

Submit 1 Copy To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
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
October 13, 2009

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. 30-015-22941
1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐		5. Indicate Type of Lease STATE ☒ FEE ☐
2. Name of Operator BOPCO, L.P.		6. State Oil & Gas Lease No. L-4397-3
3. Address of Operator P.O. Box 2760 Midland, TX 79702		7. Lease Name or Unit Agreement Name Merchant State
4. Well Location Unit Letter <u>H</u> : 1980' feet from the <u>North</u> line and <u>660'</u> feet from the <u>East</u> line Section <u>1</u> Township <u>19S</u> Range <u>28E</u> NMPM County <u>Eddy</u>		8. Well Number <u>1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3384.4' GL; 3403' KB		9. OGRID Number 260737
		10. Pool name or Wildcat Palmillo (Bone Spring)

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 ☐

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐ 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

BOPCO, L.P. respectfully requests permission to plug and abandon the subject wellbore as follows:

1. MIRU Maverick Well Pluggers and plugging equipment. Set open top steel pit for plugging. ND WH & NU 3,000 psi manual BOP for 2-3/8" tubing.
2. TIH and tag cement plug @ 3,033'.
3. Test 2-3/8" x 5-1/2" annulus to check tubing integrity. Circulate w/ 9.5 ppg mud.
4. Spot 30 sxs Class C cmt from 1066' - 966'. WOC & TAG.
5. PUH and spot 40 sxs Class C cmt from 476' - 326'. WOC & TAG.
6. PUH and spot 20 sxs Class C cmt from 30' to surface. 60'
7. ND BOP and cut off wellhead 5' below ground level. Rig down.
8. Set P&A marker and remediate location.
9. Use steel tank and haul all fluids.

**Notify OCD 24 hrs. prior
To any work done.**

Spud Date:

07/03/1979

Rig Release Date:

11/08/1979

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

SIGNATURE

Valerie Truax

TITLE Regulatory Admin Assistant

DATE 05/13/2010

Type or print name Valerie Truax

E-mail address: vltruax@basspet.com

PHONE: (432)683-2277

For State Use Only

APPROVED BY:

Pat Harker

TITLE

DATE 5/18/2010

Conditions of Approval (if any):

Approval Granted providing work
is complete by 5/18/2010

PROPOSED PLUG AND ABANDON WELLBORE

LEASE: MERCHANT STATE **Well #:** 1
FIELD: PALMILLO (BONE SPRING)
LOCATION: 1980 FNL & 660 FEL, SES 1, T19S, R28E
COUNTY: EDDY **ST:** NM **API:** 30-015-22941

KB: 3403
GL: 3385
SPUD DATE: 7/3/1979
COMP DATE: 11/9/1979

SURFACE CASING

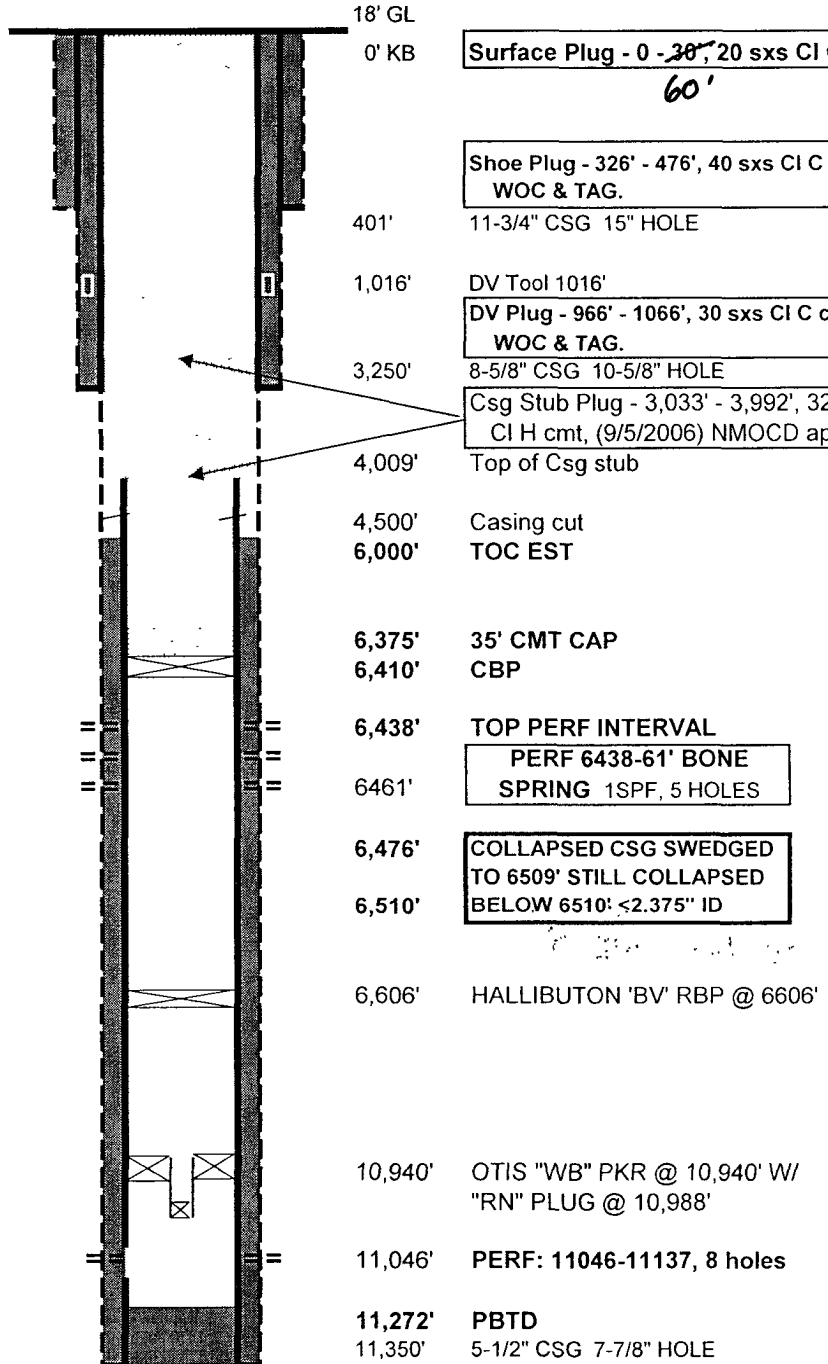
SIZE: 11-3/4"
WT/GRD: 42# H-40
CSA: 401
SX CMT: 400
CIRC: Y
TOC: SURF
HOLE SIZE: 15" 401'

INTERMEDIATE CASING

SIZE: 8-5/8"
WT/GRD: 32 & 24# K-55
CSA: 3250
SX CMT: 1750
CIRC: Y DVT 1016'
TOC: Surf
HOLE SIZE: 10-5/8" 3250'

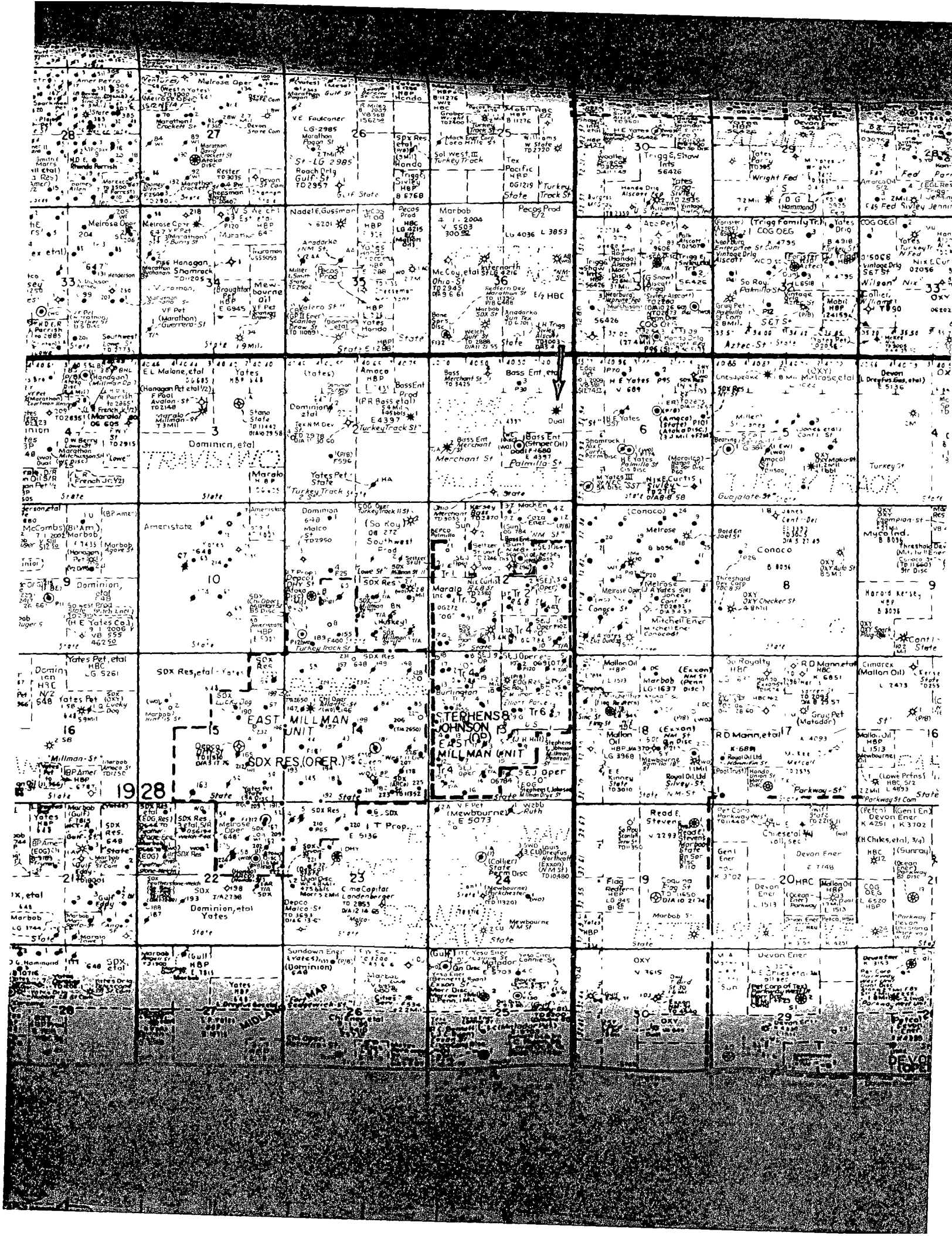
PRODUCTION CASING

SIZE: 5-1/2"
WT/GRD: 15 5 K-55 & 17 K-55 & N-80
CSA: 11350
SX CMT: 1100
CIRC: N
TOC: 6000' EST
HOLE SIZE: 7-7/8" 11,350'



PBTD: 6375'
TD: 11350'

Updated: 5/12/2010
 Author: crm
 Engr: CCC



WELL HISTORY
MERCHANT STATE #1
PALMILLO (BONE SPRING) FIELD
 UPDATED 08/22/05 (KRA)
 TA'D 08/05

LOCATION: 1980' FNL & 660' FEL, SEC 1, T19S, R28E, UNIT H
 EDDY COUNTY, NM

API #: 30-015-22941

ELEV: GL: 3384' DF: 3402' KB: 3403'

SPUD DATE: 07/03/79

COMP DATE: 11/09/79

ORIG TD: 11,350'

ORIG PBTD: 11,310'

CURRENT TD: 11,350'

CURRENT PBTD: 6,375'

CASING:

DATE	SIZE	WT	GRD	CSA	SX	CLASS	TOC	HOLE SIZE	HOLE DEPTH
	11-3/4"	42#	H-40	401'	400		CIRC	15"	401'
	8-5/8"	32# 24#	K-55	3250'	1150		CIRC	10-5/8"	3250'
	5-1/2"	15.5# 17#	K-55 N-80	11,350'	1100		6000'	7-7/8"	11,350'

LINER:

DATE	SIZE	WT	GRD	CSA	SX	CLASS	TOC	HOLE SIZE	HOLE DEPTH
NONE									

OPEN HOLE:

DATE	HOLE SIZE	HOLE DEPTH
NONE		

LOGS:

DATE	LOG	COMPANY	DEPTH	LOGGERS TD	RF
07/10/79	CDL/CNL/GR/DLL/MLL		0-3248'	3250	
08/07/79	CDL/CNL/GR/DLL		3234-11340'	11342	
08/07/79	MLL/GR		3234-11335'	11338	
08/16/79	GR/CCL		10,000-11,272'		
08/16/79	GR/CCL		6000-7000'		

DST:

6432'-6529' BONE SPRINGS- TO 60 min: Strg blow, GTS 40 min, rate varied @ 52-137 MCF, SI 240 min: Gas show 20 ppm H₂S. Sample: 1900#, 5.8 ft³ gas 500 cc. Oil 38° API, 1100 cc, SW w/slfr cl 85,000, Rw 0.34 @ 70°F. IHP 2964#, FSIP 2946#, FP 722-1799#, FHP 2964#, BHT 120°F.

10,420'-10,459' ATOKA- 5 min preflow- wk blow, 60 min ISI, 60 min FF wk blow, 120 min FSI, Sample: 50#, 1800 cc mud. IH 5602, IF 86, ISI 215, FF 129, FSI 215, FH 5602, BHT 165°F.

11,040'-11,079' MORROW BREAK 11,050'-11,055'- TO 5 min: Strg blow. SI 60 min: GTS 25 min, Open 300 min. SI 600 min. Sample: 200#, 6.3 ft³/gas, 500 cc mud w/trace cond. IHP 5933, IFF 161, ISIP 4256, FF 138-253, FSIP 4502, FHP 3933, BHT 172°F.

CORES: NONE

TUBING: SEE DATA SHEET

INITIAL COMPLETION

08/15/79-11/09/79

Ran GR/CCL log.

08/16/79 **PERF @ 11,046', 48', 11,129', 31', 32', 34', 36', 37'.** Set pkr @ 10,940'. **Pump** 900 gls 7-1/2% acid + adds. Swab. **Acidize** w/1500 gls 7-1/2% MS acid w/850 SCF Nitro/bbl+adds, 12 ball sealers. Flow back on 3/8" chk. Died. Swab & flow. Ran BHP bomb. **Frac perfs** 11,046-11,048' & 11,129-11,137' w/17,671 gls gel+17,842# 20/40 sd. Dead. Swab & flow. 4 pt. test, CAOF 955 MCFD. **Set "WB" Pkr @ 10,940' w/Otis "RN" plug @ 10,988'.**

11/03/79 **PERF 6438', 44', 50', 56', 61', 1 JSPF. SET RBP @ 6606'.** Set pkr @ 6388'. **Acidize** perfs 6438-6461' w/2000 gls 15% NE acid DS-30+2 GPT I-15 w/9 each 7/8" ball sealers. Flow & test. Ran BHP bombs & SI. **IP: Bone Spring** 11/09 24H (F) 477.5 BO+335.6 BW+900 MCF. **Lwr Morrow** 09/06 24H (F) CAOF 955 MCF.

WORKOVER SUMMARY:

01/80 CONNECTED TO FLOW LINE & SI FOR BU

06/81 INSTALL PUMPING UNIT

02/02 RETURN TO PRODUCTION TO MEET STATE COMPLIANCE

CONNECTED TO FLOW LINE & SI FOR BU

01/24/80-05/20/80

AWO: (F) 24H 231 BO+99 BW+708 MCF, FTP 1480#, 16/64" chk (**Bone Spring**)

INSTALL PUMPING UNIT

06/17/81-06/20/81

AWO: (P) 24H 74 BO+173 BW+501 MCF. (**Bone Spring**)

11/05/82 **Rod** Part.

08/11/83 **Rod** Part & Pump Change.

05/27/84 Acidize **Tbg.**

01/30/87 **Tbg** lk.

05/20/87 **Rod** Part.

06/02/87 **Rod** Part.

09/07/87 **Rod** Part.

11/16/87 **Rod** Part.

12/04/87 **Rod** Part.

12/27/87 **Rod** Part.

12/31/87 **Rod** Part.

02/21/88 **Rod** Part.

02/05/88 **Rod** Part.

03/12/88 **Rod** Part.

07/18/88 **Rod** Part & Pump Change.

10/05/88 **Tbg** Part.

12/18/88 Exchg **pmp.** Depth of failure 6460'.

12/21/88 **Tbg** part 46th jt FS. Exchg TAC. Chg pmp. Depth of failure 1468'.

02/23/89 **3/4" pin** brk 144th FS. Depth of failure 3500'.

04/05/89 Exchg **pump.** Depth of failure 6476'.

12/03/89 **7/8" SH box** 62nd. Depth of failure 1550'.

01/08/90 **7/8" SH box** 43rd. Depth of failure 1075'.

01/11/90 **3/4" pin** brk 143rd FS. LD 102 7/8" rods & 1-1/2" pmp. Exchg pump 1-1/4" pump. Rplc all 7/8" rods w/102 & 9 3/4" rods. Depth of failure 3575'.

MERCHANT STATE #1
WELL HISTORY

02/04/91 Exchg pump. Depth of failure 6480'.
08/03/92 **3/4" cplg** brk 149th FS. Exchg pump. Depth of failure 3725'.
11/14/94 **3/4" pin** brk 67th FS. Exchg pump. Depth of failure: 1675'.

**RETURN TO PRODUCTION
TO MEET STATE COMPLIANCE**

02/13/02-03/11/02

Install C228-213-86 Lufkin pmpg unit w/20 Hp elec motor. 24H (P) 0 BO+0 BW+77 MCFG. TP-520#, LP-43#, CP-400#. Pmp 75 BPW dn tbg. Hard vac. POH w/rods & shop pump. Pmp 43 BPW dn tbg. Hard vac. Tbg leak 88th FS. RIH w/new SN & exchg TAC. Chg pmp. POP. BWO: 0 BOPD + 0 BWPD + 0 MCFD. AWO: 2 BO + 40 BW + 373 MCF. **Perfs 6438-61' (Bone Springs)**

06/18/02 **Wellhead** lkg @ 7-1/16" X 2-3/8" tbg hgr. Shop tbg hgr f/repairs. Depth 1', leak.
02/04/03 **3/4" pin** brk 146th FS. Exchg pump. Depth 3650', over torque.

**RECOMPLETE TO MORROW
UNSUCCESSFUL - TA WELL**

07/27/05-08/11/05

POH w/ rods & pump. LD all rods. Shop pump. POH & LD tbg, TAC & SN. PU 4-3/4" rotary bit, XO & 5-1/2" csg scraper f/ 15.5-17# csg. RIH w/ 209 jts 2-7/8" WS. Tagged @ 6476' (15' blw btm perf & ~130' above fill on RBP). POH w/ 3 stnds WS to leave bit @ 6290' (148' above top perf). POH w/ 2-7/8" WS & tools. LD bit & csg scraper. No visible sign of fill on tools. PU 4-3/4" blade bit & bailer assmbly. RIH w/ 2-7/8" WS to tag @ 6476'. RU kill truck. Stroked bailer. Sat dn second time & appeared to be pushing something DH w/ 5 pts. PU on tbg to observe drag & then pulled free. Sat back dn lightly to tag ~3' higher. Felt same drag when PU on tbg. Appeared to be setting dn on RBP. POH w/ WS. LD bailer. Blade bit had marks up 2" between blades. Recovered heavy iron sulfide fluid & wtr in bailer (no solids). PU 2-7/8" SN. RIH w/ 40 stnds WS (kill string) to leave EOT @ 2473'. POH w/ 2-7/8" WS. PU rtrvg head f/ Halliburton Mdl 1 RBP & 2-7/8" SN. RIH w/ 2-7/8" WS. Tagged @ 6485' (9' deep). Made several attempts to latch onto RBP. Slipping off w/ 15-18 pts. Appeared to be only getting a friction bite. RU kill truck. PU rtrvg head ~1' off btm. Pmpd 40 BFW dn tbg (38 bbls cap). Began working tbg while pmpg dn tbg. Same results. PU power swivel. Continue pmpg dn tbg. Work tbg w/ 2-3 rounds of left hand torque in tbg. Setting 15-20 pts dn. PU on tbg & pull free w/ 18 pts. Worked plug DH 10' thru day (left @ 6495'). RD swivel. RD kill truck (pmpd ttl 230 BFW). POH w/ tbg. Rtrvg head was folded in around btm. Appeared to possibly be going beside rtrvg stem of plug. PU 4-1/2" lead impression blk. RIH w/ 2-7/8" WS. Tagged @ 6476' (same depth as origin tag). Set 3 pts dn on impression blk. Pulled 10 pts to pull free. POH w/ WS. LD impression block. Had 2 wide marks up side of blk. No marks on btm face. Appears to be collapsed csg. PU 4" csg swedge, XO, 3-3/4" Bowen bumper sub, 3-3/4" National (Bowen) jars, (6) 3-1/2" DC's & XO. RIH w/ 2-7/8" WS. Tagged @ 6482'. Bumped swedged dn to 6488'. Began getting tight & making no hole. POH w/ WS. Paint worn off up to 3-5/8" on swedge. PU 3-9/16" swedge, XO, 3-1/2" DC's (callipered 3-7/16"), bumper sub, jars, (5) 3-1/2" DC's & XO. RIH w/ 2-7/8" WS. Tagged @ 6497'. Bumped swedge dn to 6504'. POH w/ 4 stnds tbg to leave swedge @ 6256' (182' above top perf). RIH w/ swedge & tools. Swedge 5-1/2" csg w/ 3-9/16" swedge & made 5' to 6509'. Could make no add'l hole. POH w/ tools & LD DC's & bumper sub & jars. PU & RIH w/ same 3-9/16" swedge, 3-1/8" bumper sub, 3-1/8" jars & (8) 3-1/8" DC's & 2-7/8" WS. Re-tag @ 6509'. Work swedge & made very little progress. Jars would not hit & area became sticky. PUH to ±6250'. POH w/ 2-7/8" WS & LD DC's, jars, bumper sub & swedge. PU & RBIH w/ 2 jts 2-3/8" tbg w/ muleshoe cut on btm 2-7/8" WS. Sat dn @ 6510'. Could not work 2.375" tbg thru collapsed area. PU to 6250'. POH w/ 2-7/8" WS & LD 2 jts 2-3/8" tbg. PU & RBIH w/ Bkr 5-1/2" Mdl "G" RBP & 5-1/2" Baker "EA" rtrvmc pkr on 2-7/8" WS. **Set RBP @ 6410' & PU to set pkr @ 6380'.** Load 2-7/8" tbg w/ 27 bbls (FL @ 4660' FS) & test pkr & BP 1500#--OK. Load 2-7/8" x 5-1/2" annulus

w/ 67 bbls (FL @ 4324' FS) to test 5-1/2" csg 1500#--OK. Release pkr & RBP. POH & LD all 2-7/8" WS, pkr & RBP. Chg out tbg line f/ 2 & 4 line rig up to 3 & 6 rig up. RU Rotary WL. RIH w/ 5-1/2" CIBP. **Set CIBP @ 6410'**. RBlH & dump bail **35' of cmt on CIBP, PBTD @ 6375'**. Informed @ 10:30 a.m. gyro needed to be run. Wait on gyro. Rotary ran gyro IH to ±6350'. POH & RD gyro. CO tbg line f/ 3 & 6 line to 2 & 4 line. Instl do-nut tbg hanger. **No tbg IH.** Clean location. Close pit. Move 228 PU to BEU #60 yard. **Well TA'd.**

NOTE: ESTIMATED CURRENT BHP OF THE BONE SPRINGS IS 850 PSI 8/9/05

Csg Pulled/Plug Back to Facilitate Future Sidetrack Re-entry

08/28/06-09/6/06

PU jet cutter & RIH to 4,000' to cut 5 1/2" csg. PU on csg w/ csg jacks to 45,000#'s. Fired jet cutter & cut csg. POOH & LD all csg. Casing stub at 4,009'. Pump 325 sxs Class H cement from 3,033' – 3992. RIH w/ tbg & tagged TOC @ 3,033'

09/13/2006 RU contract HOU & ran MIT test for NMOCD to 320 psi for 30 minutes, held ok. NMOCD contacted 9/11/06, but they did not witness.

03/07/2007 RU contract kill truck. Ran mechanical integrity test to 400 psi for 30 min, ok

04/09/2007 RU contract kill truck. Loaded csg. Pressured csg to 550 psi for 30 min, ok. NMOCD notified but did not witness