| Submit 1 Copy To Appropria | te District | State of New M | exico | Form C-103 October 13, 2009 | • |
|--|--|--|----------------------------|--|---|
| Submit I Copy to Appropria Office <u>District I</u> 1625 N. French Dr , Hobbs, N District II | HOBBS OCD | y, Minerals and Nat | ural Resources | WELL API NO. | |
| District II | | CONSERVATION | DIVISION | 30-025-07202 | |
| District II 1301 W. Grand Ave , Artesia District III | ^{, NM 8} NOV 0 3 2011 | 1220 South St. Fra | ncis Dr. | 5. Indicate Type of Lease STATE FEE X | |
| 1000 R10 Brazos Rd , Aztec, District IV | NM 87410 | Santa Fe, NM 8 | 7505 | 6. State Oil & Gas Lease No. | |
| 1220 S St. Francis Dr., Santa | Fe, NM RECEIVED | | - | | |
| SUN | DRY NOTICES AND | REPORTS ON WELL | S | 7. Lease Name or Unit Agreement Name | |
| (DO NOT USE THIS FORM DIFFERENT RESERVOIR. | FOR PROPOSALS TO DRI USE "APPLICATION FOR | Houston A | | | |
| PROPOSALS) 1. Type of Well: Oil W | Vell 🔲 Gas Well | 8. Well Number 01 | ĺ | | |
| 2. Name of Operator | | 9. OGRID Number 271999 | | | |
| 3. Address of Operator | Resources, L.L.C. | | | 10. Pool name or Wildcat | |
| | e Blvd. Oklahoma City | , OK 73114 | | SWD Devonian (96101) | |
| 4. Well Location | | • | | | ĺ |
| Unit Letter | L <u>2310</u> | <u>330</u> feet from the <u>W</u> line | | | |
| Section 19 | | | ange 38E | NMPM Lea County | |
| | 11. Eleva | tion (Show whether DI 3874' GL | R, RKB, RT, GR, etc. | .) | |
| | | <u>3074_0L</u> | | | 1 |
| 12 | . Check Appropriat | e Box to Indicate N | Nature of Notice, | Report or Other Data | |
| | | | | - | |
| NOTIC PERFORM REMEDIAL | | N TO: D ABANDON | | SEQUENT REPORT OF: | |
| | · · · · · · · · · · · · · · · · · · · | | | | |
| PULL OR ALTER CASI | — | E COMPL | CASING/CEMEN | IT JOB | |
| DOWNHOLE COMMIN | GLE | | | | |
| OTHER: | | | OTHER: | | |
| 13. Describe propos | sed or completed operat | ions. (Clearly state all | pertinent details, ar | d give pertinent dates, including estimated date | |
| | | ULE 19.15.7.14 NMA | C. For Multiple Co | mpletions: Attach wellbore diagram of | |
| proposed comp | letion or recompletion. | | | | |
| | | | | | |
| 10/10/2011 | MIRU. POOH w/ inj LokSet packer @ 1 | | ł w/bit. Cleaned oι | ut hole to 11733' & tagged a stuck | |
| 10/14/2011 | RIH w/new 2-3/8" II Set pkr @ 11703'. | PC injection tbg & Ar | rowset 1-X packer | w/on off tool. Pumped packer fluid. | |
| 10/24/2011 | Pressured up 7" cs | g to 500 ⁺ , held Ok. F | Passed Witnessed | MIT. Chart Enclosed. | |
| 10/28/2011 | Received exceptior | to packer setting. W | /ell now in complia | ance and ready for injection. | |
| | | 1 0 | · | - // / / | |
| | | | r | EC ADGLE | |
| Spud Date: | N/A | Rig Release D | Date: 1 | D/24/2011 Apreval Ami BA, ley | |
| · | | | | 14 | |
| | | | <u> </u> | MIL TAILEY | - |
| I hereby certify that the i | nformation above is tru | e and complete to the l | best of my knowledg | ge and belief. | |
| (i) | KA A | | | / | |
| SIGNATURE | M. Aper | 7 TITLE Ma | nager of Regulato | ry Affairs DATE 10/31/2011 | - |
| Type or print name | David P. Spencer | / E-mail addres | ss: david spancer@ch | aparralenergy.com PHONE: 405-478-8770 | |
| For State Use Only | | 7 | <u>advidisperioer(work</u> | | |
| đ | A | | nd m | GD DATE//-3-2011 | |
| APPROVED BY: | | | | | |
| Concisions of Approval | | | | Trans- | |
| | - | | | NOV 0 3 2011 | |

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Chaparral Resources, L.L.C.

October 24, 2011

Compliance Officer Brown State of New Mexico EMNRD Oil Conservation Division - District #1 1625 N. French Dr. Hobbs, NM 88240

HOBBS OCD

OCT 2 7 2011

RECEIVED

| Re: | Lease Name: | Houston "A" |
|-----|-------------|-------------------------------------|
| | Well No.: | 1 |
| | API No.: | 30-025-07202 |
| | Location: | Unit Letter L, Section 19-T12S-R38E |
| | | Lea County, New Mexico |

Dear Officer Brown:

Chaparral Resources, L.L.C. is in receipt of Letter of Violation dated August 24, 2011 concerning the referenced well. Today I can report to you that the violation concerning the well sign (Rule 19.15.16.8) has been resolved. Chaparral has placed proper signs at the well and the lease entrance.

As to the potential loss of mechanical integrity on this well, Chaparral has been working over this well to fix any problems which may have been noted. We have replaced the tubing in the well and redressed the packer. Today the well is undergoing an MIT.

We are also seeking permission from Mr. Will Jones of the UIC section in Santa Fe to allow this well to have an injection packer set more than 100 feet from the top perforation. If that exemption is granted then the well will be ready to pass a witnessed MIT.

If you have any questions, or need more data contact us at the address listed.

Sincerely, Chaparral Resources, L.L.C.

David P. Spencer Manager of Regulatory Affairs Direct Number: (405) 426-4397 Direct Fax: (405) 425-8897 E-Mail: david.spencer@chaparralenergy.com

SEE Altched FROM WILL JONES Appleved by TAMi Balley 10-28-2011

Gonzales, Elidio L, EMNRD

From:Jones, William V., EMNRDSent:Friday, October 28, 2011 3:00 PMTo:David SpencerCc:Ezeanyim, Richard, EMNRD; Gonzales, Elidio L, EMNRD; Brown, Maxey G, EMNRDSubject:Chaparral Resources High Packer Setting Exception Request - SWD-576 Houston A Well
No. 1 (30-025-07202) Devonian disposal well

Hello David,

Jami Bailey has approved the latest packer setting depth at 11703 feet in this well. The approval letter will be mailed to you and also scanned into the permit file (SWD-576).

Because the lower Mississippian is exposed below the packer, the approval letter does have the stipulation that if the disposal packer is ever moved higher than 11703 feet, then a new SWD permit will be required prior to re-commencing disposal. That would involve sending notices to owners of minerals in the Mississippian.

Have a nice weekend,

William V Jones, P E Engineering, Oil Conservation Division 1220 South St. Francis Drive, Santa Fe, NM 87505 Tel 505.476.3448 ~ Fax 505.476.3462

