

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

HOBBBS OGD
RECEIVED
JAN 29 2019

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

WELL API NO. 30-025-42947
5. Indicate Type of Lease STATE [] FEE [X]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name McCLOY SWD
8. Well Number #2
9. OGRID Number 308339
10. Pool name or Wildcat SWD; Devonian (96101)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3599' GI.

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 [X] Other SWD []
2. Name of Operator OWL SWD OPERATING, LLC.
3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401
4. Well Location Unit Letter L : 1595 feet from the South line and 369 feet from the West line
Section 15 Township 24-S Range 32-E NMPM Lea County
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE []
CLOSED-LOOP SYSTEM [X]
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: Repair Tbg Leak [X]

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.

With communication between the 5-1/2" tbg & 9-5/8" csg, a tbg leak in this SWD well was suspected. On 10/30/18, MIRUSU. On 11/3/18, cut 5-1/2" tbg just above the PKR seal assembly @ 17,142'. Laid down 405 jts 5-1/2" tbg. Mill & fish for PKR seal assembly for 6 days. Recovered seal assembly & laid down. Mill & fish for PKR from 17,140' into open hole @ 17,211' for 7 days. The 7-3/4" liner shoe is at 17,208'. Continued milling & fishing for PKR for 9 days. On 11/25/18, broke thru PKR in open hole @ 17,451'. Milled, reamed, & CO open hole for 6 days. TOH w/3-1/2" drill pipe & BHA. Released rig on 12/3/18.

Operations suspended until 5-1/2" SWD tbg becomes available. The new 5-1/2" SWD tbg & PKR will then be run & set, an MIT test scheduled & conducted, & SWD operations resumed.

Spud Date: 5/11/17 Drilling Rig Release Date: 10/13/17

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

SIGNATURE Mike Pippin TITLE Petroleum Engineer DATE 1/7/19
Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APPROVED BY: [Signature] TITLE Compliance Supervisor DATE 2/4/2019
Conditions of Approval (if any):

RECEIVED

Condition of Approval: notify
OCD Hobbs office 24 hours
for of running MIT Test & Chart

JAN 11 2019

DISTRICT II-ARTESIA O.C.D.