29-Jan-10

## Well Inspection History

API Number. 30-025-23708-00-00

Well Name & No.: GOVERNMENT E

Operator: AGUA SUCIA LLC, DENIS SCHOENHOFER District: HOBBS

County Name: LEA

Field: GOVERNMENT E

Legal: S: 25 T: 19S R: 34E

Well Type: SALT WATER DISPOSAL WELL

|       | Oil Conservation Commission  |
|-------|--|
| 1     | Case No Exhibit No   |
| Harra | Exhibit No   |
|       | S. Carrier and C. Car |

| Insp. Dt. | Insp. Type   | Insp. Purpose  | Insp. No             | RmdyRqDt                                 | Insp. By                          | Viol. SNC Failed Codes                              |
|-----------|--|--|----------------------|--|-----------------------------------|---|
|           | Routine/Penodic  | Normal Routine Activity  | IJRH10012385         |  | 125                               |   |
|           | CHECKED LOCATION IN RE<br>HOOKED UP AND VALVES (             |  | ISSUES, FLUID        | DOES NOT APPE                            | EAR TO BE G                       | SOING INTO WELL, LINES STILL                        |
|           | Routine/Periodic   | Normal Routine Activity  | MAW0930639           |  | 122                               |   |
|           | Check location as per BH, At                                 | the time of inspection, there wi                                     | as no fluid going i  | nto the well. Still t                    | nooked up and                     | d valves at wellhead open. MW                       |
| 9/8/2009  | Routine/Periodic   | Normal Routine Activity  | IMAW0925146          |  | 122                               |   |
| +         | Check location as per LWH. E                                 | dig cent. Pump running, Putting                                      | water down line      | to Cheasapeake.                          | No fluid going                    | g down tbg. MW                                      |
| 6/5/2009  | Routine/Periodic   | Normal Routine Activity  | IMAW0915653          |  | 122                               |   |
|           | Check report of operator putting                             | ng fluid into well. Valves open.                                     | No fluid moveme      | nt can be heard. I                       | Report finding                    | s to BH. MW   |
| /27/2009  | Routine/Periodic   | Normal Routine Activity  | iMAW0914756          |  | 122                               |   |
|           | Well is hooked up and back fl                                | owing. As per Buddy Hill, okay                                       | to back flow only    | , no injection sho                       | uld occur at th                   | us time. MW   |
| /29/2009  | Routine/Periodic   | Normal Routine Activity  | IMAW0912047          |  | 122                               |   |
|           |  | ell hooked up, informed operat<br>I on location and observed ope     |                      |  |                                   | e connected to a                                    |
|           | Routine/Periodic   | Normal Routine Activity  | ILWH0911432          |  | 102                               | Y 101   |
|           | are submitted and approved.                                  | Solids in pit. Pit permit expire<br>Closure will be dig and haul, s  | amplingt will be w   | 144 for pit, Pit clo<br>Inessed. Took pi | sure plan. Pit<br>ctures. First N | is not to be closed until all forms<br>Notice       |
|           | MIT Witnessed - Other  | Normal Routine Activity  | iMAW0910439          |  | 122                               |   |
|           | Post workover MIT. Pkr set al                                | t 9596'. Test to 350 psi for 30 r                                    | nin. Left chart wit  | n Al Perry, MW                           |                                   |   |
|           | Work Over Reconditioning                                     | Normal Routine Activity  | IMAW0909331          |  | 122                               |   |
|           | On location at 7:10 am. Start                                | in hole with pkr. Pick up175 jts                                     | of 2 3/8" tog and    | 123 jts of 2 7/8"                        | of racks.                         |   |
| 4/1/2009  | Work Over Reconditioning                                     | Normal Routine Activity  | iMAW0909159          |  | 122                               |   |
|           | On location at 8:30. Drilling of 9740', MW                   | mt. Drilled wiper plug at 9542'.                                     | Called Al Perry in   | PM. Reported th                          | at they drilled                   | shoe at 9597'. Cleaned out to                       |
| 4/1/2009  | Compliance Verification                                      | Normal Routine Activity  | iLWH0909328          |  | 102                               |   |
|           | Call from Louis Edgett, 3:40 pexpired. Do not use well until |  | e expiration. I told | him that since n                         | o reported dis                    | posal since 1-08 his permit has                     |
| 3/31/2009 | Work Over Reconditioning                                     | Normal Routine Activity  | IMAW0909058          |  | 122                               |   |
|           | GIH w/ bit, collars, and tbg. P<br>MW                        | ressure test liner top to 500 ps                                     | i for 15 min. Held   | good. Tag cmt a                          | l 9510'. Prepa                    | re to pick up swivel and drill cmt.                 |
| 1/27/2009 | Work Over Reconditioning                                     | Normal Routine Activity  | iMGB0908921          |  | 119                               |   |
| •         |  |  |                      |  |                                   | JDING LINER HANGER AND<br>TOP TO 1000#, OK, POOH W/ |
| 3/26/2009 | Work Over Reconditioning                                     | Normal Routine Activity  | IMGB0908551          |  | 119                               |   |
|           | RIH WI LINER. WEATHER  | FORD SERVICEMAN TO RUN   | LINER HANGE          | K, MGB.                                  |                                   |   |
| 3/25/2009 | Work Over Reconditioning                                     | Normal Routine Activity  | IMGB0908454          |  | 119                               |   |
|           |  | 3:30AM, CREW ON LOCATION<br>31 JTS C-75; WILL HAUL BAC               |                      |  |                                   | T TRAILERS WITH 4" LINER ON                         |
| 3/24/2009 | Work Over Reconditioning                                     | Normal Routine Activity  | iMAW0908349          |  | 122                               |   |
|           |  | lts of 4" flush jölnt pipe on rack<br>n running liner on 3-25 around |                      | cation, Called Fra                       | nk Marquez, t                     | ally on pipe approx 5700'. Waitin                   |
| 3/23/2009 | Routine/Periodic   | Normal Routine Activity  | IMAW0908258          |  | 122                               |   |
|           |  |  |                      |  | Rio up wirelin                    | e truck. Run guage ring and junk                    |
|           | basket. GIH w/ perforating gu                                | uns. Will shot 2 JSPF from 971                                       |                      |  |                                   |   |
| 10/6/2008 | Routine/Periodic   | Normal Routine Activity  | IMAW0828058          |  | 122                               |   |
|           | Drive by location to check pro                               | ogress. Pulling unit rigged dow                                      | n and gone. MW       |  |                                   |   |
| 9/30/2008 | Routine/Periodic   | Normal Routine Activity  | IMAW0827457          | •  | 122                               |   |
|           | Logging truck rigged up. GIH                                 | with guage ring. Set down at   | 5180'. Worked for    | 20 min, would no                         | ot go down hol                    | le. MW  |
| 9/29/2008 | Routine/Periodic   | Normal Routine Activity  | iMAW0827343          |  | 122                               |   |
|           | Pulling unit rigged up on well                               | I. No crew at site at 11:30 am.                                      | Tubing in dérrick    | Took picture. MV                         | ٧                                 |   |
| 6/10/2008 | Routine/Periodic   | Normal Routine Activity  | LWH0816262           |  | 102                               |   |
|           | STILL FLOWING BACK TO  | TANKS,   |                      |  |                                   |   |
| 5/20/2008 | Routine/Periodic   | Normal Routine Activity  | 1MAW0814159          | )  | 122                               |   |
|           | Checked site. No activity at a                               | wellhead. Well still connected t                                     | o tanks. No press    | ure on the valve.                        | MW                                |   |

IMAW0812857 5/7/2008 Routine/Periodic Normal Routine Activity Check location for activity. No change, Well still hooked up to tanks in battery. No pressure on guage, No trucks or personnel on site. MW MAW0811646 4/25/2008 Routine/Periodic Normal Routine Activity Status unchanged. No pressure on wellhead. Workover pit still open. Trash and debris all about site. MW iMAW0810224 122 4/10/2008 Routine/Periodic Normal Routine Activity No change is status since last field visit. MW 122 Normal Routine Activity IMAW0809456 4/3/2008 Routine/Periodic No change in status. Still back flowing well to tanks. Guage on wellhead showed 0 psi. MW 102 3/21/2008 Compliance Verification Enforcement Action Follow-u iLWH0808147 PER LOUIS EDGETT, CW., TOOK HOSE LOOSE STUCK JACK HANDLE UP CONNECTION., NO CLAPPER I N CHECK VALVE. RECONNECTED HOSE, OPENED VALVES TO FLOWLINE. Enforcement Action Follow-u ILWH0808145 3/21/2008 Compliance Verification WELL IS CONNECTED TO FLOWLINE, CAN HEAR FLUID MOVING AT WELLHEAD, CHECK VALVE OFF TBG. SHOWS FLUID GOING INTO WELL, NOT BACKFLOWING OUT OF WELL, PRESSURE ON CASING VALVE ALSO. CALLED CW., TOOK PICTURES 3/13/2008 Routine/Periodic Normal Routine Activity IMAW0807351 On location 1:00 pm. No change in status. Well still back flowing to biry. MW IMAW0807059 122 3/10/2008 Routine/Periodic Normal:Routine Activity On location @ 9:00 am, Well back flowing to battery. According to company rep, rate is around 400 bbl/day @ 50 psi. Will build up pressure quickly when shut in. Hauling produced H2O and all from battery today. 2/28/2008 Routine/Pariodic MAW0805948 Normal Routine Activity Pulling unit rigged down and gone. Well connected to flowline and back flowing into tanks at site. Valves at loading site locked. Took pictures. IMAW0805148 2/20/2008 Work Over Reconditioning Status Check As per reverse unit operator, drilling @ approx. 6033'. He indicated there were 316 its of 2 7/8" tog on location (approx. 9930'). During working hours on 2-19-2008 the well backflowed approx. 80 bbls. Well was overflowing during the field visit today. Spoke w/ Mr. Eddget, he indicated he is going to clean out to bottom and run a liner. MW iMAW0805058 2/19/2008 Work Over Reconditioning Status Check 122 Spoke w/ Jose Lane, reverse operator (631-8646). Drilling @ 5330' fell down to 5413'. MW 2/8/2008 Work Over Reconditioning MAW0803958 122 Status Check 8:30 am. Drilling cement, 2:15 pm, Drilling cement @ 4781', Took pictures of workover pit. MW 2/7/2008 Work Over Reconditioning Request/Complaint iMAW0803923 122 Talk w/Mundo, reverse operator for Groco (505-390-3789), Tagged retainer @ 4167'. Drill out retainer and cmt down to 4186'. Cmt green. Shut down for night, MW 2/5/2008 Work Over Reconditioning Request/Complaint ILWH0803667 CALLED @ 5:30PM: CMT. PUMP TRUCK ON LOCATION, ARRIVED @ 6:40 pm. CMT. JOB COMPLETE, RIGGING DOWN. PER CHARLIE, HAD 100# ON 8-5/8" CSG, BEFORE CMT. BEGAN : PUMPED 250 SX. CMT., C NEET FOLLOWED BY 167 BBL. MLF DOWN 8-5/8" CSG. BRADENHEAD. NOT APPROVED BEFORE JOB., PULLING OUT OF HOLE WITH TBG. 2/5/2008 Work Over Reconditioning LWH0803637 102 LOUIS EDGETT SAID ON STANDBY, WAITING FOR CEMENT CO. ?? 2/4/2008 Routine/Periodic ILWH0803556 Status Check 102 NO ONE HERE, SHUT DOWN, TRUCK DRIVER DON W/ QUAHANA UNLOADING TANK BOTTOM, WATER CONDENSATE AND OIL INTO 210 BBL, TANK 2/1/2008 Work Over Reconditioning ILWH0803244 Status Check 102 ALL EQUIP. SHUT DOWN, WELL SHUT IN .. NO ONE WORKING AROUND WELL .. 1/31/2008 Work Over Reconditioning Status Check ILWH0803155 102 PER GWW..PER RENE JUAREZ, W/ WATSON PKR..SET CIBP @ 5332', MESA W.S. OPERATOR SAID PULLED 309 JTS. TBG./ PKR. ON 1-28-08. NOTHING WRITTEN DOWN. 1/31/2008 Work Over Reconditioning iLWH0803138 Status Check SET RBP @ 5950"..TESTED OK! FOUND BAD CSG. @ 5330" TO 4167"..WELL STILL FLOWING..SIP @ 1300# 1/30/2008 Work Over Reconditioning Status Check iLWH0803039 102 RAN IN HOLE W/ CSG. SCAPER TO 6015 .. POOH.. RIH W/ RBP AND PKR. TO +- 6000' TO TEST CSG... PICK-UP W/ TRAILER HAULED 20 JTS, 2-3/8" TBG, AWAY 1/29/2008 Work Over Reconditioning Request/Complaint iLWH0802936 102 PULLED OUT OF HOLE WITH 185 JTS. TBG. AND PKR., RIH WITH CSG. SCRAPER ON WORK STRING TBG., MAY SHUT DOWN DUE TO HIGH WINDS 1/25/2008 Routine/Periodic il WH0802544 102 Normal Routine Activity PULLING UNIT ON WELL. FLOWING WELL BACK TO TANKS. 600# ON TBG., -0- ON CSG.,

|            | Routine/Periodic<br>TBG. @ 1670#   | Normal Routine Activity  | iLWH0722139  | 102                             |                         |                                 |  |
|------------|--|--|--|---------------------------------|-------------------------|---------------------------------|--|
|            | Routine/Periodic   | Normal Routine Activity  | iLWH0719229  | 102                             |                         |                                 |  |
|            |  | OM SANTA FE TO TOUR AR   | EA   |                                 |                         |                                 |  |
|            | Bradenhead   | Request/Complaint  | iLWH0713038  | 102                             |                         |                                 |  |
|            |  | R POSSIBLE CSG. LEAK, PRO  | OD. WELL ON NEXT LOCATION SHO  |                                 | SG. PRES                | SSURENO                         |  |
| 11/20/2006 | Routine/Periodic   | Normal Routine Activity  | iLWH0632445  | 102                             |                         |                                 |  |
|            | GAGE SHOWING 1990#,,WIL  | L CHECK AGAIN LATER  |  |                                 |                         |                                 |  |
|            | Routine/Periodic TBG. PRESSURE @ 1930#,  | Normal Routine Activity  | iLWH0626849  | 102                             |                         |                                 |  |
|            | Routine/Periodic   | Status Check   | iLWH0622846  | 102                             |                         |                                 |  |
|            | TBG. GAGE @ 1940#, PUMP  |  | 1277110022040  | , 52                            |                         |                                 |  |
|            |  |  | :) 18/LIOC4 4429   | 102                             |                         |                                 |  |
|            | Routine/Periodic<br>TBG. @ 1840#   | Normal Routine Activity  | iLWH0614438  | 102                             |                         |                                 |  |
| 4/20/2006  | Routine/Periodic   | Normal Routine Activity  | ILWH0611043  | 102                             |                         |                                 |  |
|            | Tbg. Pressure @ 1750#  |  |  |                                 |                         |                                 |  |
| 1/23/2006  | Routine/Periodic   | Normal Routine Activity  | ILWH0602344  | 102                             |                         |                                 |  |
|            | LOOKS BETTER THAN IN P.  | AST ! TBG. PRESSURE @ 18   | 40#.   |                                 |                         |                                 |  |
| 9/16/2005  | Complaint Résponse   | Status Check   | iPRS05259570   | 115                             |                         |                                 |  |
|            | voice mail rec. 9/15/05 from L<br>emergency pit. Checked loca<br>See photos. Crew on site. Si  | ition in operation. Truck loading<br>te muddy with recent rains. | elease. Bullet hole. 250 bbl inside dy<br>g or unloading. Fluids have been vacu  | uumed up. Res                   | pad and 5<br>idue in so | 0 bbls in<br>Il and around pit. |  |
| 9/15/2005  | Work Over Reconditioning   | Normal Routine Activity  | IJDR05258363   | 113                             |                         |                                 |  |
|            | Operator found a bad joint of tubing. He replaced the joint and ran a pressure test. Marcy said he turned in the chart to his boss. There tank developed a leak and he has a spill estimated at 200 bbls. The pit is full 12" deep 60'X80' and ran on to the location where they picked up 280 barrels. I asked if they reported the spill. Lewis Ledgett reported the spill to Paul Sheely's voice mall. Paul Sheeky is taking care of spill. |  |  |                                 |                         |                                 |  |
| 9/15/2005  | Pressure Test  | Normal Routine Activity  | iJDR05263255   | 113                             |                         |                                 |  |
|            | Spill on location  |  |  |                                 |                         |                                 |  |
| 9/9/2005   | Routine/Periodic   | Normal Routine Activity  | iLWH0525248  | 102                             |                         |                                 |  |
|            | WELL HEAD TORE DOWN.   | NO PULLING UNIT, MAYBE 9   | -12-05.  |                                 |                         |                                 |  |
| 9/7/2005   | Compliance Verification  | Enforcement Action Follow-u                                      | ILWH0525042  | 102                             |                         |                                 |  |
|            | TBG. AND CSG. HAVE HOS   | E CONNECTED BLEEDING   | DOWN FOR REPAIRS SHOULD HA   | VE RIG 9-8-05                   |                         |                                 |  |
| 9/2/2005   | Compliance Ventication   | Enforcement Action Follow-u                                      |  | 102                             |                         |                                 |  |
|            |  |  | DSE TO 2-7/8" LINE GOING TO SAR  | AH SUE WELLS                    | 5#1 & #3                | SHUT OFF AND                    |  |
| 9/1/2005   | Compliance Venfication   | Request/Complaint  | ILWH0524437  | 102                             | Υ                       | 13<br>17                        |  |
|            | PASTURE TRAILED LINE, I<br>RUNNING TO SECOND WE  | FOUND TO BE PUMPING INT<br>LL IN E-36-19-34 BUT HAD LE           | IN, DISCONNECTED ANOTHER TR<br>O WELL W RODS CHAINED DOWN<br>AK AND SHUT IN: TOOK PICTURE<br>WAS TESTING WELL FOR INJECT | I,D-36-19-34.PU<br>S @ ALL LOCA | IMPING D                | OWN TEG ALSO                    |  |
| 8/23/2005  | Compliance Verification  | Enforcement Action Follow-L                                      | iLWH0523533  | 102                             | Y                       | 112                             |  |
|            | INJ. WELL NOT REPAIRED<br>LARRY JOHNSON  | , 1700# TBG. PRESS OIL ST  | ANDING MOST OF AREA INSIDE D   | YKE @ TANKS.                    | TOOK P                  | 13<br>ICTURES, CALLED           |  |
| 4/20/2006  | Compliance Venfication   | Enforcement Action Follow-u                                      | i il WH0511035   | 102                             | Υ                       | 112                             |  |
| 7/20/2002  | Domphone Vermeducti  | Emorodinent reson i bildir-e                                     |  |                                 | •                       | 17                              |  |
|            | 11-05 IS STILL ACTIVE, NO  |  | ULL OF FLUID: NEEDS CLEANED UP<br>DS SHUT IN UNTIL REPAIRED OR<br>OR APPROVAL.   |                                 |                         | LL FAILED BHT 2-                |  |
| 2/11/2009  | 5 Bradenhead   | •  | iSAD05018415   | 114                             |                         |                                 |  |
|            | OK All Equipment and Loca  | tion in Good Shape.  |  |                                 |                         |                                 |  |
| 7/13/2004  | Compliance Verification  | Enforcement Action Follow-                                       | ı iLWH0419559  | 102                             | Y                       |                                 |  |
|            | OIL PUDDLES AROUND TA  | NKS, HEAVY SALT SCALE A  | ND SALT WATER INSIDE DYKES. C  | CALLED PAUL S                   | SHEELEY                 | . NEEDS CLEANED                 |  |
| 8/13/2003  | 3 Routine/Periodic   | Normal Routine Activity  | ILWH0322533  | 102                             | Y                       |                                 |  |
|            | OIL PUDDLES, HEAVY OIL   | STAIN INSIDE DYKE, AROUR   | ND TANKS.  |                                 |                         |                                 |  |

| 7/12/2002 | Routine/Periodic   | Normal Routine Activity        | iJDR02193434                                |  | 113                          |   |              |
|-----------|--|--------------------------------|---|--|------------------------------|---|--------------|
|           | A-OK, All Equipment and Lo   | cation in Good Shape.          |   |  | •                            |   |              |
| 1/30/2002 | Compliance Verification  | Normal Routine Activity        | iJDR02030368                                |  | 113                          |   |              |
|           | A-OK. All Equipment and Lo   | cation in Good Shape.          |   | •                                      |                              |   |              |
| 1/15/2002 | Compliance Verification  | Normal Routine Activity        | IJDR02015363                                |  | 113                          |   |              |
|           | Talked to Lewis Edgett and It well to disposal.  | ne has bought the SWD from S   | ubsurface. Talked t                         | o him about sendi                      | ng us a C 1                  | 04. He has one yea                      | r to return  |
| 8/1/2001  | Compliance Verification  | Normal Routine Activity        | iJDR01213481                                | 11/4/2001                              | 113                          | Υ                                       |              |
|           | Checked status of well failing 6/23/2001. There was a exte   | the 3/20/2001 B.H.T. The first | letter was sent 3/1/<br>. Well is disconnec | /2001requiring the ted. Well hasn't be | well to be t<br>een reapaire | prought into compilar<br>ed and tested. | nce prior to |
|           | Bradenhead   | Normal Routine Activity        | iJDR01079475                                |  | 113                          | Υ                                       |              |
|           | Operator called and left a message that the well was defective and he will repair the well as soon as possible |                                |   |  |                              |   |              |
| 1/29/1998 | MIT Witnessed - Other  |                                | unk0012007                                  |  | 103                          |   |              |
|           | PT TO 590 F/30 MINS OK   |                                |   |  |                              |   |              |
| 2/26/1997 | MIT Witnessed - Other  |                                | unk0012006                                  |  | 114                          |   |              |
|           | TEST CANCELLED-WEATHER-OPER SHOWED-ACCEPTED T  |                                |   |  |                              |   |              |
| 2/26/1996 | MIT Witnessed - Other  |                                | unk0012005                                  |  | 109                          |   |              |

Total Inspections Performed: 73