

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Operator

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 enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

HOBBS OCD
RECEIVED
MAR 14 2020

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM02965A
2. Name of Operator SOUTHWEST ROYALTIES, INC.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 53570 MIDLAND, TEXAS 79710	3b. Phone No. (include area code) (432) 207-3054	7. If Unit of CA/Agreement, Name and/or No. CONTINENTAL FEDERAL
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) F, 1980' FNL & 1650' FWL, SEC 15, T26S, R33E		8. Well Name and No. #1
		9. API Well No. 30-025-24110
		10. Field and Pool or Exploratory Area SALADO DRAW; DELAWARE
		11. Country or Parish, State LEA

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.)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

NOTICE OF INTENT TO PLUG AND ABANDON

RU WELL SERVICE UNIT. POH LD RODS AND PUMP.
 NU BOP. UNSEATANCHORS. TOH W/ 2-7/8" TBG.
 RU WIRELINE. SET CIBP @ 4900'.
 TIH W/ OPEN ENDED 2-7/8" TBG. TAG CIBP. CIRCULATE HOLE W/ 10# GELLED BRINE. SPOT 35 FEET OF CLASS C CMT.
 WOC FOR 4 HRS. TAG TOP OF CMT. *4685 (B/salt)*
 PERFORATE SQUEEZE HOLES AT 3500'. SQUEEZE 50 SXS CLASS C CMT. WOC FOR 4 HRS. TAG CMT. *140 min*
 PERFORATE AT ~~3300~~ SQUEEZE 50 SXS CLASS C CMT. WOC FOR 4 HRS. TAG CMT. *120 min. from 1827 - 1707.*
 PERFORATE AT ~~400~~ CIRCULATE CLASS C CMT TO SURFACE. *425 - 0'*
 ND BOP. CUT WELLHEAD. INSTALL BELOW GROUND DRY HOLE MARKER.
 MOVE OUT ALL SURFACE EQUIPMENT INCLUDING ELECTRIC POLES, ETC.
 REMOVE CALICHE FROM LOCATION AND ROAD. PREPARE LOCATION FOR REGROWTH PER BLM REQUIREMENTS.

*Start
1827
end
425*

NO SURFACE PIT. ALL WORK USING A STEEL PIT.

Below ground level dry hole marker required



14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) LINDSAY LIVESAY	REGULATORY ANALYST
Signature <i>L.L.</i>	Title
	Date 06/27/2019

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>James A. Amos</i>	Title SPET	Date 10-25-19
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 CFO	

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)

X J NMOC D 3-27-20

FOR RECORD ONLY

SOUTHWEST ROYALTIES, INC.
CONTINENTAL FEDERAL #1
30-025-24110

CURRENT SALADO DRAW; DELAWARE WELL

GR Elev: 3299'

Legals: 1980' FNL, 1650' FWL,
F, Sec. 15, T-26S, R-33E
Lea County, NM

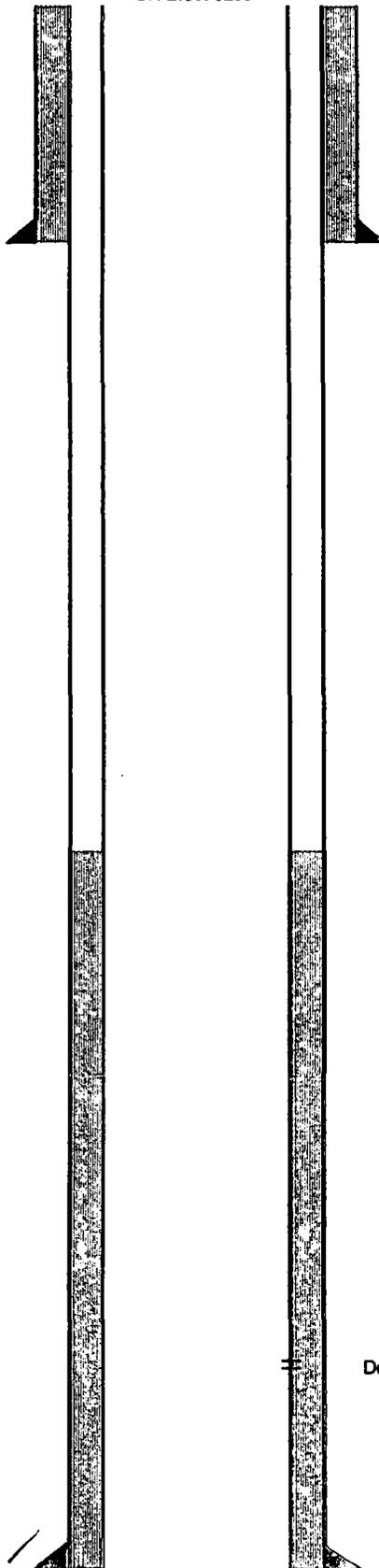
Spud Date: 5/6/72

Surface Hole: 11"

Surface Csg:
8-5/8" 20# H-40
Cmtd. w/ 300 sx Class C,
Circulated 25 sxs

1" from 60'

375' ✓



T/salt 1177-4735

Del Line 4960

Del sd 4988

Delaware Sand: 5003'-5038' ✓

Production Hole: 7-7/8" ✓

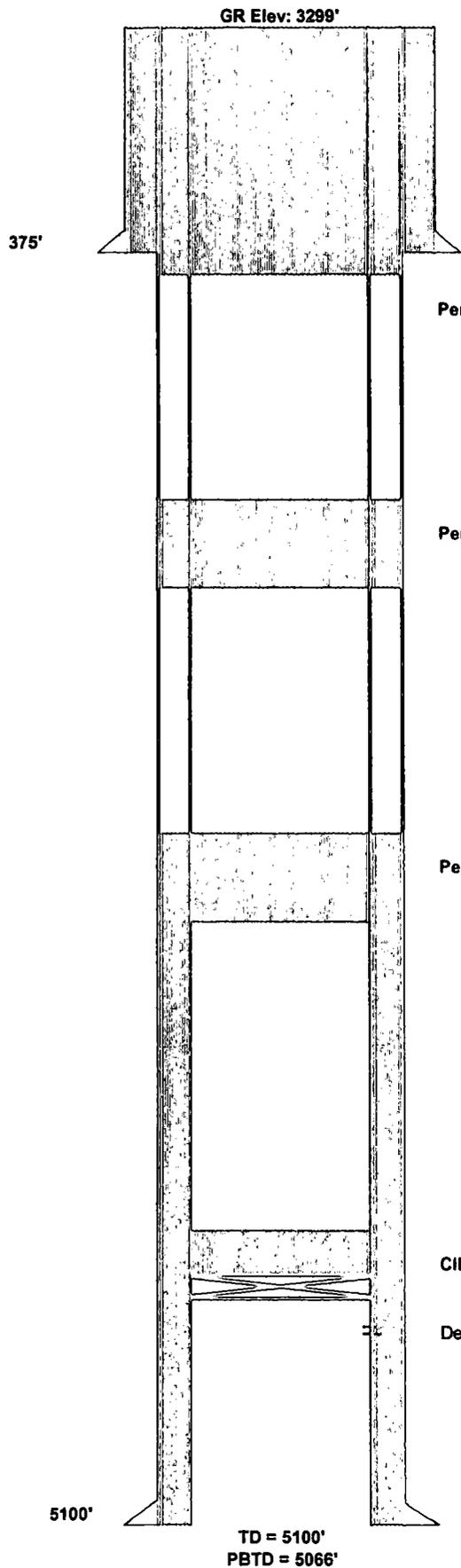
Production Csg:
4-1/2" 9.5# J-55
Cmtd. w/ 200 sxs
TOC Unknown

5100' ✓

TD = 5100'
PBTD = 5066'

SOUTHWEST ROYALTIES, INC.
CONTINENTAL FEDERAL #1
30-025-24110

PLUGGED SALADO DRAW; DELAWARE WELL



Legals: 1980' FNL, 1650' FWL,
F, Sec. 15, T-26S, R-33E
Lea County, NM

Spud Date: 5/6/72

Surface Hole: 11"

Surface Csg:
8-5/8" 20# H-40
Cmtd. w/ 300 sx Class C,
Circulated 25 sxs

Perf @ 400', Circulate Class C cmt to Surface

Perf @ 2300', Squeeze 50 sxs Class C cmt

Perf @ 3500', Squeeze 50 sxs Class C cmt

CIBP @ 4900' w/ 35 sxs cmt

Delaware Sand: 5003'-5038'

Production Hole: 7-7/8"

Production Csg:
4-1/2" 9.5# J-55
Cmtd. w/ 200 sxs
TOC Unknown

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.