Submit 1 Copy To Appropriate District 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

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised July 18, 2013

WELL API NO.
30-045-28653

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name
Sunco Disposal

1. Type of Well: Oil Well ☐ Gas Well ☐ Other SWD Class I

8. Well Number #1

2. Name of Operator
Agua Moss, LLC

9. OGRID Number
247130

3. Address of Operator
PO Box 600 Farmington, NM 87499

10. Pool name or Wildcat
SWD-MV

4. Well Location
Unit Letter E : 1595 feet from the North line and 1005 feet from the West line
Section 2 Township 29N Range 12W NMPM County San Juan

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
5859' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
CLOSED-LOOP SYSTEM	☐						
OTHER:		Perform FOT	☒	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.

Agua Moss, LLC would like to conduct the required Fall Off Test as outlined in the proposed/attached documents.

OIL CONS. DIV DIST. 3
APR 24 2015

Spud Date: Rig Release Date:

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

SIGNATURE [signature] TITLE Regulatory Compliance Specialist DATE 4/14/2015

Type or print name Philana Thompson E-mail address: pthompson@merrion.bz PHONE: 505-324-5336

For State Use Only

APPROVED BY: [signature] TITLE SUPERVISOR DISTRICT #3 DATE APR 27 2015

Conditions of Approval (if any): AV

5

Agua Moss, LLC

Wellbore Schematic

Sunco No. 1, SWD

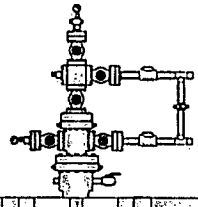
Current Wellbore Configuration

Location: 1595' fnl & 1005' 'fwl
Sec 2, T29N, R12W
San Juan Co, New Mexico

July 12th, 2013

Elevation: 5,859' GL
5,872' RKB

By: J. Ryan Davis



Tertiary

Cretaceous

Top of Cmt @ Surface

Bit Size - 12 1/4"

8 5/8" 24# K55 Surface Csg @ 209' KB w/ 150sx; circ to surf

DV tool @ 2244' KB.

2 7/8", 6.5#/ft EUE Internally Epoxy Coated Tubing to 4282' KB
w/ Arrow XL-W retrievable seal bore @4282' KB
F Profile nipple, (2.25" ID).

Mesaverde - 4046'

Pt. Lookout Perfs:
4350' - 4460' 2 spf
(Acidized w/ 2000 gal 15% HCL on 9/1993 , Frac w/ 100,000# 20/40)

TD @ 4760'KB
PBTD @ 4706'KB

5.50" 15.5# K55 Csg @ 4750'
Stage 1: 230 sx
Stage 2: 515 sx
Circ 25 sx to surf

AGUA MOSS, LLC

TEST PLAN FOR PRESSURE FALL-OFF TEST (FOT)

Well Information			
Well:	**Sunco Disposal 1**	**Field:**	Mesaverde SWD
Location:	1595' fnl &1005' fwl S2, T29N, R12W San Juan Co. New Mexico	**Elevations:**	5859' GL 5872' RKB
		Depths:	4706' KB PBTD 4760' KB TD
		Engineer:	J. Ryan Davis (505.324.5335)
API:	30-045-28653	**Date:**	April 14, 2015
Surface Casing:	8- 5/8" @ 209' KB w/ 150sx; Circ to surface	**Production Casing:**	5-1/2" @ 4750' KB w/ 230 sx stage 1, 515 sx stage 2, circ 25 sx to surf, DV tool @ 2244' KB
Tubulars:	2- 7/8" 6.5# EUE (Epoxy Coated) @ 4282' KB	**Packer:**	Arrow XL-W retrievable seal bore @ 4282' KB.
Perforations (MV)	4350-4460' KB 2 spf (2000 gals 15% HCL, Frac w/ 100,000# 20/40)		
Additional Perforations			
Perforations (MV)	None		

Version 1 (updated 04/13/2015) – Procedure subject to change based on changing well conditions.

Proposed Test Schedule:

Date	Event	Remarks
Tuesday, April 28th 2015	Check conditions, Perform MIT and Begin injection	TD, Fill, Restrictions and hang Gauge
Thursday, April 30th 2015	End Injection and Begin FOT	Shut-In and monitor
Sunday, May 4th 2015	72 hrs	Could pull gauges at this point

Test Considerations:

V.1 The triplex pump at the facility is capable of maintaining a constant rate of 3600 bpd against the anticipated injection pressures.

V.2 The injection rate of 3600 bpd will be sufficient to produce valid test data. During normal injection at 3600 bpd (8 hrs) the surface pressure build up is approx. 200 psi with a mirrored fall off over a 8 hr period.

V.3 The normal waste liquid will be used during the FOT due to the cost effectiveness and availability.

V.4 The total volume of fluid needed for the FOT is 7500 bbls.

a) A total of 3600 bbls will be onsite prior to starting the injection for the FOT and water will continue to be hauled to facility in the case that more fluid is needed during the injection period.

b) Lowering the Injection rate will be considered if well conditions merit a change or storage of fluid becomes a constraint.

c) City water will be purchased for the FOT if it becomes necessary to make up the volume required for the test.

V.5 The gauges will be RIH and the injection period will be a minimum of 50 hrs to ensure radial flow and stabilization. A total of 15 hrs was calculated using the EPA Region 6 UIC Pressure Falloff Testing Guideline design calculations found on pg A-4. The fall off portion will be a minimum of 72 hrs justified by this being the time frame used on the previous FOT.

V.6 There will be adequate storage capacity for waste water for the duration of the FOT.

V.7 There is one offset well completed in the Point Lookout disposal formation. The McGrath #4 is a class II disposal operated by ConocoPhillips approx 1.25 miles to the north west of the Sunco #1. The well has been P&A'd, so there will not be any injection activity from offset wells during the FOT.

V.8 Crown valve is currently in-place on the Sunco #1 wellhead. The gauges will be RIH through a lubricator prior to the injection period.

V.9 A shut-in valve is located on the injection riser approx 3-feet from the wellhead. This valve can be shut quickly to reduce erratic pressure response and minimize the wellbore storage.

V.10 Prior to the FOT a gauge ring will be run through the tubing to ensure no restrictions in the tubing and slickline will also be used to tag up and determine wellbore fill. Test parameters will be adjusted accordingly or the needed the repairs will be made to remedy the situation.

V.11 Surface readout gauges will not be used in the FOT data collection due to cost and the fact Key performed the 2010 FOT with tandem memory down hole gauges with successful data collection. The gauges used will be latest available technology from Teftiller, Inc which will meet or exceed the pressure range, accuracy and resolution requirements. The gauges will be setup on auto resolution capture based on pressure change. Each gauge will be setup with a different auto resolution range to ensure all data in captured accurately.

V.12 A test log will be kept during the test and submitted with the FOT results. The log will include key events with date and times.

- Gauge ring run
- Tag depth
- Gauge activation
- Gauges on bottom
- Injection start
- Injection stop
- Well isolation
- Pressure stabilization
- End of Fall Off

V.13 Surface pressures will be recorded continuously using a chart recorder during the FOT. If any abnormal surface pressure change occurs the test validity will be questioned and the test will be aborted if deemed invalid.

V.14 The memory gauges being used for the FOT have auto resolution capability that changes the resolution based on rate of pressure change. First gauge will be configured to obtain data every 15 seconds and adjust to every one minute. The second gauge will be configured to obtain data every 30 seconds and adjust to every two minutes. Memory capacity is 35 day and 69 days respectfully. The minimum 15 second resolution was used during the 2010 FOT and proved to be acceptable. The length of the fall off portion is based on the 2010 FOT, 72 hours proved to be adequate.

V.15 The tri-plex injection pump at the facility that is normally used for injection will be used for the FOT. It is a positive displacement pump running at a constant RPM which will ensure constant injection rate during the FOT. A constant injection rate of **3600** bpd will be sufficient to create a 100 psi differential between final injection pressure and shut-in pressure.

Fall Off Test Procedure:

Prepare Well for Fall Off Test

1. Arrange for adequate injection fluid storage
2. Accumulate **3600** bbls of produced water
3. Perform MIT
4. MIRU wireline
5. RIH w/ Gauge ring to SN
6. POOH w/ Gauge ring and PU impression block (or something to run thru SN)
7. RIH tag and record fill depth
8. If no restrictions exist and fill is below the perfs continue on to FOT. Otherwise remediate problem or adjust FOT procedure before continuing.

Conduct Fall Off Test

9. POOH pick up pressure gauges
10. RIH and hang gauges off @ 4405' KB
11. Begin injection, (150 bph) **3600** bwpd, Record time
12. Inject for 50 hrs, total of **7500** bbls. Record start and stop time
    a. Ensure injection pressures have stabilized before proceeding
13. S/D injection pump and close valve @ wellhead, Record time
    a. Once surface pressure stabilizes record start time of fall off
14. Record pressure data for 72 hrs, Record start and stop time
15. POOH making gradient stops @ 4000', 3000', 2000', 1000' and surface
16. Secure well and bleed pressure off lubricator
17. R/D wireline
18. Put well back into service for normal operation.