

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

5. Lease Serial No. NMLC-054908

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator FAIR OIL, LTD.

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No. FAIR 18 FEDERAL #1

9. API Well No. 30-015-39189

3a. Address P O BOX 689, TYLER, TX 75710

3b. Phone No. (include area code)
(903) 510-6527

10. Field and Pool or Exploratory Area
CEDAR LAKE; GLORIETA-YESO

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2310' FNL & 840' FEL, SEC 18, T17S, R31E, NMPM

11. Country or Parish, State
EDDY, NEW MEXICO

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☒ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Hydraulic Fracturing

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

*** SEE ATTACHED ***

GC 2/13/19
Accepted for record NMOCD

RECEIVED

FEB 12 2019

DISTRICT II-ARTESIA O.C.D.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

JAY BYNUM

PRODUCTION FIELD SUPERINTENDENT

Title

Signature

Jay Bynum

Date

12/10/2018

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

ACCEPTED FOR RECORD

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

FEB 07 2019

/s/ Jonathon Shepard

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

2017 JAN 18 LAND NGMT
COLUMBIA RIVER OFFICE

2018 DEC 18 AM 7:47

RECEIVED

FAIR OIL, LTD

Well Name **Fair 18 Fed #1**

API # 30-015039189

Operation Find and repair hole in casing

Est. Cost

\$108,046

Day Date

Nov-18

- 1 5-Nov-18 ICP 160 psi. Move in Rig up Reliable Pulling Unit. Pull rods; 7 Kbars, Pump and 16' gas anchor. Unset tubing anchor and nipple up BOP. POH w/ 19 stands tubing and the well started blowing oil and gas out the tubing. Start blowing tubing down to half tank then the backside started flowing gas strongly. Close the backside and start blowing it to half tank. Both tubing and backside blew gas strongly with only a trace of fluid. There was not much indication that the flow was diminishing. Shut down for night
- 2 6-Nov-18
ICP 160 psi, ITP 160 psi. Move in Gandy kill truck and pump 80 bbls brine down tubing, the well was almost dead. Prepair to Pull tubing but the derick man quit. While waiting for a new derick man the well was run through the lease meter; flow was 980 decreasing to 500 mcf. 5 bbls of brine were pumped down tubing to kill it while flowing gas out backside to the battery. When the new derick man arrived the backside was killed with 20 bbls of brine. A standing valve was dropped and 5 bbls brine dumpt on top of it to kill the tubing. POH w/ tubing to the TAC stopping every row to kill the backside. A stripper head was installed after removing the TAC and the balance of the tubing was pulled. Dump 20 bbls brine down well and make up RBP and Pacer. RIH to set RBP @ 4527' (143 jts). Test tubing with the Kill truck to 1000 psi - OK. After setting the RBP the gas flow out the backside diminished. Shut down for night.
- 3 7-Nov-18
ICP 0 w/ v sli blow, ITP 800 psi blew down immediately. Pump 72 bbls brine down backside, it should have taken 68 bbls (hole in casing). Using packer and testing down tubing and casing a hole was isolated between 2520 and 2583. (NOTE: there is an injection well app 150' away injecting water into the interval from 2782 to 3469'). Unset packer and dump 2 sacks of sand on top of RBP. POH w/ packer and tubing. RIH w/ retainer hydrotesting tubing to 5,000 psi. All joints held pressure but there were two joints with gaulded threads that were pulled out of the string. Hang cement retainer at 2397' (76 joints) and shut down for night.
- 4 8-Nov-18 ICP 0, ITP 0. Move in Integrated Cementers. Test lines to 3000 psi. Open surface casing valve and break circulation out of the annulus between 8 5/8" and 5 1/2". Squeeze well w/ 200 sx Class C cement w/ 2% CaCl. Squeeze out the surface casing for first 100 sx then close the casing valve to squeeze cement out of the 8 5/8" hole. Squeeze pressures increased from 500 to 900 psi. Attempted to hesitate squeeze during the displacement. Left 3 bbls cement in tubing and unsting from retainer. Reverse out 3 bbls cement to half tank and pull out of hole with tubing.
9-Nov-18 Shut down Waiting on Cement
- 5 10-Nov-18 Run in hole w/ 4 3/4" bit and 6 3.5" drill collars. Wash through a little cement and tag cement retainer. Drill out 64' of cement. Shut down for night
- 6 11-Nov-18 Drill out cement and drop out at 2575'. Circulate hole out and run one more joing. Test casing to 500 psi two times with bleedoff in 10 minutes. RIH w/ 4 more joints and attempt swab test. Sand line broke on 5th run. Pull out of hole and Shut down for night
- 7 12-Nov-18 Cut off 1300' of sand line. RIH and set at 2397'. Tie on to backside, load w/ 9 bbls and test OK. Start swabbing, IFL 600' from surface..Swab well down to seating nipple and conduct 3 one hour swab tests. Fluid entry was approximately 1.1 to 1.5 bbls/hour. Salinity of the swabbings increased slightly. Drain hoses and shut down for night.

8 13-Nov-18

ITP 0. Swab well, IFL 200' fs. Swab approximately 12.7 bbls fluid. Load tubing and test hole in casing, still the same as before. Test casing above packer, still good. Run packer down hole and set at 2586' and test casing below hole OK. Unset packer and POH. RIH w/ 5 stands tail pipe, leve hanging with tailpipe at 2586'. MIRU Integrated Cementers and spot 6 bbls cement (2328 to 2586'). Pull up and set packer with end of tubing @ 2074'. Squeeze app .8 bbls cement into hole, final pressure 1650 psi. Shut well in for night.

14-Nov-18 Shut down WOC

9 15-Nov-18 ICP 700 psi, ITP could not be measured due to cementers connection. Both blew down immediately. Unset packer and POH w/ tubing. RIH w/ 4 3/4" bit and 6 drill collars. Tag cement @ est 2490'. Wash down 20' very soft cement and another joint of semi soft cement to 2545'. Shut down overnight in hopes that the cement will harden.

10 16-Nov-18 ICP 0, ITP 0. Continue drilling soft cement and fell out @ 2577'. Test casing to 550 psi with considerably better bleedoff than before the 2nd squeeze. 550 psi, 5 min 470 psi, 10 min 420 psi, 15 min 380 psi. RIH w/ bit and clean sand off of the RBP @ 4527'. POH w/ tubing and LD Drill collars. RIH w/ packer and tubing. Set packer @ 2397'. Swab dry and SD one hour. Pull app 75' of fluid, est .4 bbls

17-Nov-18 Shut down Saturday

11 18-Nov-18 ICP 0, ITP sli vacuum. Make 3 swab runs. First run found fluid level app 2000' from surface. Third run recovered no fluid. Est 1.5 bbls/day fluid entry over the weekend. Wait one hour and make swab run recovering app .4 bbls fluid. Seond run no fluid recovery. Wait one more hour and make swab run with NO FLUID recovered. No kill trucks available so shut down at 10:30 am.

12 19-Nov-18

ICP 0, ITP 0. IFL 2200' from surface. Est remaining leak rate from hole 4.5 bpd. Unseat RBP and Pull out of hole, LD packer and RBP. RIH w/ production tubing. ND BOP, Hang tubing w/ Bottom of tubing (Bull plug and mud joint) at 5947', Seating Nipple @ 5912', TAC @ 4528'. Install wellhead equipment and prep to run rods. Install tubing valve and SDFN.

13 20-Nov-18 ITP 15 psi. RIH w/ pump, 7 1.5" K-bars, 228 3/4" rods, 6' ponies. Hang well on, check pressure and pump action OK. Hang well on and RDMO pulling unit.

Well Equipment Information

Tubing Detail: bull plug, 1 jt 2 7/8", Perforated Sub, SN (5912'), 44 joints tubing, Tubing Anchor (4528'), 2 jts, 4' sub, 142 joints tubing.

Rod Detail: 7-1.5" K-bars, 228 3/4" rods, 8' subs

Pump Detail: 20'

Pumping Unit: Lufkin Mark II 640D-365-168 set in long hole