

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.	30-015-24144
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	Pardue 30 Com
8. Well Number	1
9. OGRID Number	296278
10. Pool name or Wildcat	SWD; Bell Canyon-Cherry Canyon (96802)
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	3089.3' GR

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 SWD

2. Name of Operator Probitly SWD, LLC

3. Address of Operator P.O. Box 7307, Midland, TX 79708

4. Well Location
 Unit Letter E : 1980 feet from the North line and 983 feet from the West line
 Section 30 Township 23-S Range 28-E NMPM County Eddy

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>	Plug Back, Perf, Test & Configure for SWD <input checked="" type="checkbox"/>		
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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. **Conduct Safety Meeting Prior to Start of All Operations SWD per OCD Permit SWD-1585**

- MIRU WSU, reverse unit and associated equipment. Install B.O.P.
 - Kill well w/ 10# brine; POOH w/ Tbg.
 - Set CIBP approx. 12,000' and cap w/ 35' cmt.
 - Run CBL from 5100' to 2000' to determine and TOC. (*See Atchd Request & Approval) If req'd, perf and sqz as necessary.
 - Run GR/CNL logs across permitted interval of interest from 4590' to 2500'.
 - Load hole w/ min 9.5# plugging mud to 4800'. Spot cement plugs per appr'v'd C-101 1/20/17 @ 10300'; 9800'; 5900'.
 - Set CIBP @ 4800', cap w/ 35' cement.
 - RU Wireline & Perforate selected intervals as determined from porosity logs.
 - Test hydrocarbon potential; sample produced water for TDS / Chlorides and submit results to OCD.
 - RIH w/ workstring; Acidize w/ 10,000-15,000 gals 15% HCl. Swab and circulate hole clean. POOH.
 - RIH w/ packer or equivalent on 3.5" IPC or equiv. tubing. Set PKR @ 2405'+ (within 100' of top perf as shot). Submit C-105.
 - Pump clean fresh water containing corrosion inhibitor, biocide and oxygen scavenger down annulus.
 - Prepare to run MIT test and notify OCD to witness - minimum 24 hours in advance.
 - Build injection facility (concurrent activity).
 - Start water disposal. Limit injection pressure to 500 psi.
- SEE ATTACHMENTS.

Spud Date: [4/07/2017 (Dpnding on Rig avblty)] Rig Release Date: []

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE TITLE Agent for Probitly SWD, LLC DATE 4/05/2017

Type or print name Ben Stone E-mail address: ben@sosconsulting.us PHONE: 903-488-9850

For State Use Only

APPROVED BY: TITLE Geologist DATE 4-7-2017

Conditions of Approval (if any):

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Astar, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised July 18, 2013

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Probity SWD, LLC P.O. Box 7307, Midland, TX 79708		² OGRID Number 296278
		³ API Number 30-015-24144
⁴ Property Code TBD	⁵ Property Name Pardue SWD	⁶ Well No. 1

⁷ Surface Location

UL - Lot E	Section 30	Township 23-S	Range 28-E	Lot Idn	Feet from 1980	N/S Line North	Feet From 983	E/W Line West	County Eddy
----------------------	----------------------	-------------------------	----------------------	---------	--------------------------	--------------------------	-------------------------	-------------------------	-----------------------

⁸ Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
----------	---------	----------	-------	---------	-----------	----------	-----------	----------	--------

⁹ Pool Information

Pool Name SWD; Bell Canyon-Cherry Canyon	Pool Code 96802
--	---------------------------

Additional Well Information

¹¹ Work Type P	¹² Well Type S	¹³ Cable/Rotary R	¹⁴ Lease Type P	¹⁵ Ground Level Elevation 3089.3'
¹⁶ Multiple N	¹⁷ Proposed Depth 4680' PBTD	¹⁸ Formation Cherry Canyon	¹⁹ Contractor TBD	²⁰ Spud Date 2/15/2017
Depth to Ground water ~88'		Distance from nearest fresh water well ~2150'		Distance to nearest surface water 3.5 miles from Pecos River

We will be using a closed-loop system in lieu of lined pits

²¹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	17.5"	13.375"	48.0#	568'	625 'C'	Circ. to Surf.
Intermediate	12.5"	9.625"	47.0#	2330'	803 'C'	Circ. to Surf.
Production	8.5"	7.0"	23.0#	10500'	1375 'C'	Circ. to Surf. (Calc'd)

Casing/Cement Program: Additional Comments

4.5", 13.5# LNR, 10195'-12678' w/ 375 sx to TOI.

²² Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Hydraulic or Man./ Dbl. Blind Ram	3000 psi	5000 psi	Shaffer/ Hydril or equivalent

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC , if applicable.
Signature: _____

Ben S tone

OIL CONSERVATION DIVISION

Approved By:

Raymond H. Padany
Title: *Acting Dist II Supervisor, Perm.*

Printed name: **Ben S tone**

Title: **Agent for Probity SWD, LLC**

Approved Date: **1-20-2017**

Expiration Date: **10-1-2017**

E-mail Address: **ben@sosconsulting.us**

Date: **1/13/2017**

Phone: **903-488-9850**

Conditions of Approval Attached



PROPOSED CONFIGURATION

**ACTIVE - ON P&A LIST
Pardue 30 SWD Well No.1**

**API 30-015-24144
1980' FNL & 983' FWL, SEC. 30-T23S-R28E
EDDY COUNTY, NEW MEXICO**

Spud Date: 4/21/1981
Config Date: -2/15/2017

SWD-1985 - SWD; Bell Canyon-Cherry Canyon (98902)

Annulus Monitored
or open to atmosphere

Injection Pressure Regulated
and Volumes Reported
500 psi Max Surface
(0.2 psi/ft)

Surface Casing

13.375", 48.0# Csg. (17.5" Hole) @ 568'
625 ex - Circulated to Surface

Probitly SWD, LLC

Configure for SWD as follows:

Pull Prod TBG & PKR - Set 4.5" CBP @ 12,050' w/35' Cmt.
Spot Cmt Plugs as illustrated to Seal 4.5" Completion.
Set 7.0" CBP @ 10,100' w/35' Cmt Cap.
Spot Cmt Plugs as Illustrated Across Adjacent Formations.
Set 7.0" CBP @ 4715' w/ 35' Cmt Cap PBTD @ ~4680'.
Perforate Selected Intervals from Log Analysis in
Bell Canyon & Cherry Canyon Formations.
Max Top 2500' to Max Bottom 4590'
RH w/ 3.5" TBG & Set PKR @ 2400'+
MIT to 300 psi / 30 mins. - OCD to Witness.
Install Wellhead and Equipment and Commence Injection.

3.5" IC TBG Set in PKR @ 2400'

**PACKER MUST BE BELOW
2400'**

Intermediate Casing

9.625", 47.0# Csg. (12.25" Hole) @ 2330'
1850 ex - Circulated to Surface

Set CIBP @ 4715' w/ 35' Cmt

Spot 30 ex Cmt
5900'-6000'

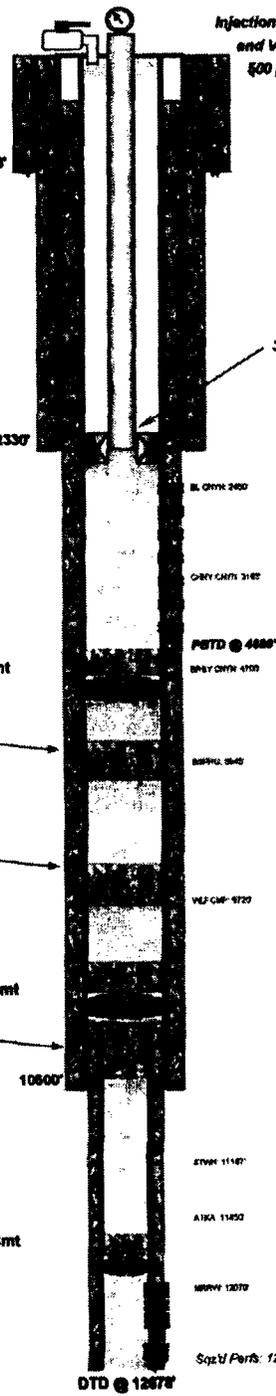
Spot 30 ex Cmt
9800'-9700'

Set CIBP @ 10,100' w/ 35' Cmt

Spot 45 ex Cmt
10,300'-10,100'

Set CIBP @ 12,050' w/ 35' Cmt

Formation Fluids



Production Casing

7.0", 23.0# Csg (8.5" Hole) @ 10500'
1375 ex Cts 'H' Neat - Calc'd to Circ. - N/R

Production Liner

4.5", 13.5# Csg (6.125" Hole) @ 10195'-12678'
375 ex Cts 'H' - TOC @ TOL

Perfs: 12070'-12140'

Sqz'd Perfs: 12247'-345'

DTD @ 12678'

Drawn by Ben Stone, Rev'd 1/19/2017

SOS Consulting, LLC

March 20, 2017

New Mexico Oil Conservation Division
811 S. First Street
Artesia, New Mexico 88210

Attn: Mr. David Catanach, Director

Re: Variance Request for Probity SWD, LLC's Pardue 30 Com No.1 SWD as Permitted with Conditions by Division Order SWD-1585.

Dear Mr. Catanach,

Probity SWD, LLC is preparing to configure its Pardue 30 Com Well No.1 as a salt water disposal well as permitted by SWD-1585 on October 1, 2015. The subject well was a non-economic deep gas well with the perforated interval being below 12,000 feet covered by a 4-1/2" liner with the top of liner at 10,195 feet. The permitted interval for disposal is into the Bell Canyon and Cherry Canyon formation from 2500 feet to 4590 feet.

SWD-1585 came with the condition of running a cement bond log from the top of the 4-1/2 inch liner continuing to whatever depth the top of cement is determined to be behind the 7-inch production casing string. The well file indicates that the 7-inch casing was set with 1375 sacks of Class H Neat cement. In an 8-1/2" hole, this volume was apparently calculated to push well above the intermediate casing shoe depth of 2330 feet although, the top of cement was not reported nor did it circulate. We therefore understand the need to determine if adequate cement exists behind as well as above and below the proposed interval. However, with the long extent of pipe below the proposed interval down to the original producing interval, it's difficult to see that there is a compelling reason to log such a long interval.

We would therefore like to propose the following (rigged up, tubulars pulled and well killed):

- 1) Set a cast iron bridge plug to isolate the perforations below 12,000 feet and cap with 35 sacks of cement.*
- 2) Run a cement bond log from approximately 5100 feet to 2000 feet. This would determine the cement bond approximately 500 feet ABOVE and BELOW the proposed interval. CBL logging intervals may be extended after initial evaluation.*
- 3) Once the cement issue is resolved by logging and squeezing if necessary, continue with configuring the wellbore by loading the hole with plugging mud (minimum 9.5#), cement plugs will be spotted at the depths previously approved on the C-101 dated January 11, 2017 to properly plug the lower portion of the well.*
- 4) Set CIBP at 4750 feet and cap with 35 sacks cement; finish with usual SWD set up and configuration per SWD-1585 and the C-101; perforate & acidize; run packer and tubing, conduct mechanical integrity test with OCD to witness, etc.*

We believe that this proposal adequately ensures that fluid migration behind pipe will not occur above or below the intended interval.

This is the only variance Probity is requesting. We too would like to make sure this is a quality SWD and that integrity is maintained for all aspects of the well. Probity's intent is to make prudent decisions based on good data and sound judgement. The proposed variance described accounts for a risk-based analysis of the situation and provides for the contingency of logging a more extensive interval in the event it is necessary.

I respectfully request that this variance be granted swiftly and if you or your staff require additional information or have any questions, please do not hesitate to call or email me.

Best regards,

A handwritten signature in black ink, appearing to read "Ben Stone". The signature is fluid and cursive, with the first name "Ben" being more prominent than the last name "Stone".

Ben Stone, Partner
SOS Consulting, LLC
Agent for Probity SWD, LLC

Attachments: SWD-1585; C-101
Cc: Project file

Administrative Order SWD-1585: Request for Change in Conditions of Approval

Goetze, Phillip, EMNRD [Phillip.Goetze@state.nm.us]

Sent: 4/5/2017 10:45 AM

To: "Ben Stone (ben@sosconsulting.us)" <ben@sosconsulting.us>

Cc: "Podany, Raymond, EMNRD" <Raymond.Podany@state.nm.us>, "Inge, Richard, EMNRD" <richard.inge@state.nm.us>, "Catanach, David, EMNRD" <David.Catanach@state.nm.us>, "Jones, William V, EMNRD" <WilliamV.Jones@state.nm.us>

RE: Administrative Order SWD-1585; Pardue 30 Com. SWD No. 1 (30-015-24144); UL E, Sec 30, T23S, R28E, NMPM

Mr. Stone:

The Division is in receipt of your client's request for the change in the condition of the administrative order regarding the logging of cement for the referenced well. I have discussed this request with the District Geologist along with staff of the Engineering Bureau and the Director. The Division shall approve Probit's request for logging the only the injection interval as long as the cement bond log is of good quality and includes the top of cement for the 7-inch casing. This log would provide documentation of the well's integrity should concerns be raised later regarding this well's disposal operation in the Delaware Mountain Group. All other conditions and requirements as provided in the administrative order (including proposed re-entry and final completion of the well) remain in full force and effect, and are subject to approval by the District prior to implementation.

Since an amended order will not be issued, this e-mail correspondence will serve as approval of the change for the logging requirement and shall be made part of the administrative record (well file and administrative order). Please contact me with any questions regarding this matter. PRG

Phillip Goetze, PG
Engineering Bureau, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive, Santa Fe, NM 87505
Direct: 505.476.3466
E-mail: phillip.goetze@state.nm.us

