL:** LC031621a
Case No: LC031621a **Lease Agreement**

Subsurface Concerns for Casing Designs:

Well Status: OSI
Spud date: 12/27/1996
Plug'd Date:
Reentry Date:

Well: BARBER FEDERAL-1
API: 3002533736
@ Srfce: T20S-R37E,07.1773s2017w
@ M TD: T20S-R37E,07.1773s2017w
Estate: P\F\F
CWDW, R of W:
OCD Admn Order, date:
Frmtn, Depths, psig:

KB: 3556
GL: 3545
Corr: 11



last updated: 11/21/2017

_WB Rcd (5.90 Barber-01 2533736

Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
General Guidelines for Wellbore PB & Plg

1. Within a wellbore, all penetrated formation tops of usable-quality water, oil, gas, or geothermal bearing resources, prospective valuable deposit of minerals, and/or receive disposal fluids with a potential to migrate between formations via the wellbore shall be isolated with cement plugs covering the drilled wellbore diameter from 50ft or more below to 50ft or more above when abandoned.
2. Casing shoes, casing stubs, liner tops, and DV Tools shall be isolated with cement plugs covering the drilled wellbore diameter from 50ft or more below to 50ft or more above.
    a. Below 7500ft, use Class "H" neat cmt mixed 16.4#/gal, 1.06ft^3/sx, 4.3gal/sx water, with a WOC time of 8hrs..
    b. Above 7500ft, use Class "C" neat cmt mixed 14.8#/gal, 1.32 ft^3/sx, 6.3gal/sx water, with a WOC time of 4hrs.
3. Mix formation isolation cmt plugs **(never use less than 25sx)** for a vertical depth 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.
    a. A plug set from 8000ft in 7" casing with bonded cement would require 180ft of cement slurry or 35sx.
    b. A 25sx plug set from 800ft in 5 ½" csg with bonded cement will cover 250ft. The plug will exceed 100ft plus 10ft per 1000ft.
4. Verify all plug tops by tagging with tbg and always pressure test cmt plugs set above wellbore flow.
5. Place mud (25sx saltwater gel/100bbls mixed in 9lb/gal brine) between plugs.
6. If at plug depth cmt/csg bonding is missing, perforate at lowest plug depth and sqz cmt behind csg or cut and pull csg prior to cementing the drilled wellbore diameter.
7. Within a formation isolate with:
    a. A cmt plug at the bottom of open hole completions.
    b. Two 100ft plugs for a extremely thick single formation In open hole. The plugs are to cover from 50ft or more below to 50ft or more above the formation base and from 50ft or more below to 50ft or more above the formation top.
    c. A cmt plug opposite open perforations with cmt/csg bonding. Extend the plug 50ft or more below to 50ft or more above the perf'd interval.
    d. A CIBP set less than 100' above open perfs with cmt/csg bonding.
    e. Dump bail 35'of cmt on top of CIBP(s) set to abandon the lower nonproducing perforations within a formation.
    f. A balanced cmt plug set with tbg above the topmost CIBP of a formation.
8. Space cmt plugs no more than 2000ft apart in open hole and no more than 3000ft apart in cased hole.
9. In the designated R-111-P Secretary Potash Area, balance a solid cmt plug from 50ft or more below to 50ft or more above the salt section in the drilled wellbore diameter. Mix this cmt slurry with 10lb/gal brine common to this salt section and no more than 03% CaCl wt. to cmt wt. whenever possible.
10. Outside the R-111-P area, isolate the salt section by placing a cmt plug from 50ft or more below to 50ft or more above the base of salt and top of salt section.
11. Isolate a drilled wellbore from the Capitan Reef and Cave Karst horizons by placing a cmt plug from 50ft or more below to 50ft or more above the base.
12. Set a cmt plug to surface (less than 25sx OK) from 60ft or below ground level. Verify the drilled wellbore diameter plugged with cmt and no annular space extends to the surface from the drilled hole below.

Conditions of Approval

Burgundy Oil & Gas of New Mexico, Inc.
Barber - 01, API 3002533736
T20S-R37E, Sec 07, 1773FSL & 2017FWL
December 5, 2017

1. **Within 90 days of these conditions of approval for this processed 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. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15.
4. Subject to like approval by the New Mexico Oil Conservation Division.
5. Notify 575-393-3612 Lea Co as work begins. If there is no response leave a voice mail with the API#, workover purpose, and a call back phone number.
6. Surface disturbance beyond the existing pad must have prior approval.
7. 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.
8. Functional H_2S monitoring equipment shall be on location.
9. Blow Out Prevention Equipment 2000 (2M) 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.
10. 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.
11. The BLM PET 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.
12. **Cementing procedure is subject to the next three numbered paragraphs.**
13. 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.
14. 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 ft^3/sx, 6.3gal/sx water and Class "H" neat cement to be mixed 16.4#/gal, 1.06ft^3/sx, 4.3gal/sx water.

15. Minimum requirement for mud placed between plugs is 25 sacks of saltwater gel per 100 barrels in 9 lb/gal brine.
16. **Clean the wellbore to PBTD expecting a tag on the top of fish reported at 6480.**
17. **Set a 225sx balanced "C" plug from top of fish. WOC, and tag the plug with tbg at 5650' or above.**
18. **Pressure test the 5 ½' casing to 500psig after the cmt tag at 5650' or above.**
19. **Conduct a CBL taken at 0psig from the cmt tag to TOC. Email the CBL to pswartz@blm.gov. The CBL of 02/24/1997 indicates questionable bonding.**
20. **Pull a freepoint on the 4" and cut and pull the 4" from as deep as possible. Relay the 4" casing stub depth to 575-200-7902.**
21. **Set a 25sx balanced "C" cmt plug from the cmt tag at 5650' or above (inside the 4" stub) or below. WOC, and tag the plug with tbg at 5370' or above covering the Blinebry formation top.**
22. **Set a 25sx balanced "C" cmt plug from 5000' or below (inside the 4" stub). OR Set a 45sx balanced "C" cmt plug from 5000' or below (inside the 7 7/8" open hole). WOC, and tag the plug with tbg at 4885' or above covering the Glorieta formation top.**
23. **Set a 25sx balanced "C" cmt plug from 3920' or below (inside the 4" stub). OR Set a 45sx balanced "C" cmt plug from 3920' or below (inside the 7 7/8" open hole). WOC, and tag the plug with tbg at 3760' or above covering the San Andres formation top.**
24. **Set a 45sx balanced "C" cmt plug from 3170' or below (inside the 7 7/8" open hole). WOC, and tag the plug with tbg at 3000' or above covering the 5 ½" csg shoe at 3114'.**
25. **Perf the 5 ½" csg 2360' or below and sqz a 35sx "C" plug cover the Top of Salt at 2300'. WOC, and tag the plug with tbg at 2240' or above covering the Base of Salt.**
26. **Perf the 5 ½" csg 1160' or below and sqz a 50sx "C" plug cover the Top of Salt at 1100'. WOC, and tag the plug with tbg at 970' or above covering the Top of Salt and the 8 5/8" csg shoe at 1022'.**
27. **Perf at 60' or below. Establish circulation through the 5 1/2" x 8 5/8" annulus. Fill with (±20sx) balanced "C" cmt plug and verify 5 1/2" x 8 5/8" annulus and 8 5/8'' csg from 60' cemented to surface.**
28. 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.

Lesser Prairie Chicken Habitat Area Dry Hole Markers

Stamp or engrave (3/8" letters) information for the plugged well on 8"x 8"aluminum plate of 1/8", 12 gauge, or .080 sign material similar to this example:

Ajax Operating Company
Tailspin – 22
1980FNL & 660FWL - Sec 16 - T22S-R31E
Lease LC029567 API 3001534567
Plugged July 17, 2017

1. Center a 3 to 4 foot pipe at a right angles on a 8"x8"x 1/8" or 3/16" steel plate and weld the pipe to the plate.

2. Cement the pipe vertically inside the abandoned surface casing. Leave the steel plate about 2" above and horizontal to ground level.
3. Fix the well information plate to the steel plate with ¼ inch bolts and locking nuts or self-tapping fine threaded screws (one in each corner).
4. On the BLM Form 3160-5 subsequent report of abandonment state that a ground level dry hole marker installed as required by BLM and NMOCD Order No. R-12965.

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)