

District I

1625 N French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S St Francis Dr., Santa Fe, NM 87505

HOBBS OCD

OCT 28 2011

RECEIVED

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-025-06204

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

015823

7. Lease Name or Unit Agreement Name

Eunice Monument Unit

8. Well Number 10

9. OGRID Number 003044

10. Pool name or Wildcat

Eunice Monument; Grayburg-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 - Shut-in

2. Name of Operator

Burgundy Oil & Gas of New Mexico, Inc.

3. Address of Operator

401 W. Texas, Suite 1003 Midland, TX 79701

4. Well Location

Unit Letter C : 330 feet from the North line and 1650 feet from the West line
Section 21 Township 20 South Range 37 East NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3521' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Return to Production ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- 1) Drill out cement & CIBP @ 3600'
- 2) Clean out to 3845' - Run open hole Logs
- 3) RIH w/ 4 1/2" csg & cement
- 4) Test perms picked from OH Logs
- 5) Acidize & swab test
- 6) Potential via rod pump

The Oil Conservation Division

MUST BE NOTIFIED 24 Hours

Prior to the beginning of operations

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 ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Cindy K. Campbell TITLE Production Accountant DATE 10/27/2011

Type or print name Cindy K. Campbell E-mail address: ccampbell@t3wireless.com Telephone No. 432-684-4033, x-205

For State Use Only

APPROVED BY: [Signature] TITLE Staff Manager DATE 10-31-2011

Conditions of Approval (if any):

OCT 31 2011

Burgundy Oil & Gas of New Mexico, Inc.

Eunice Monument Unit No. 10

Unit Letter C, Sec. 21, T-20-S, R-37-E

Lea Co., New Mexico

API #: 30-025-06204

Equipment & Design:

Burgundy Oil & Gas of New Mexico, Inc. will use a closed loop system in the process of returning this well to production. The following equipment will be on location:

- (1) 160 bbl steel reverse tank

Operations & Maintenance:

During each day of operation, the rig's crew will inspect and closely monitor the fluids contained within the steel tank and visually monitor any release that may occur. Should a release, spill or leak occur, the NMOCD District 1 office Hobbs (575-393-6161) will be notified, as required in NMOCD's rule 19.15.29.8.

Closure:

After plugging operations, fluids and solids will be hauled and disposed at Sundance Disposal, permit number NM-01-0003. Secondary site will be CRI, permit NM-01-0006.