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
SEP 18 2013
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 July 18, 2013

WELL API NO.	**30-025-03335**
5. Indicate Type of Lease	~~STATE~~ ☐ FEE ☐ **Federal Lease. X**
6. ~~State Oil & Gas~~ Lease No.	**NM 06413**
7. Lease Name or Unit Agreement Name	**CACTUS FEDERAL**
8. Well Number	**#003**
9. OGRID Number	~~036990~~ X 236183
10. Pool name or Wildcat	**SWD QUEEN**

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 **X** Other **SWD**
2. Name of Operator: **TANDEM ENERGY CORPORATION**
3. Address of Operator: **2700 POST OAK Blvd. STE. 1000 HOUSTON, TEXAS 77056.**
4. Well Location
   Unit Letter **"D"** : **330'** feet from the **FNL** line and **660'** feet from the **WEST** line
   Section **NM SEC. 6** Township **20 S** Range **35 S** NMPM County **LEA**
11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*

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	X ☒	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
CLOSED-LOOP SYSTEM	☐						
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.

9/5/2013. INSTALL A PERMANENT MONITORING SYSTEM ON CSG. WELL.
(A 100 gals. Plastic container filled up w/ 100 gals. Of packer fluid. Connected to Csg. With a 1'' steel line & check valve, leave Csg. Valve open to continuously monitor well to see if it's taking fluid.)
Also on opposite side installed a vent valve, that opens when there is no pressure on Csg. And closes if there is pressure on it. To prevent a spill.

9/13/2013. CONECT KILL TRUCK ON 7''-4 ½'' ANNULUS, LOAD WITH 1/10 OF BARREL, PRESSURE TEST IT & RECORED TO 600 PSI. LOST 120 POUNDS ON ½ AN HOUR.

PUT KILL TRUCK ON 4 ½''-2 3/8'' CSG. LOAD W/ 1/10 OF BARREL, PRESSURE TEST & RECORD TO 520 PSI FOR ½'' AN HOUR, DIDN'T LOSE ANY PRESSURE.

9/15/2013 INSTALLED A 2'' STEEL LINE ON 7'' FROM CSG. TO OPEN TOP WTR. TANK TO MONITOR 7'' SURFACE CSG.

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 Jose Cerrillo TITLE Field supervisor DATE 9-19-2013

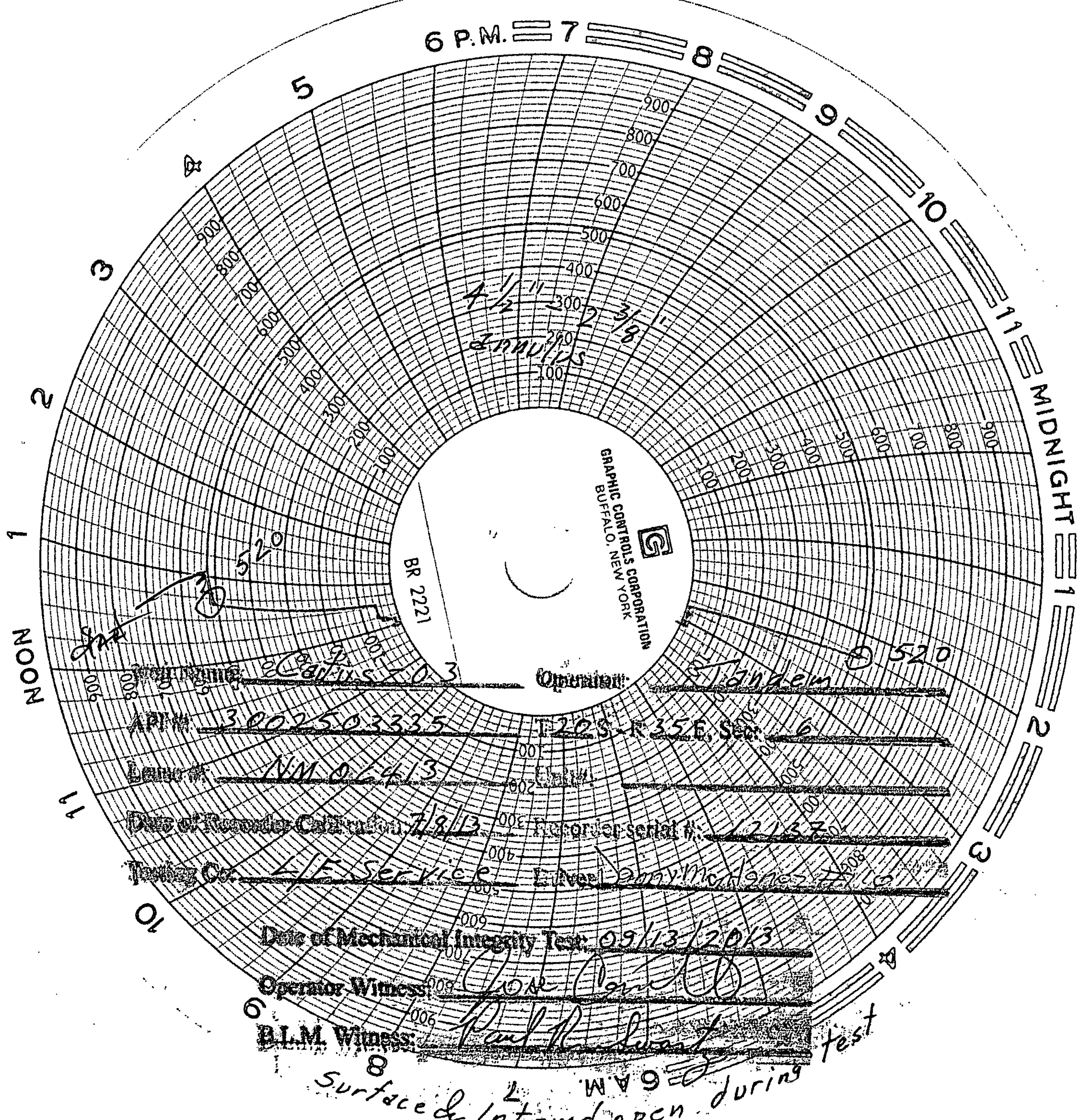
Type or print name Jose Cerrillo E-mail address: PHONE: 575-626 7763

For State Use Only

APPROVED BY E Gonzales TITLE Dist. Mgr DATE 9-19-2013

Conditions of Approval (if any):

SEP 19 2013



Well Name: Cactus #3

Operator: Landem

API #: 3002503335

T 20 S - R 35 E, Sec: 6

Lease #: NM 02413

Unit:

Date of Recorder Calibration: 7/8/13

Recorder serial #: 12137

Testing Co.: L/E Service

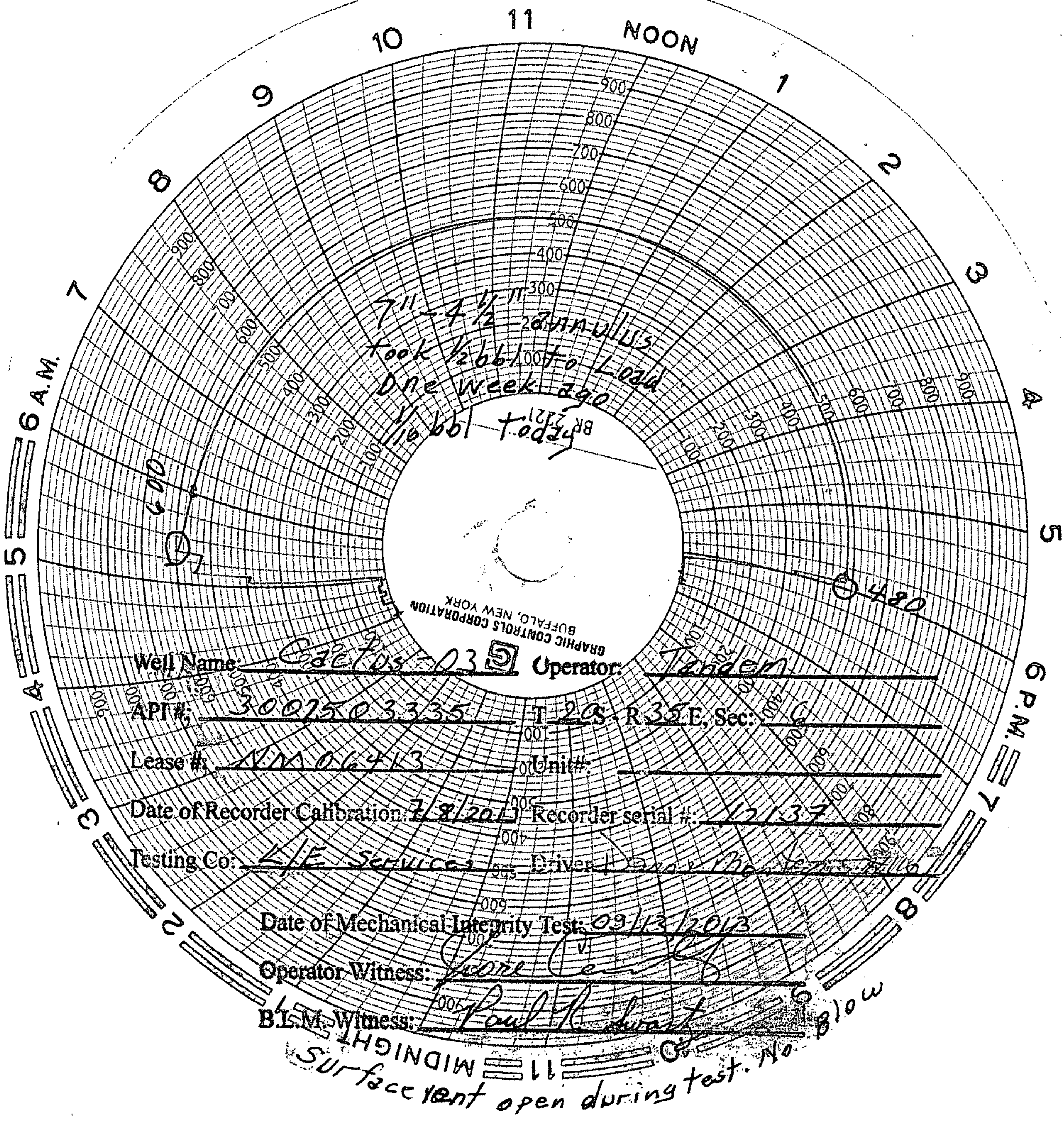
Driver: Jerry McDaniel

Date of Mechanical Integrity Test: 09/13/2013

Operator Witness:

B.L.M. Witness:

Surface & Intrmd open during test



NOON
1
2
3
4
5
6 P.M.
7
8
9
10
11
MIDNIGHT
1
2
3
4
5
6 A.M.
7
8
9
10
11
GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK
BR 2221
7" - 4 1/2" annulus
took 1/2 bbl to Load
One week ago
1/16 bbl today
600
480
Well Name: Cactus-03 Operator: Tandem
API #: 3002503335 T 20S - R 35E, Sec: 6
Lease #: NM06413 Unit#:
Date of Recorder Calibration: 7/8/2013 Recorder serial #: 12137
Testing Co: L/E Services Driver:
Date of Mechanical Integrity Test: 09/13/2013
Operator Witness:
B.L.M. Witness: Paul R.
Surface vent open during test. No blow

Operator: Tandem Energy Corporation
Surface Lease: NM06413 **BHL:** NM06413
Case No: NM06413 **Lease Agreement**
Subsurface Concerns for Casing Designs: , , , ,
Well Status: WDW
Spud date: 4/9/1962
WDW, R of W: 0
Admn Order, date: SWD-387, 03/23/1990
Formation, Depths, psig: Queen, 4650-990, 930psig

Well: Cactus - 03
API: 3002503335
@ Srfce: T20S-R35E, Sec 6, 330FNL & 660FWL
@ M TD: T20S-R35E, Sec 6, 330FNL & 660FWL

Cable Tool Drill

KB: 3696
GL: 3694
Corr: 2

BLM will require an annular monitoring system on the tbg - 4½" csg annulus. see diagram of open to air syste

4/10/1962 — 205, 17.5"hole, 13.375"csg, 43# Armco, 200sx circ cmt

4/14/1962 — 1860, 11"hole, 8.625"csg, 24# csg pulled

(1985 T salt)

possibility of 7" csg incompetance

(3380 B salt)

(3580 Yates)

???? TOC

Rusty, I am concerned that Inj Fluid may escape into the 4½" - 7" annulus.

06/27/2008 MIT held 360psig 30m
11/03/2010 MIT held 540-530psi 30m
06/26/2013 MIT held 590-580psig 30m

9/17/2012 — 4572 4 1/2" Pkr
09/5-17/2012 — (4610 Queen) unable to pull 4578 Pkr, mill it up some, left in hole
4614 TOL 5 1/2"
10/18/2005 — ?4950 or 4610?, 147jts 4 1/2" csg, 11.6# used, cmt'd
[<4650-70 10/26/1984>] Sqzd w/75sx H
10/12/1984 — <4650-970> <4650-916 10/26/1984>
6/1962 — 4716, 8"hole, 7"csg, 23# J55, 100sx
<4830-4850>
Inj Fluid
(4938 Penrose)
06/1962 — <4940-50>
4979PBTD 10/28/2010
6/14/1962 — 4990, 6.25"hole, 5.5"csg, 15.5# J55, 35sx
4990 BP w/ 2sx cmt
5030TD

Diagram last updated: 0821/2013

Paul Swartz
575-234-5985

Draft of - Order of the Authorized Officer

Tandem Energy Corporation
Cactus - 03
API 3002503335, T20S-R35E, Sec 06
August 22, 2013

Cease Injection into this well until operator is able to continually confirm there is no injection fluid entering the 4 ½"-7" annular space.

Well with a Packer - Operations

1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.
2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with a minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
3) Document the pressure test on a one hour full rotation calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
4) Notify BLM 575-393-3612 Lea Co as work begins. Some procedures are to be witnessed. If no answer, leave a voice mail or email with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.
5) Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
6) Use of tubing internal protection, tubing on/off equipment just above the packer, a profile nipple, and an in line tubing check valve below the packer or between the on/off tool and packer is a "Best Management Practice". The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore workover.
7) **Submit the original subsequent sundry with three copies to BLM Carlsbad.**
8) Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization. Approved injection pressure compliance is required. If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.

9) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
10) Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
11) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of a full annular fluid level at any time.
12) Maintain the annulus full of packer fluid at atmospheric pressure. Equipment that will display on site, continuous open to the air fluid level is necessary to achieve this goal. After initial installation of this equipment, notify Paul Swartz 575-200-7902 for on-the-ground BLM acceptance.
13) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
14) A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
15) Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0psia. Notify the BLM's authorized officer ("Paul R. Swartz" <pswartz@blm.gov>, cell phone 575-200-7902). If there is no response phone 575-361-2822.
16) Submit a (Sundry Form 3160-5) subsequent report (daily reports) describing all wellbore activity and Mechanical Integrity Test as per item 1) above. Include the date(s) of the well work, and the setting depths of installed equipment: internally corrosive protected tubing, tubing on/off equipment just above the packer, and an in line tubing check valve below the packer or between the on/off tool and packer. The setting depths and descriptions of each are to be included in the subsequent sundry. List daily descriptions of any previously unreported wellbore workover(s) and reason(s) the well annular fluid was replaced.

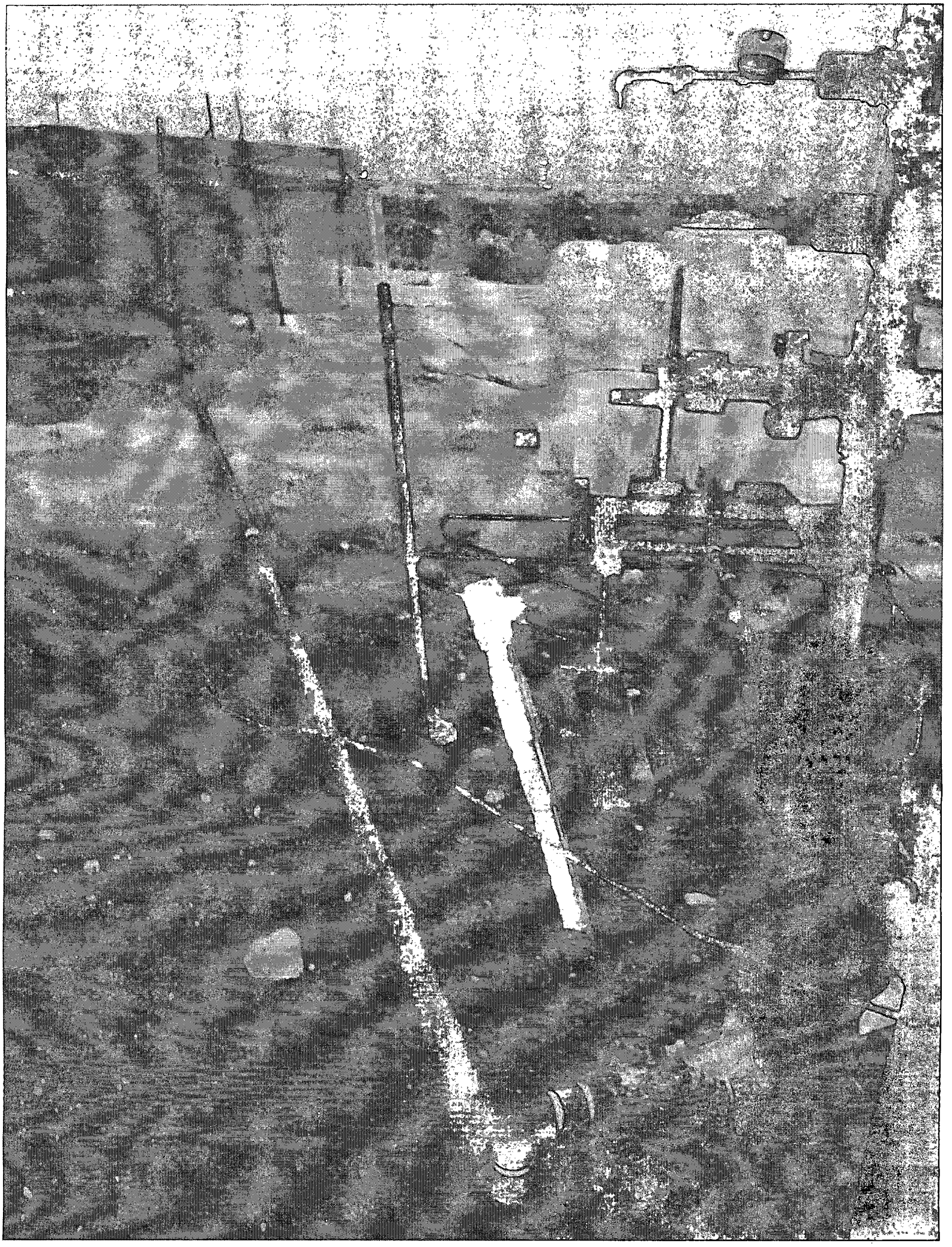
Access information for **use of Form 3160-5** "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.



Annular Packer Fluid Level above the casing vent, open to the air, and visible.