

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

HOBBS OCD
APR 21 2015
 State of New Mexico
 Energy, Minerals and Natural Resources
RECEIVED
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 October 13, 2009

WELL API NO. 30-025-28468
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-928
7. Lease Name or Unit Agreement Name State NO
8. Well Number 1
9. OGRID Number 246368
10. Pool name or Wildcat SWD Deleware

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.)

1. Type of Well: Oil Well Gas Well **Other SWD**

2. Name of Operator Basic Energy Services, LP

3. Address of Operator
 P.O. Box 10460 Midland Tx, 79702

4. Well Location
 Unit Letter E : 1980 feet from the N line and 660 feet from the W line
 Section 7 Township 19 South Range 36 East NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
<input type="checkbox"/> OTHER		<input type="checkbox"/> OTHER: MIT	

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.

Please see attached page on options 1 & 2

**Condition of Approval: notify
 OCD Hobbs office 24 hours
 prior of running MIT Test & Chart**

Packer element has lost some integrity 4/19/15
 Frac tank was moved in on 4/20/15 bleeding back into frac tank form annulus
 PSI on Annulus was at 800# bleed back to frac tank has a 5 GPM flow

Move in Equipment set blankin plug release Psi on tubing set BOP
 Lower tubing and set full weight on packer monitor well annulus and see if seal is good.
 Call in for time for MIT on Csg. at OCD convenience.

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 David H. Alvarado TITLE SENM District Fluid Sales Mgr. DATE 4/22/15

Type or print name DAVID H. ALVARADO E-mail address: david.alvarado@basicenergyservices.com PHONE: 575.746.2072

For State Use Only

APPROVED BY: Bill Sernamak TITLE Staff Manager DATE 4/21/2015

Conditions of Approval (if any):

MAY 04 2015

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Energy Minerals and Natural Resources
Department
Oil Conservation Division
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Form C-144 CLEZ
Revised August 1, 2011

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: Permit Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: _____ Basic Energy Services LP OGRID #: _____ 018862
Address: _____
Facility or well name: _____ State NO # I SWD _____
API Number: _____ 3002528468 _____ OCD Permit Number: _____
U/L or Qtr/Qtr _____ E _____ Section _____ 7 _____ Township _____ 19S _____ Range _____ R 36E _____ County: _____ Lea _____
Center of Proposed Design: Latitude _____ Longitude _____ NAD: 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2.
 Closed-loop System: Subsection H of 19.15.17.11 NMAC
Operation: Drilling a new well Work over or Drilling (Applies to activities which require prior approval of a permit or notice of intent) P&A
Above Ground Steel Tanks or Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
signed in compliance with 19.15.16.8 NMAC

4.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
 Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
 Previously Approved Design (attach copy of design) API Number: _____
 Previously Approved Operating and Maintenance Plan API Number: _____

5.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: _____ Redhawk SWD _____ Disposal Facility Permit Number: _____ NM SWD 291 _____
Disposal Facility Name: _____ CRI _____ Disposal Facility Permit Number: _____ NM-01-0006 _____
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
 Yes (If yes, please provide the information below) X No
Required for impacted areas which will not be used for future service and operations:
 Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
 Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
 Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.
Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): David Alvarado Title: SENM Fluid District Mgr.
Signature: _____ David Alvarado _____ Date: 4/22/15
e-mail address: david.alvarado@basicenergyservices.com Telephone: 575.746.2072

h

HOBBS OGD

APR 21 2015

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State NO # 1 SWD

4/22/15

Loss of Packer Element Integrity

Surface injection PSI 1400#

Annulus PSI 1000#

Packer Arrow Set AS1 5 1/2 X 2 7/8 O/O TOOL W/SS TOP SUB 2 1/4 F PROFILE 2 7/8 FRAME SET @ 6300' PKR had 28 points in tension.

Cause of failure Rolled slip grip teeth not able to securely bite into the casing wall.

Possible Reason Harmonics of the pump

Option 1. Set blankin plug in profile bleed off annulus and tubing. Move in mats, Frac tank, BOP spot Service unit rig up set full weight on packer and monitor well annulus for a day. If good MIT with PSI trk. rig down and release equipment.

Cost est.\$16,000.00

Option 2. Set six frac tanks bleed back and haul to Redhawk SWD until bottom hole psi is slow enough to work with environment pan while extraction takes place or bleed down enough to balance bottom hole Psi with mud.

Cost est all of the above minus 6k for slick line and if mud is used add 15k for mud (they will not just mix 20bbls only full load and will not take back) trucking time will be third party unless you all can dedicate BES trucks to haul for us? Cost to re-dress packer or replace if bad.

Cost est. \$ 135,000.00