

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 August 1, 2011

HOBBS OCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

AUG 16 2011

RECEIVED

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 ☐

2. Name of Operator

THREE RIVERS OPERATING COMPANY, LLC

3. Address of Operator

1122 S. CAPITAL OF TX HWY, SUITE 325, AUSTIN, TX 78746

4. Well Location

Unit Letter O : 990 feet from the SOUTH line and 1980 feet from the EAST line
Section 17 Township 21S Range 35E NMPM County LEA

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

3649 GL

WELL API NO.

30-025-30956

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

PHILLIPS STATE

8. Well Number

1

9. OGRID Number

272295

10. Pool name or Wildcat

Wildcat ~~OSUDO FIELD~~ Bone Springs

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☒ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

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.

Well is currently TA'd with CIBP set at 11,750' inside 5' 18# casing. Recomplete well in Bone Springs inside 7" 23# casing set at 10,900' (top of 5' liner @ 10,463').

Please see attached document for procedure to recomplete in the Bone Springs formation.

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

T. Stratton

TITLE: OPERATIONS ENGINEER

DATE: 08/11/2011

Type or print name TOM STRATTON

E-mail address: tstratton@3rn.com

PHONE: 512-706-9849

For State Use Only

APPROVED BY:

[Signature]

TITLE

PETROLEUM ENGINEER

DATE

AUG 28 2011

Conditions of Approval (if any):

AUG 29 2011



HOBBS OCD

AUG 16 2011

RECEIVED

AUGUST 10, 2011

PHILLIPS STATE #1
API # 30-025-30956
SEC 17-21S-35E
OSUDO FIELD
LEA CO NM

OBJECTIVE:

WELL IS CURRENTLY TA'D WITH CIBP SET AT 11,750' INSIDE 5"18# CASING.
RECOMPLETE WELL IN BONE SPRINGS INSIDE 7" 23# CASING SET AT 10,900' (TOP OF 5"
LINER @ 10,463'), AS FOLLOWS:

2ND BONE SPRINGS: 10,236 - 10,410'
 9,674 - 9,817'

1ST BONE SPRINGS: 9,300 - 9,559'
AVALON 8,446 - 8,621'
(DELAWARE - TO BE ADDED LATER)

WELLBORE: (1991)

13-3/8" 54.5# K55 @ 1865' W/1560 SX; CMT CIRC
9-5/8" 43.5# N80 @ 5650' W/620 SX; SQZ @ 3900'; CMT CIRC.
7" 23/26# C95 @ 10,900' W/ 700 SX; **TOC @ 8175'**
LINER - 5" 18# P110 - TOL @ 10,463'; SET @ 12,580' W/ 200 SX
CIBP SET IN 5" @ 11,750'

PROCEDURE:

1. PREPARE LOCATION; TEST ANCHORS; SET TANKS, BOARDS, RACKS ETC FOR RIG
2. BLOW ANY WELL HEAD PRESSURE OFF
3. RIG UP WIRELINE; RUN GAUGE RING JUNK BASKET TO TOL @ 10,463'
4. SET CIBP @ 10,500'; PRESSURE UP TO 6500# TO TEST;
5. RIH W 2-7/8" TBG W.S. TO SET 100' CMT PLUG FROM 10,500 - 10,400'
6. PULL TBG W.S. OOH & LAY DOWN
7. RIG UP DBL FRAC VALVE & HEAD
8. PRESSURE UP TO 3500#; PERF 2ND BONE SPRINGS 10,236 - 410' W/2SPF
BREAKDOWN PERFS; ACIDIZE & FRAC PER PROPOSAL; DISPLACE WITH ACID
9. SET CFP @ 9900'; PRESSURE UP TO 3500#;
PERF 2ND BONE SPRINGS @ 9674 - 9817' W/ 2SPF; BREAK DOWN PERFS

- ACIDIZE & FRAC PER PROPOSAL; DISPLACE WITH ACID
10. SET CFP @ 9650'; PRESSURE UP TO 3500#;
PERF 1ST BONE SPRINGS @ 9300 – 9559' W/ 2 SPF; BREAK DOWN PERFS
ACIDIZE & FRAC PER PROPOSAL; DISPLACE WITH ACID
 11. SET CFP @ 8725'; PRESSURE UP TO 3500#
PERF 1ST BONE SPRINGS @ 8446 – 8621' W/ 2 SPF; BREAK DOWN PERFS
ACIDIZE & FRAC PER PROPOSAL; DISPLACE WITH WATER.
 12. FLOW BACK WELL UNTIL IT DIES
 13. DRILL OUT 3 CFP'S; CIRCULATE TO PBTD – 10,413'; PULL BIT & TBG OOH
 14. RIH W 2-7/8" PRODUCTION TBG & BH ASSEMBLY
 15. RUN RODS & PUMP
 16. SET PUMPING UNIT WITH GAS ENGINE
 17. SET APPROPRIATE SEPARATION AND STORAGE FACILITIES ON LOCATION FOR
OIL, GAS AND WATER
 18. RETURN WELL TO PRODUCTION

RESPECTFULLY,



TOM STRATTON,
OPERATIONS

PROPOSED:

WELL: Phillips State #1	LEASE#: 030815	FIELD: Osugo
COUNTY: Lea	SPUD DATE: 9/4/1990	LOCATION: Sec 17-T21S-R35E
STATE: NM	COMPL DATE: 12/8/1990	FORMATION: Osudo Morrow (Gas)
API #: 30-025-30956		
TD: 12,580'	TA'D - 2/06 PBTD: 12314'	ELEVATION 3649' GL

CASING RECORD

O.D.	WT./FT.	GRADE	THD	TOP	BTM	NO. JTS.	BIT SZ.	SX CMT.	TOP CMT.
13 3/8"	54 5#	K55	ST&C	0	1,865'	0	17 1/2"	1560	
9 5/8"	43 5#	N80	LT&C	0	5,650'	139	12 1/4"	620	4300'
7"	23#, 26#	C95	LT&C	0	10,900'		8 1/2"	700	7800' (est)

LINER

O.D.	WT./FT.	GRADE	THD	TOP	BTM	NO. JTS.	BIT SZ.	SX CMT.	TOP CMT.
5"	18#	P110	LT&C	10463'	12,580'			200	

TUBING

O.D.	WT./FT.	GRADE	THD	TOP	BTM	NO. JTS.
2 3/8"	4 7#	N80	8rd	0	12,169	367

PERFORATION RECORD

DATE	TOP	BOTTOM	SPF	ZONE	STATUS
12/4/1990	12,468'	12,483'	4	Morrow	sqzd
1/18/1991	12,246'	12,259'	4	Morrow	open
9/21/1990	3,900'	3,900'	1	San Andres	sqzd
7/18/2001	11,848'	12,116'		Morrow	open
1/26/2004	12,250'	12,258'	(reperf)	Morrow	
2/2/2004	12,250'	12,258'	(reperf)	Morrow	

REMARKS

02/10/91 Acidized 12,246'-12,259' w/ 2016 gals 7 5% HCl acid w/60 ball sealers Displaced w/2,772 gal 2% KCl and saw some ball action Pressure increased from 100# to 6900# as balls hit formation Pumped 2 bbls 2% KCl @ 3 5 BPM w/6600#, had 5600# ISIP, 4400# in 5 min, 2200# in 25 minutes

3/29/99 Run 1 5" sinker bar to 12,256' (includes 20' KB), fluid level 2600' PU 1 86" gauge ring - 11,348' - sticking. POH. Run 2 175" gauge nng to 10,250' Run 2 35" gauge nng to 1390' - would not go deeper Run 2 30"x18" broach to 1390' & work down to 2340' Free ft/2340' to 10,250' Pkr & EOT@12,080', PBTD @12,313' FTP 35 PSI, SICP 30 PSI; 110 MCFD

7/19/00: Check for fill Rig up Slick Line, FTP 45, SICP 0, flowing 67 MCFD rate Run in w/2 3/4" gauge to 1590', sticking in each collar, scale build up POH & RIH w/1 9" gauge to 11,121', sticking, POH & RIH w/1 5" bailer to 12,280' (21' below btm perf) PBTD @ 12,313' EOT @ 12,026', Pkr @ 12,080'.

10/00: Replaced tbg w/ 2 3/8" N80 & 1 3/4" N80 Set @ 12161 56" Swab well in Perf Morrow 11848'-58", 11864'-72", 11882'-902', 11953'-58", 11970'-75', 12018'-26", 12047'-45', 12108'-16", 364 holes 29 FTP psi, max rate 93 mcf

1/29/04: Acidized 12,246'-12,258' w/ 1000 gals acid

2/5/04: Frac Morrow perfs 12,250' - 12,258' with 1764 gals 35# linear spacer - 9030 gals 35# Purgel without Co2 - 17,808 gals 35# purgel with 117 tons of Co2 & 50,733# 20/40 Bauxite

Bottom Hole assembly as of 2/15/04:
5" 15K Weatherford Ultra-pak w/3" seal bore (12170')
Tbg adaptor (12173')
1 2 3/8" 4 7# P110 EUE 8rd Sub (12173 51')
Otis 1 875" X nipple (12179 54)
1 2 3/8" 4 7# P110 EUE 8rd 12 12' Sub (12180 74')
1 2 3/8" Otis 1 875" XN nipple (12190 86')

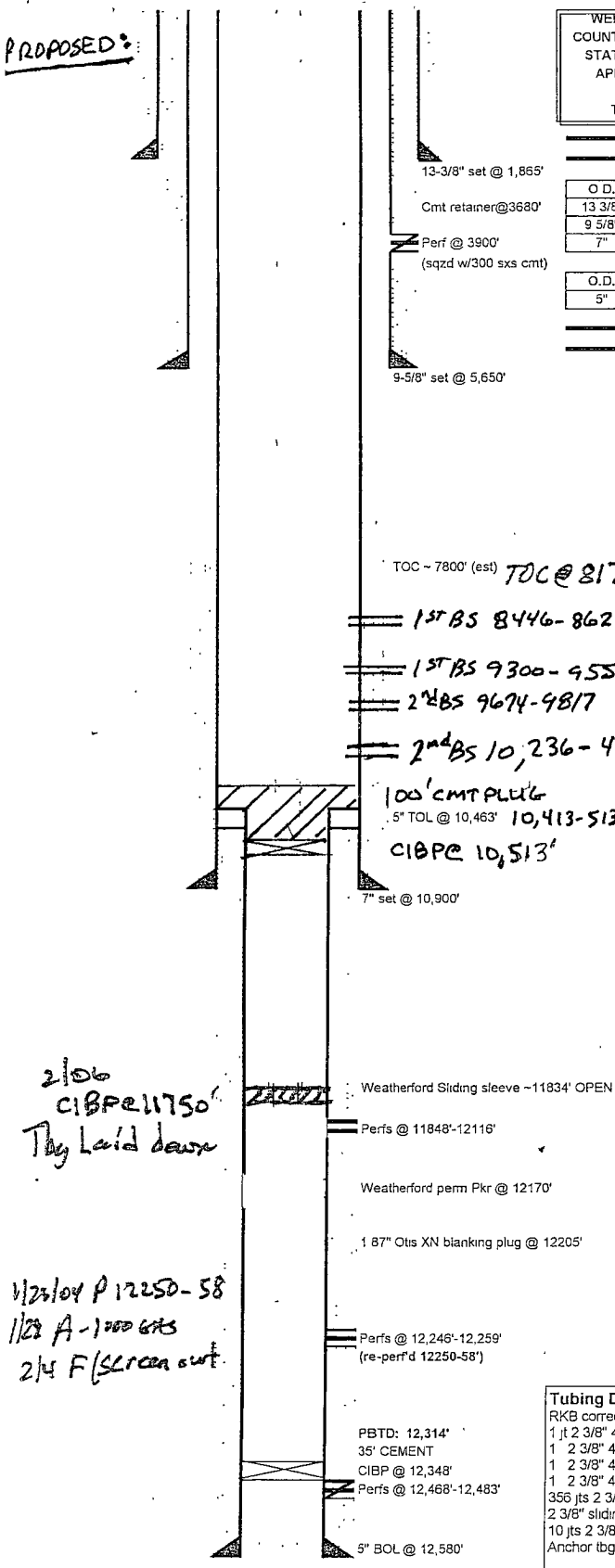
Tubing Detail as of 2/15/04:
RKB correction. 11'
1 jt 2 3/8" 4 7# N80 EUE 8rd
1 2 3/8" 4 7# N80 EUE 8rd Sub (5 4')
1 2 3/8" 4 7# N80 EUE 8rd Sub (10 12')
1 2 3/8" 4 7# N80 EUE 8rd Sub (10 21')
356 jts 2 3/8" 4 7# N80 EUE 8rd (11763 75')
2 3/8" sliding sleeve (closed) (2 89')
10 jts 2 3/8" 4 7# N80 EUE 8rd
Anchor tbg seal assy (2')

CAPACITIES

Tubular Cap.	Bbl/ft	Ft/3ft
Tubing (2 7/8")	0.00579	0.03250
Tubing (2 3/8")	0.00387	0.02171
Casing (23#)	0.03936	0.22100
Casing (26#)	0.03826	0.21480
Liner	0.01776	0.0997
Annular Cap	Bbl/ft	Ft/3ft
Tbg (2 7/8") x Csg	0.03388	0.19020
Tbg (2 3/8") x Csg	0.03133	0.17590
Tbg (2 3/8") x Lnr	0.06890	0.41228
Casing x Hole	0.02260	0.12680

TUBULAR GOODS PERFORMANCE

Material	Tensile (lbs)	Burst (psi)	Collapse (psi)	ID (in)	Drift (in)
13 3/8", 54 5#, K55	514,000	2,730	1,130	12.615	12.459
9 5/8", 43 5#, N80	825,000	6330	3,810	8.755	8.599
7", 26#, C95, LT&C	593,000	8,600	5,870	6.276	6.151
		7,530	4,150	6.368	6.241
		13,940	13,470	4.278	4.151
		10,570	11,160	2.441	2.347
2 3/8", 4 7#, N80, 8rd	104340	11200	11780	1.995	1.901



2/06
CIBP@11750'
Tbg Laid down

1/23/04 P 12250-58
1/23 A-1000 Gals
2/14 F/Screen out

Engineer: Han Narayana
Phone#: 918-591-1873
Fax#: 918-591-1873

SRC Wt%: 75.00%
LOGS: GR-Comp Density, CBL/CCL, GR-Micro-Seismogram

Prepared by Sarah White
Date: 11-4-96
Updated: 4/2/01 sjr
2/3/03 eaa
2/27/04 LH

C42225

WELL: Phillips State #1	LEASE#: 030815	FIELD: Osudo
COUNTY: Lea	SPUD DATE: 9/4/1990	LOCATION: Sec 17-T21S-R35E
STATE: NM	COMPL DATE: 12/8/1990	FORMATION: Osudo Morrow (Gas)
API #: 30-025-30956		
TD: 12,580'	PBTD: 12314'	ELEVATION: 3649' GL

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LINER

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5"	18#	P110	LT&C	10463'	12,580'			200	

TUBING

O.D.	WT./FT.	GRADE	THD	TOP	BTM	NO JTS
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7/19/2001	11,848'	12,116'		Morrow	open
1/26/2004	12,250'	12,258'	(reperf)	Morrow	
2/2/2004	12,250'	12,258'	(reperf)	Morrow	

REMARKS

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7/19/00: Check for fill Rig up Slick Line, FTP 45, SICP 0, flowing 67 MCFD rate Run in w/2 34" gauge to 1590', sticking in each collar, scale build up POH & RIH w/1 9" gauge to 11,121', sticking, POH & RIH w/1 5" bailer to 12,280' (21' below btm perf) PBTD @ 12,313' EOT @ 12,026', Pkr @ 12,080'

10/00: Replaced tbg w/ 2 375' N80 & 1 3" N80 Set @ 12161 56' Swab well in

7/17/01: Perf Morrow 11848'-58', 11864'-72', 11882'-902', 11953'-58', 11970'-75', 12018'-26', 12047'-45', 12108'-16', 364 holes 29 FTP psi, max rate 93 mcf

1/29/04: Acidized 12,248'-12,258' w/ 1000 gals acid

2/5/04: Frac Morrow perfs 12,250' - 12,258' with 1764 gals 35# linear spacer - 9030 gals 35# Purgel without Co2 - 17,808 gals 35# purgel with 117 tons of Co2 & 50,733# 20/40 Bauxite

Bottom Hole assembly as of 2/15/04:

5" 15K Weatherford Untra-pak w/3" seal bore (12170')
Tbg adaptor (12173')
1 2 3/8" 4 7# P110 EUE 8rd Sub (12173 51')
Otis 1 875" X nipple (12179 54)
1 2 3/8" 4 7# P110 EUE 8rd 12 12' Sub (12180 74')
1 2 3/8" Otis 1 875" XN nipple (12190 86')

Tubing Detail as of 2/15/04:

RKB correction 11'
1 jt 2 3/8" 4 7# N80 EUE 8rd
1 2 3/8" 4 7# N80 EUE 8rd Sub (6 4')
1 2 3/8" 4 7# N80 EUE 8rd Sub (10 12')
1 2 3/8" 4 7# N80 EUE 8rd Sub (10 21')
356 jts 2 3/8" 4 7# N80 EUE 8rd (11763 75')
2 3/8" sliding sleeve (closed) (2 89')
10 jts 2 3/8" 4 7# N80 EUE 8rd
Anchor tbg seal assy (2')

CAPACITIES

Tubular Cap.	Bbl/ft	Ft3/ft
Tubing (2 7/8")	0 00579	0 03250
Tubing (2 3/8")	0 00387	0 02171
Casing (23#)	0 03936	0 22100
Casing (26#)	0 03826	0 21480
Liner	0 01776	0 0997
Annular Cap.	Bbl/ft	Ft3/ft
Tbg (2 7/8") x Csg	0 03388	0 19020
Tbg (2 3/8") x Csg	0 03133	0 17590
Tbg (2 3/8") x Lnr	0 06890	0 01228
Casing x Hole	0 02260	0 12680

TUBULAR GOODS PERFORMANCE

Material	Tensile (lbs)	Burst (psi)	Collapse (psi)	ID (in)	Drift (in)
13 3/8", 54 5#, K55	514,000	2,730	1,130	12 615	12 459
9 5/8", 43 5#, N80	825,000	6330	3,810	8 755	8 599
7", 26#, C95, LT&C	593,000	8,600	5,870	6 276	6 151
		7,530	4,150	6 366	6 241
		13,940	13,470	4 276	4 151
		10,570	11,160	2 441	2 347
2 3/8", 4 7#, N80, 8rd	104340	11200	11780	1 995	1 901

Engineer: Han Narayana
Phone#: 918-591-1873
Fax#: 918-591-7873

SRC Wt%: 75 00%
LOGS: GR-Comp Density, CBL/CCL,
GR-Micro-Seismogram

Prepared by Sarah White
Date: 11-4-96
Updated: 4/2/01 sjr
2/3/03 eaa
2/27/04 LH

13-3/8" set @ 1,865'

Cmt retainer@3680'

Perf @ 3900'
(sqzd w/300 sxs cmt)

9-5/8" set @ 5,650'

TOC ~ 7800' (est)

TOC @ 8175'

5" TOL @ 10,463'

7" set @ 10,900'

Weatherford Sliding sleeve ~11834' OPEN

Perfs @ 11848'-12116'

Weatherford perm Pkr @ 12170'

1 87" Otis XN blanking plug @ 12205'

Perfs @ 12,246'-12,259'
(re-perf'd 12250-58')

PBTD: 12,314'
35' CEMENT
CIBP @ 12,348'
Perfs @ 12,468'-12,483'

5" BOL @ 12,580'

2/10/06
CIBP @ 11750'
Tbg Laid down

1/24/04 P 12250-58
1/24 A-1000 Gals
2/14 F (Screen out)