

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

WELL API NO. 30-025-36781
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SCHUBERT 7
8. Well Number 1 BW-031
9. OGRID Number 131652
10. Pool name or Wildcat BSW - SALDO

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 BRINE

2. Name of Operator
H.R.C., INC.

3. Address of Operator
P.O. BOX 5102 HOBBS, NEW MEXICO 88240

4. Well Location
 Unit Letter J : 2313 feet from the SOUTH line and 2313 feet from the EAST line
 Section 7 Township 19S Range 39E NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3585 GL

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- CLOSED-LOOP SYSTEM
- OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- 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.

Proposed setting of 4" 11# FJM casing within 5.5" 15.5# liner then hang 4" casing with casing point @ 1995' also new 2 1/6" tubing to be run.

Test anchors & move in rig mats, pipe racks, cat walk, frac tanks, reverse unit package & set workover pipe on rack.

Please see attached Intent description of work to be done with this C-103

Please find with this C-103 the attachments of Casing-Tubing Data, Proposed Wellbore Diagram, Proposed Conventional Flow of Operations and GR/Neutron Density Log Proposal of New Drilled Open Hole of Halite Beds.

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 Alvarado TITLE Consulting Agent for H.R.C., Inc. DATE 7/10/18

Type or print name David Alvarado E-mail address: davidal00136@gmail.com PHONE: (575) 513-1238

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 07/12/18

Conditions of Approval (if any):

H.R.C., Inc.
Schubert 7 Well No. 1 BW-031

Intent to C-103 7/10/18

Proposed setting of 4" 11# FJM casing within 5.5" 15.5# liner then hang 4" casing with casing point @ 1995' also new 2 1/6" tubing to be run.

Test anchors & move in rig mats, pipe racks, cat walk, Frac tanks, reverse unit package & set workover pipe on rack.

Move in and rig up service unit on matting board conduct JSA on task to be done.

Nipple down wellhead and nipple up BOP ready unit for 2 7/8" tubing extraction. Extract tbg..

TIH with Bladder Scraper to ready and dress 5.5 casing liner run to 420' make two passes. TOH w/Scraper.

TIH with 4 3/4 concave mill tool and run past 8 5/8" 24# @ 1875' continue to circulate twice the casing capacity.

TOH with mill and TIH with 4 3/4 rock bit to TOP of Cmt. Plug # 4 Est. top @ 2557' drill down to bottom of best halite bed @ 2750' work hole and circulate.

TOH with Bit, bit sub & working string laying down tubulars as extraction is performed. Ready 4" 11# FJM casing & call for no slip type elevators.

MIRU casing crew Ready BHA 4 3/4 bit dressed to 4" FJM casing threads.

Ready new well head for 4" x 5.5" with slip die hanger re- set BOP.

TIH with casing to 1995' and hang 4" casing. Call District I for MIT 24 hours prior to testing with chart recorder.

TIH with 4" AD1 packer and set at 1985' test casing to 600 psi if good...NDBOP and set slips in 4" hanger bowl.

NDBOP dress wellhead with spool supporting 2 1/16" 3.25# tubing hanger flange.

TIH with new tbg.. and set at pre-drilled hole @ 2750' then hang well. Circulate well for half day and test.

Rig Down and release all rental equipment on location.

Place back to operations

H.R.C., INC.
 SHUBERT 7 WELL No. 1 BW-031
 API 30-025-36781

CASING, TUBING DATA

Surface	J-55						Body		
OD Inch.	Weight / ft.	ID	Drift	OD of Cplg.	Collaps psi	Internal Yield psi	Yield 1000 Lbs	Tensile 1000 Lbs	Csg. Point ft.
8 5/8	24	8.097	7.972	9.625	1370	2950	381	244	1865
Liner 1	J-55						Body		
OD Inch.	Weight / ft.	ID	Drift	OD of Cplg.	Collaps psi	Internal Yield psi	Yield 1000 Lbs	Tensile 1000 Lbs	Csg. Point ft.
5 1/2	15.5?	4.95	4.825	6.05	4040	4810	248	217	404

Liner 2	55 KSI	USS - LIBERTY FJM	OPTION 1			Body			
OD Inch.	Weight / ft.	ID	Drift	OD of Cplg.	Collaps psi	Internal Yield psi	Yield 1000 Lbs	Tensile 1000 Lbs	Csg. Point ft.
4	11	3.738	3.351	FJ	106,000		106	106	1995

Tubing	Benoit P-110 BTS-8			OPTION 1			Body		
OD Inch.	Weight / ft.	ID	Drift	OD of Cplg.	Collaps psi	Internal Yield psi	Yield 1000 Lbs	Tensile 1000 Lbs	Csg. Point ft.
2 1/16	3.25	1.751	1.657	2.335	14,600	14,560	103	103	2750

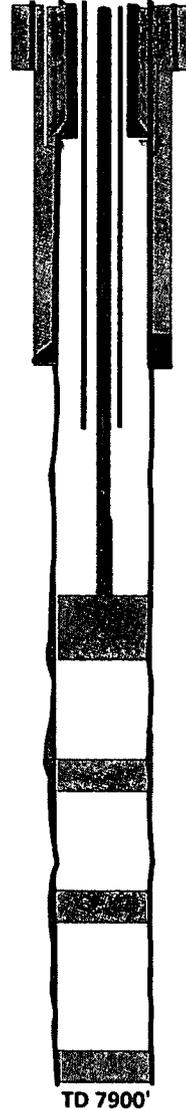
Tubing	Benoit P-110 BTS-8			OPTION 2			Body		
OD Inch.	Weight / ft.	ID	Drift	OD of Cplg.	Collaps psi	Internal Yield psi	Yield 1000 Lbs	Tensile 1000 Lbs	Csg. Point ft.
2 3/8	4.7	1.995	1.901	2.7	16,130	15,400	143	143	2750

SCHUBERT 7 WELL NO. 1
 API 30-025-36781
 2313 FSL, 2313 FEL
 J - SEC 7 - T19S - R39E
 LAT: 32.6738815 LONG: -103.0835953

Proposal

Lithology Record (C-105)

From	To	Thick / ft.	Lithology
212'	1151'	939'	Redbed
1151'	1455'	304'	RB / Shale
1455'	1775'	320'	Shale
1775'	1880'	105'	Anhydrite
1880'	2900'	1020'	Salt, Redbed, Shale
2900'	3130'	230'	Anhy, Salt, Shale
3130'	4080'	950'	Anhy., Dolomite
4080'	4430'	350'	Dolomite, Anhydrite
4430'	7500'	3070'	Dolomite, Limestone
7500'	7900'	400'	Dolomite



TREE	Hung with 3M head 2 1/16" 3.25# P-110 BTS-8 SET @ 2750'
Liner	5 1/2" 15.5# Drift 4.825" Set @ 404' 200 sx cir surf
SURFACE SET AT	8 5/8" 24# ST&C 1865' w/900SX CIR. SURFACE
Liner	4" 11.0# 55KSI FJM set @ 1995'

OH HOLE SIZE 7 7/8"

1.32 Class C est.

Current tubing point @ 2312'

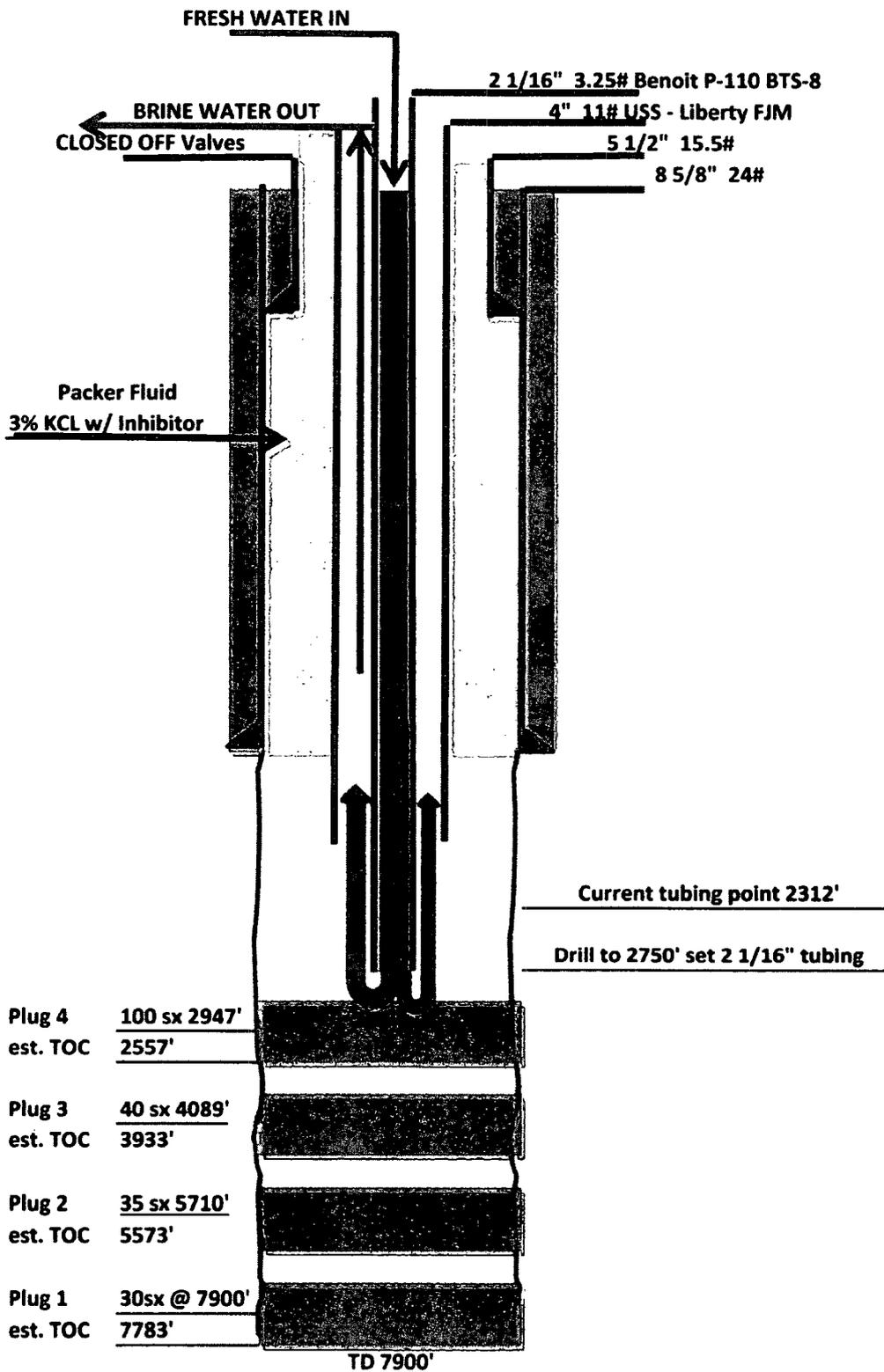
Drill to 2750' set 2 3/8" tubing

Yates @ 2930'	PLUG # 4	100sx @ 2947'
est. TOC @	2,557'	390'
	PLUG # 3	40sx @ 4089'
est. TOC @	3,933'	156'
	PLUG # 2	35sx @ 5710'
est. TOC @	5,573'	137'
	PLUG # 1	30sx @ 7900'
est. TOC @	7,783'	117'

Formation Top (C-105)

T. Anhy	1775'
T. Salt	1880'
B. Salt	2900'
T. Yates	2930'
T. 7 Rivers	3160'
T. Queen	3710'
T. Grayburg	4080'
T. San Andres	4396'
T. Glorieta	5715'
T. Paddock	5858'
T. Blinebry	6260'
T. Tubb	6820'
T. Drinkard	7050'
T. Abo	7464'

H.R.C. ,INC.
SCHUBERT 7 WELL No. 1 BW-031
PROPOSED CONVENTIONAL FLOW OF OPERATIONS



H.R.C., INC.
SCHUBERT 7 WELL No. 1 (BW-031)
API # 30-025-36781

GR/ NUETRON DENSITY LOG OF PROPOSED NEW HALITE OPEN HOLE

