

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Permit 37008

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL API NUMBER
30-015-34027

5. Indicate Type of Lease
S

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
MIDNIGHT 13 STATE COM

8. Well Number
001

9. OGRID Number
158898

10. Poolname 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 DIFFRENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:G

2. Name of Operator

AMERISTATE EXPLORATION, L.L.C.

3. Address of Operator

401 CONGRESS AVE., STE. 2900 , AUSTIN , TX 78701

4. Well Location

Unit Letter D : 660 feet from the N line and 950 feet from the W line
Section 13 Township 16S Range 26E NMPM Eddy County

11. Elevation (Show whether DR, KB, BT, GR, etc.)
3387 GR

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 OF PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐

CASING/CEMENT JOB ☐

Other: **Drilling/Cement** ☒

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 recompletion.

RE-ENTRY AND DEEPENING PROCEDURE SCHEDULED FOR 9-5-06:

1.Prepare existing pad for Nabors Rig No. 56.

2.Drill rathole and mousehole.

3.Move in and rig up Nabors Rig No. 56 with closed loop tanks.

4.Nipple up and test blow out preventer equipment with rotating head and underbalanced drilling equipment.

5.Pick up 6-1/8" bit, 4-3/4" bottom hole assembly and run in hole on 3-1/2" rental drill pipe.

6.Drill out cement and float equipment +10' new formation. Test casing shoe to 12.5 ppg EMW.

7.Drill 6-1/8" hole to 7000' or total depth as specified by geologist.

8.Condition hole for logging.

See Attached

6/9/2006 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
06/09/06	Surf	FreshWater	17.5	13.375	54.5	J-55	0	1435	465	1.35	Prem Plus		1000		0
06/14/06	Int1	Mud	12.25	9.625	40	J-55	0	1435	500	1.35	Prem Plus		1500		0

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

SIGNATURE Electronically Signed

TITLE President

DATE 8/30/2006

Type or print name Mark Nearburg

E-mail address maryd@ameristate.net

Telephone No. 512-391-0300

For State Use Only:

APPROVED BY: Bryan Arrant

TITLE Geologist

DATE 8/31/2006 10:18:36 AM

AMERISTATE EXPLORATION, L.L.C.
MIDNIGHT 13 STATE COM NO. 1
Eddy County, New Mexico

RE-ENTRY AND DEEPENING PROCEDURE

1. Prepare existing pad for Nabors Rig No. 56.
2. Drill rathole and mousehole.
3. Move in and rig up Nabors Rig No. 56 with closed loop tanks.
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5. Pick up 6-1/8" bit, 4-3/4" bottom hole assembly and run in hole on 3-1/2" rental drill pipe.
6. Drill out cement and float equipment +10' new formation. Test casing shoe to 12.5 ppg EMW.
7. Drill 6-1/8" hole to 7000' or total depth as specified by geologist.
8. Condition hole for logging.
9. Run open hole logs as specified by geological department.
10. Run completion casing/equipment as specified by production department.