

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

Form C-103

Revised July 18, 2013

HOBBS OCD

JAN 19 2018

RECEIVED

OIL CONSERVATION DIVISION

220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-24438
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 PEARSON SWD
8. Well Number 1
9. OGRID Number 160825
10. Pool name or Wildcat SWD; CHERRY CANYON

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 type="checkbox"/> Other SWD	
2. Name of Operator BC OPERATING, INC.	
3. Address of Operator P.O. BOX 50820, MIDLAND, TX 79710	
4. Well Location Unit Letter <u>H</u> : <u>1980</u> feet from the <u>NORTH</u> line and <u>660</u> feet from the <u>EAST</u> line Section <u>33</u> Township <u>21S</u> Range <u>33E</u> NMPM <u>EDDY</u> County	
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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input 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"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: COMPLETION <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.

SEE ATTACHED COMPLETION SUMMARY

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 Sarah Presley TITLE REGULATORY ANALYST DATE 1.19.2018

Type or print name SARAH PRESLEY E-mail address: SPRESLEY@BCOPERATING.COM PHONE: (432) 684-9696

For State Use Only

APPROVED BY: Malay Brown TITLE AO/II DATE 1/25/2018

Conditions of Approval (if any):

Approved 1-24-18 Phillip Goetz

Pearson SWD #1

- 11/29/2016 Drove to location, started working on well head. Install new Larkin 13 3/8" x 9 5/8" head, new larkin 9 5/8" x 7 5/8" head and new larkin 7 5/8" x 5 1/2" head. Bring all valves up to surface, will be testing all head at AM. Shut down over night.
- 11/30/2016 Drove to location, MIRU Parker tool pump on 13 3/8" head and pipe, pressure up to 300# and lost all the pressure, pump 2-bbls more and would not pressure up. Rig up on 9 5/8" head pressure to 500# lost all the pressure in 15-minutes. NU BOP on 7 5/8" head, rig up on 7 5/8" casing and pressure to 500#, lost 200# in 30-minutes, cover up cellar, MI rig mat, spotted rig and rig up. Secure well and SDON. Will start drilling cement at AM.
- 12/1/2016 Drove to location, had 5-minute tail gate safety meeting, MI DK Trucking and BC Pipe racks. Unload BC's 2 7/8" 8.7# workstring, pick up 6 7/8" bit, 2-3 1/2" drill collars and tagged up at 62' from surface, pick Parker Tool swivel, break circulation and drill down to 85' from surface, fell thru pick tubing and tagged up cement at 302' from surface. Secure well and SDON. Will continue drilling cement at AM.
- 12/2/2016 Drove to location, held 5-minute safety meeting. Break circulation and continue drilling cement down to 582'. Circulate clean, secure well and SDON. Will continue drilling cement at AM.
- 12/3/2016 Drove to location, held 5-minute safety meeting. Break circulation and continue drilling cement from 582' to 617', Circulate clean pressure test csg. to 500# for 30-minutes and held ok. Went down and tagged up at 700', break circulation started drilling and fell thru at 715' pressure test casing to 500# ok for 30-minutes. Continue picking up tubing and tagged up at 2830'. Circulate hole clean, secure well and SDOW. Will continue drilling cement at AM.
- 12/5/2016 Drove to location, held 5-minute safety meeting. Break circulation and continue drilling cement from 2830' to 3058' fell thru, pressure test to 500# ok. Tagged cement at 3230' and drill out to 3490', circulate hole clean, secure well and SDON. Will continue drilling cement at AM.
- 12/6/2016 Drove to location, held 5-minute safety meeting. Break circulation and continue drilling cement from 3490' to 3551' it fell thru circulate clean and test casing to 530# for 30-minutes held ok. Tagged up cement at 3625', drill out cement to 3782', was drilling slow circulate clean. Pressure test casing to 520# for 40-minutes chart recorder and held ok, lay down swivel and POOH, bit was worn out, change out bit and RIH down to 2500' secure well and SDON. Will continue going in hole and start drilling cement at AM.

- 12/7/2016 Drove to location, held 5-minute safety meeting. Open well and continue going in hole with tubing and new bit. Tagged up cement at 3782', NU stripper head and picked up power swivel, break circulation and start drilling from 3782' to 3910'. Fell thru, picked up another joint and circulate the hole clean. Pressure test casing to 500# from 3938' to surface on chart recorder for 40-minutes and held ok. Lay down swivel and started picking up tubing, tagged up at 4696'. Pick up swivel, break circulation drill down to 4717' soft cement, drill hard cement from 4717' to 4874'. Circulate hole clean, secure well and SDON. Will continue going in hole and start drilling cement at AM.
- 12/8/2016 Drove to location, held 5-minute safety meeting. Open well, break circulation and start drilling cement from 4874' to 5143' circulate the hole clean, secure well and SDON. Will pressure test casing to 500# at AM.
- 12/9/2016 Drove to location, held 5-minute safety meeting. Open well, break circulation and start drilling cement from 5143' to 5150' fell thru, circulate the hole clean, lay down swivel and started picking up tubing. Tagged up at 8278', circulate the hole with 390-bbbls of 2% KCL water from 8270' to surface. secure well and SDOW. Will pressure test casing to 500# and charted for BLM Monday at AM.
- 12/12/2016 Drove to location, held 5-minute safety meeting. Open well, circulate the hole with 180-bbbls 2% KCL water and run pressure test on casing to 540# for 45-minutes on chart recorder and gain 20#. BLM agree it was good, bled down pressure and POOH with tubing and DC's. Secure well and SDON.
- 12/13/2016 Drove to location, held 5-minute safety meeting. Open well, MIRU Capitan Wireline Truck, RIH with CBL tool and tagged up at 8280'. Run CBL from 8280' up to 3900', POOH lay down logging tool and E-Mail log to Jason, Bruce and Billy to go thru it. Pick up 7 5/8" CIBP down to 7310' on middle of joint and set CIBP at 7310'. POOH lay down setting tool, pick up 50' of 4" cement Bailer, fill it up with cement and the glass bursted and dumped the cement in the hole. Lay down bailer and RIH with 1500' of tubing, fluid level was at 600' from surface. Circulate the cement out with 60-bbbls of water, POOH with tubing, pick up 40' of cement bailer and made 3-runs to dump 50' of cement on top of CIBP. RDMO wireline truck, MI Petrosmith trucks and unloaded 183-joints of 5 1/2", 17#, L-80 casing. Secure well and SDON. Will start picking up casing at AM.
- 12/14/2016 Drove to location, held 5-minute safety meeting. Open well, after Byrd Oilfield Services clean, drift and Tally casing over night. MIRU Byrd casing crew, MIRU Big Bear pick up machine, changed pipe rams to 5 1/2" and tally casing. PU and RIH with 5 1/2" float shoe, had service man to make up float equipment, 1-5 1/2" 17# L-80 short joint, 5 1/2" float collar, 19-jts 5 1/2", 1- short jnt, 17-jts 5 1/2", 1- short jnt and 133-jts 5 1/2". Fill up csg every 20-joints while going in hole. Total of 169 - joints 5 1/2" 17# L-80 casing. Tagged up cement plug at 7249', pick up to 7247', MIRU Propetro Cement Trucks and Windmill Trucks, break circulation with 2-bbbls of water start cement 100-sacks at 12.5# and 300-sacks at 13.2#. Shut down and drop wiper plug and pump 170-bbbls of displacement water. Left 500# on 5 1/2", circulate 10-bbbls of cement out 7 5/8". RDMO cement trucks Shut down let cement set up til Friday. (420-sacks Class C cement 10#/sk P-707, 5%BWOW P-402, 1/4#/sk P-301, 5%BWOC P101, .2% BWOC P-8. 3%BWOC P-202,

.2%BWOC P-4, .1%BWOC P-504, .2%BWOC P-7) max rate was about 5.5BPM, max PSI 3000psi.

- 12/16/2016 Drove to location, held 5-minute safety meeting. Open well, 450# on 5 1/2" pipe and 0# on 7 5/8". ND BOP, MI Ochoa's welder and cut 10' of 5 1/2" casing off that was sticking up after setting the slips on 5 1/2" casing. Welded bell collar and screw on 5 1/2" x 3 1/2" Larkin well head on. NU BOP close blinds on BOP and pressure up 5 1/2" casing to 550# for 20-minutes and held ok. Bled off pressure, pick up and RIH with 4 3/4" Bit, 6-3 1/2" DC's and 20-stands 2 7/8" work string, secure well and SDOW
- 12/19/2016 Drove to location, held 5-minute safety meeting. Open well, 0# on tubing and casing, continue going in hole with tubing, DC's and bit. Tagged up at 7032', rig stripper head, break circulation and drill cement down to 7180'. Circulate the hole clean with 2% KCL water, secure well and SDON.
- 12/20/2016 Drove to location, held 5-minute safety meeting. Open well, 0# tubing and casing. POOH with tubing, lay down drill collars and bit. Loaded casing with 2% KCL water, pressure up on casing to 520psi for 45-minutes on chart recorder and held ok. MIRU Capitan Wireline Truck and RIH with Logging tools, tagged bottom at 7201', pressure up on casing to 300psi while logging well. Run CBL from 7200' to 6000', logging tool was missing POOH change tools, RIH had same results, POOH lay down tools, cut 500' of cable run tools back in hole, had same results, POOH and RDMO wireline truck. Secure well and SDON,
- 12/21/2016 Drove to location, held 5-minute safety meeting. Open well, had 0#, MIRU Capitan Wireline Truck, RIH with CBL Tool and logged from 7182' (TD) up to surface w/ 300# press. Top of cement at 252' from surface. RIH with 3 1/8" HP slickguns with 60 degree phasing & Titan 23 gram charges 4-SPF on Cherry Canyon Zone from 6615' -6635', 6515' - 6535', 6050' - 6070', 5865' - 5885' and 5790' - 5810'. RDMO wireline truck and TIH w/5 1/2" 17# RBP and packer on 2 7/8" work string, set RBP at 7005' and set packer at 6485'. Secure well and SDON.
- 12/22/2016 Drove to location, held 5-minute safety meeting. Open well, had 0#, MIRU Crain Hot Oil Acid Trucks and Bronco's Services water trucks, hook up on tubing, pump water to break down perfs. Broke down at 1856#, acidize Cherry Canyon Formation perfs from 6515' - 6635' with 6000 gals 15% HCL Acid and 2500# of rock salt as diverter on 3-stages of acid and 2-block, flush with 100-of fresh water. At 3-BPM, first block of 1500# had good block action, second block of 1000# was fair. Max psi was 3019, MIN psi 1423, Avg psi 1700, Max rate 4 BPM, Avg rate 3.4 BPM, Min rate 2 BPM. ISIP 1200#, 5-min 1117#, 10-min 1107#, 15-min 1098#, total load 261-bbbls. Bled tbg down, flowed back 60-bbbls in 20-mins, pumped 20-bbbls of brine water, had to leave shut in for 2-hours and still had 300psi. Open valve, release pkr and reset @ 5760' pres up csg to 500# and acidize perfs from 5790' -6070' w/ 6000gals acid and 3500# rock salt. Drop 2000# rock salt, 3000gals acid, 1500# rock salt had 300-increase on block, 3000 gals of acid and 100-bbbls of flush. Max psi 3020, Min psi 1256, Avg psi 2550, Max rate 6BPM, Avg rate 5.5 BPM, Min rate 3.5BPM. ISIP 1100#, 5-mins 1023#, 10-mins 1005#, 15-mins 990#. Total load 288-bbbls. RDMO acid trucks and SDOH.

- 12/27/2016 Drove to location, held 5-minute safety meeting. Open well, had 0#, unset packer and RIH with tubing. Tagged up at 6897', had 108' of rocksalt on top of RBP. Circulate salt out down to 7005', latch on to RBP, unset RBP and POOH laying down 2 7/8" workstring, packer and plug. MI Double R forklift and unloaded 179- joints 3 1/2" 9.3# IPC tubing, set 2 7/8" workstring on side of location and hauled in 14-joints 5 1/2" 17# casing and 56- joints 2 7/8" 6.5# tubing back to CLS yard. Secure well and SDON.
- 12/28/2016 Drove to location, held 5-minute safety meeting. Open well, had 0#, pick up 5 1/2" 17# AS-1X Nickel Plated Packer with On&Off 2.31 N Profile Nipple MI CLS Tech and RIH picking up 175- joints 3 1/2" 9.3# IPC tubing, Bronco's trucking pulling vac on seller. ND BOP, MI Bronco's truck and circulate 120-bbls of packer fluid, set packer at 5720' with 20-points on compression and pressure test casing to 530# for 30-minutes and held good. secure well and SDON. Will run MIT test at AM. 6:00 AM to 5:00 PM = 11 Hours
- 12/29/2016 Drove to location, held 5-minute safety meeting. Open well, had 0#, called George from OCD and to Jim from BLM and said to go ahead and run MIT test on casing, pressure test casing to 600psi on chart and held it for 40-minutes and held ok. E-mail Chart to BLM, OCD and to BC (Bruce) bled off pressure, secure well and SDOH.
- 1/3/2017 Drove to location, held 5-minute safety meeting. Open well, had a little a little blow, install 3500 psi Baker style stainless steel Valve, MIRU Crain Hot Oil big acid pump and 2- water trucks with 260-bbls of 2% KCL water. RU on tubing, test lines to 6000psi and start step rate. Tubing was loaded stabilized rate at 2.5 BPM at 1450psi pumped 20-bbls of water, inc rate 3BPM at 1650psi 15-bbls pumped, inc rate to 4BPM at 1793psi, pumped 23bbls, inc rate to 5BPM at 1951psi, pumped 26-bbls of water, inc rate to 6BPM at 2248psi, pumped 30-bbls, inc rate to 7.2BPM at 2485psi, pump 31-bbls, inc rate to 8BPM at 2650psi, pumped 30-bbls, inc rate to 9.5BPM at 3094psi, pumped 77-bbls. Total of 260-bbls pumped, ISIP 1671psi, 5-min 1635psi, 10-min 1613psi, 15-min 1577psi. RDMO pump trucks, secure well and SDON.
- 1/4/2017 Drove to location, held 5-minute safety meeting. Open well, had 220# on tubing and 50# on casing., DCC frac tank, MI transport trucks and fill up frac tank with 2% KCL water and extra load of water on vac truck. Bled off tubing and change valve to 5000psi Valve. MIRU Petroplex acid pump on tubing, press test casing to 500psi, press test lines to 4300psi and start step rate 2-BPM pump 20bbls at 978psi, inc press 240psi 4.5BPM at 1240 psi pumped 20-bbls. Inc 300psi 1560psi at 6.8BPM pumped 36-Bbls, inc 300psi 1960psi at 50-Bbls, inc 300psi of press 2340psi at 10.8-BPM pumped 55-bbls, inc 300psi of press 2640psi at 12.1-BPM pumped 66-bbls, inc 300psi of press 3060psi at 13.8-BPM pumped 70-bbls, inc 300psi of press 3410psi at 15.1-BPM pumped 140-bbls. ISIP was 1200psi, 5-min was 1154psi, 10-min was 1141psi, 15-min was 1130psi. Total load was 591-bbls. RDMO petroplex pump truck, release vac trucks, RDMO