

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

Form C-103  
 Revised July 18, 2013

WELL API NO. 30-025-46746	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name SALT CREEK AGI	
8. Well Number 1	
9. OGRID Number 373554	
10. Pool name or Wildcat AGI: Delaware	
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 <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> ACID GAS INJECTION	
2. Name of Operator Salt Creek Midstream, LLC	
3. Address of Operator 5825 N Sam Houston Pkwy W, Suite 150 Houston, TX 77086	
4. Well Location Unit Letter L : 2,362 feet from the SOUTH line and 595 feet from the WEST line Section 21 Township 26S Range 36E NMPM County LEA	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2,927' (GR)	

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

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/>
DOWNHOLE COMMINGLE <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
CLOSED-LOOP SYSTEM <input type="checkbox"/>	
OTHER: Sidetrack Plugging <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

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.

**SALT CREEK AGI #1 (30-025-46746) NOTICE OF INTENT TO PLUG SIDETRACK WELLBORE**

On behalf of Salt Creek Midstream, LLC (Salt Creek), we (Geolex, Inc.) are providing Notice of Intent (NOI) to plug the existing sidetrack wellbore, due to severe lost circulation conditions encountered and the current inability to remove stuck 4.5-inch drill pipe from the borehole.

Following operations to kickoff and sidetrack a new wellbore, the production casing interval was advanced to a total measured depth of approximately 5,511 feet within the Delaware Mountain Group (DMG). As the wellbore was advanced, severe lost circulation issues were encountered in the geologic interval overlying the DMG. To address these issues, cementing operations were completed in attempt to seal off and isolate the observed problematic intervals of fluid loss. As shown in the attached Cement Bond Log (CBL) these operations successfully placed cement along the depth interval from approximately 3,880 to 5,020 feet, however, in the process of cementing this interval, the 4.5-inch drill string became differentially stuck while backing out with the bit located at a depth of approximately 5,111 feet (within DMG geologic strata).

To address this issue, Salt Creek proposes plugging of the sidetrack wellbore interval and intends to prepare a Change of Plans Sundry request to revise the well design to better accommodate down-hole conditions observed. The proposed plugging procedure for the current sidetracked wellbore is as follows:

1. Run in hole with 2-1/8" wireline perforating tool and perforate the interval from 5,000 to 5,100 feet, with 12 shots/foot and 60-degree phasing to allow for remedial squeeze operations that cover 50' above and below the transition between DMG strata and overlying Capitan Reef strata.
2. Pump 400 sacks of 14.5 ppg (1.22 ft<sup>3</sup>/sk) Halliburton CorrosaCem slurry to emplace cement below the drill pipe along the depth interval from approximately 5,000 to 5,511 feet (Volume reflects 180% of required volume to fill open-hole and internal drill pipe volume).
3. Displace and perform hesitant squeeze operation until 55 bbl displacement has been reached. Operations will place CorrosaCem cement within currently stuck drill pipe up to a depth of 3,880'. Wait on Cement.
4. Run in hole with wireline to tag and verify top of cement. If cement is tagged below perforations, repeat steps 2 through 4. If cement is tagged below 3,880', but above perforations, run wireline cement dump bailer to fill drill pipe to 3,880'.
5. Run in hole with wireline and cut drill pipe at top of cement.
6. Continue forward completing top out of open hole interval above drill pipe fish. Pump 400 sacks of 14.8 ppg (1.33 ft<sup>3</sup>/sack) Halliburton Class C Neat cement (150% excess based on wellbore from the depth interval of 3,000 to 3,880 feet).

7. Trip out of hole to surface casing shoe (at 2,100 feet), circulate drill pipe clean, and wait on cement.
8. Trip in hole with drill pipe and tag top of cement. Calculate cement volume required to fill from top of cement to surface casing shoe, allowing for 150% excess.
9. Pump required volume of Halliburton Class C Neat cement at 14.8 ppg (1.33 ft<sup>3</sup>/sack).
10. Trip out of hole to a depth of 1,000 feet, circulate drill pipe clean, and wait on cement.
11. Trip in hole with drill pipe and tag top of cement. Calculate cement volume required to fill from top of cement to surface, allowing for 150% excess.
12. Pump required volume of Halliburton Class C Neat cement at 14.8 ppg (1.33 ft<sup>3</sup>/sack) and confirm cement has circulated to surface.
13. Trip out of hole to surface, circulate drill pipe clean, and wait on cement.
14. As necessary, dump top off cement to ensure cement remains at surface. Cut off casing at ground level and weld on steel marker in accordance with NMOCD plugging requirements.

Upon completion of the proposed plugging operations, the existing sidetrack wellbore will be isolated from the surface to a depth of approximately 3,880 feet with Halliburton Class C cement. Additionally, corrosion-resistant cement (Halliburton CorrosaCem) will be set from approximately 3,880 feet (within the lost drill pipe) to the total depth of the well (approx. 5,511 feet). During these operations, the interface between the Capitan Reef and the DMG will be perforated (high density at 12 shots/foot) and cement squeeze operations will be completed 50 feet above and below the interface.

A revised well schematic illustrating the plugging operations described has been included as an attachment in this correspondence.

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

SIGNATURE  TITLE Consultant to Salt Creek DATE 12/20/2022

Type or print name David A. White, P.G. E-mail address: dwhite@geolex.com PHONE: 505-842-8000

**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any): \_\_\_\_\_

**WELLBORE SCHEMATIC**

Salt Creek Midstream  
 Salt Creek AGI #1  
 2370' FSL, 594' FWL  
 Sec. 21, T26S, R36E

**Surface - (Conventional)**

Hole Size: 12.25"  
 Casing: 9.625" - 40# J-55 BTC Casing  
 Depth Top: Surface  
 Depth Btm: 2100'  
 Cement: 670 sks Econocem w/5% Salt, 3# KOL Seal,  
 0.125Poly-E-Flake, .25# D-air, .2% HR-800

Cement Top: Surface (Circulated)

**Production Csg #1 - (Cut Off)**

Hole Size: 8.75"  
 Hole Depth: 7040'  
 Casing: 7.625" - 29.7# L-80 FJ x 7" 29# SM2535 VAMTOP  
 Depth Top: 3140'  
 Depth Btm: 5687'  
 ECP/DV Tool: 4200'

Cement: Stage 1 - CorrosaCem cement plug from 5680' - 7040'  
 Stage 2 - CorrosaCem cement "spot & squeeze" from 3140' - 5680' utilizing cement  
 retainer set @ 3150' & perforations @ 5678'  
 Stage 3 - HalCem cement plug from 3140' - Surface Casing Shoe (Tied Back)

**Production Hole #2 - (Side Track)**

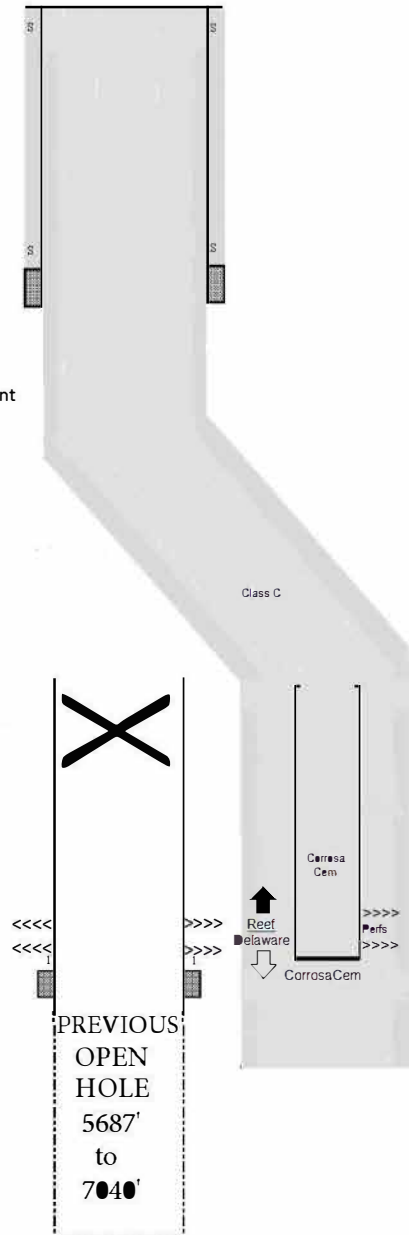
Hole Size: 8.75"  
 Hole Depth: 5511'  
 Drill Pipe: 4.5"166# XH w/ float & 8.75" bit  
 Depth Top: 3880'  
 Depth Btm: 5111'

Cement: Stage 1 - CorrosaCem cement to 3880'  
 Stage 2 - HalCem C from 3880' to 2100' (csg shoe)  
 Stage 3 - HalCem C from 2100' to surface

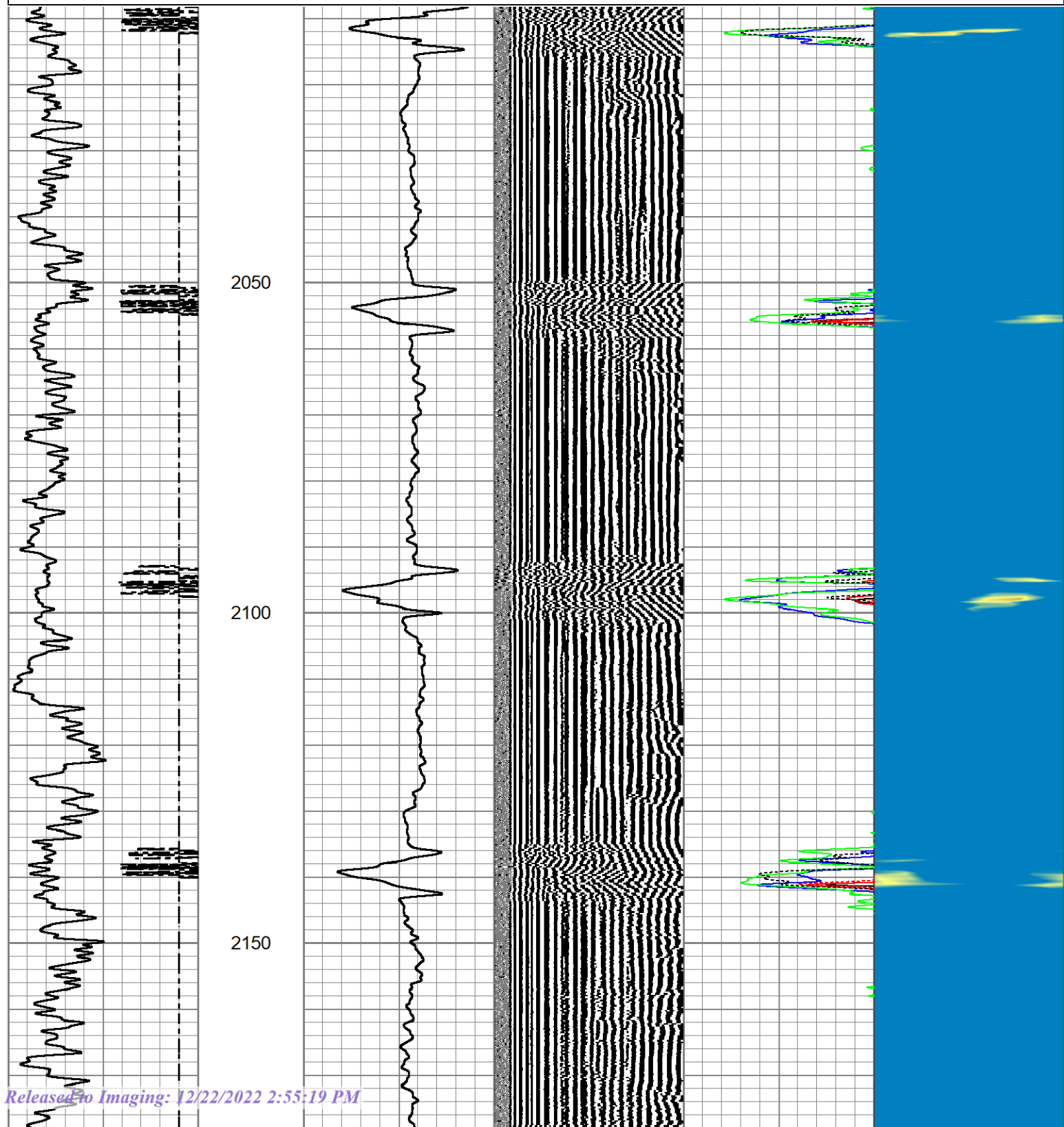
Cement Top: Surface (Circulated)

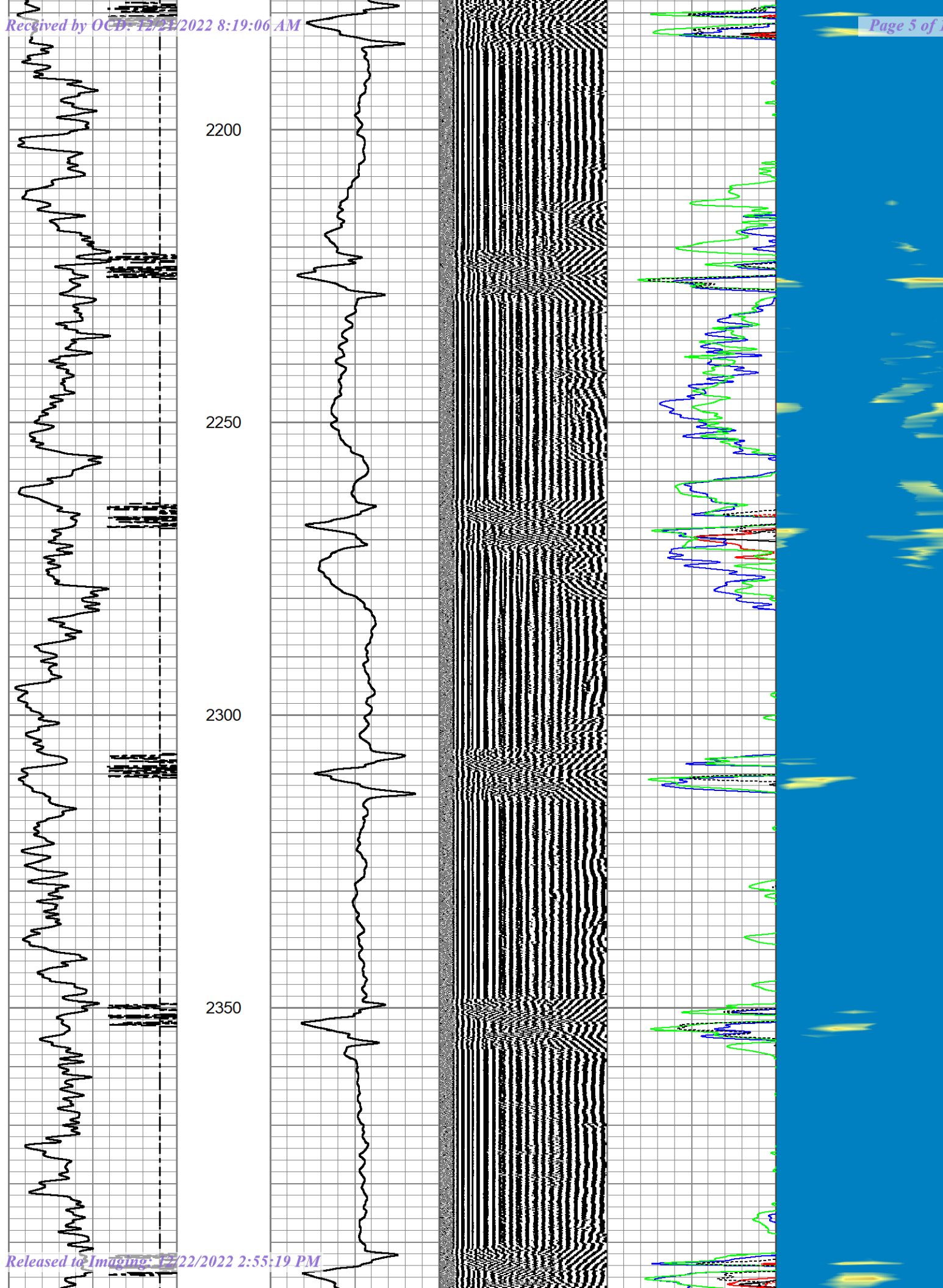
**Perforations - (12 SPF - 60 deg phasing)**

50' above and 50' below the  
 Reef/Delaware transition @ 5050'

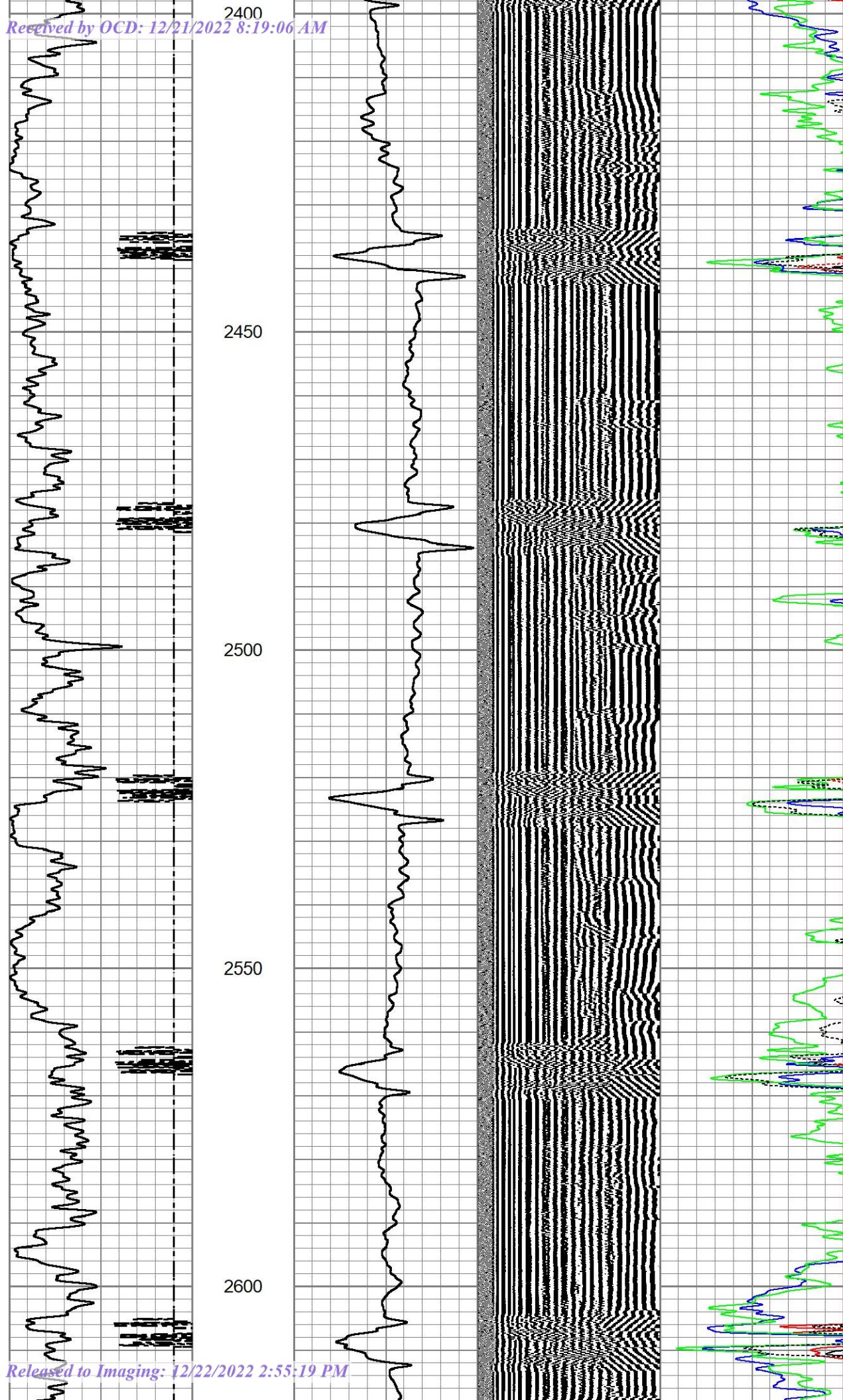


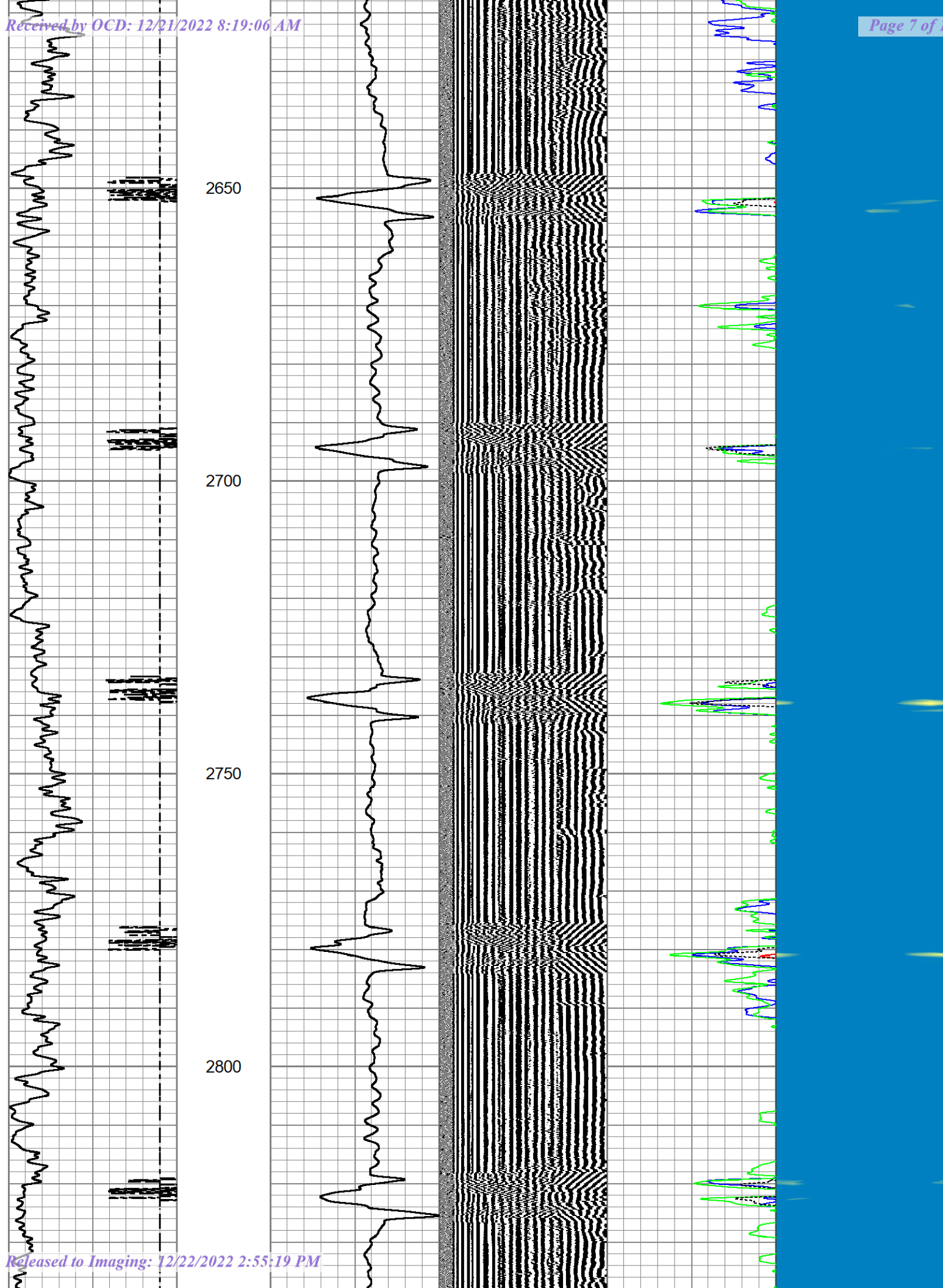
9	CCL	-1	0	AMP3FT (mV) 100	WVF5FT	0	AMPS1	150	1	Cement Map	6
0	GR (cps)	150	0	AMP3FT (mV) 10	200 (usec) 1200	0	AMPS2	150			
						0	AMPS3	150			
						0	AMPS4	150			
						0	AMPS5	150			
						0	AMPS6	150			

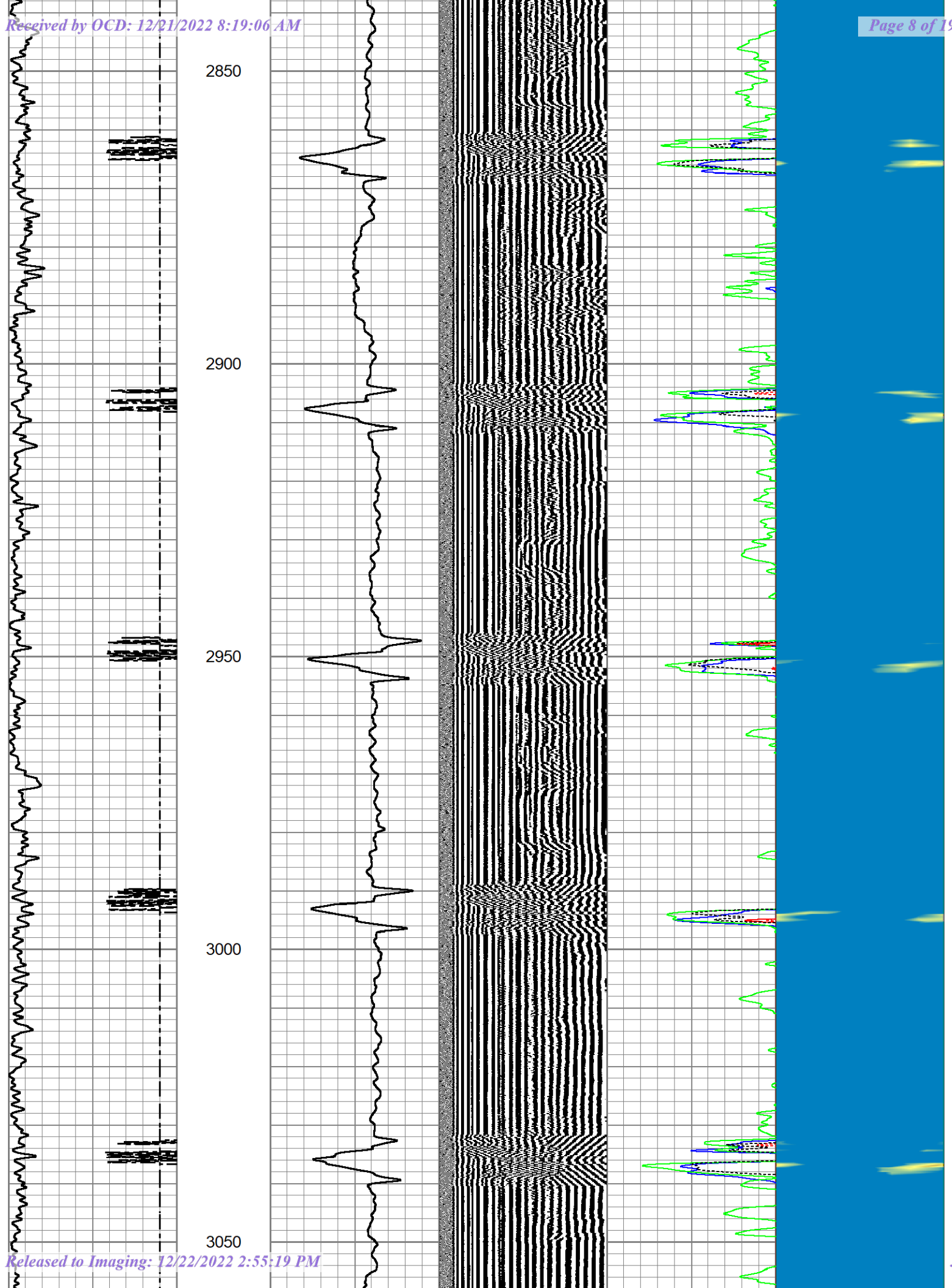




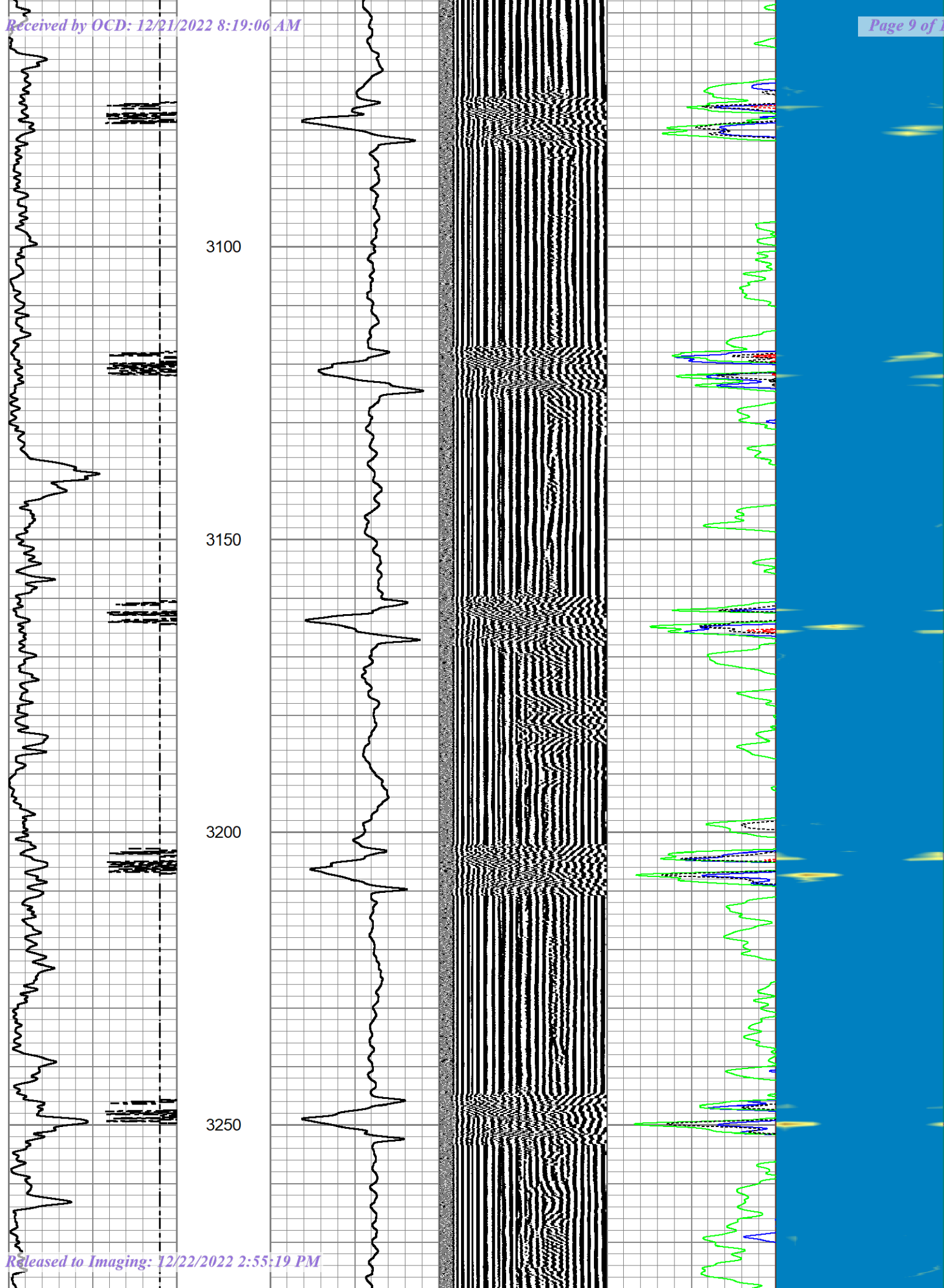


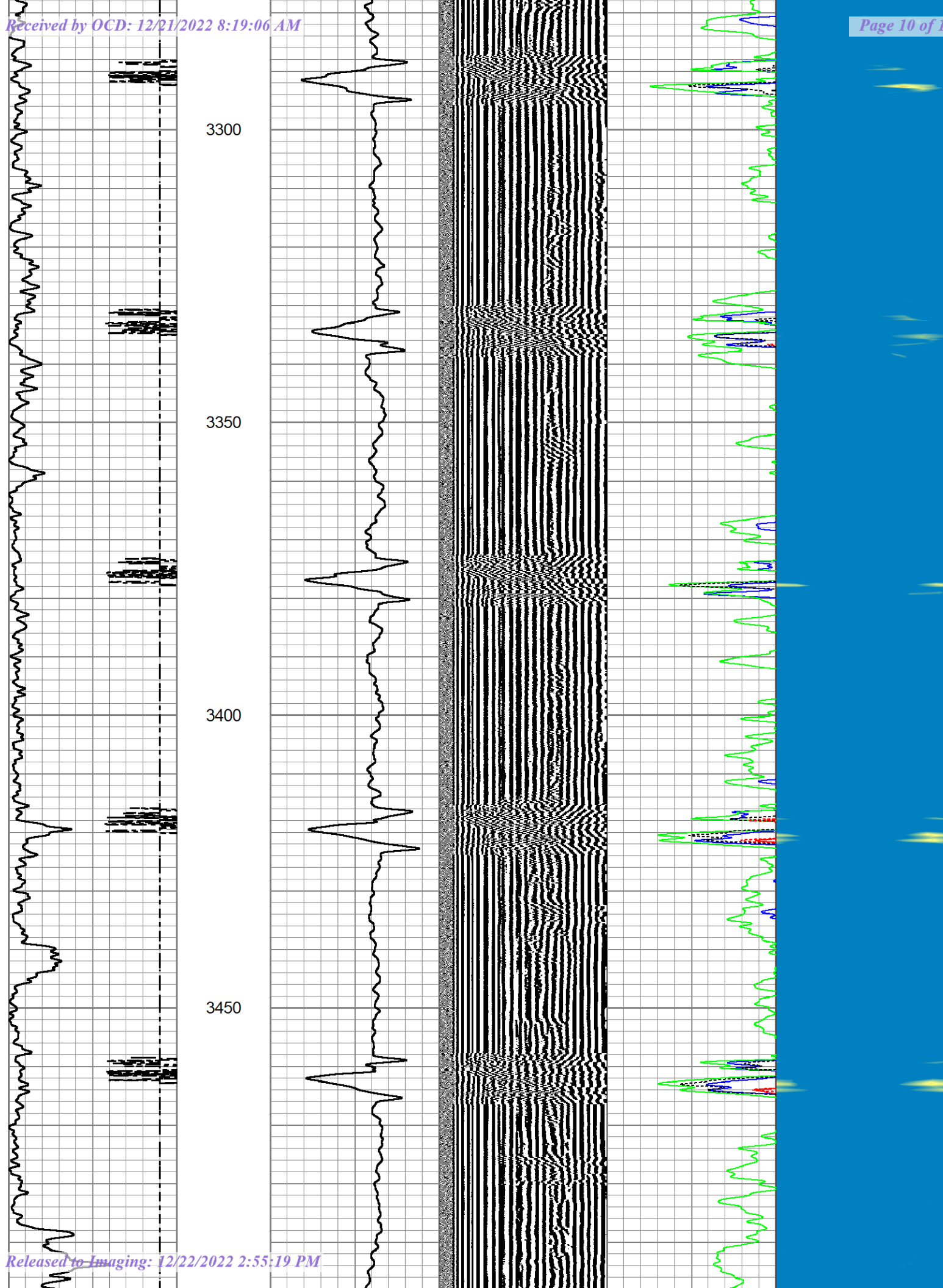


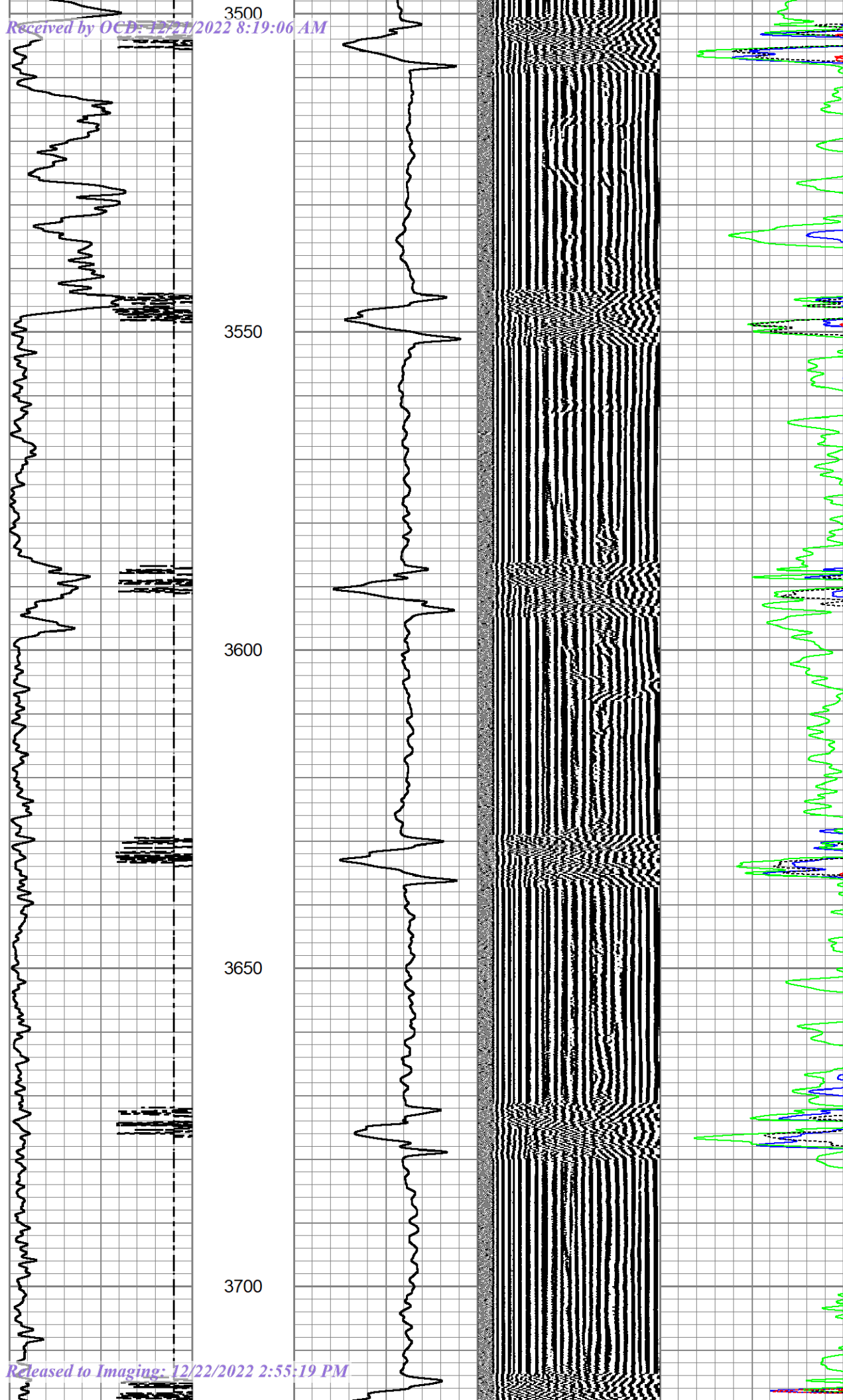




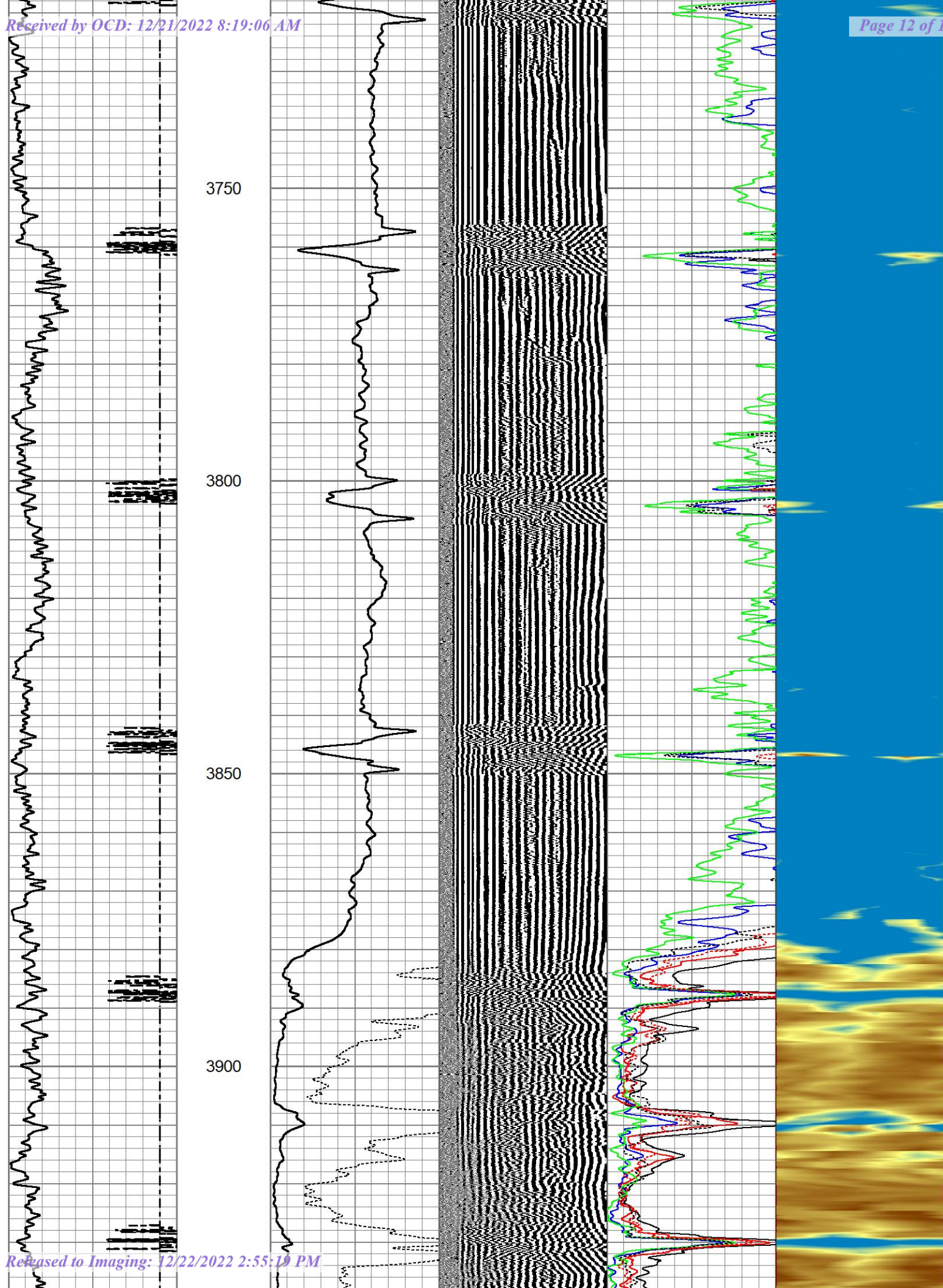




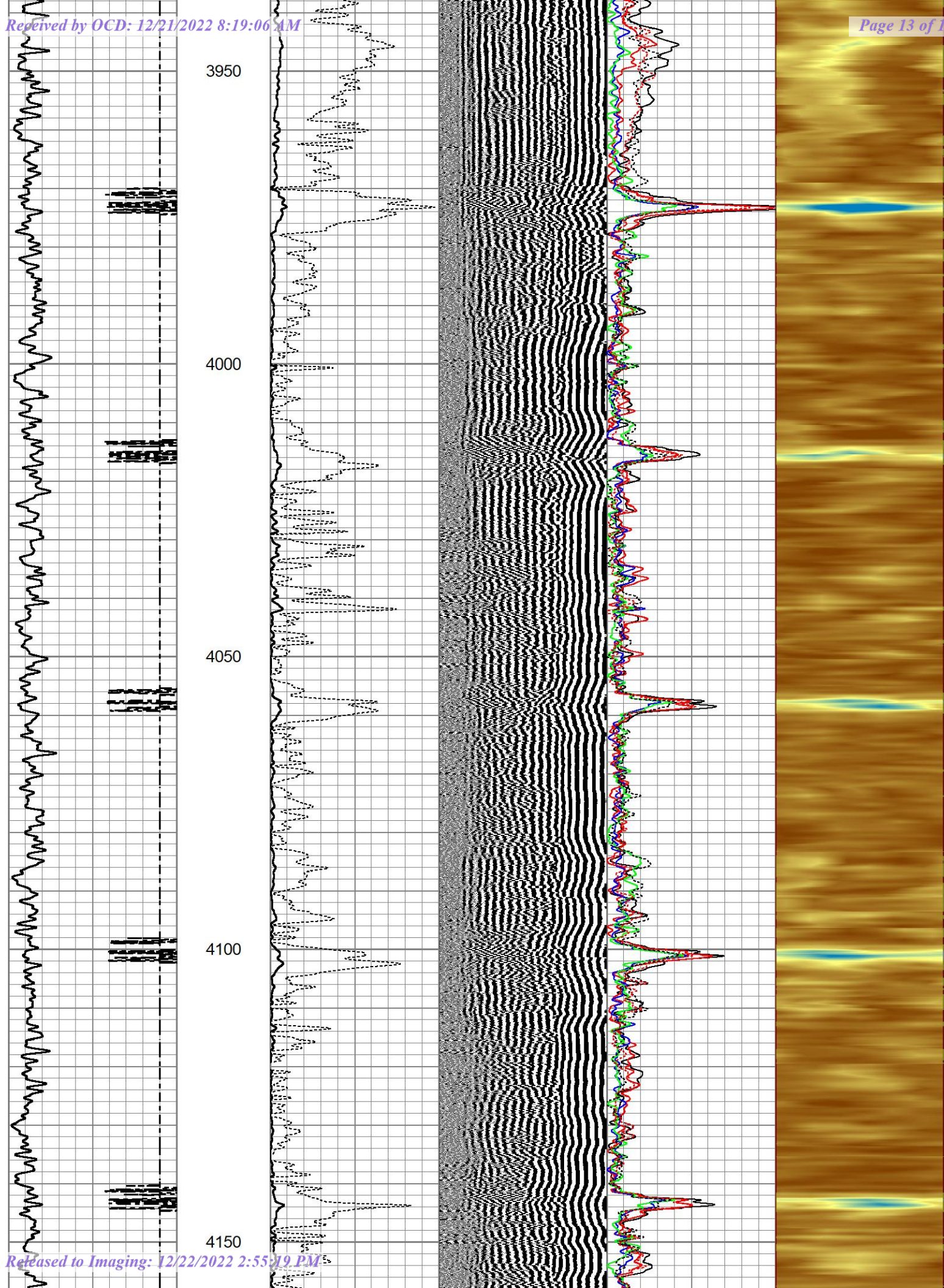




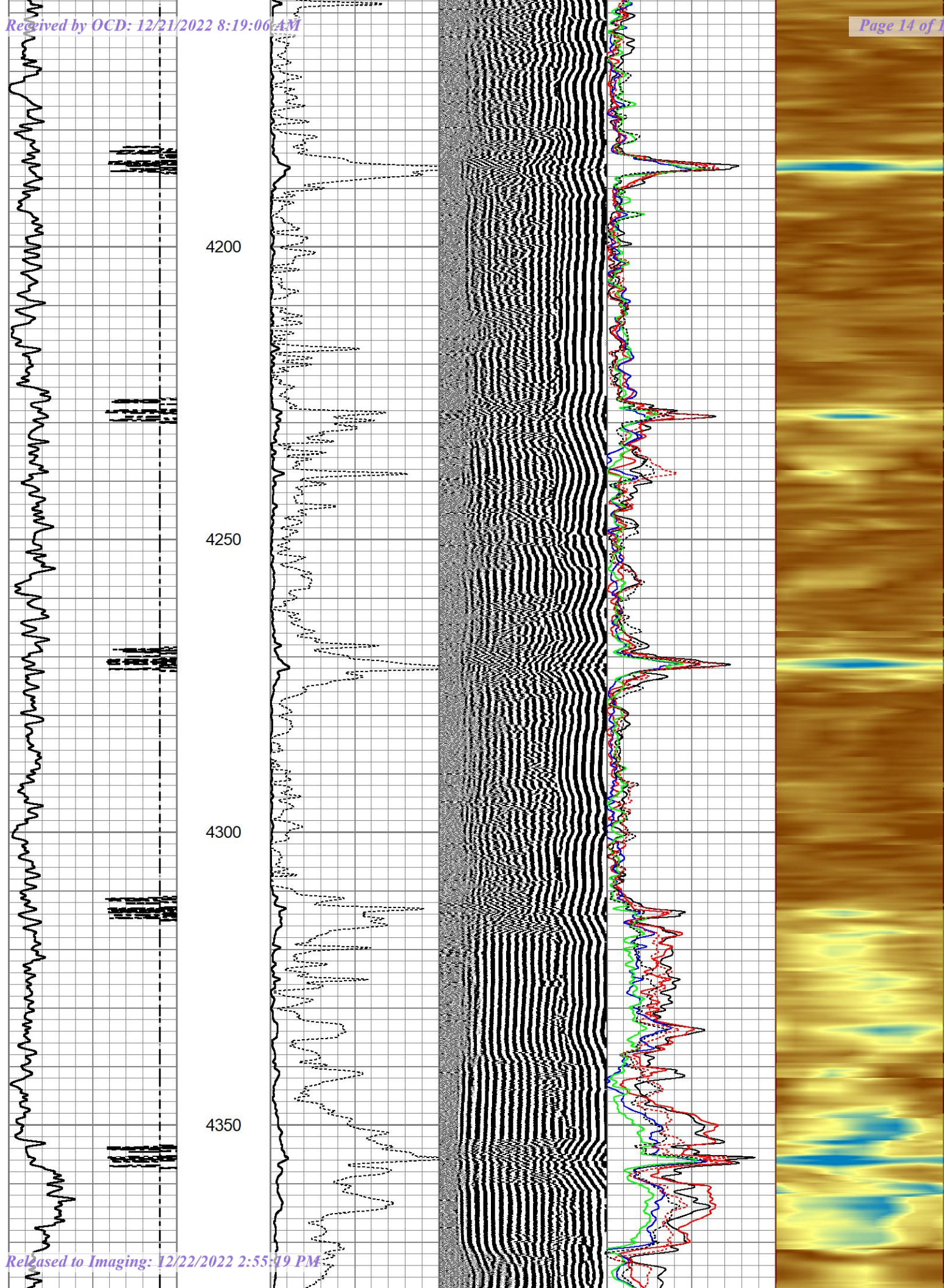




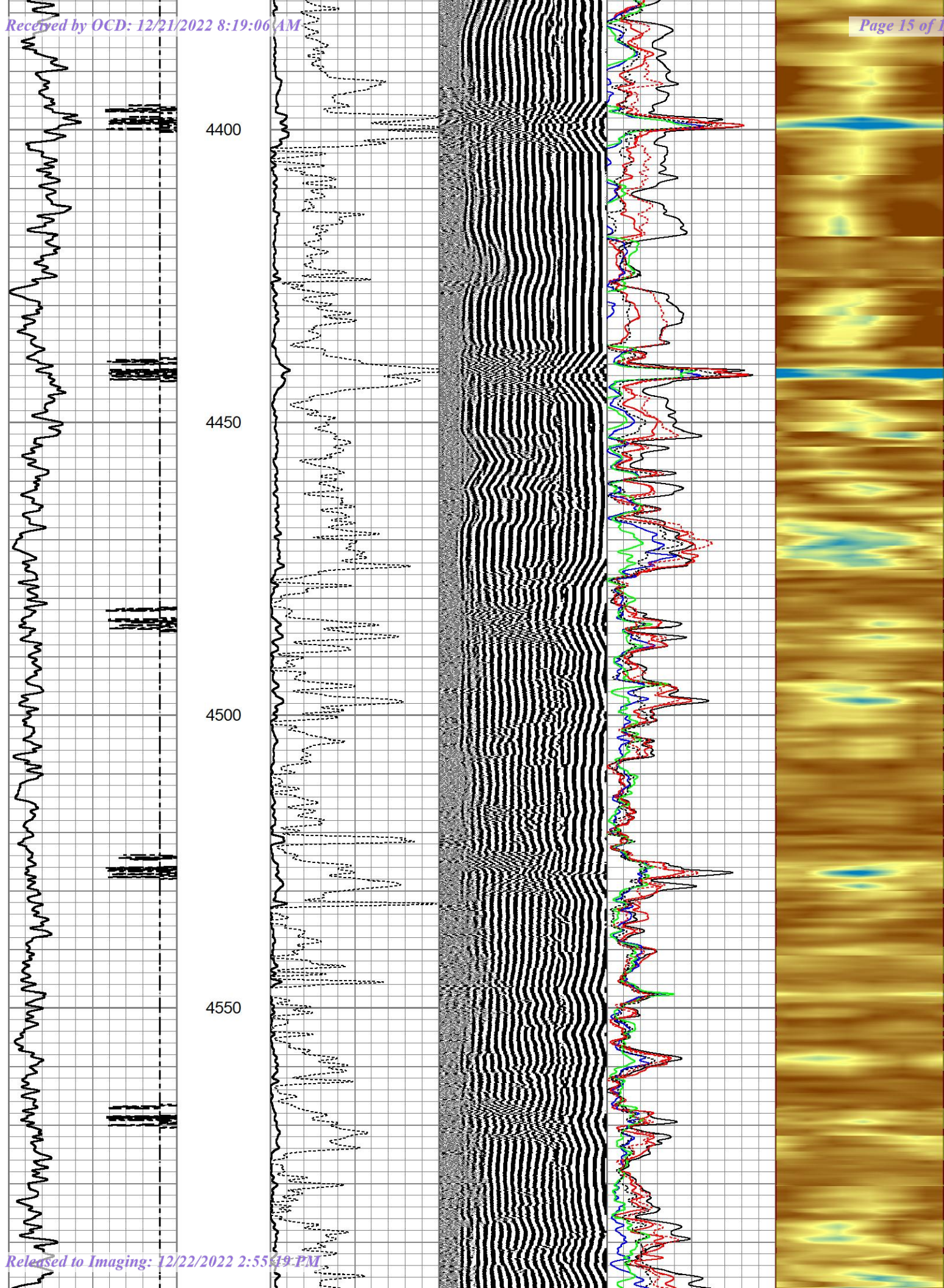




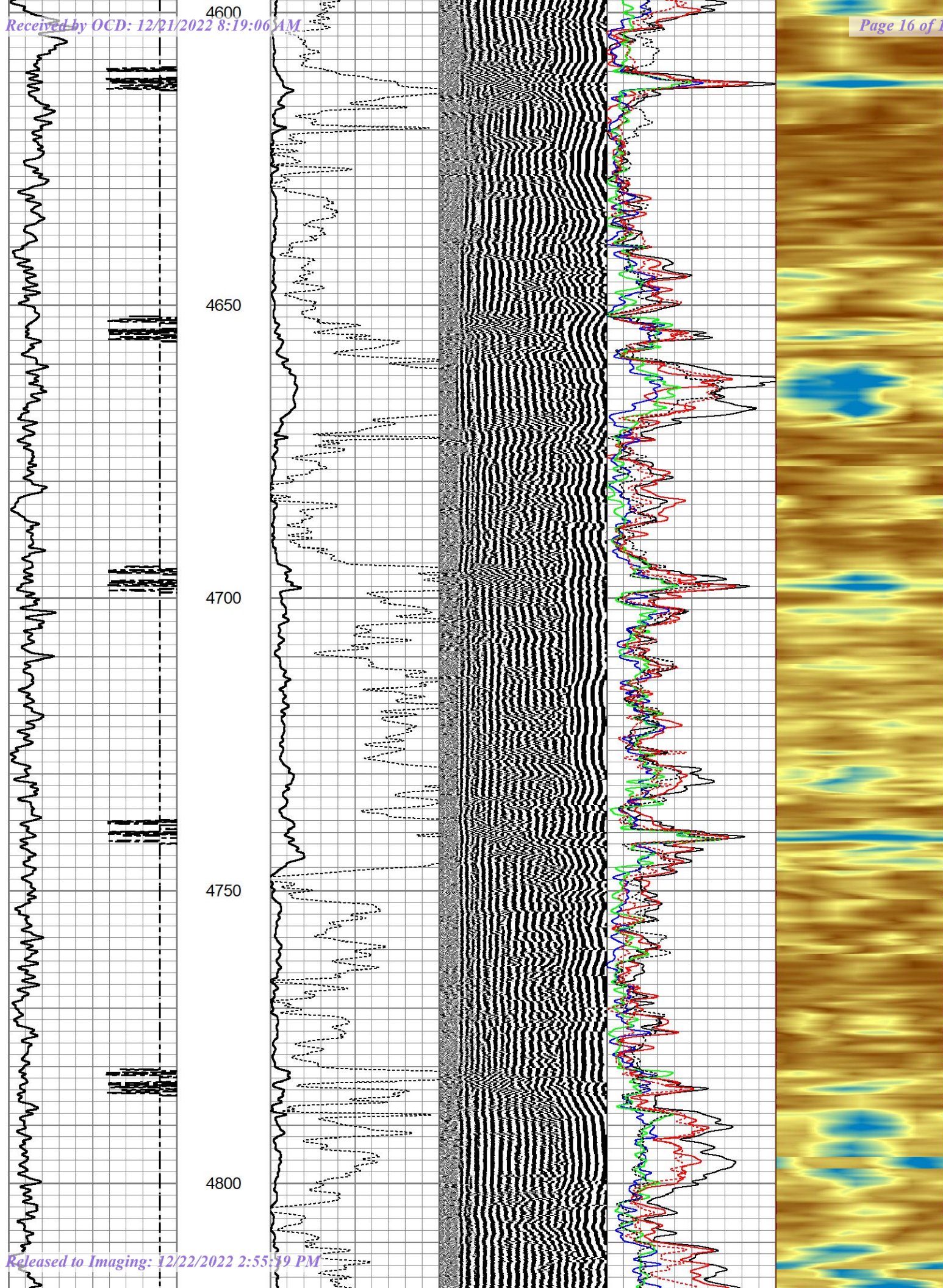




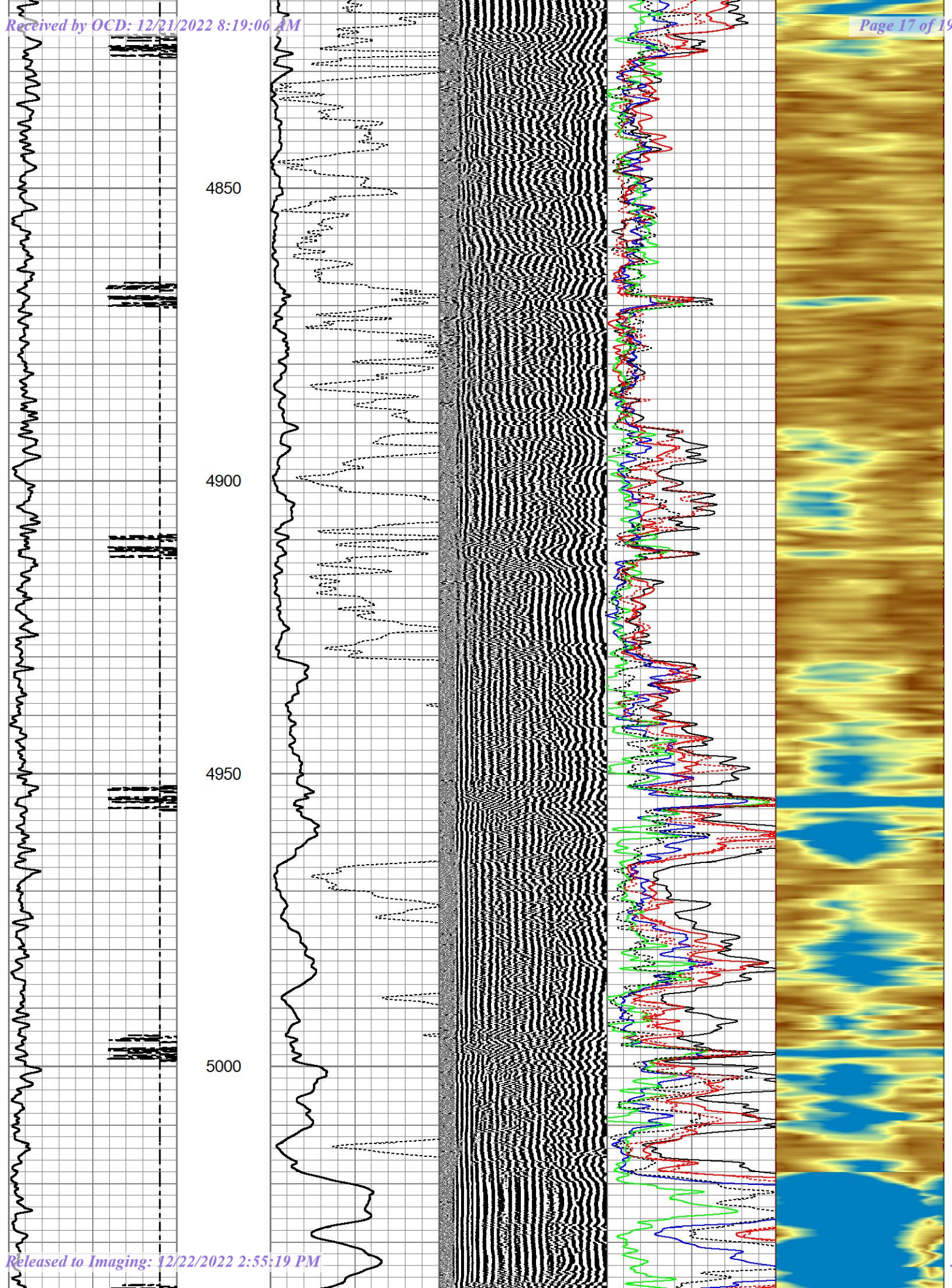




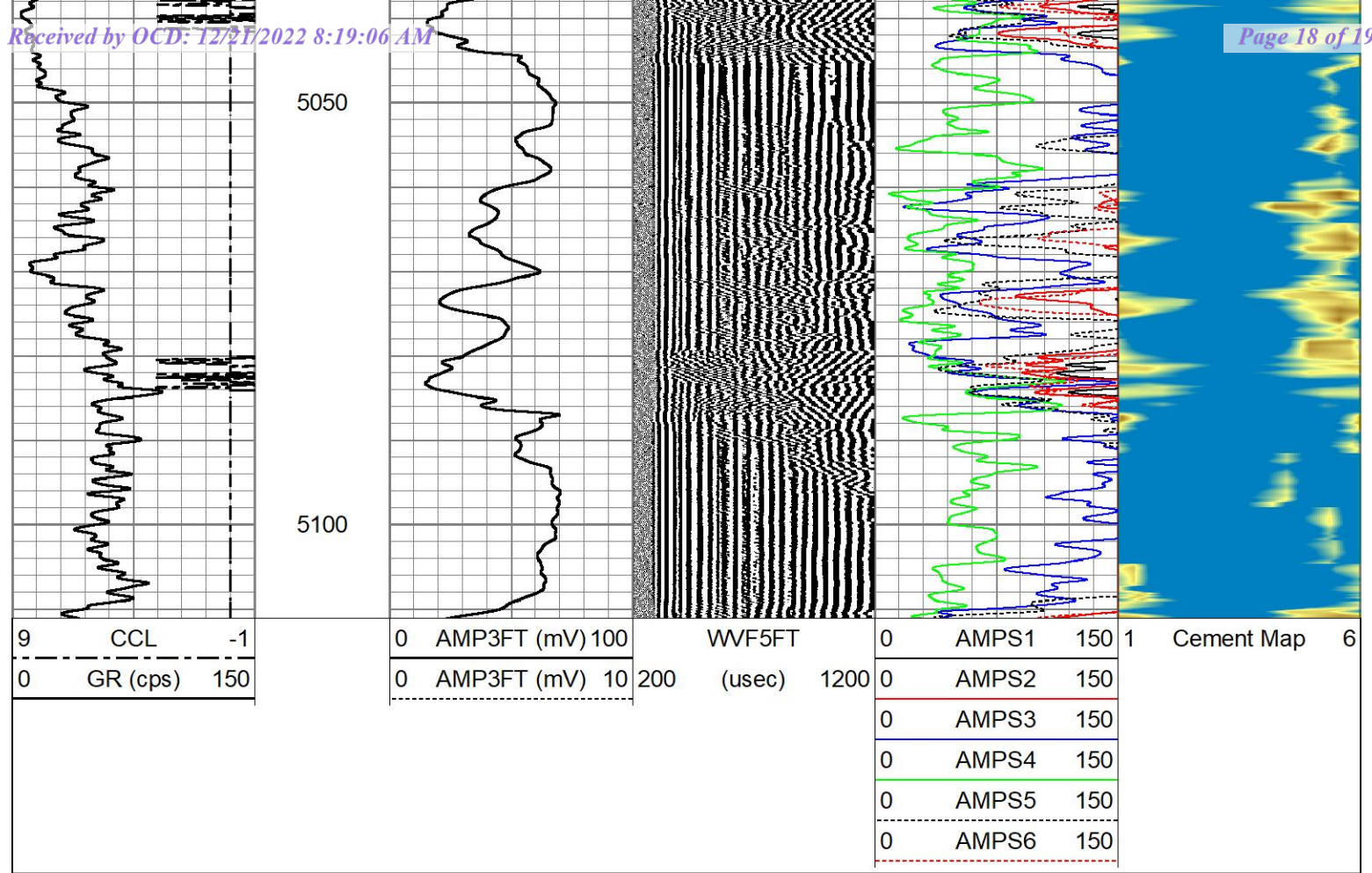












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CONDITIONS  
  
Action 169217

CONDITIONS

Operator: Salt Creek Midstream, LLC 5825 N Sam Houston Pkwy W Houston, TX 77086	OGRID: 373554
	Action Number: 169217
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
pgoetze	None	12/22/2022