

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

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
MAY 08 2019

5. Lease Serial No. NMNM-02127-A

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No. W H MILNER FEDERAL #3

9. API Well No. 30-025-02506

10. Field and Pool, or Exploratory Area LYNCH YATES SEVEN RIVERS

11. County or Parish, State LEA CO., N MX

SUBMIT IN TRIPLICATE- Other instructions on reverse

RECEIVED

1. Type of Well Oil Well Gas Well Other

2. Name of Operator BURK ROYALTY CO., LTD (14670)

3a. Address P O BOX 94903, WICHITA FALLS, TX 76308

3b. Phone No. (include area code) 940/397-8600

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2310' FNL & 1650' FWL NE/NW SECTION 35-T20S-R34E

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/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<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 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 shall 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 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.)

ELEV: 3749'. TD: 3736'. WELLBORE: 95' 13-3/8" 68# SURFACE CSG CEMENTED W/125 SXS & 3,682' 5-1/2" 14# LONG STRING CEMENTED W/800' (ALL CEMENT CIRCULATED TO SURFACE). NOTE: WATER SAND: 60 TO 70 FT & 775 TO 800 FT.

BURK PLANS TO PLUG THE WELL IN ACCORDANCE WITH NEW MEXICO OIL CONSERVATION DIVISION LAW. PLEASE SEE ATTACHED FORM C-103.

Fed Minerals, Fed approval.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

ENTERED 10/15/18
INTO AFSS *TC*

Below ground level dry hole marker required

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

Name (Printed/Typed) **ROB HYDE** Title **PETROLEUM ENGINEER**

Signature *Rob Hyde* Date **10/09/2018**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *James R. [Signature]* Title **SAET** Date **11-26-18**

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 **CTO**

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)

X7 NMOC D 6-3-19 FOR RECORD ONLY

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-02506 Federal
5. Indicate Type of Lease STATE FEE
6. State Oil & Gas Lease No. 015436
7. Lease Name or Unit Agreement Name W H MILNER FEDERAL PROPERTY CODE 015436
8. Well Number 3
9. OGRID Number 003053
10. Pool name or Wildcat (42370) LYNCH YATES SEVEN RIVERS

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well [X] Gas Well [] Other []

2. Name of Operator BURK ROYALTY CO., LTD

3. Address of Operator P O BOX 94903, WICHITA FALLS, TX 76308

4. Well Location
Unit Letter F : 2310 feet from the NORTH line and 1650 feet from the WEST line
Section 35 Township 20S Range 34E NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3.749' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON [X]
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE []
CLOSED-LOOP SYSTEM []
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: []

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

ELEV: 3749' TD: 3736' 95' OF 13-3/8" 68# SURFACE CSG CMTD W/125 SXS CMT & 3,682' 5-1/2" 14# LONG STRING CEMENTED W/800 SXS CEMENT - ALL CEMENT CIRCULATED TO SURFACE.
NOTE: WATER SANDS: 60-70 FT; 775 TO 800'.

Can combine steps 2 & 3.

- 1. POOH W/RODS AND TBG.
2. SET CIBP @ 3700' W/25 FT OF CEMENT (PRODUCING ZONE @ 3733'-3736'). 3633' w/25 sx cmt.
3. RIH & SET 20 SX CEMENT PLUG @ 3300' 3345 25 SX min. woc tag 3215.
4. RIH & SET 20 SX CEMENT PLUG @ 1750' 1830 25 SX min. woc tag 1700.
5. RIH & SET 35 SX CEMENT PLUG @ 300' 195 - surface.
6. 10 SX CEMENT PLUG IN TOP OF 6-5/8" CSG W/REGULATION MARKER.

LEAVE 95' OF 13-3/8" 68# SURFACE CSG & 3,682' 5-1/2" 14# LONG STRING IN THE HOLE.

Spud Date: [] Rig Release Date: []

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE: PETROLEUM ENGINEER DATE: 10/9/2018
Type or print name: ROB HYDE E-mail address: shirleyb@burkroyalty.com PHONE: 940/397-8600
For State Use Only

APPROVED BY: [] TITLE [] DATE []
Conditions of Approval (if any): []

Hole Size _____

125 SXS Cement

TOC At Surf. _____

13 3/8 Casing Set at 95

Hole Size _____

800 SXS Cement

TOC At Surf _____

T/salt

B/salt

Perfs

5 1/2 Casing Set at 3682

TD At 3682 PCTD _____

3736

Operator Buck Royalty Co.

Well Name/No. WH Milner pad 3

API 3002502506

2310 N/S 1650 E/W Sec. 35

T 20 S, R 34 E Lee CTY

R-111-P

Secretary Polish _____

Cave/Karst _____

LAC Habitat _____

145-Surf 15 SX +/- (shoe)

Top Salt 1780

Base Salt 3295-3335

FORMATIONS

Yates 3520

Spot 25 SX cml from
1830 - 1700 WOC
Tag

DVT _____

PERFORATIONS

3733 3736

Spot 25 SX min from 3345 -
3215 WOC tag Can Combine
283

Cap w/ 25 SX class C.
Set CIBP @ 3633, - 3383

James A. Amos
575-234-5909
575-361-2648

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 (LPC Habitat)

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. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): 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. Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings 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. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

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.

Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:

From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted