

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

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. 3001525433
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> XX Other SWD		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Basic Energy Services LP		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 10460 Midland Texas 79702		7. Lease Name or Unit Agreement Name Belco State
4. Well Location Unit Letter F : 2310 feet from the North line and 1980 feet from the West line Section 20 Township 23 S Range 28 E NMPM County Eddy		8. Well Number # 2 SWD
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 246368
		10. Pool name or Wildcat Delaware

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 ☐

OTHER: ☐

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.

Basic Energy Services L.P. has lost integrity at the Belco State # 2 on 5/13/15
Our intent is shut in well move frac tanks and set flow back PSI from annulus 5/13/15 to frac tanks
Then start flow back on 5/14/15 to Frac tanks thru tbg. Monitor well till we reach balance time with 10# brine.
One call has been made and anchors will be checked or replaced.
Bring on location equipment and rig up service unit extract tubular and packer out. TIH with Sinker bar and tag BT with sand line check for fill if okay TIH with Tbg. and hydro-test above slips to 3000 psi on tbg. replace bad tubing. TIH with dressed PKR and set within 100 ft. of top perf. Circulate packer fluid pre test annulus for one hour at 400 psi if good ND BOP and equipment NU well head then Notify NMOCD for MIT date and time.

NM OIL CONSERVATION

ARTESIA DISTRICT

Spud Date:

Rig Release Date:

MAY 14 2015

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

RECEIVED

SIGNATURE David H. Alvarado TITLE SENM District Fluids Mgr. DATE 5/14/15

Type or print name David H. Alvarado E-mail address: david.alvarado@basicenergyservices.com PHONE: 575.746.2072

For State Use Only

APPROVED BY: [Signature] TITLE District Engineer DATE 5/14/15
Conditions of Approval (if any):

Ø OCD must witness MIT before injection can commence!

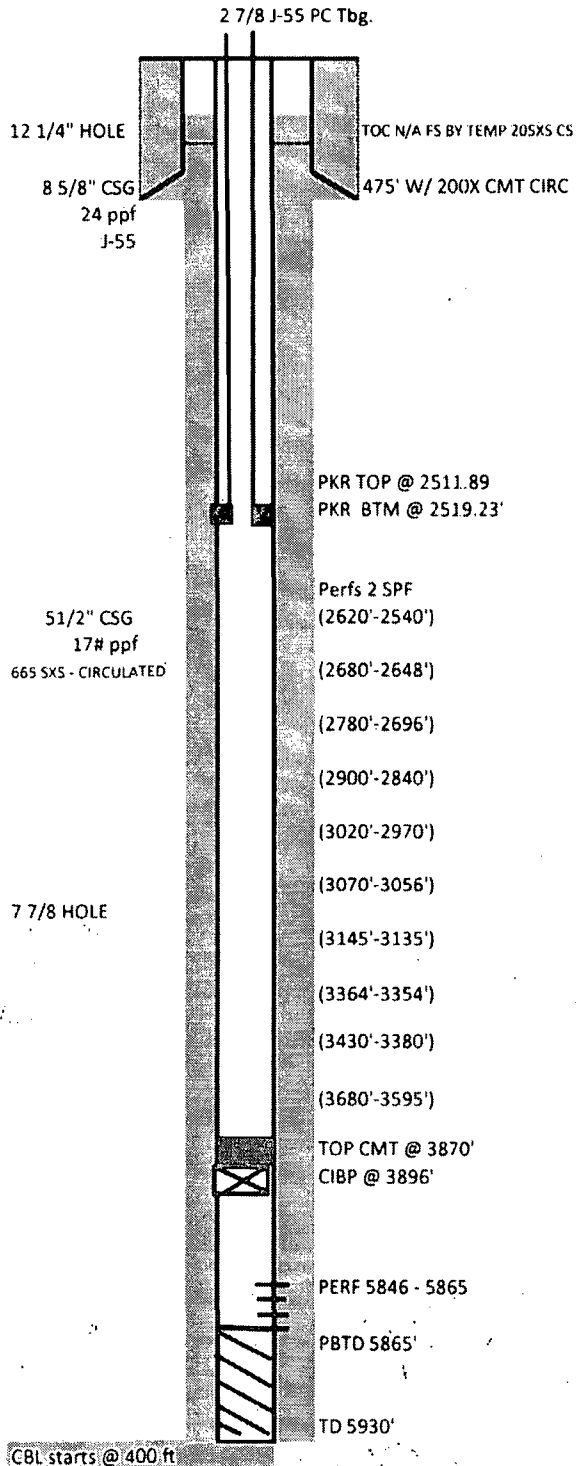
BASIC ENERGY SERVICES LP

BELCO ST. # 2

API # 3001525433

2310' FNL & 1980' FWL Unit F, Sec 20, T 23S, R 28E Eddy County

WELL BORE DIAGRAM



TOPS IN CONFORMANCE

T. SALT	1570
B. SALT	2239
RED BED	0-1000
ANHYDRITE	1000-1570
SALT	1570-2489
SAND & SHALE	2489-3930
T. DELAWARE	2454

79 jts	2.875 - J 55	PC
Well Head	8 5/8	LR

DATE 7/25/2011

PACKER DATA:

SIZE	TYPE
5 1/2	13-20H X 2 7/8 AS1-X (NP)
	(SS) 2.25 "F" Profile Nipple
	2 7/8 T-2 on/off Tool SS Top, NP BTM

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State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
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Form C-144 CLEZ
Revised August 1, 2011

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: ☒ Permit ☐ Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Basic Energy Services LP OGRID #: 246368
Address: _____
Facility or well name: Belco # 2
API Number: 3001525433 OCD Permit Number: _____
U/L or Qtr/Qtr E Section 20 Township 23S Range R 28E County: EDDY
Center of Proposed Design: Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☐ Closed-loop System: Subsection H of 19.15.17.11 NMAC
Operation: ☐ Drilling a new well ☒ Work over or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A
Above Ground Steel Tanks or ☐ Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
☒ Signed in compliance with 19.15.16.8 NMAC

4.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____
☐ Previously Approved Operating and Maintenance Plan API Number: _____

5.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: MYRTLE MYRA FED # 1 SWD Disposal Facility Permit Number: NM SWD Order # SWD-391
Disposal Facility Name: CRI Disposal Facility Permit Number: NM-01-0006
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
☐ Yes (If yes, please provide the information below) ☒ No
Required for impacted areas which will not be used for future service and operations:
☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.
Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): David Alvarado Title: SENM Fluid District Mgr.
Signature: David Alvarado Date: 4/14/15
e-mail address: david.alvarado@basiconenergyservices.com Telephone: 575.746.2072

Closed loop Attachment

7. **OCD Approval:** ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: _____ Approval Date: _____

Title: _____ OCD Permit Number: _____

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☒ Closure Completion Date: _____

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**

Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: R360 Disposal Facility Permit Number: NM-01-0006

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☒ No

Required for impacted areas which will not be used for future service and operations:

☐ Site Reclamation (Photo Documentation)

☐ Soil Backfilling and Cover Installation

☐ Re-vegetation Application Rates and Seeding Technique

10. **Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): David Alvarado Title: SENM District MGR Fluid Sales

Signature: David H. Alvarado Date: 5/14/15

e-mail address: david.alvarado@basicenergyservices.com Telephone: 575-746-2072