

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 August 1, 2011

WELL API NO.

30-015-40496

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Pearl

8. Well Number

1

9. OGRID Number

255281

10. Pool name or Wildcat

Delaware SWD (96802)

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 (Order SWD-1339)

2. Name of Operator

Trek Operating, LLC

3. Address of Operator

10159 E. 11th St., Ste. 401 Tulsa, OK 74128-3028

4. Well Location

O

800

South

2,475

East

Unit Letter _____ feet from the _____ line and _____ feet from the _____ line

Section 34

Township 23-S

Range 28-E

NMPM

Eddy

County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3,031' GR

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 ☐

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

7-20-2015 During water injection, surface tubing pressure 600 psig, tubing-casing annulus pressure 600 psig. Exchanged gauge on annulus, same 600 psig reading. Ceased produced water injection down tubing. Notified Mr. Richard Inge, NMOCD, Artesia, NM, by telephone of pressure communication. Received verbal approval to conduct pressure tests from surface to determine likely source of pressure communication.

7-22-2015 SITP 600 psig, SICP 600 psig. Down tubing, Petroplex pumped 500 gallons 15% HCl acid into open-hole section (3,355'-4,900'), to ensure tubing clean. Down tubing, lowered 2.87" gauge ring on slickline to top of packer at 3,306', no obstruction, pulled gauge ring out. Down tubing, lowered 2.81" plug and seated in packer's profile nipple at 3,306'. After pulling slickline out of tubing, bled down tubing pressure to 0 psig, no water flow into tubing from annulus. Pressured tubing to 1800 psig, dropped to 1600 psig after 10 minutes. Opened valve on annulus to tank for 5 minutes, good water flow at 0 psig, but re-pressured to 600 psig when valve closed. Pump truck pressured annulus to 735 psig, no rate possible, closed annulus valve, pressure dropped back down to 600 psig in 7 minutes. Opened tubing valve again, no flow. Shut down all activity to evaluate findings. Well shut in, SITP 0 psig, SICP 600 psig.

7-23-2015 By telephone, notified Mr. Richard Inge, NMOCD, Artesia, NM of pressure testing results from prior day.

From above observations, it is apparent that the wellhead and entire length of tubing (0-3,306') are not the source of the pressure in the annulus. It is assumed that the integrity of the 8-5/8" casing (0-3,355') is good based on the age of the well (3 years). The likely source of the pressure is water leaking around the packer's seals into the annulus. Assuming that the seals have relaxed enough to allow the observed communication, we propose the following work commencing on Monday, 7/27/2015:

With rig, install BOP on wellhead, then pull sufficient tension on packer in effort to re-set seals. Open valve on annulus to tank to check for communication around packer seals. If annulus flow stops, disconnect tubing from packer at on-off tool at 3,306'. Raise tubing and load annulus with fresh water and corrosion chemical. Reconnect tubing to top of packer, then pressure test annulus with pump truck and chart recorder for 30 minutes. Remove plug in packer profile nipple. Recommence injection. Submit chart to NMOCD.

If above procedure is not successful, it is proposed to perform the following remedial work:

With rig and pressure equipment, release packer (setting at 3,306-3,317') and pull tubing and packer out of casing. If necessary, pump mud down casing to ensure no water backflow from open-hole section. Lower reconditioned packer and tubing down casing and reset in 8-5/8" casing near prior setting location. Pressure test annulus for 30 minutes. If successful, schedule MIT with NMOCD. Recommence injection after NMOCD approval of MIT results.

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

SIGNATURE Brad D. Burks TITLE General Manager DATE 7-23-2015

Type or print name Brad D. Burks E-mail address: office@bkxcorp.com PHONE: 918-582-3855 (x 101)
For State Use Only

APPROVED BY: Richard Inge TITLE Compliance Officer DATE 7/23/15
Conditions of Approval (if any):

WELL DIAGRAM

TREK OPERATING, LLC
PEARL WELL NO. 1

API 30-015-40496
UL O, SEC 34 -T23S-R28E
EDDY CO., NEW MEXICO

VERSION: 8/4/2014

