

Submit 3 Copies To Appropriate District  
Office  
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

Form C-103  
May 27, 2004

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

WELL API NO. 30-015-21980
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMNM 111793
7. Lease Name or Unit Agreement Name Valle Feliz
8. Well Number 1
9. OGRID Number
10. Pool name or Wildcat Happy Valley Morrow

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator CHI Operating INC	
3. Address of Operator P.O. Box 1799 Midland TX. 79702	
4. Well Location Unit Letter <u>G</u> : 1455 feet from the <u>North</u> line and <u>2130</u> feet from the <u>East</u> line Section <u>3</u> Township <u>22S</u> Range <u>26E</u> NMPM County <u>Eddy</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water <u>NA</u>	
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

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

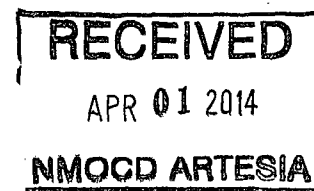
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

1. Set CIBP at 10,980' circulate hole 9.5 mud laden fluid cap with 3 sx Cmt.
2. PUH. to 10,010' spot 25 sx. Cmt. WOC & Tag.
3. Set CIBP at 9,899' cap with 30' Cmt.
4. PUH. to 5,820' spot 25 sx Cmt.
5. Perf. at 2185' Sqz. 55 sx Cmt. WOC & Tag.
6. Perf. At 568' Sqz. 75sx. Cmt. WOC & Tag.
7. Perf. At 100' circulate 20 sx Cmt. To surface.
8. Cut & Cap well install dry hole marker.

CONDITIONS OF APPROVAL ATTACHED

Approval Granted providing work is  
Completed by 4-1-2015



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 [Signature] TITLE Agent (Basic Energy Services) DATE 1-29-11

Type or print name: [Signature] E-mail address: \_\_\_\_\_ Telephone No. 432-563-3355

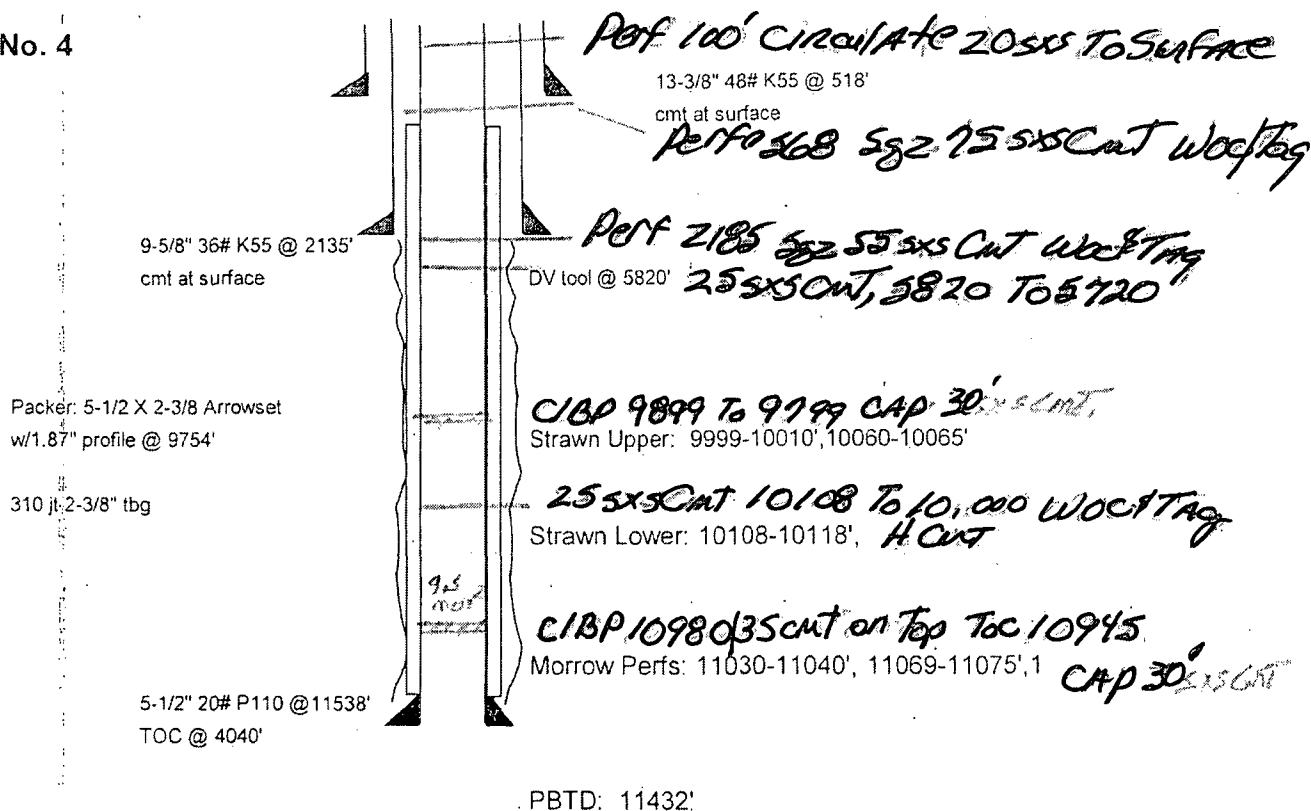
APPROVED BY: [Signature] TITLE Dist II Supervisor DATE 4/1/2014

Conditions of Approval (if any):

\* See Attached COA's

Approved for plugging of well bore only.  
Liability under bond is retained pending receipt  
of C-103 (Subsequent Report of Well Plugging)  
which may be found at OCD Web Page under  
Forms, www.emnrd.state.nm.us/oed.

WC "4" No. 4



#### Workover Procedure:

RU DDPU  
Swab test existing Strawn perms  
Move packer to 10030' Swab test and report

#### Option 1:

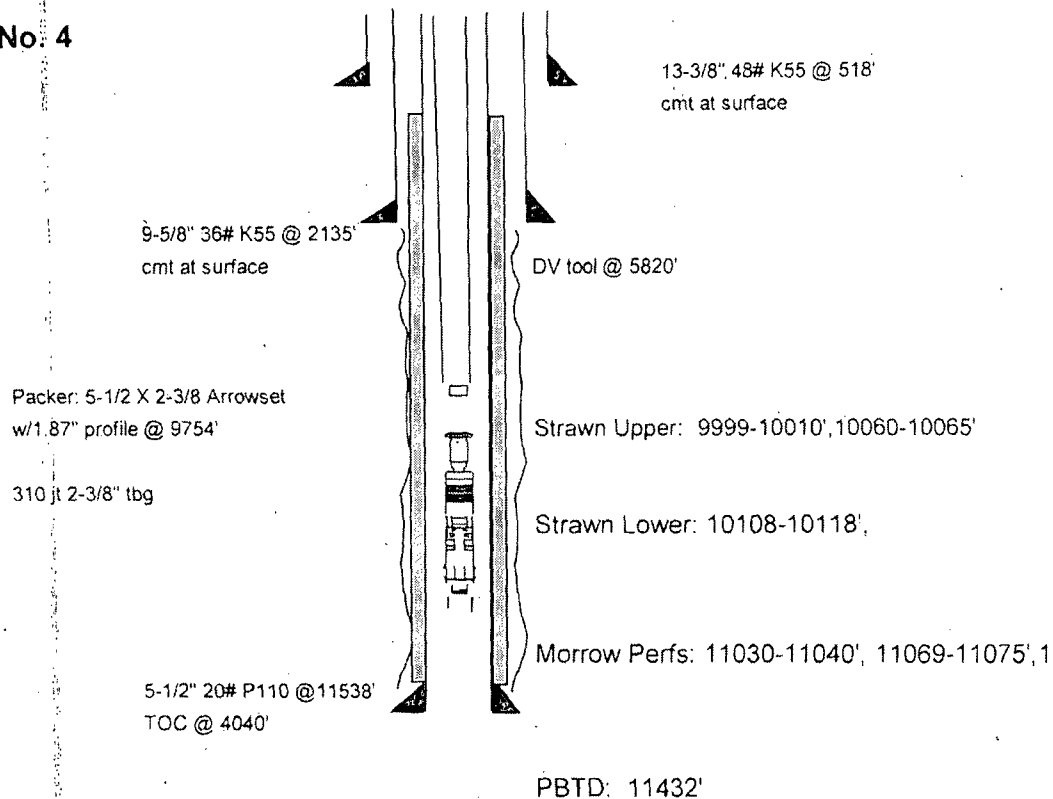
POOH w/ packer and tubing  
RBIH w/ RBP to isolate Lower Strawn Perfs  
Obtain BHP. Depending on results:

Acidize w/5000 gals 20% NeFe pumped at 8-10 BPM dropping ballsealers for diversion

#### Option 2:

POOH w/packer and tubing  
RIH w/3-3/8 casing guns to perfs Lower Strawn D zone.  
Perf Lower Strawn @ 10504-10508' (4spf)  
Isolate w/ packer and plug  
Swab and flow test

## WC "4" No. 4



### Workover Procedure:

RU DDP  
Swab test existing Strawn perfs  
Move packer to 10030'. Swab test and report

#### Option 1:

POOH w/ packer and tubing  
RBIH w/ RBP to isolate Lower Strawn Perfs  
Obtain BHP. Depending on results:

Acidize w/5000 gals 20% NeFe pumped at 8-10 BPM dropping ballsealers for diversion

#### Option 2:

POOH w/packer and tubing  
RIH w/3-3/8 casing guns to perfs Lower Strawn D zone.  
Perf Lower Strawn @ 10504-10508' (4spf)  
Isolate w/ packer and plug  
Swab and flow test

NEW MEXICO OIL CONSERVATION DIVISION  
DISTRICT 2 OFFICE  
811 S. FIRST STREET  
ARTESIA, NM 88210  
(575)748-1283

CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator: CHI Operating

Well Name & Number: Valle Feliz #1

API #: 30-015-21980

1. Produced water **will not** be used during any part of the plugging & abandonment operation.
2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.
3. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.
4. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator, as well as the contractor, to verify that this permit is place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.
5. A subsequent C-103 will serve as notification that the well bore has been plugged ONLY. A C-103 FINAL shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.
6. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.
7. Every attempt must be made to clean the well bore out to below the perms, before any plugs can be set, by whatever means possible.
8. Cement Retainers may not be used.

9. Squeeze pressures are not to exceed 500 PSI, unless approval is given by NMOCD.
10. Plugs may be combined after consulting with and getting approval from NMOCD.
11. Minimum WOC time for tag plugs will be 4 Hrs.

DATE: 4/1/2014

APPROVED BY:

A handwritten signature in black ink, appearing to be 'JRD' or similar, written below the 'APPROVED BY:' text.

## GUIDELINES FOR PLUGGING AND ABANDONMENT

### DISTRICT II / ARTESIA

- All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater.
- Mud laden fluids must be placed between all cement plugs.
- Mud laden fluids must be mixed at 25 sacks of gel per 100 bbls of water.
- A cement plug is required to be set 50' below and 50' above all casing shoes and casing stub plugs. These plugs must be tagged.
- A CIBP with 35' of cement on top may be set in lieu of 100' cement plug.
- A plug as indicated above must be placed within 100' of top perforation. This plug must be tagged.
- Plugs set below and above salt zones must be tagged.
- No more than 2000' is to be allowed between cement plugs in open hole and no more than 3000' in cased hole.
- DV tools are required to have a 100' cement plug set 50' above and below the tool and must be tagged.
- Formations to be isolated with plugs placed at the top of each formation are:
  - Fusselman
  - Devonian
  - Morrow
  - Wolfcamp
  - Bone Spring
  - Delaware
  - Any Salt Section (Plug at top and bottom)
  - Abo
  - Glorieta
  - Yates (this plus is usually at base of salt section)
- If cement does not exist behind casing strings at recommended formation depths, the casing must be cut and pulled with plugs set at these depths or casing must be perforated and cement squeezed behind casing at the formation depths.
- In the R-111-P area (Potash Mine area) a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts common to the section penetrated and in suitable proportions, but not more than a 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible (50' below and 50' above).