

Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-007-20682
5. Indicate Type of Lease STATE [ ] FEE [X]
6. State Oil & Gas Lease No. N/A
7. Lease Name or Unit Agreement Name VPR D
8. Well Number 304
9. OGRID Number 328741
10. Pool name or Wildcat Castle Rock-Vermejo Gas

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 [X] Other [ ]
2. Name of Operator Wapiti Operating, LLC
3. Address of Operator P.O. Box 190, 309 Silver St., Raton, NM 87740
4. Well Location Unit Letter N : 586 feet from the South line and 2023 feet from the West line
Section 36 Township 31N Range 17E NMPM County Colfax
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 8193 GR

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 [ ]
DOWNHOLE COMMINGLE [ ]
CLOSED-LOOP SYSTEM [ ]
OTHER: [ ]
SUBSEQUENT REPORT OF:
REMEDIAL WORK [ ] ALTERING CASING [ ]
COMMENCE DRILLING OPNS. [ ] P AND A [ ]
CASING/CEMENT JOB [ ]
OTHER: [X] Mechanical Integrity Test

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

Plan to conduct a Mechanical Integrity Test to NMOCD guidelines on the surface piping. See the Notice of Intent that is attached.

Spud Date: [ ]

Rig Release Date: [ ]

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE HSE & Regulatory Specialist, Sr. DATE 4/24/2023

Type or print name Randy L. Madison E-mail address: rmadison@wapitienergy.com PHONE: 575-445-6706

For State Use Only

APPROVED BY: TITLE DATE

Conditions of Approval (if any):



April 10, 2023

**RE : VPR D-303, D-304 and D-308**

To whom it may concern,

Wapiti Operating recently had three wells fail MIT's as required by the state. The wells are the VPR D-303 (API : 30-007-20681), VPR D-304 (API : 30-007-20682), and VPR D-308 (API : 30-007-20686). The tests were conducted when temperatures were extremely cold and had a very small leakoff. Since that time, we have retorqued the wellheads and are ready to have the state witness the new tests. The date given was April 13<sup>th</sup> for the new tests, which is coming up quickly. These wells were originally permitted as horizontal wells and direct offsets to existing wells. Over the years, Wapiti has produced various horizontal wells in the area, and the reserves have been quite attractive, especially at higher price environments. These wells all have 9-5/8" surface casing set and are awaiting the time to drill when economics make the most sense. Recently Wapiti has purchased a rig that can drill these wells and will make the economics considerably better by doing it all in house. Production casing has been purchased and is inventory as well. Wapiti had a plan and was ready to pursue these wells once the MIT's passed. The timing could not have been worse with prices going from over \$8/mmbtu to current spot prices at or below \$2/mmbtu. This has not put an end to the project but has delayed it waiting for a more favorable pricing environment. We look forward to successful MIT tests to satisfy the state requirements and putting a plan of development together that we can execute when the timing is more favorable for economic justification.

Respectfully,

Ed Skrljac  
Wapiti Energy  
O: (713) 365-8506  
C: (281) 635-0215  
[eskrljac@wapitienergy.com](mailto:eskrljac@wapitienergy.com)

1251 Lumpkin, Houston Texas 77043 • 713.365.8500 • [www.wapitienergy.com](http://www.wapitienergy.com)



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 1625 N. French Dr., Hobbs, NM 88240  
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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 210327

**CONDITIONS**

Operator: Wapiti Operating, LLC 1251 Lumpkin Rd Houston, TX 77043	OGRID: 328741
	Action Number: 210327
	Action Type: [C-103] NOI General Sundry (C-103X)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclore	Contact the appropriate Compliance Officer Supervisor for instructions on scheduling a MIT	11/13/2023