

District I  
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District II  
1301 W. Grand Ave., Artesia, NM 88210  
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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**

Form C-103  
Permit 36654

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFRENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)<br>1. Type of Well:O<br>2. Name of Operator<br>EVERQUEST ENERGY CORPORATION<br>3. Address of Operator<br>10 DESTA DRIVE , , SUITE 300-E MIDLAND , TX 79705<br>4. Well Location<br>Unit Letter H : 2310 feet from the N line and 430 feet from the E line<br>Section 17 Township 16S Range 32E NMPM Lea County |  | WELL API NUMBER<br>30-025-37921 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  | 5. Indicate Type of Lease<br>S  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  | 6. State Oil & Gas Lease No.    |
| 7. Lease Name or Unit Agreement Name<br>SCHOONER B STATE                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |                                 |
| 8. Well Number<br>002                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |                                 |
| 9. OGRID Number<br>212929                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |                                 |
| 10. Pool name or Wildcat<br>See Area 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                                 |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.)<br>4350 GR.                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |                                 |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/><br>Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____<br>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: **Perforations/Tubing** ☒

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.  
MIRU WSU, PU 2.375" J55 tubing, GIH to PBTD. Circ wellbore clean w/ 2% KCl. RU and perforate w/ 4" gun, 2 spf fl 3674-3684'. Run treating packer on tubing. Spot acid to EOT. Breakdown and acidize perfs w/ 1500 gal 15% HCl and 60-0.875" balls. BDP 2000 psi, InjRate 4-5 bpm, InjPress 2000-2200 psi. Good ball action throughout job, ISIP 1053 psi, 5" 859#, 10" 705#, 15" 586#. Pull LD tubing and packer. RDMO WSU. Waiting on frac.

**Perforations**

**Pool: ANDERSON RANCH;GRAYBURG, WEST , 1560 Location: H -17-16S-32E 2310 N 430 E**

| TOP  | BOT  | Open Hole | Shots/ft | Shot Size | Material | Stimulation | Amount |
|------|------|-----------|----------|-----------|----------|-------------|--------|
| 3674 | 3684 | N         | 2        | 0.51      |          | Acid        | 1500   |
| 3674 | 3684 | N         | 2        | 0.51      | Sand     | Frac        | 48000  |

**Tubing**

**ANDERSON RANCH;GRAYBURG, WEST , 1560**

| Tubing Size | Type | Depth Set | Packer Set |
|-------------|------|-----------|------------|
| 2.375       | J55  | 3725      |            |

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 8/22/2006

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 8/23/2006 1:08:00 PM