

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
May 27, 2004

RECEIVED

OCT 02 2008

HOBBS (11)

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

WELL API NO. 30-025-05179 ✓
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> BLM <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name B.C. Dickinson D ✓
8. Well Number # 5 ✓
9. OGRID Number 228051 ✓
10. Pool name or Wildcat Denton (Devonian) ✓

4. Well Location
Unit Letter C : 660 feet from the North line and 1980 feet from the West line
Section 35 Township 14S Range 37E NMPM. County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
KB 3833

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ 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.

- 1) MIRUWOR, n/d wellhead, n/u bop, pooh w/ 360 jts 2 7/8" tbing ,rih w/ bit & csg scrapper to 12,100', pooh w/ 2 7/8" L/d scrapper & bit.
- 2) run gauge ring to 12,100, pooh, rih and set CIBP at 12,100', pooh run bailer & dump 20' cmt on top of CIBP. r/d wire line trk.
- 3) load w/ pkr fluid & test csg to 500 psi for 30 min-if good n/d bop, n/u wellhead pressure test csg to 500 psi for OCD T/A status, RDWOR

Condition of Approval: Notify OCD Hobbs
office 24 hours prior to running MIT Test & Chart

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 Ehsan Bayat TITLE Regulatory Analyst DATE 10-1-08
Type or print name: Ehsan Bayat E-mail address: ehsan.bayat@americoenergy.com Telephone No. 713-984-9700

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE OCT 03 2008
Conditions of Approval (if any):

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 14189..... Exhibit No. 3
Submitted by:
Americo Energy Resources, LLC
Hearing Date: October 30, 2008

Submit 3 Copies To Appropriate District
Office

District I

1625 N. French Blvd., Albuquerque, NM 87102

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87401

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

Form C-103

May 27, 2004

WELL API NO.

30-025-05222

5. Indicate Type of Lease

STATE ☐

FEE ☐

BLM ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

B.C. Dickinson A1

8. Well Number #1

9. OGRID Number

228051

10. Pool name or Wildcat

Denton (Wolfcamp)

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 - Injection Well ☐

2. Name of Operator

Americo Energy Resources, LLC

3. Address of Operator

7575 San Felipe, Suite 200, Houston, TX 77063

4. Well Location

Unit Letter L : 1980 feet from the South line and 660 feet from the West line

Section I Township 15S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3820' Drive Bushing

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ 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.

1) Miru wor, n/d wellhead n/u bop, poh w/ 91 jts 2 7/8" tbing, rih w/ gauge ring to top of perf's @ 9350' poh w/ gauge ring

2) Rih w/ bailer & dump 25'+cmt 9300'-9275'' sdon

3) Rih w/ wire line tag top of cmt-if top of cmt at 9275'

4) r/d wire line trk, load csg and pressure test to 500 psi for 30 min

5) if test is good, rih w/ 2 7/8" tbing poh laying down n/d bop, n/u well head, run chart test to 500 psi, For 30 min for OCD T/A status. Rdwor

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office 24 hours prior to running MIT Test & Chart

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SIGNATURE

TITLE

DATE

Type or print name: Ehsan Bayat

E-mail address: ehsan.bayat@americoenergy.com

Telephone No. 713-984-9700

For State Use Only

OCD FIELD REPRESENTATIVE W/STAFF MANAGER

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):

9-26-08

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



October 6, 2008

Mr. Oscar Nosrati;

This letter is to notify you that the attached C-103 requesting T/A status for the B.C. Dickinson A1 #2 well API # 30-025-09868 has been denied.

This well was required to have had remedial work performed on or prior to 1-23-2007 by District 1 supervisor Chris Williams. No work has been reported since that time.

This well has a cement top 1100' below top of fish. The top of fish is 5000' above the production zone. We have no way of knowing casing integrity below 7000'.

Therefore, you are hereby ordered to begin work to repair or plug this well no later than November 6, 2008.

Failure to comply will result in this matter being sent to legal staff.

If you need further help, please feel free to contact me at 575-393-6161 ext. 114.

Sincerely;

L.W. "Buddy" Hill



Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Albuquerque, NM 87106
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1301 W. Grand Ave., Artesia, NM 88210
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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

Form C-103
May 27, 2004

RECEIVED

SEP 29 2008
HOBBS, NM

WELL API NO. 30-025-09868
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> BLM <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name B.C. Dickinson A1
8. Well Number # 2
9. OGRID Number 228051
10. Pool name or Wildcat Denton (Devonian)

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 ☒ ~~Injection Well~~

2. Name of Operator
Americo Energy Resources, LLC

3. Address of Operator
7575 San Felipe, Suite 200, Houston, TX 77063

4. Well Location

Unit Letter L : 2240 feet from the South line and 400 feet from the West line
Section 1 Township 15S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3808' GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ 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: ☐

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In 2006, top of the fish was tagged @ 7055'. the est.'d top of cmt behind the 7" csg is at 8100'.
MIRUWOR, RIH W/ 2 7/8" tbing to 7,005' spot 25' of cmt, poh w/ tbing
R/U wire line trk, rih & tag top of cmt, poh. R/d wire line trk, rih w/ 2 7/8" tbing circ hole w/ 2% kcl water. Pressure test to 500 psi for 30 min's if good, POH w/ tbing laying down. RDWOR. Set up H-15.

Condition of Approval: Notify OCD Hobbs
office 24 hours prior to running MIT Test & Chart

DENIED

Remedial Work to begin by 11-6-08

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 NMOC guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Ehsan Bayat TITLE Regulatory Analyst DATE 9-26-08

Type or print name: Ehsan Bayat E-mail address: ehsan.bayat@americoenergy.com Telephone No. 713-984-9700

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APPROVED BY: _____ TITLE _____ DATE _____

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State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. 30-025-09868
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6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name B.C. Dickinson A1
8. Well Number # 2
9. OGRID Number 228051
10. Pool name or Wildcat Denton (Devonian)

SUNDRY NOTICES AND REPORTS ON WELLS
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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.

Americo plans to attempt to remove the fish and clean the wellbore as deep as possible. Then plans to T/A the well at this time.

1. Notify OCD.
2. Move in rig and rig up.
3. Attempt fishing the sub-pump.
4. Clean well bore to as deep as possible.
5. Place CIBP and 20' cement cap as deep as possible.
6. Check casing mechanical integrity.
7. Squeeze off holes and drill cement and conduct pressure integrity test.
8. Report the results.
9. Clean up the location.

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SIGNATURE Ehsan Bayat TITLE Regulatory Analyst DATE 10-24-08
Type or print name: Ehsan Bayat E-mail address: ehsan.bayat@americoenergy.com Telephone No. 713-984-9700
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____

Prepared by: Oscar Nosrati		DATE ISSUED		DATE AFE TO CLOSE		PAGE	
AUTHORIZATION FOR EXPENDITURE - WELLS		10/28/2008				1	
AFE NO	TYPE	AFE NAME		BC Dickinson A1 no. 2		OPERATOR	
						Americo Energy	
COMPANY		DIVISION		DIVISION / SUB			
Americo Energy							
DISTRICT / ORG		DISTRICT / SUB		COUNTRY			
NEW MEXICO FIELD				U.S.A.			
STATE		COUNTY OR PARISH		TAX DISTRICT			
Texas		NEW MEXICO STATE					
FIELD OR AREA		PRIMARY RESERVOIR		SECONDARY RESERVOIR			
DENTON FIELD							
DENTON FIELD, NEW MEXICO		ASSOCIATED AFE		AFE CLASS		COST PROPERTY	
PROJECT DESCRIPTION: MECHANICAL INTEGRITY TEST TO BRING THE WELL IN COMPLIANCE AS REQUIRED BY STATE OF NEW MEXICO "OCD".							
DATE TO START	DATE TO COMPLETE	WELL NO	PLAN	PROJECT DAYS	PROJ. GROUP	Est Depth TD	Est Depth TVD
ENVIRONMENTAL COST							
						DRY HOLE	
						CASED & COMPLETE	
						0	TOTAL
INTANGIBLES							
SALARIES & WAGES Supervisor 15 days @ 1400/day							
PAYROLL BURDEN							
LOCATION PREPARATION & RECLAMATION							
CEMENT & CEMENTING SERVICE							
						25,000	25,000
MUD LOGGING							
MUD MATERIALS, CHEMICALS, COMPLETION FLUIDS, & MUD ENGINEERING							
LOGGING & FORMATION EVALUATION							
PERFORATING							
						4,500	4,500
STIMULATION TREATMENT - GRAVEL PACKING, FRACS, ETC							
DRILL STEM FORMATION TESTING SERVICES							
DIRECTIONAL DRILLING & MWD							
RENTAL EQUIPMENT: Tub DSA, Elev BIT & SCRAPER BOP's - RBP							
						25,000	25,000
DRILLING CONTRACT FOOTAGE							
COMPLETION RIG DAY RATE							
15 days at \$5000 a day						75,000	75,000
TOTAL							
FLOAT EQUIPMENT & CEMENTING AIDS							
BITS & SCRAPER							
SPECIALTY WELL SERVIC							
LABOR, supervisor 15 days \$1400 a day							
						21,000	21,000
MOB/DEMOB - RIG UP/RIG DOWN-CONTRACT							
FUEL, WATER, POWER, LUBRICANTS							
Reverse unit, pump and tank						25,000	25,000
Coil tubing							
Acid treatment							
FISHING SERVICES							
						50,000	50,000
SOLIDS CONTROL & ASSOCIATED EQUIPMENT							
TESTING TUBING IN THE HOLE							
						3,000	3,000
WIRE LINE TK-run gauge ring set CIBP, dump 25' cmt							
pmp trk load casing w/ pkr fluid & run T/A test for OCD							
						4,500	4,500
TOTAL INTANGIBLES						233,000	233,000
TANGIBLES							
CASING	FT.	IN.	LB.	GR.	@ \$		
Drive Pipe							
Conductor							
Surface							0
Intermediate							0
LINER 1							0
LINER 2							0
Production							
TUBING							
CASINGHEAD							
XMAS TREE							
PACKER, CIBP ETC							
OTHER MAT AND EQUIP - ESP equip							
TOTAL TANGIBLES						0	0
TOTAL WELL COST						100.0000%	233,000
PRODUCTION EQUIPMENT (Detail Attached)						100.0000%	0
OTHER COSTS - NET (Detail Attached)						100.0000%	
Tax						005.5000%	15,145
Contingency						015.0000%	34,950
CO OWNERSHIP							
COMPANY COST						283,095	283,095
Project Recommended by: Oscar Nosrati							
COMPANY NAME: Americo Energy							