

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. 30-015-31910
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name GRANDE STATE
8. Well Number 1
9. OGRID Number 160825
10. Pool name or Wildcat CEDAR CANYON; BONE SPRING
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2993 GL

**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

2. Name of Operator  
BC OPERATING, INC

3. Address of Operator  
P.O. BOX 50820, MIDLAND, TX 79710

4. Well Location  
 Unit Letter C : 660 feet from the NORTH line and 1980 feet from the WEST line  
 Section 32 Township 23S Range 29E NMPM EDDY County

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
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 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 checked="" type="checkbox"/>		OTHER: CONVERT TO SWD <input checked="" 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 DOCUMENT FOR PROCEDURE TO CONVERT THE GRANDE STATE WELL TO SWD.

**NM OIL CONSERVATION**

ARTESIA DISTRICT

JUN 14 2016

RECEIVED

Spud Date:

Rig Release Date:

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

SIGNATURE Sarah Presley TITLE REGULATORY ANALYST DATE 5.5.2016

Type or print name SARAH PRESLEY E-mail address: spresley@naguss.com PHONE: 432-682-4429

For State Use Only

APPROVED BY: [Signature] TITLE "Geologist" DATE 6/14/16

Conditions of Approval (if any):

**Grande State #1**

SWD Conversion Procedure  
Cherry Canyon  
API# 30-015-31910  
Eddy County, New Mexico

This procedure is to abandon the existing Bone Springs perforations and convert the well into a Cherry Canyon SWD.

Procedure (Revised - 2)

- GIH w/ 7" CIBP and set it at 7,900'.
- Dump bail 35' of cement on top of plug.
- GIH w/ perforating gun and shoot 4 squeeze holes at 5,600'.
- GIH w/ 7" RTTS packer and set it at 5,570'.
- Test annulus to 1,500 psi.
  - Establish injection rate into squeeze perforations and to surface.
- POH w/RTTS packer.
- GIH w/HES "Poppet Style" retainer and set it at 5,570'.
- Recement 7" casing to surface as follows:
  - Pump 20 bbls mud flush.
  - Mix and pump 250 sacks of 65/35 Class C/Pozmix containing 6% Gel.
  - Mix and pump 1,400 sacks of 50/50 Class C/Pozmix containing 2% Gel
- Pull out of retainer and dump 10 sacks of cement on top of retainer.
- Pull tubing to 5,530' and reverse tubing clean.
- Shut well in 24 hours
- Rig up wireline truck.
- Run a 6.151" gauge ring to ± 5,000'.
- GIH w/ 7" CIBP and set it at 4,550'.
- Dump bail 35' of cement on top of plug.
- Run radial cement bond log from 4,500' to surface.
  - Supply copy of log to EMNRD-OCD District II office & Santa Fe Bureau office
  - Insure cement top is above 2,268'.
  - If required, re-squeeze to place cement top at 2,268' or above.
- GIH w/ casing perforating guns and perforate the following intervals as follows:
  - 4,070' - 4,080' 6 sh/ft 60° phase .46" entry
  - 4,044' - 4,054' 6 sh/ft 60° phase .46" entry
  - 4,036' - 4,041' 6 sh/ft 60° phase .46" entry
  - 3,855' - 3,885' 6 sh/ft 60° phase .46" entry
  - 3,785' - 3810' 6 sh/ft 60° phase .46" entry
- GIH w/injection packer on 4 1/2" 11.60# L80 IPC injection string to 3,735'.
  - Notify OCD to witness installation of disposal equipment.
- Set packer.
- Test packer 500 psi for 30 minutes.
- Establish injection rates and pressures.
- Stimulate with 8,000 gallons 10% NEFE acid.
- Perform step rate test.
- Run MIT test and turn in charts.
  - Notify OCD to witness MIT test.
- Put well on injection.