

HOBBS OCD**SEP 26 2017****RECEIVED**

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-005-20558

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

K-3259

7. Lease Name or Unit Agreement Name

Sun State

8. Well Number 1

9. OGRID Number 258867

10. Pool name or Wildcat

SWD;SAN ANDRES

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-1039-A

2. Name of Operator STEVENSON OIL CO., INC.

3. Address of Operator

1709 N. 9TH STREET, LOVINGTON, NM 88260

4. Well Location

Unit Letter M : 660 feet from the South line and 660 feet from the West line
Section 36 Township 7S Range 30E NMPM Chaves County

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

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.

LOCATE LEAK AND TEST - Work performed 7/13 - 7/24/17

1. Notified OCD 24 hrs. prior to starting work.

2. POOH with tubing and pkr.

3. RIH with plug and test. Found hole in casing. @ 1126'

4. Cement with 100 sxs cement. WOC 24 hrs.

5. Drill out cement. Test for leaks

6. Displace annulus with pkr. fluid and set pkr. at 3476'. Prepare to test.

7. Notify OCD 24-hrs. prior to testing.

8. Pressure test well - test failed. - 8-11-2017

9. Will submit C-103 to squeeze. NOTIFY OCD PRIOR TO TEST AFTER RE-SQUEEZE.

10. RE-TEST

SWD-1039A

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

SIGNATURE Jack Stevenson TITLE PRESIDENT DATE Type or print name Jack Stevenson E-mail address: jckatwtrby@hotmail.com PHONE: 575-631-1083

For State Use Only

APPROVED BY: Mary Brown TITLE AD/II DATE 9/26/2017

Conditions of Approval (if any)