

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

HOBBS OGD
CONSERVATION DIVISION
SEP 12 2018
RECEIVED

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. 30-025-09259 ✓
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator BLACKBEARD OPERATING, LLC ✓		6. State Oil & Gas Lease No. 317217
3. Address of Operator 201 W. WALL ST. SUITE 900 MIDLAND, TX 79701		7. Lease Name or Unit Agreement Name STATE A A/C 1 ✓
4. Well Location Unit Letter _____ : 1980 feet from the NORTH line and 660 feet from the EAST line Section H-04 Township 23S Range 36E NMPM County LEA ✓		8. Well Number 045 ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,467' (GL)		9. OGRID Number 370767 ✓
10. Pool name or Wildcat YATES 7 RVRS DHC 4410 (JALMAT) ✓		

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:
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- OTHER:
- ALTERING CASING
- P AND A

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.

Well had been shut-in prior to Blackbeard taking over operations. In October of 2017 it was decided to return the well to production.

10/21/2017 - MIRU workover unit to return well to production on beam pump.
 Acidized existing perforations [3,637' - 3,750'] w/ 3,000 gal 15% HCL.
 Turned pumping unit on and returned well to production.

SEE ATTACHED WELLBORE DIAGRAM

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 Valerie Newman TITLE Engineering Tech DATE 08/20/2018

Type or print name Valerie Newman E-mail address: vnewman@blackbeardoperating.com PHONE: 432-242-0050

For State Use Only

Accepted for Record Only

APPROVED BY: MS Brown TITLE _____ DATE 9/12/2018

Conditions of Approval (if any):

NO PROD REPORTED - 21 MONTHS

State A A/C-1 #45
 Jalmat Field
 Lea, NM
 API: 30-025-09259



BLACKBEARD
OPERATING

K.B. Elev. 3,477'
 Ground Level 3,467'

Spud Date: 1/1959

Surface Casing

9-5/8", @325' w/ 300 sx cmt. TOC @ Surface

Well History:

Initial Completion LWR 7 Rivers (2/1959):

Perf: 3706-3722' & 3740-3750'
 SOT w/ 25,000 gal oil & 40,000# sand

Acid Job (12/1967)

Acidize w/ 250 gal

Recomplete LWR 7 Rivers (1/1975)

Perf 3637-3667'
 Isolate csg leak 469-500' - Head sqz w/ 200 sx
 Acidize 3637-3667' w/ 1500 gal 15%
 Frac 3637-3667' w/ 20,000 gal gel & 30,000# sand

Perf Yates (12/1989)

Set CIBP @ 3610'; Perf 3173-3278'; POP

Ran Csg to isolate bad csg (1/1990)

Ran 4-1/2" csg to isolate bad csg; Circulate cmt to surface Reperf: 3173-3278'
 Acidize w/ 3173-3278' w/ 1500 gal 15%
 Frac 3173-3278' w/ 49,224' gal gel & 100,000# sand

Acid Job (1/1991)

Acidize w/ 500 gal 15%

DO CIBP & Comingle (8/2011)

Found hole in csg @ surface - pulled csg & repaired DO to PBTD @ 3790'

HIT (2/2012)

Lay down 10 bad jts; Changed out 25 rod boxes

Initial BBO RTP 10/20/2017

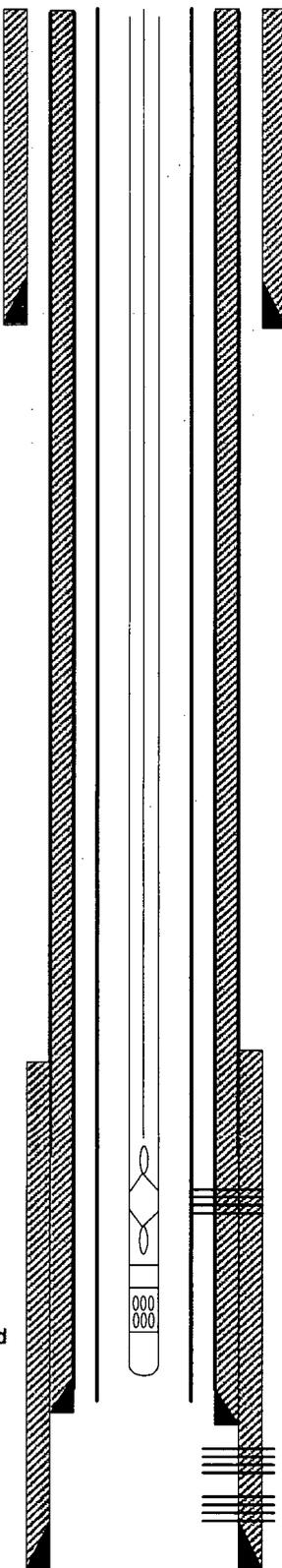
Acidize 3,173' - 3,750' w/ 3,000 gal 15% acid
 Left fish in hole: 3.6 joints, SN, mud joint, downhole pump; Tubing had parted due to sitting in stagnate fluid for years

Rod Part (12/2017)

Rod # 54 FS (1/4" body break)

PENDING HIT

Est. tops
 Tansill = 3,028'
 Yates = 3,172'
 7 Rivers = 3,366'
 Queen = 3,780'



Pumping Unit: Alten D 114
 SPM: 11.4
 SL: 54
 Rotate: CW
 Motor: 10 HP

Tubing Detail: (10/26/2017)

(116) jts 2-3/8" tbg @ 3730'
 (1) SN @ 3615'
 (1) Perf Sub 4' @ 3619'
 (1) MJ 2-3/8"- 31' @ 3650'

Rod Detail: (12/22/2017)

(2) 7/8" pony rods (4',6')
 (35) 7/8" Rods
 (108) 3/4" Rods
 (8) 1.5" Grade 'C' Sinker bars
 (1) lift sub
 (1) RR tool

2x1.5x12" Pump w/ 12' GA

Production Casing

4-1/2" , @ 3,609' w/ 400 sx cmt, TOC @ Surface

Intermediate Casing

7" , @ 3,799' w/ 250 sx cmt, TOC @ 2,315'

Yates (12/1989)
 Perfs: 3173-3278'

Lwr 7 Rivers
 Perf: 3637-3667' (24 holes) (1/1975)

Perf: 3706-3722', 3740-3750' (2/1959)

TD - 3,800'
 PBTD - 3,685' (10/25/2017)