

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

Form C-103

May 27, 2004

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.)		WELL API NO. 30-045-34514
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator San Juan Resources, Inc		6. State Oil & Gas Lease No. 35732
3. Address of Operator 1400 Blake #7K, Denver, CO 80202		7. Lease Name or Unit Agreement Name Memgem Walters 34
4. Well Location Unit Letter <u>J</u> : <u>1575</u> feet from the <u>South</u> line and <u>2520</u> feet from the <u>East</u> line Section <u>34</u> Township <u>32N</u> Range <u>13W</u> NMPM <u>San Juan</u> County		8. Well Number 1A
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5813' GR		9. OGRID Number 20208
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Blanco Mesa Verde/Basin Dakota
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

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 ☐

OTHER ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

OTHER: Completion ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

San Juan Resources, Inc completed the subject well as per the attached:

RCVD APR 29 '08

OIL CONS. DIV.

DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Dean C. Collins TITLE Agent DATE Apr. 28, 2008

Type or print name Dean C. Collins

E-mail address: collinsd@zianet.com

Telephone No. (505) 320-6425

For State Use Only

Deputy Oil & Gas Inspector,

APPROVED BY: A. Villanueva TITLE District #3 DATE APR 29 2008

Conditions of Approval (if any):

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MEMGEM WALTERS 34-1A COMPLETION

3/28/2008 thru 4/06/2008 Set 10 tanks and filled 7 w/ 2% KCl water.

4/07/2008 ND tree. NU 7 1/16 3000 psi frac stack, tested frac stack & 4-1/2" production casing to 3000 psi for 30 min – both OK. Fin filling frac tanks.

4/09/2008 Set flowback tank, RU choke manifold & flowback lines.

4/12/2008 RU Schlumberger. RIH & set 4-1/2" CIBP @ 6840FT. RU & GIH with GYRO, take keeper surveys 100-6840' MD. RIH and perforated Dakota 6819-6822', 6809-6811', 6764-6766'T, 6736-6738'T, 6717-6719'T, 6700-6702' 3 spf, 0.038" holes in two runs.

4/14/2008 Began MI equip over weekend. Fin RU Schlumberger. Held safety meeting. Tested surface lines to 5800 psi –OK. Broke down formation @ 3883 psi, 7.3 BPM to 1430 psi w/ slickwater. Pumped 500 gal 15% HCl and displaced w/ slickwater @ 7.2 BPM. Established rate of 16 BPM @ 1628 psi for FET. @ 12 BPM – 1270 psi, @ 7.2 BPM – 956 psi. ISIP 455 psi. 5 min SIP 296 psi. SLR Denver calc 12 holes open. Attempted to ball off perfs. Pumped 50 7/8" 1.3 sg RCNBS @ 11 BPM. Very little ball action. Surged ball off perforations and reran FET. 16 BPM – 1618 psi, 12 BPM – 1268 psi, 7.2 BPM 931 psi, ISIP 632 psi, 5 min SIP 534 psi. RIH w/ junk basket to knock balls off perfs. POOH – no recovery. Fracture treated Dakota perfs w/ 95398 lbs 20/40 Jordan sand and 60 qual nitrogen foam @ 0.5, 1.0, 2.0, 2.5 and 3.0 ppg. Displaced sand w/ 105 bbls gel. ISIP 1715 psi, 5 min SIP 1613 psi. RIH and set composite BP @ 4800'. POOH. Tested BP to 4200 psi – OK. Perforated lower Pt Lookout 4748-51', 4722-25', 4706-08', 4680-83', 4654-56', 3 spf, 120 phasing in two runs. Broke down perfs @ 3404 psi. Pumped 1000 gals 15% HCl w/ 40 7/8" 1.3 sg RCNBS @ 7 BPM, 840-906 psi followed by 10 bbls spacer and remaining 25 ball sealer. Displaced acid – perfs balled off to 5826 psi. Surged balls off perfs. RIH w/ junk basket to insure all balls off perfs. POOH recovering 8 balls. Fracture treated PT Lookout perfs w/ 79470 lbs 20/40 Jordan sand and 26227 lbs 20/40 SuperLC resin coat sand @ 45 BPM 70 qual nitrogen foam @ 0.5, 1.0, 2.0, 2.5 3.5 and 4.0 ppg. Displaced to perfs w/ 72 bbls 70 qual foam. ISIP 1100 psi. Turned well over to drywatch. SDFN.

4/15/2008 Waited for replacement blender. RIH and set composite frac BP @ 4620'. POOH. Tested BP to 4200 psi – OK. Perforated upper Pt Lookout 4578-81', 4468-70, 4436-38, 4500-02', 4487-90', 3 spf, 120 phasing. Established pump rate of 6 BPM 1234 psi. Pumped 1000 gals 15% HCl w/ 40 7/8" 1.3 sg RCNBS @ 6 to 13 BPM, 1230 psi followed by 10 bbls spacer and remaining 15 ball sealer. Displaced acid –no ball action RIH w/ junk basket to insure all balls off perfs. POOH no recovery. Fracture treated upper PT Lookout perfs w/ 99677 lbs 20/40 Jordan sand and 23373 lbs 20/40 SuperLC resin coat sand @ 45 BPM 70 qual nitrogen foam @ 0.5, 1.0, 2.0, 2.5 3.5 and 4.0 ppg. Displaced to perfs w/ 70 bbls 70 qual foam. See treatment report Stage 3. Found that ball injector had jammed and no ball sealers were injected. At 1515 hrs SICP 1500 psi. Opened well on 1/4" choke. Leak in tee on riser to flowback tank. Made repairs and opened well on 1/4" choke @ 1730 hrs. Turned well over for flowback at 1800 hrs. Released 7 frac tanks. Flowed well overnight. At 0600 hrs 4/16/2008 flowing @ 700 psi. Recovered 200 bbls water overnight.

4/16/2008 Continued flowing well to tank. Flow stabilized @ 640-650 psi on 1/4" choke making light sand. Flow rate appeared very for pressure, possible restriction. Checked line and choke – OK. Opened well on 1/2" choke @ 1320 hrs. Initial flowing pressure 580 psi declining to 200 psi @ 0600 hrs. Stable @ 200 psi. Well making ~5 BPH water, trace sand. Recovered 260 bbls water during last 24 hrs., 450 total. Hauled out 6 loads water.

4/17/2008 Continued flowing well to tank on 1/2" choke. Pressure variable 170 to 180 psi. Well making 1 BPH water, no sand. Hauled out 1 load water. Recovered 70 bbls water recovered to date 520 bbls. Remaining load to be recovered 2063 bbls.during last 24 hrs. Total load

4/18/2008 Opened well on 3/4" choke @ 0700 hrs. Flowed well to tank @ 90 to 100 psi. Opened well on 2" line @ 1425 hrs. Flowed well to tank overnight – stable at 20 psi. Hauled out 1 load water. Recovered 67 bbls water during last 24 hrs. Total load recovered to date 587 bbls. Remaining load to be recovered 1996 bbls.

4/19/2009 Moved in and rigged up rig, pump, pit and air package. Spotted work trailer. Killed well with 45 bbls 2% KCl water. Landed tbg hanger w/ back pressure valve. ND frac valve. NU BOP. Prepared to run tubing. Killed well. PU jt tbg and pulled donut. Made up 3-7/8" bladed mill, bit sub w/ string float. PU and RIH w/ 45 jts 2-3/8" tbg (SN 1 jt off bottom.). Tagged up on DV tool. Attempted to work thru – would not go. TOO H w/ tbg, bit sub and mill. Checked OD of mill – in gauge. Replaced 3-7/8" mill with 3-3/4" mill and

RIH. Mill passed thru DV Tool OK. Continued to PU and RIH 120 jts to 4009'. Secured well and SD for weekend. Hauled out 1 load water. Used 150 bbls 2% KCl water during day. Load to recover 2146 bbls.

4/21/2008 SICP 750 psi. Blew down casing to flowback tank. Started air package and attempted to unload. No liquid recovered. RIH 19 jts. Tagged composite frac plug @ 4620' – no fill. PU power swivel. Started air/mist. Drilled out composite frac plug w/ 1500 cfpm air, 10-12 BPH water. Circulated hole w/ air/mist. Cut mist and dried up hole. PU 4 jts tbg and RIH to top of fill @ 4753' (47' fill). Started air/mist. Cleaned out fill to composite BP @ 4800' w/ 1500 cfpm air, 10-12 BPH water. Circulated hole clean. Dried up hole. Stood back power swivel. POOH 12 jts. Opened well on ½" choke @ 1400 hrs for flow test. Initial flowing pressure 80 psi;

@ 1500 hrs FCP 110 psi; @ 1600 hrs FCP 115 psi; @ 1700 hrs FCP 110 psi. SI well. Secured well and SDFN. After completion of test found that a 1" choke had been installed by mistake. Will rerun test in am w/ ½" choke. Hauled out 2 loads water. Used 50 bbls 2% KCl water during day. Recovered 90 bbls water for day. Total load recovered 677 bbls. Load to recover 2146 bbls.

4/22/2008 SICP 750 psi. Blew down casing to flowback tank. Opened well on ½" choke @ 0750 hrs for flow test. Initial flowing pressure 410 psi – 2567 MCFPD; @ 0850 hrs FCP 285 psi – 1784 MCFPD; @ 0950 hrs FCP 260 psi – 1628 MCFPD; @ 1050 hrs FCP 255 psi – 1597 MCFPD. Well made 10 bbls water during test. RIH 12 jts. tagged recovered. RIH 19 jts. No fill. PU power swivel. Started air/mist. Drilled out composite BP w/ 1500 cfpm air, 10-12 BPH water. Circulated hole w/ air/mist. Well making water, gas and nitrogen – very little sand. Dried up hole. String float not holding. Pumped 20 bbls water down tbg. Installed inline float. PU 62 jts tbg and RIH to bottom. Tagged top of fill @ 6821'. PU power swivel and CO fill to PBTD @ 6840' w/ air/mist. Circulated hole w/ 900 cfpm air, 10-12 BPH water. Well making ~10-30 BPH water, very little sand. Stood back power swivel. POOH 74 jts. No problem w/ string float. Secured well and SDFN. Hauled out 2 loads water. Used 65 bbls 2% KCl water during day. Recovered 185 bbls water for day. Total load recovered 862 bbls. Load to recover 2026 bbls.

4/23/2008 SICP 800 psi. Blew down casing to flowback tank. RIH 74 jts. No fill. Circulated hole w/ 900 cfpm air, 10-12 BPH water. Water production variable, sand light. Dried up hole. SD air and POOH bit sub and mill. PU expendable check and F nipple. RIH w/ 2-3/8" expendable check, 1 jt 2-3/8" tbg, 1.78" F nipple and 206 jts 2-3/8" 4.7# J-55 EUE tbg. No fill. Started air unit and circulated hole w/ 900 cfpm air, 10-12 BPH water. POOH 74 jts. Secured well and SDFN. Hauled out 0 loads water. Used 75 bbls 2% KCl water during day. Recovered 190 bbls water for day. Total load recovered 977 bbls. Load to recover 1911 bbls.

4/24/2008 SICP 800 psi. Blew down casing to flowback tank. RIH 74 jts. No fill. Recovered 14 bbls water while blowing down well and running in hole. Circulated hole w/ 900 cfpm air, 10-12 BPH water. Well not making any water, no sand. Dried up hole. SD air and flow tested thru ½" choke. Initial pressure 260 psi. After 1 hr pressure surging 240 to 270 psi, 3 BPH water; 2 hrs surging 250 to 280 psi, 3 BPH water, 3 hrs surging 240 to 270 psi, 3 BPH water. Tagged bottom – no fill. POOH 3 jts. Secured well and SDFN. Hauled out 4 loads water. Used 40 bbls 2% KCl water during day. Recovered 65 bbls water for day. Total load recovered 1042 bbls. Load to recover 1886 bbls.

4/25/2008 SICP 800 psi. Blew down casing to flowback tank. RIH 3 jts. No fill. LD 3 jts tbg. Landed tbg on donut @ 6777', 1.78 ID 'F' nipple 1 jt up @ 6742'. ND BOP and frac spool. NU tree. Dropped ball. Pumped 5 bbls water down tbg. Pumped out expendable check w/ air at 1300 psi. Circulated water out of casing. Cut air and flowed well to flowback tank to purge air from casing. SI casing and opened tbg to flowback tank. RD rig and equipment. Released rig @ 1200 hrs 4/25/2008. FINAL REPORT.