

Submit 1 Copy To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 October 13, 2009

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

WELL API NO. 30-025-28468	<input checked="" type="checkbox"/>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. VA-928	
7. Lease Name or Unit Agreement Name State NO	<input checked="" type="checkbox"/>
8. Well Number 1	<input checked="" type="checkbox"/>
9. OGRID Number 246368	
10. Pool name or Wildcat SWD Delaware	

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 SWD **HOBBS OCD**

2. Name of Operator Basic Energy Services, LP **MAY 19 2015**

3. Address of Operator P.O Box 10460 Midland Tx, 79702 **RECEIVED**

4. Well Location
 Unit Letter E: 1980 feet from the N line and 660 feet from the W line
 Section 7 Township 19 South Range 36 East 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: PERFORM REMEDIAL WORK <input checked="" 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"/> OTHER <input 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: MIT <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 attached page on options 1& 2

Packer element has lost some integrity 4/19/15
 Frac tank was moved in on 4/20/15 bleeding back into frac tank form annulus
 PSI on Annulus was at 800# bleed back to frac tank has a 5 GPM flow
 Move in Equipment set blankin plug release Psi on tubing set BOP
 Lower tubing and set full weight on packer monitor well annulus and see if seal is good.
 Call in for time for MIT on Csg. at OCD convenience.

Per Underground Injection Control Program Manual
11.6 C Packer shall be set within or less than 100
feet of the uppermost injection perfs or open hole.
Condition of Approval: notify

OCD Hobbs office 24 hours
prior of running MIT-Test & Chart
The Oil Conservation Division
MUST BE NOTIFIED 24 Hours
Prior to the beginning of operations

CLOSED LOOP SYSTEM TO BE USED.

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 David H. Alvarado TITLE SENM District Fluid Sales Mgr. DATE 4/22/15

Type or print name DAVID H. ALVARADO E-mail address: david.alvarado@basicenergyservices.com PHONE: 575.746.2072

For State Use Only
 APPROVED BY: Mahy Brown TITLE Dist. Supervisor DATE 5/14/2015
 Conditions of Approval (if any):

MAY 19 2015 *mm*

State NO # 1 SWD

4/22/15

Loss of Packer Element Integrity

Surface injection PSI 1400#

Annulus PSI 1000#

Packer Arrow Set AS1 5 ½ X 2 7/8 O/O TOOL W/SS TOP SUB 2 ¼ F PROFILE 2 7/8 FRAME SET @ 6300' PKR had 28 points in tension.

Cause of failure Rolled slip grip teeth not able to securely bite into the casing wall.

Possible Reason Harmonics of the pump

Option 1. Set blankin plug in profile bleed off annulus and tubing. Move in mats, Frac tank, BOP spot Service unit rig up set full weight on packer and monitor well annulus for a day. If good MIT with PSI trk. rig down and release equipment.

Cost est.\$16,000.00

Option 2. Set six frac tanks bleed back and haul to Redhawk SWD until bottom hole psi is slow enough to work with environment pan while extraction takes place or bleed down enough to balance bottom hole Psi with mud.

Cost est all of the above minus 6k for slick line and if mud is used add 15k for mud (they will not just mix 20bbls only full load and will not take back) trucking time will be third party unless you all can dedicate BES trucks to haul for us? Cost to re-dress packer or replace if bad.

Cost est. \$ 135,000.00