



June 13, 2024

Nathaniel J. Raggette
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New Mexico OCD
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Scorpion ACOI Update Report

Dear Sir or Madam,

In response to our executed ACOI on November 14, 2023, Scorpion would like to provide this update as to our goal of returning to production or plugging each well as outlined in the executed ACOI. After spending in excess of \$750,000 on our Shell Maxwell SWD without success, we have decided to pivot with an application to convert an existing SI well to a SWD well in our Denton Field. In order to return wells to production and test the San Andres formation, we need additional SWD capacity throughout the field.

TD Pope 35 #034: Waiting on SWD capacity to return this well to production.

TD Pope 26 #010: **Well is currently producing consistently on a monthly basis.**

TD Pope 35 #002H: Waiting on SWD capacity to return this well to production.

TD Pope 35 #006: **Well is currently producing sporadically from month-to-month.**

TD Pope 36 #001: Waiting on SWD capacity to return this well to production.

Priest #003: Plan to test this well for a San Andres recompletion and plug if unsuccessful.

Buckley A #004: Plan to test this well for a San Andres recompletion and plug if unsuccessful.

TD Pope 36 #009: Plan to test this well for a San Andres recompletion and plug if unsuccessful.

Buckley B #004: **Well is currently producing sporadically from month-to-month.**

TD Pope 36 #010: Waiting on SWD capacity to return this well to production.

BC Dickinson D #5: Filed an application to convert this SI well to a new SWD well. **Pending.**

State T #007: **Plan to plug this well within 30 days.**

Shelton #006: Plan to test this well for a San Andres recompletion and plug if unsuccessful.

State T Devonian #004: Plan to test this well for a San Andres recompletion and plug if unsuccessful.

State T Devonian #009: Plan to test this well for a San Andres recompletion plug if unsuccessful.

Please call me at 281-306-6820 if you have any questions about the updates included above.

Thanks,

SCORPION OIL & GAS, LLC

Nathaniel J. Raggette
Founder & CEO