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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old C-102 and C-103
Effective ~~1-1-65~~

5a. Indicate Type of Lease State [XX] Fee [ ]

5. State Oil & Gas Lease No. LG-4087

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. OIL WELL [XX] GAS WELL [ ] OTHER-

7. Unit Agreement Name

2. Name of Operator
~~Southland Royalty Company~~ Meridian Oil Co

8. Farm or Lease Name
State "16"

3. Address of Operator
21 Desta Drive, Midland, Texas 79705

9. Well No.
1

4. Location of Well
UNIT LETTER J , 1980 FEET FROM THE South LINE AND 1980 FEET FROM THE East LINE, SECTION 16 TOWNSHIP 18S RANGE 33E NMPM.

10. Field and Pool, or Wildcat
S. Corbin (Wolfcamp)

15. Elevation (Show whether DF, RT, GR, etc.)
3875.9' GR

12. County
Lea

16.

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK [ ]
- TEMPORARILY ABANDON [ ]
- PULL OR ALTER CASING [ ]
- PLUG AND ABANDON [ ]
- CHANGE PLANS [ ]
- OTHER Add add'l perfs in Wolfcamp [XX]

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [ ]
- COMMENCE DRILLING OPNS. [ ]
- CASING TEST AND CEMENT JOB [ ]
- ALTERING CASING [ ]
- PLUG AND ABANDONMENT [ ]
- OTHER [ ]

17. 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

1. MIRU slickline unit. RU swab valve and lubricator. RIH with a 2.25" gauge ring to ±11100' to check for paraffin. If gauge ring can't go to bottom, RIH with paraffin cutters to remove paraffin. Re-run 2.25" gauge ring to ±11100'. POH. RDMO slickline unit.

2. MIRU pulling unit. Shut well in. Drop standing valve to seat in 2.25" SN at 11105'. Load tubing with 2% KCl water and pressure test standing valve to 500 psi.

3. MIRU electric line unit. RU lubricator. RIH with a 2-1/8" tubing gun loaded with 4 thin wall circulating charges and perforate the 2-7/8" 6.5# N-80 tubing at ±11050'. POH. RDMO electric line unit. Swab to remove casing/tubing annulus fluid. Release Guiberson UNI-VI packer and POH with tubing.

4. MIRU wireline unit. RU lubricator. RIH with 4" casing guns and perforate the Wolfcamp at the following intervals: 11036'-11046' and 11050'-11082' with 1 JSPF at 120° phasing (44 holes total). POH. RD lubricator. RDMO wireline unit.

5. RIH with a 5-1/2" RBP with extended head, a 5-1/2" treating packer. SN (2.25" ID) and ±11150' of 2-7/8" tubing. Set RBP at ±11150'. Pick up ±10' and set packer. Pressure test RBP to 500 psi. Release packer and pick up to 11082'. Spot 250 gallons of 15% NEFe HCl acid. Pick up to ±10900'. Reverse spot acid into tubing and set packer at ±10900'. ND BOP. NU wellhead. Pump spot acid away recording rates and pressures. Swab/flow test recording rates and cuts.

Cathy Mathes

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

SIGNED Cathy Mathes TITLE Operations Tech III DATE 5/4/88

APPROVED BY Orig. Signed by Paul Kautz Geologist TITLE DATE MAY 9 1988

CONDITIONS OF APPROVAL, IF ANY:

6. If fluid entry is limited, MIRU stimulation company. NU wellhead isolation tool. NU surface lines and test to 6000 psi. Place, monitor and maintain 500 psi on the casing/tubing annulus. Pump 4000 gallons of 15% NEFe HCl acid with 0.2% corrosion inhibitor and 0.2% surfactant. Space out 88-7/8" RCNBS (Sp. gr. = 1.3) throughout job. Displace acid with 66 bbl of 2% KCl water. If ballout occurs, surge balls off perfs and continue displacement.

   Note: Anticipated Treating Pressure = 4000 psi
   Maximum Treating Pressure = 6000 psi (SF = 1.4)
   Anticipated Treating Rate = 4 BPM

   RDMO Stimulation Company.

7. Swab/flow test well. After an adequate test is observed, obtain a bottom hole static pressure buildup, leaving the well shut in for the time period specified by the project engineer. If the zone swab tests wet, a squeeze procedure will be provided at that time.

8. ND tree. NU BOP. Release packer and swab casing volume down to SN if possible. Release packer, RIH to ±11150' and release RBP. Pull up to ±11000' and set RBP at ±11000'. Pick up ±10' and set packer. Pressure test RBP to 500 psi. Release packer and pull up to 10940'. Spot 250 gallons of 15% NEFe HCl acid. POH.

9. MIRU wireline unit. RU lubricator. RIH with 4" casing guns and perforate the Wolfcamp at the following interval: 10880'-10940' with 1 JSPF at 120° phasing for a total of 61 holes. POH. RD lubricator. RDMO wireline unit.

10. RIH with RBP retrieving tool, 5-1/2" treating packer. SN (2.25" ID) and ±10750' of 2-7/8" tubing. Reverse spot acid into the tubing and set packer at ±10750'. ND BOP. NU wellhead. Pump spot acid away recording rates and pressures. Swab/flow test well recording rates and cuts.

11. If fluid entry is limited, MIRU stimulation company. NU wellhead isolation tool. NU surface lines and test to 6000 psi. Place, monitor and maintain 500 psi on the casing/tubing annulus. Pump 5000 gallons of 15% NEFe HCl acid with 0.2% corrosion inhibitor and 0.2% surfactant. Space out 122-7/8" RCNBS (Sp. gr. = 1.3) throughout job. Displace acid with 65 bbl of 2% KCl water. If ballout occurs, surge balls off perfs and continue displacement.

    Note: Anticipated Treating Pressure = 4000 psi
    Maximum Treating Pressure = 6000 psi (SF = 1.4)
    Anticipated Treating Rate = 4 BPM

    RDMO Stimulation Company.

12. Swab/flow test well. After an adequate test is observed, obtain a bottom hole static pressure buildup, leaving the well shut in for the time period specified by the project engineer. If the zone swab tests wet, a squeeze procedure will be provided at that time.

13. ND tree. NU BOP. Release packer and swab casing volume down to SN if possible. RIH to ±11000' and release RBP. POH with tubing.

14. RIH with production tubing as follows:

    - Bull plugged MA
    - Perforated Sub
    - Mechanical SN
    - 16 joints of 2-7/8", 6.5#, N-80 tubing
    - 5-1/2" TAC set in 10-12 M lbs. tension
    - ±10850' of 2-7/8", 6.5#, N-80 tubing

    Set TAC. ND BOP. NU pump tee. RIH with pump and rods as follows:

    - 2-1/2" x 1-1/4" x 36' RHBM pump
    - 7/8" steel pony rod
    - 33 K shear tool
    - 227 - 7/8" steel sucker rods
    - 151 - 1" fiberglass sucker rods

    Space out pump and clamp off. Hang well on pump and report production rates to Midland office.