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 July 18, 2013

WELL API NO. 30-015-42998	
5. Indicate Type of Lease STATE ☒ FEE ☐	
6. State Oil & Gas Lease No.	
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 LACKEY 34 SWD
1. Type of Well: Oil Well ☐ Gas Well ☐ Other SWD	8. Well Number 1
2. Name of Operator BC OPERATING, INC.	9. OGRID Number 160825
3. Address of Operator P.O. BOX 50820, MIDLAND, TX 79710	10. Pool name or Wildcat SWD; CHERRY CANYON
4. Well Location Unit Letter L : 2480 feet from the SOUTH line and 235 feet from the WEST line Section 34 Township 23S Range 26E NMPM EDDY County	
11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3,344'	

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	☐		
DOWNHOLE COMMINGLE	☐						
CLOSED-LOOP SYSTEM	☐						
OTHER:	☐			OTHER: COMPLETION	☒		

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 COMPLETION SUMMARY

Spud Date: 12/15/2016 Rig Release Date: 12/21/2016

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 2.28.2017

Type or print name SARAH PRESLEY E-mail address: SPRESLEY@BCOPERATING.COM PHONE: (432) 684-9696

For State Use Only

APPROVED BY: Richard Inge TITLE Compliance Officer DATE 3/2/17

Conditions of Approval (if any):

Lackey SWD #1 Completion Summary

January 9, 2017

- Move in and rig up workover unit.

January 10, 2017

- Cleaned out to TD.
- Rig up wireline truck.
- Ran a 6.2" gauge ring to PBTD'.
- Ran Radial Cement Bond, GR, and CCL logs from PBTD to surface.
  - ➢ Sent copy of bond log to BLM. (pswartz@blm.gov)
  - ➢ Perforated the following intervals in the 7" casing as follows:

		Interval			Perforation		
		Top	Bottom	Length	Density	Phasing	Size
Interval #	1	3,480'	3,490'	10'	6 sht/ft	60°	.46"
Breakdown perforations with 20 bbls fresh water							
Interval #	2	3,460'	3,470'	10'	6 sht/ft	60°	.46"
Interval #	3	3,418'	3,428'	10'	6 sht/ft	60°	.46"
Interval #	4	3,384'	3,394'	10'	6 sht/ft	60°	.46"
Interval #	5	3,330'	3,340'	10'	6 sht/ft	60°	.46"
Interval #	6	3,290'	3,300'	10'	6 sht/ft	60°	.46"
Interval #	7	3,266'	3,276'	10'	6 sht/ft	60°	.46"
Interval #	8	3,240'	3,250'	10'	6 sht/ft	60°	.46"
Interval #	9	3,096'	3,106'	10'	6 sht/ft	60°	.46"

January 11, 2017

- ➢ Perforated the following intervals in the 7" casing as follows:

		Interval			Perforation		
		Top	Bottom	Length	Density	Phasing	Size
Interval #	10	3,010'	3,040'	30'	6 sht/ft	60°	.46"
Interval #	11	2,972'	2,982'	10'	6 sht/ft	60°	.46"
Interval #	12	2,930'	2,950'	20'	6 sht/ft	60°	.46"
Interval #	13	2,906'	2,916'	10'	6 sht/ft	60°	.46"
Interval #	14	2,860'	2,870'	10'	6 sht/ft	60°	.46"
Interval #	15	2,840'	2,850'	10'	6 sht/ft	60°	.46"
Interval #	16	2,810'	2,820'	10'	6 sht/ft	60°	.46"
Interval #	17	2,798'	2,808'	10'	6 sht/ft	60°	.46"
Interval #	18	2,756'	2,766'	10'	6 sht/ft	60°	.46"

- Ran in hole w/ 7" retrievable packer on workstring.
- Set packer at 2,701'.
- Pressure tested annulus to 500 psi for 30 min.
- Pumped 50 bbls fresh water down tubing to establish rate into formation.

- Pumped 2 bpm at 2,000 psi
- Increased rate to 4.6 bpm at 1,300 psi

- Rigged up swab line.
  - Fluid level at surface
  - Swabbed tubing dry in 2 runs. Recovered 15.63 bbls.
  - Made 11 swab runs. Recovered 1.5 bbls.

January 12, 2017

- Resume swabbing. SITP 120 psi.
- Fluid level at surface
- Swabbed tubing dry in 2 runs. Recovered 15.63 bbls.
- Made 11 swab runs. Recovered 1.5 bbls.

January 13, 2017

- Unset and retrieve packer.
- Go in hole w/ 7" retrievable bridge plug and packer on workstring.
- Set and test RBP at 3,546'.
- Set packer at 3,208'.
- Acidize injection perforations with 8,000 gallons 10% NEFE acid, 3,000 gallons gelled 10 #/gal Brine water, and 3,000 lbs Graded Rock Salt at 10 bpm.
- Unset packer and retrieve RBP.
- Set and test RBP at 3,208'.
- Set packer at 2,980'.
- Acidize injection perforations with 8,000 gallons 10% NEFE acid, 3,000 gallons gelled 10 #/gal Brine water, and 3,000 lbs Graded Rock Salt at 10 bpm..

January 14, 2017

- Unset packer and retrieve RBP.
- Set and test RBP at 2,890'.
- Set packer at 2,616'.
- Acidize injection perforations with 8,000 gallons 10% NEFE acid, 3,000 gallons gelled 10 #/gal Brine water, and 3,000 lbs Graded Rock Salt at 10 bpm
- Unset packer and retrieve RBP.
- POH with packer and plug.
- Ran in hole with packer and set at 2,700'.

January 16, 2017

- SITP 100 psi.
- Fluid level at surface
- Made 15 swab runs from 1,400'. Recovered 40 bbls.
- POH with packer.
- Ran in hole with tubing w/SN to 3.495' (bottom perf at 3,490')
- Fluid level at 400'
- Made 18 swab runs. Recovered 158 bbls water.

January 17, 2017

- Fluid level at 400'
- 70 psi tubing pressure
- Made 36 swab runs from 2,200'. Recovered 87 bbls water.

January 18, 2017

- Fluid level at 800'
- Made 32 swab runs from 2,200'. Recovered 127 bbls water.

January 19, 2017

- Fluid level at 1,200'
- 75 psi tubing pressure
- Made 30 swab runs from 2,200'. Recovered 137 bbls water.
- Final fluid level at 2,800'.
- No show of oil or gas

January 20, 2017

- Fluid level at 1,300'
- 75 psi tubing pressure
- Made 32 swab runs from 2,200'. Recovered 124 bbls water.
- No show of oil or gas

January 21, 2017

- Fluid level at 1,800'
- 75 psi tubing pressure
- Made 27 swab runs. Recovered 109 bbls water.
- No show of oil or gas
- Last 3 runs had no recovery.

January 23, 2017

- Fluid level at 1,000'
- 75 psi tubing pressure
- Made 12 swab runs. Recovered 82 bbls water.
- No show of oil or gas
- Received permission from BLM (Paul Schwartz) to continue with completion.
- Pulled out of hole with workstring.

January 24, 2017

- Fluid level at 1,300'
- 75 psi tubing pressure
- Ran in hole w/ nickel OD/ plastic ID coated injection packer on 4 ½" 11.60# L80 IPC injection string to 2,688'.
- Set and tested packer.
- Rigged up wellhead.

January 25, 2017

- Ran step rate test.

January 26, 2017

- Conducted MIT test on casing/tubing annulus.

- Tested and charted annulus to 500 psi for 30 minutes.
- Witnessed by Richard Inge w/

- Well shut in pending disposal.