

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

Form C-103
October 13, 2009

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-05103
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name J L KEEL B
8. Well Number: 002
9. OGRID Number 269324
10. Pool name or Wildcat GRAYBURG JACKSON;SR-Q-G-SA

4. Well Location Unit Letter <u> M </u> ; <u>660</u> feet from the <u> S </u> line and <u>660</u> feet from the <u> W </u> line Section <u>08</u> Township <u>17S</u> Range <u>31E</u> NMPM <u>EDDY</u> County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3708' GL

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:

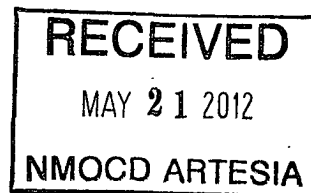
REMEDIAL WORK ☒ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

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.

PLEASE SEE ATTACHED



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: REGULATORY SPECIALIST III DATE MAY 18, 2012

Type or print name TERRY B. CALLAHAN E-mail address: tcallahan@lennenergy.com PHONE: 281-840-4272

For State Use Only

APPROVED BY:

TITLE:

DIST. REP. SUPERVISOR

DATE

05/21/12

Conditions of Approval (if any):

J L KEEL B 002
API #30-015-05103
Attachment

4/23/2012 - Test anchors had to pump ID flowline to make sure it was dead. RUWSU prep rig for tbgr. SDFN

4/24/2012 - Tbg 1000 psi, Casing 200 psi. Hook up to truck start flowing back, flowed back until 1:30 well died NDWH stab sub W/TIW valve and well kicked. Cont. flowing well at 1430 hrs decided to just flow back all night. Well making a considerable amount of oil & gas.

4/25/2012 - Tbg 0 psi, Csg 200 psi flowed back 5 Bbls oil well dead. NDWH, NUBOP & Environmental pan, RU floor & tongs release packer pump 8 Bbls produced water down tbgr hole full. TOO H W/81 jts & 7" AD1 packer didn't see any obvious signs of the failure. PU 3 7/8 bit & bit sub PU 113 jts 2 3/8 W/S tag fill @ 3569' PBD 3616'. PU swivel PU jt 113 drill down to 3575, PU jt 115 drill down to 3607', PU jt 115 drill down to 3616 PBD circulate hole clean for 1 hr. LD swivel TOO H LD 115 jts W/S. ND drilling head SWI

4/26/2012 - Csg 200 psi, flowback well while RU tbgr tester. PU 7" Arrow set 1 packer W/1.50 profile nipple and T2 on/off tool, TIH W/81 jts 2 3/8 IPC found 2 bad jts one with split RD tbgr tester. RD floor & tongs, NDBOP land tbgr. RU Kill truck pump 95 Bbls packer fluid set packer @ 2657 KB land tbgr NUWH. Pressure test (MOCK MIT) to 575 psi pressure dropped water coming up out of the ground around WH. Dig down 4' couldn't find leak. While digging didn't find 8 5/8 surface pipe but there is a valve for it. Called Jennifer and advised decided isolate casing leak. NDWH, NUBOP SWI left packer set overnight so we didn't have a spill.

4/27/2012 - RU floor & tongs wait on water truck. Tbg 50, Csg 0 flowback oil. Release packer TOO H W/81 jts 2 3/8 IPC tbgr LD packer. PU RBP & packer TIH W/84 jts set RBP @ 3650' pull 1 jt set packer @ 2634 test RBP to 500 psi, good. Release packer TOO H W/83 jts LD Compression packer. PU AD1 RIH 20' set test down tbgr 500 psi, good. Pull up 10' set and pump down csg had water coming up from ground. We still can't see the surface pipe and can't dig any deeper because of concrete cellar around WH. Called Jennifer and advised. Dig pit around the outside of cellar to prep for breaking up on Monday.

4/30/2012 - SIP 0 psi. WO vac truck. RIH w/ 81 jts 2-3/8" IPC tbgr. POH w/ 2-3/8" IPC tbgr, LD tbgr. RIH w/ 82 jts 2-3/8" WS. POH w/ 2-3/8" WS, LD WS. Backhoe dig out around csg.

5/01/2012 - Dig out surface casing. Hooked up hot oiler to csg. Found hole in 7" collar and repaired. Tested Csg at 550 psi. OK. Closed in well.

5/02/2012 - RU pick up working string TIH latch onto 7" lockset RBP release TOH laying dwn work string. 12:00 pm out w/ RBP & tbgr. PU RIH w/ 2 3/8 IPC tbgr & 7" ASIX PKR.w/on-off tool leave swinging @ 2650'. SWH SDFN. This morning pump packer fluid/ set packer.

5/03/2012 - RU vac trk. bleed off well. RU Kill truck pump 95 Bbls circulate packer fluid set packer @ 2657 KB' w/20 pts. Tension(81-jts 2 7/8" IPC) land tbgr. ND catch pan, and B.O.P. NUWH. Test CSC MOC MIT @500# 30 minutes test good RD kill trk. RD clean loc. MO to KB #6. Wait on OCD MIT.

5/04/2012 - MIRU Crain Hot Oil Service, bleed well down hook up to tbgr Set Basic flow tank follow back tank roustabouts hooked up follow back 15bbls. Crain acid crew pumped 3000gals 15% HCL Acid, 9gals ACI-256, 3gals NE-116, 9gals Fe-reducer, 3gals LST WRS. TBG=600, INIP=950, Max rate 3bbl Max PSI=1100#, CSC = 0, 5 min=600, Avg rate 2 bbl, Avg psi=1050#, inj rate =3, 10 min=550, total bbls=131, 15 min=500

5/10/2012 - Ran MIT witnessed by Richard Inge 500 psi



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Secretary

Jami Bailey
Division Director
Oil Conservation Division



Date 5/10/12

API # 30-0 15-05103

Dear Operator:

I have this date performed a Mechanical Integrity Test on the J. L. KEEL B #2

☒ If this test was successful the original chart has been retained by the NMOCD and will be scanned into the well's file in 7 to 10 days, pending receipt of the Form C-103 indicating the reason for this test. The well files are located at www.emnrd.state.nm.us/ocd/OCDOnline.htm

☐ If this test was unsuccessful the original chart has been returned to the operator pending repair and retest of the well, which must be accomplished within 90 days. If this is a test of a repaired well, previously in non-compliance, all dates and requirements of the original non-compliance are still in effect. No expectation of extension should be construed as a result of this test.

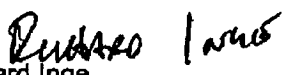
☐ If this test was for Temporary Abandonment include in your detailed description, on Form C-103, the location of the CIBP and any other tubular goods in the well, as well as your request for TA status.

☒ If this is a successful test of a repaired well you must submit a form C-103 to NMOCD within 30 days. This C-103 must include a **detailed** description of the repair to the well. Only after receipt of the C-103 will the non-compliance be closed.

☐ If this is a successful Initial Test of an injection well you must submit a form C-103 to NMOCD within 30 days. This C-103 must include a **detailed** description of the work done on this well including the position of the packer, tubing information and the date you began injection into the well.

If I can be of additional service contact me at (575) 748-1283 ext 107.

Thank You,


Richard Inge
Field Inspector
District II - Artesia