

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

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. 30-005-60657
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 type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Canyon E&P Company		6. State Oil & Gas Lease No. 308697
3. Address of Operator 4925 Greenville Ave., Ste 900, Dallas, Texas 75206		7. Lease Name or Unit Agreement Name Twin Lakes San Andres Unit
4. Well Location Unit Letter L : 1650 feet from the South line and 330 feet from the West line Section 31 Township Range 29E NMPM County CHAVES		8. Well Number 39
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 269864
		10. Pool name or Wildcat Twin Lakes San Andres

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: Perforate Additional San Andres ☒

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

See attached:

**DENIED**

Rule 5.9 - Canyon has too many wells out of  
Compliance

RECEIVED

MAY 02 2012

NMOC D ARTESIA

Spud Date:

Rig Release Date:

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

SIGNATURE

TITLE President

DATE

4-30-12

T or ns 1 e

mike@canyonep.com PHONE 214-709-6784

### TLSAU #39 Workover Outline

1. MIRU Pulling Unit
2. Pull rods and pump
3. Pull tubing
4. RIH with 3.5in gauge cutter (or larger) to 2854ft.
  - a. 4 1/2in x 9.5# casing set at 2870ft MD
  - b. PBTD recorded at 2855ft
  - c. Cased hole log run one month after open hole log got down to 2854ft.
  - d. Casing ID 4.09in
  - e. Casing volume 0.01625 bbl/ft
  - f. Existing San Andres P1 perfs at 2656-2702ft MD (gross interval)
5. If casing is not clear to at least 2847ft MD, run in hole with tubing and casing scraper and wash out to at least 2847ft (5ft past deepest new perf).
6. RIH with 3 3/8in casing guns (2 shots per foot), correlate with Compensated Neutron Gamma Ray log and perforate San Andres P2 and P3 zones as follows
  - a. P2: 2724-2744ft MD (20ft, 2 SPF)
  - b. P2: 2748-2752ft MD (4 ft, 2 SPF)
  - c. P2: 2754-2756ft MD (2ft, 2 SPF)
  - d. P2: 2749-2752ft MD (3 ft, 2 SPF)
  - e. P3: 2823-2842ft MD (19ft, 2 SPF); adjust bottom perf in P3 depending on actual PBTD.
7. RIH with 2 3/8 tubing and test packer and set at +/- 2610ft (40 ft above highest P1 perf)
  - a. 2 3/8in x 4.7# tubing volume 0.00386 bbl/ft
8. Acidize P1 and P2 combined as follows
  - a. Xxx gals mutual solvent
  - b. Xxx gals 15% HCL with appropriate additives (iron sequestering agent, corrosion inhibitors)
  - c. Flush to perfs with xx gals brine
9. Swab back as much load fluid as possible before dark
10. POOH with work string
11. RIH with 2 3/8 completion string to +/- 2610ft
12. RIH with rods and pump, hang on beam and stroke beam pump before releasing pulling unit