

Submit 1 Copy 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
October 13, 2009

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

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|---|
| WELL API NO. 30-025-28468 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. VA-928 |
| 7. Lease Name or Unit Agreement Name State NO |
| 8. Well Number 1 |
| 9. OGRID Number 246368 |
| 10. Pool name or Wildcat SWD Delaware |

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| 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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other SWD <input type="checkbox"/> | |
| 2. Name of Operator Basic Energy Services, LP | |
| 3. Address of Operator P.O Box 10460 Midland Tx, 79702 | |
| 4. Well Location Unit Letter <u>E</u> : <u>1980</u> feet from the <u>N</u> line and <u>660</u> feet from the <u>W</u> line Section <u>7</u> Township <u>19 South</u> Range <u>36 East</u> NMPM County <u>Lea</u> | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) | |

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 ☐

OTHER ☐

SUBSEQUENT REPORT OF:

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

OTHER: MIT ☐

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.

Per Underground Injection Control Program Manual

11.6 C Packer shall be set within or less than 100

feet of the uppermost injection perfs or open hole.
Condition of Approval: notify

OCD Hobbs office 24 hours

prior of running MIT-Test & Chart

The Oil Conservation Division

MUST BE NOTIFIED 24 Hours

Prior to the beginning of operations

Packer element has lost some integrity 4/19/15

Frac tank was moved in on 4/20/15 bleeding back into frac tank form annulus
PSI on Annulus was at 800# bleed back to frac tank has a 5 GPM flow

Move in Equipment set blankin plug release Psi on tubing set BOP

Lower tubing and set full weight on packer monitor well annulus and see if seal is good.
Call in for time for MIT on Csg. at OCD convenience.

CLOSED LOOP SYSTEM TO BE USED.

Spud Date:

Rig Release Date:

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

SIGNATURE David H. Alvarado TITLE SENM District Fluid Sales Mgr. DATE 4/22/15

Type or print name DAVID H. ALVARADO E-mail address: david.alvarado@basicenergyservices.com PHONE: 575.746.2072

For State Use Only

APPROVED BY: Mahy Brown TITLE Dist. Supervisor DATE 5/14/2015
Conditions of Approval (if any):

MAY 19 2015

m

State NO # 1 SWD

4/22/15

Loss of Packer Element Integrity

Surface injection PSI 1400#

Annulus PSI 1000#

Packer Arrow Set AS1 5 ½ X 2 7/8 O/O TOOL W/SS TOP SUB 2 ¼ F PROFILE 2 7/8 FRAME SET @ 6300' PKR had 28 points in tension.

Cause of failure Rolled slip grip teeth not able to securely bite into the casing wall.

Possible Reason Harmonics of the pump

Option 1. Set blankin plug in profile bleed off annulus and tubing. Move in mats, Frac tank, BOP spot Service unit rig up set full weight on packer and monitor well annulus for a day. If good MIT with PSI trk. rig down and release equipment.

Cost est.\$16,000.00

Option 2. Set six frac tanks bleed back and haul to Redhawk SWD until bottom hole psi is slow enough to work with environment pan while extraction takes place or bleed down enough to balance bottom hole Psi with mud.

Cost est all of the above minus 6k for slick line and if mud is used add 15k for mud (they will not just mix 20bbls only full load and will not take back) trucking time will be third party unless you all can dedicate BES trucks to haul for us? Cost to re-dress packer or replace if bad.

Cost est. \$ 135,000.00