

Office

Energy, Minerals and Natural Resources

October 13, 2009

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

HOBBS OGD

MAR 11 2013

RECEIVED

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-015-28278

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
EAST SHUGART UNIT

8. Well Number 78

9. OGRID Number

10. Pool name or Wildcat

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

2. Name of Operator AMERICO ENERGY RESOURCES, LLC

3. Address of Operator

7575 SAN FELIPE STE. Houston, TX 77063

4. Well Location

Unit Letter K : 2300' feet from the South line and 2300 feet from the East lineSection 35 Township 18-S Range 31-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

OTHER: ☐OTHER: ☐

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.

1) MIRUWOR, N/U BOP RJH W/ FISH TOOLS & 2 7/8" TBING ATTEMPT TO FISH RODS & TBING, IF RODS AND TBING IS REMOVED - RIH W/ 5 1/2" RBP & PKR, 2 7/8" TBING, SET RBP @ 3400' (60' ABOVE PERF'S @ 3460') PULL UP SET PKR, TEST RBP 600 PSI, IF HOLDING, TEST BACKSIDE TO 600 PSI - IF LEAKING, SPOT 2SKS SAND ON RBP, START MOVE PKR UP HOLE TO ISOLATE HOLE IN CSG (SHOULD BE 15' BELOW WELLHEADS)

2) ONCE HOLE IS ISOLATED CALL IN TO OFFICE W/ RESULTS

3) IF HOLE IS 1000' OR BELOW N/D BOP, N/U FLANGE BACK CIRC UP 8 5/8" SET INJECTION RATE, PUMP CMT DOWN 5 1/2" AND UP 8 5/8" CSG WHEN GOOD CMT IS SEEN IN PIT START FLUSH SPOT TOP OF CMT 100' ABOVE HOLE IN 5 1/2" SHUT VAVLE ON 8 5/8" AND PRESSURE 5 1/2" TO 800 PSI S/I 5 1/2" CSG WOC

4) CHECK PRESSURE ON 5 1/2" AND 8 5/8" CSG, RIH W/ 4 1/2" BIT, BIT SUB, COLLARS TAG AND DRILL OUT CMT, TEST SQUEEZE TO 600 PSI, IF HOLDING

5) IF HOLE IS AT SURFACE DIG UP WELLHEADS TO GOOD CSG, CUT OFF CSG'S, INSTALL NEW CSG'S AND INSTALL NEW WELLHEADS.

6) RIH & TAG SAND ON RBP @ 3400' CIRC BOTTOMS UP TO CIRC SAND OFF (DO NOT ROTATE BIT) CIRC CLEAN.

7) POH W/ 2 7/8" TBING, L/D D.C.'S, BIT SUB, BIT, RIH W/ ON/OFF TOOL, 2 7/8" TBING TAG RBP CIRC REST OF SAND OFF RBP, LATCH ONTO & UNSET RBP, TOH L/D RBP.

8) RETURN WELL TO PRODUCTION

9) Well returned to Production 7/4/2012

Spud Date:

Rig Release Date:

RECEIVED

MAR 12 2013

NMOCD ARTESIA

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

SIGNATURE

TITLE

DATE

3/5/2013

Type or print name Ehsan Bayat

E-mail address: ehsan.bayat@americoenergy.com

PHONE: 713-984-9700

For State Use Only

APPROVED BY:

TITLE

DATE

3/14/13

Conditions of Approval (if any):