

Submit 1 Copy To Appropriate District 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 Resources

Form C-103
Revised August 1, 2011

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

WELL API NO. 30-025-01849 ✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> ✓
6. State Oil & Gas Lease No. E-2793
7. Lease Name or Unit Agreement Name West Ranger Unit ✓
8. Well Number 6 ✓
9. OGRID Number 212929 ✓
10. Pool name or Wildcat SWD; Penn - ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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 SWD ✓

2. Name of Operator EverQuest Energy Corporation ✓

3. Address of Operator
10 Desta Drive, Suite 300-East, Midland, Texas 79705

4. Well Location
Unit Letter N: 1978 feet from the West line and 660 feet from the South line
Section 23 Township 12S Range 34E NMPM County Lea ✓

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>
DOWNHOLE COMMINGLE <input type="checkbox"/>	P AND A <input type="checkbox"/>
OTHER: <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

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.

This SWD takes water on a vacuum. In advance of scheduled MIT test found annulus on a vacuum. Attempted to load casing with 50 bbls of produced water – would not fill. Shut down injection and all production in the field pending workover. Locate WSU and move-in over the weekend. Prepared to pull tubing and packer to locate problem. Called Sylvia Dickey with OCD-Hobbs to alert her of the situation and to defer the scheduled MIT test of 5-30-12 until the workover is completed.

Spud Date: 5-29-12

Rig Release Date:

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

SIGNATURE Terry Duffey TITLE: President DATE: 5-30-12

Type or print name: Terry Duffey E-mail address: _____ PHONE: 432-686-9790

For State Use Only

APPROVED BY: Mark Whitaker TITLE: Compliance Officer DATE: 06-06-12

Conditions of Approval (if any):

JUN 07 2012 ✓ Chm