

Submit 1 Copy To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 October 13, 2009

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

WELL API NO. 30-015-32438
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Shugart State Com SWD (39704)
8. Well Number 2
9. OGRID Number 018862 246368
10. Pool name or Wildcat SWD Deleware (96100)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3659 GR

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 Other SWD - 1340

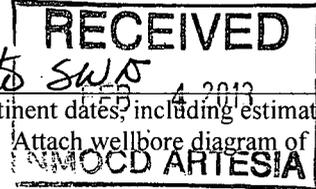
2. Name of Operator Basic Energy Services, LP (246368)

3. Address of Operator
 P.O Box 10460 Midland Tx, 79702

4. Well Location
 Unit Letter K : 1850 feet from the S line and 1650 feet from the W line
 Section 16 Township 18 South Range 31 East NMPM County EDDY

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>OTHER <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input checked="" type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <u>R/E & Convert to SWD</u> <input checked="" type="checkbox"/></p>
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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.

- 11-25-12 Dressed casing strings 13 3/8 Surface, 8 5/8 x 5 1/2 Larkin 92 & 5 1/2 x 2 7/8 Larkin R. Set anchors. SDFN
- 12-3-12 MIRU Equ. RIH with 4 3/4 bit, collar drill on cmt. 31' down SDFN
- 12-4-12 Drill out top surf Plug, tag top of second plug with 8 drill collars, 13 joints 667.24' close BOP test 5 1/2 to 600 psi Good SDFN
- 12-5,6,7,-12 Drill out cmt CIBP as per plugging report TOH with 4 3/4 bit changed TIH to 4503.04 ' circulated SDFN
- 12-8-12 Cleaned out to 5885' circulated hole clean TOH with tubing, collars bit sub, 4 3/4 bit, RIH with Bit scraper circulated 100 bbls fresh TOH with Tbg, scraper & bit, RU wire line set CIBP @5875' / BD 35' CMT on top Wait on CMT tag @ 5840' SDFN

Please see attached page with this report.

Spud Date:

Rig Release Date:

David:
 575-746-2072

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

SIGNATURE David H. Alvarado TITLE SENM District Fluid Sales Mgr. DATE 1/30/13

Type or print name DAVID H. ALVARADO E-mail address: david.alvarado@basicenergyservices.com PHONE: 575.746.9663

For State Use Only

APPROVED BY: RICHARD INGE TITLE COMPLIANCE OFFICER DATE 2/6/13

Conditions of Approval (if any): File C-105 prior to injecting

Continuance of C-103 Subsequent Report

Shugart State ~~Com~~ # 2

API 30-015-32438 Eddy County

12-11-12 RU WL RIH with Perf guns 4SPF intervals as follows (5150-5180), (5260-5320), (5340-5550), (5560-5570), (5600-5610), (5540-5660), (5700-5740) RD wire line wait on acid equipment SDFN

12-12-12 RIH w/RBP / 5 ½ treating PKR. set RBP @ 5772 test good. TOH with tbg. Set PKR @ 5590' treated with 8,960 gal 15%NEFE & 1120 lbs rock salt / displaced with 10# quality brine.

12-13-12 Pull RBP up to 5590' set PUH set PKR @ 5330' Treat with 28,160 gal NEFE 15% w/ 3500lbs rock salt Displace with 10# quality brine. Pull RBP to 5330' set PKR @ 5130' tested annulus 600 psi good treated with 11,520 gal 15% NEFE w/ 1440 lbs rock salt. ISP 900 psi 15min SIP @ 600 psi. SDFN

12-14-12 SDFN bad weather

12-17-12 Open valve PSI at -3PSI POH RBP Pkr lay down working string call in for new Tbg. SDFN

12-18-12 TIH with new Arrow set 5 ½ PKR Run four joints wind to bad SDFN

12-20-12 TIH with new tbg. Set PKR at 5069.85' got off o/o tool pump 3% Pkr fluid set back on F nipple pump out plug test annulus to 400 psi good. SDFN call in for MIT

1-8-13 MIT was conducted with OCD Richard Inge & Richard Pena Basic passed. Well



1-30-13

Basic Energy Services LP

Shugart State ~~Com~~ # 2

1850' FSL, 1650' FWL, Unit (K), Sec 16, T18S, R31E

API # 30-015-32438 Eddy County

Current
12/20/2012

Surface Hole
Bit Size 17 1/2"

Inter. Hole
Bit Size 11"

Pkr. set @ 5069.85'

Cement Data:

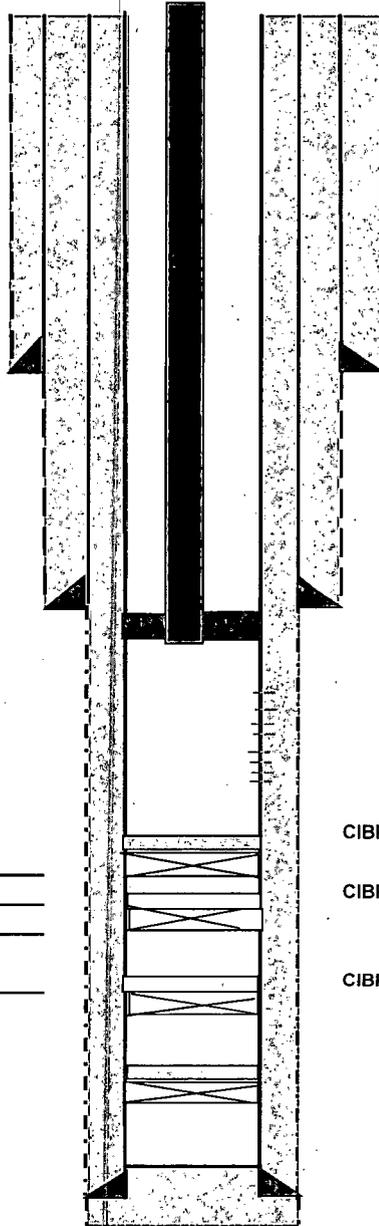
Lead - _____

Tail - _____

Note - _____

CIBP @ 11,650' + 35' CMT

Bit size 7 7/8"



Tree Connection 2 7/8 J-55 PCT

Surface Casing: 13 3/8" 48#

Setting Depth @ 674' 580sx TOC Surf.

Interm. Casing: 8 5/8" 32#

Setting Depth: 4,516' 1410sx
Circulated to Surface

(5150-5180), (5260-5320),	4SPF
(5340-5550), (5560-5570)	4SPF
(5600-5610), (5540-5660),	4SPF
(5700-5740)	4SPF

CIBP @ 5875' + 35' CMT. TTC @ 5840'

CIBP @ 7,170' + 35' CMT

CIBP @ 9,550' + 35' CMT

PBTD: 11,913'

Production Csg.: 5 1/2" 17#

Setting Depth @ 11,970' 2000sx
Circulated to Surface

TD @ 11,970'