

Office

District I - (575) 393-6161

1625 N. French Dr., Hobbs, NM 88240

District II - (575) 748-1283

811 S. First St., Artesia, NM 88210

District III - (505) 334-6178

1000 Rio Brazos Rd., Aztec, NM 87410

District IV - (505) 476-3460

1220 S. St. Francis Dr., Santa Fe, NM

87505

State of New Mexico
Energy, Minerals and Natural ResourcesForm C-103
Revised July 18, 2013OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505WELL API NO.
30-007-206865. Indicate Type of Lease
STATE ☐ FEE ☒6. State Oil & Gas Lease No.
N/A

7. Lease Name or Unit Agreement Name

VPR D

8. Well Number 308

9. OGRID Number 328741

10. Pool name or Wildcat
Castle Rock-Vermejo Gas

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. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

Wapiti Operating, LLC

3. Address of Operator

P.O. Box 190, 309 Silver St., Raton, NM 87740

4. Well Location

Unit Letter N : 985 feet from the North line and 1219 feet from the East lineSection 1 Township 30N Range 17E NMPM County Colfax11. Elevation (Show whether DR, RKB, RT, GR, etc.)
8374 GR

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 ☐CLOSED-LOOP SYSTEM ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: ☒ Mechanical Integrity Test Results

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.

Mechanical Integrity Test was conducted on the above well to NMOCD guidelines on 7/6/23. The well was pressured up to 560 psi.. It was held at that pressure for 31 minutes. Pressure bleed to 540 psi. See attached chart. Passed

TA expires in one year from test date of 7/6/23 - Wapiti Operating, LLC is directed to bring VPR D #308 into beneficial purpose or plug within one year of the date test. Produce or plug prior to 7/6/2024

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

TITLE HSE & Regulatory Specialist, Sr. DATE 7/11/23

Type or print name Randy L. Madison E-mail address: rmadison@wapitienergy.com PHONE: 575-445-6706

For State Use Only

APPROVED BY:

TITLE Deputy Oil and Gas Inspector DATE 10/27/2023

Conditions of Approval (if any):



April 10, 2023

RE : VPR D-303, D-304 and D-308

To whom it may concern,

Wapiti Operating recently had three wells fail MIT's as required by the state. The wells are the VPR D-303 (API : 30-007-20681), VPR D-304 (API : 30-007-20682), and VPR D-308 (API : 30-007-20686). The tests were conducted when temperatures were extremely cold and had a very small leakoff. Since that time, we have retorqued the wellheads and are ready to have the state witness the new tests. The date given was April 13th for the new tests, which is coming up quickly. These wells were originally permitted as horizontal wells and direct offsets to existing wells. Over the years, Wapiti has produced various horizontal wells in the area, and the reserves have been quite attractive, especially at higher price environments. These wells all have 9-5/8" surface casing set and are awaiting the time to drill when economics make the most sense. Recently Wapiti has purchased a rig that can drill these wells and will make the economics considerably better by doing it all in house. Production casing has been purchased and is inventory as well. Wapiti had a plan and was ready to pursue these wells once the MIT's passed. The timing could not have been worse with prices going from over \$8/mmbtu to current spot prices at or below \$2/mmbtu. This has not put an end to the project but has delayed it waiting for a more favorable pricing environment. We look forward to successful MIT tests to satisfy the state requirements and putting a plan of development together that we can execute when the timing is more favorable for economic justification.

Respectfully,

Ed Skrljac
Wapiti Energy
O: (713) 365-8506
C: (281) 635-0215
eskrjac@wapitienergy.com

1251 Lumpkin, Houston Texas 77043 • 713.365.8500 • www.wapitienergy.com

VPR D308
30-007-20686
7-6-23

Pass

SF M7-LL
NMOC

Math Brown
7-6-23

CHART NO. MC MP-1000-1HR

METER

CHART PUT ON

TAKEN OFF

LOCATION

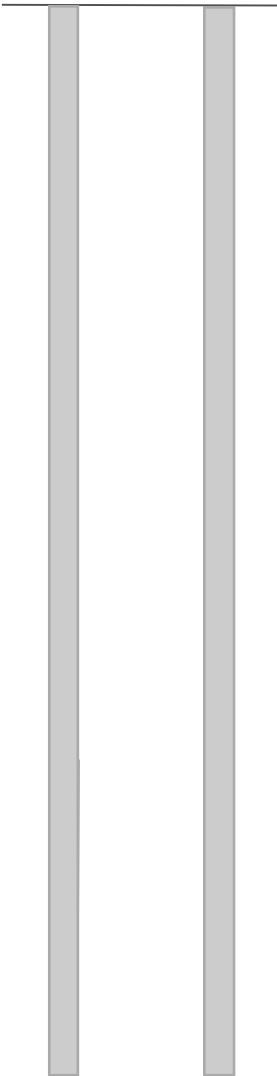
REMARKS

VPR D-308



VPR D-308 Well

Lease: VPR D-308
Field: Castle Rock Park - Vermejo Gas
County: Colfax
State: New Mexico
API No: 30-007-20686



9 5/8" Surface Casing

Floating Concrete Shoe

TD: 321'

Drawn: 11/29/22
Not Drawn to Scale

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Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 240292

CONDITIONS

| | |
|--|---|
| Operator: Wapiti Operating, LLC 1251 Lumpkin Rd Houston, TX 77043 | OGRID: 328741 |
| | Action Number: 240292 |
| | Action Type: [C-103] Sub. Temporary Abandonment (C-103U) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|---|----------------|
| mkuehling | TA expires in one year 7/6/2024- Wapiti Operating, LLC is directed to bring VPR D #308 into beneficial purpose or plug within one year test date 7/6/2023 - Produce or plug prior to 7/6/2024 | 10/27/2023 |