

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

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

WELL API NO. 30-015-38956
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. 34361
7. Lease Name or Unit Agreement Name Stiletto '16' State
8. Well Number 6 H
9. OGRID Number 006742
10. Pool name or Wildcat Cemetary-Yeso
4. Well Location Unit Letter B : 380 feet from the north line and 1700' feet from the east line
Section 16 Township 20S Range 25E NMPM County Eddy
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3473' 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 []
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB [X]
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.

- 5/28/11 Drilled 8 3/4" vertical hole to 2100'. Ran GR/CNL and Gyro
5/31-6/7/11 Drilled curve 2100'-3278' MD (2100'-2850' TVD) and 90° lateral to TD of 7017' MD (2850' TVD)
6/7-6/9/11 Ream and condition hole for casing & OH packers
6/10/11 Ran 5 1/2" 17# L-80 casing & OH packers to 6791' w/DV tool @ 2379'. DV tool would not open. Released rig at 6:00 am. (ECP 2537' to 6512' for zone isolation)
6/17/11 MI workover rig. Ran 2 7/8" tubing and opened DV tool. Cemented well from 2379' to surface with 340 sx extended (12.8 ppg, 1.92 yield) and 180 sx conventional (14.8 ppg, 1.33 yield) Circ 73 sx.
6/20-22/11 Drilled out DV tool and prepare for frac 7/5-7/11.

Spud Date: 5/25/11 Rig Release Date: 6/10/11



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

SIGNATURE Tom Golden TITLE Operations Manager DATE 7/5/11

Type or print name Tom Golden E-mail address: tjgold@echoproduction.com PHONE: (940) 549-3292

APPROVED BY: David Gray TITLE Field supervisor DATE 7-4-2011

Handwritten note: Csg. Press test required prior to beginning completion operations.