

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 August 1, 2011

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-039-22756
5. Indicate Type of Lease STATE ☐ FEE ☒
6. State Oil & Gas Lease No. Fee
7. Lease Name or Unit Agreement Name Simms Federal (SWD)
8. Well Number #1
9. OGRID Number 013925
10. Pool name or Wildcat Burros Canyon / Morrison / Entrada
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7023' GL

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 **SWD**

2. Name of Operator
Black Hills Gas Resources, Inc.

3. Address of Operator
3200 N 1st Street Bloomfield, NM 87413

4. Well Location
Unit Letter **J** : **1730** feet from the **South** line and **1820** feet from the **EAST** line
Section **13** Township **30N** Range **4W** NMPM County **Rio Arriba**

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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐ **RCVD JUL 24 '12**
OIL CONS. DIV.
DIST. 3

OTHER: **Tbg/pkr repair, checking csg integrity** ☒

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.

Black Hills Gas Resources discovered a suspected tubing or packer leak July 16, 2012 and intends to repair the well. The well is shut-in until mechanical integrity is restored and the well passes MIT. Verbal approval received from Brandon Powell, NMOCD at 11:50 AM, July 19, 2012 to begin workover operations.

The following work is planned:

Pull and lay down existing 2 7/8" & 2 1/16" internally lined tubing string and packer. Set RBP at approx 8610'. Pressure test 5 1/2" casing and 3 1/2" liner above RBP. If pressure leaks off, locate source of leak. If leak is found, get approval from NMOCD to perform necessary cement squeeze work. If pressure test holds, pull RBP. Run packer on 2 1/16" and 2 7/8" IPC tubing string. Notify NMOCD and set packer within 100' of active injection interval at approx 8600'. Notify NMOCD and run MIT. Once well passes MIT, return well to injection.

Notify NMOCD 24 hrs prior to beginning operations

The proposed workover procedure and wellbore diagrams are attached

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 *Daniel Manus* TITLE Regulatory Technician DATE July 23, 2012

Type or print name Daniel Manus E-mail address: daniel.manus@blackhillscorp.com PHONE: 505-634-5104

For State Use Only

APPROVED BY: *Deputy Oil & Gas Inspector* TITLE Deputy Oil & Gas Inspector, DATE 8/3/12

Conditions of Approval (if any):

AV

Black Hills Gas Resources
Simms Federal #1 (SWD)

API # 30-039-22756
NWSE Sec 13 T30N, R4W
Rio Arriba Co., NM
7/19/12

Surface Csg: 9 5/8, 32.3#, J-55 at 277'. TOC at surface.
Intermediate Csg: 5 1/2", 15.5#, K-55 at 8731'. DV tools at 4201', 6605'. TOC at surface.
Orig. Prod Liner: 3 1/2", 9.3#, L-80 from 8523' to 9731'. TOC at TOL.
Tie-back Liner: 3 1/2", 9.3#, L-80 from 7209' to 8523'. TOC at TOL.
Current Inj Tbg: 226 jts of 2 7/8", 6.5#, L-80, 8rd, EUE, DUO-LINED & 47 jts of 2 1/16", 3.25#, L-80, BT, DUO-LINED tbg & AS-1 pkr set at 8630'.
Current Inj Perfs: 8674-8692, 8708-8720, 8730-8750, 8950-8982', 9020-9064', 9098-9220', 9370-9410', 9460-9630'.
PBTD: Orig PBTD 9706'. Top of perf gun fish at 9647'.
Proposed Work: Repair suspected tbg/pkr leak. Check csg integrity. Run MIT.

1. Notify NMOCD of upcoming work 24 hrs before beginning operations.
2. MIRU workover rig & H2S monitoring equipt. ND WH. NU BOPs.
3. Release AS-1 pkr set at 8630'. POH & LD 2 7/8" & 2 1/16" DUO-LINE tbg strings & pkr. Use thread protectors.
4. PU & TIH with 3 1/2" csg scraper/mill on 1.660", 4.16# DP & 2 7/8", 6.5#, N-80 workstring to 9630'. Roll hole with 2% KCL treated with biocide. TOH.
5. PU & TIH with 3 1/2" RBP & pkr. Set RBP in 3 1/2" liner at 8610'. Set pkr above RBP. Test tbg & RBP to 1000 psi. Pressure test tbg-csg annulus to 500 psi. Chart test for 30 min.

If pressure test leaks off, locate source of leak. If leak is found, get approval from NMOCD to perform necessary cmt sqz work. If pressure test holds, continue to step 6.

6. TOH & LD workstring, pkr & RBP.
7. PU & TIH with injection BHA & tbg as follows:
 - 1.375" ID SN with alum pump-off plug
 - 3 1/2" Arrowset 1-X pkr (nickel coated)
 - 1 1/2" NU x 2 1/16" IJ, L-80 crossover (nickel coated)
 - 2 1/16" IJ on-off tool (nickel coated)
 - 2 1/16", 3.25#, L-80, IJ, IPC (TK-15) tbg, approx 1500'
 - 2 1/16" IJ x 2 7/8" EUE, L-80 crossover (nickel coated)
 - 2 7/8", 6.5#, L-80, 8rd, EUE, IPC (TK-15) tbg, approx 7100'
 - 2 7/8", 6.5#, L-80 8rd, EUE, IPC (TK-15) tbg pup jts to space out as needed

Handle & run IPC tbg according to special handling instructions & Tuboscope rep.

8. Notify NMOCD before setting pkr. Set pkr at approx 8600'. Release on-off tool. Mix & pump pkr fluid down tbg-csg annulus. Latch on-off tool.
9. ND BOP. NU WH. RU pump truck on tbg. Pressure test tbg to 1000 psi & pump off plug.
10. Notify NMOCD for MIT. RU pump truck on annulus. Run MIT using chart recorder. Pressure test to 380 psi for 30 min or per NMOCD instructions.
11. Once MIT passes, RDMO rig. Return well to injection.

7/19/2012

Black Hills Gas Resources, Inc.

Simms Fed #1

CURRENT Wellbore Diagram

API # 30-039-22756

UNIT J NW SE, Sec 13, T30N, R04W Rio Arriba, NM

Spud 6/29/81

Deepened to 9731' - 2/12/98

Elev. GL= 7023'

Elev. KB= 7033'

SURF CSG

9 5/8" 32.3# J-55
@277' KB, 275 sx cmt.
12 1/4" hole

DV Tools at
4201' & 6605'

**TOL at 7209'
Tieback Liner**

3 1/2", 9.3#, L-80 from
7209' to 8523'. Cmt w/
60 sx 50/50 poz. Circ
1 bbl off liner top to
surf. (6-16-01)

Orig TOL at 8523'

Packer @ 8630'

Intermediate Casing

5 1/2" 15.5# K-55 set
at 8731'. DV tools @
4201' & 6605'. Cmt
w/640 sx 7 7/8" hole

Production Liner

3 1/2" 9.3#, L-80 from
8523' to 9731'; Cmt w/
65 sx 50/50 POZH.
Circ 9 sx off liner top to
surf. 4 3/4" hole

TBG Detail 6-21-01

KB	10
226 jts 2 7/8", 6.5# L-80 EUE 8rd DUO-LINED tbg	7175.74
2 7/8" x 2 1/16" X-over nickel plated	1
47 jts 2 1/16", 3.25#, L-80, BT DUO-LINED tbg	1437.18
2 1/16" x 1 1/2" X-over nickel plated	0.85
1 1/2" SN nickel plated	0.78
3 1/2" Arrow Set 6K pkr Nickel Plated	4.85
REG	0.12
EOT +/-	8630.52

Pictured Cliffs: 3709-3715', 3722', 3945-3972'

3945-72' - sqz 50 sx 10/17/83
3722' - sqz 50 sx 10/17/83
3722-3972' - sqz 100 sx 10/19/83
3709-3972' - sqz 100 sx 1/11/98

Gallup: 7532', 7541-7634'

7634' - sqz 35 sx 9/14/81
7532' - sqz 50 sx 9/15/81
7532-7634' - sqz 75 sx 1/9/98, sqz 25 sx micromatrix 11/30/99

Dakota: 8367-8375', 8484-8530'

8484-8530' - sqz 50 sx 8/27/81
8367-8375' - sqz 35 sx 9/3/81
8367-8375' & Liner top - sqz 50 sx 11/23/99

Morrison; 8633-8636, 8670-8683'. Sqz 35 sx 8/23/81

New Morrison perms: 6-06-01; 8674-8692, 8708-8720, 8730-8750.

Morrison; 8950-8982, 9020-9064, 9098-9220, 2 jspf.

Entrada; 9370-9410, 9460-9630, 2 jspf.

Perf gun fish lost 6-06-01. Unable to recover. TOF 9647'

PBTD=9706'

TD = 9731'

7/19/2012

Black Hills Gas Resources, Inc.

Simms Fed #1

PROPOSED Wellbore Diagram

API # 30-039-22756

UNIT J NW SE, Sec 13, T30N, R04W Rio Arriba, NM

Spud 6/29/81

Deepened to 9731' - 2/12/98

Elev. GL= 7023'

Elev. KB= 7033'

SURF CSG

9 5/8" 32.3# J-55
@277' KB, 275 sx cmt.
12 1/4" hole

DV Tools at
4201' & 6605'

**TOL at 7209'
Tieback Liner**

3 1/2", 9.3#, L-80 from
7209' to 8523'. Cmt w/
60 sx 50/50 poz. Circ
1 bbl off liner top to
surf. (6-16-01)

Orig TOL at 8523'

Packer @ +/- 8600'

Intermediate Casing

5 1/2" 15.5# K-55 set
at 8731'. DV tools @
4201' & 6605'. Cmt
w/640 sx 7 7/8" hole

Production Liner

3 1/2" 9.3#, L-80 from
8523' to 9731'; Cmt w/
65 sx 50/50 POZH.
Circ 9 sx off liner top to
surf. 4 3/4" hole

Proposed Tbg Detail

KB	10
2 7/8", 6 5#, L-80, EUE 8rd, IPC tbg	7100 +/-
2 7/8" x 2 1/16" X-over nickel plated	1
2 1/16", 3.25#, L-80, IJ, IPC tbg	1500 +/-
2 1/16" on-off tool nickel coated	1.5
2 1/16" IJ x 1 1/2" NU x-over nickel coated	1
3 1/2" Arrowset 1-X pkr nickel coated	5
1.375" ID SN with alum pump off plug	1
EOT +/-	8600'

Pictured Cliffs: 3709-3715', 3722', 3945-3972'

3945-72' - sqz 50 sx 10/17/83

3722' - sqz 50 sx 10/17/83

3722-3972' - sqz 100 sx 10/19/83

3709-3972' - sqz 100 sx 1/11/98

Gallup: 7532', 7541-7634'

7634' - sqz 35 sx 9/14/81

7532' - sqz 50 sx 9/15/81

7532-7634' - sqz 75 sx 1/9/98, sqz 25 sx micromatrix 11/30/99

Dakota: 8367-8375', 8484-8530'

8484-8530' - sqz 50 sx 8/27/81

8367-8375' - sqz 35 sx 9/3/81

8367-8375' & Liner top - sqz 50 sx 11/23/99

Morrison; 8633-8636, 8670-8683'. Sqz 35 sx 8/23/81

New Morrison perms: 6-06-01; 8674-8692, 8708-8720, 8730-8750.

Morrison; 8950-8982, 9020-9064, 9098-9220, 2 jspf.

Entrada; 9370-9410, 9460-9630, 2 jspf.

Perf gun fish lost 6-06-01. Unable to recover. TOF 9647'

PBTD=9706'

TD = 9731'