

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

HOBBS OCD
MAY 23 2018
RECEIVED

| | | |
|--|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM 072477 |
| 2. Name of Operator Jay Management Company, LLC | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 1001 West Loop South # 750 Houston, TX 77027 | 3b. Phone No. (include area code) 713-621-6785 | 7. If Unit of CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 1980" FEL of SEC 17, T-11S, R-33E | | 8. Well Name and No. Dolly #1 |
| | | 9. API Well No. 30-025-22370 |
| | | 10. Field and Pool or Exploratory Area Wolfcamp |
| | | 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 | | | |
|--|---|--|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | |
| <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 | |

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 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 determined that the site is ready for final inspection.)

MIRU WL & SET 4.5" CIBP @ 8450' W/ 35' Class H cement DB ON TOP
PERF & SQZ 35 SXS Class C cement @ 3772' - 3672' ^{3744 - 3600 (Tag)}
PERF & SQZ 35 SXS Class C cement @ 1840' - 1740' ^{woc tag}
PERF & SQZ 35 SXS Class C cement @ 423' - 323' ^{woc tag}
SET 4.5" SXS Class C cement 13' - 3' ⁶⁰

Add Plug: Perf @ 7300, SQZ cement to 7130. woc tag (T/ABO)
Add Plug: Perf @ 5143, SQZ cement to 4993. woc tag (T/CL)
Add Plug: 2519 - Perf, SQZ cement to 2400. woc tag (B/salt)

Deep Penetrating shots. (2 casings)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

| | |
|--|-----------------------------|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Amir Sanker | Operations Manager Title |
| Signature | Date 05/08/2018 |

THE SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|------------------------|---------------------|
| Approved by | Title <i>Supv. AET</i> | Date <i>5-19-18</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>Cadobad</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)

FOR RECORD ONLY
NMCD 05/29/2018

ENTERED *5/16/18*
INTO AFSS

Hole Size 17 1/2 Feet
 6" SQZ
 To Surf

400 SXS Cement

TOC AT Surf Perf 423
 SQZ to 323
 Tag

13 3/8 Casing Set at 383

Hole Size 10 3/4 Feet
 6" SQZ to 1740
 Tag

220 SXS Cement
 Perf 2519
 SQZ to 2400
 Tag

TOC AT ?
8 5/8 Casing Set at 3722

Hole Size 7 7/8
550 SXS Cement

TOC AT ?
 Perf 3744
 SQZ to 3600
 Tag

Perf 5143 SQZ
 cont to 4993
 Tag

Perf @ 7300
 SQZ cont to 7136
 Tag

Set CIBP @
 8450. Cap 35'
 DB

4 1/2 Casing Set at 1030

TOC AT ?

Operator Jay Mgt
 Well No. Dolly 1
 API 3002522370
 1980 NO 1980 EW SEC. 17
 T 11 S, R 33 E Lea CTY

R-III-P
 Secretary Parish
 C. /
 LPS Holdings

Top Salt 1790
 Base 2469

FORMATIONS

| | |
|-------|------|
| Yates | 2900 |
| GB | 3450 |
| SA | 3694 |
| GL | 5093 |
| Pad | 5200 |
| Tub | 6429 |
| ABD | 7248 |
| WC | 8535 |
| Per | 9083 |

DIT

PERFOMATIONS

| | |
|-------|------------|
| 10018 | 10206 (LA) |
| 8480 | 8880 (WC) |

CIBP + 10' cont

James A. King
 575-234-5004
 575-361-2415

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.