

Submit 1 Copy To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
October 13, 2009

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

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)		WELL API NO. 30-043-20816
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Questar Exploration & Production Company		6. State Oil & Gas Lease No. V-1697
3. Address of Operator 1050 17 th Street, Suite 500, Denver, CO 80265		7. Lease Name or Unit Agreement Name Alamito
4. Well Location Unit Letter <u>N</u> : <u>770</u> feet from the <u>South</u> line and <u>1820</u> feet from the <u>West</u> line Section <u>32</u> Township <u>23N</u> Range <u>7W</u> NMPM Sandoval County		8. Well Number <u>#2</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6820' GL		9. OGRID Number <u>23846</u>
		10. Pool name or Wildcat Alamito Gallup

12. 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 ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Casing Repair ☒

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.

Questar Exploration & Production Company (QEP) submitted a Sundry to the State of New Mexico Oil Conservation Division (NMOCD) on May 1, 2008, proposing to P&A the Alamito #2 well. The Sundry was approved May 2, 2008. When the crew moved onto the location to begin the P&A work, however, in June 2008, it was realized that a casing repair would enable the well to be returned to production (NMOCD representative Shelly Cowden was on location on June 3, 2008).

The crew instead repaired the casing leak but was still unable to return the well to production. QEP returned to the location in October 2008 to swab the well and discovered that the cement squeeze performed in June did not hold. Please see the attached Operations Summary for the details.

There are plans to perform another casing repair on this well this summer in an effort to return the well to production. A Notice of Intent Sundry proposing that work will be submitted to your office under separate cover.

If you have any questions, please contact Sarah Boxley at (303) 672-6916.

RCVD APR 26 '10

OIL CONS. DIV.

DIST. 3

Spud Date: 8/14/1987

Rig Release Date: 10/9/2008

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

SIGNATURE Sarah Boxley TITLE Permit Agent DATE 4/23/10
Type or print name Sarah Boxley E-mail address: Sarah.Boxley@questar.com PHONE: (303) 672-6916
For State Use Only

APPROVED BY: Kathy G. Edsall TITLE Deputy Oil & Gas Inspector, District #3 DATE APR 28 2010

Conditions of Approval (if any): REVIEW NMOCD RULE 19.15.7.14.G - FILE IN A TIMELY MANNER.

Operations Summary Report

Well Name: ALAMITO #2
 Location: 32- 23-N 7-W 28
 Rig Name: Higgins Well Service

Spud Date:
 Rig Release: 10/9/2008
 Rig Number: 3

Date	From - To	Hours	Code	Sub Code	Description of Operations
6/2/2008	06:00 - 16:00	10:00	WOT	4	<p>On 6/2/2008 Road rig to location. Rig stuck in Alamito Wash. Call RU truck and pull rig out of wash. Spot in rig and equipment. Mote set anchor in wrong spot. Could not rig up service unit. Run lines from pump truck and shut down for the day. Call Mote!!!!!!</p> <p>Tbg.Size: 2-3/8" Csg.Size: 4-1/2"</p> <p>SITP: 0, SICP: 0 Perfs: 4736' to 5014'</p>
6/3/2008	06:00 - 16:00	10:00	LOC	6	<p>On 6/3/2008 Set new anchor. Open tbg, csg and bradenhead. Small flow of water from bradenhead, then stopped. RUSU. NDWH. NUBOP TOH w/tbg. Found hole in 119th jt. Lay down 39 jts junk tbg, SN and notched collar. Heavy scale at bottom of tbg. TIH w/4-1/2" bit and scraper to 643'. TOH TIH w/DHS 4-1/2" full bore packer. Set at 514' and pull 12000# tension. Load csg w/5 bbls water and pressure up to 500 psi. Drop to 450 psi in one min. Bleed off. Minor leak on flange threads below BOP. Tighten threads. Retest to 500 psi. Same result. Release packer and move up hole 10', reset pkr, pull tension and press up csg to 500 psi. Same result. TOH and lay down pkr. Run tbg in drrik into well. Lay down coming out. Call for work string. SWIFN. Travel.</p> <p>Note: 153 jts 2-3/8" J-55 tbg.=4932.27'</p> <p>Tbg Size: 2-3/8" Csg Size: 4-1/2"</p> <p>SITP: 5, SICP: 0 Perfs: 4736' to 5014'</p>
6/4/2008	06:00 - 16:00	10:00	TRP	10	<p>On 6/4/2008 Swap out tbg floats. Take old string to Tuboscope. PU and TIH w/4-1/2" bits scraper and 2-3/8" work string. (158 jts) Tag bottom at 4953.64' KB. Lunch break. TOH w/tbg, scraper and bit. TIH w/retrievable BP and model R pkr. Set BP at 4600'. Pull up and set comp pkr at 4549'. Fill tbg w/3 bbls water. Press test BP to 750 psi. Good. Nipple up to csg, fill w/10 bbls water. Press up to 750 psi. Dropped to 500 in 1 min. TOH to 4110', set pkr and press test down tbg to 750 psi. Good. TOH to 3667', set pkr, press test down tbg to 750 psi. Leak off 250# in 1 min. Nipple up to csg, press test to 750 psi. Good. Continue chasing hole in csg. Narrow hole down to between 3763' and 3795'. Establish pump in press and rate at 1/4 bpm at 1750 psi. Release pkr. Wind blowing 50mph SWIFN</p> <p>Note: Cost includes Packer Hand, RBP and Model R pkr. 225' of fill on bottom (61' above bottom perf)</p> <p>Tbg Size: 2-3/8" Csg.Size: 4-1/2"</p> <p>SICP: 0 Perf. 4736' to 5014'</p>

Operations Summary Report

Well Name: ALAMITO #2
 Location: 32- 23-N 7-W 28
 Rig Name: Higgins Well Service

Spud Date:
 Rig Release: 10/9/2008
 Rig Number: 3

Date	From - To	Hours	Code	Sub Code	Description of Operations
6/5/2008	06:00 - 16:00	10.00	EQT	1	<p>6/5/2008 Travel.</p> <p>Safety meeting. TOH w/tbg and model R pkr. Pour 2 sacks of sand down csg. Wait 1/2 hour for sand to fall. TIH w/full bore tension pkr to 504'. Set and press test csg to 750 psi. Slow leak to 500 psi in 2 min. Release pkr and pullout to 252'. Reset and press up to 750 psi. Same leak off. Fill BOP above rams w/water. Continue pressure up csg. Pipe rams leaking. Change out pipe rams. Pressure test to 750. Held for 10 min. TIH to 504', set pkr and press test to 750 for 10 min. Held. TOH and lay down pkr. TIH w/3-7/8" bit and sub to 3815'. Csg full. Mix and pump 50 sx, 15.8#, 1.15 yield (57.5 cf) of type G cement, from 3815' to 3156'. Displace w/11.2 bbls of water. TOH w/bottom of tbg at 2648'. Load csg w/3 bbls water. Press up wellbore to 2300 psi w/1 bbl. Hesitate and squeeze 2 + bbls of cement into hole until cement locked up. SWIFN w/2300 psi on wellbore.</p> <p>Tbg Size: 2-3/8" Csg Size: 4-1/2"</p>
6/6/2008	06:00 - 16:00	10.00	WCL	2	<p>Perfs: 4736' to 5014'</p> <p>On 6/6/2008 Travel.</p> <p>Hold safety meeting. 450 psi on csg. Blow down. TOH w/tbg. TIH w/ 3-7/8" blade bit, bit sub, four 3-1/8" drill collars, xo sub and 98 jts 2-3/8" tbg. Tag cement at 3213'. RU swivel and drill out cement to 3503'. SWIFN</p> <p>Tbg.Size: 2-3/8" Csg.Size: 4-1/2"</p> <p>Perfs: 4736' to 5014'</p>
6/9/2008	06:00 - 16:00	10.00	CMT	2	<p>SICP: 450</p> <p>On 6/9/2008 Travel</p> <p>Hold safety meeting. Drill out cement from 3503' to 3827'. Circulate well clean. RD swivel. Pressure test csg to 750 psi. Held solid for 10 mintues. TIH w/tbg to 4600'. Reverse circulate well, clean sand off top of bridge plug w/40 bbls of water. TOH w/tbg and lay down 3-1/8" collars, subs and bit. SWIFN.</p> <p>Tbg.Size: 2-3/8" Csg.Size: 4-1/2"</p>
6/10/2008	06:00 - 16:00	10.00	DEQ	1	<p>Perf: 4736' to 5014'.</p> <p>On 6/10/2008 Travel</p> <p>Hold safety meeting. TIH w/retrieving tool. Circ well w/80 bbls of 2% kcl. Release BP and TOH. TIH w/notched collar, check, 10 stds tbg, A-Plus bailer and 137 jts of tbg. Tag fill at 4944'. Work tbg down to 4991'. Bailer would not pump. TOH w/tbg and bailer. 5' of sand in bottom jt. Tear down bailer. Found bad cup and replaced. Also found hard chunk of sand and scale in flapper. TIH w/notched collar, check, 8 stds and tbg to 4700'. SWIFN.</p> <p>Tbg.Size: 2-3/8" Csg Size: 4-1/2"</p>
6/11/2008	06:00 - 16:00	10.00	CIRC	1	<p>Perfs: 4736' to 5014'</p> <p>Hold safety meeting. TIH. Tag fill at 4984'. Attempt to bail out fill. Bailer would not stroke / pump. Call for circulation pit. TOH w/ Tbg and bailer. Bailer stuck closed.</p>

Operations Summary Report

Well Name: ALAMITO #2
 Location: 32- 23-N 7-W 28
 Rig Name: Higgins Well Service

Spud Date:
 Rig Release: 10/9/2008
 Rig Number: 3

Date	From - To	Hours	Code	Sub Code	Description of Operations
6/11/2008	06:00 - 16:00	10.00	CIRC	1	2-1/2 jts full of sand. TIH w/ 3-7/8" bit. Pick up swivel. Pump 15 bbls 2% kcl to establish circ. Clean out csg to 5078'. Circulate csg clean for 1 hour. TOH w/tbg and bit TIH w/ 4-1/2" DHS full bore packer and 35 stds of tbg. SWIFN. Tbg.Size: 2-3/8" Csg.Size: 4-1/2"
6/12/2008	06:00 - 16:00	10.00	EQT	1	Perfs: 4736' to 5014' On 6/12/2008 Hold safety meeting. TIH w/145 jts tbg. Set packer at 4584'. Open unloader and fill csg w/20 bbls. Pull 18k over on pkr. Press csg to 200 psi. RU Frac Tech. Hold safety meeting. Press test lines to 3000 psi. Pump 700 gal xylene, 3000 gal 15% acid and 168 ball sealers w/nitrogen at 2.5 to 3 BPM rate. Average treating press=2375. Observed minor breaks as balls hit perfs. Formation charged up. 15 minutes shut in pressure at 1200 psi. RD Frac Tech. Left well shut in over night. Tbg.Size: 2-3/8" Csg.Size: 4-1/2"
6/13/2008	06:00 - 16:00	10.00	DEQ	2	Perfs: 4736' to 5014' On 6/13/2008 Hold safety meeting. RU flow back line and choke. Start flowing tbg at 18/64 choke for 5 min. Tbg 1000#. Open choke to 24/64 for 5 min. Tbg 500# Open choke to 32/64 for 5 min. Tbg 0. Started flowing fluid. Tbg back up to 450# in 20 min. Well unloaded a total of 37 bbls of fluid w/a skim of oil in 1 hour and 30 min, then loaded up. Released packer TIH and tag fill at 5048'. TOH laying down work string. 145 jts. Floorhand complaining of skin burning Shut down to let acid spend. SWIFWE. Tbg.Size: 2-3/8" Csg.Size: 4-1/2" SITP: 1520 SICP: 0
6/16/2008	06:00 - 16:00	10.00	LOC	4	Perfs: 4736' to 5014' On 6/16/2008 Hold safety meeting. Lay down 23 jts 2-3/8" tbg, packer and unloader. Remove thread protectors, strap, PU and TIH w/collar, SN, 156 jts tbg, 2 - 10' subs and 3 jts 2-3/8" tbg. Land donut in hanger w/bottom of tbg at 4992.26' KB. NDBOP. NUWH. RDSU. Clean up location. TBG. Detail KB = 12.00' 3 jts 2-3/8" J-55 tbg = 94.02' 2 - 10' 2-3/8" subs = 19.92' 156 jts 2-3/8" J-55 tbg = 4864.92' 1 SN w/collar = 1.40' Bottom of tbg = 4992.26' KB Tbg.Size: 2-3/8" Csg.Size: 4-1/2" Perfs: 4736' to 5014' SITP: 0, SICP: 0

Operations Summary Report

Well Name: ALAMITO #2
 Location: 32- 23-N 7-W 28
 Rig Name: Higgins Well Service

Spud Date:
 Rig Release: 10/9/2008
 Rig Number: 3

Date	From - To	Hours	Code	Sub Code	Description of Operations
6/26/2008	06:00 - 16:00	10.00	LOC	4	On 06/26/2008 Move rig, tanks and equipment to location and spot in. Attempt to rig up. Weight indicator pad fell apart Remove pad and weight indicator. Shut down for the day. Travel. Tbg.Size: 2-3/8" Csg Size: 4-1/2"
6/27/2008	06:00 - 16:00	10.00	BOP	1	Perfs: 4736' to 5014'. On 6/27/2008 Travel Blow down well Install new weight pad. RUSU. NDWH. NUBOP. TOH w/3 jts tbg, 2-10' subs, 156 jts tbg and SN w/collar. Swab tools at SN. TIH w/notched collar, SN and 45 stds of tbg. Start air foam unit and unload well, at 750 psi. Blow dry at 450 psi. TIH and tag sand at 4948' Unload w/air foam at 1350 psi. Clean out sand to PBTD (5078') pumping 6 bbls sweep after each connection. Pump two 4 bbl sweeps, one each hour after reaching PBTD Lay down 3 jts to flapper at top of tbg SWI w/pressure on csg to prevent sand influx Close and lock down pipe rams Travel. Note: Recovered approx 122 bbls of fluid Tbg.Size: 2-3/8" Csg Size: 4-1/2" SITP: 0, SICP: 540
6/30/2008	06:00 - 16:00	10.00	EQT	1	Perfs. 4736' to 5014' On 6/30/2008 Note. 560 psi on csg Saturday. Blew down to 200 Hold safety meeting TIH and tag fill at 5068'. Wait on Dial Oil to deliver diesel for Air Foam Unit Scheduled for 8.00 am on Friday. Said truck is broke down BS Blow csg around w/air at 1400 psi. Run 4 bbl foam sweep. Run 2 bbl foam sweep each hour afterward. Water with light oil show and heavy sand in returns. Tbg pressure at 600 psi w/air unit to unload water Recovered 85 bbls fluid Heavy rain started at 4:30 pm. Alamitor wash starting to run. Shut down air and lay down 3 jts tbg to flapper. SWIFN. Leave location before wash is running to high Tbg.Size: 2-3/8" Csg.Size: 4-1/2" SICP: 220
7/1/2008	06:00 - 16:00	10.00	EQT	1	Perfs: 4736' to 5014'. On 7/1/2008 Hold safety meeting. TIH w/3 jts to 5068'. Open csg and start air unit. Clean out to 5078'. Csg started unloading at 1400 psi. Pump 2 bbl foam sweep each hour to clean sand from csg.Surface pressure to unload sweeps at 640 psi dropping back to 450 psi At 1.00 pm shut down air for 30 min and let csg blow down to allow more influx of sand and water, then blow around, followed by 2 bbl foam sweep. Surface pressure to unload at 900 psi Repeat 30 min shut down three more times. Sand clearing up in returns. Shut down for the night leaving the csg open to flow to tank. Travel.

Operations Summary Report

Well Name: ALAMITO #2
Location: 32- 23-N 7-W 28
Rig Name: Higgins Well Service

Spud Date:
Rig Release: 10/9/2008
Rig Number: 3

Date	From - To	Hours	Code	Sub Code	Description of Operations
7/1/2008	06:00 - 16:00	10.00	EQT	1	<p>Note: Have recovered 290 bbls of fluid over water used for foam sweeps. Gas and small amount of oil in returns.</p> <p>Tbg.Size: 2-3/8" Csg.Size: 4-1/2"</p> <p>SICP: 310</p> <p>Perfs: 4736' to 5014'.</p>

Operations Summary Report

Well Name: ALAMITO #2
 Location: 32- 23-N 7-W 28
 Rig Name: Higgins Well Service

Spud Date:
 Rig Release: 10/9/2008
 Rig Number: 3

Date	From - To	Hours	Code	Sub Code	Description of Operations
10/7/2008	06:00 - 16:00	10.00	SWAB	1	<p>Travel</p> <p>Started digging for deadman at 6:30 am with backhoe. Used metal detector to locate Deadman cut off and removed? Set new deadman. RU and TOH w/tbg. Brush plunger setting on SN with 15' of sand above plunger in bottom jt. TIH w/notched collar, two floats, 10 stds, bailer and 142 jts tbg. Tag at 5068'. Rotate tbg and bail for 20 min. After rotating on bottom started taking 15K over to pull free TOH w/tbg and bailer. Found 12 frac balls in tbg above floats. No sand. 54' of rat hole below bottom perf at 5014'. Water was carrying sand into tbg when swabbing, sticking swab tools. Will land tbg 60' above bottom perf and attempt to swab when swab rig is available. Load tools and release bail hand. TIH w/10 stds tbg. SWIFN.</p> <p>Tbg.Size: 2-3/8" Csg.Size: 4-1/2"</p> <p>SITP: 0, SICP: 0</p> <p>PERFS 4736' TO 5014'</p>
10/8/2008	06:00 - 16:00	10.00	SWAB	1	<p>Road swab unit to location. RUSU.</p> <p>Made 14 swab runs recovering 18 bbls of water.</p> <p>Beginning fluid level at 1600'. Swab depth 2800'.</p> <p>Ending fluid level at 1900' Swab depth 3300'.</p> <p>TBG = 0 psi. CSG=5 psi.</p> <p>SWIFN</p> <p>Tbg.Size: 2-3/8" Csg.Size: 4-1/2"</p> <p>Perfs: 4736' to 5014'</p> <p>SICP: 0, FTP: 0</p>
10/9/2008	06:00 - 16:00	10.00	SWAB	1	<p>Travel</p> <p>Made 23 swab runs recovering 53 bbls of water</p> <p>Beginning fluid level at 1750' swab depth 2850'</p> <p>Ending fluid level at 2800'. Swab depth 3800'</p> <p>TBG = 0 CSG= 30 psi</p> <p>SWIFN</p> <p>SITP: 0, SICP: 5</p> <p>PERFS: 4736' to 5014'.</p>