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
May 27, 2004

WELL API NO.
30-015-24200

5. Indicate Type of Lease   Federal
STATE ☐   FEE x☐

6. State Oil & Gas Lease No.
LC 058126

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

Ballard Grayburg San Andres Unit

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

RECEIVED

8. Well Number   18

2. Name of Operator
Tandem Energy Corporation

FEB 1 4 2006

9. OGRID Number
34306

3. Address of Operator
P.O. Box 1559 Midland, TX 79702-1559

OCD-ARTESIA

10. Pool name or Wildcat
Loco Hills (Queen-Grayburg-San Andres)

4. Well Location

Unit Letter _____ : __600__ feet from the _____South_____ line and __600__ feet from the

__East__ line

Section   6   Township   18S   Range   29E   NMPM   Eddy   County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3595.3' GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type_____ Depth to Groundwater_____ Distance from nearest fresh water well_____ Distance from nearest surface water_____

Pit Liner Thickness: _____ mil   Below-Grade Tank: Volume _____ bbls; Construction Material _____

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. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
OTHER: ☐		OTHER: MIT Test *Returned to Injection* x☐	

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.

Rumaldo Hinojosa-Field Superintendent called Van Barton to run MIT test at 10:00 am on 1/13/06. Test was not witnessed by NMOCD representative.

Found hole in top jt. of tbg. on 12/23/05. Ran 2-3/8" x 4-1/2" AD-1 pkr. to 2399.84'. Set pkr. Pressure tested 2-3/8" x 4-1/2" annulus to 320 psi for 30 min and held. Released packer and circulated packer fluid. Re-set packer. Set slips and re-packed wellhead.

Original pressure chart by I&W attached.

Toben Scott
VP-Operations
Tandem Energy
432-686-7136 ext. 1102

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 _~~John Scott~~_ TITLE VP- Operations DATE 2/10/06

Type or print name

For State Use Only

APPROVED BY: _~~Gerry Guye~~_ TITLE _____ DATE 2-17-06

Conditions of Approval (if any):

E-mail address:

Gerry Guye
Compliance Officer

Telephone No.

GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK
POUNDS PER SQUARE INCH

WELL # 018
API # 30-015.24200

19

BR 2397

6 AM · 5 · 4 · 3 · 2 · MIDNIGHT · 1 · 0 · 6 PM · 9 · 8 · 7 · Wd 9 · 5 · 4 · 3 · 2 · 1 · NOON · 11 · 10 · 9 · 8 · 7

1/13/06

Downhole Report

DATE _12-23-2004_ LEASE _Ballard GA/SA_ WELL NO. _018_
API - 30-015-24200

REASON WORK PERFORMED _Hole in Tbg - Top Joint_

4½ Csg 2750´

Perfs - 2475 - 2651´

DESCRIPTION OF WORK PERFORMED _____

TUBING IN WELL AFTER WORK:

SIZE	TYPE	NO. OF JOINTS RUN	LENGTH
2 3/8	SALTA IPC 8rd	76 Jts	2396.00´
2 3/8 x 4½	AD-1 Inj Pkr	1	3.84´

TOTAL LENGTH _2399 84_

TUBING ANCHOR: ~~YES~~ ~~NO~~ _Inj. Pkr_ SET AT _2400´_

PUMP DESCRIPTION: _____

SEATING NIPPLE AT: _____

RODS IN WELL AFTER WORK:

SIZE	NO. OF RODS RUN		LENGTH

TOTAL LENGTH _____

REMARKS: _R+R Top Joint Set 4½ Injection Pkr 2400´_
Pressure Test Csg to NMOCC. Spec. Unset Pkr Circ. Pkr Fluid
Re-Set.
Call ~~Rand~~ Van Barton w/NMOCC. To Run MIT @ 10:00 AM 1-13-06
Not Witnessed by NMOCC.

Runaldo Hinojos
FOREMAN