

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other2. Name of Operator
Biscuit Hills Disposal L.L.C.3a. Address
P.O. Box 564, Lovington, New Mexico 882603b. Phone No. (include area code)
575-396-68624. Location of Well (Footage, Sec., T., R., M., or Survey Description)
950' FSL, 1980FEL, Sec 29, T17S, R31E5. Lease Serial No.
LC-0293958

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Tracy 29 Federal #19. API Well No.
30-015-2814210. Field and Pool, or Exploratory Area
Cedar Lake Wolfcamp11. County or Parish, State
Eddy Co. New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

From 22 -25 July, 2008 work was performed on the Tracy Fed 29 #1 as set out on the attached sheets.

The well appears to have potential as a commercial salt water disposal facility and is shut in pending completion of the paper work for construction of the surface installation.

Currently the well is shut in with a plastic coated packer set at 8290' under 262 joints of plastic coated 2 7/8 J-5 tubing. The casing annulus is loaded with brine water, corrosion inhibitor and oxygen scavenger. A mechanical integrity test will be scheduled with the Artesia OCD office before any further tests of the well bore.

SUBJECT TO LIKE
APPROVAL BY STATE

ACCEPTED FOR RECORD

OCT 2 2008

Gerry Guye, Deputy Field Inspector
NMOCD District II ARTESIA

ACCEPTED FOR RECORD

SEP 25 2008

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Donald M. Harrod

Title Manager

Signature

Date 30 Aug 2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

TRACY 29 FED #1
WORKOVER REPORT

July 21, 2008

- 1) MIRUPU Mount 5000# double BOP and stripper head. RIH with Retrievable Bridge Plug, compression set PKR and 2 7/8" EU 8 rnd N-80 tubing work string.
- 2) Fluid Level 2400' fS. RBP set @ 9515' & PKR @ 9443' to swab test lowest zone (produced weak, brief flow back when first shot . Fluid swabbed to 1600' FFS when casing went on vacuum each time the swab was in motion.
- 3) Moved PKR above successive zones until fluid no longer communicating behind casing and finally set at 9190'. Swabs of three combined zones produced dark iron laden water with a heavy sour gas smell and no oil.
- 4) Pulled packer above all perfs and shut in for night.

July 22, 2008

- 1) Acid company rigged up on location. RIH and tested PKR against RBP to 4100 psi. Set PKR at 9190' to break down perfs 9220-9480. Formation broke down on water and communicated to backside.
- 2) PKR reset at 9005' and perfs from 9020-9480' treated with three 1750 gal. acid stages and two 1000 lb salt blocks. Injection rate was 6 bpm @ 1700 psi.
- 3) Released PKR, washed down to RBP & moved & set plug at 8931'. PKR reset at 8853'. Tried but could not break perfs 8890-8910. PKR released and acid spotted across perfs. Tool reset but perfs would not break down.
- 4) Released PKR, RIH and latched onto RBP and reset RBP at 8620'. PKR set @ 8474' Attempted to treat perfs 8495-8600'. Could not establish sufficient injection rate to treat zone.
- 5) RIH released RBP and reset plug at 8470', set PKR at 8228'. Swab of zones from 8325-8450' produced a 1.5% cut of clean, bright green oil. Zone was treated with 6500 gal of acid in three stages with two 1500# salt blocks. Final injection rate was 6 bpm @ 265 psi. Fluid level 1295' FFS.
- 6) Released packer and RBP and reset RBP @ 8915. Spotted 10 bbls of acid across zone that did not break. Pulled PKR above perfs and shut in for night.

July 23, 2008

- 1) RIH and set PKR @ 8853' and tried unsuccessfully to break down perfs at 8890-8910'. Released PKR and reset at 8474. Perfs at 8495-8600' had broken down during overnight acid soak. Established an injection rate of 6 bpm @ 1200 psi.
- 2) PKR released and reset @ 8288 to treat all upper zones together with remaining acid in three stages with two 2000# salt blocks. On third acid stage, PKR failed. Shut down and pulled two joints and reset tool. Attempted to resume pumping but salt bridged off. Released packer, circulated 30 bbls water to clear tubing and waited 30 minutes.
- 3) RIH washing out salt blocks. Latched on to RBP and started out of hole laying down work string. Laid down 22 joints and shut in for night.

July 24, 2008

- 1) Pulled remainder of work string and tools from well and hauled pipe off location. Hauled disposal string to location. Stripper head rigged down. Fluid level 1728 FFS.
- 2) Started in hole with 29' fiberglass tailpipe, plastic coated compression set packer and plastic coated disposal string.
- 3) Casing flushed with 100 bbls of clean brine while running pipe
- 4) Shut well in for night.

July 25, 2008

- 1) Continued to RIH with PC disposal string while pumping packer fluid into casing.
- 2) Packer set at 8290' under 262 joints plastic coated J-5 tubing.
- 3) BOP stripped and well head flange mounted.
- 4) Casing loaded to surface. A total of 140 barrels of brine mixed with oxygen scavenger and corrosion inhibitor was pumped into casing to insure over flush of tool.
- 5) PU rigged down and all surface equipment except frac tanks hauled off location.

Well is currently shut in pending completion of paper work for construction of surface installation.

An observed mechanical integrity test will be coordinated through the Artesia OCD office.

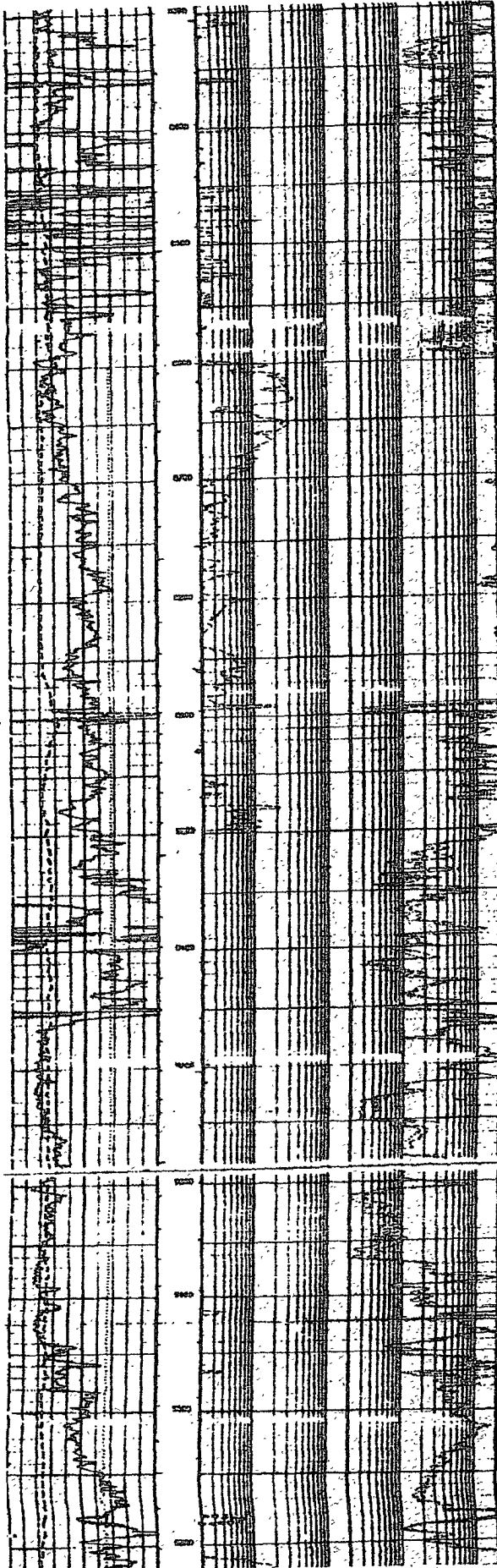
TRACY 29 FEB #1

BISCUIT HILLS DISPOSAL L.L.C.

P.O. BOX 564

LOVINGTON, NEW MEXICO 88260

- PACKER SET AT 8290'



8325

8405

8420

8450

TREATED AS
ONE ZONE
6500 GAL ACID
& 2x1500 lb
SALT BLOCKS
FINAL INJECTION
RATE 6 bbl/min
@ 265' psi

8495

8600

22 JULY INJECTION RATE
TO LOW TO TREAT ACID
SPOTTED TO COVER PERFS
A LEFT OVER NIGHT,
FORMATION BROKE DOWN ON WATER
PRESSURE 23 JULY 6 BPM @ 1200 psi

8890

8910

FORMATION WOULD NOT
BREAK DOWN

9020

9030

9220

9250

9340

9370

9465

9480

ALL ZONES COMMUNICATING.
TREATED AS ONE ZONE WITH 3x1750 gal ACID STAGES
AND 2x1000 lb salt blocks
FINAL INJECTION RATE 6 bbl/min @ 1700 psi

PBTD

9600' CIBP & 20' CEMENT CAP