

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

Form C-103
May 27, 2004

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

WELL API NO. 30-005-60907
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> XX
6. State Oil & Gas Lease No. 011602
7. Lease Name or Unit Agreement Name J. G. O'Brien
8. Well Number #3
9. OGRID Number
10. Pool name or Wildcat S. Elkins Fusselman

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 <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Lease Saltwater Disposal Well	
2. Name of Operator Walter Exploration Inc.	
3. Address of Operator 6116 N Central Exp #313 Dallas TX 75206	
4. Well Location Unit Letter <u>F</u> : 1980 feet from the <u>N</u> line and 1830 feet from the <u>W</u> line Section <u>31</u> Township <u>7S</u> Range <u>29E</u> NMPM Chaves County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4009.4 GR	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
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 <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" 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"/>	
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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

3-05-08 Tested well would not pass Bradenhead test scheduled for 3-15-08

3-12-08 RU Viva Well Service

3-13-08 Ran Sinker bar to 3400' hit blockage POOH w/3580' tbg and overshot. TIH w/4 3/4 shoe, 6 jts washpipe 4 -3 1/2" DC. Total BHA 314 60 Can swallow 193.05 ND & made 2 connections (about 60') in 2 1/2 hrs

3-14-08 TIH 2 jts (pulled 3/13/08). PU 4 jts (1 at a time). Drilling to 3500' West wind hit @ 11 30 MST. Gusts 40-50mph & forecast for 70mph SD Pulled above fish. SD for weekend.

3-17-08 POOH washpipe, etc TIH washpipe, outside cutter, etc. Got over fish, sat down before we got to bottom (60'-75'). Went thru procedure to make cut. No indication of cut & POOH Recovered parts of 4 jts (112 98') only 1 jt unscrewed & other twisted off. Outside cutter damaged. 1 knife broke Catcher fingers packed w/iron sulfide & scale Sent in for repair. TIH WP, shoe, 3000+. SION

3-18-08 TIH to fish RU stripper - Reverse Rig, etc. Wash 2 jts to fish Circulate to 3580+ POOH. TIH w/cutter to 3588+ - clean Make cut @ 3580+. POOH 15 stands. Everything looked normal. SION.

3-19-08 POOH remainder of pipe, DC, washpipe cutter & cutoff 191' 2 3/8". Looking better. TIH washpipe, etc. got over cutoff easily and washing easy Rotated and washed to 3776' & slowed down washing Little move torque. Made 2' more, circulate clean - POOH Bottom may be beveled on outside edge

3-20-08 TIH Overshot & 2 3/8" tubing Latch on @ 3580'. Work to 15k over weight 30-40 min Rotary WL showed up. RU. TIH w/Freepoint tool to 4899' (TD) Found Freepoint @ 3860' Stuck 100% @ 3871', @3900', @4000', @4100'. RD Rotary. PU swivel. Pump 35-40 bbls 350-400psi @ 3-3 1/2 bpm w/BOP closed. Very little returns. Release overshot - POOH - LD DC & wash pipe. TIH 114 jts & fishing tool w/pack off. Pull 25k. ND BOP NU Tree (3580') fish. SION

3-25-08 Acidize w 1000gal 15% PIP 500psi @ 1BPM Cirl tbg/csg annulus (not surface csg). Displace down tbg w/ 70 bbls 2%KCL and down tbg/csg annulus w/30 bbls Definite leak. SIP zero

Will Evaluate Situation and will either File for P&A or File for ReCompletion to San Andres zone

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 [Signature] TITLE Engineer DATE 5-20-08

Type or print name J. Brian Walter E-mail address: brian@walterx.com Telephone No. 214 369 4564

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

Accepted for record - NMOCD

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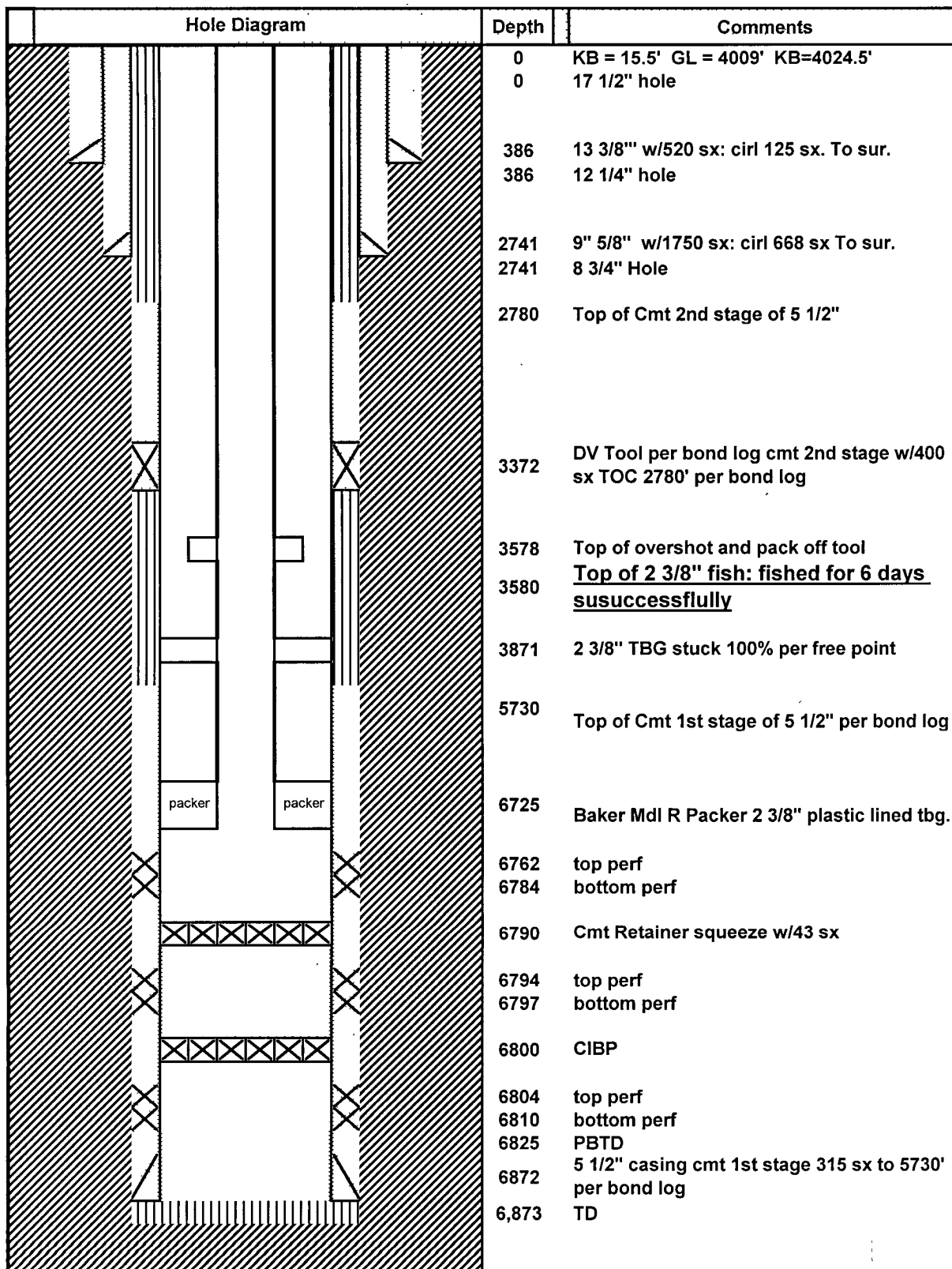
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J. G. O'Brien #3
 1980' FNL 1830' FWL Unit F Sec 31 T 7-S R 29-E
 Wellbore Diagram updated 5-20-2008
 Not to Scale



= Cement
 = Formation
 = Mud