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

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NOV 26 2012
NMOCD ARTESIA

Form C-103
Revised August 1, 2011

WELL API NO. 30-015-40496
5. Indicate Type of Lease STATE ☐ FEE ☒
6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: Pearl
1. Type of Well: Oil Well ☐ Gas Well ☒ Other SWD (Order SWD-1339)
8. Well Number 1
2. Name of Operator: Trek Operating, LLC
9. OGRID Number 255281
3. Address of Operator: 10159 E. 11th St., Ste. 401 Tulsa, OK 74128-3028
10. Pool name or Wildcat: Delaware SWD (96802)
4. Well Location: Unit Letter O : 800 feet from the South line and 2,475 feet from the East line
Section 34 Township 23-S Range 28-E NMPM Eddy County
11. Elevation (*Show whether DR, RKB, RT, GR, etc.*) 3,031' GR 3,049.5' KB

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
OTHER: ☐		OTHER: Completion as SWD well (well diagram attached) ☒	

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. Attach wellbore diagram.

10-11-2012 With mast truck, Halliburton ran logging tools from total depth 4,900' to surface, to log GR-NEU in open hole (4,900' up to 3,350') and GR-NEU-CBL-CCL inside 8-5/8" casing (3,355' up to surface).
10-22-2012 Installed BOP on casing head. With completion rig, picked up bit and 2-7/8" work tubing and lowered to 4,900'. Pulled bit from well.
10-23-2012 Down well, lowered casing scraper to 3,355', scraped from 3,200' to 3,350'. Pulled scraper from well. Lowered tubing into open hole, to 4,602'.
10-24-2012 Spotted 2,000 gallons 15% HCl acid in 7-7/8" open hole section, from 4,600' up to 4,000'. Raised tubing end to 3,324', above open hole section.
10-25-2012 Acidized all of open hole section, from 3,355' to 4,900', with total of 8,000 gallons of 15% HCl acid and 4,000# of medium rock salt, at rate of 14 BPM, tubing pressure 2,600 psig, casing pressure 675 psig. Over-flushed acid with produced brine.
10-26-2012 Pulled 2-7/8" work tubing out of well and laid down. Picked up injection packer (Arrow Set 1X, 3-1/2" x 8-5/8", nickel plated, with on-off tool, 2.81" F profile nipple, and pump-out plug) and lowered down well on new 3-1/2" tubing (9.3#, J-55, EUE, 8rd, API, internally plastic coated).
10-29-2012 With packer end hanging at 3,317', set packer. With pump truck, pressure tested inside of tubing and packer to 500 psig, held steady for 10 minutes. Pressure tested 3-1/2" x 8-5/8" annulus to 550 psig, held steady for 10 minutes. Down annulus, filled well above packer with fresh water mixed with Baker packer chemical. Removed BOP from casing head. Installed wellhead and valve tree. Pump truck again pressure tested annulus to 550 psig, with pressure recording chart, observed for 30 minutes, no pressure loss.
10-30-2012 Pump truck, with pressure recording chart, re-pressured 3-1/2" x 8-5/8" annulus for official Mechanical Integrity Test, observed for 30 minutes, no pressure loss. MIT witnessed by Mr. Richard Inge, NMOCD Field Inspector, District II. Pressure chart provided to Mr. Inge for NMOCD file. Mr. Inge granted approval to commence injection operations. Pressured inside of tubing to 1,000 psig to shear pump-out plug from end of packer.
11-13-2012 Completed tank facility construction. With injection pump, commenced injection of produced 10 ppg brine down 3-1/2" tubing, into 7-7/8" open hole section at 3,355' to 4,900'. Injected 500 barrels of brine over 18 hours, tubing pressure 500 psig during injection pump operation.
11-20-2012 Over 24 hour period, injected 805 barrels of brine down tubing at tubing pressure of 500 psig. Cumulative brine injected, over 7 days: 3,923 barrels.

Spud Date: 9.13.2012 Rig Release Date: 9.24.2012

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

SIGNATURE Brad D. Burks TITLE General Manager DATE 11/20/2012

Type or print name Brad D. Burks E-mail address: operations@bkxcorp.com PHONE: 918-582-3855 (x101)

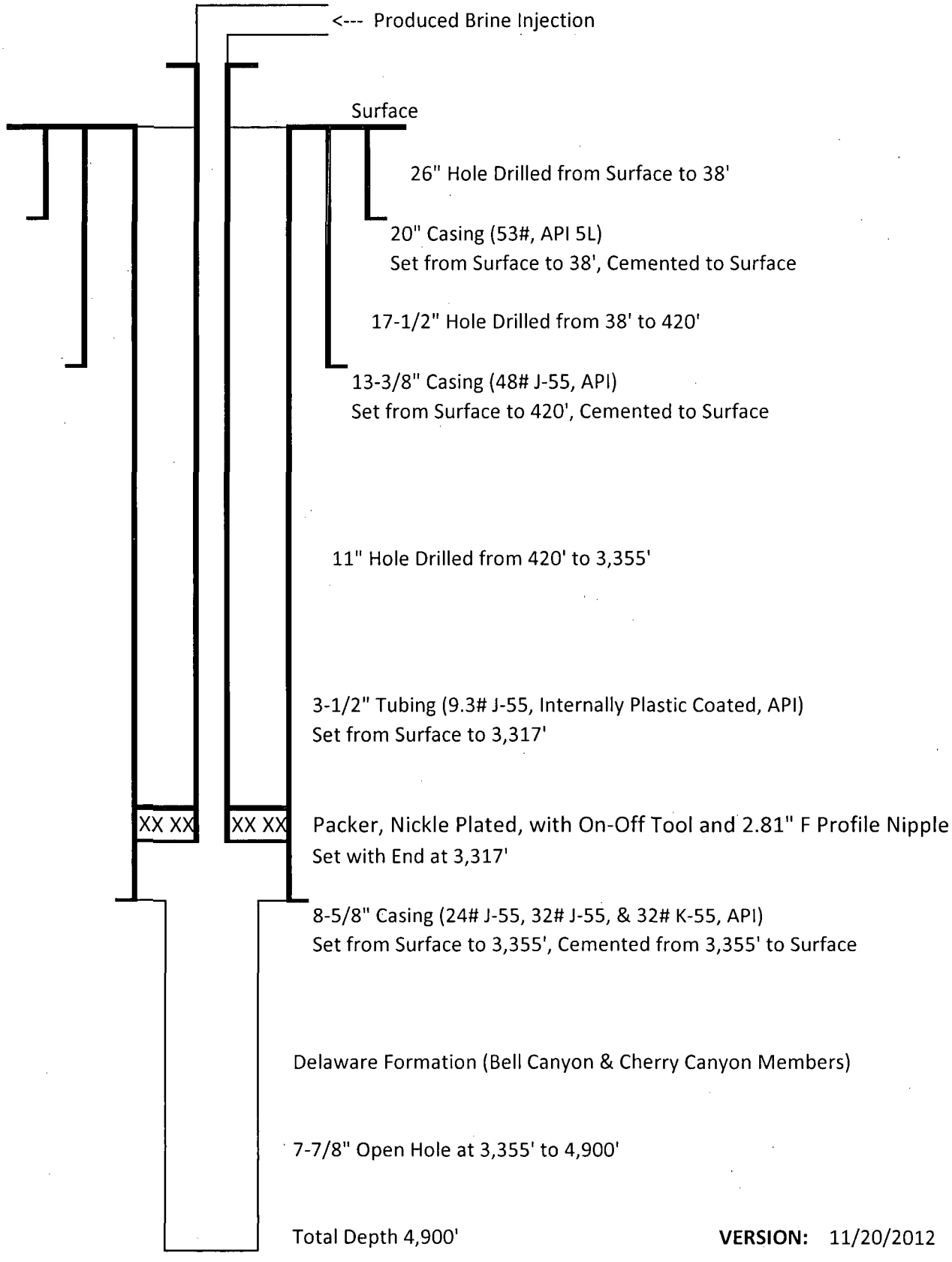
For State Use Only

APPROVED BY: Richard Inge TITLE Compliance Officer DATE 12/10/12

Conditions of Approval (if any):

WELL DIAGRAM

PEARL WELL NO. 1
UL O, SEC 34 -T23S-R28E
EDDY CO., NEW MEXICO
API 30-015-40496



VERSION: 11/20/2012