



STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER

ALBUQUERQUE

Mike A. Hamman, P.E.
NEW MEXICO STATE ENGINEER

5550 San Antonio Drive, NE
Albuquerque, NM 87109 (505) 383-4000

September 22, 2022

File: B-700 (Well 986)

Permittee: Homestake Mining Company
c/o Brad Bingham
PO Box 98
Grants, NM 87020

Re: Approved Variance Request for the Plugging Plan of Operations for Well B-700 (Well 986)

Greetings:

Your variance request is approved subject to the conditions below:

1. Wellbore B-700 shall be sufficiently cleaned out to allow perforating from 160 fbgl or 50 feet below the lower Chinle aquifer, whichever is deeper.
2. The B-700 wellbore shall be perforated from 160 fbgl or 50 feet below the lower Chinle aquifer, whichever is deeper, to an upper depth of 5 fbgl or shallower.
3. The NMOSE approved sealant is an API Class B cement hydrated with 5.5 gallons of water per 94-lb sack.
4. The NMOSE approved sealant shall be placed by the tremie method from the base of the cleaned-out wellbore to ground surface. The bottom of the tremie pipe shall remain submerged in the sealant throughout the entire sealing process.

5. Should the NMED or another regulatory agency sharing jurisdiction of the project authorize, or by regulation require a more stringent well plugging procedure than herein acknowledged, the more-stringent procedure should be followed. This, in part, includes provisions regarding pre-authorization to proceed, contaminant remediation, inspection, pulling/perforating of casing, or prohibition of free discharge of any fluid from the borehole during or related to the plugging process.

6. NMOSE witnessing of the perforating and plugging operations will be required. NMOSE witnessing may be requested during normal work hours by calling the District 1 NMOSE Office at 505-383-4000, at least 48-hours in advance. NMOSE inspection will occur dependent on personnel availability.

If you have any questions, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ian Hewitt', with a stylized flourish at the end.

Ian Hewitt
Water Resource Professional
NMOSE District 1
(505) 383-4000

IH;ih; copy: WATERS