

Submit 1 Copy 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. 30-025-12058-0000
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Rhodes Yates Unit
8. Well Number 010
9. OGRID Number 288774
10. Pool name or Wildcat Rhodes; Yates-Seven Rivers

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 PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other Injection	HOBBS OGD
2. Name of Operator PPC Operating Company LLC	JUL 29 2014
3. Address of Operator 1500 Industrial Blvd, Ste 102; Abilene, TX 79602	RECEIVED
4. Well Location Unit Letter L : 2130 feet from the South line and 660 feet from the West line Section 27 Township 26S Range 37E NMPM County Lea	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2996 DF	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: MIT Test <input checked="" type="checkbox"/>	

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.

PPC Operating Company's field foreman rigged up on the Rhodes Yates Unit #10 instead of the W H Rhodes B Federal NCT 1. Tubing and packer were pulled and packer was found to be in disrepair. A new packer was purchased and tubing and packer were run back in hole. Mark Whitaker witnessed a MIT pressure test on 1/10/2014. When the tubing and packer were pulled the packer was found to be at 2,963 feet which is 159 feet above the top perf at 3,122 feet. The packer was re-set at 2,963 feet. The previous operator had reported the packer set at 3,063 feet. A letter requesting an exception to the packer depth rule has been sent to Phillip Goetze (copy attached).

Spud Date:

05/02/1943

Rig Release Date:

05/22/1943

(24521)

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

SIGNATURE Jana Spraberry TITLE Office Administrator DATE 01/17/2014

Type or print name Jana Spraberry E-mail address: jspraberry@plantationpetro.com PHONE: 325-267-6046

For State Use Only

APPROVED BY: Maury Brown TITLE Dist Supervisor DATE 7/29/2014

Conditions of Approval (if any):

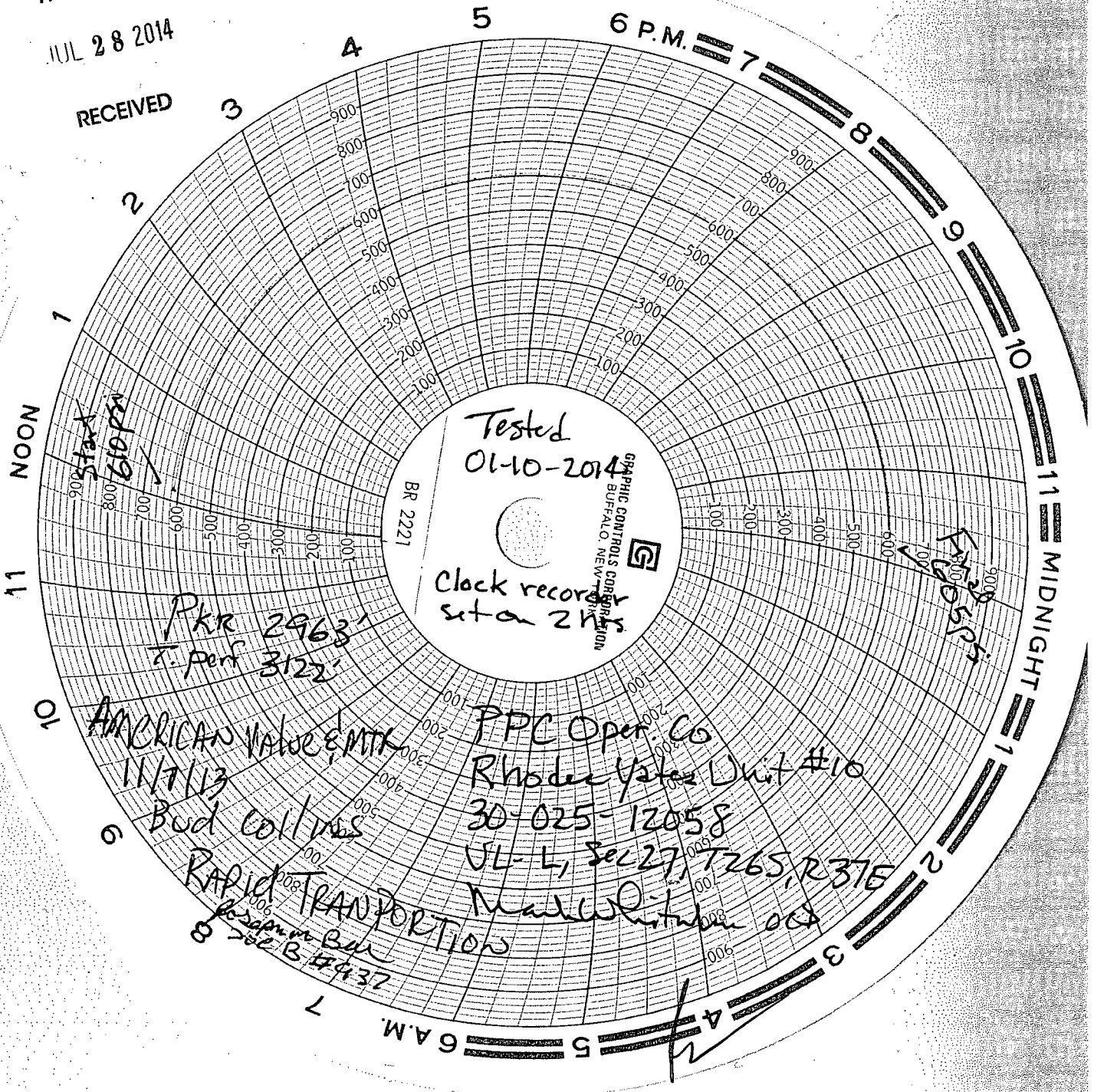
AUG 04 2014

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HOBBS OCD

JUL 28 2014

RECEIVED



State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



February 4, 2014

Ms. Jana Spraberry
PPC Operating Company LLC
1500 Industrial, Suite 102
Abilene, Texas 79603

RE: Packer Setting Depth Exception

Injection Authority: Order No. R-4521(as amended by R-9848); Rhodes Yates Unit Waterflood Project

Pool: Rhodes; Yates-Seven Rivers

Rhodes Yates Unit Well No. 10 API 30-025-12058

(Identified as the Morris Well No. 2 in Order R-4521)

Unit L, Sec 27, T26S, R37E, NMPM, Lea County, New Mexico

Ms. Spraberry:

Reference is made to your request on behalf of PPC Operating Company (OGRID 288774; the "operator") received by the Division on January 10, 2014, for the above named well. The operator applied for exception for setting the packer within 100 feet of the top of the approved injection interval.

It is our understanding that mechanical integrity testing conducted on this well following the replacement of tubing and packer system was only successful with the packer set at a depth of 2963 feet. This location of the packer is approximately 159 feet above the top of the perforated injection interval that begins at 3112 feet. The approved injection interval is from 3112 feet to 3327 feet.

For the reasons stated in the application and because it appears that correlative rights are protected, waste will not occur and this modification will not endanger any fresh water aquifer or the environment, the exception is granted. The packer location within this well shall not be set higher than 159 feet unless the operator receives written approval from the Division Director.

Packer Setting Depth Exception
PPC Operating Co. LLC
February 4, 2014
Page 2 of 2

The Division Director may rescind this exception if it becomes apparent that the injected fluid is not being confined to the permitted interval or is endangering any fresh water aquifer.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs Office
Case File 4936
Well File API 30-025-12058



January 10, 2014

New Mexico Oil Conservation District
Attn: Phillip Goetze
1220 South St. Francis Dr.
Santa Fe, NM 87505

HOBBS OCD

JUL 29 2014

RE: Well API #30-025-12058-0000
Rhodes Yates Unit
Well No. 010
Rhodes; Yates-Seven Rivers Pool
Lea County, NM

RECEIVED

We have worked on this injection well this week, replacing the tubing and packer. During workover operations, the packer was found to be at 2,963 feet which is 159 feet above the top perforation of 3,122 feet. Our field foreman reset the packer where he found it at 2,963. Unfortunately, the paperwork filed by the previous operator, shows the packer set at 3,063 feet. A mechanical integrity test was run on the well 1/10/2014 and witnessed by Mark Whitaker of the NMOCDC Hobbs office. The well held a steady pressure for 30 minutes.

We are requesting permission to leave the packer at 2,963 feet rather than have to rig back up on the well and reset it.

Please advise if you have any questions or need any other information. You can reach me at 325-267-6046 or jspraberry@plantationpetro.com.

Sincerely,

A handwritten signature in cursive script that reads "Jana Spraberry".

Jana Spraberry
Office Administrator
PPC Operating Company LLC