

District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 334-6178 1220 South St. Francis Dr.
 1000 Rio Brazos Rd., Aztec, NM 87410

Energy, Minerals and Natural Resources

Revised July 18, 2013

District III - (505) 875-5055
 1220 S. St. Francis Dr., Santa Fe, NM 87505

Santa Fe, NM 87505

HOBBS OCD
SEP 07 2018
RECEIVED

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. 30-025-28397 ✓
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 JKM Energy, LLC ✓		6. State Oil & Gas Lease No.
3. Address of Operator 26 E. Compress Road, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Queen B Lee State ✓
4. Well Location Unit Letter <u>M</u> : <u>519</u> feet from the <u>S</u> South line and <u>519</u> feet from the <u>West</u> line Section <u>03</u> Township <u>19S</u> Range <u>35E</u> NMPM County <u>Lea</u> ✓		8. Well Number 1 ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 163645 ✓
10. Pool name or Wildcat Scharb, Queen		

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

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

- 1) Trip out of the hole with Production tubing
- 2) Pick up work string, trip in the hole, tag cement on CIBP spot 114 bbls of 10# saltgel from 9407' to 4900'
- 3) Spot 25 sacks of class C from 7000' to 6750' **WOC & TAG**
- 4) Set CIBP at 4575'
- 5) Trip in hole with work string. Tag CIBP. Circulate hole with 10# saltgel. Test casing to 500 psi ✓
- 6) Spot 25 sacks of Class C from ~~3925'~~ **3775'** to ~~3675'~~ **3775'** across 8 5/8" casing shoe
- 7) **PERF @** WOC and tag cement top
- 8) **PERF @** Spot 25 Sacks of Class C from 502' to 252' across surface shoe
- 9) Circulate surface with 10 sacks of Class C **CMT TO SURFACE INSIDE/OUTSIDE 5 1/2" CSG**
- 10) Cut off wellhead and install above ground level dry hole marker

VERIFY CMT TO SURFACE ALL STRINGS

See Attached Conditions of Approval

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 Jack Matthews TITLE Managing Member DATE 9-5-18

Type or print name Jack Matthews E-mail address: jkmenergy@plateautel.net PHONE: 575 748-2854

For State Use Only

APPROVED BY: Mark Whitaker TITLE P.E.S. DATE 09/24/18

Conditions of Approval (if any):

Queen B Lee State #1

519' FSL, 519' FEL, Unit M, Sec 3, 19S, 35E, Lea County, NM

API # 30-025-28397

Elev: 3879'

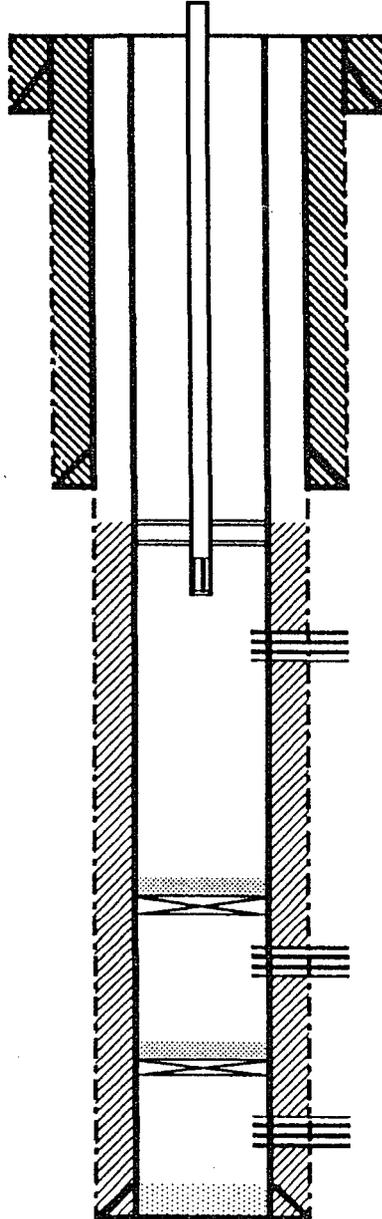
Current Completion

Current Status - Pumping

13-3/8", 54.5#, @ 452'
475 sx, circulated
17-1/2" hole

8-5/8", 32#, K-55 @ 3975'
1100 sx, cement circulated
11" hole

5-1/2", 15.5/17/ 20# @ 10,800'
1390 sx, TOC @ 3900' by CBL
7-7/8" Hole



2-3/8" @ 4596'

Queen Perfs: 4642' - 4650'
@ 2 SPF, 1.5 gal 15%

CIBP @ 9442', 35' cement

Bone Spring Perfs: 9476' - 9490'
@ 2 SPF, 4k 15% acid

CIBP @ 10,400', 35' cement

Wolfcamp Perfs: 10,506' - 10,634'
@ 2 SPF, 10k 15% acid

PDTD @ 9407"
TD @ 10,800'

Former Well Name: Forest Oil Co - B Lee State #6
Spud Date: 9/29/83, completed: 12/12/83

RTM

12/5/99

GENERAL CONDITIONS OF APPROVAL:

- 1) Insure all bradenheads have been exposed, identified, and valves are operational prior to rigging up on well.
- 2) Contact the appropriate NMOCD District Office no later than 24 hours prior to moving in and rigging up.
- 3) A copy of the approved C103 intent to P&A should be distributed to the onsite company and plugging representatives. Approved procedures are good for a period of one year from approved date, unless otherwise specified on the C103 intent. Approvals past this date will require the submission and approval of a new C103 intent.
- 4) A company representative is required to be present to witness all operations including setting CIBP's, circulation of mud laden fluids, perforating, squeezing or spotting cement plugs, tags, or any other operations approved on the C103 intent to P&A. Company representative should contact the NMOCD and report all operations.
- 5) Any changes that may be required during plugging operations should be approved by the NMOCD before proceeding.
- 6) A closed loop system is to be used for all plugging operations. Contents of the steel pits to be hauled to a NMOCD permitted disposal facility.
- 7) Mud laden fluids must be placed between all cement plugs mixed at 25 sacks of salt gel per 100 barrels of brine.
- 8) All cement plugs will be 100' or 25 sacks cement, whichever is greater. Class 'C' cement will be used above 7500' and Class 'H' below 7500'.