

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

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

<p>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.)</p>		<p>WELL API NO. 30-015-23651</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Tandem Energy Corporation</p>		<p>6. State Oil & Gas Lease No. B-2023</p>
<p>3. Address of Operator 2700 South Post Oak Blvd, Suite 1000, Houston, Texas 77056</p>		<p>7. Lease Name or Unit Agreement Name Old Loco Unit</p>
<p>4. Well Location Unit Letter _____ G _____: _____ 2310 feet from the North line and 1650 feet from the East line Section 32 Township 17S Range 29E NMPM Eddy County</p>		<p>8. Well Number 021</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3578' GR</p>		<p>9. OGRID Number</p>
<p>10. Pool name or Wildcat Grayburg-Jackson SR-Q-G-SA Pool</p>		

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 checked="" 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 type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- See attached Current and Proposed Wellbores for well specifics and proposed cement plugs. GIH w/ tubing and tag PBTD around 2861'. Pump 100 sxs of cement and displace to the perforations with mud-laden fluid for an estimated TOC at 2250'. WOC, then tag to confirm this first plug.
- Pull up 1150' and spot 20 sxs of cement at the base of salt, leaving TOC around 950'. WOC, then tag to confirm this 2nd plug. POOH w/ tubing.
- Perforate the 4-1/2" casing at 350', just below the surface casing depth. Spot 20 sxs and squeeze, leaving TOC inside of 4-1/2" around 150'. WOC, then tag to confirm this 3rd plug.
- Spot cement plug from 60' back to the surface and ensure that there is also cement in the 4-1/2" x 8-5/8" annuls.
- Install the dry hole marker and clean the location. Submit the Subsequent Report of Sundry Notice for the well abandonment activities.
- Perform the sire restoration and reclamation activities.

CONDITIONS OF APPROVAL ATTACHED

Approval Granted providing work is Completed by

10/28/2015

Rig Release Date

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 Form, www.emnrd.state.nm.us/oed.

NM OIL CONSERVATION

ARTESIA DISTRICT

OCT 23 2014

is true and complete to the best of my knowledge and belief.

RECEIVED

SIGNATURE Claud D. Riddles

TITLE Operations Manager

DATE 10/20/14

Type or print name Claud D. Riddles

E-mail address: criddles@platenergy.com

PHONE: 713.364.7822

For State Use Only

APPROVED BY: MDade

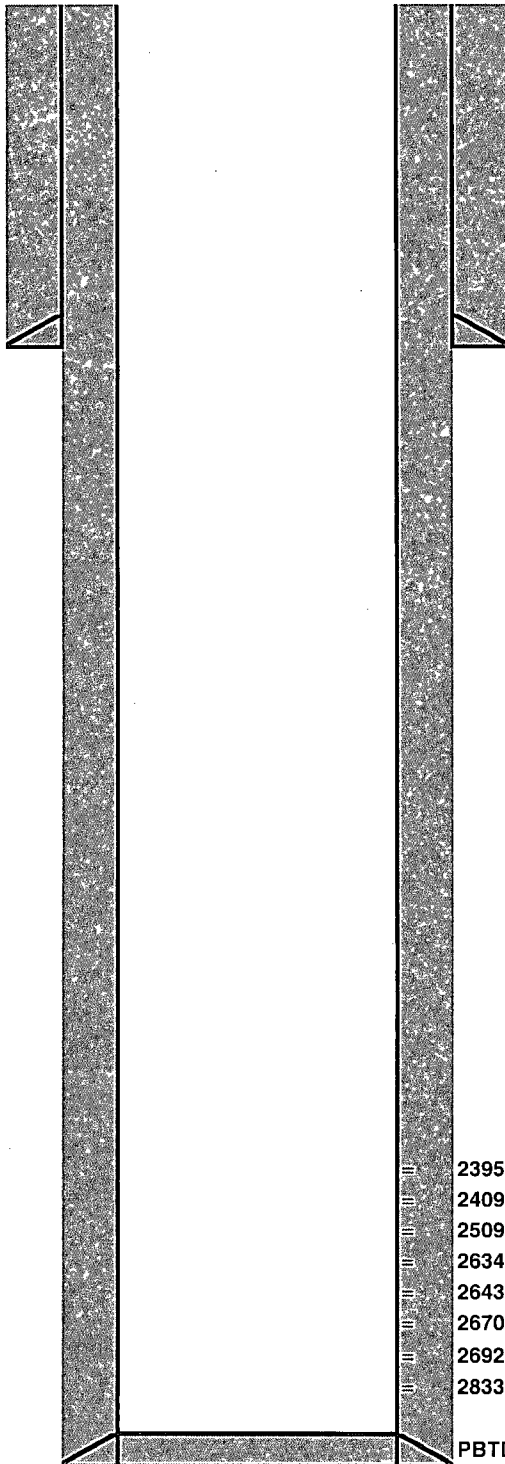
TITLE District Supervisor

DATE 10/28/2014

Conditions of Approval (if any):

★ See Attached COA's

**Tandem Energy Corporation
Old Loco Unit No. 021 (API 30-015-23651)
Grayburg-Jackson; SR-Q-G-SA
Eddy County, New Mexico
Current Wellbore**



Ground Elev: 3578'
Drilled: March, 1981
Location: 2310' FNL & 1650' FEL (L
Section 32, T17S, R29E

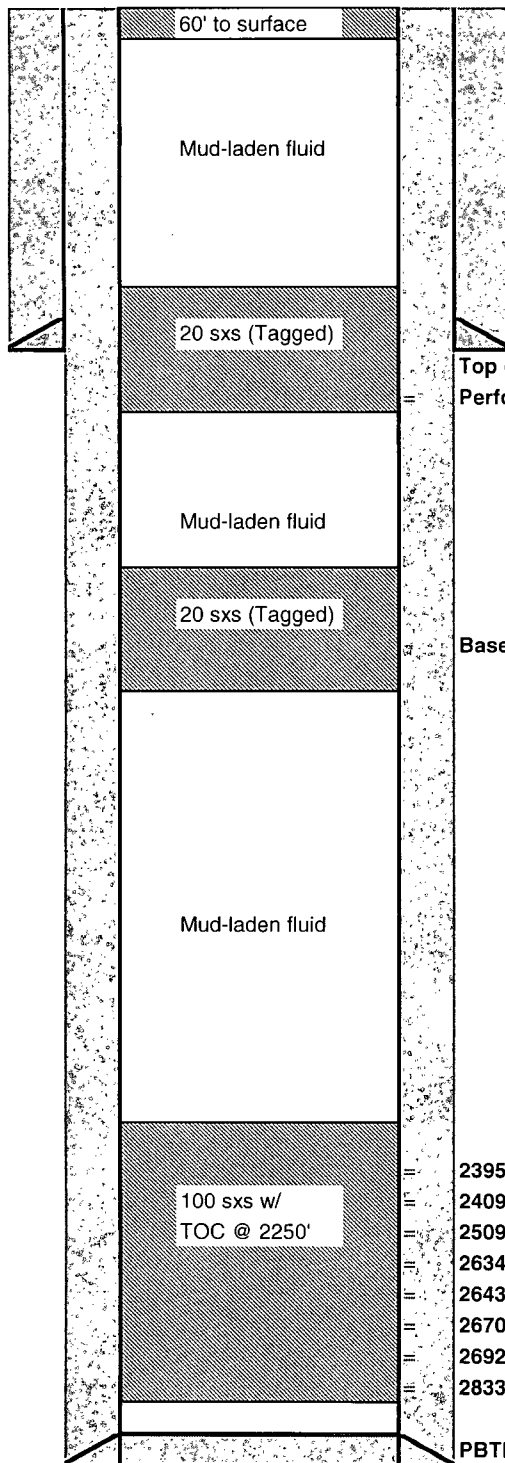
Hole size: 12-1/4"
Surface Csg: 8-5/8", 24# @ 310'
w/ 200 sxs & topped out

TOC @ surface, circulated

Hole size: 7-7/8"
Prod. Csg: 4-1/2", 10.50# @ 2900'
w/ 375 sxs (Circulated)

PBTD: 2861'
Total Depth: 2900'

Tandem Energy Corporation
Old Loco Unit No. 021 (API 30-015-23651)
Grayburg-Jackson; SR-Q-G-SA
Eddy County, New Mexico
Proposed Wellbore



Ground Elev: 3578'
 Drilled: March, 1981
 Location: 2310' FNL & 1650' FEL (Unit G)
 Section 32, T17S, R29E

Hole size: 12-1/4"
 Surface Csg: 8-5/8", 24# @ 310'
 w/ 200 sxs & topped out

Hole size: 7-7/8"
 Prod. Csg: 4-1/2", 10.50# @ 2900'
 w/ 375 sxs (Circulated)

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: Tandem Energy
Well Name & Number: Old Loco Unit #21
API #: 30-015-23651

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 1 year 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: 10/28/2014

APPROVED BY: 

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 plug 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).