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

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

Form C-103
Revised July 18, 2013

WELL API NO. 30-015-22233

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: Lakewood AQE State SWD

1. Type of Well: Oil Well ☐ Gas Well ☒ Other SWD

8. Well Number 1

2. Name of Operator: COG Operating LLC

9. OGRID Number 229137

3. Address of Operator: 600 W. Illinois Ave, Midland, TX 79701

10. Pool name or Wildcat: SWD; Canyon

4. Well Location
Unit Letter F : 1980 feet from the North line and 1980 feet from the West line
Section 30 Township 19S Range 26E NMPM County Eddy

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3436' GR

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:	☐		

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.

This well is currently down for a failed MIT. COG Operating LLC respectfully requests to run a blanking plug to the packer, check for hole in tubing (HIT) or packer leak. If there is a HIT, TOOH w/ tubing, locate hole, trip back in hole, replace any failed joints of IPC. If there is a packer leak, pull blanking plug. Kill well, TOOH w/tbg and packer. Repair packer, run in hole w/same tbg design and setting depths. Notify OCD to witness MIT, perform MIT. Acidize, turn SWD back on, turn over to operations.

Please see attached procedure and WBD.

RECEIVED
MAY 09 2019
DISTRICT II-ARTESIA O.C.D.

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 Dana King TITLE Permit Specialist II DATE 5/7/2019

Type or print name Dana King E-mail address: dking@concho.com PHONE: 432-818-2267

For State Use Only

APPROVED BY: TITLE Compliance Officer DATE 5-14-19

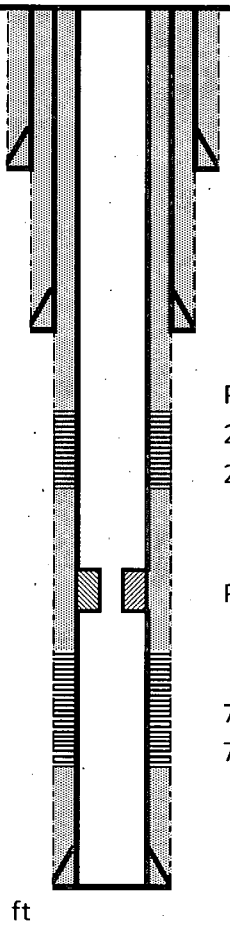
Conditions of Approval (if any):

Discussion

The Lakewood AQE State SWD #1 was drilled to the Canyon in 1999 as an oil well. It was converted to an SWD in 2009. This well recently failed a mechanical integrity test and needs to be repaired. The cause is either a hole in tubing or packer leak. There is tubing in inventory at CLS to replace any bad joints. This well was last pulled in 2014.

Wellbore Diagram

Well: Lakewood AQE State SWD #1
API#: 30-015-22233
Formation: Canyon



Surface
13-3/8" 48# H40 csg set @ **500** ft
Circulated 600 sks

Intermediate
9-5/8" 36# csg set @ **1,400** ft
Circulated 750 sks

Perfs:
2536-2560 San Andres (squeezed 2009)
2888-3060 Yeso (squeezed 2009)

Packer @ 7855'

7936-7962 Canyon
7974-8210 Canyon

Production
7" 23# & 26# csg set @ **8,567** ft
ID: 6.366" & 6.276"
Drift ID: 6.241" & 6.151"
Cemented with: 1650sx, circ.
Circulated 1650 sks
TOC @ 0 ft

PBTD @ **9,726** ft

General Information
Well name: Lakewood AQE State SWD #1
API#: 30-015-22233

Procedure

- Notify OCD of intent to start work 24 hours prior to rigging up.
- RU (3) 500 bbl frac tanks to flow back into.
- RU flowline to frac tanks and attempt to flow down casing.
- If pressure doesn't quickly bleed down then check the SICP and the SITP to verify communication.
- RU wireline to run a blanking plug to the packer. The top seal nipple is (2.31 F) and the bottom landing nipple is (2.31 R).
    - Once set we should have a pretty good idea as to what the issue is.
    - If the SICP and SITP go to zero, then we have a HIT.
    - If the SICP doesn't change, but the SITP goes to zero then we likely have a packer leak.
- If we have a HIT, then ND the WH and NU BOP.
    - TOOH w/ tubing
    - Locate hole in tubing
    - If you don't identify the hole while tripping out then put on a bull plug on the bottom jt of tbg and trip back in the hole and pressure test the tbg every 500'
    - We have3-1/2" IPC tubing at CLS
- If we have a packer leak, then pull the blanking plug, shut in the casing and pump approximately 68 bbls of 10 LB brine down the tbg.
    - Nofify engineer with SITP so we can discuss the kill mud weight we need to order.
    - We will need a total of 330 bbls of mud.
    - 70 bbls of mud will need to be bull headed down the tubing
    - 210 bbls of mud will need to be bull headed down the csg
    - 50 bbls extra
    - Once the well is dead TOOH w/ the tbg and packer
    - Please have Kenco take the packer in for repair
    - Run back w/ the same tubing design and setting depths

- Get off O/O tool and reverse circulate annulus w/ approximately 240 bbls of packer fluid
- Latch onto injection packer
- ND BOP, NU WH
- Pressure up on the tbg to rupture the pump out plug
- Contact NMOCD to witness the MIT
    - Perform MIT
- Acidize the well prior to turning it back on
- Backflow the well 500-1000 bbls
- RU Stone to acidize the SWD w/4,500 gal 15% HCL
- Pump acid on the well at a rate of 2 BPM
- Displace acid with with 68 bbls of produced water at a rate of 2 BPM. Please do not over displace
- Shut well in for four hours to let acid work
- Notify Foreman when you are ready to turn the well on
- Turn SWD back on
- Record post-job injection rate and pressure after acidizing
- Clean location and turn over to operations