

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

EMNRD-OCD ARTESIA
 REC'D: 6/3/2020

Form C-103
 Revised July 18, 2013

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

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.)		WELL API NO. 30-005-60849
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Grizzly Energy, LLC		6. State Oil & Gas Lease No.
3. Address of Operator 5847 San Felipe St., Ste. 3000, Houston, TX 77057		7. Lease Name or Unit Agreement Name Ned State
4. Well Location Unit Letter <u>K</u> : <u>1980</u> feet from the <u>South</u> line and <u>1980</u> feet from the <u>West</u> line Section <u>05</u> Township <u>09S</u> Range <u>23E</u> NMPM County <u>Chaves</u>		8. Well Number <u>1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3933.7 GR		9. OGRID Number
		10. Pool name or Wildcat Pecos Slope, ABO

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

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

Notify OCD 24 hrs. prior to any work done

- 1. Notify OCD 24 hrs prior to MIRU to P&A.
- 2. Set CIBP @ 3073', tag w/tbg, circ MLF, test csg.
- 25 SX CMT 3. Spot ~~20~~ sx cmt on top of CIBP @ 3073' (~~if csg does not test~~, WOC & Tag plug).
- 4. Spot ~~20~~ sx cmt @ 2269'-2169'. PERF @ 2269' & SQZ 40 SX CMT. WOC & TAG
- 5. Perf @ 848' sqz 80 sx cmt @ 848'-642' WOC & Tag.
- 6. Perf @ 550' sqz 60 sx cmt @ 550'-450'. WOC & TAG AT 450' - TOP OF GLORIETA
- 7. Perf @ 100, circ cmt to surf. WOC & verify.
- 8. RD P&A equipment, cut off wellhead, install dry hole marker, clean location, move off.

Spud Date: Rig Release Date:

****SEE ATTACHED COA'S****

MUST BE PLUGGED BY 6/10/2021

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

SIGNATURE [Signature] TITLE Agent DATE 05/19/20

Type or print name Justin Bagley E-mail address: sunsetwellservice@yahoo.com PHONE: 432-561-8600
 For State Use Only

APPROVED BY: Gilbert Cordero TITLE Staff Manager DATE 6/10/2020
 Conditions of Approval (if any):

LEASE/WELL: NED STATE #1
 LOCATION 1,980' FSL & 1,980' FWL
 K-05-T09S-R23E
 CO/ST: CHAVES COUNTY, NEW MEXICO
 FIELD: PECOS SLOPE; ABO
 APINO. 30-005-60849

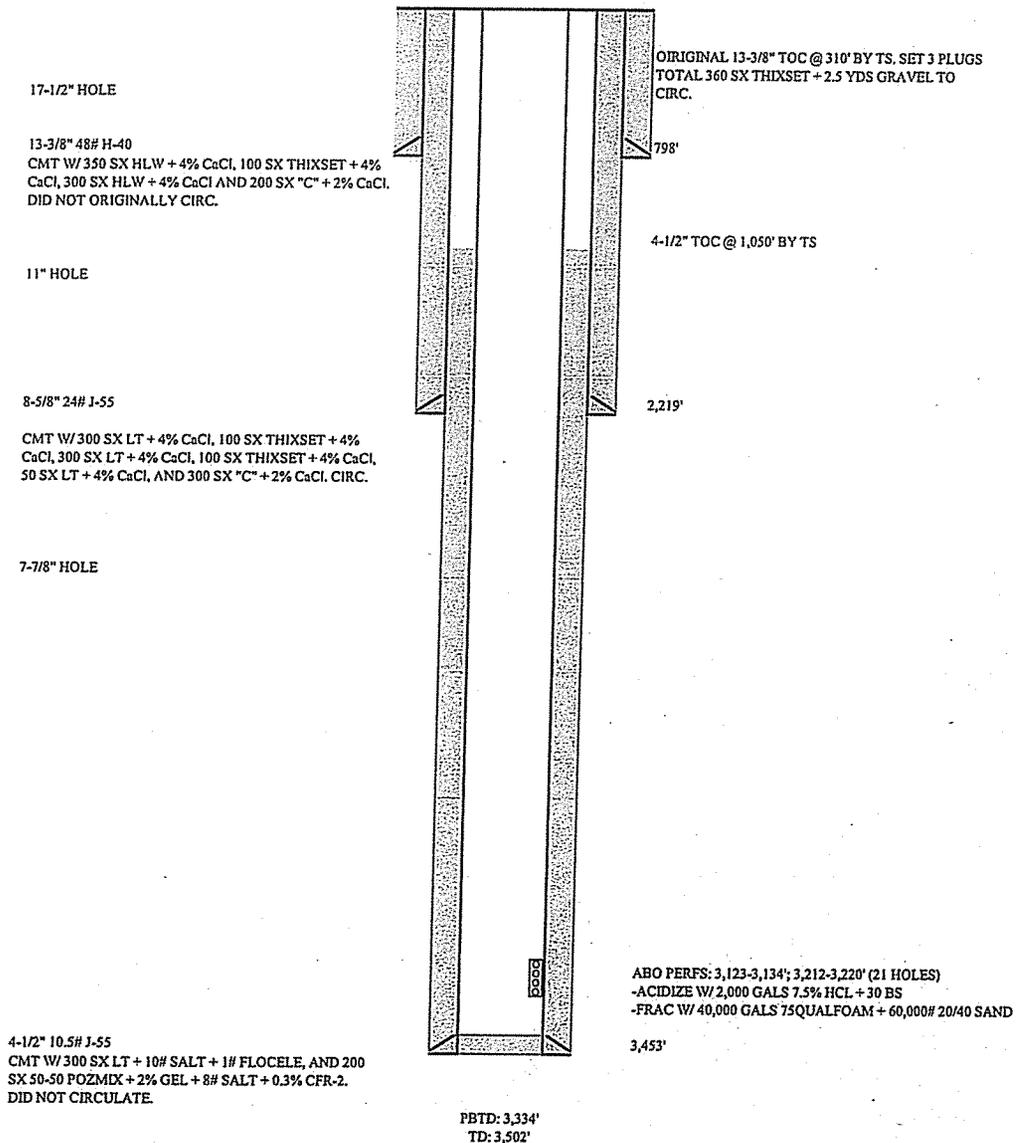
GR 3933.7
 SPUDDED 3/9/1981
 COMPLETED 4/10/1981
 LAT 33.5601501
 LONG -104.640816

INCLINATION SURVEY DATA		
MD (ft)	Inclination (deg)	
310	1.75	
743	2	
925	2.25	
1481	5.5	
1972	5.5	
2978	26	
3162	25	

FORMATION TOPS PER C-105
 GLORIETA 498
 YESO 692

ABO 3056

BEFORE P&A



LEASE/WELL: NED STATE #1
 LOCATION 1,980' FSL & 1,980' FWL
 K-05-T09S-R23E
 CO/ST: CHAVES COUNTY, NEW MEXICO
 FIELD: PECOS SLOPE; ABO
 API NO. 30-005-60849

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FORMATION TOPS PER C-105	
GLORIETA	498
YESO	692
ABO	3056

AFTER P&A

17-1/2" HOLE

13-3/8" 48# H-40
 CMT W/ 350 SX HLW + 4% CaCl, 100 SX THIXSET + 4%
 CaCl, 300 SX HLW + 4% CaCl AND 200 SX "C" + 2% CaCl.
 DID NOT ORIGINALLY CIRC.

11" HOLE

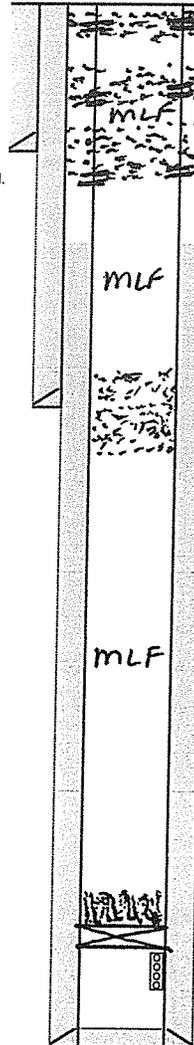
8-5/8" 24# J-55

CMT W/ 300 SX LT + 4% CaCl, 100 SX THIXSET + 4%
 CaCl, 300 SX LT + 4% CaCl, 100 SX THIXSET + 4% CaCl,
 50 SX LT + 4% CaCl, AND 300 SX "C" + 2% CaCl. CIRC.

7-7/8" HOLE

4-1/2" 10.5# J-55

CMT W/ 300 SX LT + 10# SALT + 1# FLOCELE, AND 200
 SX 50-50 POZMIX + 2% GEL + 8# SALT + 0.3% CFR-2.
 DID NOT CIRCULATE.



PERF @ 100' CIRC CMT TO SURF - WDC VERIFY

PERF @ 550' SX'S 60 SX'S CMT 550'-490'

PERF @ 848' 50280 SX'S CMT 848'-642' WDC & TAB

4-1/2" TOC @ 1,050' BY TS

2,219'

SPOT 20 SK CMT 2267 - 2169

SPOT 20 SK CMT 3073 - 2973

CIBPA 3073

ABO PERFS: 3,123-3,134'; 3,212-3,220' (21 HOLES)
 -ACIDIZE W/ 2,000 GALS 7.5% HCL + 30 BS
 -FRAC W/ 40,000 GALS 75QUALFOAM + 60,000# 20/40 SAND

3,453'

PBTD: 3,334'
 TD: 3,502'

CONDITIONS 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 II at (575)-748-1283 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