

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
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
June 19, 2008

OIL 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. / 30-025-28274 |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <u>Injection</u> | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator Petrohawk Operating Co. | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator 1000 Louisiana, Suite 5600 Houston, TX | | 7. Lease Name or Unit Agreement Name State A A/C 2 / |
| 4. Well Location Unit Letter <u>E</u> : <u>1345</u> feet from the <u>N</u> line and <u>25</u> feet from the <u>W</u> line Section <u>9</u> Township <u>22 S.</u> Range <u>36 E.</u> NMPM County <u>Lea</u> <input checked="" type="checkbox"/> | | 8. Well Number <u>65</u> / |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) GL 3559 | | 9. OGRID Number <u>194849</u> / |
| | | 10. Pool name or Wildcat Jalmat, 7 Rivers, Queen |

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 ☐

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

Per OCD requirement:

Repair Casing.

- 1) Move in pulling unit, pull equipment.
- 2) Run in hole with work string and pkr. Locate csg. Leak.
- 3) Isolate leak – notify OCD for squeeze approval.
- 4) Run in hole with cement retainer, squeeze casing to repair.
- 5) Drill out cement pressure test casing.
- 6) Notify OCD to witness pressure test and repair.
- 7) Shut well in and TA until future use of well.

RECEIVED

FEB 24 2009

HOBBSOC

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 Eddie W. Seay TITLE Agent DATE 2/23/09

Type or print name Eddie W. Seay E-mail address: seay04@leaco.net PHONE: 575-392-2236

For State Use Only

APPROVED BY: Tammy W. Hill TITLE DISTRICT 1 SUPERVISOR DATE FEB 26 2009
Conditions of Approval (if any):



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Response Required – Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

03-Feb-09

PETROHAWK OPERATING COMPANY

1000 LOUISIANA SUITE 5600

HOUSTON TX 77002

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

| STATE A A/C 2 No.065 | | E-9-22S-36E | | 30-025-28274-00-00 | | |
|--|------------------|---|------------|------------------------------|---------------------------|----------------|
| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 02/03/2009 | Routine/Periodic | Mark Whitaker | Yes | No | 5/9/2009 | iMAW0903456314 |
| Violations | | | | | | |
| Suspect Deficient MI (Rules 106,107,108) | | | | | | |
| Comments on Inspection: | | Operator reports that well would not pass pre-test attempt. NEED TO REPAIR WELLBORE PROBLEMS AND SCHEDULE TEST OR PLUG AND ABANDON WELL. 1st letter of non-compliance. MW | | | | |

| FORM | TOP | | <div style="text-align: center;"> State AAC-2 #65 (Inj well) CURRENT WELLBORE DIAGRAM Mission Resources </div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------|---------|---|---|--------|--------|-------|--------|------|---------|--------|--|------|--------|--------|--------|--------|-----|-----|------|-------|------|------|-----|--------|------|------|-------|-------|------|--------|--|--------|---------|---------|--|
| | | 8 5/8" @ 598" w/375 sx Cmt, circ <i>hole(s) @ 638'-700'</i> | SU-T-R 9E-22S-36E API #: 30-025-28274-0000 POOL: JALMAT; TAN-YATES-7 RVRS (PRO GAS) CO, ST: LEA, NEW MEXICO LAND TYPE: STATE STATUS: ACTIVE ACREAGE 40.12 LATEST RIG WORKOVER: DIAGRAM REVISED: 2-18-09 DL/SJP | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | LOG ELEVATION: 3,571' KB GROUND ELEVATION: 3,559' | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>CASING</th> <th>LINER</th> <th>TUBING</th> </tr> </thead> <tbody> <tr> <td>Hole</td> <td>12 1/4"</td> <td>8 5/8"</td> <td></td> </tr> <tr> <td>Pipe</td> <td>8 5/8"</td> <td>5 1/2"</td> <td>2 3/8"</td> </tr> <tr> <td>Weight</td> <td>24#</td> <td>14#</td> <td>4 7#</td> </tr> <tr> <td>Grade</td> <td>J-55</td> <td>J-55</td> <td>Cmt</td> </tr> <tr> <td>Thread</td> <td>8 RD</td> <td>8 RD</td> <td>Lined</td> </tr> <tr> <td>Depth</td> <td>598'</td> <td>3,900'</td> <td></td> </tr> <tr> <td>Mud wt</td> <td>8.6-8.8</td> <td>10-10.2</td> <td></td> </tr> </tbody> </table> | | CASING | LINER | TUBING | Hole | 12 1/4" | 8 5/8" | | Pipe | 8 5/8" | 5 1/2" | 2 3/8" | Weight | 24# | 14# | 4 7# | Grade | J-55 | J-55 | Cmt | Thread | 8 RD | 8 RD | Lined | Depth | 598' | 3,900' | | Mud wt | 8.6-8.8 | 10-10.2 | |
| | CASING | | LINER | TUBING | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hole | 12 1/4" | | 8 5/8" | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Mud wt | 8.6-8.8 | 10-10.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <div style="text-align: center;"> TAN-YATES-7 RVRS ZONE HISTORY </div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <div style="text-align: center;"> OPPORTUNITY </div> Possible recompletion in Yates-7 Rvrs 1/25/04 DL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <div style="text-align: center;"> QUEEN ZONE HISTORY </div> 8/83 Spud. 10/7/83 Initial Completion Pool EUNICE; SEVEN RIVERS-QUEEN, SOUTH Perforated 3,751-3,872' Acidized 4000 gal 15% NE HCL in 2 stages IP WIIV, Inj 2 1/2 BPM @ 1500 psi. 5/85 Csg leak found 3,623' & 3,654' (Below inj pkr - taking 53% of inj wtr per profile) 3/86 CO fill 3,826-3,878' 7/86 Sqz leak w/150 sx. Successful repair. Cleanout fill 3,855-3,878'. Log available: Compensated Neutron log | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| YATES | 3,123' | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 RVRS | 3,310' | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| QUEEN | 3,701' | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | PBTD 3,886' TD 3,900' | SELECT PERFS: 90 Holes 3751-63, 3766-82, 3811-47, 3850-72' } Queen Sand (1 JSPF) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 5 1/2" @ 3,900' w/950 sx Cmt | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Current