

Submit 1 Copy to Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

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

WELL API NO. API 30-25-44288
5. Indicate Type of Lease STATE ☐ FEE ☒
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name
8. Well Number SWD 1728-A
9. OGRID Number 372603
10. Pool name or Wildcat Devonian (96101)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3707

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
3Bear Field Services LLC

3. Address of Operator
1512 Larimer Street, Suite 5400 Denver, CO 80202

4. Well Location
Unit Letter H : 2510 feet from the North line and 710 feet from the East line
Section 26 Township 20S Range 34E NMPM Lea County

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 ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

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

This notice is an update to the remedial work outlined in 3Bear's C-103 submitted on 6/16/2021. And outlines a proposed revised remedial work planned based on conditions found.

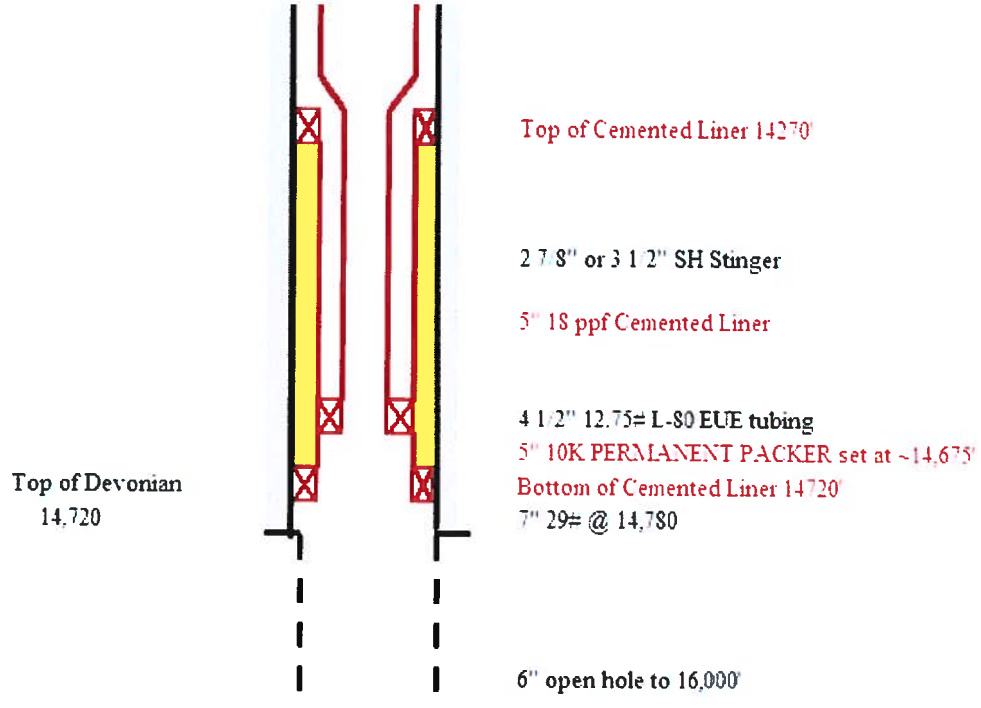
The Libby Berry SWD #1 work over commenced on 6/22/21 with the intention of remediating the A annulus pressure between the 7" casing and 4 1/2" tubing. Preliminary diagnostics determined the leak to be deep so the plan was to pull the completion and determine integrity of tubing, on/off and packer.

The tubing and packer were recovered and showed significant external corrosion which led to a concern about the condition of the 7" casing. A 60-arm caliper and metal thickness casing inspection log were ran to confirm this suspicion which showed minor pitting in the lower ~225' of casing from 14545' – 14780. Significant corrosion from 14470 – 14545' and some additional minor pitting from 14380 – 14470'. Log attached.

To ensure a long-term remedial solution, 3Bear proposes to run a cemented liner that will cover the entire compromised area from 14270 – 14720' a total of 450'. Baker tech drawing attached. Once the liner is successfully installed, a permanent packer will be set inside the cemented portion of the liner and a subsequent coated injection string run and landed into the permanent packer. The casing will be tested as per commission requirements prior to reinstating injection.

Please see the attachments submitted with this form.

- Current Well Bore Diagram
- Proposed Liner Well Bore Diagram
- Casing Inspection Log that shows the part of the casing that is compromised (submitted as separate file)
- Cementing Plan for the Liner
- Proposed Well Completion



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  TITLE Director, EHS Regulatory Compliance DATE 7/2/2021

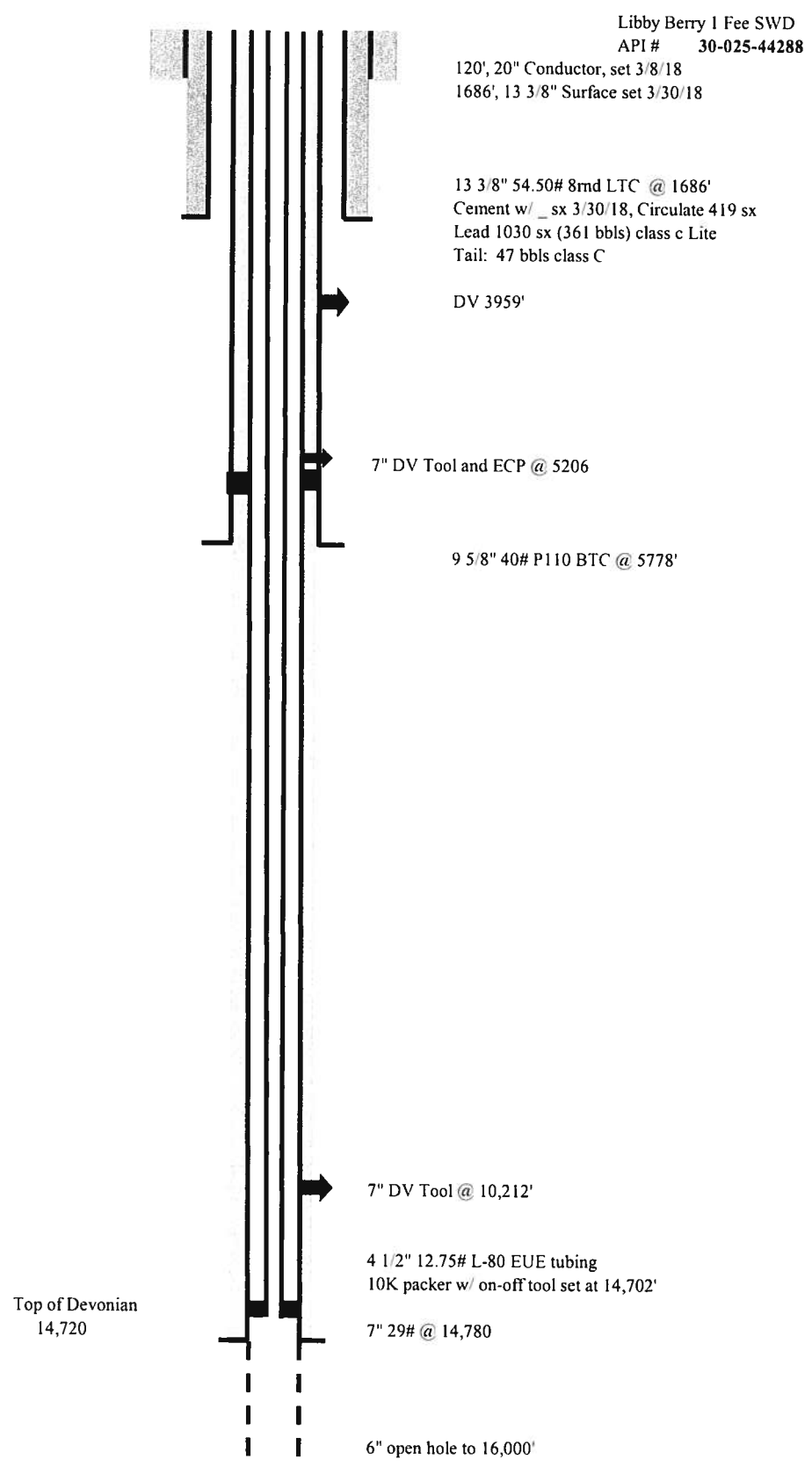
Type or print name Elisabeth Klein E-mail address: lklein@3bearllc.com PHONE: 303-882-4404
For State Use Only

APPROVED BY:  TITLE UIC Manager DATE 07/09/2021

Conditions of Approval (if any):

3Bear Field Services, LLC

CURRENT WELL BORE DIAGRAM



3Bear Field Services, LLC

PROPOSED LINER WELL BORE DIAGRAM

Libby Berry 1 Fee SWD
API # 30-025-44288

120', 20" Conductor, set 3/8/18
1686', 13 3/8" Surface set 3/30/18

13 3/8" 54.50# 8rmd LTC @ 1686'
Cement w/ _ sx 3/30/18, Circulate 419 sx
Lead 1030 sx (361 bbls) class c Lite
Tail: 47 bbls class C

DV 3959'

7" DV Tool and ECP @ 5206

9 5/8" 40# P110 BTC @ 5778'

7" DV Tool @ 10,212'

Top of Cemented Liner 14270'

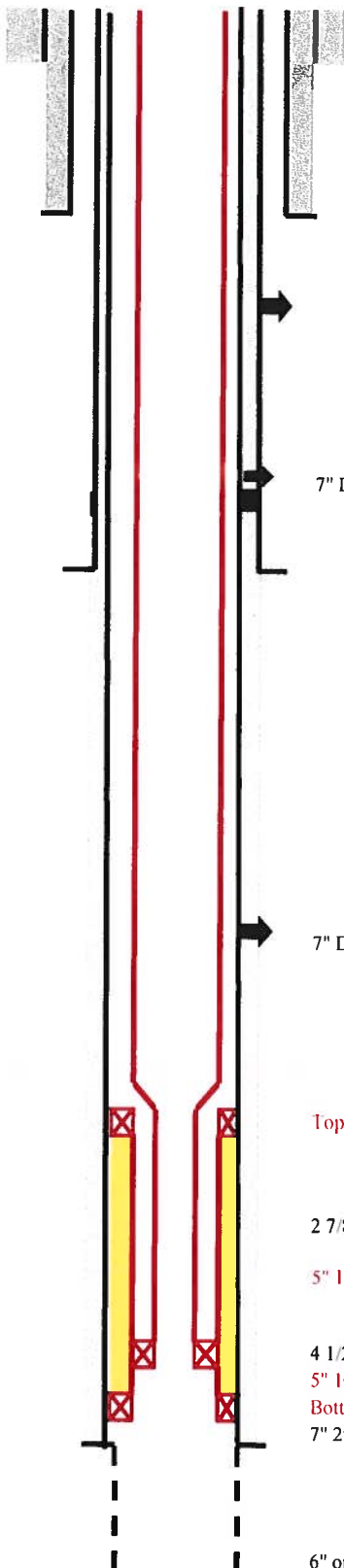
2 7/8" or 3 1/2" SH Stinger

5" 18 ppf Cemented Liner

4 1/2" 12.75# L-80 EUE tubing
5" 10K PERMANENT PACKER set at ~14,675'
Bottom of Cemented Liner 14720'
7" 29# @ 14,780

Top of Devonian
14,720

6" open hole to 16,000'



HALLIBURTON

3 BEAR DELAWARE OPERATING - NM LLC-
DONOTMAIL-1512 LARIMER ST STE 540
DENVER, CO, 80202
US

LIBBY BERRY FEE SWD 1
SWD
LEA County, NM, US
API/UWI 30-025-44288-00
SEC: 26,TWP: 20,RNG: 34

Cementing Cost Estimate

Proposal 408867 - Version 1.0
July 02, 2021

Submitted by:
Tory Simpson
125 W Missouri Ave Ste 300
Midland, TX - 797015204
USA

HALLIBURTON

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*Halliburton appreciates the opportunity to present
this cost estimate and looks forward to being of service to you.*

1 Foreword

Permian Basin Area Wide Cementing Services
1-432-571-8744

Cementing:

Adam Strong
Kayla Janowski
Lucas Ginanni
Haytham Abou El Hoda
Chris Soto
James Elliott

Casing Attachments:

Steven Beckworth
Rene Lopez

Submitted by :

Tory Simpson, Account Representative

Cementing Best Practices

1. **Cement quality and weight:** You must choose cement slurry that is designed to solve the problems specific to each string of pipe.
2. **Waiting time:** You must hold the cement slurry in place and under pressure until it hardens. Cement slurry is a time-dependent liquid and must be allowed to undergo a hydration reaction to produce a competent cement sheath. Fresh cement slurry can be worked (thickening or pump time) as long as it is plastic, and the initial set of cement occurs during the rapid reaction stage. If the cement is not allowed to hydrate; it will be subject to changes in density, dilution, settling, water separation, and gas cutting that can lead to lack of zonal isolation with resultant bridging in the annulus.
3. **Pipe movement:** Pipe movement may be one of the single most influential factors in mud removal. Reciprocation and/or rotation mechanically breaks up gelled mud and constantly changes the flow patterns in the annulus for better cement bonding.
4. **Mud properties:** Plastic viscosity (PV) should be less than 15 centipoise (cp), and less than 10 cp, if possible, yield point (YP) should be less than 10 pound/100-square feet (lb/100 ft²) decreasing down to about 5 lb/100 ft².
5. **Mud gel strength:** A nonthixotropic mud is desirable for good mud removal. Mud left in the hole prior to running casing should have 10-second/10-minute/30-minute gel strength such that the 10-minute is less than double the 10-second and the 30-minute is less than 20 lb/100 ft²). Sufficient shear strength may not be achieved on a primary cement job to remove mud left in the hole should the mud develop more than 25 lb/100 ft².
6. **Mud fluid loss:** Decreasing the filtrate loss into a permeable zone enhances the creation of a thin filter cake. This increases the fluid mud in the hole, which is more easily removed. Generally, an API fluid loss of 7 or 8 milliliter (ml) is sufficient with high-temperature/high-pressure fluid loss (HTHP) no more than double this amount.
7. **Circulation:** Circulate bottoms up twice, or until well conditioned mud is being returned to the surface. There should be no cuttings in the mud returns. An annular velocity of 260 feet per minute is optimum (SPE/IADC 18617), if possible.
8. **Flow rate:** Turbulent flow is more desirable flow regime for mud removal. If turbulence cannot be achieved, better mud removal is found when maximum flow energy is used. The maximum pump rate should be determined to obtain the best flow regime.
9. **Hole size:** The optimum hole size recommended for good mud removal is 1.5 to 2 inches larger than the casing or liner size. Hole sizes larger than 2 inches annular space can be dealt with, but those that are smaller than 1.5 inches present difficult problems.
10. **Pipe Centralization:** This helps to create a uniform flow area perpendicular to flow direction. Cement will take the path of least resistance so that centralization is important in keeping the pipe off the walls of the hole. At least a 70 percent standoff should be achieved for centralization.
11. **Rat hole:** When applicable, a weighted viscous pill in the rat hole prevents cement from swapping with lighter weight mud when displacement stops.
12. **Shoe joint:** A shoe joint is recommended on all primary casings and liners. The length of the shoe joint will vary, although the absolute minimum length is one joint of pipe. If conditions exist, such as not running a bottom plug, two joints should be the minimum length.

2 ReCement

2.1 Job Information ReCement

Job Criticality Status: GREEN

Well Name: LIBBY BERRY FEE SWD

Well #: 1

7" Casing 0 - 14,780 ft (MD)

Outer Diameter	7 in
Inner Diameter	6.184 in
Linear Weight	29 lbm/ft
Excess Factor	150 %

4.5" Tubing 0 - 14,270 ft (MD)

Outer Diameter	4.5 in
Inner Diameter	3.958 in
Linear Weight	12.75 lbm/ft

2-7/8" Innerstring 14,270 - 14,675 ft (MD)

Outer Diameter	2.875 in
Inner Diameter	2.469 in
Linear Weight	6.45 lbm/ft

5" Liner 14,270 - 14,720 ft (MD)

Outer Diameter	5 in
Inner Diameter	4.276 in
Linear Weight	18 lbm/ft

Refrac Liner Top - 14,270 ft (MD)

Additional hours will be charged after 8 hours on location at \$1500/hr. Time will be calculated from the call out time until the plug is bumped.

2.2 Job Volume Estimates ReCement**Stage 1**

Fluid 1: Spacer Sweep

Tuned Defense Cement Spacer

33.625 gal/bbl FRESH WATER

162.167 lbm/bbl Barite

0.5 lbm/bbl FE-2

0.5 gal/bbl D-AIR 3000L

Fluid Density: 10 lbm/gal

Volume: 20 bbl

Fluid 2: Tail Slurry

NeoCem TM

2 Gal/sk Latex-3000

Fluid Weight: 13.2 lbm/gal

Slurry Yield: 1.436 ft³/sack

Total Mixing Fluid: 7.33 Gal/sack

Calculated Volume: 14.5 bblProposed Volume: **14.5 bbl**

Top Of Fluid: 14,270 ft

Calculated Fill: 450 ft

Calculated sack: 56.58 sack

Proposed sack: 60 sack

Fluid 3: Water Based Spacer

Displacement

Fluid Density: 8.4 lbm/gal

Volume: 220.4 bbl

2.3 Cost Estimate

Mtrl Nbr	Description	Qty	UOM	Net Amount
7525	CMT PRODUCTION LINER BOM 7525	1.00	JOB	0.00
Equipment, Services, and Personnel				
1	ZI-MILEAGE FROM NEAREST HES BASE,/UNIT Number of Units	240.00 2	MI	2,349.60
2	MILEAGE FOR CEMENTING CREW Number of Units	240.00 1	MI	691.20
3965	HANDLE&DUMP SVC CHRGR, CMT&ADDITIVES,ZI Unit of Measurement NUMBER OF EACH	60.00 EA 1	CF	164.70
76400	MILEAGE,CMT MTLs DEL/RET MIN NUMBER OF TONS	120.00 4.528	MI	910.13
1148241	CMT PRODUCTION LINER JOB CHARGE	1.00	JOB	13,000.00
	SubTotal			17,115.63
Materials				
1094834	SBM TUNED DEFENSE CEMENT SPACER SYS	20.00	BBL	3,626.00
100003681	CHEM, BARITE, BULK Barite	33.00	SK	256.33
100001615	CHEM, FE-2 FE-2	10.00	LB	5.95
101007444	CHEM, D-AIR 3000L, 5 GAL PAIL D-AIR 3000L	10.00	GAL	351.37
984579	SBM CEM NEOCEM™ TAIL	15.00	BBL	6,750.00
	SubTotal			10,989.65
	Total Net Amount	USD		28,105.28

Mtrl Nbr	Description	Qty	UOM	Net Amount
Optional Charge				
22	ADDITIONAL HOURS (PUMPING EQUIPMENT), ZI Additional hours begin after 8 hours on location [Non-HES Delay] Number of Units	1.00 1	H	1,500.00

Primary Plant: Odessa TX, USA
Secondary Plant: Odessa TX, USA

Price Book Ref: 27 - PERMIAN BASIN
Price Date: 07/01/2021

3 Conditions

The cost in this analysis is good for the materials and/or services outlined within and shall be valid for 30 days from the date of this proposal. In order to meet your needs under this proposal with a high quality of service and responsive timing, Halliburton will be allocating limited resources and committing valuable equipment and materials to your area of operations. Accordingly, the discounts reflected in this proposal are available only for materials and services awarded on a first-call basis. Alternate pricing may apply in the event that Halliburton is awarded work on any basis other than as a first-call provider.

The unit prices stated in the proposal are based on our current published prices. The projected equipment, personnel, and material needs are only estimates based on information about the work presently available to us. At the time the work is actually performed, conditions then existing may require an increase or decrease in the equipment, personnel, and/or material needs. Charges will be based upon unit prices in effect at the time the work is performed and the amount of equipment, personnel, and/or material actually utilized in the work. Taxes, if any, are not included. Applicable taxes, if any, will be added to the actual invoice.

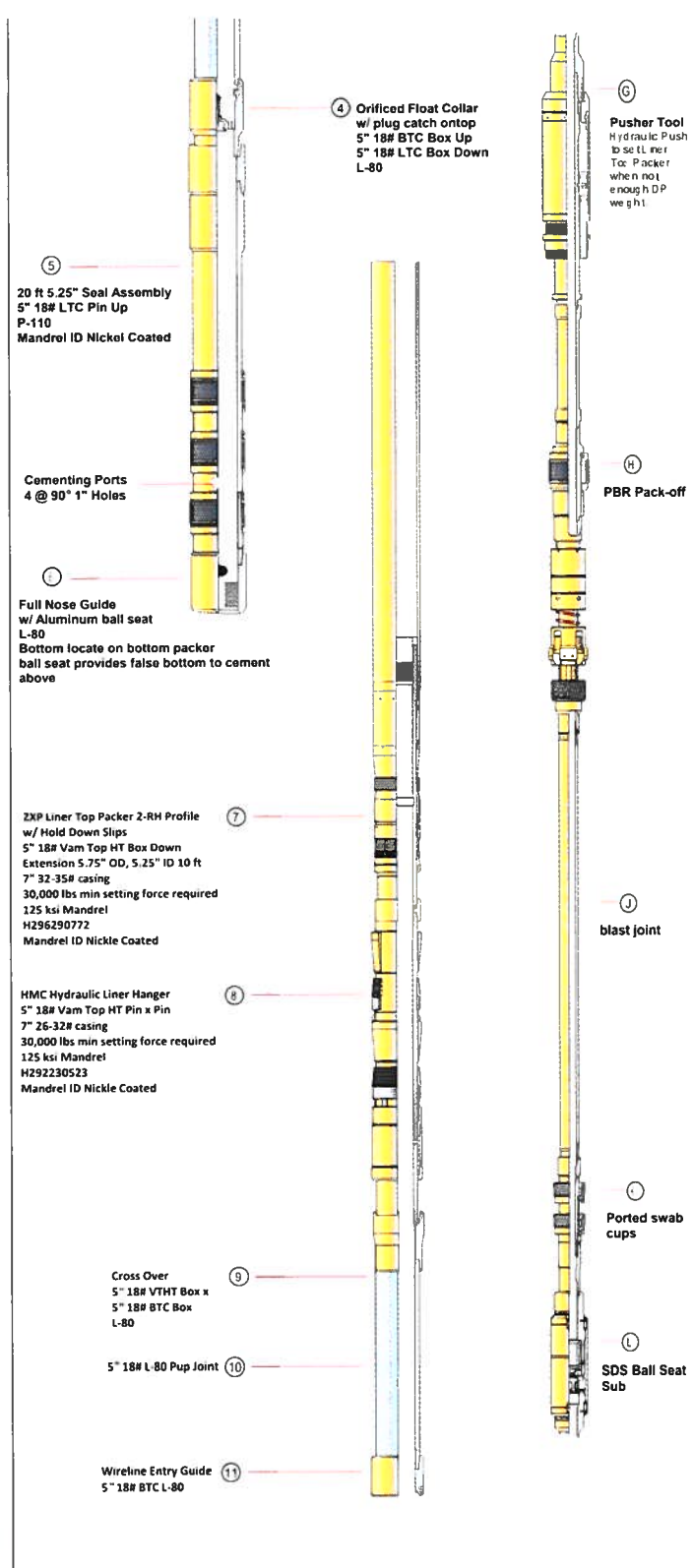
It is understood and agreed between the parties that with the exception of the subject discounts, all services performed and equipment and materials sold are provided subject to Halliburton's General Terms and Conditions contained in our current price list, (which include LIMITATION OF LIABILITY and WARRANTY provisions), and pursuant to the applicable Halliburton Work Order Contract (whether or not executed by you), unless a Master Service and/or Sales Contract applicable to the services, equipment, or materials supplied exists between your company and Halliburton, in which case the negotiated Master Contract shall govern the relationship between the parties. A copy of the latest version of our General Terms and Conditions is available from your Halliburton representative or at: <http://www.halliburton.com/terms> for your convenient review, and we would appreciate receiving any questions you may have about them. Should your company be interested in negotiating a Master Contract with Halliburton, our Law Department would be pleased to work with you to finalize a mutually agreeable contract. In this connection, it is also understood and agreed that Customer will continue to execute Halliburton usual field work orders and/or tickets customarily required by Halliburton in connection with the furnishing of said services, equipment, and materials.

Any terms and conditions contained in purchase orders or other documents issued by the customer shall be of no effect except to confirm the type and quantity of services, equipment, and materials to be supplied to the customer.

If customer does not have an approved open account with Halliburton or a mutually executed written contract with Halliburton, which dictates payment terms different than those set forth in this clause, all sums due are payable in cash at the time of performance of services or delivery of equipment, products, or materials. If customer has an approved open account, invoices are payable on the twentieth day after date of invoice.

Customer agrees to pay interest on any unpaid balance from the date payable until paid at the highest lawful contract rate applicable, but never to exceed 18% per annum. In the event Halliburton employs an attorney for collection of any account, customer agrees to pay attorney fees of 20% of the unpaid account, plus all collection and court costs.

Released to Imaging: 7/9/2021 4:40:29 PM



Proposed Well Completion
Customer: 3 Bear



Date: 6/29/2021

Country: USA

Field: Permian

Sales Rep: Tommy Nivens

Prepared For: Don Amos

Lease:

Drawn By: Logan Clark / Chelsea Kadler

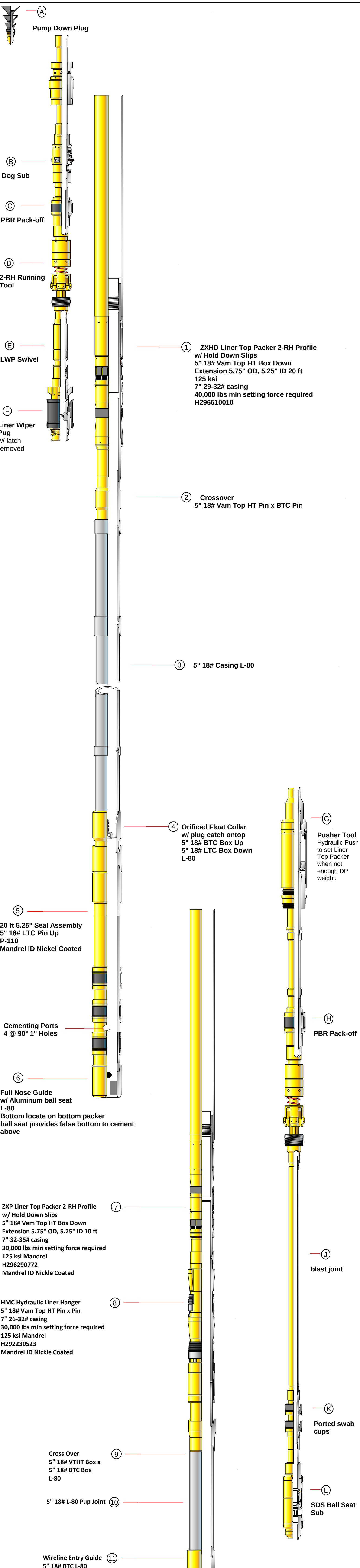
Quotation No.

Well No. Libby Berry Fee SWD #1

Drawing No. No #1

Well Schematic

Description



District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

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811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

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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 34797

CONDITIONS

Operator: 3BEAR FIELD SERVICES, LLC 1512 Larimer St, Suite 540 Denver, CO 80202	OGRID: 372603
	Action Number: 34797
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
pgoetze	Subject to like approval by the BLM.	7/9/2021