

Walter Exploration, Inc.
6116 N. Central Exp #313
Dallas, TX 75206
214-369-4564

JUN -8 2009

June 3, 2009

NMOCD
ATTN: Sherry Bonham
1301 West Grand Ave.
Artesia, NM 88210

Via certified mail #7008 3230 0001 7853 7064

RE: Walter Exploration
O'Brien #3 (API 30-005-60907)
Chaves Co., NM

Ms. Bonham:

We are writing this letter seeking a variance to the plugging procedure for the above listed well. Mr. Hawkins of your office has been monitoring the activity on this well and has told us he cannot change the procedures for the P & A, and we appreciate his help.

We have been unable to re-enter the 5 ½ in. stub to tag the retainer at 3068 ft. We have worked the better part of two days in an attempt of getting through this area without success. Our engineers and consultants are concerned that continued work will cut a hole in the protective 9 5/8 in. casing and make the situation worse.

We have moved off this well temporarily and are plugging other wells on the lease, and will move back on it in the near future. We are providing you with the retainer and cement information, bond log, and daily work records. Also, the well is holding fluid, so it is not leaking.

We feel that we have made a good faith attempt to follow the approved procedure, and that the well is not in a critical area where altering the procedure slightly would cause a problem. We know that changes are made daily and procedures are altered in other circumstances, so we would appreciate your consideration.

Thanks,

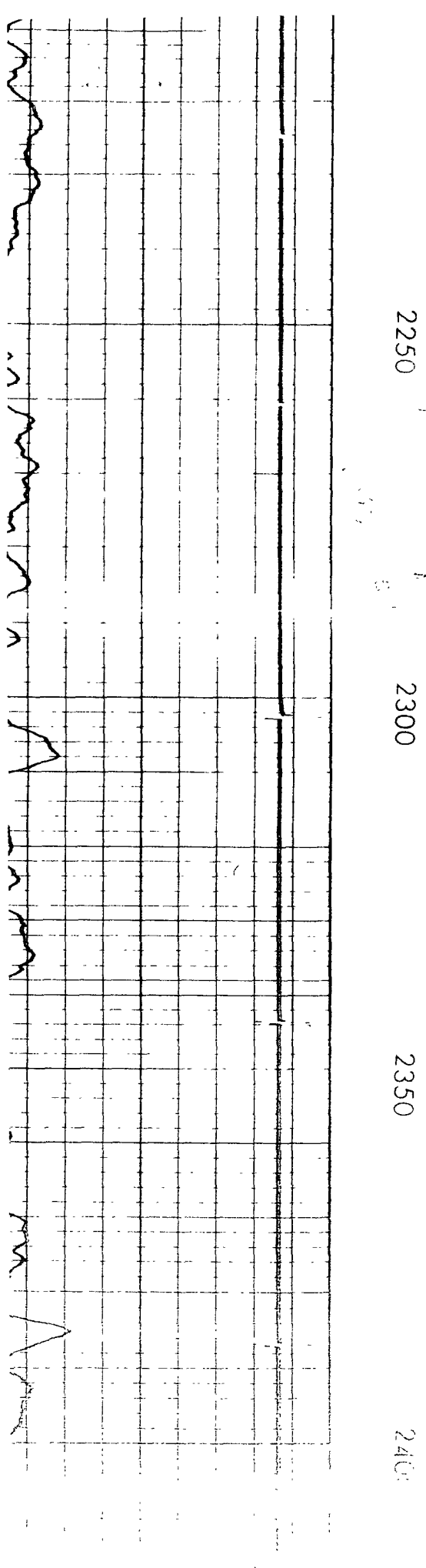
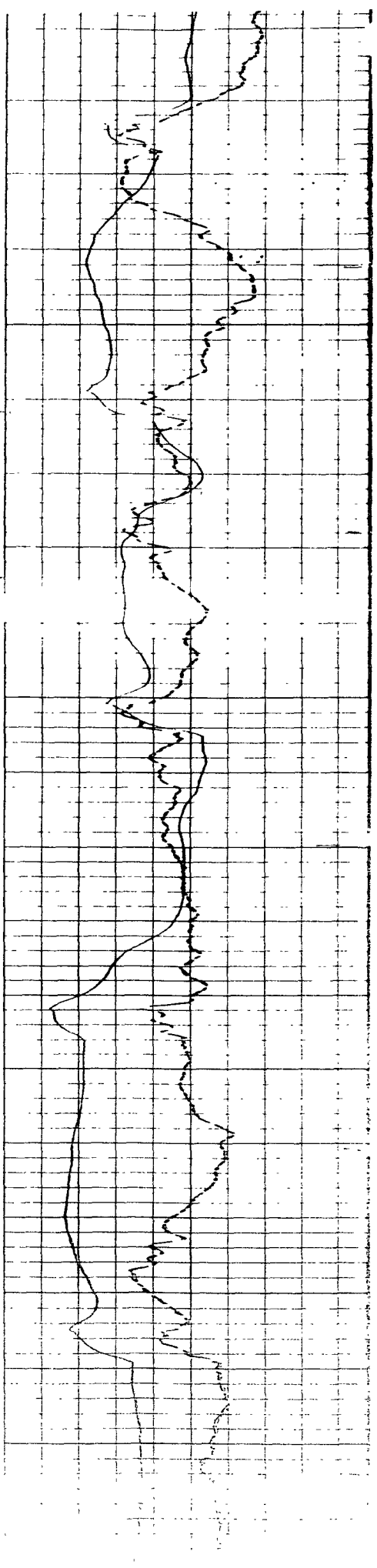
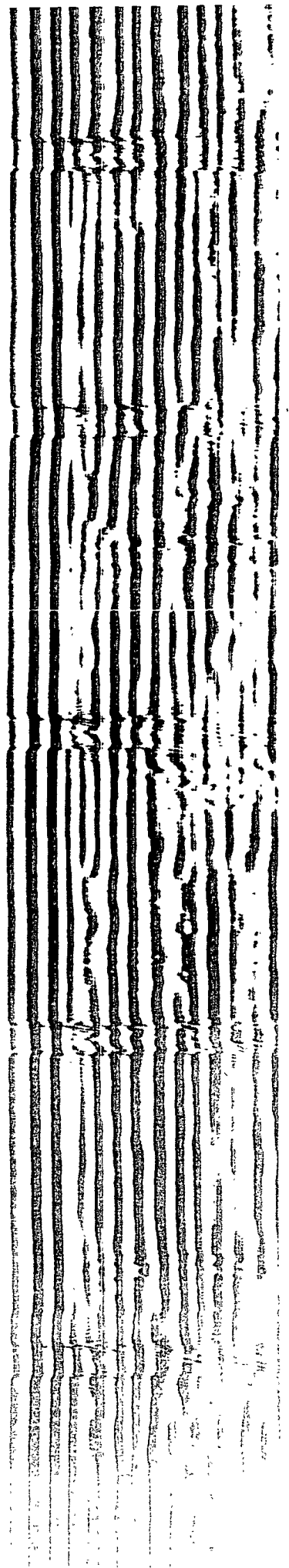


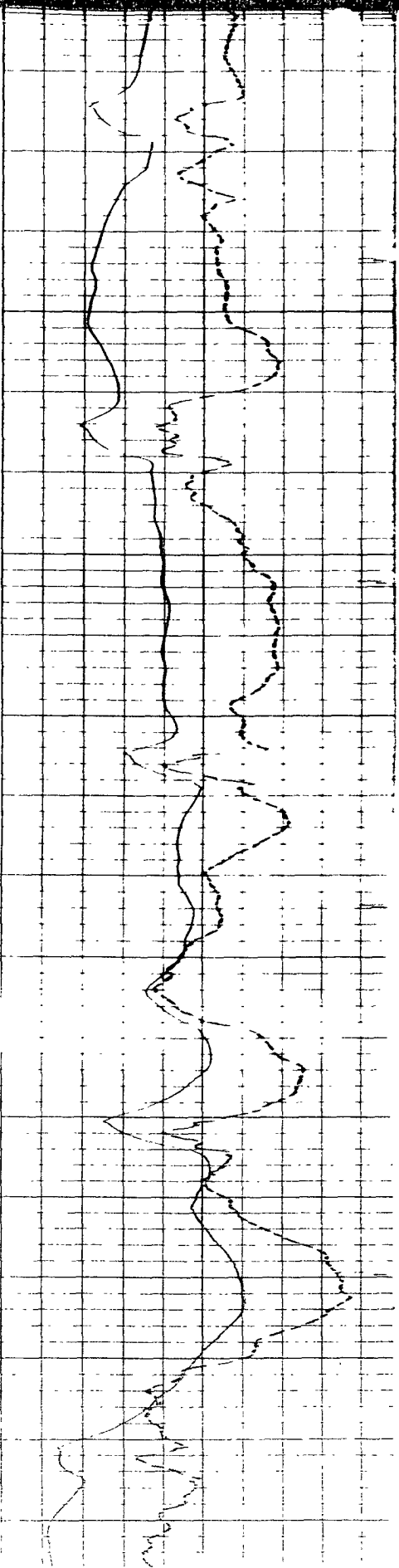
J. Brian Walter, PE
Vice President



MICRO-SEISMOGRAM[®] LOG-CASED HOLE

COMPANY Exploration, Inc. WELL G. G. O'Brien FIELD South Elkins County Chaves State N.M.	COMPANY <u>ENERGY EXPLORATION, INC.</u>	
	WELL <u>G. G. O'Brien #3</u>	
	FIELD <u>SOUTH ELKINS</u>	
	COUNTY <u>CHAVES</u>	STATE <u>NEW MEXICO</u>
Location <u>1980' FNL & 1830' FWL</u>		Other Services
Sec. <u>31</u> Twp <u>7-S</u> Rge <u>29-E</u>		
Permanent Datum <u>Ground Level</u> Elev <u>4009'</u>		Elev. K.B. <u>4024'</u>
Log Measured From <u>K. B. - 15.5</u> Ft. Above Perm Datum		D.F. <u>4023.5'</u>
Drilling Measured From <u>Kelly Bushing</u>		G.L. <u>4009'</u>
Run No	<u>- One -</u>	
Date & Time Survey	<u>6-22-81 10:00 AM</u>	
Date & Time Cementing		
Type Cementing Operation	<u>Primary</u>	
Depth Driller	<u>6825</u>	
Depth Welex	<u>6824</u>	
Logged Interval	<u>1900</u> to <u>6816</u>	to
Casing Driller	<u>5-1 2" @ T.D.</u>	@
Float Collar—D V Tool		
Squeeze Depth		
Amount & Type Cement		
Amount & Type Admix		
Type Fluid in Hole	<u>Water</u>	
Fluid Level	<u>500</u>	
Salinity PPM Cl		
Weight lb/gal—Vis.		
Approx. Logged Cem. Top	<u>2400 & 6000</u>	
Calculated Cement Top	<u>2780 & 6780</u>	
Max. Hole Temperature	<u>°F</u> <u>°F</u>	
Tool No	<u>23954</u>	
Spacing Recorded	<u>4'</u>	
Equipment—Location	<u>2922</u>	<u>Holls</u>
Recorded by	<u>W. H.</u>	
Witnessed by	<u>M. J. Russell</u>	





Year	2450	2500	2550
1901	70%	50%	20%
1902	70%	50%	20%
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1998	70%	50%	20%
1999	70%</		

$\frac{1}{\sqrt{2}} \begin{pmatrix} p_1 + ip_2 \\ p_1 - ip_2 \end{pmatrix}$

Blaze
9 5/8

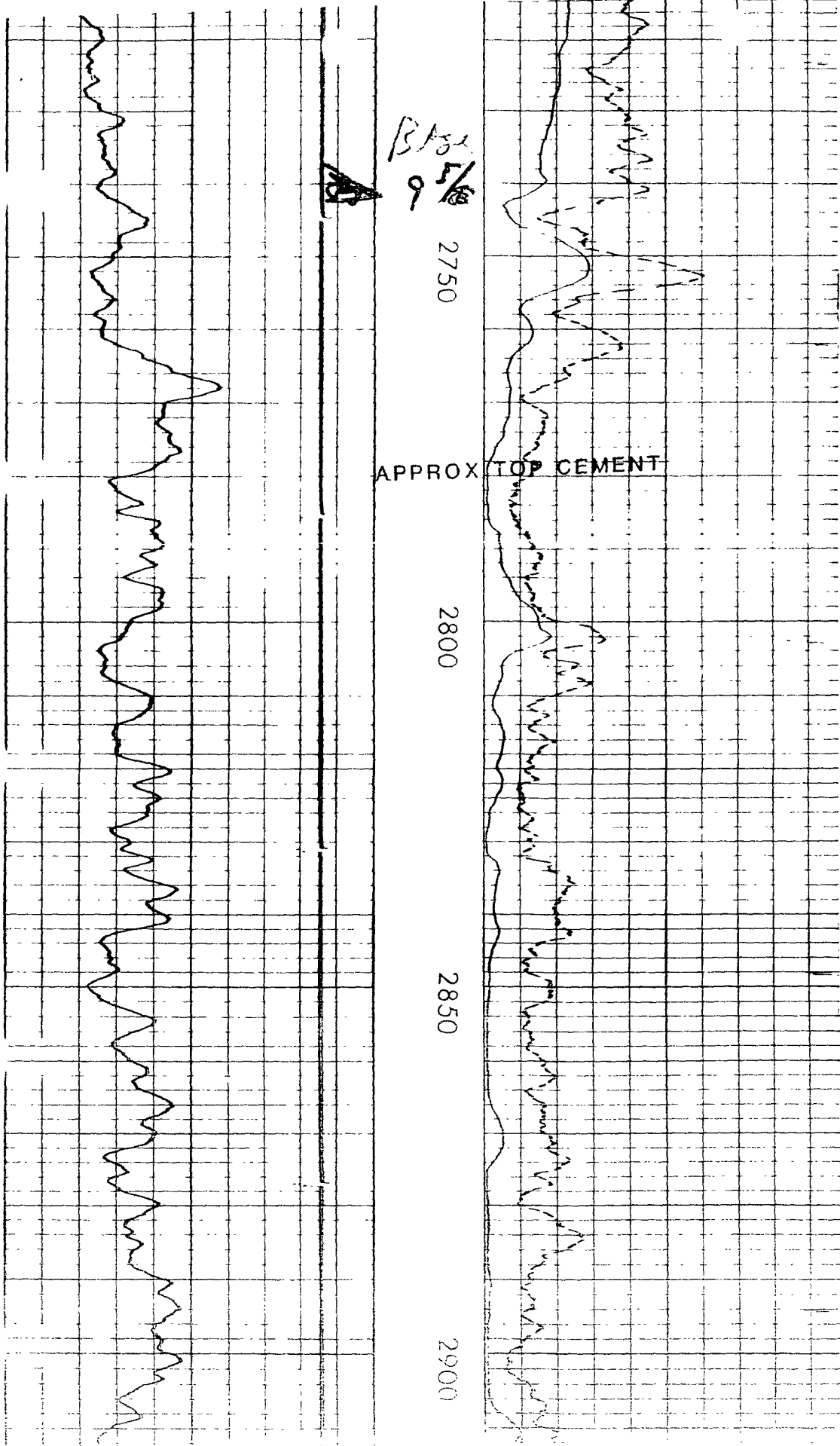
2750

APPROX TOP CEMENT

2800

2850

2900



12-2-08

Walter Exploration

160'Brien #3

Dig out cellar - Expose 95' x 5 1/2" Ann
+ 2 3/4" x 5 1/2" Ann

Basic showed up about 10 AM. T) Hart & 10 S

Ys Hg - (3358) Close BOP - wrong rams - wait
on replacement - Start the displacement 19.5 PM

Pump 15 bbls down the hole. Ret Retainer OK (3358)

Load 2 3/4" x 5 1/2" Ann 100 w/ 15 bbls - 500 PPS OK

Mix & Pump 280 5' @ 19.8 PPS yield 1.32 c/s

Pump 260 below retainer 205' Above

Pull 7 stands - Rev to pit w/ 80 bbls.

POT Tbg + Stinger
SIDH

Retainer 1350

Cementing 11390

Water 2000

Rig 5000

Sup 1200

20,940

J.W. Malloy Associates, Inc.

Midland Tx

Daily Report

Cement & Retainer Squeezed work

Water Exploration
C/O Orren #3

11-3-08
Wed

Unbolt "A" section to expose 5 1/2 slips

Roll "B" section - (1200 cwt)

RU Spear for 5 1/2 - pickup on 5 1/2

@ all slips (well head slips)

Free point 5 1/2 2430 - 1000 To free

Collar @ 2437.50 90 stuck

2495 50 90 Free

2500 20 90 Free

2550 - 100 90 stuck

Shoot 5 1/2 @ 2434 - free

Shut down for Day

Plan for Am - Lay down 5 1/2 set 950 BP

+ dump cement Ref 950

Rig - 4000

Rotary w/L 5900 - Free point + cut 5 1/2

Spear & Collar 2000

Lup 1200

13100

J.W. Mulloy Associates, Inc.

Midland TX

Daily Report

Free point work

Rotary Wire Line Service, Inc.

Specializing In Pipe Recovery

P.O. Box 2735

Hobbs, New Mexico 88241-2735

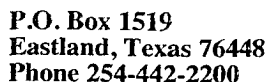
575-397-6302

Copy

Date	Invoice #
12/4/2008	16623

Bill To
Walter Exploration 6116 North Central Expressway Suite 313 Dallas, Texas 75206

		P.O. No.	
Date of Service		Ordered By	Jack White
12/3/2008	Net 30 Days		
Description			Amount
Work Order # 18526 JGO Brien # 3 Chaves County, New Mexico			
Service Charge			1,250.00
Free Point casing free @ 2437'			1,575.00
Cut casing @ 2434'			3,075.00
Thank You!			
Subtotal			\$5,900.00
Sales Tax (6.6875%)			\$394.56
Total			



Journal of Management Education

TICKET NO.

CONTRACT CONDITIONS: (This contract must be signed before the job is commenced or merchandise is delivered).
The undersigned is authorized to execute this contract as an agent of the customer. As such, the undersigned agrees and acknowledges that this contract for services, materials, products, and/or supplies includes all of and only those terms and conditions appearing on the front and back of this document. No additional or substitute terms and/or conditions shall become a part of this contract without the written consent of an officer of Basic Energy Services LP.

(WELL OWNER, OPERATOR, CONTRACTOR OR AGENT)

DEC 15 2000

SERVICE & EQUIPMENT	%TAX ON \$		
MATERIALS	%TAX ON \$		
TOTAL			

BASIC

energy services
P.O. Box 1519
Eastland, Texas 76448

JOB REPORT

Date 11/10/01 District 351 FLD. SVC. ORD. NO. _____
Operator W. B. Jones
Lease O. F. Jones Well No. 3
Field Chambers Location Hammond
County Chambers State Louisiana
Stage Number 6 This Zone ☐ This Well ☐

FLUID PUMPED AND CAPACITIES IN BBLs.

Tubing Cap. _____
Casing Cap. _____
Annular Cap. _____
Open Hole Cap. _____
Fluid to Load _____
Pad Volume _____
Treating Fluid _____
Flush _____
Overflush _____
Total to Recover _____

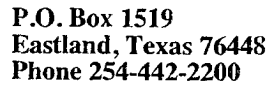
TYPE OF CEMENT	SACKS	ADDITIVES	TRUCK LOADED ON	
Class C	280		28891	FRONT
				BACK
				FRONT
				BACK
				FRONT
				BACK
				FRONT
				BACK
				FRONT
				BACK

Type Job. Squeeze Depth: 3350
Size Hole 8 3/4 Depth: 15 Ft.
Size & Wt. Casing NEW 15 Depth: 15 Ft.
Size & Wt. D Pipe or Tubing 2 3/8 Depth: 15 Ft.
Top Plugs _____ Type: _____
MAX DEPTH _____

WEIGHT #1 GAL. YIELD WATER REQUIREMENTS CU. FT.
LEAD: 14.8 1.32 6.3 396.6
TAIL: _____

Time AM/PM	Treating Pressure-Psi Tubing Casing	Barrels Fluid Pumped	Inj. Rate B P M	REMARKS	TYPE
				Arrived on Loc.	DKR DEPTH
				Spot Trucks	RETAINER DEPTH <u>3358'</u>
				Rinse	PERFS
				Rinse C.I.C.R. in. Hol.	CIBP
		<u>15</u>	<u>2.0</u>	Stand by for Pump for BOP	
				H ₂ O check	
	<u>500</u>	<u>15</u>	<u>2.0</u>	Set C.I.C.R. @ <u>3358'</u>	
				Test Backside - Hold	
				Release Retainer and Shut out	
	<u>700</u>	<u>5</u>	<u>2.5</u>	Start in + End Rate	
	<u>700</u>	<u>6.5</u>	<u>2.5</u>	MC Cement	
				Shut down 1 inch Pump & Line	
	<u>300</u>	<u>4.5</u>	<u>2.5</u>	Displace w/ H ₂ O	
				Shut out	
				Full 7 strokes	
	<u>300</u>	<u>2.0</u>	<u>2.0</u>	Back up to Retainer out	
				Wash Truck	
				Wash down	
				Stand by for test	
				8 strokes	

Treating Pressure Min _____ Max _____ Avg _____ Customer Representative _____
Inj. Rate on Treating Fluid _____ Rate on Flush _____ Representative _____
Avg. Inf. Rate _____ ISIP _____ Flush dens. lb/gal _____ Comments _____



DATE TICKET NO. _____

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[illegible]

SERVICE & EQUIPMENT	%TAX ON \$		
MATERIALS	%TAX ON \$		
TOTAL			

Walter Exploration

J. G. O'Brien #3

5 27 09 W R H on loc 7 am spotted unit [Wrong stabilizer] Picked 6-3 ½ drill collars 4 ¾ Varel bit TIH to 2164 tagged CIBP started drilling @11am Drilled 3 ft picked up one jt POOH laid down collars TIH with 4 ¾ bit & scraper to 2411 tagged 5 ½" casing stub. worked 2 hrs did not get in to fish SDFN

5-28-09 Started Drilling @ 2411 7am drilled till 11am made 1 ft cirl up casing cuttings. POOH ran in with notch collar tried getting in top of 51/2 unable to get in fish Talked with Phil Hawkins with OCD POOH laying down rigged down released WRH unit Stearns Loaded all 2 3 /8 tbg Sevens & Roach working on clean up