

March 13, 2014

2014 MAR 14 P 2: 13

U.S. Department of the Interior
Bureau of Land Management
Attn: Jim Lovato
6251 College Blvd
Farmington, Nm 87402

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505
Attention: Will Jones
Senior Petroleum Geologist

Commissioner of Public Land
State Land Office
Oil, Gas and Minerals Division
P.O. Box 1148
Santa Fe, NM 87504-1148

Santa Fe National Forest
Cuba Ranger District
P.O. Box 130
Cuba, NM 87013

Re: CANADA OJITOS UNIT
RIO ARRIBA COUNTY, NM
2014 PLAN OF DEVELOPMENT

Gentlemen:

Set out below is Summary of Operations for 2013 and Operator's Plan of Development for 2014.

1. Summary of 2013 Operations:
Evaporation Pond tank and pump were replaced and washout of the pipeline in the Simon Canyon was repaired and covered.
A summary of work on the individual wells within the unit is included after Schedule I.
There were no changes to the participating area or Exhibits A and B.

2. A list of all wells and their status on December 31, 2013 is shown on the attached Schedule I.
3. Schedule II, 2013 production statistics and companion graphs are attached.
4. Plan of Development for 2014
No new wells are planned at this time. Operations will continue generally unchanged from the past.

We request your approval of this 2014 Plan of Development for the Canada Ojitos Unit.

Regards,

A handwritten signature in black ink, appearing to read "Matt Dimond". The signature is fluid and cursive, with a prominent loop at the end.

Matt Dimond
President

Enclosures

SCHEDULE I
STATUS OF CANADA OJITOS UNIT WELLS 12/31/2013

Well Name	Footage Section - Twp - Range	Latitude/ Longitude	Elevation	Status
COU #1 (O-9)	1080' FSL, 1920' FEL SWSE-9-26N-1W	N36.29.707 W106.56.711	7750 GR	Producing
COU #2 (K-13)	1785' FSL, 2120' FWL NESW-13-25N-1W	N36.23.691 W106.53.735	7088 GR	Producing
COU #3 (A-14)	1125' FNL, 450' FWL NENE-14-25N-1W	N36.24.125 W106.54.255	7130 DF	Producing
COU #4 (P-11)	1020' FSL, 800' FEL SESE-11-25N-1W	N36.24.472 W106.54.339	7214 GR	Producing
COU #5 (B-18)	835' FNL, 1495' FEL NWNE-18-25N-1E	N36.40.277 W106.87.168	7203 DF	Producing
COU #6 (L-11)	1908' FSL, 523' FWL NWSW-11-25N-1W	N36.24.614 W106.55.149	7220 GR	Producing
COU #7 (A-23)	680' FNL, 620' FEL NENE-23-25N-1W	N36.38.817 W106.90.529	7141 GR	Shut In
COU #8 (A-16)	850' FNL, 1030' FEL NENE-16-25N-1W	N36.24.159 W106.56.561	7532 KB	Plugged & Abandoned
COU #9 (C-2)	1280' FNL, 1610' FWL NENW-2-25N-1W	N36.27.161 W106.56.141	7278 GR	Producing
COU #10 (O-33)	175' FSL, 2090' FEL SWSE-33-26N-1W	N36.26.070 W106.56.745	7533 GR	Producing
COU #11 (E-10)	2145' FNL, 825' FWL SWNW-10-25N-1W	N36.24.810 W106.56.158	7329 GR	Producing
COU #12 (A-22)	525' FNL, 825' FEL NENE-22-25N-1W	N36.23.359 W106.55.432	7343 GR	Producing
COU #13 (L-27)	1415' FSL, 740' FWL NWSW-27-26N-1W	N36.27.161 W106.56.141	7463 KB	Producing
COU #14 (C-34)	595' FNL, 2145' FWL NENW-34-25N-1W	N36.21.603 W106.55.897	7427 KB	Producing
COU #16 (L-3)	1791' FSL, 523' FWL NWSW-3-24N-1W	N36.20.268 W106.56.215	7549 KB	Shut In (Load Oil to Recover)
COU #17 (G-1)	1980' FNL, 1880' FEL SWNE-1-24N-1E	N36.34.171 W106.89.026	7140 GR	Shut In
COU #18 (C-5)	900' FNL, 1700' FWL NENW-5-25N-1E	N36.43.156 W106.86.075	7482 KB	Producing
COU #19 (A-14)	495' FNL, 495' FEL NENE-14-24N-1W	N36.31.667 W106.90.437	7096 GR	Shut In (Load Oil to Recover)
COU #21 (G-32)	1800' FNL, 1675' FEL SWNE-32-26N-1W	N36.26.575 W106.57.734	7560 GR	Producing
COU #22 (F-20)	1700' FNL, 1790' FWL SENW-20-26N-1W	N36.28.370 W106.58.095	7724 GR	Producing
COU #23 (N-22)	1302' FSL, 1413' FWL SWSW-22-26N-1W	N36.28.015 W106.56.067	7494 KB	Producing

SCHEDULE I
STATUS OF CANADA OJITOS UNIT WELLS 12/31/2013

Well Name	Footage Section - Twp - Range	Latitude/ Longitude	Elevation	Status
COU #24 (J-8)	1650' FSL, 1650' FEL NWSE-8-25N-1W	N36.24.586 W106.57.739	7437 GR	Plugged & Abandoned
COU #25 (B-32)	231' FNL, 2218' FEL NWNE-32-25N-1W	N36.21.647 W106.57.873	7599 GR	Producing
COU #26 (K-31)	1650' FSL, 1650' FWL NESW-31-25N-1W	N36.21.104 W106.59.220	7437 GR	Recovering load oil/Producing Gas
COU #27 (K-8)	1680' FSL, 2166' FEL NWSE-8-24N-1W	N36.19.383 W106.57.862	7517 GR	Shut In
COU #28 (B-29)	393' FNL, 2367' FEL NWNE-29-25N-1W	N36.22.494 W106.57.843	7496 GR	Producing
COU #29 (E-6)	1850' FSL, 870' FWL SWNW-6-25N-1W	N36.25.756 W106.59.382	7493 GR	Producing
COU #30 (F-30)	1755' FNL, 2418' FWL SENW-30-25N-1W	N36.22.276 W106.59.050	7671 GR	Producing
COU #31 (N-31)	900' FSL, 1650' FWL SESW-31-26N-1W	N36.26.215 W106.59.258	7569 GR	Plugged & Abandoned
COU #32 (J-6)	1650' FSL, 1650' FEL NWSE-6-25N-1W	N36.25.508 W106.58.861	7444 GR	Recovering load oil/Producing Gas
COU #33 (F-18)	2310' FWL, 2265' FNL SWNW-18-25N-1W	N36.23.930 W106.59.152	7617 GR	Producing
COU #34 (F-19)	1340' FNL, 1903' FWL SWNW-19-25N-1W	N36.23.201 W106.59.181	7652 GR	Producing
COU #35 (D-17)	1200' FNL, 300' FWL NWNW-17-25N-1W	N36.24.121 W106.58.415	7465 GR	Recovering load oil/Producing Gas
COU #36 (A-20)	1200' FNL, 415' FEL NENE-20-25N-1W	N36.23.218 W106.57.540	7432 GR	Producing
COU #37 (G-5)	1700' FNL, 2310' FEL SWNE-5-24N-1W	N36.20.578 W106.57.920	7551 GR	Producing
COU #38 (F-7)	1650' FNL, 2310' FEL SENW-7-25N-1W	N36.24.907 W106.59.095	7444 GR	Producing
COU #43 (H-8)	1632' FNL, 1189' FEL SENE-8-26N-1W	N36.20.100 W106.57.644	7785 GR	Producing
COU #44 (B-22)	227' FNL, 2800' FWL NWNE-22-26N-1W	N36.28.624 W106.55.759	7575 GR	Producing
COU #45 (N-28)	500' FSL, 2200' FWL SESW-28-25N-1W	N36.21.794 W106.56.956	7532 GR	Producing
COU #46Y (P-27)	449' FSL, 281' FEL SESE-27-25N-1W	N36 21 45.920 W106 55 18.927	7296 GR	Producing
COU #47 (N-4)	574' FSL, 1809' FWL SESW-4-25N-1W	N36 25 16.949 W106 57 1.666	7392 GR	Producing

**SUMMARY OF 2013 WORK ON CANADA OJITOS UNIT WELLS
ALL IN RIO ARriba COUNTY, NEW MEXICO**

Well Name	Footage Section - Twp - Range	Latitude/ Longitude	Elevation	Summary of Work
COU #1 (O-9)	1080' FSL, 1920' FEL SWSE-9-26N-1W	N36.29.707 W106.56.711	7750 GR	Downhole pump change, retrieved RBP
COU #2 (K-13)	1785' FSL, 2120' FWL NESW-13-25N-1W	N36.23.691 W106.53.735	7088 GR	Cleanout wellbore, installed pumping unit
COU #3 (A-14)	1125' FNL, 450' FWL NENE-14-25N-1W	N36.24.125 W106.54.255	7130 DF	Cleanout wellbore
COU #4 (P-11)	1020' FSL, 800' FEL SESE-11-25N-1W	N36.24.472 W106.54.339	7214 GR	Cleanout wellbore
COU #5 (B-18)	835' FNL, 1495' FEL NWNE-18-25N-1E	N36.40.277 W106.87.168	7203 DF	
COU #6 (L-11)	1908' FSL, 523' FWL NWSW-11-25N-1W	N36.24.614 W106.55.149	7220 GR	Washed pumpng unit
COU #7 (A-23)	680' FNL, 620' FEL NENE-23-25N-1W	N36.38.817 W106.90.529	7141 GR	
COU #9 (C-2)	1280' FNL, 1610' FWL NENW-2-25N-1W	N36.27.161 W106.56.141	7278 GR	Replace lubricator on wellhead
COU #10 (O-33)	175' FSL, 2090' FEL SWSE-33-26N-1W	N36.26.070 W106.56.745	7533 GR	
COU #11 (E-10)	2145' FNL, 825' FWL SWNW-10-25N-1W	N36.24.810 W106.56.158	7329 GR	Washed pumpng unit
COU #12 (A-22)	525' FNL, 825' FEL NENE-22-25N-1W	N36.23.359 W106.55.432	7343 GR	Repaired casing failure, rebuild berm
COU #13 (L-27)	1415' FSL, 740' FWL NWSW-27-26N-1W	N36.27.161 W106.56.141	7463 KB	
COU #14 (C-34)	595' FNL, 2145' FWL NENW-34-25N-1W	N36.21.603 W106.55.897	7427 KB	Downhole pump change
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COU #17 (G-1)	1980' FNL, 1880' FEL SWNE-1-24N-1E	N36.34.717 W106.89.026	7140 GR	
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COU #22 (F-20)	1700' FNL, 1790' FWL SENW-20-26N-1W	N36.28.370 W106.58.095	7724 GR	Rebuild berm
COU #23 (N-22)	1302' FSL, 1413' FWL SWSW-22-26N-1W	N36.28.015 W106.56.067	7494 KB	Downhole pump change, washed pumping unit, repair pumping unit engine
COU #25 (B-32)	231' FNL, 2218' FEL NWNE-32-25N-1W	N36.21.647 W106.57.873	7599 GR	Downhole pump change

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COU #44 (B-22)	227' FNL, 2800' FWL NWN-22-26N-1W	N36.28.624 W106.55.759	7575 GR	
COU #45 (N-28)	500' FSL, 2200' FWL SESW-28-25N-1W	N36.21.794 W106.56.956	7532 GR	Downhole pump change
COU #46Y (P-27)	449' FSL, 281' FEL SESE-27-25N-1W	N36 21 45.920 W106 55 18.927	7296 GR	Removed pumping unit, rods, and downhole pump, installed plunger lift, swabbed well
COU #47 (N-4)	574' FSL, 1809' FWL SESW-4-25N-1W	N36 25 16.949 W106 57 1.666	7392 GR	Downhole pump change
Unit Participating Area				Simon Pipeline washout repair, COU CDP #1 annual compressor emissions test, remove vegetation around location equipment, replace evaporation pond fence, repair land farm fence

SCHEDULE II
2013 CANADA OJITOS UNIT PRODUCTION

	OIL (BOPM)	GAS (MCF/M)	WATER (BWPM)	GAS INJECTION (MCF/M)
January	7,069	42,180	698	0
February	7,135	42,017	926	0
March	8,673	39,317	346	0
April	7,982	41,658	1,291	0
May	7,212	40,303	535	0
June	7,091	48,043	810	0
July	7,726	49,110	700	0
August	8,498	48,031	658	0
September	8,276	43,754	627	0
October	8,050	41,472	899	0
November	7,264	41,787	753	0
December	7,578	41,804	803	0
Totals	92,554	519,476	9,046	0

CANADA OJITOS UNIT 2013 PRODUCTION

