

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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO.
30-015-31232

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.
302006

7. Lease Name or Unit Agreement Name
Ballard Grayburg San Andres Unit

8. Well Number 26-6

9. OGRID Number 236183

10. Pool name or Wildcat
Loco Hills Q-GB-SA (39520)

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 ☐

2. Name of Operator
Tandem Energy Corporation

3. Address of Operator
P.O. Box 1559 Midland, TX 79702-1559

4. Well Location

Unit Letter L : 1450 feet from the South line and 660 feet from the
West line

Section 4 Township 18-S Range 29E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3525'GL

Pit or Below-grade Tank Application ☐ or Closure ☒

Pit type drilling Depth to Groundwater 100 Distance from nearest fresh water well 1/2 mile Distance from nearest surface
water >1 mile

Pit Liner Thickness: 12 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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: P&A Re-Entry Completion Report ☒

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.

3-30-06 Drill Plug #1 from 20'-60'. TIH. Drill Plug #2 from 295'-435'. TIH. Drill Plug #3 from 735'-791'.

3-31-06 12.5 hrs. continue drilling Plug # 3 from 791'-870', RIH to 1432' and tag top of 5-1/2" csg., 1/2 hr. circulate clean on top of csg.
stub, 7 hrs. POOH LD 3-1/2" DP, DC's

4-1-06 6 hrs. TIH, 9 hrs. drill Plug #4 from 1432'-1557'. Tagged obstruction below Plug #4 and chased to 2791'. 3 hrs. POOH LD 2-
7/8" DP, stand back 3-1/2" DP.

4-2-06 6 hours PU & RIH with tapered mill while WO fishing tools. Tag top of 5-1/2" csg. stub at 1432'. POOH. 3-1/2 hrs. PU long
catch OS with cut-lip loaded with 2-3/8" grapple. 7-1/2 hrs. TIH with OS, 3 hrs. work fish, 4 hrs. stand back 3-1/2" DP, LD 2-7/8"

4-3-06 5 hours POOH with fish. LD 5' piece of 2-3/8" tbg. LD OS. 7 hrs. PU 4-3/4" insert bit & RIH. 1 hr. rig service, 1 hr. drlg. Plug
5 f/ 2791'-2820' (hung up on scrap metal). 1-1/2 hrs. work pipe free and WO orders. 7-1/2 hrs. cont. drlg. Plug # 4 f/ 2820'-2958'.

4-4-06 6-1/2 hrs. cont. drlg. Plug #4 f/ 2958'-3080'. 1 hr. circ. hole clean, 4-1/2 hrs. LD DP

4-5-06 RDMO Mixon Drilling Rig #11. WO completion.

4-14-06 Set anchors on location. MIRU company pulling unit.

4-18-06 NU triple manual BOP loaded with 3-1/2" and 2-7/8" pipe rams and blind rams. PU & RIH with 4-3/4" skirted bit on 2-7/8"
workstring. Tag Plug # 4 at 3090' (tbg. meas.). PU power swivel, break circulation. Drill cmt. and fell out of Plug # 4 at 3135'.

Circulate clean. LD power swivel, RIH to 3510'. Close blind rams and test 5-1/2" and 8-5/8" csg. to 500 psi. Held. SION.

4-19-06 Open BOP. POOH with 2-7/8" workstring. LD bit. MIRU Capitan Wireline. Run GR/CCL/CNL. POOH. Pu 5-1/2" CIBP.
RIH. Set CIBP at 3400'. POOH. PU 20' of 4" select fire guns loaded with 20 x 19gm x 0.48" shots. RIH. Perforate San Andres in 2
runs 3255', 38', 3171', 44', 37', 25', 04', 3095', 82', 26', 02', 2990', 76', 71', 56', 45', 41', 27', 19', 05', 2896', 82' (22 holes). POOH.
RD Capitan Wireline. PU & RIH w/ 2-3/8" x 4" sub, 2-3/8" x 5-1/2" AD-1 pkr., & SN on 2-7/8" workstring. Set pkr. at 3200'. RU for
swab (swab perfs at 3238' & 3255'). Made 4 runs. Starting FL=150'. Ending FL=1800'.

4-20-06 Took delivery of 48 jts. 3-1/2" 9.30# EUE8-rdN-80 workstring. Chaged out swab line. SITP=70 psi. Open BOP. Bled gas off
of tbg. RU for swab. Made 8 runs. Ending FL=1800 FFS. Wait 1 hr. FL= 1000 FFS. Swabbing trace of oil & some gas. Release AD-1
pkr. PU RBP & pkr. on 2-7/8" workstring. RIH. SD 1 hr. due to high winds. Cont. RIH. Set RBP at 3219'. LD 1 jt. and left pkr.
swinging. SION.

4-21-06 SITP=90 psi. Bled off gas. PU & set pkr. at 3050'. Isolated perfs from 3082'-3071'. RU for swab. Made 8 runs. Starting FL=800 FFS. Ending GL=1900 FFS. Showed good trace of oil. Wait 1/2 hr. Ending FL=1900 FFS. Release pkr. Latch onto RBP. POOH & set RBP at 3050' and pkr. at 2847'. Isolated perfs from 2882'-3026'. Made 3 runs. Swabbed down to SN. Release pkr., and retrieved RBP. POOH standing back 2-7/8" and LD RBP & pkr.

4-22-06 PU Arrow-Set 1-X pkr. on 2 jts. 2-7/8" tbg., 48 jts. 3-1/2" tbg., & 37 jts. 2-7/8" tbg. Hydrotest in hole. RU Halliburton acid crew. Pickle tbg. and spot 15 bbls acid across perfs. PU & reverse out top 5 bbls acid (pickle). (Gas slug flowed oil to surface). Set pkr. at 2728'. Acid San Andres perfs with 3300 gallons 15% NEFe HCl and 44 ball sealers (100% excess balls). Avg. treating pressure=1800 psi at 4.4 bpm. Max pressure=1944 psi at 4.1 bpm. Balled perfs out twice at 3750 psi. Flushed acid to top perf w/ 23.7 bbls. ISIP=1480 psi. SI for 1 hr. Release pkr. RIH 17 jts. and knock off balls. SION.

4-23-06 SITP=130 psi, SICP=30 psi. Open up well. Flowed oil & gas for 20 min out csg. Cont. RIH w/ pkr. to knock off balls. POOH & set pkr. below 5-1/2" csg. stub at 1485'. MIRU Halliburton frac crew. Frac San Andres with 38,000 gals SilverStim LT (15 visc., 25#/gal) and 100,000# "Expedite-225" 16/30 Ottawa (resin coated sand) at 35 bpm, 2500 psi in 5 stages. Average treating pressure 2565 psi @ 28.5 bpm. Max treating pressure 4448 psi @ 16.9 bpm. Well screened out in 4# - 6# ramp with 5.4# sand on the perfs. Let pressure bleed down to 1500 psi. Attempted to get back on flush with no success. Left estimated 450# sand in csg. ISIP=1589 psi. 5min=1300 psi, 10 min=1231 psi, 15 min=1200 psi, RD Halliburton. SION.

4-24-06 SITP=1050 psi. Flowed well back at 3/4 bpm. Got some sand flowing back after 2 hrs. After 8 hrs. well had flowed back approx. 200 bbls water. Left well open to pit overnight.

4-25-06 Flowed approx. 100 bbls overnight. 415 bbls LWLTR. SI tbg., built up to 80 psi in 10 min. Open well to pit. ND frac valve. Stab TIW valve. Release pkr. Well flowing up csg. Wait on pump truck. Pumped 20 bbls fresh water down tbg. RD pump truck. POOH LD 3-1/2" workstring and pkr. RIH w/ 2-7/8" notched collar, 1 jt., & 2-7/8" SN on 2-7/8" workstring. Tagged top of sand at 2830'. RU pump truck on csg. Circulate sand out of tbg. Circulate down to 2920'. Circulate hole clean. Close pipe rams. Left tbg. open to pit overnight.

4-26-06 RU pump truck. Break circulation. Finished cleaning out frac sand to PBTD of 3385'. Circulate hole clean. ND BOP. Release pump truck. NU wellhead. Landed 106 jts. 2-7/8" 6.50# tbg. EOT at 3292'. (SN @ 3261', bottom perf=3255', top perf=2882').

5-5-06 Pumping to test tank. 24 hr. test=39 bo x 121 bw.

5-6-06 24 hr. test=25 bo. Gas measurement=17 mcf on 0.25" orifice. Tester pressure=100 psi. Flowline pressure=65 psi. FL=2267'

5-7-06 49 bo x 12 bw x 16 mcf.

5-8-06 37 bo x 14 bw

5-9-06 7 bo x 16 bw x 18 mcf

5-10-06 7 bo x 16 bw x 18 mcf.

5-11-06 6 bo x 20 bw x 0 mcf.

5-12-06 20 bo x 20 bw x 10 mf.

5-13-06 27 bo x 30 bw x 8 mcf.

5-14-06 25 bo x 33 bw x 13 mcf.

5-15-06 24 bo x 31 bw x 13 mcf.

5-16-06 24 bo x 30 bw x 10 mcf. Turned well down flowline.

Well IP (San Andres)=24 bopd x 30 bwpd x 10 mcf.

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 Glen Scott TITLE VP - Operations DATE 8/25/06

Type or print name IOBEN SCOTT E-mail address: tscott@tandem-energy.com Telephone No. 432-686-7136
For State Use Only

APPROVED BY: Accepted for record - NMOCD TITLE _____ DATE 9/8/06
Conditions of Approval (if any):