

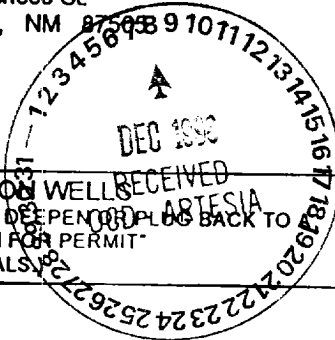
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505



WELL API NO. 30-015-29522
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No. V-4439
Lease Name or Unit Agreement Name Hackberry "31" State
Well No. 1
Pool name or Wildcat Happy Valley Delaware

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR TO PLUG BACK TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	
Name of Operator Penwell Energy, Inc.	
Address of Operator 600 N. Marienfeld, Suite 1100, Midland, TX 79701	
Well Location Unit Letter <u>H</u> : <u>1980</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>East</u> Line Section <u>31</u> Township <u>22S</u> Range <u>26E</u> NMPM <u>Eddy</u> County	
Elevation (Show whether DF, RKB, RT, GR, etc.) 3374' GR	

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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 ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ANBANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

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.

The following problems have been encountered while attempting to plug the Hackberry "31" State #1:

- Packer released and became stuck at 10,294' inside 4 1/2" liner.
- CIBP planned for the base of 7" casing would not go below 2271'. A 50 sack cement plug was then pumped at 10,275'. TOC was tagged at 9975'.
- While attempting to free point the 7" casing, it was discovered that the 7" casing was parted at 2271'. The upper 2271' of the 7" was then pulled out of the hole. Attempts to shoot off the 7" casing at or above the free point were unsuccessful since we could not get in the stub with a nitrogen can or a jet cutter. Fishing remainder of 7" casing out of hole is not feasible. Plugging will have to resume with 7" in hole up to stub at 2271'.

The steps shown on the attached sheet are proposed to finish the plugging job (see attachment).

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

SIGNATURE Charles W. Hughes TITLE ENGINEER DATE 12-03-98

TYPE OR PRINT NAME _____ TELEPHONE NO. _____

(This space for State Use)

APPROVED BY Marc S. Willifield TITLE Field Rep. II DATE Dec. 8-98

CONDITIONS OF APPROVAL, IF ANY: