

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD
MAY 30 2013
RECEIVED

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
PPC OPERATING COMPANY LLC

3a. Address
4700 W SAM HOUSTON PKWY N, STE 140
HOUSTON, TX 77041

3b. Phone No. (include area code)
325-287-6046

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FSL & 660' FEL, UNIT LETTER "I", SECTION 1, T-26S, R-36E, NMPM

5. Lease Serial No.
NMLC-030177B

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
C.W. SHEPHERD 'B' FEDERAL #5

9. API Well No.
30-025-09839

10. Field and Pool or Exploratory Area
JALMAT TANSILL YATES SEVEN RIVERS

11. County or Parish, State
LEA COUNTY, NEW MEXICO

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☒ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

This is to notify that this well was pressure tested on 4/4/2013 (NMOCD was notified 48 hours prior). The well failed and was immediately shut-in. The well was scheduled for a workover (also scheduled with the NMOCD). We expected to find a tubing leak but instead found a casing leak in our 4 1/2" casing above 145 feet.

4/10/13: RIH w/ packer & CIBP piggy back; hunt for casing leak; found leak 93'-110' from surface; RIH & set pkr @ 2883' - rig down

4/11/13: Rig up pump truck & vacuum truck; circulate sand off plug; latch on to plug; release & RIH w/ plug; set plug @ 2833'; get off plug & circulate wellbore; lay down 1 jt & dump 2 sx sand on top of plug. Pull out of hole; lay down retrieving head; nipple down BOP; dig around wellhead; cut off bolts; unflange head; welded 4 1/2" collar on casing; pick up spear & go into casing; pulled 70,000 to pick up off slips; set back down; shut well in & SDON.

4/12/13: Spear into csg & remove slips; rig up wireline truck & found collar at 141 feet; rigged down wireline; POOH & laid down 145 feet casing. Picked up 4 joints of new 4 1/2" 9.5#, J-55, 8 round thread LTC casing; screw back into casing; set slips @ 35,000# tension; cut off casing at surface; flange up wellhead nipple up BOP; test casing @ 500# - held good; run in w/ retrieving head & tubing; circulate sand off plug; latched onto plug; released & POOH; lay down tools; run in hole w/ 4 1/2 x 2 3/8 nickel plated pkr & 92 joints of tubing; nipple down BOP & pump 35 bbls of packer fluid; set packer at 2826 feet; flanged up wellhead; test casing @ 500# - held good; rigged down pump truck; Shut down.

Due to being new to the New Mexico BLM regulations, notice was not given before or when the casing leak was found. We now understand that notice should have been given before casing alteration.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Jana Spraberry

Title Office Administrator

Signature

Date 04/16/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

MAY 26 2013
Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

JUN 04 2013