

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 July 18, 2013

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

WELL API NO. 30-015-31910	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name GRANDE STATE	
8. Well Number 1	
9. OGRID Number 160825	
10. Pool name or Wildcat CEDAR CANYON; BONE SPRING	
4. Well Location Unit Letter <u>C</u> : <u>660</u> feet from the <u>NORTH</u> line and <u>1980</u> feet from the <u>WEST</u> line Section <u>32</u> Township <u>23S</u> Range <u>29E</u> NMPM <u>EDDY</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2993 GL	
SUNDY 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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator BC OPERATING, INC	
3. Address of Operator P.O. BOX 50820, MIDLAND, TX 79710	

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 ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☒

SUBSEQUENT REPORT OF:

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

OTHER: CONVERT TO SWD
☒

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.

DENIED

SEE ATTACHED DOCUMENT FOR PROCEDURE TO CONVERT THE GRANDE STATE WELL TO SWD.

MUST MEET ALL REQUIREMENTS OF SWD 1623:

ADDRESS: - BOND LOG
- TURNING SIZE
- CIBP @ 4550'

NM OIL CONSERVATION
ARTESIA DISTRICT

APR 29 2016

RECEIVED

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 Sarah Presley TITLE REGULATORY ANALYST DATE 4.27.2016

Type or print name SARAH PRESLEY E-mail address: spresley@naguss.com PHONE: 432-682-4429

For State Use Only

APPROVED BY: DENIED TITLE _____ DATE _____

Conditions of Approval (if any):

Grande State #1

SWD Conversion Procedure

Cherry Canyon

API# 30-015-31910

Eddy County, New Mexico

This procedure is to abandon the existing Bone Springs perforations and convert the well into a Cherry Canyon SWD.

Procedure

- GIH w/ 7" CIBP and set it at 7,900'.
 - Dump bail 35' of cement on top of plug.
 - GIH w/ perforating gun and shoot 4 squeeze holes at 5,600'.
 - GIH w/ 7" RTTS packer and set it at 5,570'.
 - Test annulus to 1,500 psi.
 - Establish injection rate into squeeze perforations and to surface.
 - POH w/RTTS packer.
 - GIH w/HES "Poppet Style" retainer and set it at 5,570'.
 - Recement 7" casing to surface as follows:
 - Pump 20 bbls mud flush.
 - Mix and pump 250 sacks of 65/35 Class C/Pozmix containing 6% Gel.
 - Mix and pump 1,400 sacks of 50/50 Class C/Pozmix containing 2% Gel
 - Pull out of retainer and dump 10 sacks of cement on top of retainer.
 - Pull tubing to 5,530' and reverse tubing clean.
 - Shut well in 24 hours
 - Rig up wireline truck.
 - Run a 6.151" gauge ring to $\pm 5,000'$.
 - GIH w/ casing perforating guns and perforate the following intervals as follows:
 - ✓ • 4,070' - 4,080' 6 sh/ft 60° phase .46" entry
 - 4,044' - 4,054' 6 sh/ft 60° phase .46" entry
 - 4,036' - 4,041' 6 sh/ft 60° phase .46" entry
 - 3,855' - 3,885' 6 sh/ft 60° phase .46" entry
 - ✓ • 3,785' - 3,810' 6 sh/ft 60° phase .46" entry
 - GIH w/Injection packer on 4 1/2" 11.60# L80 IPC injection string to 3,735'. ✓
 - Set packer.
 - Test packer 500 psi for 30 minutes.
 - Establish injection rates and pressures.
 - Stimulate with 8,000 gallons 10% NEFE acid.
 - Perform step rate test.
 - Run H5 and turn in charts.
 - Put well on injection.
- MUST BE 3.5" or smaller