

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  
June 16, 2008

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



WELL API NO. 30-015-23160
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 18757
7. Lease Name or Unit Agreement Name STATE LG 2985
8. Well Number 1
9. OGRID Number 148394
10. Pool name or Wildcat MORROW

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 checked="" type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator VERNON E. FAULCONER, INC. <b>OCD-ARTESIA</b>	
3. Address of Operator P.O. BOX 7995 TYLER, TX 75711	
4. Well Location Unit Letter <u>K</u> : <u>1980</u> feet from the <u>S</u> line and <u>1980</u> feet from the <u>W</u> line Section <u>26</u> Township <u>18S</u> Range <u>28E</u> NMPM County <u>EDDY</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

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 checked="" 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"/>	
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.

WORKOVER TO ATTEMPT TO RETURN WELL TO PRODUCTION.

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

SIGNATURE  TITLE ENGINEER DATE 6-19-08  
Type or print name ROY SLOAN, JR. E-mail address: RSLOAN@VEFINC.COM PHONE: (903)-581-4382  
**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
Conditions of Approval (if any): \_\_\_\_\_

Accepted for record - NMOCD

**Well Name:** State LG 2985-1

**Field:** Turkey Track

**Location:** Eddy Co, NM

**Objective:** Re-establish Production by Swabbing Well, and performing a water block treatment (if necessary).

**Date:** June 18, 2008

**Prepared By:** Gary Kern

### General Guidelines / Pre-Job Issues

a). Verify that any wellhead equipment that is being pumped through can handle 4000# treating pressure. *Rig Supv to handle this.*

b) Hold tailgate style pre-job safety meetings with each crew that works on the well, Discuss hazards and raise daily awareness to safety. Encourage workers to speak freely of safety concerns they may have. *Rig Supervisor to handle this.*

c). When reporting any depth on the daily reports (swab, slickline, etc) indicate whether it is glm or kbm. *Rig Supv to handle this.*

d) Wellsite Supv is responsible to have 500 gals of methanol at the wellsite if the water block treatment is needed.

1). MIRU Swabbing unit. If production supervisor / pumper is unsure as to whether DH PL eqt is in the well, RIH with a JDC tool on swab line and retrieve the DH PL eqt. Swab well until there is sufficient gas to run the plunger. If there is sufficient gas to run a plunger, go to step #7. If there is not sufficient gas to run a plunger, contact BB engineering for decision on whether to continue to step 2 (water block treatment).

2). Set up to have the fluid level shot in the well to determine how much fluid will be needed to attempt to load the backside (well has a casing leak).

3). With swabbing unit on location and well swabbed down, RIH with non-leaking SV on JDC tool and set in SN @ 10,778. MIRU pump truck and load the casing-tubing annulus with the amount of fluid needed as determined in step #2. Pressure up on the tubing to 4000# with 7% KCL. Monitor the 2-7/8" x 5-1/2" annulus for indications of a tubing leak. Hold tubing pressure for 30 mins. Release pressure and RD pump truck. Rig swabbing unit back up and swab fluid down to SN. Pull SV and RD swab unit.

4). MI Methanol provider, BJ Services CO<sub>2</sub> and pumping equipment (contact is Zac Hernandez in Artesia @ 505.746.3140 (Bu) / 505.513.2297 (cell), and swab unit. There is a quote for this work attached (and saved under Engineering on Marc Fisher/Bids/New Mexico/Turkey Track Field / State LG 2985-1. **Note: CO<sub>2</sub> and methanol are being used and can be dangerous. Conduct Job Safety Analysis (JSA) and discuss safety issues and job responsibilities. Review all JSA's prior to beginning any operations. Ensure that all personnel and any other crew involved have good communications with each other. Review pressure limitations of equipment, well hardware and the down-hole completion before beginning.**

**June 18, 2008**

5). RU Methanol provider and BJ Services equipment on well. Pressure test all surface lines and inline valves to 250 psi (low) and 5,000 psi (high). **NOTE:** Do not exceed rated pressure of any equipment during testing operation. Ensure all personnel on location are made aware that high pressure testing is taking place and to stand clear. Pump a total of 5000 gals of 50Q treating fluid consisting of 2500 gals (liquid volume) CO<sub>2</sub>, 2000 gals 5.1-7.5% HCL (2000 gals) 500 gals methanol, and the following additives: 4 gpt of Ferrotrol 280L (iron control product); 2 gpt of Cl-27 (corrosion inhibitor); 2 gpt of NE-940 Non-emulsifier; 1 gpt of In-flo 150 (surface tension reducer). Do not exceed 4000# during this treatment. Flush with a total of 2717 gals (liquid volume) of CO<sub>2</sub>. RD BH services.

6). MIRU Swabbing company and tank. **Note:** find out in advance how the swabbing company charges for acid work regarding their eqt. A reasonable, one time charge is OK. If SITP is <250#, open well on a ball valve flowing to the swab tank. When the well ceases to flow, swab well until there is sufficient gas to run the plunger. If wellhead pressure is >250#, contact BB Engineering on how to handle the flow back safely.

7). Inspect the BHS. Record the BHS serial number. Drop the 2-1/2" BHS and wait 30 minutes. Inspect the plunger. Record the plunger serial number. Drop the 2-1/2" plunger and wait 30 minutes.

8). Run plunger to atmosphere. Flow the well on varying cycles and set the controller on a cycle that will best optimize production. Pull and inspect the plunger after each run until the plunger and sample catcher is sufficiently clean. Line well to flow to sales when sufficient flow is achieved. Pumper to pull and inspect the plunger for on week after the well work is complete. Report any deposits found in the sample catcher and have analyzed by a local chemical representative if needed to determine what the deposits are.

9). If the PL will not run, MIRU a swab unit and swab the well in until there is sufficient gas to run the PL. Repeat steps 7-8.

Operator: Vernon E. Faulconer Inc.

Field Name Turkey Track (Morrow, North) Field  
 Location Eddy Co., NM  
 Legal Description 1980' FSL, 1980' FWL  
 Section 26 T18, R28E  
 API #: 30-015-23160  
 GL Elev: 3498.0  
 DF Elev: N/A  
 KB Elev: 3514.0 (Use 16' add-in to GL)  
 Updated By G Kern Last Update: 6/18/08

**SURFACE CASING (12-3/4")**

Setting: 15 jts 12-3/4", 35#, ST&C @ 438'  
 Cement: 525 sxs Class C. Cmt Circulated  
 Interval Hole Size: 17-1/2"

**INTERMEDIATE STRING (8-5/8")**

Setting: 87 jts 8-5/8", 24&32#, K-55 @ 3420.58'  
 Cement: 1350 sxs lite cement, 200 sxs Class C  
 Cement circulated (~350 sxs)  
 Interval Hole Size: 11"

DV Tool: 4488.5' (kbm)

**Current Well Setting Info**

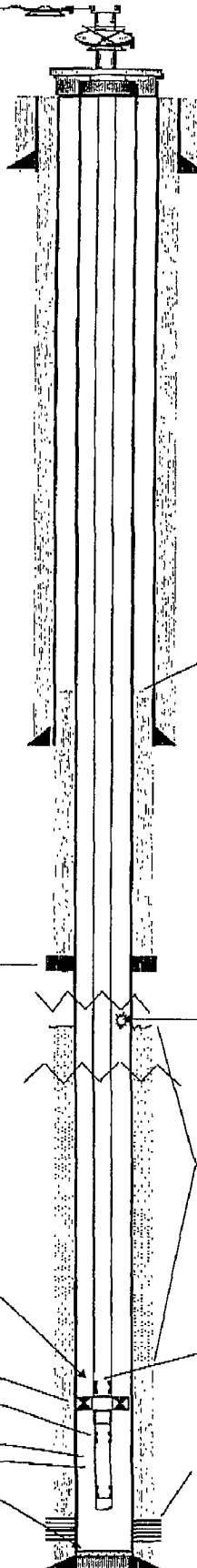
Strg Age: ~28 years (36 jts replaced 12/9/06)  
 Strg Last RIH: 12/9/06  
 Strg Last Tested: 12/8/06 (scoped, cull 36/358 jts)  
 Prev hole locn(s): unknown (no detail on culled jts)  
 1 jt 2-7/8" 8rd EUE tbg.  
 2-7/8" 8rd EUE sub (10')  
 2-7/8" 8rd EUE sub (6')  
 2-7/8" 8rd EUE sub (2')  
 33 jts 2-7/8" 8rd EUE tbg  
 CS Hydrill x 2-7/8" 8rd EUE x-over  
 306 jts CS Hydrill tbg (  
 2-7/8" pin x cs hyd box xo  
 SN 2-7/8" (2 25 ID),  
 2-3/8" x 2-7/8" box)  
 40-24 loc xo 8rd pin  
 5' seals,

**Production Packer and Lower BHA (Run 6/3/80)**

Baker Model D Pkr, top @ 10,780'  
 Seal Bore (mill out) extension (10')  
 1 2-3/8" sub (6')  
 PSI F nipple, (1.81" ID)  
 1 2-3/8" sub (6')  
 PSI R nipple, (1.81" ID w/1.76 "no-go")  
 2" x 2-7/8" swedge  
 Note: btm of swedge @ 10,805' (kbm)  
 Last Tag: 10,919' (kbm) GR-N log on 12/19/06  
 Original PBTD: 10,926' (CBL)

**PRODUCTION STRING (5-1/2")**

Setting: 5-1/2", 17#, K-55 & N-80 @ 10,999'.  
 Cement: Stg 1: 750 sxs 50-50 Poz-Class H  
 follow by 150 sxs class H.  
 Stage 2: 275 sxs of Class C (TOC: 3136')  
 Interval Hole Size: 7-7/8"



Cement Top: 3130' (from Stg 2)

**NOTE:** Drawing not to scale (but is "in perspective")  
 both below and above "break line(s)"

**Casing Integrity** (Appears to have leak, depth unknown)  
 10/16/06 - Well had 1000# CP after acid job

**Cement Top: 7400' (CBL, Stg 1)**  
 Poor Cement 7400'-7460'  
 Reasonable Bonding 7460'-7920'  
 Poor Cement 7920'-10,634'  
 Reasonable Bonding 10,634'-10,796'  
 Excellent bonding 10,796'-TD,

**Note:** Unclear as to what downhole plgr lift eqt is in the well. The swab rpt on 2/21/07 indicates an attempt was made to pull the plgr then found plgr in charthouse (no indication of BHS). In well rpts there is no mention of anything being run after 12/19/06 re-perf.

**6/80 - Test #1 (Lower Morrow Sand)**

Perfs: (6/5/80) 10,862'-84' (1 JSPP, .25" entry hole)  
 (12/19/06) 10,881'-884', 10,853'-866'; 10,870'-878' t  
 Stimulation: (10/14/06) Acidized w/1500 gals 7.5%  
 (12/13/06) 1500 gals 7.5% acid  
 Test Results: (6/7/80) 2,799 MCFD, 3.48 BCPD, 0 BWFD, 14/64"  
 ck, 1332# FTP

TD Driller: 11,000'  
 TD Logger: 10,991'



**VERNON E. FAULCONER, INC.**  
**AUTHORIZATION FOR EXPENDITURE**  
**WORKOVER**

Well Name: State LG #2985-1Field Name: Turkey Track (Morrow, North) FieldVEF Unit # 8966State: Eddy Co., NM.

I N T A N G I B L E S	Description	Amount	Description
	Labor & Related Costs		
	Transportation		
	Location Surveys & Damage		
	Fuel & Water	\$1,000.00	7% KCL, pump truck for test
	Contract Rig Costs		
	Contract Rig Costs		
	Swabbing	\$8,000.00	4 days @ \$2000 per day
	Mud & Mud Additives		
	Cement & Cement Service		
	Well Logging & Perforating		
	Slick Line Services		
	Formation Stimulation	\$20,132.00	As per quote from BJ Services
	Equipment Rentals		
	Contract Services		
	Wellsite Supervision	\$3,750.00	5 days @ \$750 / day
	District & Overhead Expenses		
	Miscellaneous Expense	\$4,000.00	Methanol (500 gals @ est'd \$8.00 per gallon)
		\$7,000.00	CO2 as per "ball park figure" from BJ
	Contingency (10%)	\$4,388.20	
	Total Intangibles	\$48,270.20	

T A N G I B L E S	Non-Controllable Equipment		
	Tubular Goods		
	Packers & Downhole Eqpt.		
	Pumping Equipment		
	Wellhead Equipment		
	Production Equipment		
	Miscellaneous Equipment		
	Contingency (10%)	\$0.00	
	Total Tangibles	\$0.00	
	Total Cost	\$48,270.20	

Prepared by: Gary KernDate: 10/26/2006**CONSENT TO WORKOVER****DO NOT CONSENT TO WORKOVER**

Company Name: \_\_\_\_\_

Company Name: \_\_\_\_\_

Approved by: \_\_\_\_\_

Not Approved by: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_