

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.
30-045-28653
5. Indicate Type of Lease
STATE [] FEE [x]
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.)
1. Type of Well: Oil Well [] Gas Well [] Other SWD Class I []
2. Name of Operator
Agua Moss, LLC
3. Address of Operator
PO Box 600 Farmington, NM 87499
4. Well Location
Unit Letter E : 1595 feet from the North line and 1005 feet from the West line
Section 2 Township 29N Range 12W NMPM County San Juan
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5859' GL

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: Investigate MIT Failure []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: MIT Failure Investigation findings [x]

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.

Agua Moss, LLC was able to identify a source of leak off in the annulus at 2137' using wireline temperature and acoustic logging. Good casing from 2161' down to the packer and from 2129' to surface was confirmed using mechanical tools run on tubing. The confirmation of good casing was performed with a retrievable packer run on tubing and set at depth specified above and a pressure test performed at 500 PSI and 1000 PSI.

There was a tight leak off as was expected. The injection rate is approximately 2 gallons per minute at 1100-1500 psi.

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 Philana Thompson TITLE Regulatory Compliance Specialist DATE 8/28/2024

Type or print name Philana Thompson E-mail address: pthompson@merrion.bz PHONE: 505-486-1171

For State Use Only

APPROVED BY: TITLE DATE

Conditions of Approval (if any):

From: [Ryan Davis](#)
To: [Chavez, Carl, EMNRD](#)
Cc: [Philana Thompson](#); [Shacie Murray](#); [Jeff Davis](#)
Subject: [EXTERNAL] Sunco SWD #1: Casing Integrity Investigation
Date: Wednesday, August 28, 2024 11:21:44 AM
Attachments: [Outlook-5cyzdca.png](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Carl,

Good morning! I know that we need to file the C103R as the official subsequent report but I wanted to give you a heads up on what we found and how we intend to proceed.

We were able to identify a source of leak off in the annulus at 2137' using wireline temperature and acoustic logging. We have confirmed **good casing from 2161'** down to the packer and **good casing from 2129'** to surface.

We have an very tight leak off as we expected. We have an injection rate of **2 gallons per minute at 1100-1500 psi**. We would like to pump a 300 psi Integrity Restoration treatment. I have pumped the 300 psi treatment in the past on producing wells with great success. I worked with Brandon Powell who was our district supervisor at the time.

Philana will be submitting the C103R here shortly and we will be following up with a C103G for the 300 psi repair action shortly after. We would like to get approval to move forward as quickly as possible since we have a workover rig and equipment on location. Proposed timeline at this point would be to pump the casing integrity restoration treatment on Friday 08/30/2024.

300 PSI

The system is a multiple stage chemical process. The chemicals are pumped in conjunction with one another to react in a precisely controlled order. The chemicals ultimately yield a composite cement that sets externally to the casing and is independent of time constraint. The composite develops excellent strength characteristics that increase over time. The composite is stable throughout the entire pH range adding long term stability while in direct contact with acidic or alkaline formation fluids. The final result is a permanent casing repair.

The process is initiated by pressure differential and shear. As the chemicals coalesce they start to form a bridging mechanism that is highly porous. This porous medium allows a filtration process to occur. Sequentially, the composite materials then provide the additional filtration components and the molecular elements that are necessary to build a crystalline composite cement structure. Crystallization of the composite progresses as the chemicals filtrate through and around the bridging medium. This filtration process continues until the composite has fully developed from the initial point of restriction inwards to the well casing. The last stage provides additional molecular components that impregnate the crystalline structure to enhance the solidification of the composite. Compressive strength builds at this point as a non-permeable seal forms permanently at the leak.

Please let me know if you have any questions.

Thanks,

Ryan Davis

Operations Manager



(W) [505-215-3292](tel:505-215-3292)

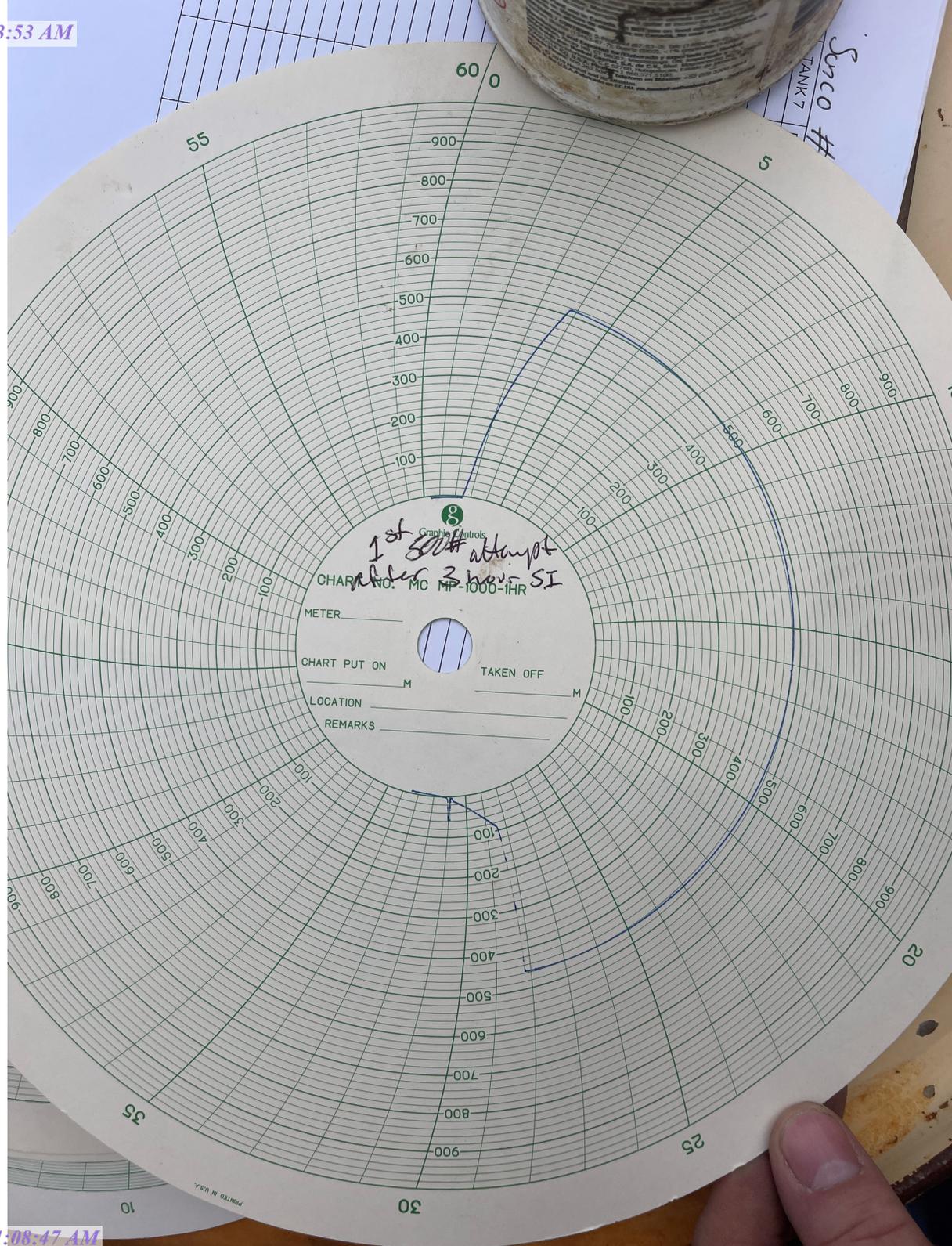
AGUA MOSS, LLC

WORKOVER PROCEDURE

10. ND WH, pull tubing hanger and remove. (Inspect hanger and send off to redress) NU BOP.
11. Drop tubing to neutral point at packer. Release seal assembly by rotating 4 turns to right at packer. (Release on-off tool by rotating ¼ turn to left at packer)
12. If unable to release from seal assembly, set a circulating slip stop plug above the on-off tool, and J-off the on-off tool.
13. Circulate well with fresh water.
14. TOH with injection string standing back.
15. Remove and redress seal assembly and on-off tool.
16. Pressure test casing with freshwater.
 - a. If casing passes report findings (C103R) and await approval to move forward.
 - b. If casing fails proceed with wireline work
17. MIRU wireline truck and perform needed tests
 - a. Tests will include but not limited to acoustic
 - b. Analyze data to direct next steps with tools
 - i. If conclusive data is collected that require a different path forward, report to OCD (C103R) and await approval (C103G for remedial work)
18. PU work string with RBP and packer.
19. Set RBP around 4276' KB, set packer above and pressure test RBP.
20. Isolate casing holes.
21. Report findings and next steps to OCD (C103R).
 - a. Await approval to move forward (C103G for remedial work).

Not investigating with wireline if MIT passes. Need to stay in realm of investigation.

This appears to not be investigative. This is essentially an MIT on the casing or considered CA but would not make the annulus MIT change? Must investigate and in next C-103G propose CA.



Wellbore Schematic:

Agua Moss, LLC

Wellbore Schematic

Sunco No. 1, SWD

Current Wellbore Configuration

Location: 1595' fnl & 1005' 'fwl
Sec 2, T29N, R12W
San Juan Co, New Mexico

December 19th, 2018 RD

Elevation: 5,859' GL
5,872' RKB

By: J. Ryan Davis

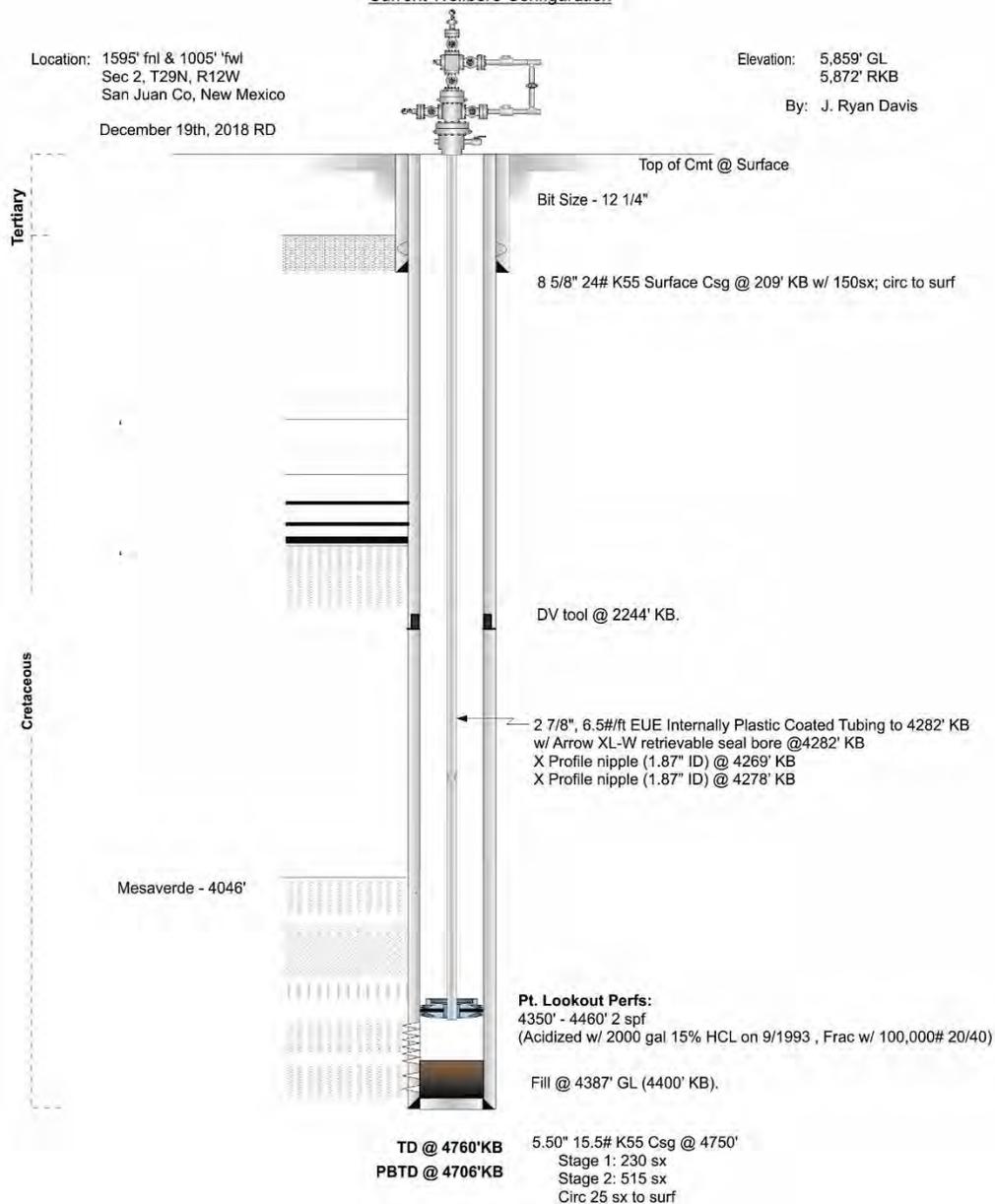


Figure 1: Wellbore Schematic

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COMMENTS

Action 378769

COMMENTS

Operator: AGUA MOSS, LLC P.O. Box 600 Farmington, NM 87499	OGRID: 247130
	Action Number: 378769
	Action Type: [C-103] Sub. Workover (C-103R)

COMMENTS

Created By	Comment	Comment Date
cchavez	C-103R Final Investigation	8/29/2024

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CONDITIONS

Created By	Condition	Condition Date
cchavez	None	8/29/2024