

Submit 3 Copies
to Appropriate
District Offices

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. BOX 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.

30-045-26494

5. Indicate type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Kelly

8. Well No.

1

9. Pool name or Wildcat

Grassy Gallup

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

Redwolf Production, Inc.

3. Address of Operator

P. O. Box 5382 Farmington, NM 87499

4. Well Location

Unit Letter **P** : **990** Feet From The **South** Line and **880** Feet From The **East** Line

Section **25** Township **30N** Range **15W** NMPM **San Juan** County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

5365' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

REMEDIAL WORK ☒

ALTERING CASING ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ABANDONMENT ☐

PULL OR ALTER CASING ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

12. 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.

Redwolf Production, Inc. drilled out the bridge plug at 5330' and returned the Basin Dakota formation to production. The well was cleaned out to a PBD of 5585' KB, and 2 3/8" tubing was landed at 5476' KB.

Attached is a copy of Administrative Order DHC-3486, which provides approval for downhole commingling of the Grassy Gallup and Basin Dakota formations in the subject well.

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

SIGNATURE

Dana L. Delventhal

TITLE

Vice President

DATE

7/8/05

TYPE OR PRINT NAME

Dana L. Delventhal

TELEPHONE NO. (505) 326-4125

(This space for State Use)

APPROVED BY

[Signature]

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST.

DATE

JUL 11 2005

CONDITIONS OF APPROVAL, IF ANY:



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3486

Redwolf Production, Inc.
PO Box 5382
Farmington, NM 87499

Attention: Dana L. Delventhal

KELLY #001

API No. 30-045-26494

Unit P, Section 25, Township 30N, Range 15W, NMPM,

SAN JUAN County, New Mexico

GRASSY; GALLUP (O) (96339), and

BASIN DAKOTA (PRORATED GAS) (71599) Pools

Dear Ms. Delventhal:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable to the well and allocation of production from the well shall be as follows.

<i>GRASSY; GALLUP (O) Pool</i>	<i>Oil-100%</i>	<i>Gas-0%</i>
<i>BASIN DAKOTA (PRORATED GAS) Pool</i>	<i>Oil-0%</i>	<i>Gas-100%</i>

These percentages shall be amended only with written permission of the Division.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on July 1, 2005.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Mark E. Fesmire", is written over the printed name and title.

MARK E. FESMIRE, P.E.
Director

cc: Oil Conservation Division – Aztec