

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88201  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
May 27, 2004

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

JUL 21 2008

<b>SUNDARY NOTICES AND REPORTS ON WELLS</b> (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. 30-025-38822
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other (CLASS II INJECTION)		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> PRIV <input checked="" type="checkbox"/>
2. Name of Operator SOUTHERN UNION GAS SERVICES, LTD		6. State Oil & Gas Lease No.
3. Address of Operator 301 COMMERCE SUITE 700, FT WORTH, TX 76102		7. Lease Name or Unit Agreement Name JAL 3 AGI
4. Well Location Unit Letter <u>E</u> : <u>1550</u> feet from the <u>N</u> line and <u>1000</u> feet from the <u>W</u> line Section <u>33</u> Township <u>24S</u> Range <u>37E</u> NMPM LEA County		8. Well Number 001
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3268 GR		9. OGRID Number 241472
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type <u>CLOSED LOOP</u> Depth to Groundwater <u>90 FT</u> Distance from nearest fresh water well Distance from nearest surface water		
Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material		

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input checked="" type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On 7/14/08 the 7" 23 ppf, L80, LTC casing was cemented in place at 5,245 ft RKB by Halliburton Services. (See attached Cement Job Report)

**Stage 1:** Pumped 10 bbls FW, 40 bbls FE2 spacer, 48.6 bbls (300sx) THERMALOCK cement at 15 ppg, w/ 0.91 yld, with 3.44 gpsx FW, 50 bbls FE2 water, and 155 bbls mud. Did not bump plug after pumping shoe volume, but mud was foamy. Floats held ok.

Drop DV bomb, wait 20 minutes. Open DV Tool with 350 psi. Circulated 300 bbls mud with cement pump and did not circulate any cement, but saw most of FE2 spacer ahead of cement. Continued circulating with rig pump for 5 1/2 hours.

**Stage 2:** Pumped 20 bbls FW, 515 sx (242 bbls) ECONOCHEM Lead at 11.7 ppg / 2.64 yld / 15.39 wr, and 170 sx (40 bbls) HALCEM Tail at 14.8 wt / 1.33 yld / 6.34 wr. Displace with 161 bbls FW and bumped plug at 1000 psi. Circulated 94 sx (41 bbls) to bin. Dropped bomb and closed DV tool w/ 3000 psi, bled pressure, held ok. Full returns throughout Stage 2. (Pressure test of casing and Cement Bond Log will be conducted at a later date.)

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Russell E. Bentley TITLE PETROLEUM ENGINEER DATE 7/17/08  
Type or print name RUSSELL E. BENTLEY E-mail address: russell@carbentmeco.com Telephone No. 713-482-0210  
**For State Use Only**

APPROVED BY: Chris Williams TITLE OCD DISTRICT SUPERVISOR/GENERAL MANAGER DATE JUL 28 2008  
Conditions of Approval (if any):

**HALLIBURTON****RECEIVED**

JUL 21 2008

**Cementing Job Log***The Road to Excellence Starts with Safety*

Sold To #: 300496	Ship To #: 2656198	Quote #:	Sales Order #: 6002863
Customer: APACHE CORP		Customer Rep: Hampton, Sam	
Well Name: SUG AGIW	Well #: 1	API/UWI #:	
Field:	City (SAP): EUNICE	County/Parish: Lea	State: New Mexico
Legal Description: Section 33 Township 21S Range 37E			
Lat: N 0 deg. OR N 0 deg. 0 min 0 secs.		Long: E 0 deg. OR E 0 deg. 0 min. 0 secs.	
Contractor:	Rig/Platform Name/Num: CAPSTAR 8		
Job Purpose: Cement Multiple Stages	Ticket Amount:		
Well Type: Development Well	Job Type: Cement Multiple Stages		
Sales Person: MOCKSFIELD, RICHARD	Srv Supervisor: LETKEMAN, BOBBY	MBU ID Emp #: 412466	

Activity Description	Date/Time	Cht #	Rate bbl/min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Call Out	07/13/2008 08:00							
Pre-Convoy Safety Meeting	07/13/2008 09:30							
Depart from Service Center or Other Site	07/13/2008 10:00							
Arrive at Location from Other Job or Site	07/13/2008 11:00							
Assessment Of Location Safety Meeting	07/13/2008 11:15							RIG RUNNING CASING
Pre-Rig Up Safety Meeting	07/13/2008 11:30							
Rig-Up Equipment	07/13/2008 11:45							
Rig-Up Completed	07/13/2008 13:00							
Start Job	07/13/2008 17:48							
Test Lines	07/13/2008 17:48						3200.0	TESTED LINES TO 3200 PSI
Pump Spacer 1	07/13/2008 17:49		6		40		150.0	PUMPED 10 BBLS WATER SPACER
Pump Cement	07/13/2008 18:07		9		48		740.0	PUMPED 300 SKS COROSSACEM, WT 15, YLD .91, WR 3.44
Drop Top Plug	07/13/2008 18:13							
Pump Displacement	07/13/2008 18:15		10		50		300.0	PUMPED 50 BBLS FE2 WATER
Pump Displacement	07/13/2008 18:22		9.5		154.4		500.0	PUMPED 154.4 BBLS MUD

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SUMMIT Version: 7.20.130

Monday, July 14, 2008 03:55:00

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HALLIBURTON

JUL 21 2008

# Cementing Job Log

HOBBS OGD

Activity Description	Date/Time	Cht #	Rate bbl/min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Bump Plug	07/13/2008 18:45							DID NOT BUMP PLUG, MUD WAS VERY AIRY, CO. REP. DID NOT WANT TO PUMP MORE THAN THE SHOE JOINT CAPACITY (1.8 BBLS)
Check Floats	07/13/2008 18:46							FLOATS HELD
Drop Ball	07/13/2008 18:47							
Open MSC	07/13/2008 19:13							TOOL OPENED AT 350 PSI
Circulate Well	07/13/2008 19:14							PUMPED 300 BBLS OF MUD DID NOT CIRCULATE CEMENT OFF TOOL.
End Job	07/13/2008 19:53							
Other	07/13/2008 19:54							WAITING 5.5 HRS TO PUMP 2ND STAGE
Pre-Job Safety Meeting	07/14/2008 00:15							
Pump Spacer 1	07/14/2008 00:32		9		20		300.0	PUMPED 20 BBLS WATER SPACER
Pump 2nd Stage Lead Slurry	07/14/2008 00:36		9		242		350.0	PUMPED 515 SKS ECONOCEM WT 11.7, YLD 2.64, WR 15.39
Pump 2nd Stage Tail Slurry	07/14/2008 01:06		9		40		400.0	PUMPED 170 SKS HALCEM, WT 14.8, YLD 1.33, WR 6.34
Shutdown	07/14/2008 01:11							
Drop Bottom Plug	07/14/2008 01:11							
Clean Lines	07/14/2008 01:12							
Pump Displacement	07/14/2008 01:17		9		161		1000.0	PUMPED 161 BBLS FRESH WATER, CIRCULATED 41 BBLS CMT TO PIT. 94 SKS
Bump Plug	07/14/2008 01:45		3				3000.0	PRESSURED UP TO 3000 PSI TO CLOSE TOOL
End Job	07/14/2008 01:46							

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