

Submit 3 Copies To Appropriate District Office
 District I
 1625 N French Dr., 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
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Feb 7, 2007

WELL API NO.	30-015-27670
Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
State Oil & Gas Lease No.	

Mons.
 MAY 30 2007
 OCD - ARTESIA, NM

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)		7- Lease Name or Unit Agreement Name EAST SHUGART UNIT
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other -Injection well	8. Well Number # 042	
2. Name of Operator Americo Energy Resources, LLC	9. OGRID Number 228051	
3. Address of Operator 7575 San Felipe, Suite 200, Houston, TX 77063	10. Pool name or Wildcat Shugart (Y-SR-Q-G)	
4. Well Location Unit Letter <u>A</u> : <u>330</u> feet from the <u>North</u> line and <u>1140</u> feet from the <u>East</u> line Section <u>34</u> Township <u>18 South</u> Range <u>31 East</u> NMPM Eddy County		
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2628.5 GL		
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		
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 <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input checked="" type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or re-completion.

- Informed "OCD" 505-748-1283 EXT 102
- 5/18/07-MIRU up slick line unit, sound and cleared open perforations using sinker bars.
- 5/21/07MIRU Crain acid company. Pressure up & hold 500 psi in tbg/casing annulus.
- Install steel line to tubing string. Pumped 1000 gal 15% HCL acid & displace with 2%kcl water.
- Closed well in. rig down acid equipment. Waited on acid 30 minutes.
- Open well to injection. Pressure dropped from 1600 psi to 1410 psi. Put well on injection.

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 Robert M. Gray TITLE Land Manager DATE May 29, 2007

Type or print name Robert M. Gray E-mail address: don.gray@americoenergy.com Telephone No. 713-984-9700
For State Use Only

APPROVED BY: Gerry Guye TITLE Deputy Field Inspector DATE 5/30/07
 Conditions of Approval (if any): District II - Artesia