

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

Form C-103
 Revised July 18, 2013

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. 30-025-25046
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator BC&D Operating, Inc.		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 302, Hobbs, NM 88241		7. Lease Name or Unit Agreement Name WEST TAL "B" DEEP
4. Well Location Unit Letter H : 1980 feet from the N line and 660 feet from the F line Section 17 Township 25S Range 36E NMPM County LEA		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3150' RKB		9. OGRID Number 025670
10. Pool name or Wildcat TAL, WEST WOLF CAMP		RECEIVED JUL 11 2014

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: Conduct TO SUD <input checked="" type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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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.

** Please SEE Attachment.*

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 Donnie Hill TITLE President DATE 7/11/2014
 Type or print name Donnie Hill E-mail address: dhill@wellconsultant.com PHONE: 575-390-1626
For State Use Only
 APPROVED BY: Mary Brown TITLE Dist. Supervisor DATE 7/15/2014
 Conditions of Approval (if any):

JUL 15 2014

JUL 11 2014

WEST JAL B DEEP # 1

30-025-25046

RECEIVED

UNIT "H", 1980' FNL, 660' FEL, SEC. 17, T25S, R36E

Well Data

Elevation: 3151' KB, 3123' GL

TD: 18945', PBD: 11650'

CIBP @ 11650' & 14200'

Conductor: 20" 94# @ 767' w/ 1700 sxs

Surface Csg: 13 3/8" 68# & 72# @ 5159' w/ 5300 sxs, Toc @ 590'

Intermediate Csg: 10 3/4" 60.7# @ 11263' w/ 2950 sxs, Toc @ 5140'

Intermediate Liner: 7 3/4" 46.1# S-105 Liner, 10917' to 14685' w/ 1300 sxs (Tested 2500 Psig on 2/2/76, held 30 minutes, Good test)

Production Liner: 5" 23.08# S-95 Liner @ 14332' to 18930' w/ 750 sxs (Tested 2500 Psig on 2/2/76, held 30 minutes, Good test)

Perfs:	Wolf Camp	@	11379' - 11381', 11395' - 11399'	
	Wolf Camp	@	11416' - 11425',	(Squeezed)
	Strawn	@	11708' - 11995',	CIBP @ 11650'
	Atoka	@	12682' - 12706'	
	Fusselman	@	16411' - 16439'	CIBP @ 14200'
	Ellenburger	@	18444' - 18858'	CIBP @ 17065'

Current Equipment in the hole:Tubing

345 jts 2 3/8" 4.7# P-110

7 5/8" TAC @ ~11268'

3 jts 2 3/8" 4.7# P-110

SN @ 11369'

4' PS

2 3/8" 4.7# P-110 Mud Jt @ ~11401'

Rods

1 - Polish Rod

141 - 7/8" Norris 97

316 - 3/4" Norris 97

2" x 1 1/4" x 20' Pump

Objective: Pooh w/ rods and tbg, Recover fish (4 jts 2 3/8" tbg & packer), Cement Squeeze Wolf Camp, Drill CIBP @ 11,650', Prepare well for injection test capabilities in the Strawn/Atoka prior to drilling out CIBP 14,200'.

Introduction: This procedure presents the proposed steps for working over BC & D Operating, Inc's West Jal "B" Deep # 1. These steps are intended as a guideline, conditions encountered during the actual work will dictate the appropriate steps to be taken.

Any significant deviation from the proposed program will require prior approval by Project Manager and BC & D Operating, Inc.

**Contact Info: BC & D Operating, Inc.
P.O. Box 302
Hobbs, New Mexico 88241**

**Donnie Hill – Project Manager
575.390.7626
dhill@wellconsultant.com**

**Donnie Hill Jr. – Well-Site Supervisor
576.30.1207**

Our work is never so urgent or important that we cannot take the time to do it safely and environmentally friendly.

- a) Safe and environmentally friendly operations are of the utmost importance to all BC & D properties and facilities. To further this goal, the BC & D Supervisor at the location shall request tailgate safety meeting prior to initiation of work and also prior to any critical operations. All Company, contact, and service personnel then present at the location shall attend these tailgate safety meetings to review proposed upcoming steps, procedures, and potentially hazardous situations. Occurrence of these meetings shall be recorded in the Daily Reports. Prepare or review a Job Safety Analysis before each and every task. STOP WORK OBSERVATIONS are expected and encouraged.**
- b) Keep Material Safety Data Sheets, (MSDS), on location, for all mud products and chemicals, available to all well-site personnel for review.**
- c) Post Emergency Numbers near your telephone.**
- d) All service company representatives working on a BC & D location are required to have a minimum training prior to beginning of work.**
- e) HOLD OPERATIONAL AND SAFETY MEETING WITH ALL PERSONNEL ON LOCATION. Review the objective of the task at hand, the procedure, critical parameters.**

PROCEDURE:

1. Clean location of all debris,
2. Test anchors and replace if necessary,
3. MIRU Completion Rig, conduct safety meeting, brief all Company, Contract and service personnel then present at location of task at hand, the procedure, critical parameters, weather conditions, potential H2s issues, contingency plans, etc..
4. Unseat 2" x 1.250" x 20' pump, (Rod weight should be ~20,000 lbs), POOH and lay down polish rod, 141 – 7/8" rods, (need a good count), & 316 – 3/4" Rods, (need a good count), once good rod count is achieved make calculation to determine where seating nipple is landed, (make arrangements to ship rods to Hobbs yard asap)
5. ND well head, NU 10K BOP, Rls Tac @ ~11,268' (tubing weight at TAC should be ~52 to 53 points), once TAC is released first movement will be down to confirm TAC has been released,
6. POOH and lay down 2 3/8" tbg, (get a good count, make arrangements to ship to Hobbs yard asap)
7. P/U and Tih w/ shoe (cut-rite on bottom only), ~155' wash pipe w/ T doors and wire rope internally, 1/4" drain port at ~10' above shoe, collars, bumper sub, jars and 2 7/8" work string,
8. Tag fish @ ~11,500', attempt to break circ, get over fish, wash down to packer @ ~11,640',
9. Dry drill on packer for app 30 minutes,
10. POOH w/ tbg, stand back wash pipe, check shoe for indications of progress made,
11. PU and TIH W/ over shot x grapple to get on fish, collars, bumper sub, jars & work string,
12. Engage fish @ ~11,500', get over fish, confirm over shot is over fish and engaged,
13. Work fish free and Pooh w/ same, stand back collars, and work string lay down fish,
14. Pu and Tih w/ cement retainer, and work string, set retainer @ ~11,340', sting out, load hole and test casing @ 500 Psig, sting back into retainer test tbg to 2000 Psig, Miru Warrior cement wagons, squeeze Wolf Camp Perfs @ 11,379'-11,399', if squeeze is not achieved over displace to clear perfs of cement and resqueeze, If squeeze is achieved pull out of retainer and circulate tbg clean, Pooh w/ tbg,
15. Pu and Tih w/ bit, collars and work string, tag TOC and drill out cement and retainer, test squeeze to 1500 Psig, drill out retainer and cement down to 11,400', test casing to 1500 Psig, report results to Donnie Hill if not on location,
16. Once Wolf Camp is successfully squeezed, Pooh w/ work string,
17. Pu and Tih w/ new bit and work string to drill out CIBP @ 11,650', be prepared for pressure below CIBP, (well may go on a vacuum?) if well goes on vacuum be prepared for Atoka to kick,
18. Once CIBP is drilled out continue Tih to below Strawn perfs @ 11,708'- 14,200',
19. Establish rate and pressure into Strawn perfs and report results,
20. Pooh and lay down work string and BHA,
21. MIRU Archer Wire Line unit and Tih w/ gauge ring/junk basket, Pooh, Pu and Tih w/ GR/CCL/CBL and log from 14,200' to 7 3/4" liner top @ 10,917'.
22. Report CBL results to NMOCD District 1 office along with a copy of the CBL.
23. Pu and Tih w/ 7 5/8" Arrow Set 1-X packer with profile nipple, on/off tool, and 4 1/2" IPC 11.60 PPF L-80 tubing, set packer at ~11,650', set pkr in tension, (10 pts), get off

- on/off tool, pump casing capacity with packer fluid, (~871 bbls) will have 1500 bbls on location treated) latch back onto packer,
24. ND BOP, NU well head, conduct preliminary MIT, if successful notify NMOCD to witness test following morning. If MIT is not successful take action to identify and correct problem and retest.
 25. Providing a successful MIT is established, Rd and RIs all contractors and rental equipment,
 26. Clean location and prepare to run injection test on Strawn and Atoka prior to drilling out CIBP @ 14,200'.

NO. OF COPIES RECEIVED	
DISTRICT	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input type="checkbox"/>	Fee <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	

7. Unit Agreement Name	

8. Farm or Lease Name	
West Jal "B" Deep	
9. Well No.	
1	
10. Field and Pool, or Wildcat	
West Jal Fusselman	
12. County	
Lea	

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. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator Skelly Oil Company
3. Address of Operator P. O. Box 1351, Midland, Texas 79701
4. Location of Well UNIT LETTER <u>H</u> <u>1980</u> FEET FROM THE <u>North</u> LINE AND <u>660</u> FEET FROM THE <u>East</u> LINE, SECTION <u>17</u> TOWNSHIP <u>25S</u> RANGE <u>36E</u> N.M.P.M.
15. Elevation (Show whether DF, RT, GR, etc.) 3171' KB

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	OTHER <u>Perforate and treat Ellenburger and Fusselman zones.</u> <input checked="" type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- 1) Drilled 9-1/2" hole 11,263-14,686'.
- 2) Set 85 joints (3768') 7-3/4" OD 46.10# Atlas Bradford S-105 FL-4F casing liner at 10,917-14,685'.
- 3) Cemented 7-3/4" OD liner with 1300 sacks Class "C" cement mixed 0.3% D65, 0.2% D13 and 0.4 gal. D73 per sack.
- 4) Drilled out cement 10,917-11,011' and 14,200-14,686'. Pressure tested top of 7-3/4" OD liner to 2500# for 30 minutes, held okay.
- 5) Drilled 6-1/2" hole 14,686-18,945' TD.
- 6) Set 48 joints (1943') 5" OD 23.08# T&C Buttress casing and 64 joints (2655') 5" OD 22.54# Atlas Bradford 95 FL-4S casing at 14,332-18,930'.
- 7) Cemented 5" OD casing with 725 sacks Class "H" cement mixed 0.8% Halid 22, 0.4% CFR-2, and 3# KCl per sack.
- 8) Drilled out cement 14,159-14,332' and 18,775-18,885. Pressure tested top of 5" OD liner to 2500# for 30 mintes, held okay.
- 9) Perforated 5" OD casing 18,444', 18,451', 18,473', 18,488', 18,492', 18,519-1/2', 18,526', 18,531', 18,534', 18,544', 18,552', 18,554', 18,562', 18,578', 18,585', 18,603', 18,608', 18,624', 18,646', 18,662', 18,666-1/2', 18,674-1/2' 18,689-1/2', 18,695', 18,710', 18,751', 18,774-1/2', 18,806', 18,852' and 18,858' with one shot each place.

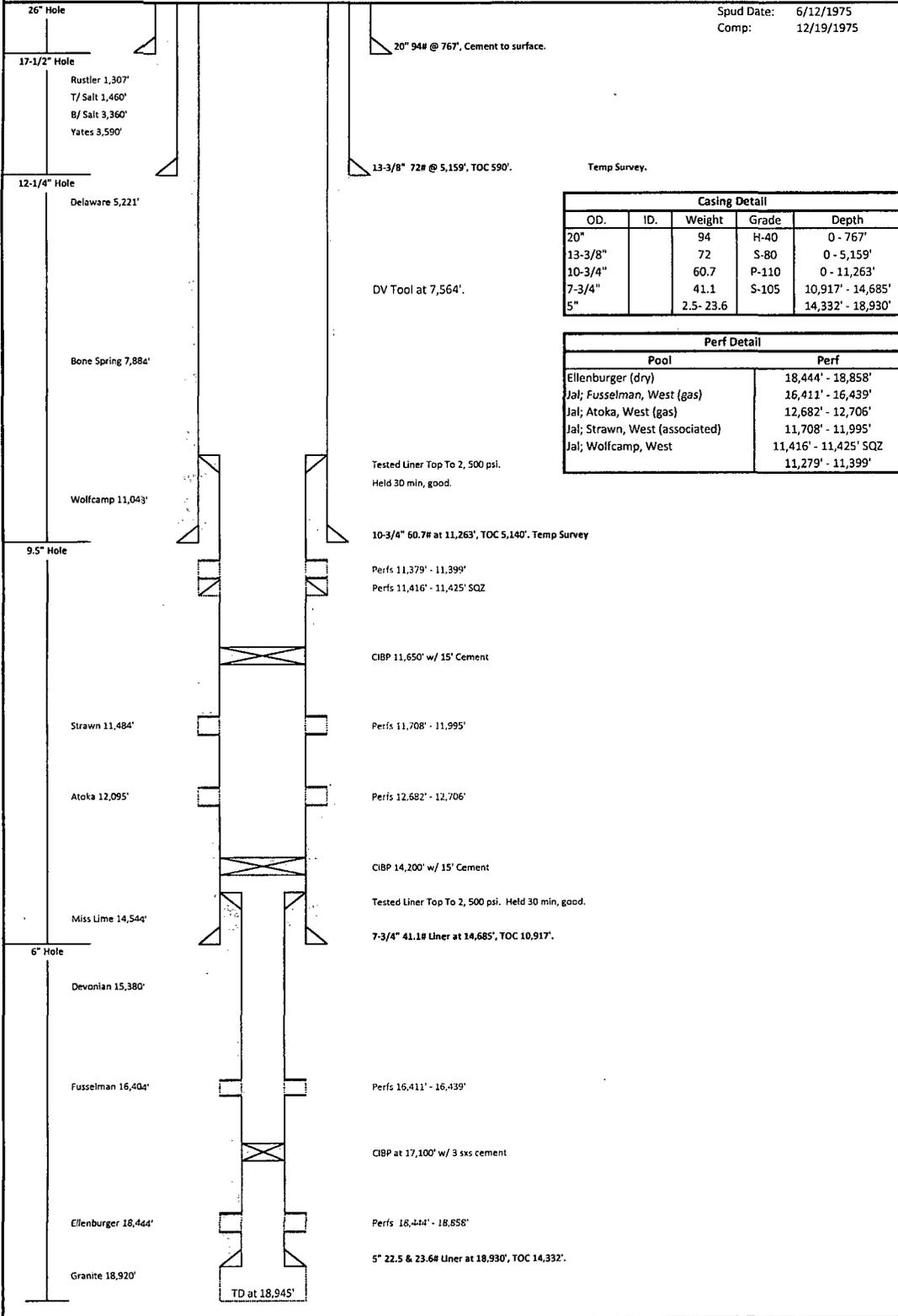
18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED D. R. Crow TITLE Lead Clerk DATE 2-2-76

APPROVED BY [Signature] TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Lease Name:	West Jal B Deep	Operator:	BC&D Operating LLC
Well No.:	1	State:	New Mexico
Legal:	Sec 17, T25S, R36E	County:	Lea
SHL:	1,980' FNL 660' FEL	API:	30-025-25046
BHL:	1,980' FNL 660' FEL	GL:	3,123'
MD:	18,945'	KB:	3,151'
TVD:	18,945'	Date:	4/11/2014



Spud Date: 6/12/1975
Comp: 12/19/1975

20" 94# @ 767'. Cement to surface.

13-3/8" 72# @ 5,159'. TOC 590'.

Temp Survey.

Casing Detail				
OD.	ID.	Weight	Grade	Depth
20"		94	H-40	0 - 767'
13-3/8"		72	S-80	0 - 5,159'
10-3/4"		60.7	P-110	0 - 11,263'
7-3/4"		41.1	S-105	10,917' - 14,685'
5"		2.5-23.6		14,332' - 18,930'

Perf Detail	
Pool	Perf
Ellenburger (dry)	18,444' - 18,858'
Jal; Fusselman, West (gas)	16,411' - 16,439'
Jal; Atoka, West (gas)	12,682' - 12,706'
Jal; Strawn, West (associated)	11,708' - 11,995'
Jal; Wolfcamp, West	11,416' - 11,425' SQZ
	11,279' - 11,399'

DV Tool at 7,564'.

Tested Liner Top To 2,500 psi.
Held 30 min, good.

10-3/4" 60.7# at 11,263'. TOC 5,140'. Temp Survey

Perfs 11,379' - 11,399'
Perfs 11,416' - 11,425' SQZ

CIBP 11,650' w/ 15' Cement

Perfs 11,708' - 11,995'

Perfs 12,682' - 12,706'

CIBP 14,200' w/ 15' Cement

Tested Liner Top To 2,500 psi. Held 30 min, good.

7-3/4" 41.1# Liner at 14,685'. TOC 10,917'.

Perfs 16,411' - 16,439'

CIBP at 17,100' w/ 3 sxs cement

Perfs 18,444' - 18,858'

5" 22.5 & 23.6# Liner at 18,930'. TOC 14,332'.

TD at 18,945'

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order SWD-1482
June 10, 2014

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8B, NMAC, BC & D Operating, Incorporated (the "operator") seeks an administrative order to re-enter and re-complete its West Jal B Deep Well No. 1 with a location of 1980 feet from the North line and 660 feet from the East line, Unit letter H of Section 17, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, for produced water, commercial disposal purposes. The subject well was previously approved for injection into the Silurian Fusselman formation under Administrative Order SWD-1328 approved April 20, 2012.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B, NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, BC & D Operating, Incorporated (OGRID 25670), is hereby authorized to utilize its West Jal B Deep Well No. 1 (API 30-025-25046) with a location of 1980 feet from the North line and 660 feet from the East line, Unit letter H of Section 17, Township 25 South, Range 36 East, NMPM, Lea County, for commercial disposal of oil field produced water (UIC Class II only) through perforations into an interval consisting of the Strawn, Atoka, Mississippian, Devonian, and Fusselman formations from 11708 feet to 16439 feet. Injection will occur through internally-coated, 4 ½-inch or smaller tubing and a packer set within 100 feet of the permitted interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed and described in the application with the following stipulations.

The operator shall squeeze cement the open perforations located from 11379 feet to

11399 feet that are located in the Wolfcamp formation. Accordingly, the packer set and tubing shall be lowered to be within 100 feet of the upper perforation 11708 feet.

The operator shall run a cement bond log following the cement squeeze of the perforations showing the cement placement for the 7 ¾-inch and 5-inch liners. The operator shall supply the Division's district I office with a copy prior to commencing injection.

The operator of this well shall run an injection survey (tracer/temperature or equivalent) of the injection interval within two (2) years after commencing disposal into this well. The operator will supply both the Division district I office and Santa Fe Bureau office with a copy of each survey log. If the Division does not receive of the log within the prescribed time period, then this disposal permit shall be terminated ipso facto.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 2342 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's district I office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district I office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.


JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs District Office