

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 July 18, 2013

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

WELL API NO.
 30-007-20686

5. Indicate Type of Lease
 STATE ☐ FEE ☒

6. State Oil & Gas Lease No.
 N/A

7. Lease Name or Unit Agreement Name

VPR D

8. Well Number 308

9. OGRID Number 328741

10. Pool name or Wildcat
 Castle Rock-Vermejo Gas

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

Wapiti Operating, LLC

3. Address of Operator

P.O. Box 190, 309 Silver St., Raton, NM 87740

4. Well Location

Unit Letter N: 985 feet from the North line and 1219 feet from the East line

Section 1 Township 30N Range 17E NMPM County Colfax

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 8374 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: ☒ Mechanical Integrity Test

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.

Plan to conduct a Mechanical Integrity Test to NMOCD guidelines on the surface piping. See the Notice of Intent that is attached.

Spud Date:

Rig Release Date:

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

SIGNATURE Randy L. Madison TITLE HSE & Regulatory Specialist, Sr. DATE 4/24/2023

Type or print name Randy L. Madison E-mail address: rmadison@wapitienergy.com PHONE: 575-445-6706

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____



April 10, 2023

RE : VPR D-303, D-304 and D-308

To whom it may concern,

Wapiti Operating recently had three wells fail MIT's as required by the state. The wells are the VPR D-303 (API : 30-007-20681), VPR D-304 (API : 30-007-20682), and VPR D-308 (API : 30-007-20686). The tests were conducted when temperatures were extremely cold and had a very small leakoff. Since that time, we have retorqued the wellheads and are ready to have the state witness the new tests. The date given was April 13th for the new tests, which is coming up quickly. These wells were originally permitted as horizontal wells and direct offsets to existing wells. Over the years, Wapiti has produced various horizontal wells in the area, and the reserves have been quite attractive, especially at higher price environments. These wells all have 9-5/8" surface casing set and are awaiting the time to drill when economics make the most sense. Recently Wapiti has purchased a rig that can drill these wells and will make the economics considerably better by doing it all in house. Production casing has been purchased and is inventory as well. Wapiti had a plan and was ready to pursue these wells once the MIT's passed. The timing could not have been worse with prices going from over \$8/mmbtu to current spot prices at or below \$2/mmbtu. This has not put an end to the project but has delayed it waiting for a more favorable pricing environment. We look forward to successful MIT tests to satisfy the state requirements and putting a plan of development together that we can execute when the timing is more favorable for economic justification.

Respectfully,

Ed Skrljac
Wapiti Energy
O: (713) 365-8506
C: (281) 635-0215
eskrjac@wapitienergy.com

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Santa Fe, NM 87505

CONDITIONS

Action 210330

CONDITIONS

Operator: Wapiti Operating, LLC 1251 Lumpkin Rd Houston, TX 77043	OGRID: 328741
	Action Number: 210330
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Contact the appropriate Compliance Officer Supervisor for instructions on scheduling a MIT	11/13/2023