

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
Revised August 1, 2011

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

email 5-22-15

WELL API NO. 30-015-04048
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 310424
7. Lease Name or Unit Agreement Name Burnham Grayburg San Andres
8. Well Number: 6-2
9. OGRID Number: 303900
10. Pool name or Wildcat Sq Lake Grayburg San Andres

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.)

1. Type of Well: Oil Well Gas Well Other Water Injection

2. Name of Operator
MEMORIAL PRODUCTION OPERATING, LLC

3. Address of Operator
1301 McKinney, Suite 2100 Houston, TX 77010

4. Well Location
Unit Letter: N : 660' feet from the South line and 1980' feet from the West line
Section 2 Township 17-S Range 30-E NMPM County Eddy

5. Elevation (Show whether DR, RKB, RT, GR, etc.)

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL.

SUBSEQUENT REPORT OF:

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

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.

TD 3208' PBTD 3197' PERFS: - 2930' - 3188'
8-5/8" csg 28# @ 560', w/50 sks, 10" TOC unknown
7" csg.20# @ 2415' w/50 sks 8-1/4" TOC unknown
4-1/2" Liner 10.5# csg. @ 3187' w/400 sks 6" hole, TOL, 2334'

1. MIRUWSU. NDWH. NUBOPE.
2. Set CIBP @ 2300' w/20 sks of cement, (covers two shoes)
3. Pressure Test casing to 500 psi and record/report findings
4. Perf & Sqz w/85 sks of Class C cement, @ 1400' - 1100', WOC & TAG, (Bottom: Salt)
5. Perf & Sqz w/ 85sks, @ 700' - 460', WOC & TAG (Top of Salt & Shoe)
6. Perf & Circulate w/100 sks of C cement 100'-Surface.
7. Cut off wellhead and anchors 3' below grade. Weld on dry hole marker. Clean location.
8. CLOSED LOOP SYSTEM USED.

Approved for plugging of well bore only.
Liability under bond is retained pending receipt of C-103 (Subsequent Report of Well Plugging) which may be found at OCD Web Page under Forms, www.cmnr.state.nm.us/oed.

well bore must be plugged by 5/26/2016

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 *[Signature]* TITLE Representative DATE 05/22/2015

Type or print name Robert Holden E-mail address: rholden@keyenergy.com PHONE: 432-523-5155

For State Use Only
APPROVED BY: *[Signature]* TITLE Dist. Secy DATE 5/26/2015

Conditions of Approval (if any):

** See Attached COA's*

CURRENT

Date: 1/15/09

Lease : BURNHAM GRAYBURG SAN ANDRES UNIT County: EDDY
 Well Number: 6-2 Sec: 2 API #: 30-015-04048
 Well Location: 660' FSL & 1980' FWL' Twn : 17S Range: 30E

Status: Burnham Water Flood Injector

Surface Casing Size: 8-5/8" Weight: 28 Date Set: 12/18/44
 Depth set : 560 Sx of Cement : 50 TOC : _____

Production Casing Size : 7" Weight: 20 Date Set: 12/18/1944
 Depth set : 2415 Sx of Cement : 50 TOC : _____

Liner Casing Size: 4-1/2" Weight: 10.5 Date Set: 12/20/72
 Top : 2334 Bottom: 3187 Sx of Cement : 400

Perforations : 2930'-2940'
2954'-2958'; 2970'-2974'
3032'-3044'; 3184'-3188'

Total # of Holes : _____ Hole Size: _____

Initial Stimulation: _____
 Date: _____

Initial Potential : BOPD: _____ MCFPD: _____ BWPD: _____
 Date: _____ Method: _____

Elevations: GL 3745 KB _____ DF _____
 Total Depth: TD 3208' PBTD 3197'

Proposed

Date: 1/15/09

ase :
Well Number:
Well Location:

BURNHAM GRAYBURG SAN ANDRES UNIT

County: EDDY

6-2

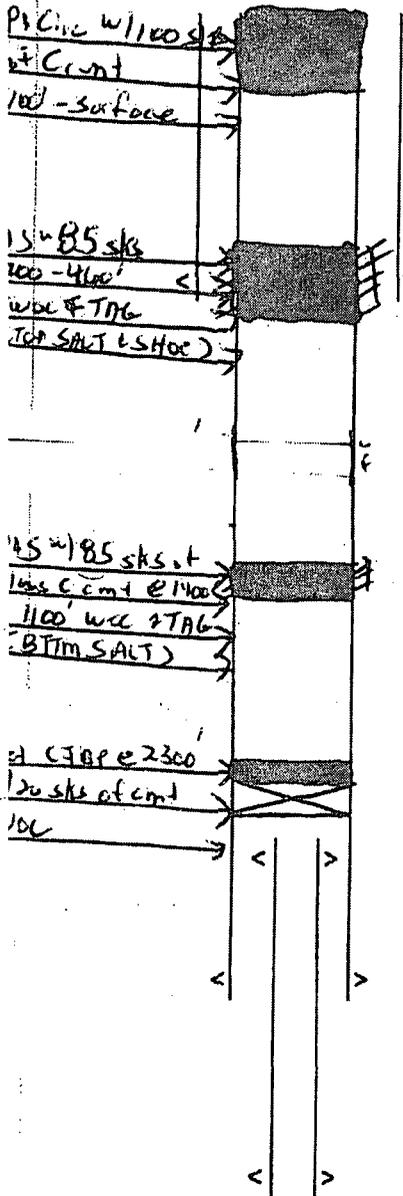
Sec: 2

API #: 30-015-04048

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Top : 2334 Bottom: 3187 Sx of Cement : 400

Perforations : 2930'-2940';
2954'-2958'; 2970'-2974'
3032'-3044'; 3184'-3188'

Total # of Holes : _____ Hole Size: 8"

Initial Stimulation:
Date: _____

Subsequent Stimulation:
Date: _____

Initial Potential : BOPD: _____ MCFPD: _____ BWPD: _____
Date: _____ Method: _____

Elevations: GL 3745 KB _____ DF _____
Total Depth: TD 3208' PBTD 3197'

2-28-47 Deepen to 3208'; 12-20-72 Clean out, ran 4-1/2" liner
5-13-74 Commenced water injection, 10-8-03 Repair 7" casing
8-19-04 Return to water injection

NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 S. FIRST STREET
ARTESIA, NM 88210
(575)748-1283

CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator: Memorial Prod

Well Name & Number: Burhan Grayburg San Andres 6-2

API #: 30-015-06048

1. Produced water **will not** be used during any part of the plugging & abandonment operation.
2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.
3. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.
4. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator, as well as the contractor, to verify that this permit is in place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.
5. A subsequent C-103 will serve as notification that the well bore has been plugged **ONLY**. A C-103 FINAL shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.
6. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.
7. Every attempt must be made to clean the well bore out to below the perms, before any plugs can be set, by whatever means possible.
8. **Cement Retainers may not be used.**
9. **Squeeze pressures are not to exceed 500 PSI, unless approval is given by NMOCD.**
10. **Plugs may be combined after consulting with and getting approval from NMOCD.**
11. **Minimum WOC time for tag plugs will be 4 Hrs.**

SPD

5/26/15

GUIDELINES FOR PLUGGING AND ABANDONMENT

DISTRICT II / ARTESIA

- All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater.
- Mud laden fluids must be placed between all cement plugs.
- Mud laden fluids must be mixed at 25 sacks of gel per 100 bbls of water.
- A cement plug is required to be set 50' below and 50' above all casing shoes and casing stub plugs. These plugs must be tagged.
- A CIBP with 35' of cement on top may be set in lieu of 100' cement plug.
- A plug as indicated above must be placed within 100' of top perforation. This plug must be tagged.
- Plugs set below and above salt zones must be tagged.
- No more than 2000' is to be allowed between cement plugs in open hole and no more than 3000' in cased hole.
- DV tools are required to have a 100' cement plug set 50' above and below the tool and must be tagged.

- Formations to be isolated with plugs placed at the top of each formation are:
 - Fusselman
 - Devonian
 - Morrow
 - Wolfcamp
 - Bone Spring
 - Delaware
 - Any Salt Section (Plug at top and bottom)
 - Abo
 - Glorieta
 - Yates (this plus is usually at base of salt section)

- If cement does not exist behind casing strings at recommended formation depths, the casing must be cut and pulled with plugs set at these depths or casing must be perforated and cement squeezed behind casing at the formation depths.
- In the R-111-P area (Potash Mine area) a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts common to the section penetrated and in suitable proportions, but not more than a 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible (50' below and 50' above).