

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

Energy, Minerals and Natural Resources

HOBBS COO
DEC 08 2016

OIL CONSERVATION DIVISION

4220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

WELL API NO. 30-025-31153
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-0030
7. Lease Name or Unit Agreement Name PALOMA STATE
8. Well Number 001
9. OGRID Number 021712
10. Pool name or Wildcat BUFFALO YATES

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
STRATA PRODUCTION COMPANY

3. Address of Operator
PO BOX 1030, ROSWELL, NM 88201

4. Well Location

Unit Letter O : 330 feet from the SOUTH line and 1650 feet from the EAST line
Section 28 36 Township 18S Range 32E NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3710 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: ☐

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.

REQUEST APPROVAL TO SHUT IN THE PALOMA STATE #1 DUE TO ECONOMIC HARDSHIP.
THE WELL IS CAPABLE OF PRODUCING 3.5 BOPD BUT PRODUCES 25 BWPD.
THE WATER HAS TO BE HAULED TO A DISPOSAL FACILITY AND TRUCKING COSTS MAKES THIS AN UNECONOMIC VENTURE.

REQUEST APPROVAL TO SHUT THE WELL IN FOR 1 YEAR FROM 10-15-2016 TO 10-15-2017.

Spud Date:

02-27-1991

Rig Release Date:

03-25-1991

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

SIGNATURE Paul Ragdale TITLE OPERATIONS MANAGER DATE 12/06/2016

Type or print name PAUL RAGSDALE E-mail address: pragsdale@stratanm.com PHONE: 575-622-1127

For State Use Only

APPROVED BY: Malay S Brown TITLE AO/II DATE 12/8/2016
Conditions of Approval (if any):