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

HOBBS OCD
OCT 12 2011
RECEIVED

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 August 1, 2011

WELL API NO.	30 - 025 - 02765
5. Indicate Type of Lease	STATE ☐ FEE ☒
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	Hulda A. Townsend
8. Well Number	6
9. OGRID Number	155615
10. Pool name or Wildcat	SWD Wolfcamp (#96135)

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 SWD
2. Name of Operator: Nadel and Gussman Permian, LLC
3. Address of Operator: 601 N. Marienfeld Suite 508, Midland, TX 79701
4. Well Location
Unit Letter G : 1980 feet from the North line and 1980 feet from the East line
Section 9 Township 16 S Range 35 E NMPM County Lea
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4014' (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 ☐			
OTHER. Pull tubing, set CIBP & pressure test casing ☒		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.

9/1/11. The Hulda A. Townsend #6 SWD failed a routine NMOCD MIT test, because of a suspected tubing and/or packer leak.
9/12/11: NGP rigged up and replaced the tubing and packer. Mechanical integrity was not achieved on csg/tbg annulus.
10/11/11: NGP proposes the following:
-Pull all tubing and packer equipment.
-Set CIBP with 35' of cmt at ± 9530'.
-Test csg integrity and:
-Apply for TA status if csg passes supervised integrity test.
-Leave well inactive if test is failed and likely P&A the wellbore.

is our intended workover procedure.

Rule 19.15.25.14
Set CIBP, RBP or Packer within 100 feet of uppermost perfs or open hole Pressure test to 500 psi for 30 minutes with a pressure drop of not greater than 10% over a 30 minute period

Condition of Approval: Notify OCD Hobbs office 24 hours prior to running MIT Test & Chart

g Rel

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

SIGNATURE [signature] TITLE Engineer DATE 10/11/11

Type or print name Chris Marquez E-mail address: cmarquez@naguss.com PHONE: (432) 682-4429

For State Use Only

APPROVED BY: [signature] TITLE STAFF MGR DATE 10-12-2011

Conditions of Approval (if any):

The Oil Conservation Division Must be notified 24 hours prior to the beginning of operations

OCT 13 2011

Nadel Gussman Permian, LLC

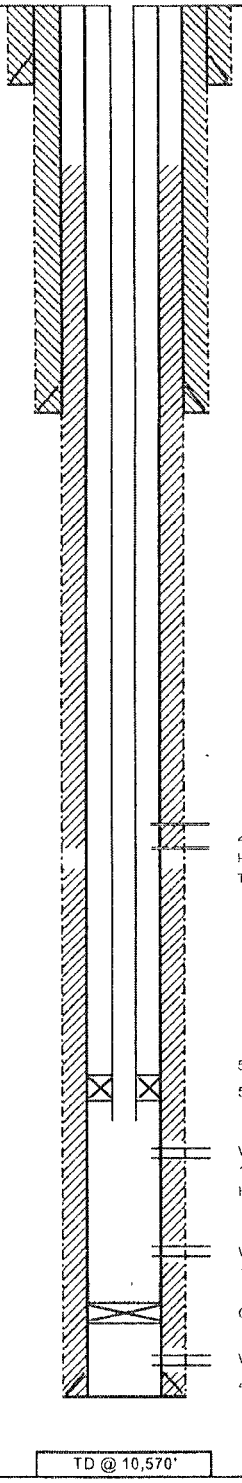
LEASE	Hulda A Townsend
FIELD	
LOCATION	1980 FNL 1980 FEL
SPUD DATE	
CONTRACTOR	

WELL NO	6 (SWD)
COUNTY	Lea
LEGAL	UL G, SEC 9, T16S, R35E
DRAWN BY	CHRIS MARQUEZ
DATE	10/5/2011

API #	30 - 025 - 02765
STATE	New Mexico
GL	4,014'
DF	4,025'
KB	11'

Hulda A. Townsend #6 (SWD)

Hole Size
Csg Design



Casing Design					
Hole Size	Casing Size	Casing Wt & Grade	Depth	Cmt Vol	TOC
13 3/4"	10 3/4"	33#	434'	300 sx	Sfc (Circ)
9 7/8"	7 5/8"	26 4#, J55	4,600'	2000 sx	Sfc (Circ)
6 3/8"	5 1/2"	17#, J55/N80	10,569'	1300 sx	7455' (Temp)

Tubing Detail
Replaced in 1994
9580' of 2 3/8", IPC, J55/N80
Replaced all tbg in September of 2011

Detail		
Tbg Size	Wt & Grade	Depth
2 3/8"	4.7#, L80	9540'

Well History
Converted to SWD 1-11-09 (OCD Order R-3464)
Fail MIT test in September 2011
Workover to test tbg and csg integrity in September 2011

2 Squeeze Perfs @ 7445'
Pumped 210 sx Through Perfs
TOC @ 1920, Verified by Temp Survey

5 1/2" x 2 3/8" 1-2 on/off tool w/ stainless seal nipple @ 9540'

5 1/2" x 2 3/8" Arrowset 1-X Pkr swinging @ 9548'

Wolfcamp Perfs 9620' - 9626'
1 spf, 6 holes, no acid
Hole in Csg @ 9869'

Wolfcamp Perfs 10201' - 10359'
1 spf, 10 holes, 2500 gals, 5000 gals

CIBP @ 10400' w/ 15 sx CMT on top

Wolfcamp Perfs 10464
4 spf, 724 holes, no stim

TD @ 10,570'

CHM 10/11/2011

NADEL and GUSSMAN PERMIAN, LLC
COMPANY OPERATED – NEW MEXICO
10/11/11

H. A. TOWNSEND No. 6 SWD **TOWNSEND WOLFCAMP FIELD**
1980' FNL & 1980' FEL, UNIT LETTER G, SECTION 9 T16S, R35E, LEA COUNTY, NEW MEXICO
API No. 30-025-02765
GL: 4014' KB: 4025' **WORKOVER**

This program is intended as a guide to be closely followed as long as actual conditions agree reasonably well with completion predictions. When substantially different conditions are encountered, the NGP supervisor will take appropriate action to safely and economically control the new conditions and will advise NGP of such actions as job conditions permit.

SAFETY REQUIREMENTS

- Hold safety meeting before every event that occurs on NGP well site.
- Be sure that windsock is in place at all times and all personnel are trained in H_2S safety.
- All personnel will wear hard hats, safety glasses and steel toe boots.
- No smoking, except in designated areas.

DIRECTIONS:

From intersection of highway 82 and state road 238, go east 1/4 mi to appx 25 yard east of Dynegy compressor station. Turn south on Harrod road. Go 1/4 mi, turn west to tank battery.

WELL INFORMATION:

Please see attached wellbore schematic for specific well details.

Objectives:

- Test casing integrity above and below old squeeze perfs.
- Pull all tubing and sell back for salvage value.
- Set CIBP with 35' of cement within 100' of bottom perfs.
- Pressure test well casing, once pulling unit has moved off.

Notes:

There is a 2 3/8", L80, tbg string in the hole.

2 3/8" 4.7#/L80		Actual Conditions
• Collapse =	11780 psi	• Collapse at 9570' = 4977 psi
1.125 SF =	10471 psi	
• Burst =	11200 psi	• Burst is negligible due to fluid on backside
1.21 SF =	9256 psi	and well on vacuum.
• Joint Strength =	104300 lbs	
1.8 SF =	57944 lbs	• Air weight at 9570' = 44979 lbs.

- Annular capacity: 5 ½"/17# csg x 2 3/8" tbg = 0.018045 bbl/ft
- Vol. required at 9550' = 9550' (0.018045) = 172.3 bbl
- Tbg capacity: 2 3/8"/4.7# tbg = 0.00387 bbl/ft
- Vol required at 9550' = 9550' (0.00387) = 37 bbl

EQUIPMENT REQUIREMENTS:

- Pulling unit
- Wireline

NADEL and GUSSMAN PERMIAN, LLC
COMPANY OPERATED – NEW MEXICO
10/11/11

H. A. TOWNSEND No. 6 SWD TOWNSEND WOLFCAMP FIELD
1980' FNL & 1980' FEL, UNIT LETTER G, SECTION 9 T16S, R35E, LEA COUNTY, NEW MEXICO
API No. 30-025-02765
GL: 4014' KB: 4025' WORKOVER

MATERIAL REQUIREMENTS:

- 260 bbl (2 trucks w/ 130 bbl each) of FW.
- CIBP and cement

PERSONNEL CONTACT INFORMATION:

Operator: Nadel & Gussman Permian, LLC	
Zac Hernandez	432 – 238 – 2874
Chris Marquez	432 – 202 – 0942
Kurt Hood	575 – 513 – 1499
Pulling Unit & Consultant	
Ron Wallace	575 – 390 – 0303
Tubing: KC Pipe	
Office	432 – 563 – 0500
Byron Courts	432 – 230 – 5579

PROCEDURE:

1. MIRU pulling unit. Make sure well is shut in and bleed off any line pressure.

2. ND Wellhead and NU BOP.

3. Packer is swinging at 9548'.

4. Pull up to 7300' and set packer, per packer company recommendations.

5. Load backside with FW, pressure to 500 psi and hold for 30 min.

6. If unable to load, notify office and release packer.

7. If test is good at 7300', TIH to 7600' and attempt to load and test backside again.
   - If test fails at 7300' continue to step 9

8. Communicate results of second test with office, subsequent actions will be determined at this time.

9. Release packer and TOOH w/ all tbg and packer assembly, keep one jt on location. *Have trucks ready to haul tbg to Midland, TX.

10. R/U wireline and TIH to set CIBP at 9530' (+/-).
    - Make sure it is within 100' of perfs at 9620'.

11. TOOH w/wireline and TIH with dump bailer to dump at least 35' of cement on CIBP.

12. TOOH and R/D wireline, hang off one jt of tbg in well.

NADEL and GUSSMAN PERMIAN, LLC
COMPANY OPERATED – NEW MEXICO
10/11/11

H. A. TOWNSEND No. 6 SWD — TOWNSEND WOLFCAMP FIELD
1980' FNL & 1980' FEL, UNIT LETTER G, SECTION 9 T16S, R35E, LEA COUNTY, NEW MEXICO
API No. 30-025-02765
GL: 4014' KB: 4025' — WORKOVER

13. ND BOP and NU wellhead.

14. RDMO pulling unit and other equipment.

15. Pressure test csg to 500 psi for 30 minutes, regardless of the outcome of previous tests.
    - Communicate results of final pressure test with office.
        - If test is good: will notify OCD and arrange a supervised integrity test.
        - If test is bad: will leave well in inactive status.

16. Clean location and leave all well and disposal equipment shut in.