

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NM OIL CONSERVATION
ARTESIA DISTRICT
OCD-ARTSLA
NOV 14 2016

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other Injection		5. Lease Serial No. NM 0162
2. Name of Operator Walsh and Watts, Inc.		6. If Indian, Allottee or Tribe Name
3a. Address 1111 Seventh Street Wichita Falls, TX 76301-2392	3b. Phone No. (include area code) 940-723-2104	7. If Unit of CA/Agreement, Name and/or No. North Square Lake Premier Unit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL, 1990' FWL, Sec. 5, TWP 16S, RNG 31E, NMPM		8. Well Name and No. North Square Lake Premier Unit 009
		9. API Well No. 30-015-04803
		10. Field and Pool or Exploratory Area Square Lake QN, GB, SA North
		11. Country or Parish, State Eddy County, New Mexico

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 checked="" 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 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.)

Previously cement squeezed @ 695' with 200 sx. Cement circulated to surface. Drilled out of cement @ 714'. Will not hold pressure.

Operator seeks consent to alter casing in the above referenced well to regain compliance and beneficial use of said well.

Operator seeks to install a 2-1/2" ID flush joint (* See below) casing liner inside existing 4. ID casing (0.5625" offset).

New liner will be ran to a depth of 3250' +/- 9'.

New liner will be cemented from liner shoe to surface as per BLM/OCD regulations and/or stipulations.

Notify BLM if cement doesn't circulate.

New tubing string will be 2-1/16" IPC tubing with IPC tension packer set at 3240' +/- 5'.

If this application is approved the Operator will notify BLM/OCD within 48 hours of commencement of cementing operations.

Work is expected to begin immediately post approval.

* 2.875" flush joint tubing with DR4S thread; 6.5 #s/ ft.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**SUBJECT TO LIKE
APPROVAL BY STATE**

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

Name (Printed/Typed)

Alfred B. Guinn

Title Vice-President

Signature

Alfred B. Guinn

Date 11/07/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Ch. Walls

Title

Eng

Date

11/9/16

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)

William Womble

From: Blackstock, Rusty [Lawrence.Blackstock@basicenergyservices.com]
Sent: Tuesday, November 08, 2016 4:10 PM
To: Bill Wombal

160 sk C 4% gel

1.69 yd

13.5 wt

8.9 GPS

Compressive strengths

12 hr. 615

24 hr 1255

72 hr. 2400

Sent from my iPhone

$$160 \times 1.69 = 270.4 \text{ ft}^3 > 136$$

BASIC Energy Services Confidentiality Notice:

The information in this email is confidential. It is intended solely for the addressee. Access to this email by anyone else is unauthorized. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it, is prohibited and may be unlawful.

Walsh and Watts
30-015-04803
North Square Lake Premier Unit 9
November 9, 2016
Conditions of Approval

1. Surface disturbance beyond the originally approved pad must have prior approval.
2. Closed loop system required.
3. Notify the BLM if cement doesn't circulate to surface.
4. **Pressure test new tubing according to Onshore Order #2 III.B.1.h. If it bleeds off more than 10 percent notify the BLM Engineer (575-234-5972).**

Well with a Packer - Operations

- 1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.
 - a) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with 200 psig differentials between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
 - b) Document the pressure test on a calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
 - c) At least 24 hours before the test: In Eddy County call 575-361-2822.
 - d) Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.

CRW 110916