

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. 30-045-23920
1. Type of Well: Oil Well ☐ Gas Well ☒ Other		5. Indicate Type of Lease STATE ☐ FEE ☐
2. Name of Operator HEP OIL GP, LLC		6. State Oil & Gas Lease No. 306818
3. Address of Operator P.O. BOX 1499 GAINESVILLE, TX 76241-1499		7. Lease Name or Unit Agreement Name NEWSOM B
4. Well Location Unit Letter <u>D</u> : <u>1085</u> feet from the <u>NORTH</u> line and <u>840</u> feet from the <u>WEST</u> line Section <u>9</u> Township <u>26N</u> Range <u>8W</u> NMPM County <u>SAN JUAN</u>		8. Well Number 16
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6382 GR		9. OGRID Number 269469
		10. Pool name or Wildcat BALLARD PICTURED CLIFFS (GAS)

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 ☒			
OTHER: ☐		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.

The Newsom B #16 was shut in on Friday morning 9/24/10. A shut in fluid level was shot on Monday afternoon 9/26/10. A bottom hole pressure of 356 psi was calculated as shown on attached fluid level shot.

- (a) ☐ Number of the Division Order that established pre-approved pool or area: R-11363
(b) ☐ Ballard-Pictured Cliffs (71439) and Basin-Fruitland Coal (71629)
(c) ☐ Ballard-Pictured Cliffs (71439) perforations 2215'-2225'. Basin-Fruitland Coal (71629) perforations 2089'-2099'
(d) ☐ Allocation percentage will be based on individual testing of the zones during the work over.
(e) ☐ Commingling will not reduce the total remaining production value.
(f) ☐ Working Interest and Royalty Interest are identical in both zones
(g) ☐ Applicant is sending a copy of the Form C-103 to state land office District III Aztec, New Mexico and Sundry Notice 3160-5 to the BLM.
(h) ☐ Proposal is a preapproved pool and area under pool combination, San Juan Basin
Work over operations are estimated to start in late October 2010.

RCVD OCT 21 '10
OIL CONS. DIV.
DIST. 3

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

Stephen Beall

TITLE PRODUCTION ENGINEER

DATE 09/28/2010

Type or print name STEPHEN BEALL

E-mail address: sbeall@hepoilco.com

PHONE: (940)665-4373

For State Use Only

APPROVED BY:

Charles

TITLE

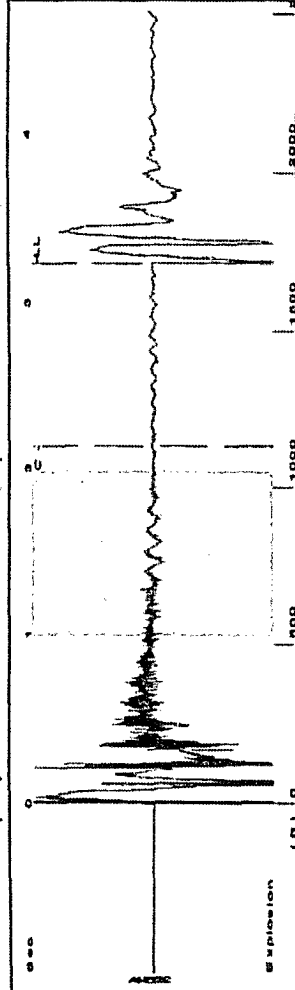
SUPERVISOR DISTRICT # 3

DATE

DEC 21 2010

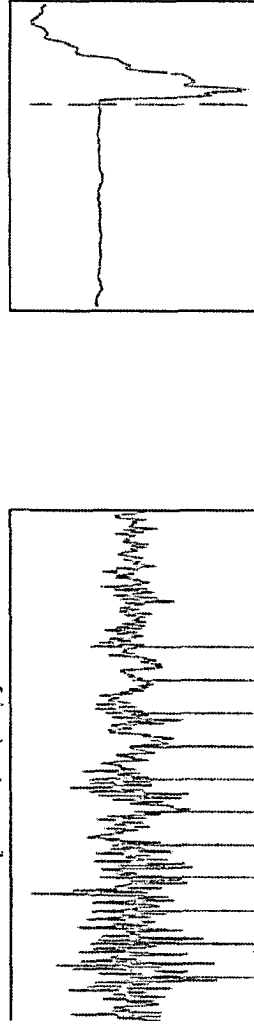
Conditions of Approval (if any):

Ar



Filter Type	High Pass	Automatic Collar Count	Yes	Time	sec
Manual Acoustic	10/2.78	Manual JTS/sec	15.9744	Joints	54.0167 Jts
				Depth	1712.33 ft

1.0 to 2.0 (Sec)]



Analysis Method: Automatic

Production	Potential	Casing Pressure
Current	- * -	176.0 psi (g)
Oil	- * -	Casing Pressure Buildup
Water	- * -	0.5 psi
Gas	- * -	0.50 min
IPR Method	Vogel	Gas/Liquid Interface Pressure
PBHP/SBHP	- * -	186.6 psi (g)
Production Efficiency	0.0	
Oil	40 deg.API	Liquid Level Depth
Water	1.05 Sp.Gr.H2O	1712.33 ft
Gas	0.89 Sp.Gr.AIR	Tubing Intake Depth
		- * - ft
Acoustic Velocity	1059.61 ft/s	Formation Depth
		2440.00 ft

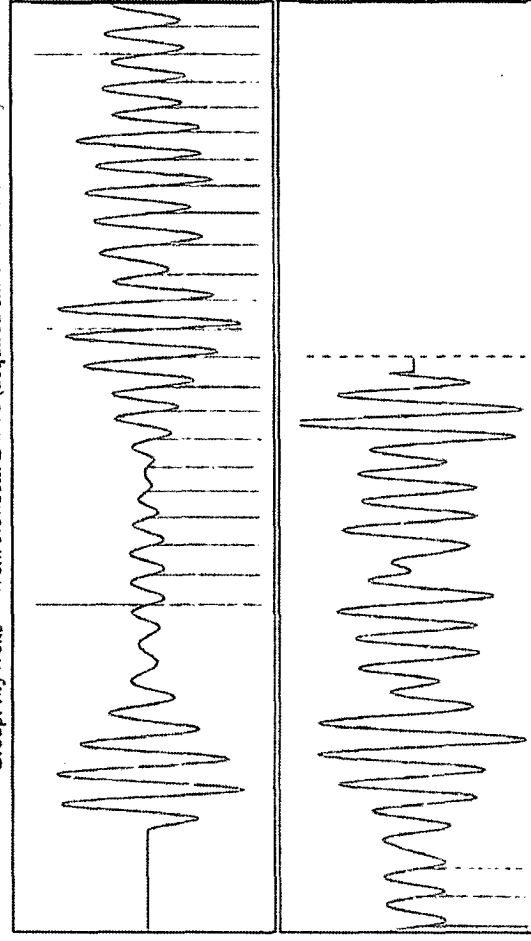
Formation Submergence
Total Gaseous Liquid Column HT (TVD)
Equivalent Gas Free Liquid HT (TVD)

Acoustic Test

Tubing Inake
- * - psi (g)
Producing BHP
356.5 psi (g)
Static BHP
- * - psi (g)

Producing

Annular Gas Flow	- # -	Mscf/D	% Liquid	50 %
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Acoustic Velocity	1059.61	ft/s	Joints counted	24
Joints Per Second	16.7131	jts/sec	Joints to liquid level	54.0167
Depth to liquid level	1712.33	ft	Filter Width	13.9744
Automatic Collar Count	Yes		Time to 1st Collar	0.7
				2.136

Change in Pressure	0.55	psi	PT 8103
			Range

0-? psi

