

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

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

Form C-103
Permit 34285

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL API NUMBER

30-025-37921

5. Indicate Type of Lease

S

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

SCHOONER B STATE

8. Well Number

002

9. OGRID Number

212929

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

EVERQUEST ENERGY CORPORATION

3. Address of Operator

10 DESTA DRIVE , , SUITE 300E MIDLAND , TX 79705

4. Well Location

Unit Letter H : 2310 feet from the N line and 430 feet from the E line
Section 17 Township 16S Range 32E NMPM Lea County

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

4350 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.

Drilled 7.875" hole @ 1250-4010'. Logged. Ran 5.50" 15.5# J55 casing to 4009'. Circulated. Cemented w/ LEAD 360 sx Interfill C + Flocele and TAIL w/ 370 sx Premium Plus, bumped plug, float eqmt held good. Circulated 41 sx (18 bbls) to pit. ND BOP, set casing slips, cut-off casing, secured well. Released rig 6/22/2006 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
06/24/06	Surf	FreshWater	12.25	8.625	24	J55	0	1245	650	1.34	C		1000	0	Y
06/30/06	Prod	CutBrine	7.875	5.5	15.5	J55	0	4000	730	1.33	C		1000	0	N

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 7/17/2006

Type or print name Terry Duffey

E-mail address everquest@nts-online.net

Telephone No. 432-686-9790

For State Use Only:

APPROVED BY: Paul Kautz

TITLE Geologist

DATE 7/17/2006 3:37:27 PM