

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 July 18, 2013

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

WELL API NO. 30-015-24243
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LC-028772E
7. Lease Name or Unit Agreement Name Ballard Grayburg San Andres Unit Tract 4
8. Well Number 2N
9. OGRID Number
10. Pool name or Wildcat Loco Hills-Queen-Grayburg-San Andres

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 Injection

2. Name of Operator
Tandem Energy Corporation

3. Address of Operator
2700 Post Oak Blvd, Suite 1000, Houston, TX 77056

4. Well Location

Unit Letter P : 330' feet from the South line and 990' feet from the East line
Section 7 Township 18 South Range 29 East NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
2549.7' GL

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 ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

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

Due to a failed Mechanical Integrity Test, this injection well needs to be pulled to determine the reason for cause of the failure. The well was shut in and has been inactive since March 19, 2014. Subsequently, all pressure has been bleed off the well and flowback water has been recovered in a frac tank.

There are no records that the well has ever been pulled since it was completed in December, 1982. Please refer to the attached wellbore diagram for specific information and depths.

The tension packer will either be repaired or replaced and the internally coated tubing will be pressure tested back into the well. PBTD will also be checked to ensure that all perforations are available for waterflood injection. The tubing/casing annulus will be tested to 500 psig and the pressure recorded to ensure that there has not been a casing failure. It is anticipated that the remedial operations will commence by August 4, 2014.

CONTACT THE NMAC TO WITNESS MIT TEST BEFORE
WELL CAN BE RETURNED TO INJECTION. RE

NM OIL CONSERVATION
ARTESIA DISTRICT

Spud Date:

Rig Release Date:

JUL 16 2014

RECEIVED

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

SIGNATURE Kimmy Watson TITLE HSE & Compliance Manager DATE July 15, 2014

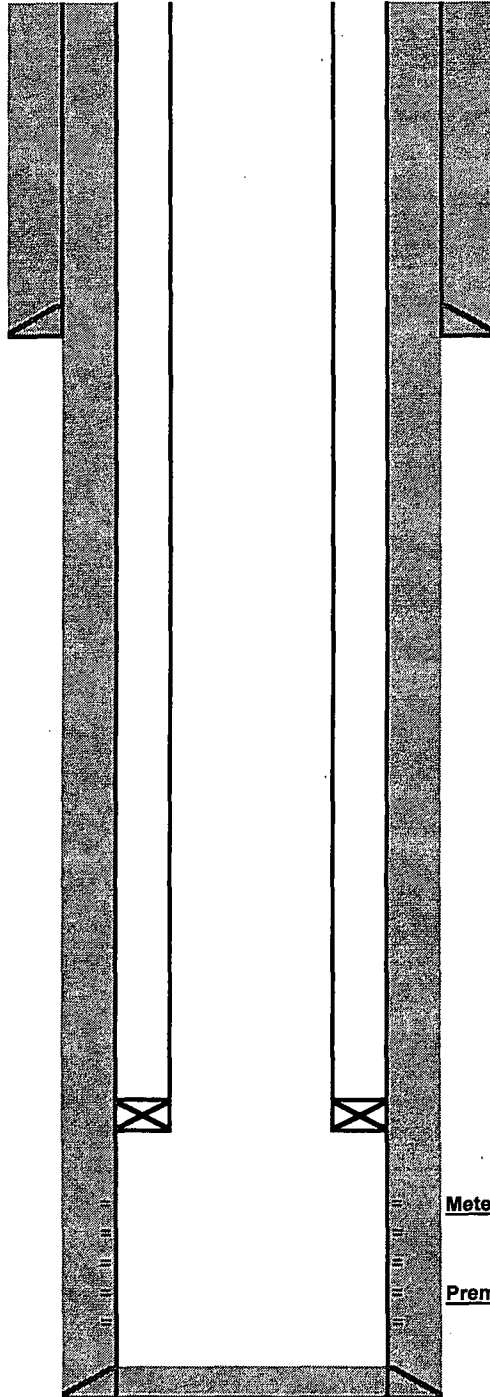
Type or print name Kimmy Watson E-mail address: kwatson@platenergy PHONE: 713.987.7320

For State Use Only

APPROVED BY: Russell Ingo TITLE COMPLIANCE OFFICER DATE 7/17/14

Conditions of Approval (if any):

Tandem Energy Corporation
BGSAU Tract 4 No. 002N (API 30-015-24243)
Loco Hills-Queen-Grayburg-San Andres
Eddy County, New Mexico
Current Wellbore



Ground Elev: 3550'
Drilled: September, 1882
Location: 330' FSL & 990' FEL (Unit P)
Section 7, T18S, R29E

Hole size: 12-1/4"
Surface Csg: 8-5/8", 24#, K-55, STC @ 353' w/ 350 sxs
CI H w/ 2% CaCl₂ circulated to surface

Top Salt @ 235'
Bottom Salt @ 740'

TOC @ Surface, circulated 150 sxs

2-3/8" SALTA tubing
no record of # jts

Watson SL Packer at 2400' w/ 10 pts tension

Metex:
2476' - 2593' OA (36 holes)

Premier:
2611' - 2668' OA (28 holes)

Hole size: 7-7/8" to 2750'
Prod. Csg: 4-1/2", 10.5#, K-55 STC @ 2749'
w/ 650 sxs Lite + 200 Sxs CI H.

PBTD: 2736'
TD: 2750'