Submit 3 Copies to Appropriate District Office

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-103
Revised 1-1-89

WELL API NO. 30-039-25614

5. Indicate Type of Lease STATE ☐ FEE ☐

6. State Oil & Gas Lease No. NM 13809

RECEIVED
AUG 25 1998
OIL CON. DIV.
DIST. 3

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: Bear Canyon Unit

1. Type of Well: OIL WELL ☒ GAS WELL ☐ OTHER

2. Name of Operator: MW Petroleum / Apache Corporation

8. Well No. 9

3. Address of Operator: 2855 Southside River Road Suite A Farmington, NM

9. Pool name or Wildcat: Gavilan Mancos

4. Well Location
Unit Letter J : 2201' Feet From The South Line and 2059' Feet From The East Line
Section 10 Township 26 N Range 2W NMPM Rio Arriba County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 7320' GR

11. 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.	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐			CASING TEST AND CEMENT JOB	☐		
OTHER: To Landowner Water Well	☐			OTHER:			☐

12. 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.

MW Petroleum / Apache Corporation proposes to Plug and Abandon this well, leaving the wellbore to the Landowner for use as a water well. See attached procedures.

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

SIGNATURE [signature] TITLE Production Foreman DATE 8-24-98

TYPE OR PRINT NAME Stan Phillips TELEPHONE NO.

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY ERNIE BUSCH TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE AUG 27 1998

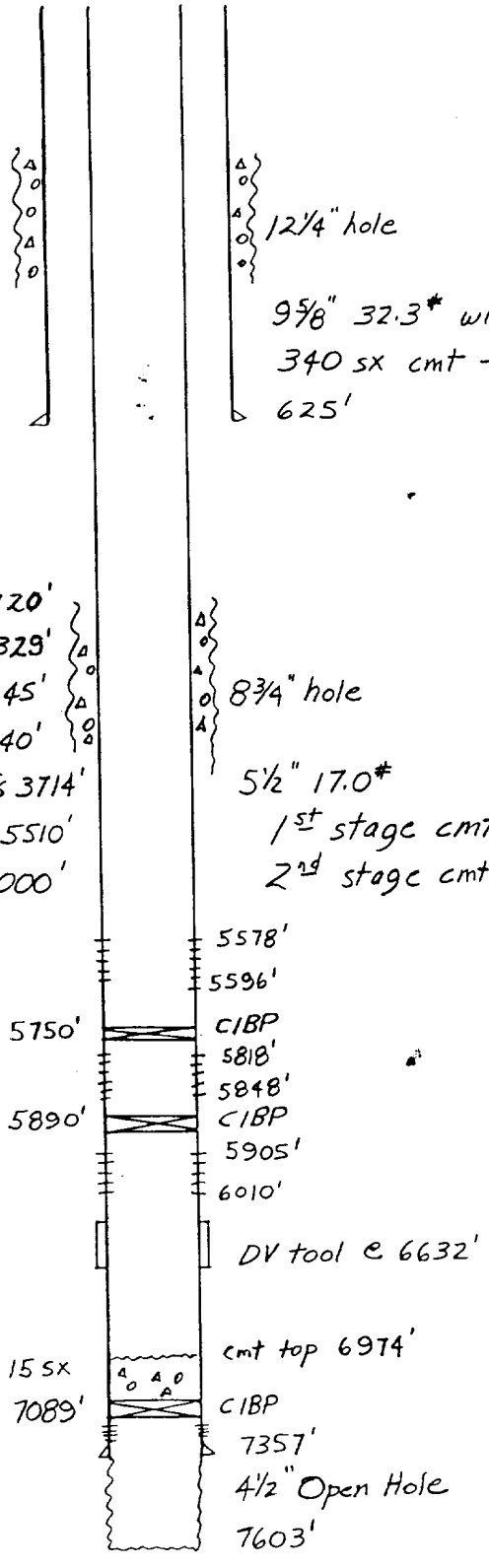
CONDITIONS OF APPROVAL, IF ANY: * increase plug #1 + #3 to 150' each

6-30-97

MW Petroleum
Bear Canyon Unit #9
NWSE Sec 10 T26N R2W
Rio Arriba Co., NM

Existing Wellbore Diagram

Well was drilled and completed in the Niobrara formation. Pomp tested at 1 BOPD, 5 BWPD, 60 MCFD. The Mesa Verde was completed and tested as uneconomical.



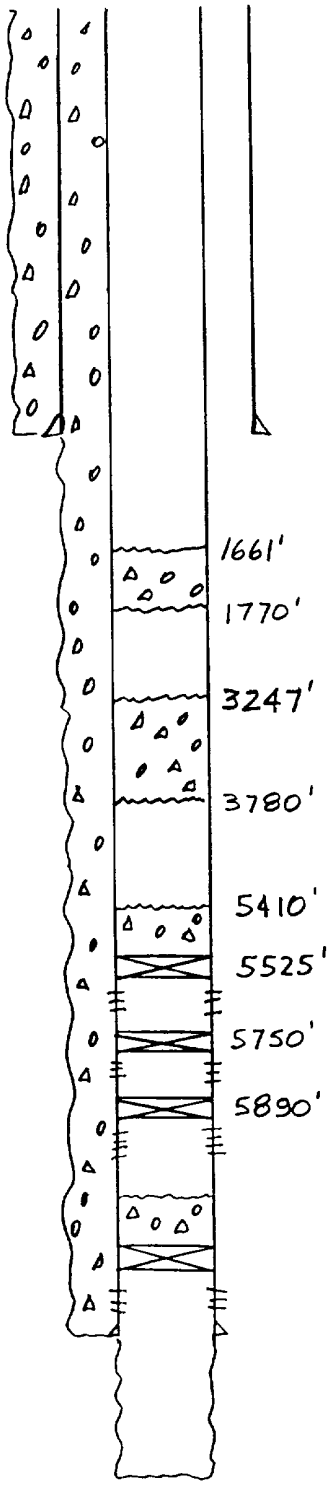
Formation Tops

Naciemto 1720'
Ojo Alamo 3329'
Kirtland 3545'
Fruitland 3640'
Pictured Cliffs 3714'
Cliff House 5510'
Niobrara 7000'

MW Petroleum / Apache Corporation
Bear Canyon Unit #9
NWSE Sec 10 T26N R2W
Rio Arriba Co., NM

8-24-98

Proposed Procedures to P&A Well, leaving the wellbore for a Landowner's Water Well



1. Set a CIBP @ 5525', spot 15 sx (17.7 ft³) class B neat on CIBP. Cover Cliffhouse top @ 5510'.

2. Spot 59 sx (69.6 ft³) from 3780' to 3247' covering from the Ojo Alamo Top to the P.C. Top.

3. Spot 12 sx (14.2 ft³) from 1770' to 1661' covering the Naciemto Top @ 1720'.

4. Cutoff wellhead, leaving both casings 2' below surface.

5. Turn over wellbore to Jeff Davis - Landowner.

Formation Tops

Naciemto	1720'
Ojo Alamo	3329'
Kirtland	3545'
Fruitland	3640'
Pictured Cliffs	3714'
Cliffhouse	5510'
Niobrara	7000'

RELEASE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that I Jeff Davis, of the County of Rio Arriba in the State of New Mexico, am the surface owner of the hereinafter described land upon which a well for oil or gas was drilled, to wit:

Operator MW Petroleum

Lease Number NM13809

Lessee Bear Canyon Unit

Well No. 9 (NW 1/4SE 1/4) Sec. 10, Twp. 26W, Rge. 2W.

The well is located 2201 from the South line and 2059 feet from the East line of Sec. 10.

I do hereby notify the Bureau of Land Management of my desire to utilize said well as a water supply well and I do hereby release and discharge the operator, lessee, and the Bureau of Land Management from any further work or responsibility in relation to the plugging of said well.

WITNESS by hand and seal this 25th day of June, 1997.

NOTARY PUBLIC STATE OF NEW

Surface Owner Jeff Davis

Box 509, LaPlata, NM 87418
Address

IN THE PRESENCE OF: My commission Expires Dec 14, 2000

Beverly Knight Address 304 N. Behrend Farmington, NM

Address

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

RECEIVED
AUG 25 1998
OIL CON. DIV.
DIST. 3

AFFIDAVIT OF RESPONSIBILITY
CONVERSION TO WATER-WELL

STATE OF New Mexico)
County of Rio Arriba) ss.

Stan Phillips, being first duly sworn according to law, upon his oath deposes and says:

1. That he is Production Foreman (Title) of MW Petroleum (Operator) whose address is 304 N. Behrend, Farmington, NM 87401.

2. That MW Petroleum (Operator) is the operator of a well drilled on land belonging to Jeff Davis (Landowner), whose address is Box 509, LaPlata, NM 87418, said well being drilled to test for hydrocarbons and/or carbon dioxide gas and described as the Bear Canyon Unit No. 9, being located 2201 feet from the South line and 2059 feet from the East line of Section 10, Township 26 North, Range 2 West, NMPM, Rio Arriba County, New Mexico.

3. That said well was drilled to a total depth of 7603 feet, and that casing has been set and cemented as follows:

9 5/8" 32.3# @625' with 340 sx cement, cmt circ to surface
5 1/2" 17 # @7357' 1st stage--175 sx 50/50 POZ
2nd stage--DV tool @6632', 1225 sx Hibond cmt, 115 sx premium cmt.

4. That operator and landowner have made an agreement whereby operator (is) (is not) to back fill pits, level location, and clear it of all junk. The agreement further provides that operator is to plug said well back to a plugged-back total depth of 2500 feet and transfer well to landowner for his use as a water-well. Operator will leave casing in the well as follows:

9 5/8" casing and 5 1/2" casing cut off 2 feet below the surface.

5. That when operator has complied with the provisions of Paragraph 4 above it will so notify the Oil Conservation Commission of the State of New Mexico on Commission Form C-103, together with a signed statement from the landowner that the provisions of Paragraph 4 above have been complied with to his satisfaction.

MW Petroleum
(Operator)
By Stan Phillips

Subscribed and sworn to before me this 25 day of June, A. D. 1997.

Bonita Knight
Notary Public in and for the County of San Juan, New Mexico

My Commission Expires Dec 14, 2000

STATE OF New Mexico)
County of Rio Arriba) ss.

Jeff Davis, being first duly sworn according to law, upon his oath deposes and says that when the provisions of Paragraphs 4 and 5 above have been complied with, he will accept the above-described well for his use as a water-well, and that he will assume all responsibility for the well, the location, and the conversion of the well to a water-well.

(Landowner)

Subscribed and sworn to before me this 25 day of June, A. D. 1997.

Bonita Knight
Notary Public in and for the County of San Juan, New Mexico

My Commission Expires Dec 14, 2000

STATE OF NEW MEXICO

STATE ENGINEER OFFICE

AZTEC

THOMAS C. TURNEY
STATE ENGINEER

100 S. OLIVER, SUITE 100
AZTEC, NEW MEXICO 87410
334-8481

December 4, 1997

Jeff Davis
P O Box 509
La Plata, NM 87418

File SJ-2842

Dear Mr. Davis:

Enclosed is your approved well permit number SJ-2842. This is a 7600 foot deep well drilled for hydrocarbons which is producing water. Note the conditions on the permit under "Action of State Engineer" and on the back of the permit.

General Condition "G" and Specific Condition No. 2 concern wells which are artesian. Regulations on artesian well construction are enclosed. Another condition of this permit is that you shall provide this office with an acceptable plan for reconstructing this well from a hydrocarbon production well or test well into a water well. The well shall be constructed in such a manner that will not allow the commingling of water from the artesian formaton with water in overlying formations.

Also note that a well record must be filed .

Sincerely,

Thomas C. Turney
State Engineer

by: Bill Enenbach
Bill Enenbach
Water Rights Division

Enclosures noted
xc: Aztec Reading
Groundwater Reading
File
Charles Wohlenberg, SEO

formations encountered during drilling operations. The method and interval of sampling and the quantities required will be specified by the State Engineer.

4-13. WELL CONSTRUCTION. Every well shall be constructed with an opening of at least three fourths (¾) inch in diameter in the casing above ground level to allow a measuring line to be inserted between the outside casing and the pump column, in order that the water level in the well may be measured. A removable cap shall be provided for such openings.

4-13.1. CAPACITY MEASUREMENTS -- DISCHARGE PIPE -- TURNOUT -- APPROVED CAPACITY. In order that capacity measurements may be made, all pumps other than those connected directly into an underground system shall have a discharge pipe unrestricted for at least five (5) diameters in length from the flange of the pump, elbow, or other obstruction. Those connected to an underground system shall have a turnout at the well into which the entire flow can be diverted with an unrestricted pipe as above. This turnout may be equipped with a valve or removable cap. Flowing wells must be equipped with a discharge pipe as described above and a cap or valve approved by the State Engineer.

4-14. SHALLOW WELLS--CONSTRUCTION--REPAIR--PLUGGING. The State Engineer has not adopted any general specifications for the construction, repair, or plugging of non-artesian or shallow wells. Any specific requirements and provisions made by the State Engineer shall be set forth in the permit. Application for Permit to Repair is required for all repair work, cleaning, scaling, deepening, modification of casing, or other work requiring the use of a well rig. Any specific requirements or conditions governing the repair will be set out in the approval of the permit. If plugging is required (Article 2-13), shallow wells shall be plugged by filling to the ground surface or, if the casing is not to be removed, by welding a steel plate or cap to the casing.

4-15. ARTESIAN WELLS--CONSTRUCTION. The casing for artesian wells shall be inspected by the State Engineer or his representative and shall meet or exceed the specifications as set forth in 4-15.1. All casing and collars must be in good condition. A standard casing shoe shall be used in all instances. The casing shall not be perforated in a manner that would allow the commingling of water from the artesian formation with water in overlying formations.

4-15.1. CASING AND COUPLING--API TABLE OF SPECIFICATIONS. Only threaded casing shall be used. Casings and couplings shall meet minimum American Petroleum Institute (API) specifications for the following sizes:

Outside Diameter Inches	Weight With Couplings (lbs/ft)	Wall Thickness Inches	O.D. Inches	Coupling Length Inches	Threads Per Inch	Grade Of Casing
4½	9.50	0.205	5.000	5	8	F-25
5½	13.00	0.228	6.050	6¾	8	F-25

Outside Diameter Inches	Weight With Couplings (lbs/ft)	Wall Thickness Inches	O.D. Inches	Coupling Length Inches	Threads Per Inch	Grade Of Casing
6	15.00	0.238	6.625	7	8	F-25
6⅝	17.00	0.245	7.390	7¼	8	F-25
7	17.00	0.231	7.656	7¼	8	F-25
7⅝	20.00	0.250	8.500	7½	8	F-25
8⅝	24.00	0.264	9.625	7¾	8	F-25
9⅝	29.30	0.281	10.625	7¾	8	F-25
10¾	32.75	0.279	11.750	8	8	F-25
11¾	38.00	0.300	12.750	8	8	F-25
13⅜	48.00	0.330	14.375	8	8	F-25

If casing length exceeds one thousand (1,000) feet, H-grade or better shall be used for thirteen and three-eighths (13⅜) inch casing.

4-15.2. HOLE DIAMETER. In all cases the diameter of the drilled hole shall be at least two (2) inches greater than the outside diameter of the casing.

4-16. CASING–CEMENTING–TESTING. The following specifications shall govern casing, cementing, and testing: the casing shoe shall be welded to the casing to assure proper position. The casing shall be landed on a suitable casing seat in the confining formation overlying the artesian aquifer formation and sufficient oil well cement shall be used to obtain circulation to the surface. When circulation to the surface is not obtained, cement shall be placed to the surface behind the casing. Additives of pozzolanic nature may be used above the casing shoe but shall not exceed fifty per cent (50%) by volume. The addition of calcium chloride and/or gel is permissible but shall not in any case exceed two per cent (2%) each by weight. A sufficient amount of cement without additives shall be used to allow neat cement to seal the casing shoe and rise a minimum of fifty (50) feet above the shoe between the casing and the hole. Cement shall be allowed to set a minimum of forty eight (48) hours before drilling is resumed. Sealing off of the formations shall be checked by a method approved by the State Engineer or his authorized representative.

4-16.1. CEMENTING. Cementing shall be done by the pump and plug method as follows: after the casing has been run and landed, the pump shall be started and mud circulation shall be maintained for at least thirty (30) minutes with the casing raised slightly in order to equalize the mud pressure inside and outside of the casing. A heavy slurry of oil well cement and water shall be mixed and poured into the top of the casing. If additives are used in the slurry, sufficient neat cement (density fifteen (15) pounds per gallon) shall then be added to seal the casing shoe and rise a minimum of fifty (50) feet above the shoe. A casing plug of standard make shall be placed in the casing above the cement and a swedge nipple screwed onto the top of the casing and connected to the mud pump. Then a mud slurry or water shall be pumped into the casing, forcing the cement and casing plug down the casing. A measuring line shall be run behind the plug so that the driller may know its location at all times. When the plug reaches the

point desired above the bottom of the casing, the pump shall be stopped and the casing lowered to the casing seat.

4-17. CASING, CEMENTING--TESTING--APPROVAL. The casing, cementing, and testing programs shall be witnessed and approved by an authorized representative of the State Engineer.

4-18. EXCEPTION TO CASING AND CEMENTING REQUIREMENTS. In those areas of declared artesian basins where the well is drilled into the artesian aquifer, but no confining formation overlying the artesian formation is present, the foregoing requirements for casing and cementing are not applicable and may be altered by receiving written approval of the State Engineer or his representative.

4-19. ARTESIAN WELLS--REPAIR. Before repairs are commenced the well shall first be inspected by a representative of the State Engineer to determine if the condition of the well is such that it may be repaired. When leaks in the casing are found and the casing and well are otherwise in good condition, the well may be repaired by a method approved by the State Engineer. A packer or bridge plug approved by the State Engineer shall be used in all well repairs. An inspection shall be made at the completion of the work to determine if the repair was satisfactory. During each inspection, the hole shall be open to allow the entrance of equipment for well logging and leakage measurement.

4-19.1. PLUGGING. If an artesian well is to be replaced by a new well, it shall be plugged immediately following the completion of the new well. All the work shall be done under the supervision of the State Engineer or his representative, or a representative of the appropriate Artesian Conservancy District who shall designate the amount of cement to be used and the depths at which cement plugs shall be set.

4-20. TEST OR EXPLORATORY WELLS. All test or exploratory wells shall be so constructed, maintained, and operated that each water shall be confined to the aquifer in which it is encountered. All test or exploratory wells penetrating artesian aquifers shall be cased, cemented, and tested as required for the construction of artesian wells (Article 4-15 through 4-18) and the casing shall be landed in the formation underlying the deepest artesian aquifer and cemented through all known artesian aquifers. The casing, as referred to in the artesian well specifications, is designated as the water protection string by the oil industry. If conductor pipe is used, it shall not be removed until after cementing of the casing has been completed. All casing, cementing, and testing programs shall be witnessed and approved by a representative of the State Engineer.

4-20.1. SHOTHOLES--PENETRATION. Shotholes for geophysical exploration shall not penetrate closer than twenty-five (25) feet above any known artesian aquifer under confinement.

4-20.2. ABANDONMENT--PLUGGING. In the event that the test or exploratory well is to be abandoned, the State Engineer shall be notified. Such well shall be plugged in accordance with Article 4-19.1 so that the fluids will be permanently confined to the specific strata in which they were originally encountered.

4-21. MINE LODE DISCOVERY AND DRILL HOLES. Any person drilling a mine lode discovery or mine drill hole to a depth of ten (10) feet or more, who shall encounter or whose drill shall cut into a water body or water bearing strata, shall plug or otherwise construct, maintain, and operate such holes so that any water encountered is permanently confined to the aquifer in which it is found.

4-21.1. DISCOVERY REPORT--FORMS--TIME FOR FILING. Such person, within ninety (90) days from the date of the discovery, shall report to the State Engineer, on forms provided by the State Engineer, the location and depth of the hole, and the method and material used in plugging the hole. If the hole is not plugged, the report shall describe the manner in which it was constructed and is being maintained and operated. The report shall include a log of the hole which is adequate to permit a determination of whether the plugging or construction and operation and maintenance of the drill hole are satisfactory.

4-21.2. ARTESIAN WATER. If artesian water is encountered, the construction, operation, maintenance, or plugging shall be done in accordance with Articles 4-15 through Articles 4-19-1.

4-22. DEVIATIONS FROM SPECIFICATIONS--APPROVAL. Any deviations from the above described casing, cementing, and testing programs must be approved by the State Engineer.

READ INSTRUCTIONS ON BACK Revised June 1991

APPLICATION TO APPROPRIATE UNDERGROUND WATERS IN ACCORDANCE WITH SECTION 72-12-1 NEW MEXICO STATUTES

RECEIVED
AUG 25 1998
OIL CON. DIV.
DIST. 3

1. Name and mailing address of applicant: SJ-2842

Jeff Davis

P.O. Box 509 Day-time phone: # 326-4902

La Plata, NM 87418

2. Describe well location under one of the following subheadings:

a. NW ¼ NW ¼ SE ¼ of Sec. 10 Twp. 26N Rge. 2W NMPM, in Rio Arriba County.

b. X = _____ feet, Y = _____ feet, New Mexico Coordinate System _____ Zone in the _____ Grant.

3. Approximate depth (if known) 7603 feet; outside diameter of casing see #5 inches.

Name of driller (if known) MW Petroleum, 304 N. Behrend Farmington, NM 87401

4. Use of water (check use applied for):

X One household, non-commercial trees, lawn and garden not to exceed one acre.

X Livestock watering.

___ More than one household, non-commercial trees, lawns and gardens not to exceed a total of one acre.

___ Drill and test a well intended to be used for domestic, drinking and sanitary or stock water purposes in conjunction with the building or dwelling unit.

___ Drinking and sanitary purposes and the irrigation of non-commercial trees, shrubs and lawns in conjunction with a commercial operation.

___ Prospecting, mining or drilling operations to discover or develop natural resources.

___ Construction of public works, highways and roads.

If any of the last three items were marked, give name and nature of business under Remarks (Item 5).

5. Remarks: Well drilled by MW Petroleum as a test well and is being converted to a water well. It has 9 5/8" casing and 5 1/2" casing. The well is known as Bear Canyon Unit No. 9. NM Oil ~~Conservation Commission Affivadit of Responsibily signed 6-25-97~~

I, Jeff Davis, affirm that the foregoing statements are true to the best of my knowledge and belief and that development shall not commence until approval of the permit has been obtained.

By: _____, Applicant

Date: 9-9-97

'97 SEP 9 PM 3 54
STATE ENGINEER OFFICE
AZTEC, NEW MEXICO

ACTION OF STATE ENGINEER

This application is approved for the use indicated, subject to all general conditions and to specific conditions numbered 2 & 4 on the reverse side hereof. This permit will automatically expire unless ~~xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx~~ the well record filed on or before November 15, 1998.

Thomas C. Turney, State Engineer

By: Bill Enenbach
Bill Enenbach

Date: December 4, 1997 File No. SJ-2842