

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

Energy, Minerals and Natural Resources

SUN OIL CONSERVATION

ARTESIA DISTRICT

OIL CONSERVATION DIVISION

FEB 15 2017

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

WELL API NO.

30-015-20885

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

L-1649 K-3403

7. Lease Name or Unit Agreement Name

South Carlsbad Gas Com. 2

8. Well Number 1

9. OGRID Number 173413

10. Pool name or Wildcat

Und. Strawn

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 E. G. L. Resources, Inc.

3. Address of Operator P. O. Box 10886, Midland, TX 79702

4. Well Location

Unit Letter J : 1650 feet from the South line and 1980 feet from the East line
Section 27 Township 23S Range 26E NMPM County Eddy

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

3,289' GR

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.

- 1) RU Plugging rig. ND wellhead. Rlse pkr. NU BOPE. POOH w/ pkr.
- 2) RIH w/ Wireline Dump bailer. Dump bail 35' cement on top of pkr & plug at 10,440'. POOH.
- 3) SET 5-1/2" CIBP @ 10,250'; PUMP 25 SXS CMT @ 10,250' - 10,013' (100' MINIMUM). WOC & TAG. CIRC. WELL W/ P&A MUD.
- 4) SET 25 SXS CMT PLUG IN 5-1/2" CSG FROM 8,725' - 8,625' (T/ WOLFCAMP @ 8,650').
- 5) PERF. & ATTEMPT TO SQZ. 40 SXS @ 6,180' - 6,080' (CMT PLUG BEHIND UNCEMENTED CSG). - WOC & TAG
- 6) PERF. & ATTEMPT TO SQZ 40 SXS @ 5,322' - 5,205' (SHOE PLUG & T/ BONE SPRINGS). WOC & TAG.
- 7) PERF. & ATTEMPT TO SQZ 35 SXS @ 3,350' - 3,250' (CMT PLUG BEHIND UNCEMENTED CSG). - WOC & TAG
- 8) PERF. & ATTEMPT TO SQZ 35 SXS @ 1,805' - 1,705' (T/ DELAWARE B/ SALT @ 1,730'). WOC & TAG.
- 9) PERF. & ATTEMPT TO SQZ 60 SXS @ 682' - 515' (SHOE PLUG & T/ SALT @ 540'). WOC & TAG.
- 10) PERF @ 100'. PUMP 25 SXS CMT @ 100' - 3' (SURFACE PLUG). CUT OFF WELLHEAD. INSTALL P&A MARKER. RIG DOWN.

DURING THIS PROCEDURE WE PLAN TO USE THE CLOSED-LOOP SYSTEM W/ A STEEL TANK AND HAUL CONTENTS TO THE REQUIRED DISPOSAL PER OCD RULE 19.15.17.

Spud Date:

Rig Release Date:

WELL MUST BE PLUGGED BY 2/16/18

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

SIGNATURE John A. Langhoff TITLE PETROLEUM ENGINEER DATE FEB 10, 2017Type or print name John A. Langhoff E-mail address: johnl@egresources.com PHONE: 432-687-6560

For State Use Only

APPROVED BY: Robert L. Byrd TITLE COMPLIANCE OFFICER DATE 2/16/2017

Conditions of Approval (if any):

* SEE ATTACHED COA-5

Approved for plugging of well bore only IS TO THE
Liability under bond is retained pending receipt
of C-103 (Subsequent Report of Well Plugging)
which may be found at OCD Web Page under
For more information, visit www.oecd.state.nm.us/oecd.

SOUTH CARLSBAD GAS COM. NO. 1
1,650' FSL & 1,980' FEL, SEC 27, TWP 23S, RGE 26E
EDDY COUNTY, NEW MEXICO
LAT: 32.2726059 LONG: -104.2787476

PLUG & ABANDONMENT PROCEDURE
(Page 1 of 2)

- 1) MIRU workover unit. Bleed well off. ND wellhead. Release packer from 10,206'. NU BOPE. POOH with pkr tallying and visually inspecting tubing.
- 2) RU wireline unit. RIH w/ gauge ring for 5-1/2", 23 #/ft casing to 10,440' (top of pkr w/ plug in place). POOH w/ gauge ring. RIH w/ dump bailer and cap pkr w/ 35' cement. POOH w/ dump bailer.
- 3) RIH w/ 5-1/2" CIBP on tubing and set at +/-10,250'. Release tubing from CIBP.
- 4) With 2-3/8" tubing at top of CIBP at +/-10,250', Mix and pump 25 sxs Class "H" cement spotting 237' cement on top of CIBP from +/-10,250' to +/-10,013'. PUH above cement with tubing. WOC and tag.
- 5) Circulate wellbore with P&A mud. POOH w/ tubing. LD setting tool.
- 6) RIH with open ended tubing to 8,725' (T/ Wolfcamp @ 8,650'). Mix and pump 25 sxs Class "H" cement spotting cement plug from 8,725' up to 8,488'. POOH w/ tubing.
- 7) RIH and perforate casing at 6,180' (2,000' above TOC). POOH w/ wireline.
- 8) RIH w/ pkr and set at +/-5,900'. Break circulation. Mix and pump 40 sxs Class "C" cement squeezing cement behind 5-1/2" casing placing cement from 6,180' to 6,006'. POOH w/ pkr.
- 9) RU wireline. RIH and perforate casing at 5,322' (Csg shoe @ 5,272'). POOH w/ wireline.
- 10) RIH w/ pkr and set at +/-5,000'. Break circulation. Mix and pump 40 sxs Class "C" cement squeezing cement behind 5-1/2" casing placing cement from 5,322' to 5,104'. WOC and tag. POOH w/ pkr. (This plug will also cap T/ Bone Springs @ 5,230').
- 11) RU wireline. RIH and perforate casing at 3,350' (2,000' plug behind uncemented casing). POOH w/ wireline.
- 12) RIH w/ pkr and set at +/-3,000'. Break circulation. Mix and pump 35 sxs Class "C" cement squeezing cement behind 5-1/2" casing placing cement from 3,350' to 3,200'. POOH w/ pkr.

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PLUG & ABANDONMENT PROCEDURE
(Page 2 of 2)

- 13) RU wireline. RIH and perforate casing at 1,805' (T/ Delaware @ 1,730' & Base of Salt Section). POOH w/ wireline.
- 14) RIH w/ pkr. Break circulation. Mix and pump 35 sxs Class "C" cement squeezing cement behind 5-1/2" casing placing cement from 1,805' to 1,655'. WOC and tag. POOH w/ pkr.
- 15) RU wireline. RIH and perforate casing at 682' (50' below surface casing shoe). POOH w/ wireline.
- 16) RIH w/ pkr. Break circulation. Mix and pump 60 sxs Class "C" cement squeezing cement behind 5-1/2" casing placing cement from 682' to 424' (Surface Casing Shoe Plug and Top of Salt Plug). WOC and tag. POOH w/ pkr.
- 17) RU wireline. RIH and perforate casing at 100'. POOH w/ wireline.
- 18) RIH w/ pkr. Break circulation up 5-1/2" x 8-5/8" annulus. Mix and pump 25 sxs Class "C" cement squeezing cement behind 5-1/2" casing placing cement circulation cement from 100' to surface. POOH w/ pkr. Top off cement to surface. WOC.
- 19) Cut off wellhead and install P&A marker.
- 20) RD workover unit. Clean location. Move off location.

February 10, 2017

WELL DATA SHEET

FIELD: So. Carlsbad

WELL NAME: So. Carlsbad Gas Com 2 #1

FORMATION: Strawn

LOC: 1650' FSL & 1980' FEL
SEC: 27 TWP: 23S RGE: 26E

COUNTY: EDDY
STATE: NM

GL: 3289'
KB to GL: 18.0'

CURRENT STATUS: Shut-In
API NO: 30-015-20885

11-3/4", 42 & 54 # csg set at
632'. Cmt'd w/ 940 sxs. 15" hole.

8-5/8", 32 #/ft, K-55 csg set @
5272' w/ 925 sxs cmt. Good rtns
while cementing. 10-5/8" hole.

Csg Leak 5781'. Sqzd 50 sxs.

Top of cement @ 8180'

Pkr @ 10206'

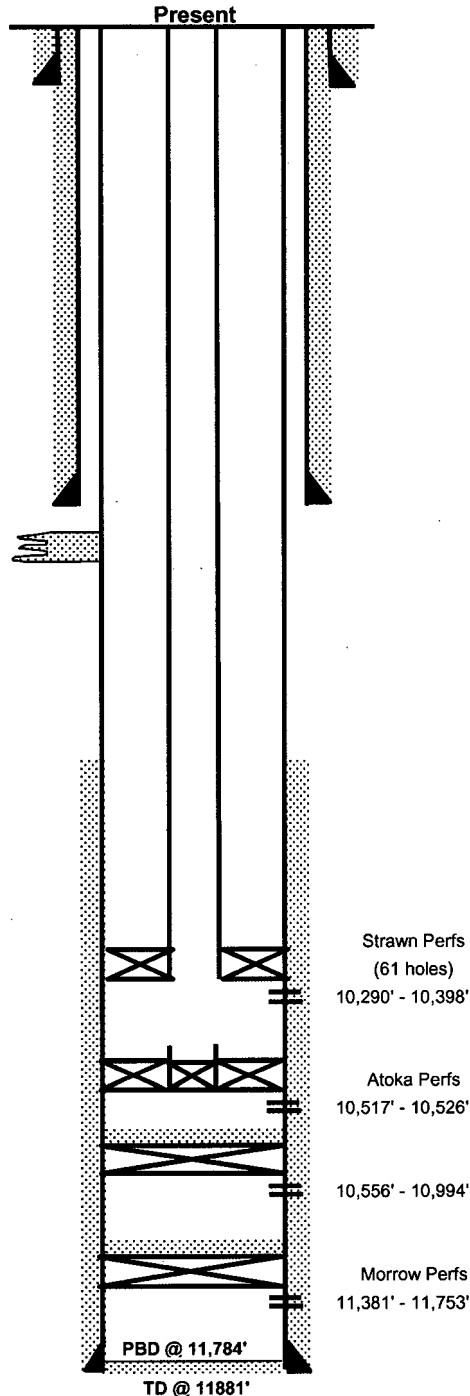
Pkr @ 10440' w/ plug in place

CIBP @ 10545' w/ 10' cement

CIBP @ 11285' w/ 35' cement

5-1/2", 17#, 20# & 23#, N-80, csg
set @ 11,867' w/ 1,475 sxs cmt.
TOC @ 8180' by TS. 7-7/8" hole.

FILE: So_Carlsbad_Gas_Com_2_1.XLS
JAL 02-10-2017



Date Completed: 9/26/1973

Initial Production: 0 BOPD / 13 BWPD / 416 MCFGPD
FLOWING WITH 1906 FTP from Morrow Formation perfs
11,381' to 11,753' (Dual Completion)

Initial Production: 5 BOPD / 0 BWPD / 823 MCFGPD
FLOWING WITH 3237 FCP from Strawn Formation perfs
10,304' to 10,382' (Dual Completion)

Completion Data:

Completed Morrow formation to flow up 2-7/8" tubing from perfs 11,381' to 11,753'. Completed Strawn formation to flow up 5-1/2" casing from perfs 10,304' to 10,382'. Strawn acidized with 4,000 gallons 15% NE HCl.

Wellbore History:

05/79 Repaired leak in tubing. Unable to pull plug from nipple so cut off and let fall to bottom. RTP.

10/81 Suspect tubing leak

01/82 Attempt to repair tubing leak but suspected communication between zones after work was completed.

05/82 Attempted to isolate Strawn and Morrow completions but found that they were communicated.

08/82 Commingled Morrow & Strawn completions with OCD approval received 02/83

05/85 Pull tubing & pkr. Set CIBP at 11,285' and cap w/ cmt. Cmt Sqz Strawn perfs 10,304' to 10,382'. Cmt Sqz casing leak at 5,781'. Drill out & test csg to 500#. Test good. Drill out Strawn sqzd pefs. Perf Atoka zone from 10517' to 10994'. Acdz perfs w/ 8736 gallons 15% HCl. Tested well and flowed 129 BWPD w/ some gas. Set CIBP at 10,545' and cap w/ 10' cement. Acdz Atoka perfs 10,517' - 10,526' w/ 1500 gallons. RTP.

01/95 Pulled 2-7/8" tbg. Set pkr w/ plug in place at 10,440' to plug off Atoka perfs 10,517' to 10,526'. Run 2-3/8" tubing. Perf Strawn formation 10,290' to 10,398' and acidize w/ 10,000 gallons 15% HCl. Swab. RTP.

Additional Data:

Formation Tops:

Castille @ 540'
Bone Springs @ 5230'
Canyon @ 9905'
Atoka @ 10457'
Morrow Sand @ 11431'

Delaware Mtn Group @ 1730'
Wolfcamp @ 8650'
Strawn @ 10105'
Morrow Lime @ 10769'

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while cementing. 10-5/8" hole.

Csg Leak 5781'. Sqzd 50 sxs.

Top of cement @ 8180'

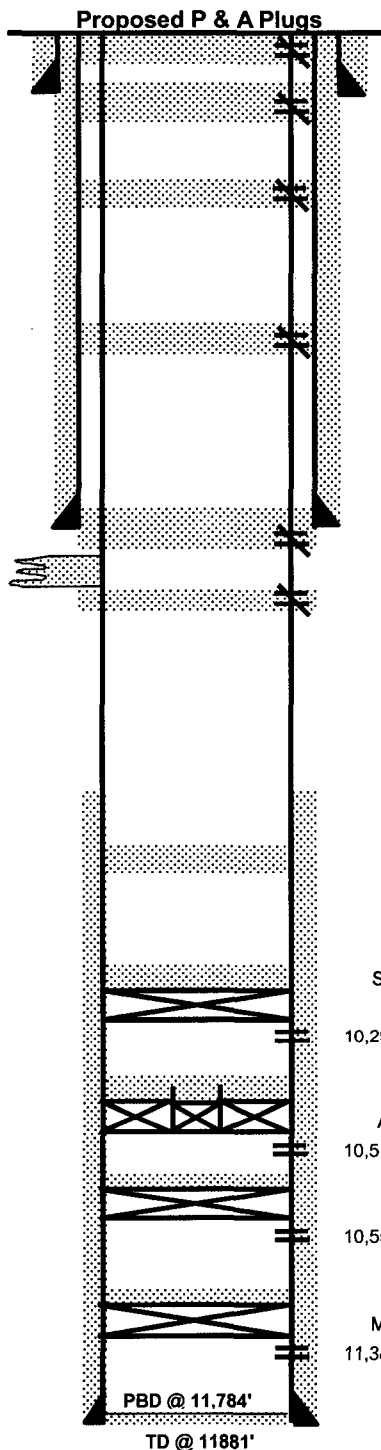
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JAL 02-10-2017



Perf and Sqz @ 100' w/ 25 sxs cmt. (Surface Plug)

Perf and Sqz @ 682' w/ 60 sxs cmt. WOC & tag.
(T/ Salt Section & B/ Castille & Shoe Plug)

Perf and Sqz @ 1805' w/ 35 sxs cmt. WOC & tag.
(T/ Delaware & B/ Salt Section)

Perf and Sqz @ 3350' w/ 35 sxs cmt
(Plug in & behind 5-1/2" csg)

TAG - 5180 OR HIGHER - COVERS BONE SPR
Perf and Sqz @ 5322' w/ 40 sxs cmt. WOC & tag.
(Csg shoe & T/ Bone Springs plug)

Perf and Sqz @ 6180' w/ 40 sxs cmt
(Open hole plug behind uncemented csg)

TAB @ 8600' OR ABOVE
25 sxs plug set @ 8725' (T/ Wolfcamp @ 8650').

CIBP @ 10250' w/ 25 sxs cmt. WOC & tag.

Cap pkr & plug w/ 35' cmt

Strawn Perfs
(61 holes)
10,290' - 10,398'

Atoka Perfs
10,517' - 10,526'

10,556' - 10,994'

Morrow Perfs
11,381' - 11,753'

PBD @ 11,784'

TD @ 11881'

CONDITIONS FOR PLUGGING AND ABANDONMENT

District II / Artesia N.M.

The following is a guide or checklist in preparation of a plugging program, this is not all inclusive and care must be exercised in establishing special plugging programs in unique and unusual cases, **Notify NMOCD District Office II at (575)-748-1283 at least 24 hours before beginning work.**

1. A notice of intent to plug and abandon a wellbore is required to be approved before plugging operations are conducted. A cement evaluation tool is required in order to ensure isolation of producing formations, protection of water and correlative rights. A cement bond log or other accepted cement evaluation tool is to be provided to the division for evaluation if one has not been previously run or if the well did not have cement circulated to surface during the original casing cementing job or subsequent cementing jobs.
2. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to a permitted disposal location.
3. 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 in place prior to performing work. Drivers shall be able to produce a copy upon request of an NMOCD Field inspector.
4. Filing a subsequent C-103 will serve as notification that the well has been plugged.
5. A final C-103 shall be filed (and a site inspection by NMOCD Inspector to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to Meet NMOCD standards) before bonding can be released.
6. **Squeeze pressures are not to exceed 500 psi, unless approval is given by NMOCD.**
7. Produced water **will not** be used during any part of the plugging operation.
8. Mud laden fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
9. All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
10. **Class 'C' cement will be used above 7500 feet.**
11. **Class 'H' cement will be used below 7500 feet.**
12. **A cement plug is required to be set 50' above and 50' below, casing stubs, DV tools, attempted casing cut offs, cement tops outside casing, salt sections and anywhere the casing is perforated, these plugs require a 4 hour WOC and then will be tagged**
13. **All Casing Shoes Will Be Perforated 50' below shoe depth and Attempted to be Squeezed, cement needs to be 50' above and 50' Below Casing Shoe inside the Production Casing**
14. When setting the top out cement plug in production, intermediate and surface casing, wellbores should remain full at least 30 minutes after plugs are set
15. **A CIBP is to be set within 100' of production perforations, capped with 100' of cement, WOC 4 hours and tag.**

16. A CIBP with 35' of cement may be used in lieu of the 100' plug if set with a bailer. This plug will be placed within 100' of the top perforation, **(WOC 4 hrs and tag)**.
17. No more than **3000'** is allowed between cement plugs in cased hole and **2000'** in open hole.
18. Some of the Formations to be isolated with cement plugs are: These plugs to be set to isolate formation tops
- A) Fusselman
 - B) Devonian
 - C) Morrow
 - D) Wolfcamp
 - E) Bone Springs
 - F) Delaware
 - G) Any salt sections
 - H) Abo
 - I) Glorieta
 - J) Yates.
 - K) **Potash---** (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 that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, **WOC 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.**
19. If cement does not exist behind casing strings at recommended formation depths, the casing can be cut and pulled with plugs set at recommended depths. If casing is not pulled, perforations will be shot and cement squeezed behind casing, WOC and tagged. These plugs will be set 50' below formation bottom to 50' above formation top inside the casing

DRY HOLE MARKER REQUIREMENTS

The operator shall mark the exact location of the plugged and abandoned well with a steel marker not less than four inches in diameter, 3' below ground level with a plate of at least ¼" welded to the top of the casing and the dry hole marker welded on the plate with the following information welded on the dry hole marker:

1. Operator name 2. Lease and Well Number 3.API Number 4. Unit Letter 5. Quarter Section (feet from the North, South, East or West) 6. Section, Township and Range 7. Plugging Date 8. County

(SPECIAL CASES)

AGRICULTURE OR PRARIE CHICKEN BREEDING AREAS

In these areas, a below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to NMOCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to NMOCD (We typically require a current survey to verify the GPS)