State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division

New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: May 28th, 2013

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-26420-00-00	USG SECTION 18	043	VISION ENERGY GROUP LLC	S	A	San Juan	N	F	18	29	N	16	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations.
See attached OCD Guidelines for conducting step rate tests

JUL 25 2013

NMOCD Approved by Signature

Date

1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3460 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

Guidelines for conducting step-rate tests

The operator must submit a written procedure and rig-up diagram to the OCD at least 24 hours before starting the test. The procedure will contain the following information:

A description of the mechanical configuration of the well.
The history of injection pressures and volumes.
The history of any fracture treatments and pressures especially ISIP.

A bottom hole pressure recorder will be required for wells deeper than 2000' and injection rates greater than 1 BPM.

A pressure gauge and recorder of the appropriate range will be used during the test.

Wells currently injecting must be shut-in at least 24 hours before the test unless the shut-in pressures indicate that the well has not adequately stablized and a longer time is necessary.

Starting pump rates and pressures must be lower than the current rates and pressures if the well is currently injecting and there must be at least 3 steps below the .2psi/ft gradient and 3 steps above the breakover point. Wells that are not fractured should not be tested at pressures that exceed the fracture gradient.

Pumping equipment must be able to pump at the rates and pressures needed for the test.

Rate changes will be .5bpm or smaller unless the OCD witness determines that bigger rate changes are necessary due to small incremental increases in pressure.

Each step will be at least 15 minutes in duration unless otherwise determined by the OCD. Step duration must not be changed during the test.

The operator must have enough water on hand for the test.

The casing and bradenhead pressures will be monitored during the test.

All wellhead equipment must be rated for the anticipated pressures.

RECEIVED

JUN 06 2013

Farmington Field Office
Bureau of Land Management

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE *– Other instructions on page 2.*

5. Lease Serial No.
I-89-IND-58

6. If Indian, Allottee or Tribe Name
Navajo Nation

7. If Unit of CA/Agreement, Name and/or No.
N/A

1. Type of Well
☐ Oil Well ☐ Gas Well ☑ Other

8. Well Name and No.
USG Section 18 #43

2. Name of Operator
Vision Energy Group LLC

9. API Well No.
30-045-26420

3a. Address
39 Old Ridgebury Road
Danbury CT 06810

3b. Phone No. *(include area code)*
307 382 3040

10. Field and Pool or Exploratory Area
SWD; Entrada

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
1500 FNL & 1760 FWL 18-29n-16w NMPM

11. County or Parish, State
San Juan, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☑ Water Disposal	

13. 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Plan to perforate from 2130' - 2140'.
Current perforations are 2140' - 2180'.
NMOCD SWD-642 authorized 2128' - 2188'.
US EPA UIC Permit NN294000002 authorized 2130' - 2190'.
Will increase existing perforations and acidize all perfs.
Replace 2-7/8" tubing with 3-1/2" plastic lined tubing.
Schedule witnessed step rate test.

See attachment for more details.

RCVD JUN 11 '13
OIL CONS. DIV.
DIST. 3

cc: NN EPA UIC

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*
Brian Wood (505) 466-8120

Title Consultant

Signature B. Wood

Date 05/28/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
Original Signed: Stephen Mason

Title

Date JUN 07 2013

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 which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOCD

PRAXAIR
Making our planet more productive

VISION ENERGY GROUP, LLC.

USG Section 18-43
F-Sec 18, T29N, R16W
San Juan County, New Mexico
API 30-045-26420

GL: 5,271'; RKB: 5,283; TD: 8,250' PBTD: 8,132'

SURFACE CASING: 13-3/8 48# @ 313'
INTERMEDIATE CASING: 9-5/8" 36# @ 2260'
PRODUCTION CASING: 7" 23&26# @ 7282'

Current Production Tubing and Bottom Hole Assembly

			Qty	Length	Depth in hole
Tubing					
KB				12.00	12.00
2 7/8" PVC Seal Tite 8RD J55			67	2,067.50	2,079.50
7" x 2 7/8" packer PVC lined				5.75	2,085.25
Nipple 1.78" "R"				1.10	2,086.35
	Total Joints		67		

Formation tops:

Geological tops:					
Mancos	surface		Hermosa		5523
Dakota	868		Akah		6450
Morrison	1046		Barker Creek		6730
Entrada	2128		Molas Shale		7044
Wingate	2192		Leadville		7136

ELEVATION		
R.B.	5,189	
G.L.	5,176	
KB	13'	
BHT		
Lat: 36.730002		
Long: 108.56796		
1500' FNL 1760' FWL		
Spud date: 7-18-85		
Completion date: 9-16-85		

Proposed work: **Perforate Entrada formation in 10' of new area (2130' – 2140') and re-perforate in old perforations from 2140' to 2180' KB.**

NOTE:

1. RIH w/ shut off tool in R nipple. ID. 1.725 R Nipple, with Tefteller.
2. Rig up Basic and Snubbing unit on well.
3. Change out tubing head with BOP and snubbing unit head assembly
4. Release Packer and TOOH with 2 7/8" Seal Tite Tubing.
5. Once out of Hole with tubing. Rig up Halliburton, RIH with GRCCL and Perforating guns:
   - Titan/Hunting 4.5", loaded with EXP-4539-325T charges with the following details:
   - 60 degree phasing, 6 spf
   - 0.46" EHD, 55.7" penetration

6. Perforate 2130'KB to 2180' KB. 2130'to 2140' KB are new perforations, and 2140'KB to 2180" is in existing perforations

7. POOH with perforating gun and RD Halliburton.

8. PU new BHA with new Arrow Set, 1X, nickel Mandrill packer

9. TTIH with plastic lined 3-1/2" Seal Tite tubing and set packer at 2082'kb, and nipple well head up

10. Pressure Test Backside to 1500 psig. If packer holds release snubbing unit.

11. RU Halliburton and run step rate test for pressure transient analysis. 1 barrel, 3 barrels, 5 barrels and 7 barrels / minute. Maximum pressure determined by state.

12. RU Halliburton acid pumper and break well down with 3,000 FE/HCl and 2000 gallons of 2% KCL, w/scale, and acid, inhibiters, iron sequestering agents, biocide, surfactants, and de-emulsifies. Pump at low pressures 500-750 PSI and low rates. **Keep under frac gradient pressure. If well goes on vacuum increase rate to get pressure. Over displace by 5-10 BBLS w/ 2% KCL.**
Mid way through job drop 120 per pac balls to treat all 50 feet of perforation

13. After Treatment RD Halliburton, set up hard line to frac tanks and flow well back until flow back fluid is back to neutral

14. Schedule MIT of backside, treat backside with corrosion chemical.

15. After MIT put well back on water disposal injection

04-30-2013
Prepared by:

Dan Dalton
307-871-2007

Revised 05-28-2013