

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
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-103
Permit 36992

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:G 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 <u>D</u> : <u>660</u> feet from the <u>N</u> line and <u>950</u> feet from the <u>W</u> line Section <u>13</u> Township <u>16S</u> Range <u>26E</u> NMPM <u>Eddy</u> County		WELL API NUMBER 30-015-34027
		5. Indicate Type of Lease S
		6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name MIDNIGHT 13 STATE COM		
8. Well Number 001		
9. OGRID Number 158898		
10. Pool name or Wildcat		
11. Elevation (Show whether DR, KB, BT, GR, etc.) 3387 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.
Re-entry and deepening procedures currently scheduled for 9/5/06:

1. Prepare existing pad for Nabors Rig No. 56.
2. Drill rathole and mousehole.
3. Move in and rig up Nabors Rig No. 56 with closed loop tanks.
4. Nipple up and test blow out preventer equipment with rotating head and underbalanced drilling equipment.
5. Pick up 6-1/8" bit, 4-3/4" bottom hole assembly and run in hole on 3-1/2" rental drill pipe.
6. Drill out cement and float equipment +10' new formation. Test casing shoe to 12.5 ppg EMW.
7. Drill 6-1/8" hole to 7000' or total depth as specified by geologist.
8. Condit6/9/2006 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
06/09/06	Surf	FreshWater	17.5	13.375	54.5	J-55	0	1435	465	1.35	Prem Plus		1000		0
06/14/06	Int1	Mud	12.25	9.625	40	J-55	0	1435	500	1.35	Prem Plus		1500		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 8/30/2006
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 8/30/2006 2:50:19 PM