

Office

Energy, Minerals and Natural Resources

Revised August 1, 2011

District I - (575) 393-6161

1625 N. French Dr., Hobbs, NM 88240

District II - (575) 748-1283

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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

APR 29 2013

RECEIVED

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

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.)		WELL API NO. 30-025-06017
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other (SWD)		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Rice Operating, Co.		6. State Oil & Gas Lease No. State SWD Permit.
3. Address of Operator 112 West Taylor, Hobbs NM 88240		7. Lease Name or Unit Agreement Name EME SWD System (EME)
4. Well Location Unit Letter <u>G</u> : 1980' feet from the <u>N</u> line and 2310' feet from the <u>E</u> line Section <u>8</u> Township <u>20S</u> Range <u>37E</u> NMPM County <u>Lea</u>		8. Well Number <u>G-8</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3549'		9. OGRID Number <u>A174</u>
		10. Pool name or Wildcat San Andres SWD interval.

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.

Per earlier notice to OCD concerning our plan to remedy ongoing casing problems in this well, please see the attached daily work report, revised wellbore schematic, and MIT pressure chart.

Spud Date:

Rig Release Date:

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

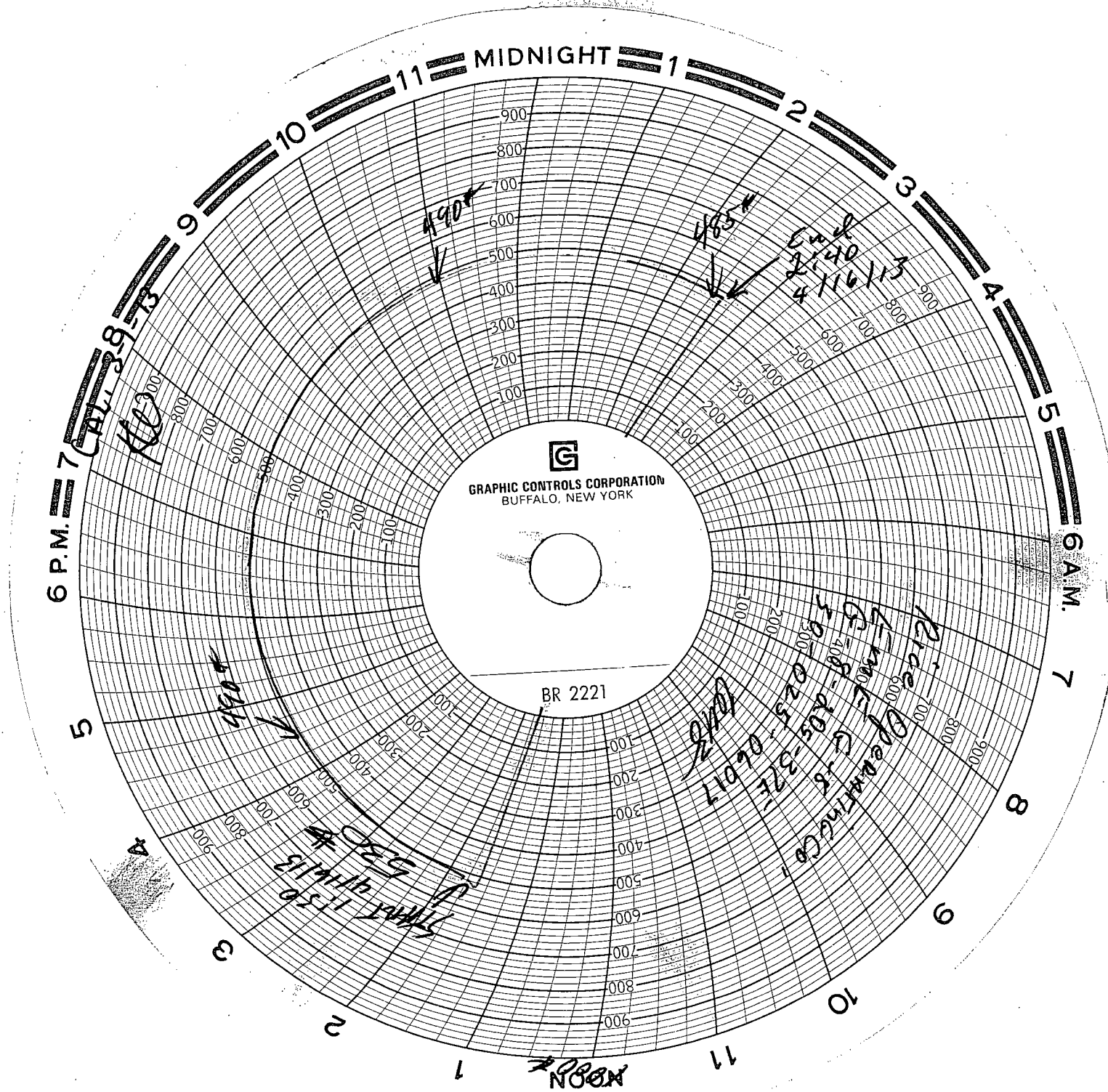
SIGNATURE Marvin Burrows TITLE Engr. Mgr. DATE 4/23/13

Type or print name Marvin Burrows E-mail address: mburrows@riceswd.com PHONE: 575-393-9174 Chm

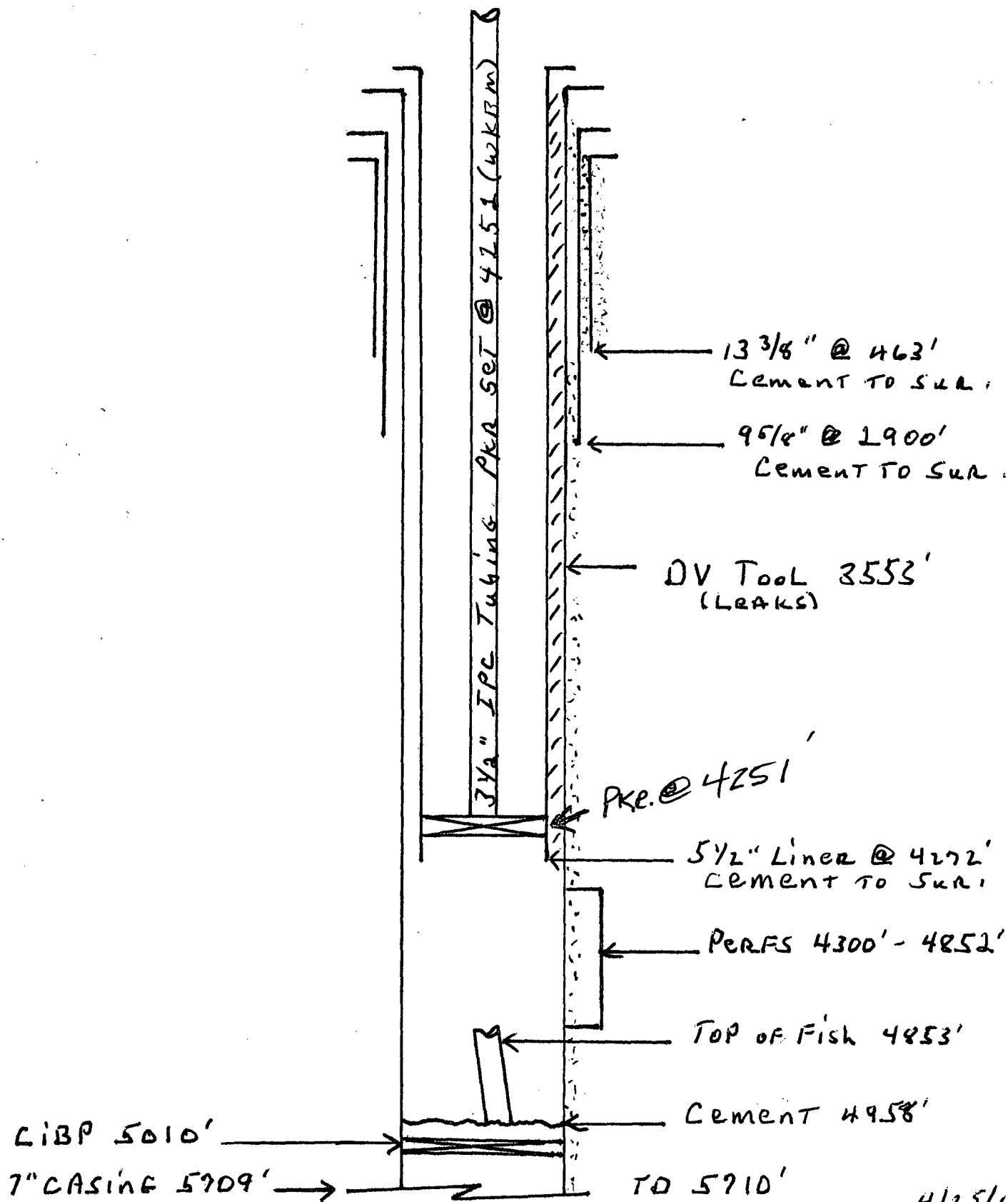
For State Use Only

APPROVED BY: [Signature] TITLE Dist. Mgr. DATE 5-9-2013

MAY 20 2013



Rice OPERATING CO. EME G-8
 ULG-58-T205-R37E



4/25/13

EME SWD Well G-8. Repair casing.

1/28/13 :

Moved in workover unit. Held safety meeting. Moved in and spotted pipe racks, rig mats, laydown machine. Unloaded and racked 4900' 2 7/8" N-80 work string. Tore wellhead down, screwed lift sub onto 5 1/2" tubing. Picked up and got slips out of 8 5/8" Larkin head. Stripped on 4' x 8 5/8" spool and adapter flange to get BOP up out of cellar. Installed triple BOP (blanks x 5 1/2" x 2 7/8"). Rigged up Lewis Casing Crews. Picked up on 5 1/2" tubing to release Weatherford packer. Packer stuck. Worked 1 hour to get mandrel travel. Worked to 110K# to get rubbers loose. Let backside equalize. Started POH and laying down 5 1/2" tubing. Got 55 joints of 103 joints pulled. Secured well, SDON.

1/29/13 :

Got pulling unit crew, casing crew, and laydown operator on location. Held safety meeting. Opened up well (vac). Started pulling 5 1/2" tubing. Pulled 10 joints. 45 to 50 mph winds and sleet. Secured well, SDON.

1/30/13 :

Held safety meeting. Opened up well (vac.). Finished POH laying down 5 1/2" tubing. Pulled total 4200' 5 1/2" tubing and 7" casing packer. 100% recovery. Rigged down casing crew. RD lay down machine. Picked up and tallied in w/ 6.25" bit, bit sub, and 2 7/8" work string. Started working through scale rings at 4320'. Cleaned out OK to solid fill @ 4545'. Drilled down 2' w/ tongs in 45 min. POH w/ 35 stands tubing standing back. Secured well, SDON. Will run back w/ bit and bailer to clean out casing to bottom disposal perf at 4852'.

1/31/13 :

Hold safety meeting. Finished POH w/ work string and bit. Picked up 6.25" bit, bit sub, check valves, 600' 2 1/2" cavity, bailer pump, port sub, and work string. Ran bit to 4545'. Rigged up power swivel. Started drilling and bailing on junk and hard scale bridge at 4545'. Drilled through 45' of solid bridge then casing went on vacuum. Cleaned 200' of wall scale. POH, dumped cavity. Ran in hole, cleaned out 42' of wall scale and sand / iron sulfide. Cleaned hole to bottom perf at 4853' (top of old fish). POH w/ work string and tools. Dumped cavity. Laid down all tools, rigged down power swivel. Secured well, SDON. Will co-relate to original

well log to set wireline (composite) bridge plug at +- 4295'. Will use wireline dump bailer to cap w/ 15' cement.

2/1/13 :

Held safety meeting. OU well (vac.). Rig up Jarrell Wireline Serv. Ran in w/ 6.25" gauge ring to 4400' ok. POH, ran back w/ GR log. Pulled strip log 4350' to 4100'. Co-related strip log back to original Schlumberger cased hole log. POH. Ran in hole w/ Halliburton wireline-set composite bridge plug. Got back on depth by log correlation, set composite plug at 4288'. POH. Ran back w/ dump bailer and cement. Capped bridge plug w/ 14.5' Class H cement. POH, RD Jarrell Wireline Serv. Secured well, SDON to WOC.

2/4/13 :

Held safety meeting. OU well (vac.). Ran in hole w/ bull plugged perf sub and work string. Tagged cement. Set down full weight of string (33,000#) to test integrity of plug (known bad casing). Test OK. POH. Ran back w/ 2 7/8" x 7" Baker AD-1 pkr to 4120'. Displaced hole w/ 42 bw. Set pkr at 4120'. Loaded tubing w/ 1.5 bbls. Tested casing 4120' - 4270' to 1500 psig OK. There is no need to squeeze bad casing at the bottom of the Grayberg. Tied pump on to casing. Pressured back side to 600 psig. Had 250 psig leak off in 8 minutes (known leak in vicinity of DV tool). Released pkr. Pulled pkr to 3000' from surface and set. Pressure tested backside to 600 psig OK w/ no leak off. As with previous leaks, current casing leak is in vicinity of the DV tool. POH, laid down pkr. Secured well, SDON. Consulted BJ cement engineer. BJ agrees we should have no trouble cementing 5 1/2" liner from bridge plug to surface. Slurry will be 250 sx Class C w/ 4% gel w/ LCM added. Mix will be low friction and 13.2 ppg.

2/5/12 :

Held safety meeting. OU well (vac.). RU lay down machine. RU Lewis casing crew. Put vac truck on cellar. Picked up 5 1/2" LT&C concrete guide shoe. Ran 5 1/2" casing and shoe to cement cap on composite plug at 4273'. 7" casing stayed full, ran over. Tagged up, pulled and laid down last joint. Spaced out with 26' of 5 1/2" casing subs (3). Removed 8 5/8" spool and BOP. With guide shoe 18" off bottom, hung 5 1/2" casing back in slips. Reassembled 7" x 5 1/2" Larkin head w/ new slip packing. Set frac tank, hauled in 3 loads fresh water for cement job. Secured well, SDON. BJ Services scheduled for morning of 2/6/13 to cement 5 1/2" liner.

2/6/13 :

Held safety meeting. MIRU BJ Services. MIRU 120 bbl steel pit. Held additional safety meeting w/ BJ Services. Test BJ lines to 4,500 psig. Pumped 20 bbl water spearhead to establish circulation (casing full). Pumped 69 bbls cement at average 330 psig. Total slurry 220 sacks class C cement w/ 4% gel, 3% salt, 700 # BJ LCM-1, 853 # Bentonite, 2 gal friction reducer, 1.75 yield / 13.5 ppg. Shut down, washed up. Dropped wiper plug. Pumped 96 bbls flush at max pressure 1953 psig / 4 bpm. Slowed rate, pumped 10 bbls flush at 2.5 bpm / 1750 psig. Bumped plug to 2184 psig w/ total displacement of 101.6 bbls. Circulated 21 bbls cement to pit. Shut well in. RD BJ Services. Emptied, cleaned and released steel pit. Secured well. SDON to WOC.

*** BJ advises 48 hr WOC for this slurry, but prefers 72 hrs. After WOC, will cut off 5 ½ casing, weld on 6" / 900 series head. Will pick up drill string to drill out cement, wiper plug, shoe, cement cap, and 7" composite bridge plug to open San Andres SWD interval. Plan 3000 gal 15% NEFE acid.

2/11/13 :

Held safety meeting. Found pressure (1240 psig) still on 5 1/2" casing. No leaks. Hooked up triplex pump. Brought casing to 1500 psig. Held for 20 minutes w/ no leak off. Bled casing down, removed cement head. Welder broke down on way location. Waited on another welder. Cut 5 1/2" casing off in cellar above 7" x 5 1/2" packoff. Welded on 5 1/2" x 6" x 900 series head. Installed flanges and spool for 10' deep cellar. Installed BOP. Picked up 4 3/4" bit, 6 - 3 1/2" drill collars, and 2 7/8" work string. Ran bit to wiper plug. Installed stripper head, hooked up reverse unit and power swivel, broke circulation. Couldn't stop adaptor flange below BOP from leaking. Laid down swivel. Tore down BOP and spool. Found split seal ring in adaptor flange. Replaced flange, installed BOP. Rigged equipment back up ready to drill cement. Secured well. SDON.

2/12/13 :

Held safety meeting. Opened well. Picked up power swivel and top joint. Broke circulation. Commenced drilling plug and cement w/ 100% returns. Drilled 20 minutes. Started getting spray of water into cellar. Shut down. Waited for vac truck. Found welder had left a slag void when welding head. Unflanged head. Picked up BOP and spool. Waited for welder. Rewelded head. Flanged up BOP and spool. Resumed drilling. Secured well, SDON.

2/13/13 :

Held safety meeting. OU well (0 psig). Ran two joints tbg to tag cement at 4268'. Picked up power swivel, broke circulation. Drilled 14' good cement, started drilling on Halliburton composite bridge plug. Drilled 1'. Casing went on vacuum, lost circulation. Drilled ahead, fell into clean 7" casing at 4289'. Continued in hole to chase remainder of 7" composite bridge plug to below bottom San Andres perf at 4853'. Laid down swivel, POH laying down work string, drill collars, and 4 3/4" bit. Pulled BOP. Capped well w/ 3 1/2" sub landed in 6" x 900 series slip type hanger flange. RD pulling unit, cleaned reverse pit, released all rental equipment.

***Remedial action is complete. Well is shut in pending delivery of 4350' of 3 1/2" IPC EUE J-55 8 Rd injection tubing.

4/15/13 :

Notified OCD. Held safety meeting. Set rig mats, RU pulling unit. RU pickup machine. Set pipe racks. Got all equipment spotted. Shut down to wait for trucks with tubing. Notified OCD.

4/16/13 :

Held safety meeting. Well on slight vac. Removed head. Installed spools for deep cellar, installed 3000# x 3 1/2" x blanks BOP. Racked and tallied new 3 1/2" IPC injection string. Picked up nickel plated 5 1/2" Baker big bore and 3 1/2" 9.3# IPC J-55 upset tubing. Ran packer to 4252' (w/ KB). Hooked up pump truck. Pumped 80 bbls packer fluid down back side on vac. Removed BOP. Spaced out, set packer. Landed tubing in 6" x 900 series, 3 1/2" slip type hanger flange, in 20K# tension. Loaded back side w/ 8 bbls packer fluid. Pressured / bled air. Got test of 480 psig for 30 minutes w/ no leak off. Called OCD. OCD declined to witness MIT, advised to submit test. Released all equipment. Cleaned location. Turned well over to ROC operations department for reconnection and return to SWD service.

MLB

Engr. Mgr.

ROC