

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

<p>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.)</p>		<p>WELL API NO. 30-025-30147</p>
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator K.P. Kauffman Co., Inc.</p>		<p>6. State Oil & Gas Lease No. V00654</p>
<p>3. Address of Operator 1675 Broadway Suite 2800 Denver, CO 80202</p>		<p>7. Lease Name or Unit Agreement Name State 2</p>
<p>4. Well Location Unit Letter <u>530</u> : feet from the <u>North</u> line and <u>660</u> feet from the <u>East</u> line Section <u>2</u> Township <u>17S</u> Range <u>37E</u> NMPM County <u>Lea</u></p>		<p>8. Well Number <u>1</u></p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) RKB = 3,768'</p>		<p>9. OGRID Number 142072</p>
<p>10. Pool name or Wildcat "Shipp" Strawn</p>		

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: Recomplete in the Paddock Fm. ☒

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.

KPK is proposing to recomplete the well in the Paddock formation (see perf intervals below) to establish commercial production and preserve the lease. An attempt was made to restore production from the originally completed "Shipp Strawn" formation, but was unsuccessful due to encountering stuck tubing and possible collapsed casing.

Prior to proceeding with the recompletion the wellbore must be plugged back to approx. 6,900' to cover and seal-off an area of suspected collapsed casing and the top of the remaining tubing in the wellbore from a failed fishing attempt to recover the stuck 2 7/8" tubing. (A Form C-103 has previously been submitted for the plugback procedure.) Assuming a successful plugback operation, squeeze perforations will be shot at approx. 6,850' in an attempt to place cement from this depth to 4,000'. The ability to establish circulation between the 5 1/2" production casing and the 8 5/8" intermediate string will dictate whether the cement can be placed via circulation or a more traditional squeeze procedure. A CBL will be run to determine if there is sufficient cement placement to proceed with the recompletion.

Assuming the plugback operation and placing cement sufficiently above and below the Paddock formation is successful, the following intervals will be perforated with a 4" casing gun at 2 SPF: 6,742' - 58'; 6,776' - 88'; 6,798' - 6,810'. The gross perforated interval will be acidized with 4,000 gal. 15% NeFe + 80 ball sealers, flowed back and placed on pump to determine producing rates.

KPK expects to commence recompletion operations the week of April 22, 2019.

Denied
Submit on C-101
WITH AC-102 ATTACHED
FOR NEW POOL

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 Alan C. Harrison TITLE V.P. of Expl. & Prod. DATE 4-10-2019

Type or print name ALAN C. HARRISON E-mail address: AHARRISON@KPK.com PHONE 303-825-4822

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Denied

KP Kauffmann Company, Inc
 State #2-1
 API No. 30-025-30147
 NE/NE Sec. 2-17S-37E Lea Co., NM

"Wellbore Diagram - Proposed Recompletion"

KB: 3,768'
 GL: 3,751'

Spud Date: 11-30-1987
 Completion Date: 2-03-1988
 TD: 12,027'
 PBDT (Orig.): 11,979'
 PBDT (Prop.): 6,850'

