

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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OIL CONSERVATION DIVISION
RECEIVED BY P. O. BOX 2088
SANTA FE, NEW MEXICO 87501
MAY 14 1985
O. & G.
REGIONAL OFFICE

Form C-103
Revised 10-1-78

5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No. B-2023

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. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator ENERGY RESOURCES OIL & GAS CORPORATION ✓	8. Farm or Lease Name STATE 32
3. Address of Operator 4849 GREENVILLE AVENUE, SUITE 730, DALLAS, TX 75206	9. Well No. 1
4. Location of Well UNIT LETTER B 330 FEET FROM THE NORTH LINE AND 2310 FEET FROM THE EAST LINE, SECTION 32 TOWNSHIP 18S RANGE 31 E NMPM.	10. Field and Pool, or Wildcat SHUGART (YATES & QUEEN)
15. Elevation (Show whether DF, RT, GR, etc.) 3580 (GR)	12. County EDDY

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input checked="" 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"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

ESTIMATED DATE OF STARTING: 3-18-85

SEE ATTACHMENT FOR DETAILS

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

SIGNED Robert Bocce TITLE PRODUCTION MANAGER DATE 3-7-85

APPROVED BY Mr. William TITLE OIL AND GAS INSPECTOR DATE MAY 10 1985

CONDITIONS OF APPROVAL, IF ANY:

ENERGY RESOURCES OIL & GAS CORP.

Workover Procedure

LEASE: State 32 (B-2023)
WELL: 1
COUNTY: Eddy
STATE: N.M.

1. RU Chase Well Service - Unbeam P. U.
2. TOOH with rods & pump
3. N.U. Tbg stripper rubber - TOOH with Tbg
4. RU Gearhart-Owens - TIH with temp. & spinner equipment - locate wtr flow
 - A. If it is determined that water flow is coming from the perforations at 3477'-16' & 3649'-60' then a CIBP with 35' cmt may be set at 3450'
 - B. If it is determined that the water flow is coming from the base of the salt sect. at 1800', the following method for squeezing is recommended:
1000 gals Flo-Chek + 100 sxs Cal-Seal aerated with 250 scf N₂/bbl Slurry followed by 100 sxs Class "C" cmt + 2% CaCl
 - C. If it is determined that the water flow is coming from the Yates at 2622'-34', the following method is recommended for squeezing:
1000 gals Flo-Chek aerated w/ 250 scf N₂/bbl & 200 sxs Class "C" cmt + 2% CaCl

In each case (B & C) an E-Z drill Cmt retainer set approx 100' above the hole or perfs is used. A RBP with a sand pad is set below the hole or perfs. The purpose of a retainer over a packer is due to the possibility of flash setting of the Flo-Chek. The retainer allows greater mobility of the tbg.

NOTE: Squeeze pressure is not to exceed 3500# (preferably 2500#)

- D. Reverse out excess cmt, TOOH with Tbg W.O.C. 18-24 hours
- E. RU Power swivel, P.U. 4-3 1/8" D.C. & 4 3/4" bit. TIH Drill up cmt and E-Z drill plug. Circulate hole clean. TOOH with drlg assy
- F. Run csg scraper & bit thru repaired section
Test squeeze job with 500# for 15 minutes.
TOOH with scraper.

IF IT IS DETERMINED THAT THERE IS DAMAGED CASING ABOVE QUEEN SECTION REQUIRING AN EXPENSIVE SQUEEZE JOB, THE QUEEN SHOULD BE TESTED BEFORE PROCEEDING WITH THE REPAIRS.

5. RU Gearhart-Owens and perforate Queen section as follows:

3234	2 SPF	2 holes
3237-40	2 SPF	7 holes
3243-48	2 SPF	11 holes
3254-58	2 SPF	9 holes
3260-64	2 SPF	9 holes

Measurements are from GR/NEUT log.
6. TIH with RBP & RTTS - Set RBP @ 3290 ±; set RTTS 3210 ± (Use Watson Packer-Artesia)
7. RU swab and swab zone to remove load water, test and evaluate.
8. Treatment:
 - A. If well swabs dry with no water, treat as follows:
 - 1) 500 gals MCA - spot acid across perfs by lowering tbg/pkr to bottom set of perfs.
 - 2) Maintain back pressure on csg to control spotting of acid.
 - a. Re-setpacker above perfs.
 - b. Allow acid to soak; gradually increase pressure intermittently.
 - c. After breakdown - if formation does B.D. initial inj. rate should be 1/4 BPM gradually increasing inj. rate to 2-3 BPM.

- B. Swab test to evaluate for further treatment.
 - C. Frac treatment: Western Co. or equal. Recommended - 20,000 gals gelled Kcl water and 40,000 #20-40 SD. Use 70-80 ball sealers.
 - D. Shut in overnight to allow formation to heal.
 - E. Open well up and allow to flow if possible. Keep accurate gauges of load fluid. Flow into frac tank.
9. TOOH with packer and tbg.
10. TIH with rods & tbg. Set pumping string in accordance with NPBD or newly perf'd zone.

The above procedure is generalized and is subject to change as work progresses. Any substantial variation must be discussed with management.

The various service companies noted are not necessarily a preference. These companies were contacted for cost estimates and they are based within a reasonable distance of this location.

SERVICE COMPANIES

- Mack Chase Well Serv.	Artesia	(505) 746-6601
Completion Rentals, Power Swivel & Tools		
- I & W Transport Co.	Loco Hills	746-9788
Water & Frac Tanks		
- Gearhart-Owens	Hobbs	
Perfs & Surveys		
- Watson Packers	Artesia	
- Western Co.	Artesia	
Acid & Frac		
- Halliburton Co. (Joe Ryan)	Artesia	
Cementing		
- Standard Oil Field Supply	Loco Hills	
Supplies, Pump Repair		
- Bo Monk Tubing Testers	Hobbs	(505) 393-3813