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 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
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 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. 30-031-21006
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-1724
7. Lease Name or Unit Agreement Name Torreon Wash 36 State
8. Well Number 1
9. OGRID Number 246238
10. Pool name or Wildcat Arena Blanca Entrada
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR 6632'; RKB 6644'

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
HPOC, LLC

3. Address of Operator
322 N. Railroad Ave., PO Box 5046, Buena Vista CO 81211

4. Well Location
Unit Letter I; 2143 feet from the South Line and 1223' feet from the East Line
Section 36, Township 20 North, Range 5 West of the NMPM, McKinley County

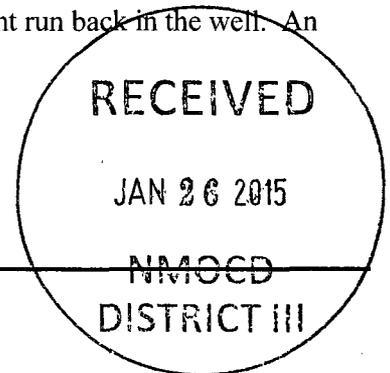
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

HPOC, LLC moved in a workover rig on 12/12/2014 to re-perforate and establish fluid entry from the Entrada formation. On 12/17/14, we perforated from 5,493' to 5,503', above the original perforations from 5,504.5' to 5,505.5'. We still could not communicate with the reservoir. On 12/19/14, we acidized the Entrada formation with 500 gallons of 17.5% HCL. The formation broke at 1200 psi. Our operations were successful in establishing communication with the reservoir. A detailed daily report accompanies this sundry notice. There were no changes to the downhole equipment run back in the well. An updated well-bore diagram with the new perforations is included with this Sundry.

Re-entry Date: 12/12/2014 Rig Release Date: 12/22/2014



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

SIGNATURE: Butch Butler TITLE: Manager DATE: January 22, 2015

Type or print name: Butch Butler E-mail address: bbutler@highplainsop.com PHONE: 719-395-8059

For State Use Only

APPROVED BY: Charlie TITLE: SUPERVISOR DISTRICT #3 DATE: JAN 30 2015
 Conditions of Approval (if any): NV

Arena Blanca Field, Torreon Wash 36 State #1 well

API #: 30-031-21006

NM State Lease: VB-1724

Unit I (NE/SE), Section 36-T20N-R5W, McKinley County, New Mexico

Operations Report

Friday, December 12, 2014. *No fluid entry. Plan to MU rig, pull equipment, re-perforate, shoot a 10' "GasGun," swab to establish adequate fluid entry and rerun production equipment.* Road Aztec Well Service rig #395 & crew from Ice Canyon area (Largo Canyon) to location. Approximately 59 mile rig move. Arrive on location & check for hazards. Found soft ground conditions around wellhead. Dispatched West Construction Excavation Service to perform dirt work around wellhead for stable rig up conditions. Guy Line Anchors OK (Tested September 2014). Rig up AWS Rig #395 & support/safety equipment. Removed 8-5/8" Hammer On Larkin Cap & hanger pack-off elements. Installed 2-7/8" TIW Valve to secure Tbg. Unable to NUBOP due to receiving the wrong size of Companion Flange (7", 8RD). Spot in Pipe Trailer W/ 13 Jt's of 2-7/8" Tbg @ Wellhead. SISW, clean & secure location, Dbrief crew, turn over to night watch, SDFWE.

Monday, December 15, 2014. Crew travel to location. Warm up equipment & held PJSM W/ all on location. NDWH, strip over 8-5/8", 8RD Companion Flange & flange up 3K BOP. Function test BOP (OK). R/U Floor & 2-7/8" Tbg equipment. MIRU Baker Centrilift, spooler & sheave. TOOH W/ 2-7/8", 6.5#, 8RD, EUE Production Tbg String & ESP Equipment as follows:

- (82)- Jts 2.875", 6.5#, N-80, 8RD, EUE Tubing.
- (1)- 2.875" x 2.280" ID "F" Profile Nipple.
- (2)- Jts 2.875", 6.5#, N-80, 8RD, EUE Tubing.
- (1)- 2-7/8" ESP Pump.
- (1)- 2-7/8" Seal Component.
- (1)- 2-7/8" BOI (Bolt on Intake).
- (1)- 2-7/8" 20HP E-Motor.
- (1)- 4-1/2" LT&C x 2-7/8" EUE Cross over.
- (6)- Jts 4-1/2", 11.6#, J-55, LT&C Casing.
- (1)- 4-1/2", LT&C Bull Plug & Coupling.

Shot fluid level @ ~2400'. MIRU Jet West Wireline Services & held safety meeting W/ all on location. RIH W/ CCL & 3-1/8" Dummy Gun & tagged fill @ 5,559' KB. Stuck WL @ 5,504' KB. Pulled 500# over to free WL. POOH W/ WL & tools. Contacted Butch Butler @ HPOC W/ tag results. We determined that we will not perforate or run the Gas Gun until we C/O the 144' of Rat Hole. RDMO Jet West. SISW, clean & secure location, Dbrief crew, turn over to night watch.

Tuesday, December 16, 2014. Crew travel to location. Warm up equipment & held PJSM W/ all on location. Fill Rig Pit W/ 160 BBLs produced Entrada water. Wait on West Construction to deliver pipe to location. TIH W/ 3-7/8" Blade Bit, 3-7/8" String Mill, 2-7/8" Reg. x 2-3/8" EUE XO Sub, P/U (103)- Jt's 2-7/8", 6.5#, J-55 Tbg & TIH W/ (80)- Jt's from Derrick. Note: Broke circulation @ Liner Top. Tagged up solid @ 5,508'. R/U 2.5 Pwr Swivel & break reverse circulation W/ produced Entrada water. D/O bridge from 5,508' > ~5,510'. Washed out fill from 5,508' to 5,569'. Circulate hole clean. K/O Pump &

R/D Swivel. L/D 11 Jt's to get out of liner. EOT @ 5,244'. SISW, drain up, clean & secure location, Dbrief crew, turn over to night watch, SDFN.

Wednesday, December 17, 2014. Crew travel to location. Warm up equipment & held PJSM W/ all on location. TIH W/ 11 Jts 2-7/8" Tbg to tag for fill. Tagged up @ 5,569'. (NO FILL). Load hole W/ 1.5 bbls produced water. Pressure tested Csg to 600 PSI/20 Min. (Held) No bleed off over 20 min. TOOH W/ 177 Jts 2-7/8" Tbg, XO, 14 Jts 2-3/8" Tbg, XO, Bit Sub, 3-7/8" String Mill & 3-7/8" Blade Bit. Loaded hole W/ 6 BBLS produced water & PT Csg to 600 PSI/20 Min. Held solid. We have no fluid entry or formation contact W/ the Entrada thru perfs @ 5,504' > 5,505'. Contact Butch Butler W/ PT results. MIRU Jet West & hold safety meeting. RIH W/ CCL, Junk Basket & 5.812" Gauge Ring thru 7" Csg to 4-1/2" LT @ 5,286'. Encountered tight spot @ 4,442'. CCL shows an over torqued 7" Csg collar at that depth. POOH & recovered 3 pieces of rubber from JB. Rubber appears to come from the ESP Packer Cup. Contact Butch W/ results. We will proceed W/ Perforating & Gas Gun. M/U 3-1/8" Perf Gun loaded W/ 60 shots. RIH & shot upper Entrada Perfs @ 5,493' > 5,503' KB W/ 6 SPF, .54" Hole Size, 60° Phasing W/ a penetration rate of 23". POOH W/ Perf Gun & WL. All 60 shots confirmed fired. Loaded hole W/ .25 BBLS & PT Csg to 700 PSI/20 Min. Held solid W/ no bleed off. Contact Butch Butler. We will proceed W/ Gas Gun. M/U 3-3/8" x 10' Gas Gun. RIH & deploy Gas Gun @ 5,493' > 5,503' KB. Upon deploying GG ~.25 bbls fluid was exerted out of 2" valve on Mud Cross. POOH W/ WL & GG. PT Csg to 700 PSI/120 Min. Held solid. Contacted Butch Butler & Richard Mrlik W/ all today's findings. SISW, drain up, clean & secure location, Dbrief crew, turn over to night watch, SDFN.

Thursday, December 18, 2014. HPOC determining course of action, no rig work. Rig watch on duty.

Friday, December 19, 2014. Crew travel to location. Warm up equipment & held PJSM W/ all on location. Prep to acidize. TIH W/ (2)- Jts 2-3/8" Tail Pipe, (1)- 4-1/2" Tension Packer, (1)- Unloader Sub, (8)- Jts 2-3/8" Tbg, (1)- 2-3/8" EUE x 2-7/8" EUE XO & (2)- Jts 2-7/8" Tbg, (1)- 2-7/8" x 2.25" ID Profile Nipple, (184)- Jts 2-7/8" Tbg. Set 4-1/2" Tension Pkr (20K over string Wt) @ 5,450' KB, 2-3/8" Tail Pipe @ 5,514' KB. Pressure test Pkr dwn annulus. Annulus communicated W/ Tbg. Failed PT. PT dwn Tbg W/ Csg valves open. Tbg communicated W/ annulus. Failed PT. Shut Csg valves & PT to 500 PSI. HELD. Dropped 2-7/8" Standing Valve (25 min. to fall 5000'). PT Tbg. Again we communicated W/ annulus. Failed PT. POOH W/ 2-7/8" Tbg looking for a hole. Found 9" split 13 Jts out. Dropped Standing Valve & PT Tbg to 2000 PSI (HELD). RIH W/ 13 Jts, set Pkr & PT Tbg to 2000 PSI (HELD). Retrieve Standing Valve W/ Sandline. MIRU H&M Precision & hold safety meeting. Tie onto Tbg & pump 100 Gals. 17.5% HCL Acid (Dbl inhibited). Displace 100 Gals Acid dwn Tbg W/ 31 bbls (13 Gals. Displaced out EOT up to 5,447'). Set Pkr in tension @ 5,450' KB, EO Tail Pipe @ 5,515' KB. Let acid stand for 45 Min. Walked pressure slowly up 1200 PSI & saw a break in pressure to 500 PSI. Obtained injection rate of ¼ BPM @ 1200 PSI displacing all 13 Gals Acid into formation, over displaced W/ ½ bbl H2O. Open unloader & pump away 400 Gals Acid & displace to unloader W/ 21 bbls, close unloader & squeeze away 400 Gals Acid & displace into formation W/ 15 bbls. Injection rate during acid displacement came out to 3 BPM @ 1200 PSI. Shut in well. Shut in pressure of 900 PSI. RDMO H&M Precision. SISW, drain up, clean & secure location, Dbrief crew, turn over to night watch, SDFN.

Saturday, December 20, 2014. Crew travel to location. Warm up equipment & held PJSM W/ all on location. Open up well to rig pit. Tbg on a vacuum. Made 21 swab runs recovering a total of 105 bbls

fluid W/ trace of oil. Starting fluid level ~1200', Ending fluid level ~700'. Release Packer & let wellbore equalize for 15 minutes. Made 9 swab runs recovering 66.5 bbls fluid W/ trace oil. Starting fluid level ~300', Ending fluid level ~1300'. SISW, drain up, clean & secure location, Dbrief crew, turn over to night watch, SDFN.

Sunday, December 21, 2014. Crew travel to location. Warm up equipment & held PJSM W/ all on location. Open up well to rig pit. Tbg had a slight blow. Annulus was on a vacuum. Made 17 swab runs recovering a total of 128 bbls fluid W/ trace of oil. Starting fluid level ~300', Ending fluid level ~1100'. TOOH laying dwn (82)- Jts 2-7/8" working Tbg, 2' Pup Jt, stand back in Derrick (83)- Jts 2-7/8" Prod. Tbg, XO, L/D (8)- Jts 2-3/8" working Tbg, Unloader Sub, 4-1/2" Tension Pkr & (2)- Jts 2-3/8" Tail Pipe. Prep to run in W/ ESP & production Tbg. SISW, drain up, clean & secure location, Dbrief crew, turn over to night watch, SDFN.

Monday, December 22, 2014. Crew travel to location. Warm up Equip & hold PJSM W/ all on location. Retrieve pressures: SICP- 00#, SITP- 00#. Open well. M/U D-Sander, ESP Pmp assembly & TIH W/ 2-7/8" Production Tbg String as follows:

- (1)- 4-1/2", LT&C Bull Plug & Coupling. (.90)
- (6)- Jts 4-1/2", 11.6#, J-55, LT&C Casing. (264.90)
- (1)- 4-1/2" LT&C x 2-7/8" EUE Cross over. (.60)
- (1)- 2-7/8" Cavins D-Sander. (4.10) NOTE: Re-dressed Dsander W/ customer provided Pkr Cup & Spiral Drive.
- (1)- 2-7/8" 20HP E-Motor. (7.32)
- (1)- 2-7/8" BOI (Bolt on Intake). (1.00)
- (1)- 2-7/8" Seal Component. (3.53)
- (1)- 2-7/8" "GPS" ESP Pump. (9.76)
- (2)- Jts 2.875", 6.5#, N-80, 8RD, EUE Tubing. (66.60)
- (1)- 2.875" x 2.280" ID "F" Profile Nipple. (.90)
- (82)- Jts 2.875", 6.5#, N-80, 8RD, EUE Tubing. (2663.00)

Total Footage W/ 12' KB = 3,034.61' KB. Function test GPS ESP Pump to production tank for 1Hr. Good test approved per Michael Eickhoff of Global Production Solutions. R/D Floor & Tbg Equip. ND & strip off BOP & 8-5/8", 8RD companion flange. Install & string ESP cable thru Tbg Hanger. Land 2-7/8" Prod Tbg String @ 3,034.61' KB. F-Nipple @ 2,762.90' KB. Install 8-5/8", 8RD Screw on WH cap. SISW. R/D AWS Rig #395, Pit, Pump, Hard Lines & all support Equip. Conduct pre-trip inspection of rig & all loads. Clean & secure location & turn over to production. Notified office that job is complete.

Tuesday, December 23, 2014. Complete 24-hour production test. Produced 10 BO & 356 BW, a 2.7% oil cut. Shut-in well due to deteriorating weather conditions. Will file NM OCD completion report.

Wellhead: Independent Rector
 Ground Level: 6,632'
 KB Elevation: 6,644'
 Anchors Tested: Sept. 18, 2014
 Csg tested: October 6, 2014

Torreon Wash 36 State #1
HPOC, LLC

KB: 12'
 FIELD: Arena Blanca Entrada
 County: McKinley
 API#: 30-031-21006
 Loc: NE/SE Sec. 36-T20N-R5W
 2,143' FSL & 1,223' FEL
 ELEVATIONS: 6632' GL, 6644' RKB

9-5/8" Surface Casing, 36#, J-55 LT&C @ 353' KB.
Cemented to surface W/ 248 Sx.

7", 23#, J-55, LT&C, Production Casing Fr: Surface > 5,491' KB.

2-7/8", 6.5#, N-80, 8RD EUE Production Tbg Detail
(82)- Jts 2-7/8" Tbg.
2-7/8" X 2.280" ID "F" Profile Nipple.
(2)- Jts 2-7/8" Tbg
2-7/8" ESP Pump.
2-7/8" Seal Assembly.
2-7/8" BOI (Bolt on intake)
2-7/8" 20HP E-Motor.
2-7/8" EUE x 4-1/2" LT&C Cross Over Sub.
(1) Cavins Desander Model # D2707F.
(6)- Jts 4-1/2", 11.6#, LT&C Csg & bull plug (sand trap).

EOT @ 3,030.51' KB.

Top/btm of liner assembly
 5,286.5' / 5654.6' KB.

TOC behind 4-1/2"
 Csg @ 5,300'
 BLUE JET
 CBL

TVD- 5,660' KB
 PBSD- 5,658' KB
 BHT- N/A

4-1/2", 11.6#, J-55, LT&C, Fr: 5,298.5'KB to 5,653'KB.
Drift: 6.059" / BPF: 0.03714 / Burst-11,220 psi @ 100%
4-1/2", 10.5#, K-55, 8RFS x 7", 20-26# Liner Assembly as follow's:
4-1/2" x 7" Liner Hanger W/ THL 4-Cluth Packer (12K Shear) (11.95)
(7)- Jts of 4-1/2" x 4.00"ID, 11.6#, J-55, LT&C Casing. (309.05)
4-1/2" x 4.00"ID, K-55, 8RFL BOX LTC x STC PIN, "L" Landing Collar.
(1)- 4-1/2" x 4.00"ID, 11.6#, J-55, LT&C Shoe Jt. (44.15)
4-1/2", N-80, 8RFL, LT&C Box. "LA" Set Shoe W/ alum nose piece.

Original Entrada Perfs 10/12/14 @ 5,504.5' KB > 5,505.5' KB: 6 SPF
W/ 60° Phasing. 2nd Entrada Perfs 12/17/14 @ 5,493' KB > 5,503'
KB, 6 SPF W/ 60° Phasing. Deployed 10' GasGun over these perfs
and fired.

Revised by Josh Jacobs
 Revised 10/13/2014

Revised by Butch Butler
 Revised 1/20/2015

