

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. 30-025-30147
5. Indicate Type of Lease STATE [ ] FEE [ ]
6. State Oil & Gas Lease No. V00654
7. Lease Name or Unit Agreement Name State 2
8. Well Number #1
9. OGRID Number 142072
10. Pool name or Wildcat "Shipp" Strawn
11. Elevation (Show whether DR, RKB, RT, GR, etc.) RKB = 3768'

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 [x] Gas Well [ ] Other [ ]
2. Name of Operator KP KAUFFMAN COMPANY INC
3. Address of Operator 1675 BROADWAY, STE 2800 DENVER, CO 80202
4. Well Location Unit Letter 530 feet from the North line and 660 feet from the East line
Section 2 Township 17S Range 37E NMPM County Lea
11. Elevation (Show whether DR, RKB, RT, GR, etc.) RKB = 3768'

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

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [x]
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.

KPK is proposing to plug and abandon the State 2 #1. This well was completed in the Paddock in 2019 and no commercial production has been established. The well is currently plugged back with a CIBP @ 7000' with 4sx of cement on top. Spot 25 sx Class C

To plug the well, KPK is proposing setting a CIBP above the Paddock perforations @ 6690' with 4sx cement on top. Then KPK will perf @ 4222', set a CIBP @ 4172' and pump 38 sx of cement. Finally, we will perforate at 50' and pump 14 sx of cement to fill inside the 5 1/2" casing as well as the annulus between the 8 5/8" casing and the 5 1/2" casing. A current wellbore diagram and an intended P&A wellbore diagram have been attached to this form. P&S 50 sx Class C 450'

KPK expects to commence operations by 10/31/2021. P&S 100 sx Class C 150' circ cement to surface all strings

Note changes to procedure

4" dia 4' tall above ground marker

See attached conditions of approval

Spud Date: [ ]

Rig Release Date: [ ]

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

Type or print name Lily Clark E-mail address: lclark@kpk.com PHONE: 303-825-4822

**For State Use Only**

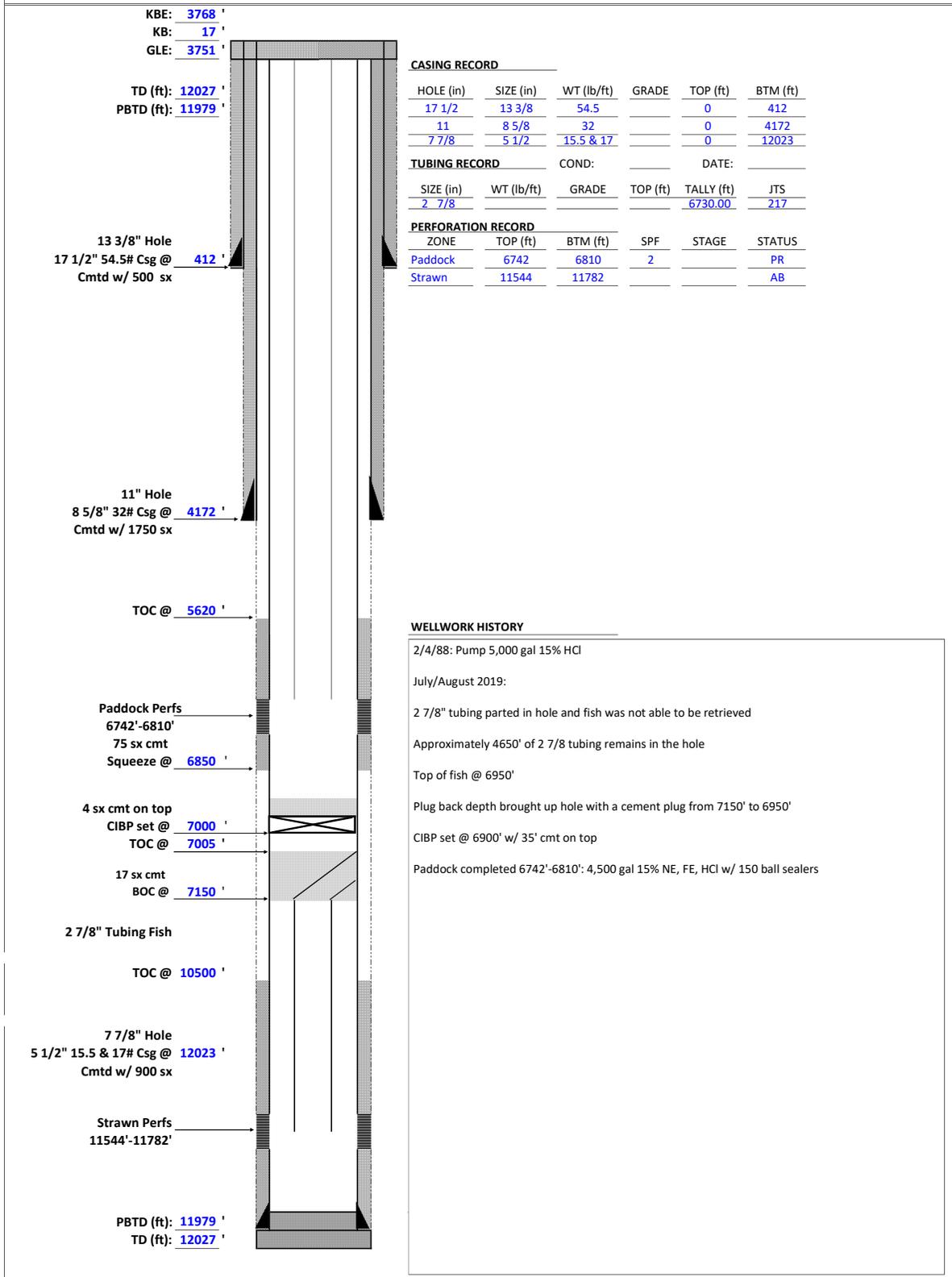
APPROVED BY: Kerry Fortner TITLE Compliance Officer A DATE 10/25/21  
Conditions of Approval (i)

OPERATOR: K.P. Kauffman Company Inc.  
 WELL: State #2-1  
 FIELD: \_\_\_\_\_  
 API # 30-025-30147  
 LEASE #: V00654  
 UIC #: \_\_\_\_\_

CNTY: Lea  
 STATE: NM  
 SPUD: 11/29/1987  
 COMP: 2/4/1988  
 STATUS: PR  
 WBD DATE: 8/30/2021

FTG: \_\_\_\_\_  
 Q-Q: NENE  
 SEC.: 2  
 TWS: 175  
 RGE: 37E  
 BY: \_\_\_\_\_

**CURRENT WELLBORE DIAGRAM**

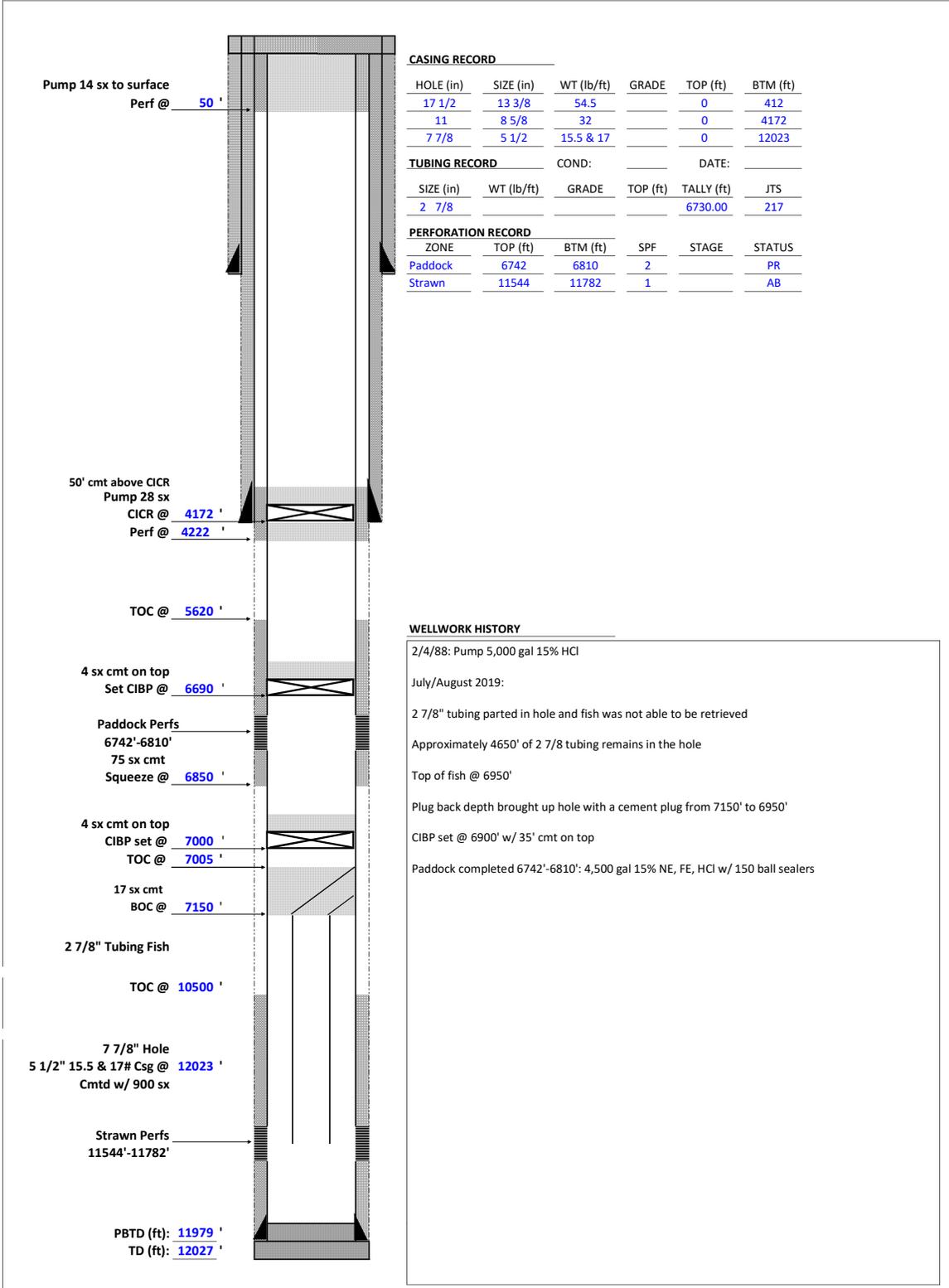


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FTG: \_\_\_\_\_  
 Q-Q: NENE  
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 TWS: 17S  
 RGE: 37E  
 BY: \_\_\_\_\_

**PROPOSED P&A WELLBORE DIAGRAM**



Well Name: State 2 #1

API: 30-025-30147

Operator: K.P. Kauffman Company Inc.

Document: Plugging Plan

KPK is proposing to plug and abandon the State 2 #1. This well was completed in the Paddock in 2019 and no commercial production has been established. The well is currently plugged back with a CIBP @ 7000' with 4sx of cement on top.

To plug the well, KPK is proposing setting a CIBP above the Paddock perforations @ 6690' with 4 sx cement on top. Then KPK will perf @ 4222', set a CICR @ 4172' and pump 28 sx of cement. Finally, we will perforate at 50' and pump 14 sx of cement to fill inside the 5 1/2" casing as well as the annulus between the 8 5/8" casing and the 5 1/2" casing. A current wellbore diagram and an intended P&A wellbore diagram have been attached to this form.

KPK expects to commence operations by 10/31/2021.

**CONDITIONS OF APPROVAL  
FOR PLUGGING AND ABANDONMENT  
OCD - Southern District**

The following is a guide or checklist in preparation of a plugging program, this is not all inclusive and care must be exercised in establishing special plugging programs in unique and unusual cases, Notify NMOCD District Office I (Hobbs) at **(575)-263-6633** at least 24 hours before beginning work. After MIRU rig will remain on well until it is plugged to surface. OCD is to be notified before rig down.

**Company representative will be on location during plugging procedures.**

1. A notice of intent to plug and abandon a wellbore is required to be approved before plugging operations are conducted. A cement evaluation tool is required in order to ensure isolation of producing formations, protection of water and correlative rights. A cement bond log or other accepted cement evaluation tool is to be provided to the division for evaluation if one has not been previously run or if the well did not have cement circulated to surface during the original casing cementing job or subsequent cementing jobs. Insure all bradenheads have been exposed, identified and valves are operational prior to rig up.
2. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to a permitted disposal location.
3. Trucking companies being used to haul oilfield waste fluids to a disposal - commercial or private- shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator as well as the contractor, to verify that this permit is in place prior to performing work. Drivers shall be able to produce a copy upon request of an NMOCD Field inspector.
4. Filing a subsequent C-103 will serve as notification that the well has been plugged.
5. A final C-103 shall be filed (and a site inspection by NMOCD Inspector to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to Meet NMOCD standards) before bonding can be released.
6. If work has not begun within 1 Year of the approval of this procedure, an extension request must be file stating the reason the well has not been plugged.
7. Squeeze pressures are not to exceed 500 psi, unless approval is given by NMOCD.
8. Produced water will not be used during any part of the plugging operation.
9. Mud laden fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
10. All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
11. Class 'C' cement will be used above 7500 feet.
12. Class 'H' cement will be used below 7500 feet.
13. A cement plug is required to be set 50' above and 50' below, casing stubs, DV tools, attempted casing cut offs, cement tops outside casing, salt sections and anywhere the casing is perforated, these plugs require a 4 hour WOC and then will be tagged
14. All Casing Shoes Will Be Perforated 50' below shoe depth and Attempted to be Squeezed, cement needs to be 50' above and 50' Below Casing Shoe inside the Production Casing.
16. When setting the top out cement plug in production, intermediate and surface casing, wellbores should remain full at least 30 minutes after plugs are set
17. A CIBP is to be set within 100' of production perforations, capped with 100' of cement, WOC 4 hours and tag.
18. A CIBP with 35' of cement may be used in lieu of the 100' plug if set with a bailer. This plug will be placed within 100' of the top perforation, (WOC 4 hrs and tag).

19. No more than 3000' is allowed between cement plugs in cased hole and 2000' in open hole.
20. Some of the Formations to be isolated with cement plugs are: These plugs to be set to isolate formation tops
- A) Fusselman
  - B) Devonian
  - C) Morrow
  - D) Wolfcamp
  - E) Bone Springs
  - F) Delaware
  - G) Any salt sections
  - H) Abo
  - I) Glorieta
  - J) Yates.
  - K) Potash---(In the R-111-P Area (Potash Mine Area),  
A solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, WOC 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.

21. If cement does not exist behind casing strings at recommended formation depths, the casing can be cut and pulled with plugs set at recommended depths. If casing is not pulled, perforations will be shot and cement squeezed behind casing, WOC and tagged. These plugs will be set 50' below formation bottom to 50' above formation top inside the casing.

### **DRY HOLE MARKER REQUIREMENTS**

The operator shall mark the exact location of the plugged and abandoned well with a steel marker not less than four inches in diameter, 3' below ground level with a plate of at least ¼" welded to the top of the casing and the dry hole marker welded on the plate with the following information welded on the dry hole marker:

1. Operator name
2. Lease and Well Number
3. API Number
4. Unit letter
5. Quarter Section (feet from the North, South, East or West)
6. Section, Township and Range
7. Plugging Date
8. County

### **SPECIAL CASES -----AGRICULTURE OR PRARIE CHICKEN BREEDING AREAS**

In these areas, a below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to NMOCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to NMOCD (We typically require a current survey to verify the GPS)

### **SITE REMEDIATION DUE WITHIN ONE YEAR OF WELL PLUGGING COMPLETION**

Well Name: State 2 #1

API: 30-025-30147

Operator: K.P. Kauffman Company Inc.

Document: Plugging Plan

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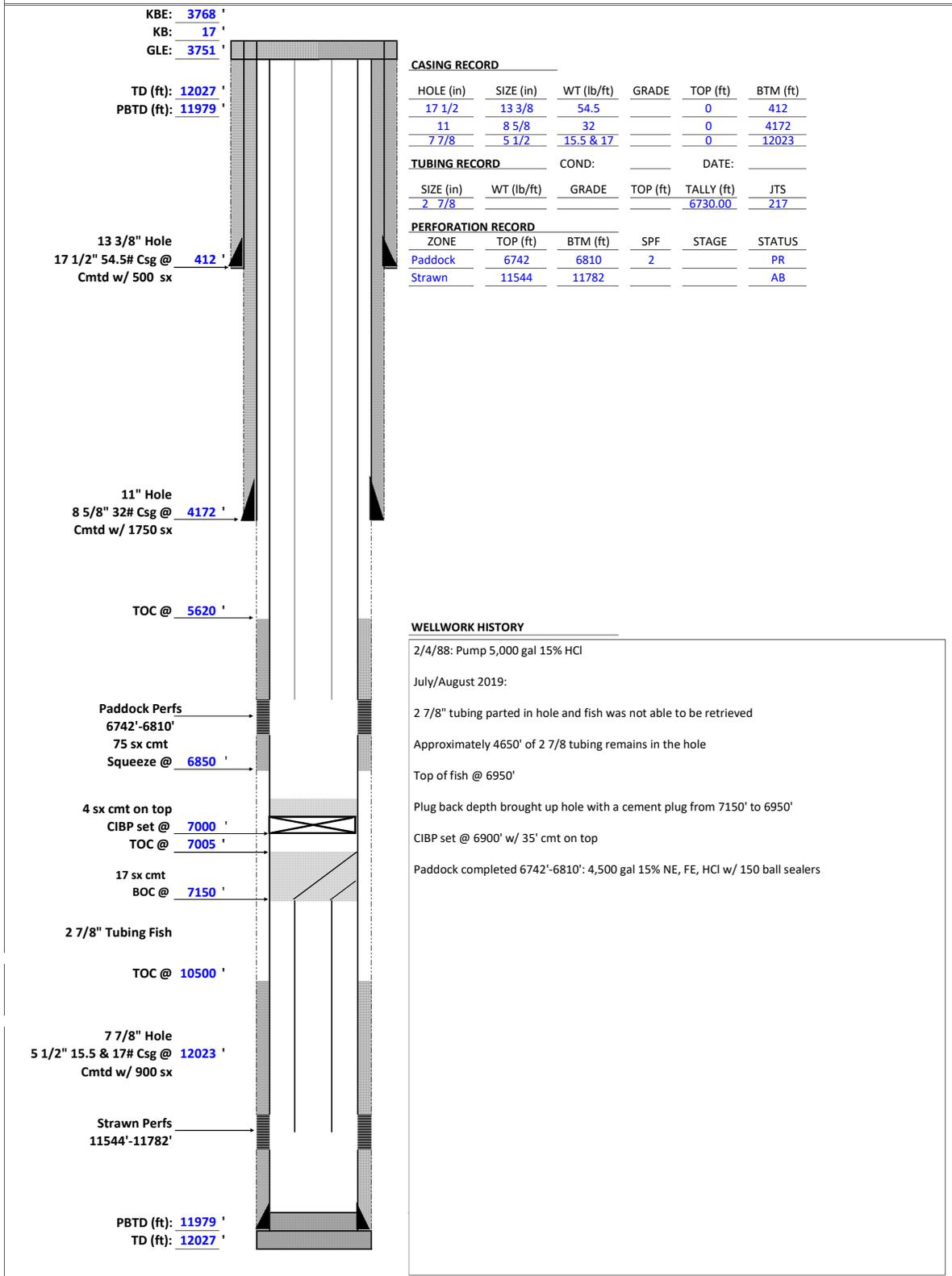
KPK expects to commence operations by 10/31/2021.

OPERATOR: K.P. Kauffman Company Inc.  
 WELL: State #2-1  
 FIELD: \_\_\_\_\_  
 API # 30-025-30147  
 LEASE #: V00654  
 UIC #: \_\_\_\_\_

CNTY: Lea  
 STATE: NM  
 SPUD: 11/29/1987  
 COMP: 2/4/1988  
 STATUS: PR  
 WBD DATE: 8/30/2021

FTG: \_\_\_\_\_  
 Q-Q: NENE  
 SEC.: 2  
 TWS: 175  
 RGE: 37E  
 BY: \_\_\_\_\_

**CURRENT WELLBORE DIAGRAM**



**CASING RECORD**

HOLE (in)	SIZE (in)	WT (lb/ft)	GRADE	TOP (ft)	BTM (ft)
17 1/2	13 3/8	54.5		0	412
11	8 5/8	32		0	4172
7 7/8	5 1/2	15.5 & 17		0	12023

**TUBING RECORD**

SIZE (in)	WT (lb/ft)	GRADE	TOP (ft)	TALLY (ft)	JTS
2 7/8				6730.00	217

**PERFORATION RECORD**

ZONE	TOP (ft)	BTM (ft)	SPF	STAGE	STATUS
Paddock	6742	6810	2		PR
Strawn	11544	11782			AB

**WELLWORK HISTORY**

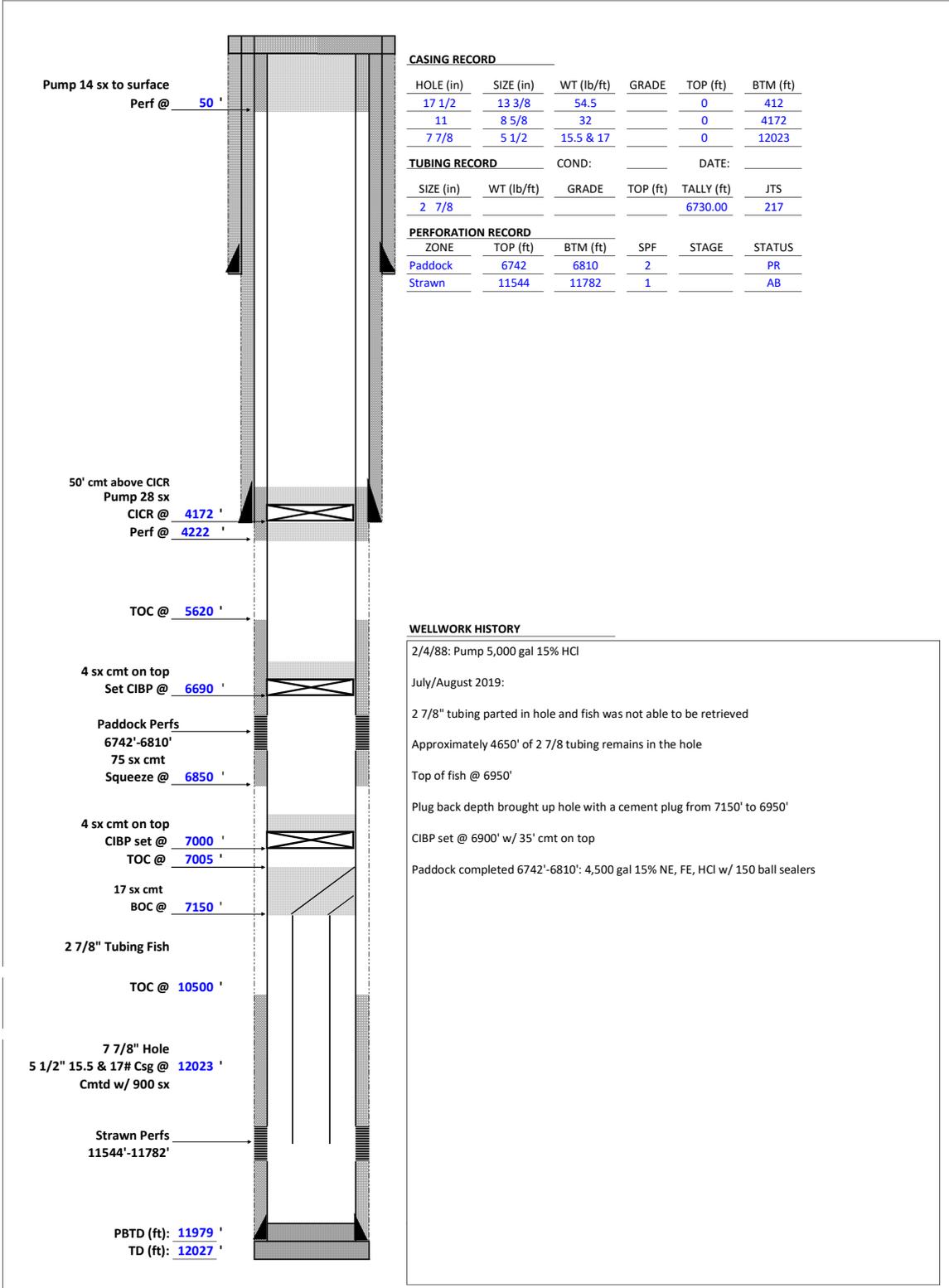
2/4/88: Pump 5,000 gal 15% HCl  
 July/August 2019:  
 2 7/8" tubing parted in hole and fish was not able to be retrieved  
 Approximately 4650' of 2 7/8 tubing remains in the hole  
 Top of fish @ 6950'  
 Plug back depth brought up hole with a cement plug from 7150' to 6950'  
 CIBP set @ 6900' w/ 35' cmt on top  
 Paddock completed 6742'-6810': 4,500 gal 15% NE, FE, HCl w/ 150 ball sealers

OPERATOR: K.P. Kauffman Company Inc.  
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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS  
 Action 48702

**CONDITIONS**

Operator: K P KAUFFMAN COMPANY INC 1675 Broadway Denver, CO 80202	OGRID: 228296
	Action Number: 48702
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

**CONDITIONS**

Created By	Condition	Condition Date
kfortner	See attached conditions of approval Note changes to procedure	10/25/2021