

HOBBS OED**JUL 29 2019****RECEIVED**

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.
30-041-20840 ✓

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

POWELL SWD : Penn ✓

8. Well Number

001 ✓

9. OGRID Number

373483 ✓

10. Pool name or Wildcat

TULE MONTOYA, PENN

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 ☐ Gas Well ☐ Other

2. Name of Operator

SOUTHBOUND GAS COMPANY ✓

3. Address of Operator

1909 Woodall Rodgers Freeway, Suite 300, Third Floor, Dallas, TX 75201

4. Well Location

Unit Letter G: 1980 feet from the NORTH line and 1980 feet from the EAST lineSection 23 Township 2 SOUTH Range 29 EAST NMPMCounty ROOSEVELT ✓

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

4,372'

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:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: MECHANICAL INTEGRITY TEST ☐

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.

July 12, 2019: 08:00hrs: RAN MECHANICAL INTEGRITY TEST (MIT): Shane Ferguson representative for Southbound Gas Company, (Wayne, Hot Oil Operator) with Danny's Hot Oil Service & Kerry Fortner the Compliance Officer A with the EMNRD, Phone: (575) 399-3221 out of Hobbs witnessed the pressure test of annulus of the Powell #1 SWD. Danny's Hot Oil Service pressure tested annulus to 520psi for a total of 32 minutes with no pressure loss. Original recorded chart was provided to Mr. Fortner and a digital copy of same document is attached to this report. Check bradenhead: no pressure, only a "puff".

NOTE: Next MIT projected in 5 years or August 1, 2019. The current test was actually due July 28, 2019 and was done earlier.

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

Stephen D. Smith

TITLE CONSULTANT DATE JULY 12, 2019

Type or print name STEPHEN D. SMITH E-mail address: ssmith@nexttierenergy.com PHONE: (817) 798-0771

For State Use Only

APPROVED BY:

Kerry Fortner

TITLE

Compliance Officer

DATE

8-6-19

Conditions of Approval (if any):



SOUTHBOUND GAS COMPANY

1909 Woodall Rodgers, Freeway, Suite #300
Third Floor
Dallas, Texas 75201
(214) 630-0088

JUL 17 2019 PM 02:28

July 12, 2019

State of New Mexico
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive,
Santa Fe, New Mexico 87505
Attn: Mr. Phillip Goetze

RE: Form C103, Sundry Notice and Reports on Wells,
Powell #1, API#30-041-020840, Unit G, Section 23, T2S, R29E,
NMPM, Tule-Pennsylvanian Field, Roosevelt County, New
Mexico. Injection Authority Order SWD-369, Administrative
Order SWD-1749

Dear Mr. Goetze:

Southbound Gas Company has successfully performed the Mechanical Integrity Test (MIT) as required today.

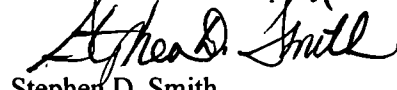
Please find attached our Form C-103 Sundry Notice and Reports on Wells for the Powell #1, API#30-041-020840 well located in Unit G, Section 23, T2S, R29E, NMPM, Tule-Pennsylvanian Field Roosevelt County, New Mexico reflecting this procedure and witness that performed this test.

We are also enclosing the following:

Digital copy of actual recorded pressure chart that was given to Mr. Fortner at the EMNR Hobbs, New Mexico.

Thank you for your time and consideration and if you have questions or need any additional information, please call or e-mail.

Regards,
Southbound Gas Company



Stephen D. Smith
Cell: (817) 798-0771
ssmith@nexttierenergy.com,
Consultant for Southbound Gas Company

CC: EMNRD
Oil Conservation Division, 1625 N. French Drive, Hobbs, NM 88240