

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.

5. Lease Serial No.
NMLC067230

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

APR 10 2019

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
FEDERAL 3 2

2. Name of Operator
MARSHALL & WINSTON INC

Contact: SHERRY L. ROBERTS
E-Mail: sroberts@mar-win.com

9. API Well No.
30-025-25701-00-S1

3a. Address
MIDLAND, TX 79710-0880

3b. Phone No. (include area code)
Ph: 432-684-6373
Fx: 432-682-1316

10. Field and Pool or Exploratory Area
LUSK

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 3 T19S R32E NWSE 1980FSL 1730FEL

11. County or Parish, State
LEA 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 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.

Marshall & Winston, Inc. respectfully request permission to plug and abandon the Federal 3 #2. (see attached proposed plug & abandon procedure)

RECEIVED

APR 01 2019

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

DISTRICT II-ARTESIA O.C.D.

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

Electronic Submission #454120 verified by the BLM Well Information System
For MARSHALL & WINSTON INC, sent to the Hobbs
Committed to AFMSS for processing by DEBORAH MCKINNEY on 02/12/2019 (19DLM0250SE)

Name (Printed/Typed) TODD PASSMORE	Title OPERATIONS MANAGER
Signature (Electronic Submission)	Date 02/11/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>James R. Connor</i>	Title <i>SPET</i>	Date <i>3-9-19</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>CFD</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 **

X7 NMOC D 4-25-19 FOR RECORD ONLY

Federal 3 #2
LEA COUNTY, NEW MEXICO
API #30-025-25701

INTENT TO PLUG AND ABANDON
SUNDRY DATED 02/11/19 ATTACHMENT

Proposed Plug and Abandon Procedure:

1. Notify NMOCD of plugging operations.
2. Move in rig up pulling unit & nipple up blow out preventer.
3. Run in hole w/ cast iron bridge plug @ 9130'
4. Tag cast iron bridge plug w/ tubing, confirm depth.
5. Pump 25 sx of cement on plug.
6. Displace w/ 9.0 ppg salt gel based mud.
7. Pressure Test casing to 500 psi. — *Add Plug. Spot 25 sx 7220 - 7000. (T/Bone, Spring)*
- A&S — 8. Spot 25sx @ 6,000'. WOC & TAG 5665 - 5465. (T/Delaware)
9. Pump cement plug from 4615' up to 4415' (Notify NMOCD). Perf 4565, SQZ cnt to 4415' woc tag (shoe)
10. Displace w/ 9.0 ppg salt gel based mud.
11. Wait on cement.
12. Tag cement w/ NMOCD official on location. 4415'.
- A&S — 13. Spot 25sx @ 3,000' Perf @ 2850, SQZ cnt to 2730, woc tag (B/salt)
14. Displace w/ 9.0 ppg salt gel based mud.
- A&S — 15. Spot 25sx @ 1,500' Perf @ 1455, SQZ cnt to 1355, woc tag T/salt,
16. Displace w/ 9.0 ppg salt gel based mud.
17. Spot 25sx @ 800'
18. Displace w/ 9.0 ppg salt gel based mud.
- A&S — 19. Pump cement from 470' — 360' (Notify NMOCD). Perf 460, SQZ cnt to 360. woc tag (shoe)
20. Displace w/ 9.0 ppg salt gel based mud.
21. Wait on cement.
22. Tag cement w/ NMOCD official on location. 360
23. Displace w/ 9.0 ppg salt gel based mud.
- A&S — 24. Pump cement from 60' - surface. Perf @ 60', SQZ cnt to surf.
25. Cut off wellhead 3' below surface.
26. Cap well with 1/2" steel plate.
27. Well marker on plate, no more than 4' above ground w/ well name, operator, legal location and plug & abandon date.
28. Reclaim location.

Below ground level dry hole marker
required. LAC Habitat.

BLM to be contacted. Not OCD.
575-393-3612

API 30-025-25701

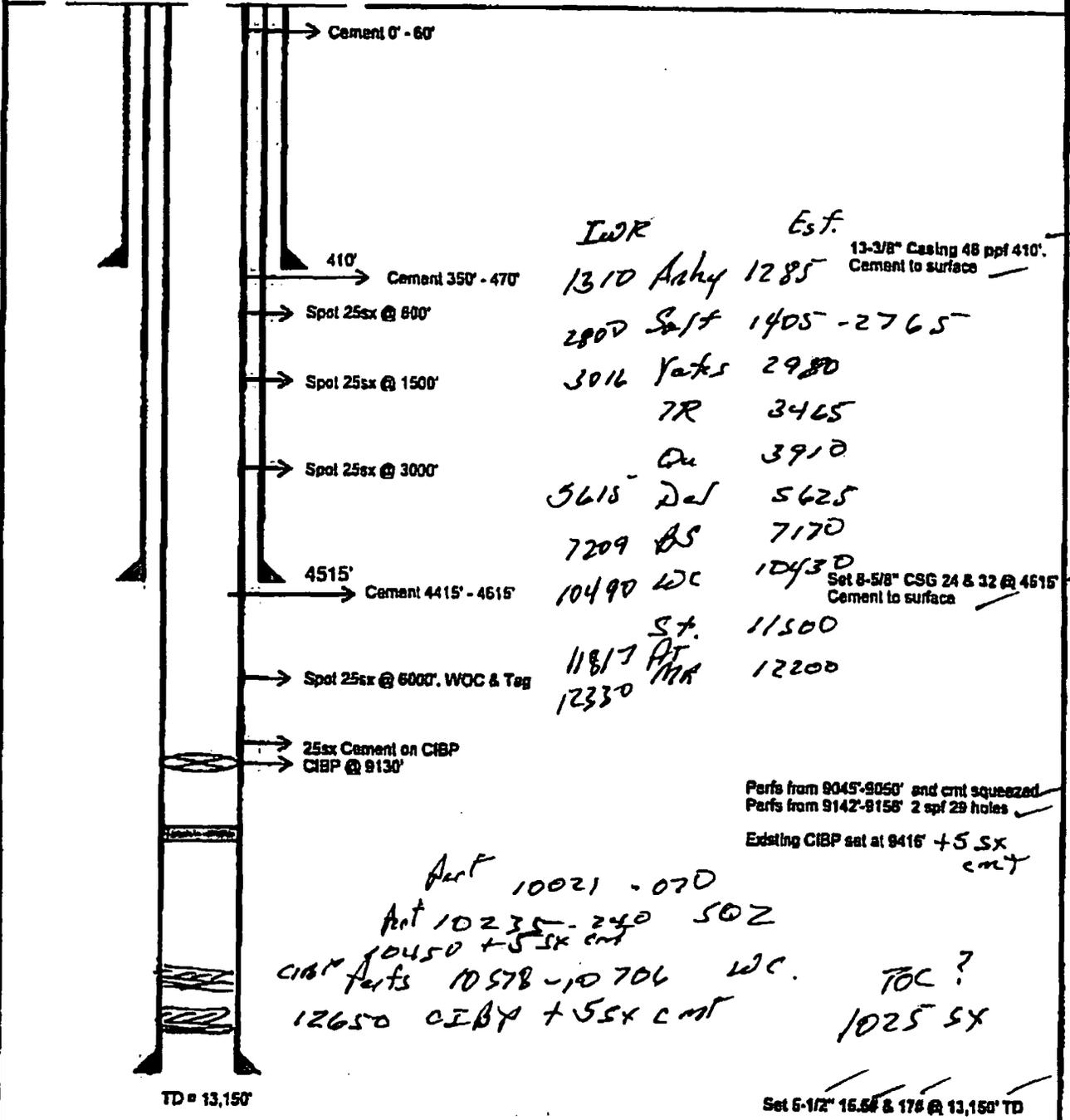


Federal 3 #2

Lea County, NM

P&A Wellbore Sketch

Proposed TD: 13,150' TD



Well Information

Surface Location: Sec 3 T19S R32E, Lea County, NM

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.