

Submit 3 Copies To Appropriate District

Office

District I

1625 N. French Blvd., 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

# State of New Mexico

Energy, Minerals and Natural Resources

Form C-103

May 27, 2004

**RECEIVED**

**OCT 03 2008**

**HOBBS (11)**

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-05232

5. Indicate Type of Lease

STATE ☒ FEE ☐ BLM ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name  
State T

8. Well Number #7

9. OGRID Number

228051

10. Pool name or Wildcat  
Denton (Devonian)

### 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 N : 990 feet from the South line and 2310 feet from the West line

Section 2 Township 15S Range 37E NMPM County Lea

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

3798.65' 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 recompletion.

#### INFORM OIL CONSERVATION DIVISION

- 1- Move in and rig up work over rig. Spot & rig up reverse unit, fill tank with field salt water.
- 2- Unload & tally 8900' of 2-7/8" and 2915' of 2-3/8" EUE 8RD, N80 tubing on location.
- 3- Kill well if necessary. N/d & N/u- Pool with production equipment and sub pump in the well.
- 4- GIH with 4-1/2" RBP and Squeeze packer on tapered string.
- 5- Set RBP at 11800'. Release & Pick up. set Squeeze tools at 11770'. Test plug 600 psig.
- 6- If Bridge plug held OK, dump 200 lb of 20/40 sand on top of Bridge plug. Tag sand.
- 7- Move up w/packer and test 4-1/2" liner 600 psi from 11770'-8900', and test 7" casing string from 8900'-surf.
- 8- Prepare to Squeeze off any leak/leaks in the 4-1/2" and/or 7" casing.
- 9- If testing casing string is satisfactory. Inform OCD 24 hrs ahead- Final test the casing string to 500 psi For 30 minutes or as directed by OCD agent. Pull and lay down testing equipment from well bore.
- 10- Submit Subsequent workover report of C-103 to Oil Conservation Division.
- 11- Prepare to put well on production via electric sub pump. Put well on production and report results. Attach: current wellbore diag.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 14189..... Exhibit No. 4

Submitted by:

Americo Energy Resources, LLC

Hearing Date: October 30, 2008

I hereby certify that the information above is true and complete to the best of my knowledge and be grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (att.

SIGNATURE

*Ehsan Bayat*

TITLE Regulatory Analyst

DATE 10-2-08

Type or print name: Ehsan Bayat

E-mail address: ehsan.bayat@americoenergy.com Telephone No. 713-984-9700

For State Use Only

APPROVED BY:

*[Signature]*

TITLE

**PETROLEUM ENGINEER**

DATE

**OCT 03 2008**

Conditions of Approval (if any):

**Denton State T #7**  
**API # 30-025-05232**

GL., 3798.65'  
 KB., 3807.65'

DF

TOC at 250'  
 By Temp log.

D&C 2/28/1953  
 Measurements 9' above GL.

Base USDW @

Location: 990' FSL & 2310' FWL  
 of Section 2, T-15 S, R-37 E  
 Lea County, New Mexico.

**CBL/VDL run on 3/13/1979**  
 No Cement above approx. 3000'  
 perf. At 2970' w/4 holes & squeezed  
 w/ 720 sx.cement.WOC 16 hours,  
 Ran temp.survey log, indicated  
 the top of cement to be at 250',  
 below surface.( between 7" & 9-5/8"  
 Cement did not circulate to surface

3/22/2003, &  
 3/24/2003 : Merit Energy:  
 RIH w/ 4-1/2" Packer & Plug, set  
 RBP at 9105' & Plug at 9100' Test  
 Plug to 1000 psig. OK Note,  
 RBP & Plug was below top of 4-1/2"  
 Liner which is at 8985'  
 Top of liner was good at 1000 psig.  
 Released Packer. Pumped 50 Bbls.  
 water into tubing at injection rate of 2.5  
 bbls at 200 psig.

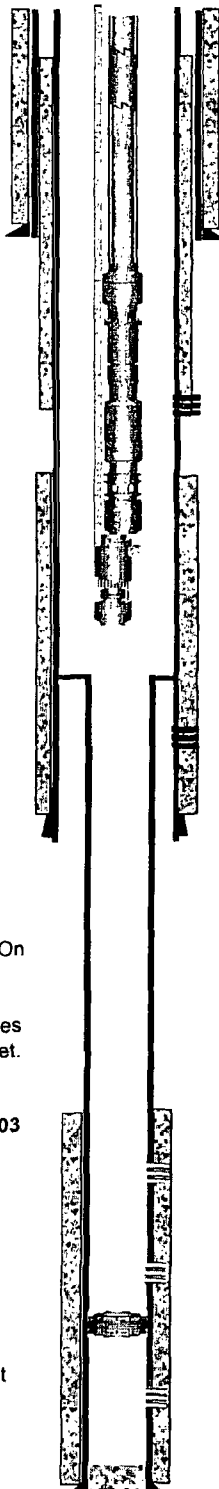
3/31/2003: R/U B J & Pumped 100 sxs. On  
 top of Liner squeezed at 1600 psig.  
 pressure dropped 50 # in 5 minutes.  
 Repress. to 1600 # and held for 15 minutes  
 No bleed off Moved packer to 8140' & set.  
 Pressred up to 500 # and left shut-in. till

4/2/03: Continued operation on 4/4/2003  
 Tagged cement at 8715'. cleaned to top  
 of liner at 8989' & inside 4-1/2" Liner, 7'  
 of cement inside Liner.  
 Pressure tested 7 0" & 4-1/2' liner  
 to 500 psig. 4/5/2003. Final page  
 Report by Merit energy

4/27/2003: R/U Computa Log. Logged  
 from 9100' to 7100' Log indicated no  
 cement on top of the 4-1/2". Have cement  
 behind 7.0" Casing

TD 12418'

Shut-in since 2003 after unsuccessful workover.



Not Producing at this time. ( 4/3/2006)

TOC @ 250' below surface.  
 After Squeeze job.

9-5/8" casing @ 2110' in 17-1/2" hole.  
 w/ 1300 sxs. Cement circulated

liquid level above pump at 6311'  
 some 2640' above pump.  
 3/11/1979: To repair 7.0" casing.  
 5 SQZD HOLES AT 2970'

Details of the pump are not known.

ESP pump set at 8951'

Top of liner 4-1/2" at 8985'

Old wolfcamp Perfs.  
 9064- to 9124' Squuzed off.

7" casing set at 9232'  
 Cement used 600 sxs, Top ?  
 0 - 69' 26# S-95  
 69' - 715' 23 # N-80  
 715' - 4996' 23 # J-55  
 4996' - 7099' 23 # S-95  
 7099' - 9232' 26 # S-95

DV Tool ran & set at 7002'  
 cemented with 400 sxs.

Top of cement behind 4-1/2" unknown.

Perfs @ 11955' - 12034', 21 holes (B zone )  
 or 11993' - 12034' ? By DevonEnergy, (10/16/98)

11/17/1974: Devonian, Perforated, & Acidized.  
 Perfs @ 12216' - 12275', 8 holes (D zone perfs)

RBP stuck at 12308' ?

11/17/1974: Devonian, Perforated, & Acidized.  
 Perfs @ 12333' - 12366', 6 holes, (D Zones perfs)  
 PI, 257 BOPD, 46.4 API gravity oil  
 Flowing Tbg. Pressure 2,750 psig

4 1/2" Liner set @ 12418', w/ 375 sxs. Cmmt.  
 8985' - 9152' 11.5 # K-55, 9152' - 12418' 15 5 # N-80

# **AmeriCo**

## **Energy Resources, LLC**

October 28, 2008

To: Working Interest Owners

Re: Notice of Proposed Operations  
State T No. 007  
990 FSL & 2310 FWL  
Sec, 2 Township 15 South, Range 37 East  
Denton Field, Lea County, NM

Gentlemen:

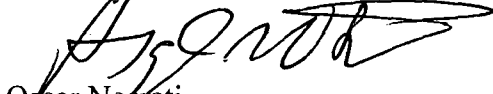
Americo Energy Resources, LLC, as Operator, hereby respectfully submits the attached AFE for operations to be conducted on the referenced well. The estimated cost for the AFE is \$348,462.

Also attached is a well diagram of the proposed operation for your review and consideration.

Please review and sign below indicating your approval of this AFE, and then return one executed copy of this notice. Also in accordance with the existing JOA we are requesting that you include a check for your portion of the AFE with this approval letter. Since this type of operation is considered regulatory work, your prompt attention to this matter is greatly appreciated.

Please contact me if you have any questions or require further information.

Sincerely,



Oscar Nosrati  
Vice President of Operations

Approved by. \_\_\_\_\_

Company Name: \_\_\_\_\_

By; \_\_\_\_\_

Title: \_\_\_\_\_

Prepared by: <b>Oscar Nosrati</b>				DATE ISSUED		DATE AFE TO CLOSE		PAGE	
AUTHORIZATION FOR EXPENDITURE - WELLS				10/28/2008				1	
AFE NO.	TYPE	AFE NAME		State T well #7		OPERATOR			
COMPANY				DIVISION		Americo Energy			
DISTRICT / ORG				DISTRICT / SUB		COUNTRY			
NEW MEXICO FIELD						U.S.A.			
STATE				COUNTY OR PARISH		TAX DISTRICT			
Texas				NEW MEXICO STATE					
FIELD OR AREA				PRIMARY RESERVOIR		SECONDARY RESERVOIR			
DENTON FIELD									
DENTON FIELD, NEW MEXICO				ASSOCIATED AFE		AFE CLASS		COST PROPERTY	
PROJECT DESCRIPTION MECHANICAL INTEGRITY TEST TO BRING THE WELL IN COMPLIANCE AS REQUIRED BY STATE OF NEW MEXICO "OCD".									
DATE TO START	DATE TO COMPLETE	WELL NO.	PLAY	PROJECT DAYS	PROJ.GROUP	Est Depth TD	Est Depth TVD		
ENVIRONMENTAL COST									
INTANGIBLES									
SALARIES & WAGES: Supervisor 12 days @ 1400/day									
PAYROLL BURDEN									
LOCATION PREPARATION & RECLAMATION									
CEMENT & CEMENTING SERVICE						25,000	25,000		
MUD LOGGING									
MUD MATERIALS, CHEMICALS, COMPLETION FLUIDS, & MUD ENGINEERING									
LOGGING & FORMATION EVALUATION									
PERFORATING						4,500	4,500		
STIMULATION TREATMENT - GRAVEL PACKING, FRACS, ETC.									
DRILL STEM FORMATION TESTING SERVICES									
DIRECTIONAL DRILLING & MWD									
RENTAL EQUIPMENT: Tub DSA, Elev. BIT & SCRAPER, BOP's - RBP						15,000	15,000		
DRILLING CONTRACT FOOTAGE									
COMPLETION RIG DAY RATE									
12 days at \$5000 a day						60,000	60,000		
TOTAL									
FLOAT EQUIPMENT & CEMENTING AIDS									
BITS, & SCRAPER									
SPECIALTY WELL SERVICE									
LABOR, supervisor, 12 days \$1400 a day						16,800	16,800		
MOB/DEMOB - RIG UP/RIG DOWN-CONTRACT									
FUEL, WATER, POWER, LUBRICANTS									
Reverse unit, pump and tank						25,000	25,000		
Coff tubing									
Acid treatment									
FISHING SERVICES						30,000	30,000		
SOLIDS CONTROL & ASSOCIATED EQUIPMENT									
TESTING TUBING IN THE HOLE						3,000	3,000		
WIRE LINE TK-run guage ring, set CIBP, dump 25' cmt									
pmp trk load casing w/ pkr fluid & run T/A test for OCD						4,500	4,500		
TOTAL INTANGIBLES						183,800	183,800		
TANGIBLES									
CASING	FT.	IN.	LB.	GR.	@ \$				
Drive Pipe									
Conductor									
Surface								0	
Intermediate								0	
LINER 1								0	
LINER 2								0	
Production									
TUBING									
CASINGHEAD									
XMAS TREE						3,000	3,000		
PACKER, CIBP ETC.									
OTHER MAT. AND EQUIP. -ESP equip						100,000	100,000		
TOTAL TANGIBLES						0	103,000	103,000	
TOTAL WELL COST						100.0000%	286,800	286,800	
PRODUCTION EQUIPMENT (Detail Attached)						100.0000%		0	
OTHER COSTS - NET (Detail Attached)						100.0000%			
Tax						006.5000%	18,642	18,642	
Contingency						015.0000%	43,020	43,020	
CO OWNERSHIP						COMPANY COST	348,462	348,462	
Project Recommended by: <b>Oscar Nosrati</b>									
						COMPANY NAME: Americo Energy			

**Denton State T #7**  
**API # 30-025-05232**

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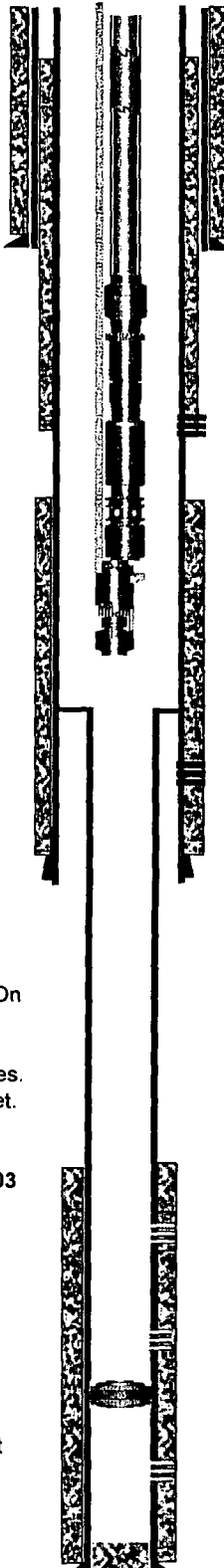
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TD 12418'

G. Bayat  
 4/2/2006

H. Dashti  
 4/2/2006 Drilled in 1953 as a Wolfcamp Producer. Then deepened in Aug. 1974  
 Wolfcamp TD 9231, PBTD 9226'. Perfs. 9064'- 9124'. These Perfs. Squeezed off  
 before deepening. In 2003 Merit Energy Co. attempted a casing leak repair,  
 after squeeze job, both 4-1/2" & 7.0" Pressure tested to 500 psig. Ok.

Shut-in since 2003 after unsuccessful workover.



Not Producing at this time.( 4/3/2006)

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 After Squeeze job.

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