Submit 3 Copies To Appropriate District Office
District I, 1625 N French Dr, Hobbs, NM 88240
District II 1301 W Grand Ave, Artesia, NM 88210
District III 1000 Rio Brazos Rd, Aztec, NM 87410
District IV 1220 S St Francis Dr, Santa Fe, NM 87505

RECEIVED
MAR 03 2010
HOBBSOCD

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
May 27, 2004

WELL API NO 30-025-04337	
5 Indicate Type of Lease STATE ☐ FEE ☒	
6 State Oil & Gas Lease No	
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)	7. Lease Name or Unit Agreement Name Federal D
1 Type of Well: Oil Well ☐ Gas Well ☒ Other Injection	8. Well Number 2
2 Name of Operator Finley Resources, Inc.	9. OGRID Number 180387
3. Address of Operator 1308 Lake Street, STE 200, Fort Worth, TX 76102	10. Pool name or Wildcat Eumont Yates 7Rvrs-Qn-West
4. Well Location Unit Letter E : 1980' feet from the North line and 660' feet from the East line Section 26 Township 20S Range 36E NMPM County Lea	
	11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3581' DR
Pit or Below-grade Tank Application ☐ or Closure ☐	
Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water	
Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material	

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☒	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☒
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
OTHER	☐			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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1. Remove tbg-retrieve packer or push to bottom.
2. Set CIBP @ 3725'-and spot 25sx plug on top.
3. Set 35sx plug from 2400' to 2300'-Tag @ 2300' or higher.
4. Set 25sx plug from 420'-320'-Tag at 320'.
5. Perf and squeeze 319'. Circulate cement leaving with 100' left in csg.
6. Cement 60' plug to surface.
7 Verify cement in all annulus and seal well.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Robert Howell TITLE Western District Manager DATE 12/4/2009

Type or print name Robert Howell E-mail address:bhowell@finleyresources.com Telephone No.817-231-8766

For State Use Only

APPROVED BY: TITLE STAFF MGR DATE 3-31-10

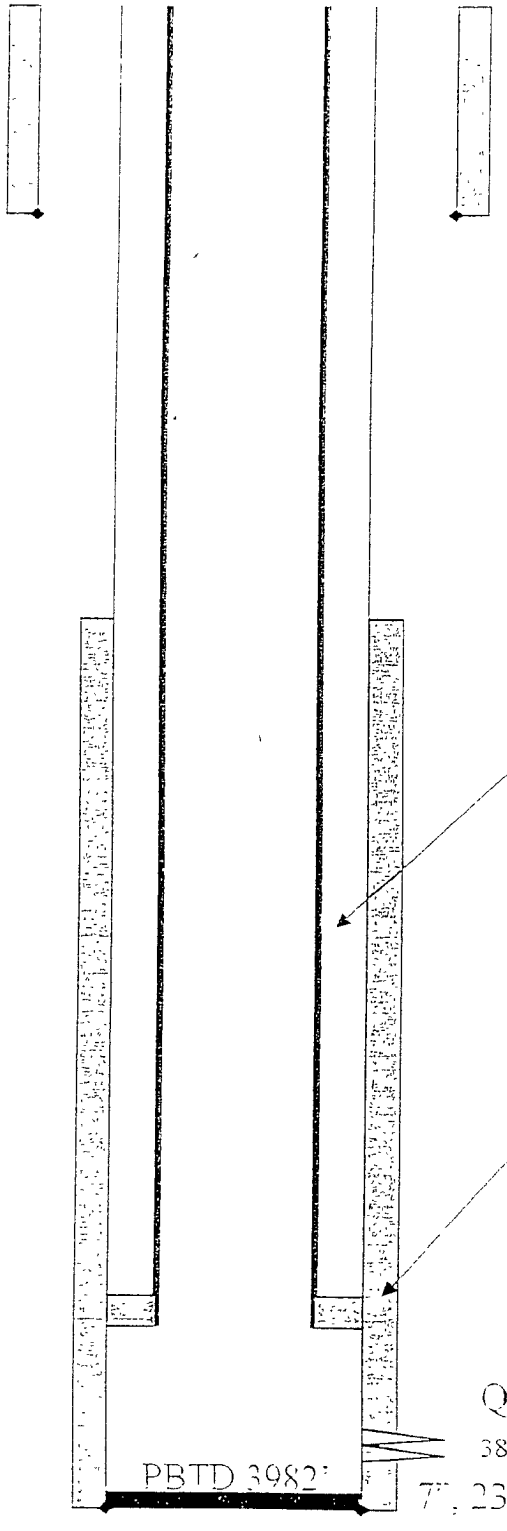
Conditions of Approval (if any):

Federal D #2

1980' FNL, 660' FWL, Sec 26E
T20S, R36E, Lea Co., NM
Eumont Field, completion Date 12/19/54

KB 3581'
API # 30-025-04337
NM ID 1150025

Current STATUS
PILOT INJECTOR



9 5/8" @ 317' w/ 300 sx. Circ.

Stimulation:
8/54 1000 gal 15% 20000 gal oil, 22500# sd
7/25/1991 Approved as pilot waterflood injector
NMOCD Permit # R-9556
12/06 Clean out junk to 3982. Acidize perforations
Perform successful MIT. Return to injection
4/07 Perform Step Rate Test Per NMOCD

2 3/8" 4.7# EUE fiberglas lined tbg

Arrowset 1X packer @ 3736'

Queen Perfs:
3804-98', 3910-64 w/ 592 bullets

PBTD 3982'

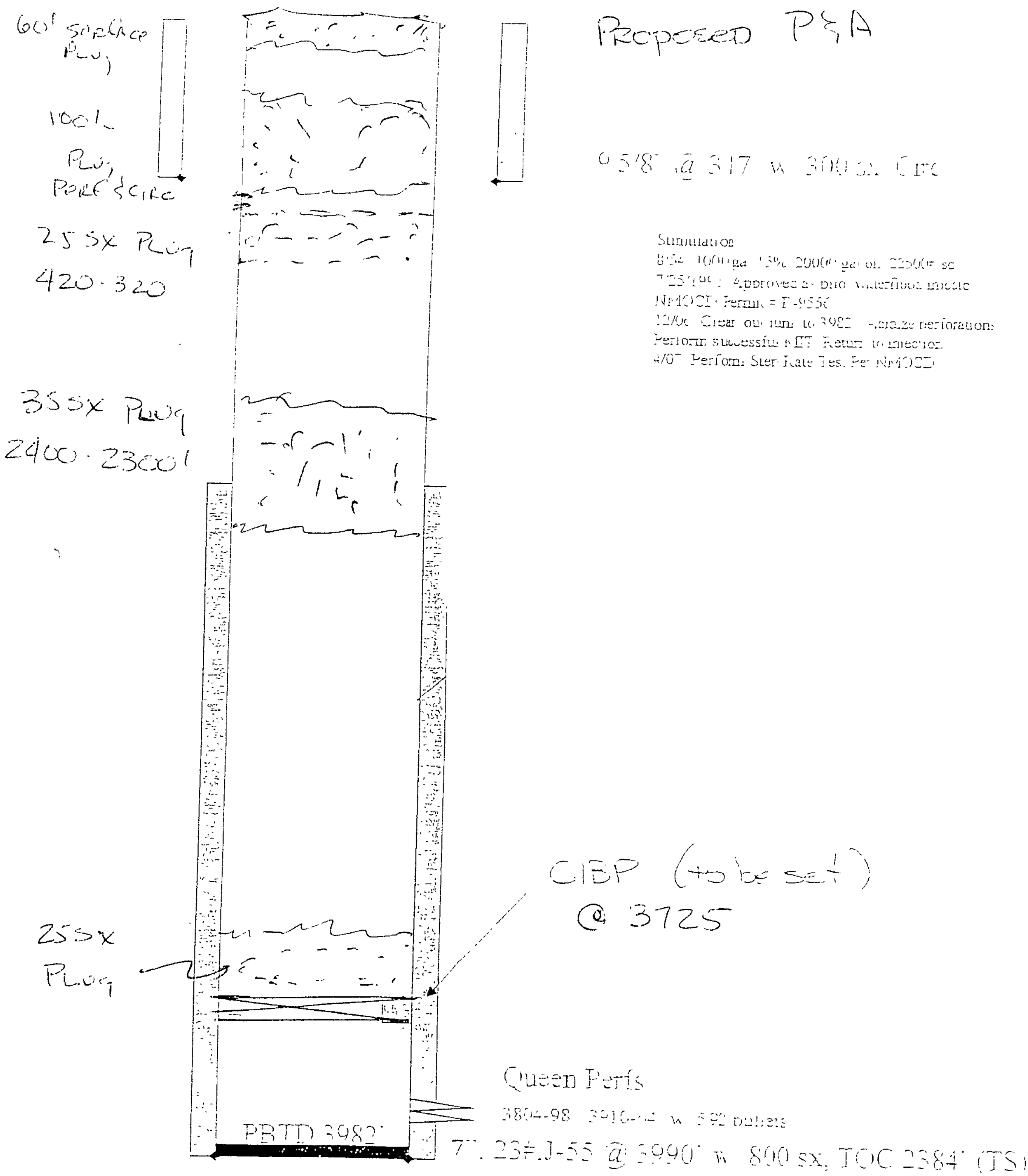
7", 23#, J-55 @ 3990' w/ 800 sx. TOC 2384' (TS)

Current
2/11/2007

Federal D #2

1980' FNL 660' FWL Sec 26E
T20S R36E Lea Co NM
Eumont Field completion Date 12 19 54

LB 3581
API # 30 025 04307
NM LC 150021



Summation
8/54 1000 gal 15% 20000 gal oil 22500# sd
7/25/1991 Approved as pilot waterflood injector
NMOCD Permit # P-9550
12/06 Clean out hole to 3982 Acidize perforations
Perform successful MIT Return to injection
4/07 Perform Step Rate Test Per NMOCD

Finley Resources, Inc.
NM-18264: Federal D #2
API: 30-025-04337
Lea County, New Mexico

RE: Plugging and Abandonment Requirements, Conditions of Approval

H2S Monitoring equipment to be on location.

1. OK
2. OK (Perfs)
3. Move plug to run from 3035'-2905'. Minimum 25sx. WOC and tag at 2905' or shallower. (Yates – BOS)
4. CHANGE: Perf and squeeze a plug (minimum 25sx) from 1610'-1490'. If injection rate cannot be established, spot plug 50' below perfs. WOC and tag at 1490' or shallower. (TOS)
5. Move perforations to be 50' below casing shoe (367'). WOC and tag at 267' or shallower – Otherwise OK (Casing shoe)
6. If cement did not circulate in step 5, perforate – Otherwise OK (Surface)
7. OK
8. Submit a subsequent report to the BLM.

See attached standard COAs.

DHW 021910

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. In lieu of a cement plug in a cased hole, 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. Any plug that requires a tag will have a minimum WOC time of 4 hours.

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 when the wellhead is cut off to verify that cement is to surface in the casing and all annuluses.** The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. 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 five 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 procedure.

DHW 112309

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm

TAKE PRIDE IN AMERICA

In Reply Refer To: 1310

Interim Reclamation Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses.

Interim reclamation consists of minimizing the footprint of disturbance by reclaiming all portions of the well site not needed for production operations. The portions of the cleared well site not needed for operational and safety purposes are recontoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Sufficient level area remains for setup of a workover rig and to park equipment. Topsoil is respread over areas not needed for all-weather operations. Production facilities should be clustered to maximize the opportunity for interim reclamation. In order to inspect and operate the well or complete workover operations, it may be necessary to drive, park, and operate on restored, interim vegetation within the previously disturbed area. This is generally acceptable provided damage is repaired and reclaimed following use.

To reduce final reclamation costs; maintain healthy, biologically active topsoil; and to minimize habitat, visual, and forage loss during the life of the well, all salvaged topsoil should be spread over the area of interim reclamation, rather than stockpiled.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include 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 wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). Interim reclamation is to be completed within 6 months of well completion.

3. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with interim reclamation as per approved APD or Sundry Notice. If you have issues or concerns, contact a BLM specialist to assist you. It would 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. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

4. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.

5. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met.

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)

Terry Gregston
Environmental Protection Specialist
575-234-5958

Bobby Ballard
Environmental Protection Specialist
575-234-2230

Randy Rust
Environmental Protection Specialist
575-234-5943

Linda Denniston
Environmental Protection Specialist
575-234-5974

Jennifer Van Curen
Environmental Protection Specialist
575-234-5905

Justin Frye
Environmental Protection Specialist
575-234-5922

Cody Layton
Natural Resource Specialist
575-234-5959

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Todd Suter
Surface Protection Specialist
575-234-5987

Doug Hoag
Civil Engineering Technician
575-234-5979