

Santa Fe Main Office
Phone: (505) 476-3441
General Information
Phone: (505) 629-6116

Online Phone Directory Visit:
<https://www.emnrd.nm.gov/ocd/contact-us/>

State of New Mexico
Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-01218	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name Saunders Salt Water	
8. Well Number 002	
9. OGRID Number 333695	
10. Pool name or Wildcat	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4,191' GR	

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
BCE-Mach III LLC

3. Address of Operator
14201 Wireless Way, Suite 300, Oklahoma City, OK

4. Well Location
Unit Letter **N** : 810 feet from the **South** line and 1980 feet from the **West** line
Section **3** Township **15-S** Range **33-E** NMPM County **Lea**

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
DOWNHOLE COMMINGLE
CLOSED-LOOP SYSTEM
OTHER:

SUBSEQUENT REPORT OF:

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

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1. Plan A-Load and test backside. If good test, set up MIT with NM OCD to witness.

2. Plan B-If Bad Test

1. MIRU, BOP, release packer, PU 2 jnts tag for fill, POOH while scanning.
2. Lay down blue, green and red band joints. ensure chemical rep cuts and takes sample of hole if found. Confirm prior to hydrotest that plastic lining will not be damaged.
3. Move in hydro-tester to RIH TBG while hydrotesting and set seal assembly in packer at 4100'. Once set pressure, test backside to 500psi, if holds, continue. If no pressure holds, unset packer and POOH 1 stand and reset packer, pressure test again. If no pressure holds then move to plan C.

3. Plan C

1. Release from packer and POOH, prepare to run RBP with tandem packer to test casing integrity. Set RBP at 4100' and move up hole 50-100' and test RBP. After good RBP test, hunt for casing leak.
2. Prepare for casing cement squeeze.

Spud Date:

2/10/1957

Rig Release Date:

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

SIGNATURE *Karen Davis*

TITLE Regulatory Analyst

DATE 12/09/2025

Type or print name Karen Davis

E-mail address: karen.davis@machnr.com

PHONE: 432-209-4826

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

Saunders SWD #2 is the only disposal well for 6 separate leases that accounts for 120 BOPD, this well injects 1500-2000 BWPD. This well has failed an MIT and will require a rig to put back online. Plan is to expedite getting a rig to this location to minimize trucking. I am currently working with procurement to ensure we have replacement TBG and a packer for this application.

Deferred Injection: 1500-2000 BWPD

API: 30-025-01218

District:

- Central Texas – BCE-MACH III
- Lea County, NM

Injection Zone

- 4274'-5650'

PRODUCTION CONTACTS: *Notify prior to MIRU WSU

- Phillip Marroquin - (432)934-6488
- Superintendent: Tommy York – (432)209-6387
- Engineer: Jeremy Martin – (580)583-4834

Failure History

- 10/2025: Failed MIT **Current Problem**
- **9/2024:** Leaking B1 Flange

Plan A: Load and test backside. If good test, set up H-5 w/ NM OCD to witness MIT.

Plan B: If bad test MIRU, NU BOP, release from packer, PU 2 JNTS tag for fill, and POOH while scanning *verify scanners can scan 2 7/8" TBG. Lay down blue, green and red band joints. Ensure chemical rep cuts and takes sample of hole if found. Confirm prior to Hydrotest that plastic lining will not be damaged. Move in Hydro Tester to RIH TBG while Hydrotesting and set seal assembly in packer at 4100'. Once set pressure test backside to 500 psi if hold continue. If no pressure holds unset packer and POOH 1 stand and reset packer and pressure test again, if no pressure holds move to plan C. After good pressure test release Packer and circulate PKR fluid. Latch back on PKR with on/off tool. Test backside to 500psig and hold for 30 minutes, if pressure test fails, call office. If good test recorded establish time with NM-OCD to run MIT with chart recorder on hand and submit paperwork to office staff. ND BOP and NUWH.

Plan C: Release from packer and POOH, prepare to run RBP with tandem packer to test casing integrity. Set RBP at 4100' and move up hole 50-100' and test RBP. After good RBP test hunt for casing leak. Call office with casing leak location, injection rate, and pressure. Prepare for casing cement squeeze.

Tbg details (B-T): EOT @ 4100' *verify depth of packer currently

- Model 'D' permanent packer
- Seal assembly
- 4098' of 2 7/8" IPC TBG

Casing:

- Production 9-5/8", 36#, @4274'
- Open Hole - 8-5/8", PBTD 5650'
- PBTD 6014'

ENERGEN RESOURCES CORPORATION

Saunders #2 SWD

(Formerly State S "D" #5)

Yoakum County, Texas

Active SWD

09-Dec-2025

GL Elevation: 4191'

KB Elevation: 4203'

Location: 1980' FWL & 810' FSL, SEC 3, T-15-S, R-33-E

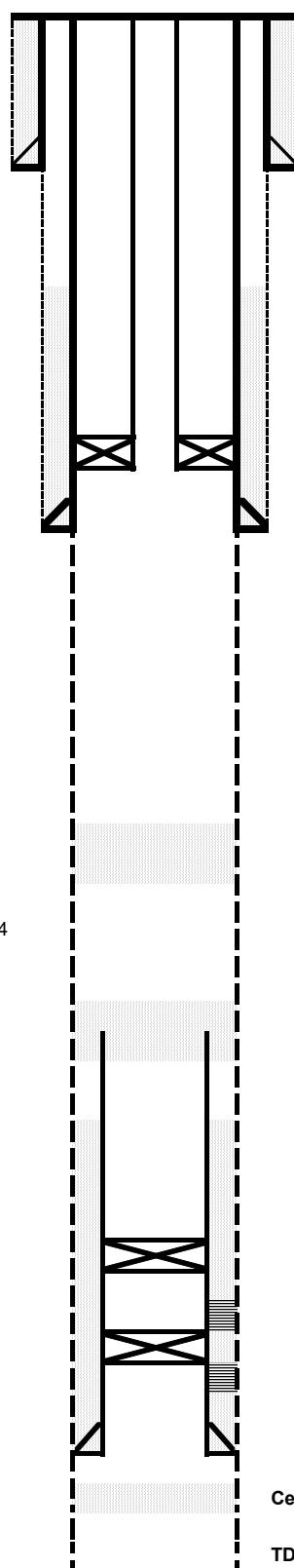
Surface Casing:

13 3/8" 36.00#

@ 297' in 17-1/4" hole

250 sx cement

Cement Circulated

**SWD Tubing:** 2-7/8", 6.50#, EUE, J-55, with packer fluid on 9-5/8" x 2-7/8" annulus.

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 533373

CONDITIONS

Operator: BCE-Mach III LLC 14201 Wireless Way, STE 300 Oklahoma City, OK 73134	OGRID: 333695
	Action Number: 533373
	Action Type: [C-103] Sub. Workover (C-103R)

CONDITIONS

Created By	Condition	Condition Date
gcordero	if the workover requires tubing change same tube size shall be replaced as prescribed by the respective order and the packer shall not be set more than 100 ft above the top of the injection interval.	12/19/2025
gcordero	Change in tubing size or packer depth will only be with the approval of Phil Goetze, philip.goetze@emnrd.nm.gov	12/19/2025