District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised July 18, 2013

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address	2. OGRID Number
SPECIAL ENERGY CORPORATION PO DRAWER 369 STILLWATER, OK 74076	138008
	3. API Number 30-025-33184

4. Property Code	5. Property Name	6. Well No.
328941	EUREKA 36 STATE	001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
F	36	16S	34E		1980'	NORTH	1650'	WEST	LEA

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Pool Name	Pool Code
VACUUM; LOWER WOLFCAMP, NORTH (62380)	62380
VACUUM; ABO, NORTH (61760)	61760

Additional Well Information

11. Work Type	12. Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation
P	O		S	4042'
16. Multiple	**17. Proposed Depth**	**18. Formation**	**19. Contractor**	**20. Spud Date**
Y	12,415'	Wolfcamp/Abo		12/7/1997

Depth to Ground water	Distance from nearest fresh water well	Distance to nearest surface water

☐ **We will be using a closed-loop system in lieu of lined pits**

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify that I have complied with 19.15.14.9 (A) NMAC ☑ and/or 19.15.14.9 (B) NMAC ☑, if applicable.
Signature:

Printed name: CLARK CUNNINGHAM

Title: PETROLEUM ENGINEER

E-mail Address: clark.cunningham@specialenergy corp.com

Date: 3/10/21 Phone: 405.377.1177

OIL CONSERVATION DIVISION

Approved By: P Kautz

Title:

Approved Date: **04/01/2021** Expiration Date: **04/01/2023**

REQUIRES NSL for ABO & WC see R-3206 & R-2421

Conditions of Approval Attached

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-33184	62380	VACUUM; LOWER WOLFCAMP, NORTH

[4] Property Code	[5] Property Name	[6] Well Number
328941	EUREKA 36 STATE	001

[7] OGRID No.	[8] Operator Name	[9] Elevation
138008	SPECIAL ENERGY CORPORATION	4042'

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	36	16S	34E		1980	NORTH	1650	WEST	LEA

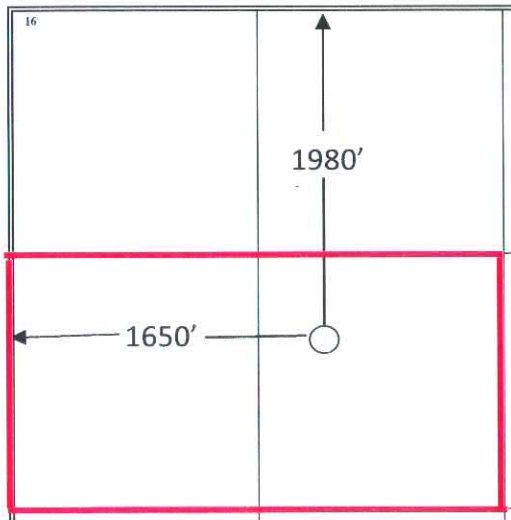
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
80			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

[16]



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature 4/1/21 Date

Clark Cunningham
Printed Name

clark.cunningham@specialenergycorp.com
E-mail Address

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-33184	61760	VACUUM; ABO, NORTH

[4] Property Code	[5] Property Name	[6] Well Number
328941	EUREKA 36 STATE	001

[7] OGRID No.	[8] Operator Name	[9] Elevation
138008	SPECIAL ENERGY CORPORATION	4042'

[10] Surface Location

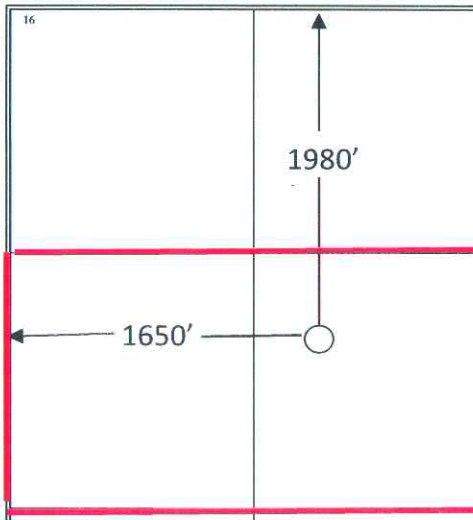
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	36	16S	34E		1980	NORTH	1650	WEST	LEA

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
80			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

4/1/21

Signature Date

Clark Cunningham
Printed Name

clark.cunningham@specialenergycorp.com
E-mail Address

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

Submit 1 Copy To Appropriate District Office
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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.
30-025-33184

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
EUREKA 36 STATE

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

8. Well Number 001

2. Name of Operator
SPECIAL ENERGY CORPORATION

9. OGRID Number 138008

3. Address of Operator
PO DRAWER 369 STILLWATER, OK 74076

10. Pool name or Wildcat
N. VACUUM (ATOKA, MORROW) 86800

4. Well Location
Unit Letter F : 1980 feet from the North line and 1650 feet from the West line
Section 36 Township 16S Range 34E NMPM Lea County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
4042' 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: Completion Operation	☒			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.

1. MIRU Pulling Unit.
2. ND wellhead and flowline. NU 5K dual hydraulic BOP and spool.
3. POOH w/ TBG and Rods
4. MU BHA w/ 4-1/2 bit and scrapper RIH to 12,410', TOOH w/ BHA
5. RU wireline set 35' of CMT on CIBP set @ 12415' RIH w/ CIBP set CIBP @ 11,800' and set 35' of CMT on top
6. Load hole w/ 3% KCl water, test CIBP and CSG to 2000#
7. TIH w/ GR to correlate w/ 3 SPF 120 deg phasing .35" Perforate per geology from 10,624'-10,731'
8. RIH w/ PKR and set at 10,560'
9. NU goathead, RU Acid start pumping w/ 3% KCL water @ 5 BPM once hole loads and pressure levels out begin pumping 10,000 scf N2 followed by 1,500 gals 15% HCl w/ NE surfactant, iron reducer, and clay stabilizer. Drop 70 ball sealers spaced out evenly not exceeding 2325 PSI on surface. Flush well w/ 61 bbls of 3% KCL water and 1,000 scf/bbl N2 to top perf. RD Acid Crew
10. Flowback well at 4 BPH until well dies
11. TOH w/ TBG and PKR. TIH w/ 1-1/2" Pump and 7/8" & ¾" Rods
12. Install horsehead, polish rod and stuffing box. RDMO Pulling Unit and return well to production.

Spud Date: 12/7/1995 Rig Release Date: 1/16/1996

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

SIGNATURE _____ TITLE Petroleum Engineer DATE 3/15/21

Type or print name Clark Cunningham E-mail address: clark.cunningham@specialenergycorp.com PHONE: 405-377-1177

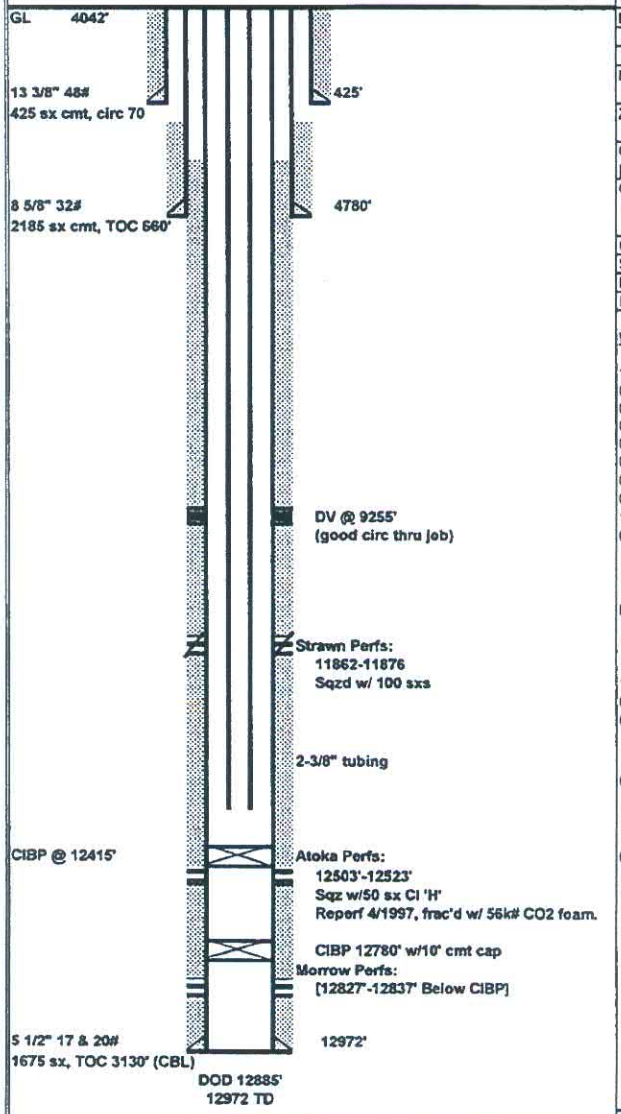
For State Use Only

APPROVED BY: P Kautz TITLE _____ DATE **04/01/2021**

Conditions of Approval (if any):

WELLBORE SCHEMATIC AND HISTORY

CURRENT - COMPLETION SCHEMATIC



LEASE NAME: Euroka 36 State	Well # 1			API # 30-025-33184	LEASE # 309608-029
TYPE COMPLETION:		■ SINGLE		☐ DUAL	☐
LOCATION:	1980' FNL & 1650' FWL, Sec 36, T16S R34E				
TD 12972'	PBD 12,415' (CIBP w/ 35' cmt)			KB 4058'	
COD	DOD			GL 4042'	
NO. PROD. WELLS ON LEASE		FLOWING x		PUMPING	
ZONE TO BE WORKED ON:				CURRENT COMPLETION ZONE: Atoka	
CSG. PERFS: [11862'-11876' Szq'd] 12503'-12523'		[12827'-12837' Below CIBP]		OPEN HOLE :	
CURRENT TEST (SHOW DATE)		GAS		OIL	
		GAS		OIL	

CASING BREAKDOWN						
SURF.	17 1/2" hole	SIZE: 13 3/8" 48#	425 sx cmt, circ 70		DEPTH	425'
INTER.	12 1/4" hole	SIZE: 8 5/8" 32#	2185 sx cmt, TOC 660'		DEPTH	4780'
PROD.	7 7/8" hole	SIZE: 5 1/2" 17 & 20#	1675 sx, TOC 3130' (CBL)	DV Tool @ 9255'	DEPTH	12972'

WELL HISTORY

12/07/95	Spud.
02/06/96	Perf Atoka 12503'-12518' w/4 SPF (61 holes). Acdz w/1500 gal MOD 101 acid w/additives. Frac'd w/ 8k# Co2/Meth foam
03/16/96	Sqz Atoka perfs 12503'-12518' w/50 sx Class 'H'. Sqz w/additional 32 sx 50/50 Micro Matrix PO2 blend cmt.
03/26/96	Perf Morrow 12827'-12837' w/4 SPF. Acdz w/1000 gal MSR150 w/additives.
04/24/96	RIH & set CIBP 12780' w/10' cmt cap.
04/25/96	RIH & set CIBP 12450'. Perf Strawn 11862'-11876' w/4 SPF (56 holes). Set pkr @ 11715' Pump 500 gal 15% HCL w/NEFE additives into perfs.
04/27/97	Squeezed Strawn perfs w/ 100 sx. Set packer @ 12351'. Perf Atoka 12503-23'. Frac w/ 56k# co2 foam.
02/23/06	Ran capillary string.
10/15/07	POOH w/capillary string.
02/06/08	Last day of production - 0 BO + 30 MCF + 0 BW.

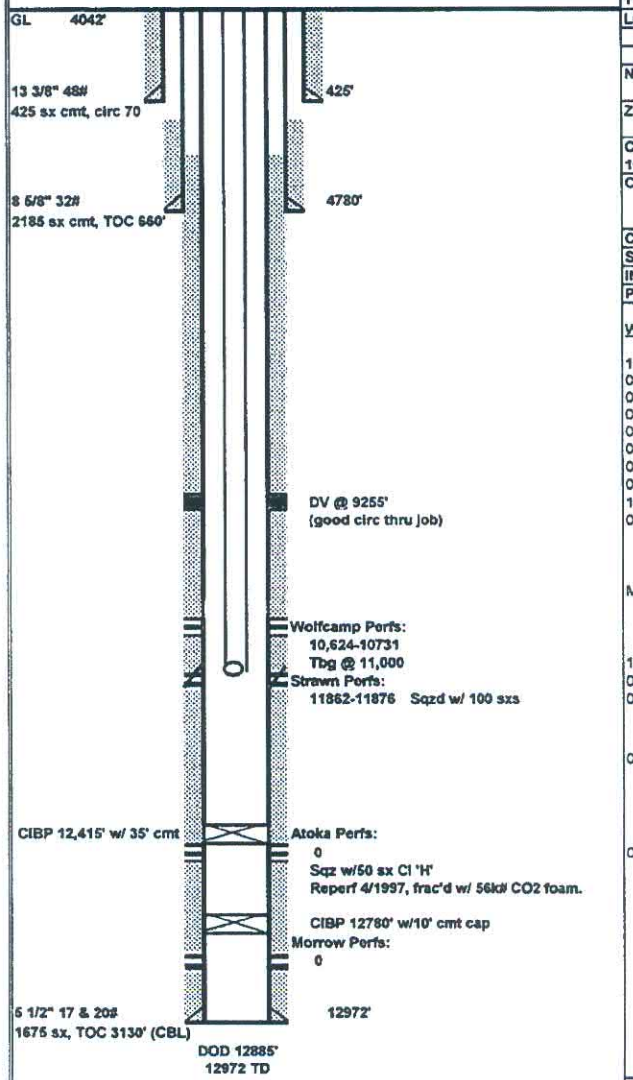
May 2007 Tubing and Packer Detail
397 joints 2-7/8" L-80 tubing (last reported, may have changed to 2-3/8")
Guiberson Uni IV 10k Pkr w/ 1.81" profile and OOT @ 12351'

1120/2010	Braden head leaking, sqz surface casing with 50+100 sxs class C.
02/08/10	Swabbing, tagged at 11741', couldn't work deeper.
02/13/10	1.5" GR tag @ 12650', 1.865" GR tight spot @ 11864' GL, @ 11884', @ 11912' and @ 11923'. Couldn't get through the last, cut line, recv'd fish next day
04/19/10	pumped 240bbls 7% dn annulus, strawn perfs appear to be broken down. Pump 24 bbls ISO-SOLV flushed w/ 10 bbls 7% KCl (assume down tubing). Tbg loaded and caught 2250# after 3 bbls isosolv. After 24 bbls isosolv had communication with tbg and csg, reversed out 130bbls 10# brine (404bwltr) SI Apparent tubing leak.
07/20/12	TA'd with CIBP @ 12415'. No drag on 4.375 GR/JB run. Press to 550 psi, chart holding, slight leak from stem of east gate valve.

PREPARED BY:	Laci Luig	CREATED:	9/11/2008	UPDATED:	C. McGehee 10/8/09

WELLBORE SCHEMATIC AND HISTORY

PROPOSED 1 - COMPLETION SCHEMATIC-



LEASE NAME: Eureka 36 State	Well # 1			API # 30-025-33184		LEASE # 309608-029
TYPE COMPLETION:	■ SINGLE			☐ DUAL		☐
LOCATION:	1980' FNL & 1650' FWL, Sec 36, T16S R34E					
TD 12972'	PBD 12463' (CIBP w/ 35' cmt)			KB 4058'		
COD	DOD			GL 4042'		
NO. PROD. WELLS ON LEASE		FLOWING		PUMPING		
		x				
ZONE TO BE WORKED ON:				CURRENT COMPLETION ZONE: Wolfcamp		
CSG. PERFS: 10624-10731 Wolfcamp				OPEN HOLE :		
CURRENT TEST (SHOW DATE)						
	GAS			OIL		
	GAS			OIL		

CASING BREAKDOWN							
SURF.	17 1/2" hole	SIZE:	13 3/8" 48#	425 sx cmt, circ 70		DEPTH	425'
INTER.	12 1/4" hole	SIZE:	8 5/8" 32#	2185 sx cmt, TOC 660'		DEPTH	4780'
PROD.	7 7/8" hole	SIZE:	5 1/2" 17 & 20#	1675 sx, TOC 3130' (CBL)	DV Tool @ 9255'	DEPTH	12972'

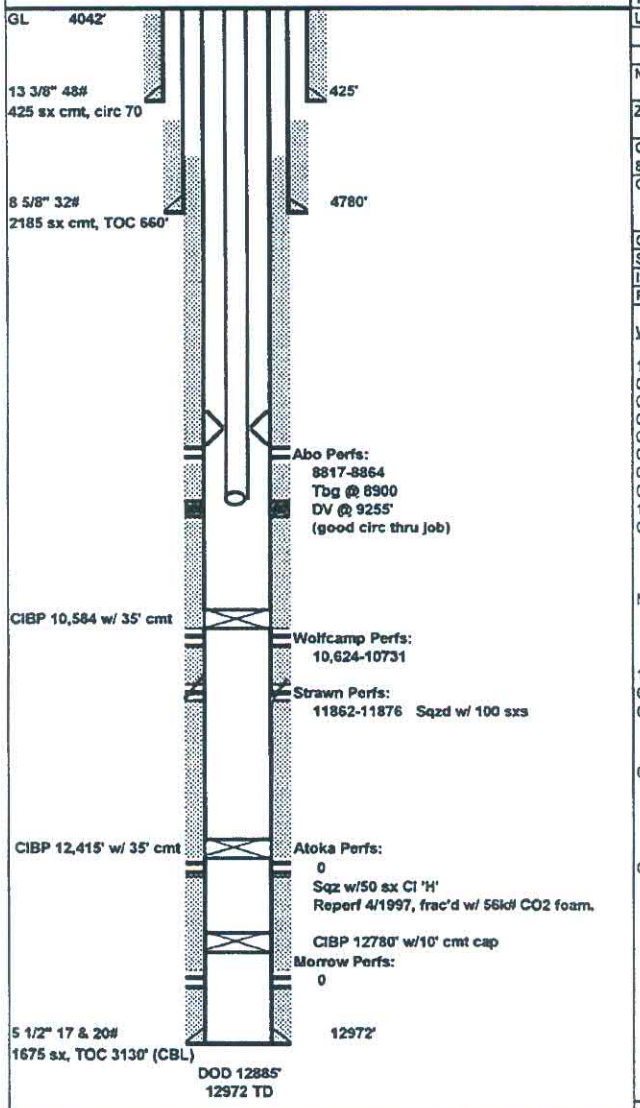
WELL HISTORY

12/07/95	Spud.
02/06/96	Perf Atoka 12503'-12518' w/4 SPF (61 holes). Acdz w/1500 gal MOD 101 acid w/additives. Frac'd w/ 8k# Co2/Meth foam
03/16/96	Sqz Atoka perfs 12503'-12518' w/50 sx Class 'H'. Sqz w/additional 32 sx 50/50 Micro Matrix PO2 blend cmt.
03/26/96	Perf Morrow 12827'-12837' w/4 SPF. Acdz w/1000 gal MSR150 w/additives.
04/24/96	RIH & set CIBP 12780' w/10' cmt cap.
04/25/96	RIH & set CIBP 12450'. Perf Strawn 11862'-11876' w/4 SPF (56 holes). Set pkr @ 11715' Pump 500 gal 15% HCL w/NEFE additives into perfs.
04/27/97	Squeezed Strawn perfs w/ 100 sx. Set packer @ 12351'. Perf Atoka 12503-23'. Frac w/ 56k# co2 foam.
02/23/06	Ran capillary string.
10/15/07	POOH w/capillary string.
02/06/08	Last day of production - 0 BO + 30 MCF + 0 BW.
May 2007	Tubing and Packer Detail
	397 joints 2-7/8" L-80 tubing (last reported, may have changed to 2-3/8")
	Guiberson Uni IV 10k Pkr w/ 1.81" profile and OOT @ 12351'
11/20/2010	Braden head leaking, sqz surface casing with 50+100 sxs class C.
02/08/10	Swabbing, tagged at 11741', couldn't work deeper.
02/13/10	1.5" GR tag @ 12650', 1.865" GR tight spot @ 11864' GL, @ 11884', @ 11912' and @ 11923'. Couldn't get through the last, cut line, recv'd fish next day
04/19/10	pumped 240bbls 7% dn annulus, strawn perfs appear to be broken down. Pump 24 bbls ISO-SOLV flushed w/ 10 bbls 7% KCl (assume down tubing). Tbg loaded and caught 2250# after 3 bbls isosolv. After 24 bbls isosolv had communication with tbg and csg, reversed out 130bbls 10# brine (404bwltr) SI
	Apparent tubing leak.
07/20/12	TA'd with CIBP @ 12415'. No drag on 4.375 GR/JB run. Press to 550 psi, chart holding, slight leak from stem of east gate valve.

PREPARED BY:	Lacl Luig	CREATED:	9/11/2008	UPDATED:	C. McGehee 10/8/09

WELLBORE SCHEMATIC AND HISTORY

PROPOSED 2- COMPLETION SCHEMATIC



LEASE NAME: Eureka 36 State	Well # 1			API # 30-025-33184	LEASE # 309608-029
TYPE COMPLETION:	■ SINGLE	☐ DUAL	☐		
LOCATION: 1980' FNL & 1650' FWL, Sec 36, T16S R34E					
TD 12972'	PBD 10584' (CIBP w/ 35' cmt)			KB 4058'	
COD	DOD			GL 4042'	
NO. PROD. WELLS ON LEASE		FLOWING		PUMPING x	
ZONE TO BE WORKED ON:				CURRENT COMPLETION ZONE: Abo	
CSG. PERFS: 8817'-8864' Abo				OPEN HOLE :	
CURRENT TEST (SHOW DATE)					
	GAS			OIL	
	GAS			OIL	

CASING BREAKDOWN							
SURF.	17 1/2" hole	SIZE:	13 3/8" 48#	425 sx cmt, circ 70		DEPTH	425'
INTER.	12 1/4" hole	SIZE:	8 5/8" 32#	2185 sx cmt, TOC 660'		DEPTH	4780'
PROD.	7 7/8" hole	SIZE:	5 1/2" 17 & 20#	1675 sx, TOC 3130' (CBL)	DV Tool @ 9255'	DEPTH	12972'

WELL HISTORY

12/07/95	Spud.
02/06/96	Perf Atoka 12503'-12518' w/4 SPF (61 holes). Acdz w/1500 gal MOD 101 acid w/additives. Frac'd w/ 8k# Co2/Meth foam
03/16/96	Sqz Atoka perfs 12503'-12518' w/50 sx Class 'H'. Sqz w/additional 32 sx 50/50 Micro Matrix PO2 blend cmt.
03/26/96	Perf Morrow 12827'-12837' w/4 SPF. Acdz w/1000 gal MSR150 w/additives.
04/24/96	RIH & set CIBP 12780' w/10' cmt cap.
04/25/96	RIH & set CIBP 12450'. Perf Strawn 11862'-11876' w/4 SPF (56 holes). Set pkr @ 11715' Pump 500 gal 15% HCL w/NEFE additives into perfs.
04/27/97	Squeezed Strawn perfs w/ 100 sx. Set packer @ 12351'. Perf Atoka 12503-23'. Frac w/ 56k# co2 foam.
02/23/06	Ran capillary string.
10/15/07	POOH w/capillary string.
02/06/08	Last day of production - 0 BO + 30 MCF + 0 BW.

May 2007 Tubing and Packer Detail
397 joints 2-7/8" L-80 tubing (last reported, may have changed to 2-3/8")
Guiberson Uni IV 10k Pkr w/ 1.81" profile and OOT @ 12351'

1120/2010	Braden head leaking, sqz surface casing with 50+100 sxs class C.
02/08/10	Swabbing, tagged at 11741', couldn't work deeper.
02/13/10	1.5" GR tag @ 12650', 1.865" GR tight spot @ 11864' GL, @ 11884', @ 11912' and @ 11923'. Couldn't get through the last, cut line, recv'd fish next day
04/19/10	pumped 240bbls 7% dn annulus, strawn perfs appear to be broken down. Pump 24 bbls ISO-SOLV flushed w/ 10 bbls 7% KCl (assume down tubing). Tbg loaded and caught 2250# after 3 bbls isosolv. After 24 bbls isosolv had communication with tbg and csg, reversed out 130bbls 10# brine (404bwltr) SI **Apparent tubing leak.**
07/20/12	TA'd with CIBP @ 12415'. No drag on 4.375 GR/JB run. Press to 550 psi, chart holding, slight leak from stem of east gate valve.

PREPARED BY: Laci Luig	CREATED: 9/11/2008	UPDATED: C. McGehee 10/8/09

Eureka 36 State Com #1
Procedure to R/C Wolfcamp C

Well Data:

KB	16' above GL
TVD	12,972' (PBTD @ 12,415')
Casing	13-3/8" 48# @ 425', 70 sxs
	8-5/8" 32# @ 4,780', 2185 sxs
	5-1/2" 17/20# @ 12,972', 1675 sxs
Tubing	389 Jts 2-3/8" 4.7# tbg
Perfs	Atoka 12,503' – 12,523'

Wolfcamp C Procedure:

1. MIRU. Have RU and operational safety meeting on location; discuss all risk and potential dangers. Check surface pressures and blow down or kill well as needed.

2. Set flowback tanks for swabbing.

3. Deliver 275 jts 2-7/8" tbg to location (see proposed tubing detail on step 48). This is approx. 8,900' of tbg. Will need to rent work string for the remaining length to get to 12,400'.

4. ND wellhead and flowline. NU 5K dual hydraulic BOP and spool.

5. Load hole with 3% KCL water and test existing plug to 2,300 psi to verify integrity.

6. PU one joint of 2-3/8" tbg and tag CIBP @ 12,415'. TOH & LD tubing (Note: possible tight spots @ 11,741', 11,800', 11,864', 11,884', 11,912', 11,923').

7. PU 2-7/8" tbg/work string w/ used 4-3/4" bit, 5-1/2" scraper and TIH to 12,400'. TOH. LD bit and scraper.

8. Set any additional cement plugs per NMOCD requirements.

Perforate

9. MU & RIH w/ 4" select fire casing guns and gamma ray on wireline.

10. Correlate gamma ray back to Halliburton Dual Laterolog dated 1/17/96.

11. Perforate 10,726'-10,624' every foot w/ 1 SPF (35 holes), 120 deg, 0.41" EHD, as follows:

Top Shot (ft)	Bottom Shot (ft)	Length (ft)	Perforations
10,726	10,731	5	5
10,706	10,716	10	10
10,693	10,698	5	5
10,652	10,655	3	3
10,640	10,648	8	8
10,636	10,638	2	2
10,624	10,628	4	4

NOTE: SHORT COLLAR LOCATED AT ~10,384'.

12. POH with perf guns and inspect to ensure all shots fired. Shut well in. RDMO wireline.

Acidize

13. PU 2-7/8" x 5" 10K Weatherford Arrow-set packer and downhole pressure gauge (for Wolfcamp test). TIH while hydrotesting work string/tbg to 8,000 psi.

14. Rig up Petroplex crew to acidize per procedure below.

15. Spot 95 gal acid across perfs from 10,624'-10,731'.

16. TOH to +/-10,560'

17. Reverse circulate 5-10 bbls to ensure no acid in the annulus.

18. PU and set packer in 16,000 lbs compression @ ± 10,560'.

19. Establish rate w/ 3% KCL.

20. Acidize perfs 10,624'-10,731' @ 7-8 BPM starting with 10,000 scf N2 followed by 1,500 gals 15% HCl w/ NE surfactant, iron reducer, and clay stabilizer. Drop 70 ball sealers spaced out evenly (approx. one ball sealer per 20 gals HCl).

21. **DO NOT EXCEEED 2325 PSI ON SURFACE.**

22. Flush well w/ 61 bbls of 3% KCL water and 1,000 scf/bbl N2 to top perf. RDMO Petroplex.

23. Record ISIP in 5, 10, and 15 minutes while SI.

Produce well

24. RU flowback iron. Flow well back at 4 BPH until it dies. Consult with Midland office to discuss well results prior to continuing.

Abo Procedure (If Wolfcamp is deemed unsuccessful):

25. Unset packer.

26. TOOH with work string & tbg, laying down packer.

27. MIRU wireline and install 5K lubricator. MU and RIH w/ 5-1/2" 10K CIBP. Set CIBP @ 10,584'. POH w/ wireline. (Set any additional cement plugs per NMOCD requirements.)

28. MU and RIH w/ dump bailer on wireline to top of CIBP @ 10,584'. Dump bail 35' of cement over CIBP. POH w/ wireline. (Make sure sufficient time is allowed for cement to set)

29. Load hole with 3% KCL water and test plug to 2,200 psi.

Perforate

30. MU & RIH w/ 4" select fire casing guns and gamma ray on wireline.

31. Correlate gamma ray back to Halliburton Dual Laterolog dated 1/17/96.

32. Perforate 8,817'-8,864' every foot w/ 1 SPF (17 holes), 120 deg, 0.41" EHD, as follows:

Top Shot (ft)	Bottom Shot (ft)	Length (ft)	Perforations
8,861	8,864	3	3
8,849	8,852	3	3
8,841	8,845	4	4
8,817	8,820	3	3

33. POH with perf guns and inspect to ensure all shots fired. Shut well in. RDMO wireline.

Acidize

34. Rig up Petroplex crew to acidize per procedure below.

35. PU 2-7/8" x 5" 10K Weatherford Arrow-set packer. TIH to bottom perf hydrotesting tbg/work string to 8,000 psi.

36. Spot 41 gals of acid across perfs from 8,820'-8,864'.

37. TOH to +/- 8,760'.

38. Reverse circulate 5-10 bbls to ensure no acid in the annulus.

39. PU and set packer in 13,000 lbs compression @ ± 8,760'.

40. Establish rate w/ 51 bbls of 3% KCL.

41. Acid frac perfs 8,817'-8,864' @ 7-8 BPM starting with 500 gals non-emulsifying 15% HCl acid and 20,000 gals of 15% CRA HCl. Drop 34 ball sealers spaced out evenly (approx. one ball sealer per 600 gals HCl). – Fracture pressure is 6350 psi down hole (approx. 2250 psi surface)

42. Flush well w/ 51 bbls of 3% KCL water to top perf. RDMO Petroplex.

Produce well

43. Swab well.

44. Turn the well into the battery when oil production starts. Flow well back until either sufficient production data is achieved or the well dies.

45. Set 912 pumping unit.

46. Deliver rods to location (see proposed rod detail below).

47. Release frac tanks and flow back equipment.

48. RU pulling unit.

49. Release packer and TOH w/ work string and Weatherford Arrowset Packer. LD packer assembly and 2-7/8" work string. (contact Mark Martino/Paul Stock before sending tubing off location) PU and TIH w/ the following tubing BHA. Set TAC in 17 pts tension.

Tubing Detail (Proposed)
Eureka 36 State #1

KB Correction 16

Quantity	Description	Length	Setting Depth
273	2-7/8" 6.5# L-80 8rd EUE Tubing	8872.50	8888.50
1	5" X 2-7/8" TAC	2.35	8890.85
1	2-7/8" 6.5# L-80 8rd EUE Tubing	32.50	8923.35
1	2-7/8" Mechanical SN	1.10	8924.45
1	2 7/8" 6.5# L-80 tubing sub	2.40	8926.85
1	2-7/8" Echometer Gas Separator	5.10	8931.95
1	2-7/8" 6.5# L-80 8rd EUE Tubing	32.50	8964.45
1	2-7/8" bull plug	3.00	8967.45

50. ND 5K BOP and spool, NU B-5 flange adapter and flowline.

51. TIH w/ the following rod BHA:

Rod Detail (Proposed)

Eureka 36 State #1

Quantity	Description	Length	Setting Depth
1	1-1/2 x 30' SMPR	30.00	30.00
114	1" WFT HD Rods	2,850.00	2880.00
114	7/8" WFT HD Rods	2,850.00	5730.00
113	3/4" WFT HD Rods	2,825.00	8555.00
13	1-1/2" Grade C Sinker Bars	325.00	8880.00
1	2-1/2" x 1-1/4" x 30' RHBC Pump	30.00	8910.00

52. Space out rods, subs, and PR. Load and test tubing to 500 psi.

53. Install horsehead, polish rod and stuffing box.

54. Put unit in the long hole (168" Stroke), turn on, and run unit at 7.0 SPM.

55. RDMO WSU and return well to production.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 3/10/21

☒ Original
☐ Amended - Reason for Amendment:

Operator & OGRID No.: SPECIAL ENERGY CORPORATION-138008

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Eureka 36 State #1	30-025-33184	F-36-16S-34E	1980' FNL & 1650' FWL	200		
Eureka 36 State #2	30-025-36389	N-36-16S-34E	810' FSL & 1860' FWL	15		

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to DCP and will be connected to DCP low/high pressure gathering system located in LEA County, New Mexico. It will require 3420' of pipeline to connect the facility to low/high pressure gathering system. Operator provides (periodically) to Gas Transporter a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, SPECIAL ENERGY and DCP have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at DCP Processing Plant located in Sec. 19, Twn. 19S, Rng. 32E, LEA County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on DCP system at that time. Based on current information, it is Operator's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
  - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
  - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
  - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 22455

CONDITIONS OF APPROVAL

Operator:	OGRID:	Action Number:	Action Type:
SPECIAL ENERGY CORP P.O. Drawer 369 Stillwater, OK74076	138008	22455	APD

OCD Reviewer	Condition
pkautz	REQUIRES NSL for ABO pool & WC pool see R-3206 & R-2421