Submit To Appropriate District Office
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

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised August 1, 2011

WELL API NO. 30-005-61493	
5. Indicate Type of Lease STATE ☒ FEE ☐	
6. State Oil & Gas Lease No. VB-427	
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 ☒ Gas Well ☐ Other	7. Lease Name or Unit Agreement Name Hanlad AKZ State
	8. Well Number #1
2. Name of Operator Hanson Operating Company, Inc.	9. OGRID Number 9974
3. Address of Operator P. O. Box 1515, Roswell, NM 88202-1515	10. Pool name or Wildcat Acme San Andres Southeast
4. Well Location Unit Letter M : 660 feet from the South line and 660 feet from the West line Section 13 Township 8 South Range 27 East NMPM Chaves County	
	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3936' GR

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	☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS.	☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB	☐
DOWNHOLE COMMINGLE ☐			
OTHER: ☐		OTHER:	☐

www.emnrd.state.nm.us
Current forms are available on our website and should be used when filing regulatory documents.

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.

Approved for plugging of well bore only. Liability under bond is retained pending receipt of C-103 (Subsequent Report of Well Plugging) which may be found at OCD Web Page under Forms, www.emnrd.state.nm.us/ocd.

RECEIVED
MAY 09 2014
NMOCD ARTESIA

Plan to Plug and Abandon the well as follows:

1. MIRU. Set cement tanks. Pull rods, pump and tubing.
2. Set CIBP at 2100' with 35' cement cap.
3. Circulate hole with 10# brine and 12.5 PPB salt water gel.
4. Perforate 4 holes at 1450'.
5. Squeeze 25 sacks cement for solid 100' plug inside and outside 4 ½" casing.
6. Shut down for 2-3 hours. WOC. Tag cement plug.
7. Perforate 4 holes at 400'.
8. Squeeze 100 sacks cement for solid 400' plug inside and outside 4 1/2" casing. Circulate to surface.
9. Set Dry Hole Marker.
10. Clean and remediate location.

CONDITIONS OF APPROVAL ATTACHED

Spud Date: 4/1/1982 Rig Release Date: 7/7/2011

Approval Granted providing work is Completed by May 9, 2015

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

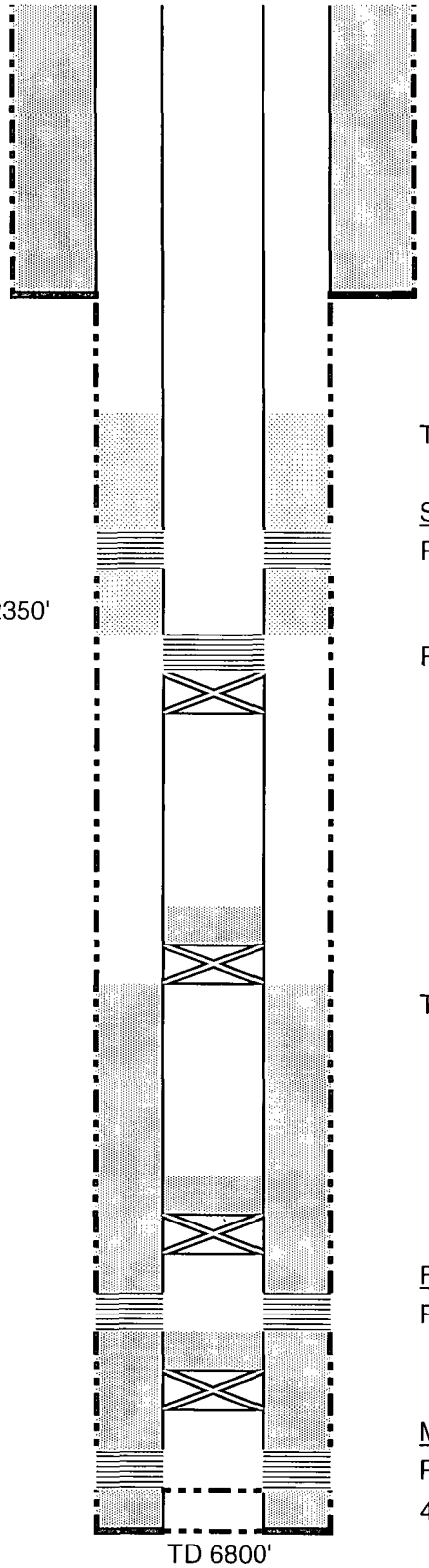
SIGNATURE Carol J. Smith TITLE Production Analyst DATE 4/23/2014

Type or print name Carol J. Smith E-mail address: hanson@dfn.com PHONE: 575-622-7330

For State Use Only
APPROVED BY: [signature] TITLE Dist. Supervisor DATE 5/9/14
Conditions of Approval (if any):
* See Attached COA's

WELLBORE DIAGRAM

WELL NAME	Hanlad AKZ State #1	FIELD	Acme San Andres SE
LOCATION	660' FSL & 660' FWL, M-Section 13-8S-27E, Chaves County, New Mexico		
GL	3936' ZERO	KB	
SPUD DATE	4/1/1982	COMPLETION DATE	10/12/2011
COMMENTS:	API #30-005-61943		



12 1/4" Hole

Cement Retainer 2350'

CIBP at 2400'

7 7/8" Hole

CIBP at 4000'
35' Cement Cap

CIBP at 6200'
35' Cement Cap

CIBP at 6500'
16' Cement Cap

TD 6800'

CASING PROGRAM

8 5/8" 24# J-55 ST&C	1400'
4 1/2" 10.5# J-55 ST&C	6800'

8 5/8" at 1400' with 700 sacks cement Circulated

TOC at 1684' by CBL

San Andres
Perfs: 2140'-2190' 40 holes

BEFORE

Perf: 2390'-2393' 12 holes Squeeze with 300 sacks cement

TOC at 4535' by CBL

Penn
Perfs: 6327'-6411' 18 holes

Montoya
Perfs: 6640'-6687'

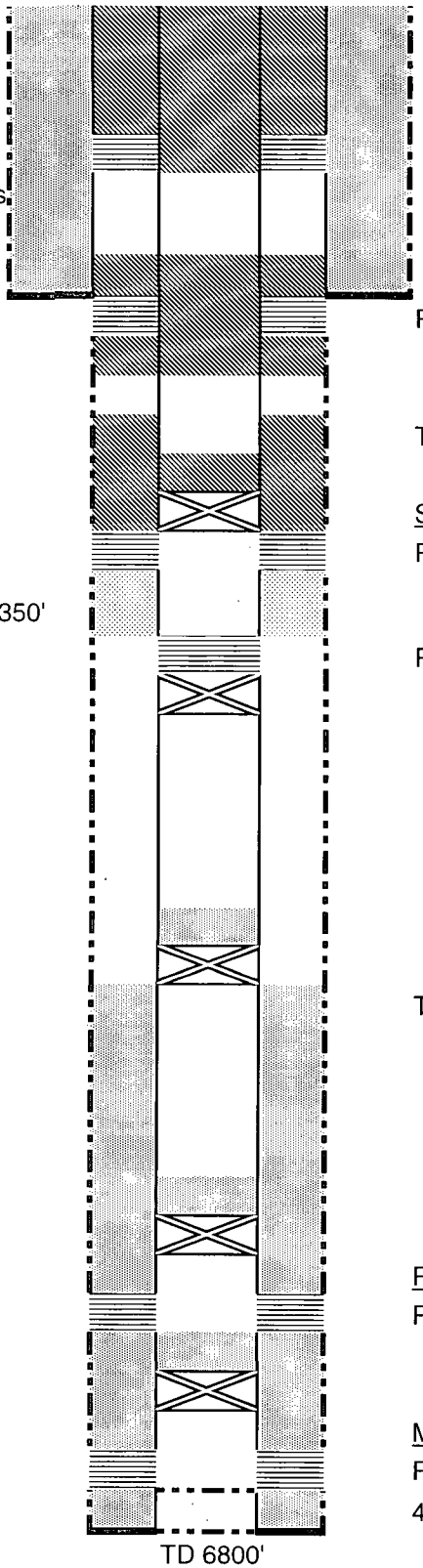
4 1/2" at 6800' with 650 sacks cement

Not to Scale

4/23/2014

WELLBORE DIAGRAM

WELL NAME	Hanlad AKZ State #1	FIELD	Acme San Andres SE
LOCATION	660' FSL & 660' FWL, M-Section 13-8S-27E, Chaves County, New Mexico		
GL	3936'	ZERO	KB
SPUD DATE	4/1/1982	COMPLETION DATE	10/12/2011
COMMENTS:	API #30-005-61943		



12 1/4" Hole

400' Cement Plug
Perf 400' 4 holes
Squeeze 100 sacks
Cement

100' Cement Plug
Inside/Outside
4 1/2" Casing

CIBP at 2100'
35' Cement Cap

Cement Retainer 2350'

CIBP at 2400'

7 7/8" Hole

CIBP at 4000'
35' Cement Cap

CIBP at 6200'
35' Cement Cap

CIBP at 6500'
16' Cement Cap

TD 6800'

CASING PROGRAM

8 5/8" 24# J-55 ST&C	1400'
4 1/2" 10.5# J-55 ST&C	6800'

8 5/8" at 1400' with 700 sacks cement Circulated

Perf: 1450' 4 holes Squeeze with 25 sacks cement

TOC at 1684' by CBL

San Andres
Perfs: 2140'-2190' 40 holes

AFTER

Perf: 2390'-2393' 12 holes Squeeze with 300 sacks cement

TOC at 4535' by CBL

Penn
Perfs: 6327'-6411' 18 holes

Montoya
Perfs: 6640'-6687'

4 1/2" at 6800' with 650 sacks cement

Not to Scale

4/23/2014

NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 S. FIRST STREET
ARTESIA, NM 88210
(575)748-1283

CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator: Henson Operating

Well Name & Number: Hanload AKZ State #1

API #: 30-005-61493

1. Produced water **will not** be used during any part of the plugging & abandonment operation.

2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.

3. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.

4. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator, as well as the contractor, to verify that this permit is place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.

5. A subsequent C-103 will serve as notification that the well bore has been plugged ONLY. A C-103 FINAL shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.

6. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.

7. Every attempt must be made to clean the well bore out to below the perfs, before any plugs can be set, by whatever means possible.

8. **Cement Retainers may not be used.**

9. **Squeeze pressures are not to exceed 500 PSI, unless approval is given by NMOCD.**

10. **Plugs may be combined after consulting with and getting approval from NMOCD.**

11. **Minimum WOC time for tag plugs will be 4 Hrs.**

DATE: 5/9/14

APPROVED BY:

GUIDELINES FOR PLUGGING AND ABANDONMENT

DISTRICT II / ARTESIA

- All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater.
- Mud laden fluids must be placed between all cement plugs.
- Mud laden fluids must be mixed at 25 sacks of gel per 100 bbls of water.
- A cement plug is required to be set 50' below and 50' above all casing shoes and casing stub plugs. These plugs must be tagged.
- A CIBP with 35' of cement on top may be set in lieu of 100' cement plug.
- A plug as indicated above must be placed within 100' of top perforation. This plug must be tagged.
- Plugs set below and above salt zones must be tagged.
- No more than 2000' is to be allowed between cement plugs in open hole and no more than 3000' in cased hole.
- DV tools are required to have a 100' cement plug set 50' above and below the tool and must be tagged.

- Formations to be isolated with plugs placed at the top of each formation are:
  - Fusselman
  - Devonian
  - Morrow
  - Wolfcamp
  - Bone Spring
  - Delaware
  - Any Salt Section (Plug at top and bottom)
  - Abo
  - Glorieta
  - Yates (this plus is usually at base of salt section)

- If cement does not exist behind casing strings at recommended formation depths, the casing must be cut and pulled with plugs set at these depths or casing must be perforated and cement squeezed behind casing at the formation depths.
- In the R-111-P area (Potash Mine area) a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts common to the section penetrated and in suitable proportions, but not more than a 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible (50' below and 50' above).