Submit 3 Copies 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
March 4, 2004

WELL API NO. 30-015-27909
5. Indicate Type of Lease STATE ☑ FEE ☐
6. State Oil & Gas Lease No. E-5894

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: REMUDA BASIN "24" STATE

1. Type of Well: Oil Well ☑ Gas Well ☐ Other

RECEIVED
AUG 17 2004
OCD-ARTESIA

8. Well Number: 2

2. Name of Operator: BK EXPLORATION CORP

9. OGRID Number: 2433

3. Address of Operator: 10159 E 11TH STE 401 TULSA, OK 74128-3028

10. Pool name or Wildcat: NASH DRAW BRUSHY CANYON

4. Well Location

Unit Letter A : 330 feet from the NORTH line and 330 feet from the EAST line

Section 24 Township 23-S Range 29-E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3008' GR

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL____ Sect____ Twp____ Rng____ Pit type____ Depth to Groundwater____ Distance from nearest fresh water well____

Distance from nearest surface water____ Below-grade Tank Location UL____ Sect____ Twp____ Rng____ ;

____ feet from the ____ line and ____ feet from the ____ line

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☑	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☑	COMMENCE DRILLING OPNS.	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPLETION	☐	CASING TEST AND 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SEE ATTACHED "REVISED PROCEDURE"

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Brad D. Burks TITLE PRESIDENT DATE 8-12-2004

Type or print name BRAD D. BURKS E-mail address: Telephone No. 918-582-3955

(This space for State use)

APPPROVED BY Phil Hawkins TITLE Field Inspector DATE 8/24/04
Conditions of approval, if any:

If this work requires an earthen pit, a permit must be approved prior to construction of the pit(s).

ABANDONMENT PROCEDURE

REVISED 8-12-2004

Remuda Basin "24" State No. 2
UL A, NE/NE/4 Section 24 T-23-S R-29-E
Eddy County, New Mexico 30-015-27909

1. Rig up pulling unit. Notify NMOCD @ 505-748-1283, 24 hrs. prior to commencing operations. Fabricate abandonment marker.

2. Deliver BOP, steel pit, and 2-3/8" tubing. Lay flowline to steel pit for all well returns. Remove wellhead flange. Install BOP. Tally tubing.

3. Pick up 2-3/8" tubing. Down 5-1/2" casing, lower tension packer on tubing. Pressure test tubing, above slips. Set packer in tension @ 4000'.

4. Install wireline packoff on tubing. With 1-9/16" gun, down tubing, shoot 4 squeeze perfs into 5-1/2" casing @ 4200'. Observe tubing for pressure changes.

5. With cement pump, establish injection rate into squeeze perfs @ 4200', then pump cement for a 100' plug @ 4100-4200', inside and outside of casing. Release packer, reverse circulate to clean tubing. Wait on cement. Tag cement plug @ 4100-4200'. Set another cement plug, if necessary.

6. Check 5-1/2" x 8-5/8" annulus for water flow. If no water flow, stretch 5-1/2" casing to determine free point, remove 5-1/2" casing from well, set 100' casing stub plug, set 100' cement plug @ 3135-3235', WOC, tag, repeat cement if necessary, then set final cement plug @ 0-3135'. Wait on cement 24 hrs. and top off with cement. Go to step 11.

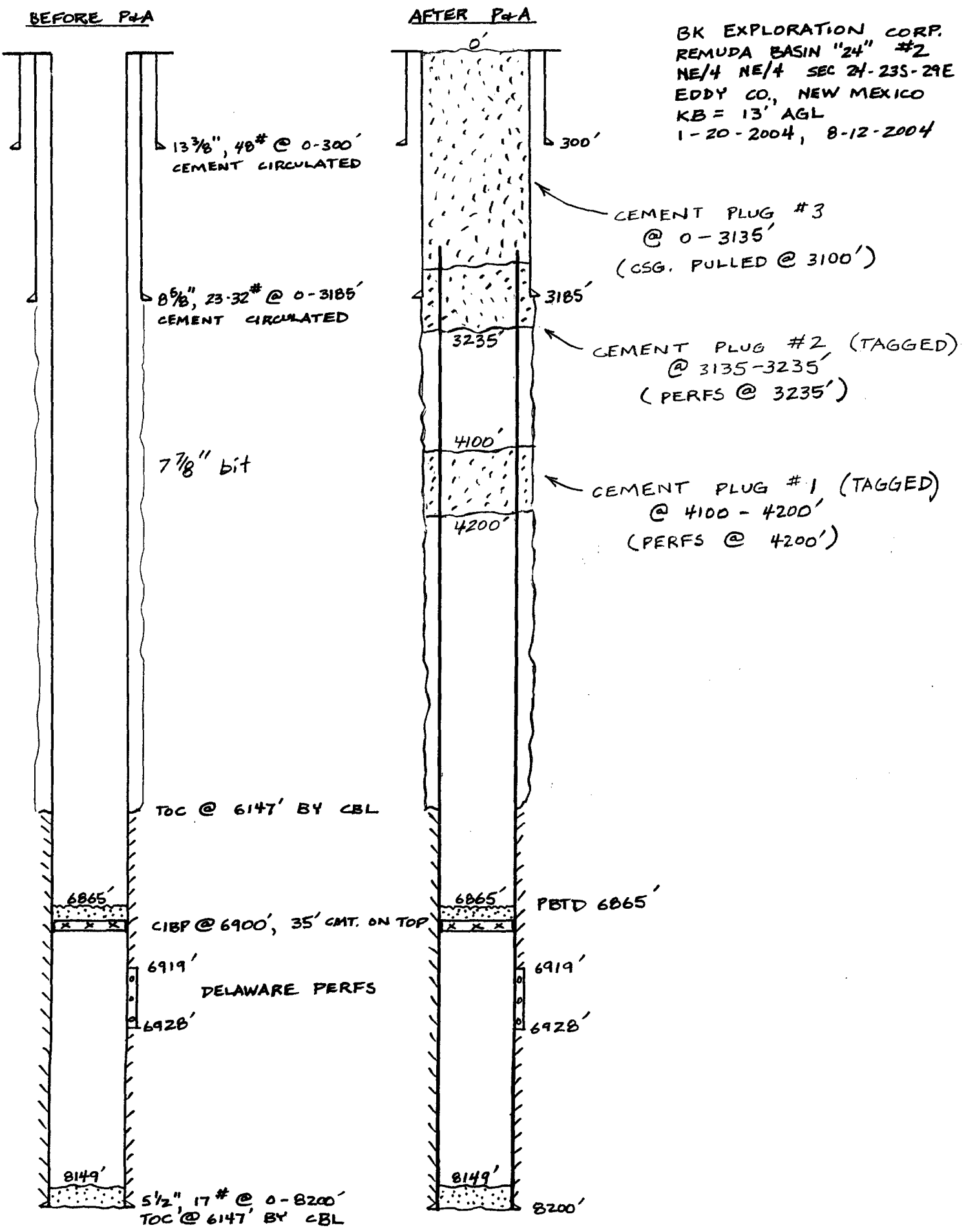
7. If water flow exists in step 6, raise packer and set at 3000'. Install wireline packoff on tubing. With 1-9/16" gun, down tubing, shoot 4 squeeze perfs into 5-1/2" casing @ 3235'. Observe tubing for pressure changes.

8. Establish injection rate into squeeze perfs @ 3235', then pump cement for a 100' cement plug @ 3135-3235', inside and outside of casing. Release packer @ 3000', reverse circulate to clean tubing. Wait on cement. Tag cement plug @ 3135-3235'. Set another cement plug, if necessary.

9. Check 5-1/2" x 8-5/8" annulus for water flow. If no water flow, cut 5-1/2" casing @ 3100', remove 5-1/2" casing from well, then set final cement plug @ 0-3135'. Wait on cement 24 hrs. and top off with cement. Go to step 11.

10. If water flow exists in step 9, raise packer and set at 50'. Install wireline packoff on tubing. With 1-9/16" gun, down tubing, shoot 4 squeeze perfs into 5-1/2" casing @ 3060'. Establish injection rate into squeeze perfs @ 3060', then pump cement to fill 5-1/2" x 8-5/8" casing annulus to surface and to fill 5-1/2" casing to surface. Pull packer out of 5-1/2" casing and top off 5-1/2" casing. Wait on cement 24 hrs. and top off again with cement

11. Install abandonment marker. Rig down pulling unit. Cut off 4 location anchors. Clean location.


BEFORE P&A
AFTER P&A
BK EXPLORATION CORP.
REMUDA BASIN "24" #2
NE/4 NE/4 SEC 24-23S-29E
EDDY CO., NEW MEXICO
KB = 13' AGL
1-20-2004, 8-12-2004
13 3/8", 48# @ 0-300'
CEMENT CIRCULATED
0'
300'
CEMENT PLUG #3
@ 0-3135'
(CSG. PULLED @ 3100')
8 5/8", 23-32# @ 0-3185'
CEMENT CIRCULATED
3185'
3235'
CEMENT PLUG #2 (TAGGED)
@ 3135-3235'
(PERFS @ 3235')
7 7/8" bit
4100'
CEMENT PLUG #1 (TAGGED)
@ 4100-4200'
(PERFS @ 4200')
4200'
TOC @ 6147' BY CBL
6865'
6865'
PBTD 6865'
CIBP @ 6900', 35' CMT. ON TOP
6919'
6919'
DELAWARE PERFS
6928'
6928'
8149'
8149'
5 1/2", 17# @ 0-8200'
TOC @ 6147' BY CBL
8200'