

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. DIV-Dist. 2

1301 W. Grand Avenue

Alameda, NM 88210

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
Yeso Energy, Inc.3a. Address
P.O. Box 2248 Roswell, NM 88202-22483b. Phone No. (include area code)
505-622-7355

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1380' FSL & 990' FEL
Sec. 28-T23S-R29E

NOV 23 2005

OULAMTERRA

5. Case Serial No.
NM-67103

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Laguna Grande Fed #1

9. API Well No.

30-015-21636

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State

Eddy County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Yeso Energy, Inc proposes to change the shut in status of the Laguna Grande Fed. #1 well from the Strawn Formation to the Wolfcamp formation. The Laguna Grande Fed #1 has been shut in due to uneconomic production for over a year. The Strawn interval is currently perforated 11,890'-11,900' and is uneconomic due to water production. It is proposed to plug back and recompleat this well to evaluate the Wolfcamp formation from 11,182'-11,378' as follows:

1. MIRU Workover Rig. Install 5M Hyd Double Ram BOP's. POH w/ current tbg & packer.
2. Set CIBP at 11,850' and cap w/ 35' cement. Perforate Wolfcamp interval w/ 3 1/8" csg guns w/ 5M lubricator and grease injection.
3. TIH w/ packer and tubing. Run tbg to approximately 11,125'. Stimulate and test as necessary for commercial production.
4. Test and evaluate flow rates and pressures.

The expected time to perform the plug back and recompleat is expected to be 10 days and will start immediately on approval.

Blanket Statewide BLM bond is on file in Santa Fe, NM.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Gene Lee

Title Operations Manager

Signature

Date

08/15/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

SGD: DAVID R. GLASS

PETROLEUM ENGINEER

Date

NOV 21 2005

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-21636	² Pool Code 66002	³ Pool Name Eddy Undesignated; Group 1 - <i>wolfcamp</i>
⁴ Property Code 032910	⁵ Property Name Laguna Grande Fed.	⁶ Well Number 1
⁷ OGRID No. 221730	⁸ Operator Name Yeso Energy, Inc.	⁹ Elevation 3003' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	28	23S	29E		1380	South	990	East	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320	¹³ Joint or Infill N	¹⁴ Consolidation Code F	¹⁵ Order No. R-11292
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<div>16</div> <div><i>EXXON</i> <i>Mobil</i> <i>NM-23177</i> <i>RECEIVED</i> <i>NOV 23 2005</i> <i>OIL ARTS DIV</i></div>	<div><i>Yeso Energy</i> <i>NM-67163</i></div> <div><i>EXXON</i> <i>NM-23177</i></div> <div><i>990'</i> <i>1380'</i></div>	<div>¹⁷ OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</div> <div><i>[Signature]</i> Signature 8-15-2005 Date</div> <div><i>GENE LEE</i> Printed Name</div>
		<div>¹⁸ SURVEYOR CERTIFICATION</div> <div>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</div> <div>See Original Survey Plat Date of Survey Signature and Seal of Professional Surveyor:</div> <div><i>8-13-1975</i></div> <div>Certificate Number</div>