Form 3160-5 (August 1999)

Oil Cons. UNITED STATES DEPARTMENT OF THE INTERIOR N.M. DIV-Dist. 2

FORM APPROVED

OMB No. 1004-0135 Expires November 30, 2000

BUREAU OF LAND MANAGEMENSO1 W. Grand Avenue Lease Serial No. SUNDRY NOTICES AND REPORTS ON WESTER, NM 88210 Do not use this form for proposals to drill or to re-enter an If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side 1. Type of Well Well Name and No. Oil Well M Gas Well Other Name of Operator LLANO MCKAY FEDERAL #2 J(J) MARBOB ENERGY CORPORATION API Well No. 3b. Phone No. (include area code) 3a. Address 30-015-23159 (505₺ 10. Field and Pool, or Exploratory Area ARTESIA, 88211-022 PO BOX 227, NM Location of Well (Footage, Sec., T., R., M., or Survey Description) Ser Strong UNDESIGNATED (MORROW) 11. County or Parish, State 750 FNL 660 FWL, SEC. 13-T19S-R31E, UNIT D EDDY CO., NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION ☐ Acidize ☐ Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Casing Repair New Construction Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) PROPOSAL TO CONVERT THE ABOVE REFERENCED WELL TO SALT WATER DISPOSAL IN ACCORDANCE WITH OCD'S ADMINISTRATIVE ORDER SWD-867 (WORKOVER PROCEDURE ATTACHED). SUBJECT TO APPROVED LIKE APPROVAL BY NWOCD FEB 2 1 2003 14. I hereby certify that the foregoing is true and correct PETROLEUM ENGINEER Name (Printed/Typed) Title Diana J. (Cannon PRODUCTION ANALYST Signature Date FEBRUARY 13, 2003 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by Title Date Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease Office which would entitle the applicant to conduct operations thereon.

Llano McKay Fed. No. 2 SWD D-13-19s-31e Eddy Co., NM

SWD Conversion Bone Spring Dolomite 15 January 2003

<u>Note:</u> See attached SWD Order 867. Notify OCD 24 hrs. in advance of installing injection tubing and packer. See attached wellbore sketches for wellbore info.

Procedure:

- 1. Scrape off location, dig and line workover pit if necessary, dig out cellar, remove dryhole marker and install wellhead on 8-5/8" casing. MIRU reverse unit equipment, BOP and WSU. Mix a simple 9 ppg salt gel spud mud and put in reverse unit pit.
- 2. Drill out the following plugs, clean out to 8850', circulate the well clean then TOOH laying down the drill collars.
- 15 sx. Surface plug
- 40 sx. 300-441'
- 40 sx. 3810-3937'
- 40 sx. 6728-6993'
- 3. RU casing crew, casing handling equipment, tongs and pickup machine. Run 5.5"/ 17 ppf / J55 /LTC casing as follows:
- a. Float Equipment: Run float shoe, one joint casing, float collar. Howco Weld float assembly.
- b. Centralizers: Run one centralizer per joint on bottom 15 joints. Place centralizers over casing collars.
- c. Clean threads to white metal and drift casing on rack. Apply API casing thread compound when RIH.
- d. Make Up Torque: Optimum = 2470 ft-lb, Min = 1850 ft-lb, Max = 3090 ft-lb
- e. Fillup: Recommend filling casing every 1000-1500' while TIH.
- 4. Wash fill to bottom, pick up a few feet, pump approximately 750 bbls mud to circulate casing and annulus volume, then pump cement as follows:
- a. 5 bbls. Fresh water
- b. 20 bbls. Mud flush
- c. 5 bbls. Fresh water
- d. 975 sx. Halliburton Light Cement with 5 pps Gilsonite (12.5 ppg, 2.05 cfps, 10.7 gwps)
- e. 180 sx. Super H with approx. 5 pps Gilsonite, 3 pps salt, 0.5% Halad 344, 0.4% CFR 3 (13.0 ppg, 1.67 cfps,
- 8.3 gwps) Adjust additive concentrations as necessary based on pilot test results. Est. BHST = 145-150° F.
- f. Drop plug and flush with approx. 204 bbs clean fresh water. Need to bump plug.
- g. Set slips and land casing "as cemented".
- 5. Install wellhead onto 5.5" casing and NU BOP. WOC 36 to 48 hrs.
- 6. RIH with bit and scraper to PBD. If PBD not at least 8750', then drill out to float collar and circulate well clean.

7. RU lubricator, run GR/CCL/Cement Bond Log from PBD to TOC, then perf the Bone Spring dolomite with 4 spf at any phasing at the depths shown below using a 4" casing gun. If it is difficult to determine TOC on Bond Log, pressurize casing to 1000-1500 psi and rerun CBL.

Bone Spring: 8710-8726' (approx. 68 shots)

- 8. RIH with treating packer on work string. Swab tubing volume (50 bbls). Continue swabbing until it looks like we're getting formation water. Catch a sample at end of testing and send to Halliburton for analysis. If get good oil show, keep testing.
- 9. When done testing zone, acidize with 5000 gal NE Fe 20% HCL at 3-5 bpm while limiting treating pressure to 5000 psi. Drop 2 slugs of 25 ball sealers spaced evenly through job. Flush acid with 2 transport loads of produced water. TOOH with work string.
- 9. RIH with nickel plated 5.5" retrievable packer on 2-7/8"/6.5/N80/EUE internally plastic coated tubing (Tuboscope TK-69 or similar) from George Young Sales. Plastic coat all subs and crossovers used. Space out to set packer near 8650', pump 140 bbls clean fresh water containing corrosion inhibitor, biocide and oxygen scavenger down annulus, set packer, tree well up and load annulus the rest of the way to surface (if not already full) with clean fresh water containing corrosion inhibitor, biocide and oxygen scavenger (total annular volume is 131 bbls). Bleed air if/as necessary and test the annulus to 300 psi for 30 minutes using a chart recorder.
- 10. Plumb 2-7/8" x 5.5" annulus to surface and install a gauge so the annular pressure can be monitored. Build injection tree assembly and start water disposal. Limit injection pressure to 1742 psi.

Kbc/llano mckay swd 1a

Well: Llano McKay Fed. Z SWD 18' AGL Zen: Location: 660' FWL 750' FNL 35621 Casing Program: Grade Com. Size Deoth WŤ. 5pvd 5/80 133/8" 48 400 85/8" 24 2883' ± 32 3882' 412" 11.6.13.5 LTC SPECIAL CONTRACTOR SECURATE SE 8895 - 12655 13% "E 400" 450 sx H (cire 25 sx) 5 1/2" 17 **J**55 LTC ± 8850' DV 672' 27/8" **JSS** EVE ± 8650 1 42,346 42,302 42,302 42,300 Internally Plastic Coalted 1) TOC 3500' Design 151: 725 BJL +150°C 85/8" E 3882' 215: 150 672+100"C" (circ 755x) 278" IPC In The 77/8" Nickel Alated w. PKr. € 8650't BoneSpring 8710-8726' 51/2"@ 8850'1 AFTER · 8650 0 412" jet eut @8895' 0 40 5× 0 TDC 9816' , 159x 14 0 12526-12548 CIBP 12400' Morrow 4"2" € 12,655 420 BJL + 300 H

NC TOPS FEECLB
Penn- 10896
Strawn- 11030
Atoka- 11459
Morks- 11959
Morks- 12110