

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

87505

State of New Mexico

Energy, Minerals and Natural Resources

Form C-103

Revised July 18, 2013

HOBBS OCD

OCT 08 2014

RECEIVED

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-025-34587
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-4362
7. Lease Name or Unit Agreement Name Rancho Verde 10 State
8. Well Number 1
9. OGRID Number 2862911
10. Pool name or Wildcat Wolfcamp, SW

<p>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.)</p>	
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>	
<p>2. Name of Operator EverQuest Energy Corporation</p>	
<p>3. Address of Operator 10 Desta Drive, Ste 300E, Midland, Texas 79705</p>	
<p>4. Well Location Unit Letter L : 2310 feet from the South line and 930 feet from the West line Section 10 Township 16S Range 32E NMPM County Lea</p>	
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4319' AGL</p>	

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.

We plan to run a test packer above the open perms 9806-28' and test the 5-1/2" casing pressure-holding integrity to 500 psig. The results will be recorded on a circular chart and forwarded to the Hobbs OCD office. We will notify the OCD 24-hours in advance of the test so they can witness the job. Junior Bennett will be on location as our well representative. His cell phone number is 432-312-4001. If the casing integrity test meets OCD expectations EverQuest Energy will submit a new C-103 asking for TA approval for a term of 3-6 months so deepening plans can be executed.

SEE ATTACHED CONDITIONS OF APPROVAL

Spud Date:

October 9, 2014

Rig Release Date:

Assuming a 3-5 day job

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 10-8-14
 Type or print name TERRY DUFFEY E-mail address: TDUFFEY@EVERQUESTENERGY.COM PHONE: 432-978 1126
 For State Use Only
 APPROVED BY: Mary Brown TITLE Dist. Supervisor DATE 10/8/2014
 Conditions of Approval (if any):

OCT 08 2014

CONDITIONS OF APPROVAL

October 8, 2014

- SUBMIT CURRENT WELLBORE DIAGRAM.
- WHEN PACKER IS RAN IT MUST BE WITHIN 100' OR LESS FROM THE TOP PERFORATIONS.
- ANNULUS MUST CONTAIN INERT FLUID (PACKER FLUID).
- FOR A VALID TEST, A CIBP, RBP OR TUBING AND PACKER MUST REMAIN IN THE WELLBORE AFTER TEST.
- THIS IS A MINIMUM OF 500# TEST, FOR 30 MINUTE DURATION. IF A 10% OR GREATER FALL OFF OCCURS THE TEST HAS FAILED.
- CONTACT OCD WITH A MINIMUM OF 24 HOURS NOTICE PRIOR TO RUNNING TEST.
- USE 1000# CHART AND CHART RECORDER WITH A CLOCK WITH THE ABILITY TO BE RAN FOR 60 MINUTES, AND HAS BEEN CALIBRATED IN THE LAST 6 MONTHS. CALIBRATION RECORDS MUST BE PRESENT WITH THE RECORDER.

MG Brown

District I Supervisor

OCD -Hobbs

OCT 08 2014