

District I - (505) 748-1283
District II - (505) 748-1283
District III - (505) 334-6178
District IV - (505) 476-3460

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

HOBBS OCD
RECEIVED
FEB 11 2020

WELL API NO. 30-025-28278
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name STATE A A/C 2
8. Well Number 69
9. OGRID Number 370767
10. Pool name or Wildcat Eunice, 7 RVRS-Queen SO

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG OR TO ADD TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-103) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well [] Gas Well [X] Other: Water Injector

2. Name of Operator Blackbeard Operating, LLC

3. Address of Operator 200 N. Loraine, Suite 300 Midland, TX 79705

4. Well Location
Unit Letter G : 2615 feet from the South line and 1295 feet from the East line
Section 8 Township 22S Range 36E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3550' (GL)

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

NOTICE OF INTENTION TO PERFORM REMEDIAL WORK [] PLUG AND ABANDON [X]
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE []
CLOSED-LOOP SYSTEM []
OTHER: []
SUBSEQUENT REPORT OF: REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
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. Update to PA status from Expired T/A Status

- 1. MIRU Plugging company. ND Wellhead. NU BOP.
2. Pull Tubing and Packer. If packer does not come free, engage On/Off tool at 3709' MD and POOH w/tubing.
3. MU and RIH w/CIBP and set CIBP at 3708' MD.
4. RIH w/tubing, tag CIBP at 3708' MD. Spot 25SX of 14.8ppg 1.32ft^3/sx Class C cement at 3708' MD. POOH above TOC (~3467'), Circulate clean to surface. POOH w/10 joints. WOC.
5. RIH, Tag cement, Circulate MLF 10.0ppg Fluid, Test casing to 500psi, record results. POOH to 1409'
6. Spot 91sx at 1409' (Rustler @ 1409', Shoe @ 557'). TOC at ~532' or better. WOC.
7. RIH and tag TOC. Test Casing to 500psi, record results. POOH.
8. RU wireline, RIH and perforate 5-1/2" casing at 100'. Circulate cement to surface.
9. Cut off Wellhead and weld on dry hole marker. 150

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 Paiten Timar TITLE Asset Engineer DATE 2-7-2020

Type or print name Paiten Timar E-mail address: ptinar@blackbeardoperating.com PHONE: 210-215-7376

APPROVED BY: Kerry Fork TITLE CO DATE 2-20-20

See Attached Conditions of Approval

Conditions of Approval (if any):



BLACKBEARD OPERATING

State A A/C-2 #69 (Current)
Pool: Eunice; 7 RVRs-Queen SO
SU-T-R: 8I-22S-36E
2615' FSL; 1295' FEL
Lea, NM
API: 30-025-28278

K.B. Elev. 3,562' (12')
Ground Level 3,550'

Spud Date: 9/8/1983

Surface Casing

Hole Size: 12-1/4"

8-5/8", 24# J-55 STC @ 557' w/ 375 sx Class C cmt.
75 Sx cement to surface, TOC @ surface

Well History:

Initial Completion (10/9/1983):

Drilled as a water injector and completed in 2 stages.
Low volume, high pressure injector from the start.

Acid Job (10/10/1984)

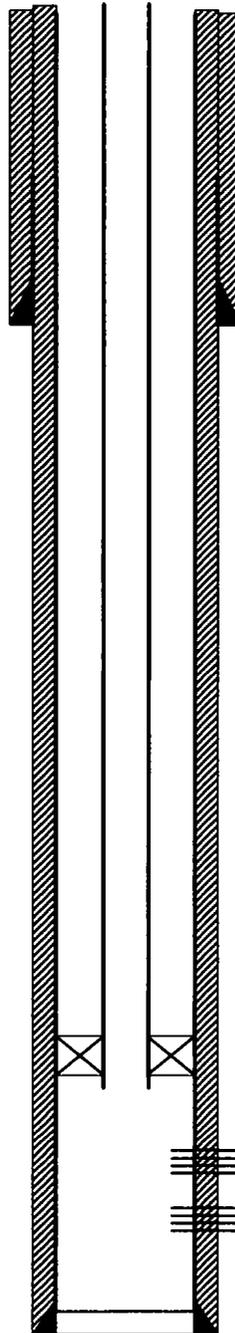
Before: 18 BWPD @ 600psi
After: 128 BWPD @ 480psi

2020_02: Pending PA

Production Casing

Hole Size: 7-7/8"

5-1/2", 14#, K-55 STC @ 3900'
Lead: 600 Sx Howco Lite
Tail: 200 Sx Class C
45 Sx cement to Surface, TOC @ Surface
No DV tool run



119 Joints 2-3/8" J-55 Tubing Cement Lined ID 1.682"
On/Off tool 3709' MD
N Profile: 1.5" ID
EOT @ 3716' MD

Otis Perma-latch Packer @ 3710' MD
set w/10000lb tension.

Queen Completion:

Perfs: 3808' - 3862' (1 SPF, 44 holes)
Acidized w/2500gal 15% HCl.

Perfs: 3750' - 3802' (1 SPF, 53 holes)
Acidized w/2500gal 15% HCl

TD - 3,900'
PBTD - 3,897'

Est. tops per files
Rustler = 1409'
Tansill = 3007'
Yates = 3169'
7 Rivers = 3356'
Queen = 3749'

Last Dated: 2/7/2020
Author: P. Tinar

State A A/C-2 #69 (Proposed)
 Pool: Eunice; 7 RVRs-Queen SO
 SU-T-R: 8I-22S-36E
 2615' FSL; 1295' FEL
 Lea, NM
 API: 30-025-28278



**BLACKBEARD
 OPERATING**

K.B. Elev. 3,562' (12')
 Ground Level 3,550'

Spud Date: 9/8/1983

Surface Casing

Hole Size: 12-1/4"

8-5/8", 24# J-55 STC @ 557' w/ 375 sx Class C cmt.
 75 Sx cement to surface, TOC @ surface

Well History:

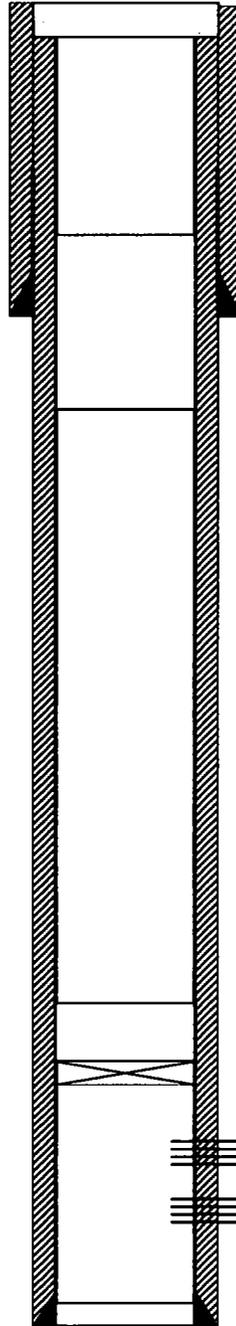
Initial Completion (10/9/1983):

Drilled as a water injector and completed in 2 stages.
 Low volume, high pressure injector from the start.

Acid Job (10/10/1984)

Before: 18 BWPD @ 600psi
 After: 128 BWPD @ 480psi

2020_02: Pending PA



Cement plug from 100' - Surface MD
 15 Sx inside 8-5/8" x 5-1/2" Annulus
 11 Sx inside 5-1/2"
 Total Sx: 26

Cement plug from 1409' - 532' MD
 91 Sx of 14.8ppg 1.32ft³/sx Class C cement

CIBP @ 3708' MD w/ 25 Sx cement on top.
 Estimated TOC @ 3467' MD

Queen Completion:

Perfs: 3808' - 3862' (1 SPF, 44 holes)
 Acidized w/2500gal 15% HCl.

Perfs: 3750' - 3802' (1 SPF, 53 holes)
 Acidized w/2500gal 15% HCl

Production Casing

Hole Size: 7-7/8"

5-1/2", 14#, K-55 STC @ 3900'
 Lead: 600 Sx Howco Lite
 Tail: 200 Sx Class C
 45 Sx cement to Surface, TOC @ Surface
 No DV tool run

TD - 3,900'
 PBTD - 3,897'

Est. tops per files
 Rustler = 1409'
 Tansill = 3007'
 Yates = 3169'
 7 Rivers = 3356'
 Queen = 3749'

Last Dated: 2/7/2020
 Author: P. Tinar

Plug 1	
	14.8 ppg
	25 sx
	1.32 ft ³ /sx
	33 ft ³
	5.9 bbls
Plug length	241 ft
Base	3708 ft
TOC	3467 ft

5-1/2" 14.0ppf
 Casing Capacity
 0.0244 bbl/ft
 5-1/2" 14.0ppf
 Casing Capacity
 0.0244 bbl/ft

Plug 2	
	14.8 ppg
	91 sx
	1.32 ft ³ /sx
	120.12 ft ³
	21.4 bbls
Plug length	877 ft
Base	1409 ft
TOC	532 ft

8-5/8" 24ppf x 5-1/2" 14ppf capacity
 0.0343

bbl/ft

Plug 3	
	14.8 ppg
Annular Sx	15 sx
5-1/2" Sx	11 sx
	1.32 ft ³ /sx
	19.8 ft ³
	3.5 bbls
Annular Plug length	103 ft
5-1/2" plug length	106.0 ft
Base	100 ft
TOC	-3 ft

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Commission not later than 10 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and resistivity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anby <u>1409</u>	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates <u>3169</u>	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers <u>3356</u>	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen <u>3749</u>	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Qizte _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinberry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Granite _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abo _____	T. Bone Springs _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. <u>Tansill 3007</u>	T. Chinle _____	T. _____
T. Penn. _____	T. _____	T. Permian _____	T. _____
T. Cisco (Hough C) _____	T. _____	T. Penn. "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from <u>3750</u> to <u>3862</u>	No. 4, from _____ to _____
No. 2, from _____ to _____	No. 5, from _____ to _____
No. 3, from _____ to _____	No. 6, from _____ to _____

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____ feet	_____ feet
No. 2, from _____ to _____ feet	_____ feet
No. 3, from _____ to _____ feet	_____ feet
No. 4, from _____ to _____ feet	_____ feet

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
1409	2007	1598'	Anhydrite, Some Thin Shales				
3007	3169	162'	Sandstone, Dolomite, Anhydrite				
3169	3356	187'	Dolomite Sands, Dolomite Sandstone				
3356	3749	393'	Sandstone, Dolomite, Sandy Dolomites				
3749	3900	151'	Sandstone, Dolomite Sands, Sandy Dolomites, Some Thin Interbedded Shales				

RECEIVED
NOV 2 1982
O.C.D.
HEARS OFFICE

INCLINATION REPORT

OPERATOR SUN PRODUCTION COMPANY ADDRESS P.O. BOX 1861, MIDLAND, TEXAS 79702
 LEASE NAME STATE A A/C WELL NO. 69 FIELD Eastern Seven Rivers Basin
 LOCATION LEA COUNTY, NEW MEXICO

DEPTH	ANGLE INCLINATION DEGREES	DISPLACEMENT	DISPLACEMENT ACCUMULATED
576	1/2	5.0112	5.0112
970	3/4	5.1614	10.1726
1443	3/4	6.1963	16.3689
1907	1	8.1200	24.4889
2407	1	8.7500	33.2389
2905	1 1/8	10.8564	44.0953
3402	1 1/2	13.0214	57.1167
3847	1 3/8	9.7010	66.8177
3900	1 1/2	1.3886	68.2063

I hereby certify that the above data as set forth is true and correct to the best of my knowledge and belief.

CACTUS DRILLING COMPANY

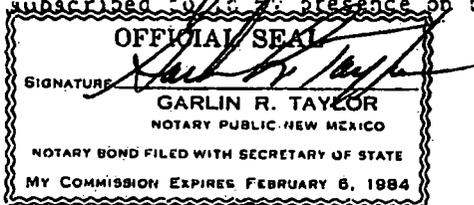
Debbie Clark
TITLE DEBBIE CLARK, OFFICE MANAGER

AFFIDAVIT:

Before me, the undersigned authority, appeared DEBBIE CLARK known to me to be the person whose name is subscribed herebelow, who, on making deposition, under oath states that he is acting for and in behalf of the operator of the well identified above, and that to the best of his knowledge and belief such well was not intentionally deviated from the true vertical whatsoever.

Debbie Clark
AFFIANT'S SIGNATURE

Sworn and subscribed to in my presence on this the 15TH day of SEPTEMBER, 1983



Notary Public in and for the County of Lea, State of New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102
Supersedes C-12H
Effective 1-1-65

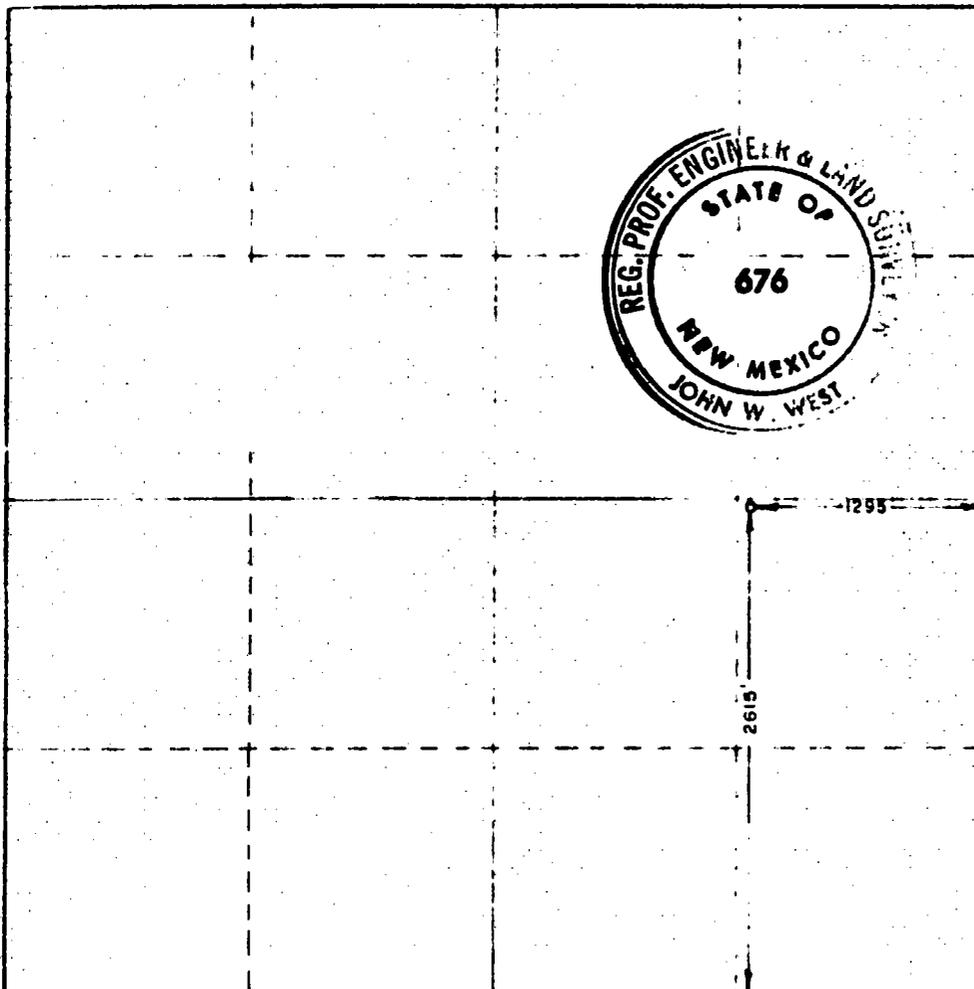
All distances must be from the outer boundaries of the Section

Sun Exploration & Producing Company		Lease State A A/C 2		Acres 69 W/W	
L	Section 8	Township 22 South	Range 36 East	County Lea County	
2615 feet from the South		1295 feet from the East		3550.3	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty)
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?
- Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated (if so reverse side of this form if necessary) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

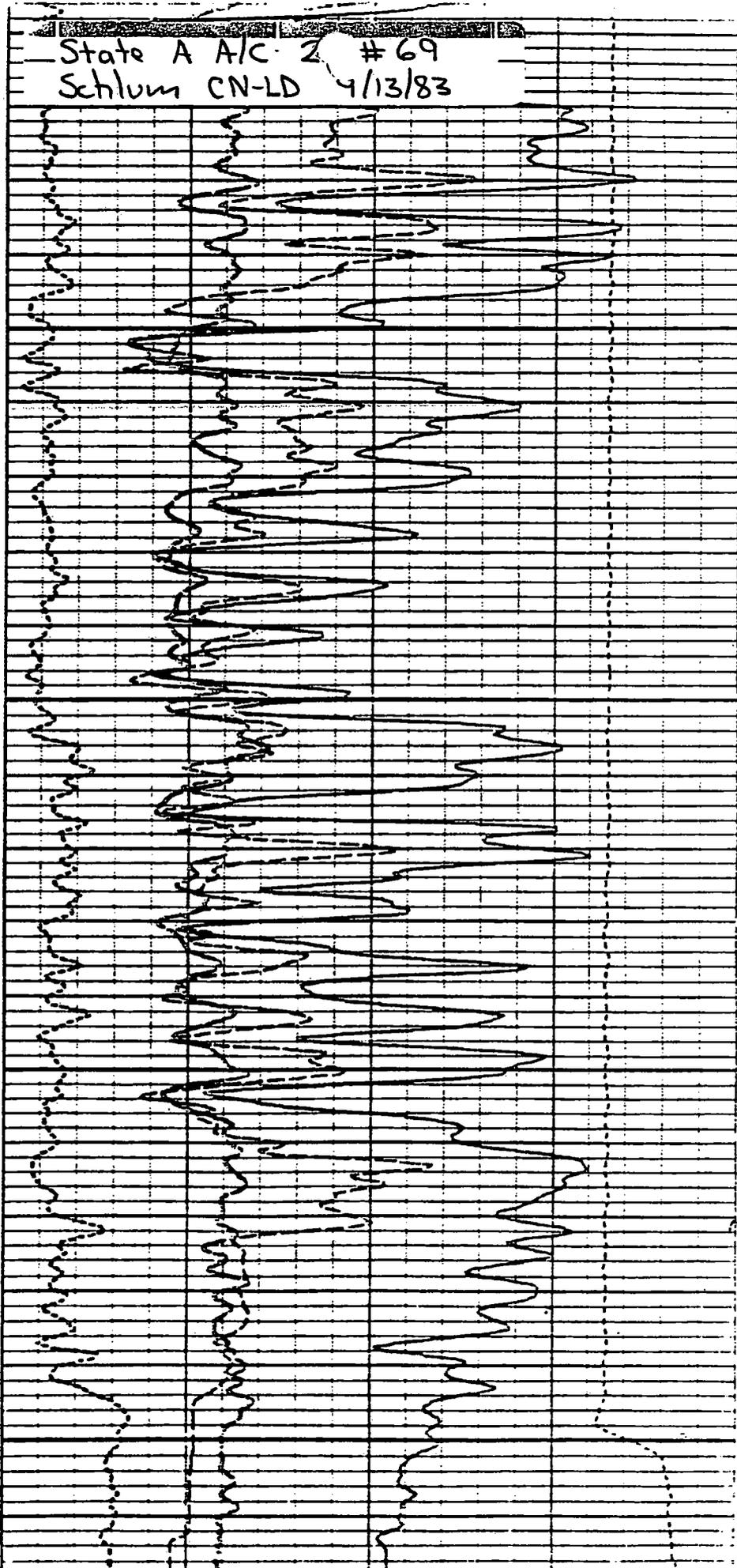
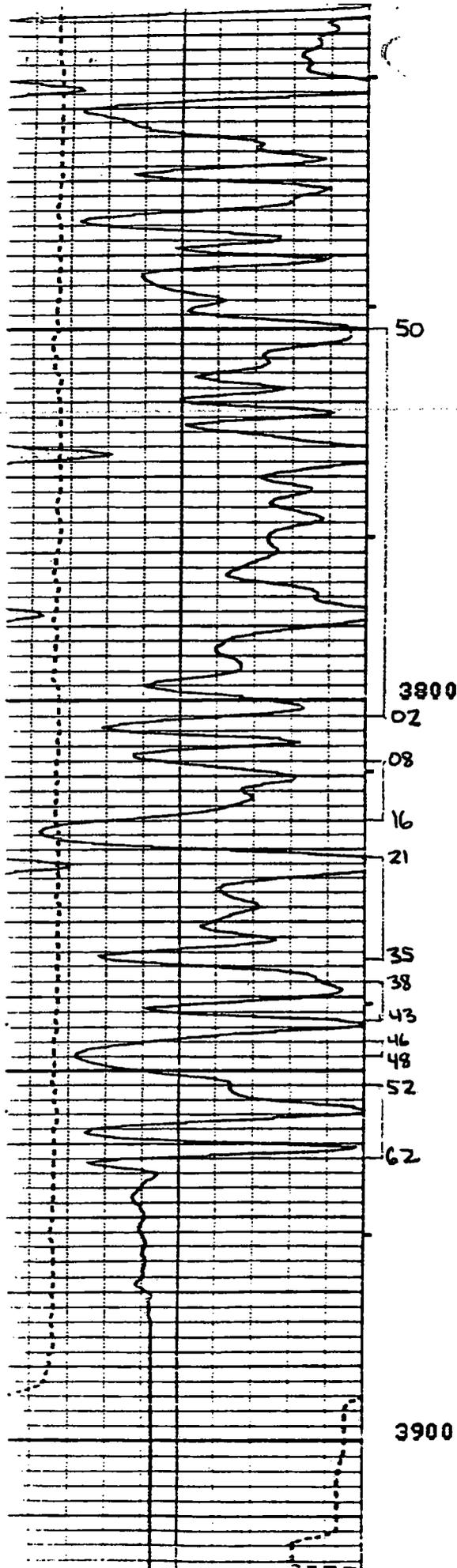
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief

June 23 & 24, 1983

Registered Professional Engineer
John W. West

John W. West
Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

State A A/C 2 #69
Schlum CN-LD 4/13/83



3900

**CONDITIONS OF APPROVAL
FOR PLUGGING AND ABANDONMENT
OCD - Southern District**

The following is a guide or checklist in preparation of a plugging program, this is not all inclusive and care must be exercised in establishing special plugging programs in unique and unusual cases, Notify **NMOCD District Office I (Hobbs) at (575)-263-6633** at least 24 hours before beginning work. After MIRU rig will remain on well until it is plugged to surface. OCD is to be notified before rig down.

Company representative will be on location during plugging procedures.

1. A notice of intent to plug and abandon a wellbore is required to be approved before plugging operations are conducted. A cement evaluation tool is required in order to ensure isolation of producing formations, protection of water and correlative rights. A cement bond log or other accepted cement evaluation tool is to be provided to the division for evaluation if one has not been previously run or if the well did not have cement circulated to surface during the original casing cementing job or subsequent cementing jobs. Insure all bradenheads have been exposed, identified and valves are operational prior to rig up.
2. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to a permitted disposal location.
3. Trucking companies being used to haul oilfield waste fluids to a disposal - commercial or private- shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator as well as the contractor, to verify that this permit is in place prior to performing work. Drivers shall be able to produce a copy upon request of an NMOCD Field inspector.
4. Filing a subsequent C-103 will serve as notification that the well has been plugged.
5. A final C-103 shall be filed (and a site inspection by NMOCD Inspector to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to Meet NMOCD standards) before bonding can be released.
6. If work has not begun within 1 Year of the approval of this procedure, an extension request must be file stating the reason the well has not been plugged.
7. Squeeze pressures are not to exceed 500 psi, unless approval is given by NMOCD.
8. Produced water will not be used during any part of the plugging operation.
9. Mud laden fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
10. All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
11. Class 'C' cement will be used above 7500 feet.
12. Class 'H' cement will be used below 7500 feet.
13. A cement plug is required to be set 50' above and 50' below, casing stubs, DV tools, attempted casing cut offs, cement tops outside casing, salt sections and anywhere the casing is perforated, these plugs require a 4 hour WOC and then will be tagged
14. All Casing Shoes Will Be Perforated 50' below shoe depth and Attempted to be Squeezed, cement needs to be 50' above and 50' Below Casing Shoe inside the Production Casing.
16. When setting the top out cement plug in production, intermediate and surface casing, wellbores should remain full at least 30 minutes after plugs are set
17. A CIBP is to be set within 100' of production perforations, capped with 100' of cement, WOC 4 hours and tag.
18. A CIBP with 35' of cement may be used in lieu of the 100' plug if set with a bailer. This plug will be placed within 100' of the top perforation, (WOC 4 hrs and tag).

19. No more than 3000' is allowed between cement plugs in cased hole and 2000' in open hole.
20. Some of the Formations to be isolated with cement plugs are: These plugs to be set to isolate formation tops
- A) **Fusselman**
 - B) **Devonian**
 - C) **Morrow**
 - D) **Wolfcamp**
 - E) **Bone Springs**
 - F) **Delaware**
 - G) **Any salt sections**
 - H) **Abo**
 - I) **Glorieta**
 - J) **Yates.**
 - K) **Potash---(In the R-111-P Area (Potash Mine Area),**

A solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, woe 4 hours and tag, this plug will be SO' below the bottom and 50' above the top of the Formation.

21. If cement does not exist behind casing strings at recommended formation depths, the casing can be cut and pulled with plugs set at recommended depths. If casing is not pulled, perforations will be shot and cement squeezed behind casing, woe and tagged. These plugs will be set SO' below formation bottom to 50' above formation top inside the casing

DRY HOLE MARKER REQ.UIRMENTS

The operator shall mark the exact location of the plugged and abandoned well with a steel marker not less than four inches in diameter, 3' below ground level with a plate of at least 1/4" welded to the top of the casing and the dry hole marker welded on the plate with the following information welded on the dry hole marker:

1. Operator name
2. Lease and Well Number
3. API Number
4. Unit letter
5. Quarter Section (feet from the North, South, East or West)
6. Section, Township and Range
7. Plugging Date
8. County

SPECIAL CASES -----AGRICULTURE OR PRARIE CHICKEN BREEDING AREAS

In these areas, a below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to NMOCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to NMOCD (We typically require a current survey to verify the GPS)

SITE REMEDIATION DUE WITHIN ONE YEAR OF WELL PLUGGING COMPLETION