

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM
District II
1301 W. Grand Ave., Artesia,
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
Feb 7, 2007

OIL CONSERVATION DIVISION

1220 South St. Francis
Santa Fe, NM 87505
Month - Year
MAY 7 2007
OCD - ARTESIA, NM

| | |
|--------------------------------------|--|
| WELL API NO. | 30-015-05698 |
| 5. Indicate Type of Lease | STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. | |
| 7. Lease Name or Unit Agreement Name | EAST SHUGART UNIT |
| 8. Well Number # | 022 |
| 9. OGRID Number | 228051 |
| 10. Pool name or Wildcat | Shugart (Y-SR-Q-G) |

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 -Injection well

2. Name of Operator
Americo Energy Resources, LLC

3. Address of Operator
7575 San Felipe, Suite 200, Houston, TX 77063

4. Well Location
Unit Letter J : 2310 feet from the South line and 2310 feet from the East line
Section 35 Township 18S Range 31E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3638 GL

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 PLANS
PULL OR ALTER CASING MULTIPLE COMPL
OTHER:

SUBSEQUENT REPORT OF:
REMEDIAL WORK ALTERING CASING
COMMENCE DRILLING OPNS. P AND A
CASING/CEMENT JOB
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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or re-completion.

- Inform "OCD" 505-748-1283 EXT 102
- check open perforation using slick line.
- MIRU acid company. Pressure up & hold 500 psi in annulus.
- Install steel line to tubing string. Pump 1000 gal 15% HCL NE acid & displace with 2%kcl wtr.
- Closed well in. rig down acid equipment.
- Open well to injection. Report acid results after 24 hrs.

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/closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Robert M. Gray TITLE Land Manager DATE 5/1/07

Type or print name Robert M. Gray E-mail address: don.gray@americoenergy.com Telephone No. 713-984-9700

For State Use Only

APPROVED BY: Accepted for record - NMOCD TITLE _____ DATE 5/1/07

Conditions of Approval (if any):