

| District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-8161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (505) 748-1283 Fax: (505) 748-0720 District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone: (505) 334-8178 Fax: (505) 334-8170 District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 478-3470 Fax: (505) 478-3462 | State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505 | Form C-103 August 1, 2011 Permit 235016 WELL AP NUMBER 30-015-33421 5. Indicate Type of Lease F 6. State Oil & Gas Lease No. 7. Lease Name or Unit Agreement Name C K 7 FEDERAL 8. Well Number 002 9. OGRID Number 371172 10. Pool name or Wildcat | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|--|---|--|-----------|----------|--------------|-------|---------|-----------|---------|-----------|-----------|-----------|-----------|-----------|-----------|----------|--------|------------|-------|-------|-----|-----|------|-------|-----|------|-----------|---|------|-----|---|
| 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: G | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Name of Operator: RIDDLE ENGINEERING CORP | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Address of Operator: P.O. Box 270130, Corpus Christi, TX 784270130 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. Well Location Unit Letter: G : 2520 feet from the N line and feet 1415 from the E line Section 7 Township 24S Range 26E NMPM County Eddy | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.) 3758 GR | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank Volume _____ bbls; Construction Material: _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data <table style="width:100%;"> <tr> <td style="width:50%; vertical-align: top;"> NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> Other: _____ </td> <td style="width:50%; vertical-align: top;"> SUBSEQUENT REPORT OF: ALTER CASING <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> REMEDIAL WORK <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> Other: Drilling/Cement <input checked="" type="checkbox"/> </td> </tr> <tr> <td style="vertical-align: top;"> <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> CHANGE OF PLANS <input type="checkbox"/> MULTIPLE COMPL </td> <td></td> </tr> </table> | | | NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> Other: _____ | SUBSEQUENT REPORT OF: ALTER CASING <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> REMEDIAL WORK <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> Other: Drilling/Cement <input checked="" type="checkbox"/> | <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> CHANGE OF PLANS <input type="checkbox"/> MULTIPLE COMPL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| See Attached Casing and Cement Program | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>String</th> <th>Fluid Type</th> <th>Hole Size</th> <th>Csg Size</th> <th>Weight lb/ft</th> <th>Grade</th> <th>Est TOC</th> <th>Depth Set</th> <th>Sacks</th> <th>Yield</th> <th>Class</th> <th>1' Dpth</th> <th>Pres Held</th> <th>Pres Drop</th> <th>Open Hole</th> </tr> </thead> <tbody> <tr> <td>03/09/17</td> <td>Liner1</td> <td>FreshWater</td> <td>4.892</td> <td>2.875</td> <td>6.5</td> <td>L80</td> <td>3430</td> <td>11374</td> <td>560</td> <td>1.29</td> <td>50/50 Poz</td> <td>0</td> <td>3800</td> <td>400</td> <td>N</td> </tr> </tbody> </table> | | | Date | String | Fluid Type | Hole Size | Csg Size | Weight lb/ft | Grade | Est TOC | Depth Set | Sacks | Yield | Class | 1' Dpth | Pres Held | Pres Drop | Open Hole | 03/09/17 | Liner1 | FreshWater | 4.892 | 2.875 | 6.5 | L80 | 3430 | 11374 | 560 | 1.29 | 50/50 Poz | 0 | 3800 | 400 | N |
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| I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> or an (attached) alternative OGD-approved plan <input type="checkbox"/> . | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SIGNATURE: <u>Electronically Signed</u> TITLE: <u>President</u> DATE: <u>5/10/2017</u> Type or print name: <u>Eduardo A Riddle</u> E-mail address: <u>e.a.riddle@riddle-eng.com</u> Telephone No.: <u>361-452-2703</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| For State Use Only: APPROVED BY: <u>Raymond Podany</u> TITLE: <u>Geologist</u> DATE: <u>5/11/2017 3:35:42 PM</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Accepted For Record
NMOCD

APPROVAL IS HEREBY RESCINDED.
 Document Accepted for Record Only.
 Submit sundries to BLM for approval for
 this Federal well.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
*Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.*

5. Lease Serial No.
NMNM15295

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Riddle Engineering Corp. (OGRID 371172)

3a. Address

PO BOX 270130, CORPUS CHRISTI TX 78427-0130

3b. Phone No. (include area code)

361-452-2703 main, 361-813-1895 cell

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2450' FNL & 1415' FEL, SEC 7, T24S, R26E

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
CK 7 FEDERAL NO. 2

9. API Well No.
30-015-33421

10. Field and Pool or Exploratory Area

11. Country or Parish, State
EDDY

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|--|---|--|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input checked="" type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Recomplete to Atoka</u> |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

1. Pulled out of hole and laid down 2 3/8" tubing.
2. Ran in hole with 2 7/8" 6.5 ppf L80 EUE tubing as liner inside 5 1/2" 17 ppf P110 casing to 11,374'.
3. Basic Energy Services cemented 2 7/8" liner in 5 1/2" casing with 560 sacks of 50/50 Poz Class H + 2% gel + 5% salt + 0.4% C15 + 0.4% C41P + 0.3% C37 + 0.1% C20 @ 14.2 ppg & 1.29 yield. Calculated cement top is 3000'.
4. Ran gamma ray/cement bond/correlation log. Found top of cement at 3430' (5 1/2" casing parted at 3508')
5. Perforated Atoka from 11,148 - 50' (2'); 11,006 - 10' (4') & 10,879 - 92' (13').
6. Acidized Atoka with 4000 gallons 15% HCl.
7. Swabbed well and it started flowing gas and water.
8. Ran production log and it was determined that all flow was coming from top set or perforations (10,879 - 92') and no flow from bottom 2 sets (11,006 - 10' & 11,148 - 50').
9. Shut in well to study options.

Attachments:

Gamma Ray/Cement Bond Log/Correlation log - previously submitted to Carlsbad BLM office on 4/12/2017.

Cementing Report

Current Wellbore Diagram

14. I hereby certify that the foregoing is true and correct

Name (Printed Typed)

EDUARDO A RIDDLE

Title PRESIDENT

Signature

Eduardo A Riddle

Date 04/19/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-8181 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88213
 Phone:(575) 748-1293 Fax:(575) 748-6720

District III
 1000 Rio Brazos Rd., Aztec, NM 87413
 Phone:(505) 334-8178 Fax:(505) 334-8170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 478-3470 Fax:(505) 478-3482

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Comments

Permit 235018

DRILLING COMMENTS

| | |
|--|------------------------------|
| Operator: RIDDLE ENGINEERING CORP P.O. Box 270130 Corpus Christi, TX 784270130 | OGRIID: 371172 |
| | Permit Number: 235018 |
| | Permit Type: Drilling |

Comments

| Created By | Comment | Comment Date |
|------------|---------|--------------|
| ERIDDLE | | 5/10/2017 |