



Ameristate Exploration, LLC

A Subsidiary of Mediterranean Resources, LLC

111 Congress Ave., Suite 2700
Austin, Texas 78701-4067

Office: (512) 391-0300
Fax: (512) 391-0301

August 23, 2006

VIA: FED EX: TRK # 7900 4447 0975

Mr. Gerry Guye
New Mexico Oil Conservation Division
1301 W. Grand Avenue
Artesia, NM 88210

RE: Plug and Abandon Procedures (Amended)
State 648 AC 811, Well #64, API # 30-015-02201
Eddy County, NM



Dear Mr. Guye,

Per your conversation with our engineer, Joy Blevins, enclosed please find the following information on the subject well:

- Form C-103, four copies
- Wellbore diagram: current and proposed, four copies

The plugging procedure for this well addresses the failed MIT and the violation of compliance.

I can be contacted at 512-391-4921 or s.perkins@mdtrn.com should you have any questions or require any additional information.

Sincerely,

Susan Perkins

Production and Regulatory Coordinator

Encs.

CC: Joy Blevins, Manager Production and Completions

[Faint handwritten notes and stamps at the bottom of the page]

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

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

Form C-103
May 27, 2004

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEELEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-105) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-02201
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <u>INJECTION</u>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Ameristate Exploration, LLC		6. State Oil & Gas Lease No.
3. Address of Operator 111 Congress, Suite 2700 Austin, TX 78701		7. Lease Name or Unit Agreement Name State 648 Ac 811
4. Well Location Unit Letter <u>C</u> : <u>840</u> feet from the <u>N</u> line and <u>2200</u> feet from the <u>W</u> line Section <u>10</u> Township <u>19S</u> Range <u>28E</u> NMPM County <u>Eddy</u>		8. Well Number #64
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3531 GR		9. OGRID Number 158898
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type <u>Sec 1</u> Depth to Groundwater _____ 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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

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.

P&A procedure addresses failed MIT & violation of compliance.

Set CIBP @ 1950'. Dump bail 35' cement cap on plug
Pick up to 1900' and circulate wellbore w/ mud (29 bbls).
Perforate 4-1/2" casing at 1518-1520' w/ 4 SPF.
Pick up and run in hole w/ squeeze packer on tubing and set packer at 1090'.
Note: Bad casing from ~1103' to 1350'.

Displace and squeeze 124 bbls (529 sxs w/ 1.32 yld) of cement below the packer and up the 4-1/2" annulus. Release packer, pick up 2 jts and reverse circulate 2 tubing volumes. WOC Run back in with tubing and tag top of cement.

If circulation cannot be established to surface or TOC not sufficient, note volume pumped and calculate displacement to estimate cement top behind 4-1/2" casing. If required, run new cement bond log to verify and repeat this squeeze procedure until cement is circulated to surface or TOC is sufficient.

Run in hole with tubing and displace balanced 3 bbl (13 sxs assuming 1.32 yld) cement plug from 700' to 500'. WOC. Run back in with tubing and tag plug.

Run in hole with tubing and displace balanced 1 bbl (4 sxs assuming 1.32 yld) cement plug from 60' to surface. WOC. Run back in hole with tubing and tag plug.

Cut off wellhead. Install P&A maker. Restore location.

**Notify OCD 24 hrs. prior
to any work done.**

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 Brian Perkins TITLE Regulatory Coordinator DATE 8-23-06

Type or print name
For State Use Only

E-mail address: S.PERKINS@mdtrn.com Telephone No. 512-391-0300

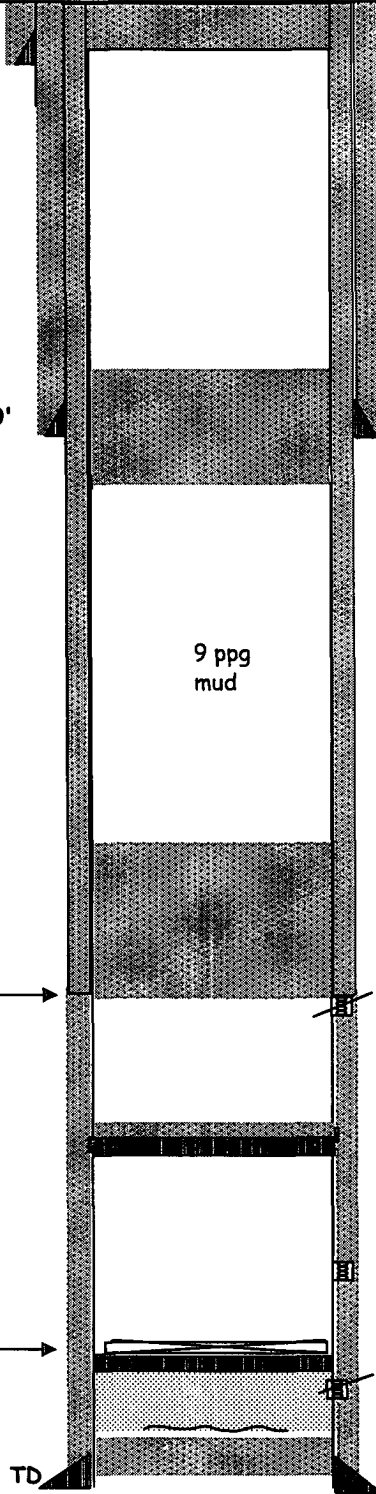
APPROVED BY: Phil Hawkins TITLE Lead Eng. DATE 8/24/06
Conditions of Approval (if any):



Ameristate Exploration, LLC

A Subsidiary of Mediterranean Resources, LLC

Well Name:		Field Name:		Date: August 23, 2006	
State 648 Ac 811 #64		Artesia			
Project: Plug and Abandon				By: J Blevins	
AFE #:		Completion: Proposed		API: 30-015-02201 GL:3531' DF:	

Casing Data:		<p>Balanced cement plug 0-60' 1 bbl (4 sxs assuming 1.32 yld)</p> <p>Location: 840' FNL & 2220' FWL Sec 10, T19S R28E</p> <p>Balanced cmt plug 500-700' 3 bbls cmt (13 sxs assuming 1.32 yld)</p> <p>9 ppg mud</p> <p>TOC @ 1520' (log)</p> <p>Production Casing: 4-1/2", 11.6 ppg @ 2190' 7-7/8" hole cmt'd w/ 150 sxs Neat cmt w/ 1% Halad 9</p> <p>Packer fish @ 2083' PBTD @ 2083'</p> <p>2190' TD</p>
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Sqz Perfs: 1518-20' w/ 4 SPPF
124 bbls (529 sxs assuming 1.32 yld) cmt from 1090' to 1520' and in 4-1/2" x 10" annulus to surface

CIBP @ 1900' w/ 35' cmt cap
Perfs: 1978-984', 1993-998', 2018-028' & 2050-060'
Sqz'd w/ 100 sxs incor Cl Ccmt w/ 3% CaCl, 6/10 of 1% Halid 9 followed w/ 200 sxs incor Cl C cmt + 3% CaCl, 15% plaster sd.
Re-Perf'd: 1982-84', 93', 94', 95' 2019-20', 21', 2037-39'

Cmt Retainer @ 2085' TOC @ 2083'
Perfs: 2112-117'
Sqz'd w/ 100 sxs incor Cl C cmt w/ 3% CaCl, 6/10 of 1% Halid 9 followed w/ 150 sxs incor Cl C cmt + 3% CaCl, 15% plaster sd.