

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL API NUMBER

30-015-34762

5. Indicate Type of Lease

S

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

EAST MILLMAN UNIT

8. Well Number

229

9. OGRID Number

158898

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 RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:O

2. Name of Operator

AMERISTATE EXPLORATION, L.L.C.

3. Address of Operator

111 CONGRESS AVE., STE. 2700, AUSTIN, TX 78701

4. Well Location

Unit Letter C : 1261 feet from the N line and 1330 feet from the W line
Section 14 Township 19S Range 28E NMPM Eddy County

11. Elevation (Show whether DR, KB, BT, GR, etc.)

3438 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 OF PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐CASING/CEMENT JOB ☐Other: **Drilling/Cement** ☒

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.

04/19/2006: In 12 1/4" hole, ran 9 jts. 8 5/8" 24# J-55 STC set @ 350'. Cmt'd w/210 sxs C1 C + 2% CaCl, 0.25#/sx CF, 4% bentonite, 0.005 lb/sk SF, 0.005 gps FP-6L. Tailed in w/90 sxs C1 C = 2% CaCl, 0.25lb/sx CF = 0.005 lb/sx SF, 0.005 gps FP-6L. Yield 1.35. Bumped plug - float held. Circ'd 10 sxs to surface. WOC 14 hrs. Tested csg to 1000 psi for 30 min. Tested OK.

04/26/2006: In 7 7/8" hole, ran 5 1/2" 15.5# J-55 STC set @ 3000' Cmt'd w/550 sxs C1 C + 0.5% CD-32, .005 lbs/sx SF, 0.005 gps FP-6L, 0.8% FL-62. Yield 1.33. Bumped plug - float held. WOC 24+ hrs. TOC: 521'. Tested csg 4/19/2006 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
04/19/06	Surf	FreshWater	12.25	8.625	24	J-55	0	350	210	1.35	C		1000	0	
04/26/06	Prod	Mud	7.875	5.5	15.5	J-55	521	3000	550	1.33	C		1450	0	

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 Electronically Signed

TITLE President

DATE 6/21/2006

Type or print name Mark Nearburg

E-mail address maryd@ameristate.net

Telephone No. 512-391-0300

For State Use Only:

APPROVED BY: Bryan Arrant

TITLE Geologist

DATE 6/21/2006 3:12:18 PM