

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 - 015 - 26575
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NM - 0557371

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 Gaines - WDW - 3
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other: Injection Well <input type="checkbox"/>		8. Well Number WDW - 3
2. Name of Operator HollyFrontier Navaio Refining llc.		9. OGRID Number: 15694
3. Address of Operator P.O. Box 159, Artesia, NM. 88211 ; 501 E. Main, Artesia, NM. 88210		10. Pool name or Wildcat: Navajo Permo-Penn
4. Well Location Unit Letter <u>N</u> : <u>790</u> feet from the <u>SOUTH</u> line and <u>2250</u> feet from the <u>WEST</u> line Section <u>1</u> Township <u>18S</u> Range <u>27E</u> NMPM County: <u>EDDY</u>		
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3609' GL, RKB		

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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input checked="" 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.

Aug. 24, 2016; Wednesday, Subsurface personnel travel to Artesia.

Thursday, August 25, 2016

1. Install bottom hole memory gauges in all three wells and continue normal injection for 48 hours. Gauges need to be in wells by 12:00 pm. Install surface pressure recorder on Gaines Well No. 3. Gauges to be set at the top of the perforations in all three wells as follows;
Mewbourne Well No. 1 7924 feet
Chukka Well No. 2 7570 feet
Gaines Well No. 3 7660 feet
Subsurface personnel will return to Houston.

Friday, August 26, 2016

Continue normal injection into the wells.

Saturday, August 27, 2016

1. At 12:00 pm, Navajo personnel will shut-in offset wells, Chukka Well No. 2 and Mewbourne Well No. 1, start the 30-hour injection period for Gaines Well No. 3. The Chukka Well No. 2 and Mewbourne Well No. 1 will have to be isolated at the wing valve, MOV, and at the main pipeline valve.

2. Navajo Refining is to maintain a constant injection rate at approximately 160 GPM into the Gaines Well No. 3 for a minimum of 30 hours prior to shutting in the well. The 30 hours was the agreed upon time interval by the OCD and Navajo in the approved test plan.

3. The rate should be constant at 160 GPM during the 30-hour injection period. This might be best accomplished by opening the pipe line and wellhead valves wide open allowing full flow to the well. Record the rate and wellhead pressure in the control room on a minimum of 15 second intervals during the injection period. Do not exceed 1200 psig wellhead pressure.

4. Plant personnel will record rate, volume, and pressure during the injection period for all wells to confirm that a constant pre-falloff injection rate is maintained.

5. Collect a grab sample of the injection fluid every 10 hours; analyze the fluid for pH and Specific Gravity.

Sunday, August 28, 2016

6. Continue constant injection into Gaines Well No. 3. The offset wells Mewbourne and Chukka will remain shut-in.

7. At 6:00 pm, Navajo personnel will shut in Gaines Well No. 3 for the 30-hour falloff period. Chukka Well No. 2 and Mewbourne Well No. 1 will remain shut-in during the 30-hour falloff period. The Gaines No. 3 will need to be isolated at the wing valve, MOV, and at the main pipeline valve.

Monday, August 29, 2016

8. Continue to monitor pressure falloff in Gaines Well No. 3.

Tuesday, August 30, 2016

9. At 7:00 am, acquire downhole pressure memory gauges from all three wells.

10. Tag bottom of fill and come out of hole very slowly (no faster than 30 feet per minute), making 7-minute gradient stops while coming out of Gaines Well No. 3 every 1000 feet (7000 feet, 6000 feet, 5000 feet, 4000 feet, 3000 feet, 2000 feet, 1000 feet, Surface).

11. Turn well over to Navajo personnel. Subsurface personnel to return to Houston, TX.

This procedure date is subject to change due to weather conditions or Refinery needs.

Spud Date:

Rig Release Date:

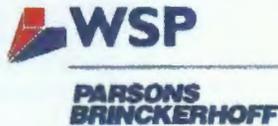
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *L R Dade* TITLE: Env. Spec. DATE: 08/23/2016

Type or print name: Lewis R. Dade E-mail address: Lewis.Dade@hollyfrontier.com
PHONE: 575-746-5281

For State Use Only

APPROVED BY: *Core J. Chaves* TITLE Environmental Engineer DATE 8/25/16
Conditions of Approval (if any):



PRESSURE FALLOFF TESTING WORK PLAN

Project No. 50904A

**HOLLY FRONTIER NAVAJO REFINING (NAVAJO)
WDW-3 GAINES
ARTESIA, NEW MEXICO**

Date: 08/23/16

Page: 2 of 2

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11. Turn well over to Navajo personnel. Subsurface personnel to return to Houston, TX.

PREPARED BY
Ted Jose

DATE
8/23/16

REVIEWED BY
Tim Jones

DATE
8/23/16



PRESSURE FALLOFF TESTING WORK PLAN

Project No. 50904A

**HOLLY FRONTIER NAVAJO REFINING (NAVAJO)
WDW-3 GAINES
ARTESIA, NEW MEXICO**

Date: 08/23/16

Page: 1 of 2

INTRODUCTION

The following work plan has been developed to conduct the annual pressure falloff testing on WDW-3 Gaines. The results of the falloff testing will confirm the validity of the reservoir model in the well permit with respect to permeability-thickness.

Note: This procedure follows the guidance in the approved 2012 Falloff Test Plan.

WORK PROGRAM

Wednesday, August 24, 2016

Subsurface personnel to travel to Artesia, NM

Thursday, August 25, 2016

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2. Navajo Refining is to maintain a constant injection rate at approximately 160 GPM into the Gaines Well No. 3 for a minimum of 30 hours prior to shutting in the well. The 30 hours was the agreed upon time interval by the OCD and Navajo in the approved test plan.

PREPARED BY
Ted Jose

DATE
8/23/16

REVIEWED BY
Tim Jones

DATE
8/23/16

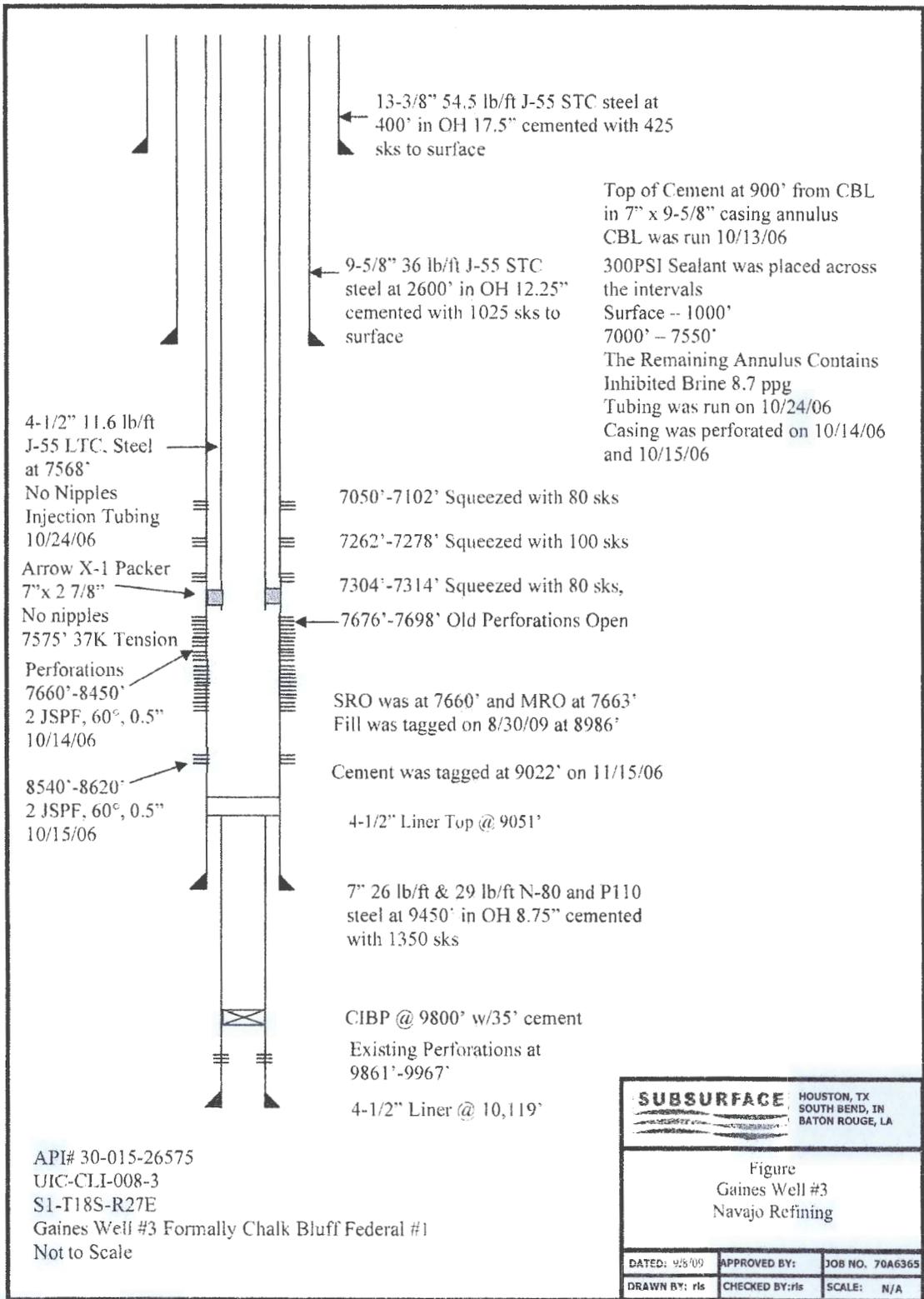


FIGURE 3