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

State of New Mexico
Energy, Minerals and Natural Resources

HOBBS OCD
FEB 27 2014
RECEIVED

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised July 18, 2013

WELL API NO.	30-025-02501
5. Indicate Type of Lease	STATE ☐ FEE ☑
6. State Oil & Gas Lease No.	00284
7. Lease Name or Unit Agreement Name	NEAL
8. Well Number	003
9. OGRID Number	3053
10. Pool name or Wildcat	96090 YATES

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 SALT WATER DISPOSAL
2. Name of Operator: BURK ROYALTY CO., LTD.
3. Address of Operator: P.O. BOX 94903, WICHITA FALLS, TX 76308
4. Well Location
   Unit Letter A : 330 feet from the NORTH line and 993 feet from the EAST line
   Section 35 Township 20S Range 34E NMPM LEA County
11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3726' GL

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 ☐			
CLOSED-LOOP SYSTEM ☐			
OTHER: ☐		OTHER: REQUIREMENT FOR UIC PROGRAM ☐	

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.

(See attached sheet.)

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 JH Bear TITLE PETROLEUM ENGINEER DATE 02/25/2014

Type or print name JON H. BEAR E-mail address: diana@burkroyalty.com PHONE: 940-397-8638

For State Use Only

APPROVED BY: TITLE DATE

Accepted for Record Only

Conditions of Approval (if any):

SWD-R-4283 MSB 3/3/2014 IPI-195

MAR 0 4 2014

02-10-2014: Move in and rig up. Released Model R packer. Rigged up vaccum truck on casing to keep fluid swabbed out by packer off of ground. Pulled out of hole with 115 joints 2-3/8" salta tubing and 5-1/2" Model R packer. Laid down 21 bad joints salta tubing. Ran in hole with Burk Model R packer and 101 joints 2-3/8" work string.

02-11-2014: Ran in hole with remaining 15 joints tubing. Tried to set model R packer; after several attempts packer would not set. Pulled out of hole with tubing and packer. Ran in hole with 5-1/2" retrievable bridge plug and 116 joints tubing. Set retrievable bridge plug @ 3527'. Moved in and rigged up pump truck. Circulated with Kcl fluid to surface. Pressured up casing to 400#, lost 60# in 20 minutes. After several attempts and after working air out of casing, pressured up 500# on casing and lost 30# in 20 minutes. No pressure found on braden head. Released retrievable bridge plug and pulled out of hole with tubing. Packed well off and shut down for night.

02-12-2014: Ran in hole with 5-1/2" AD-1 Tension packer and tubing. Set packer @ 3496'. Tested retrievable bridge plug set @ 3527'; test to 500#, leaked off, pulled packer up hole 15' and tested to 500' and held. Started test for casing leak, pulled 10 stands tubing at a time. Isolated casing leak: 743'-759'. Leak is tight, losing only 40# in 30 minutes. Pressured up on casing leak to 620#, lost 140# in 30 minutes.

02-13-2014: Pulled out of hole with tubing and AD-1 packer. Ran in hole with work string. Pulled out of hole and laid down work string. Ran in hole with production string, pulled out of hole and laid down production string. Ran in hole with 26 joints 2-3/8" workstring, end of tubing @ 786' open ended. Move in and rig up pump truck. Mixed polymer, circulated hole clean with 17.5 barrels. Pumped three barrels polymer and displaced with 2.5 barrels @ 0.5 BPM. Pulled out of hole with five joints tubing; end of tubing @ 631'. Pack well off, rig down pulling unit. Pressured up on tubing to 200#. Well was fully pressured up to 500# with 7/10 of a barrel water. Pressure bled down to 250#. Pressured back up to 500# for a total of 1.5 barrels displacement. Shut well in with 500# @ 4:15. Checked well at 7:00 PM and pressure was 350#.

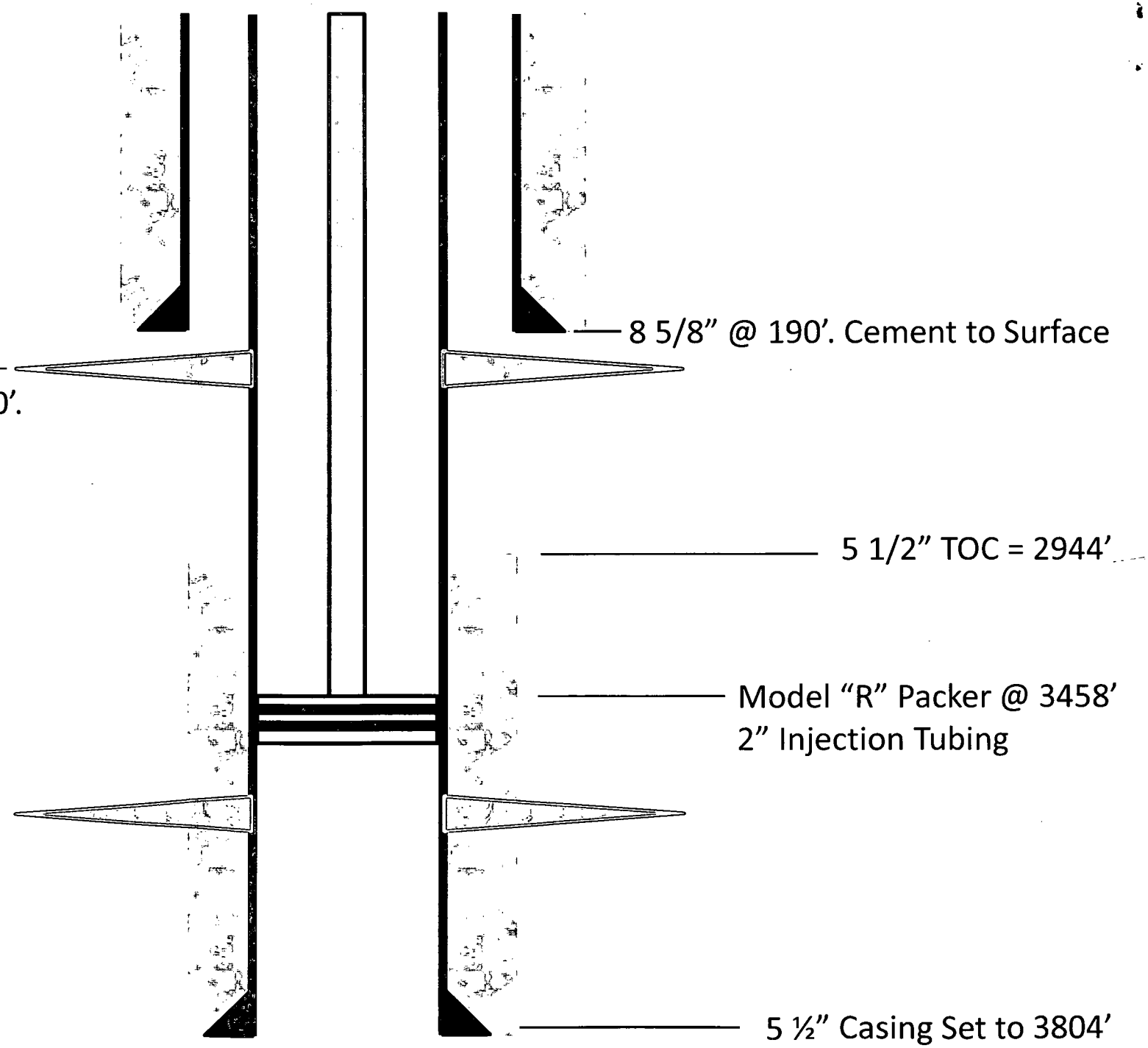
02-14-2014 - 02-20-2014: Wait on polymer to set up.

02-21-2014: Move in and rig up well service.

02-24-2014: Blow well down. Pulled out of hole with 21 joints tubing. Ran in hole with 4-3/4" bit and tubing to 850'. Circulate well clean. Pulled out of hole with bit . Ran in hole with retrieving tool and 900' of tubing. Test casing to 450# . Lost 47# in 30 min. Plan do another polymer squeeze in the morning.

Well Shut-IN Per JB

Neal #3 SWD


8 5/8" @ 190'. Cement to Surface
Squeezed Holes between 739 & 770'.
5 1/2" TOC = 2944'
Model "R" Packer @ 3458'
2" Injection Tubing
Injection Perfs: 3590-3646
5 ½" Casing Set to 3804'