

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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.

5. Lease Serial No.  
NM-67103

AUG - 1 2008

6 If Indian, Allottee or

OCB-ARTESIA

## SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well

☐

Oil Well

☒

Gas Well

☐

Other

2. Name of Operator

Yeso Energy, Inc.

3a Address

P.O. Box 2248 Roswell, NM 88202-2248

3b 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

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

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☒ Plug Back☐ Production (Start/Resume)☐ Reclamation☒ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

- 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 plug back from the Wolfcamp formation to the Bone Spring formation in the following manner.

1. MIRU Workover Rig. Install 5M Hyd Double Ram BOP's. POH w/ current tbg & packer. RU electric line truck.
2. Rig up electric line w/ 5M lubricator and grease injection. Run guage ring and junk basket to 10,300' or to top of 5" liner. Set 7 5/8" 10K CIBP at 10,300' or to top of liner. TOH w/ electric line. RD electric line and lubricator.
3. TIH open ended with 2 3/8" tbg to top of CIBP. Break circulation and spot 100 sx Class "H" cmt @ 1.18 yld, 15.6#/gal from 11,300' to 9900'. Reverse out and pull tbg to 7000'. TIH and Tag cement plug. Re-cement if necessary to bring TOC to 9900'.
4. TIH w/ tbg, packer and RBP. Test Bone Spring perms 6701'-6936' for commercial production. These perms have been previously perforated and treated. Acidize if necessary to open perforations for testing.
5. TOH and pick up pumping configuration. TIH w/ tbg. Set at 7000' and pump test Bone Spring zone 6701-6936' for commercial Production. Set pumping unit, Rig down and release workover rig and rental equipment.
6. If commercial, a new completion form will be submitted.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Gene Lee

Title Operations Manager

Signature

Date

07/05/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

JUL 30 2008

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

WESLEY W. INGRAM

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 Federal or State official or employee of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Accepted for record - NMOCB

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**

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

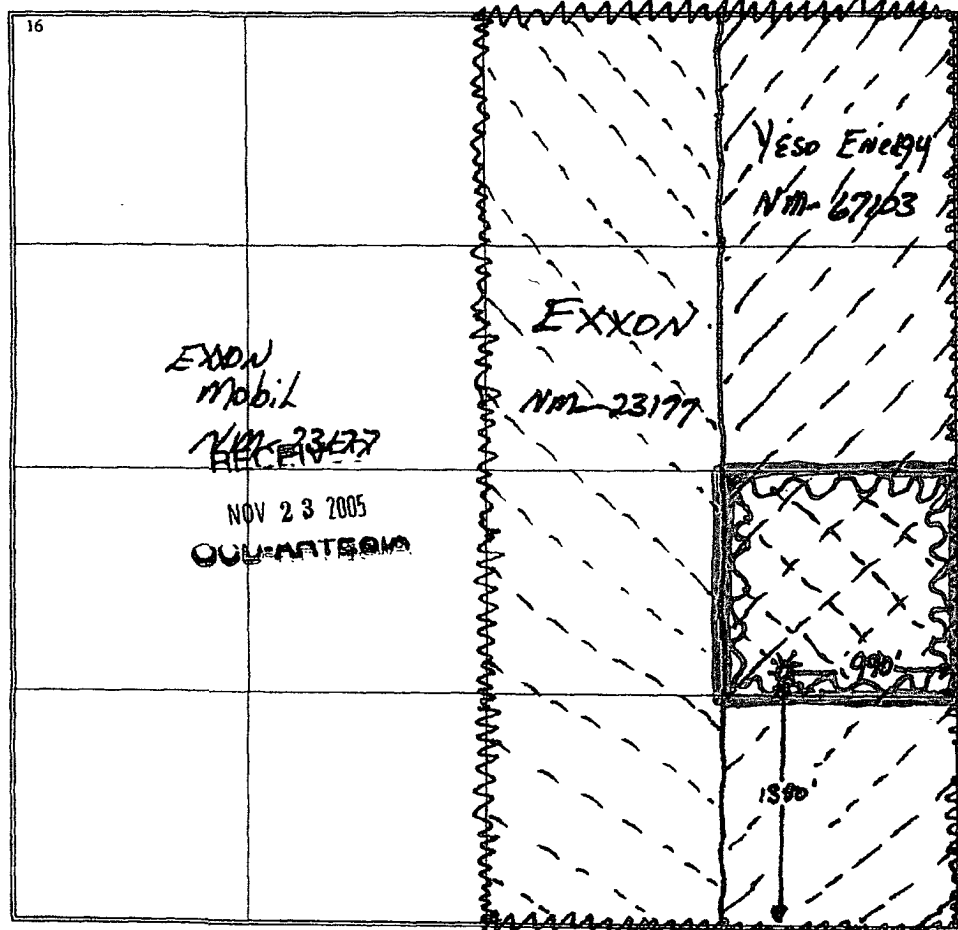
<sup>10</sup> Surface Location

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

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill N	<sup>14</sup> Consolidation Code F	<sup>15</sup> Order No. R-11292						

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></div>	<div><b><sup>17</sup> OPERATOR CERTIFICATION</b> 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.  Signature: <i>Gene Lee</i> Date: 8-15-2005  Printed Name: <b>GENE LEE</b></div>
	<div><b><sup>18</sup> SURVEYOR CERTIFICATION</b> 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.  See Original Survey Plat: 8-13-1975 Date of Survey: 8-13-1975 Signature and Seal of Professional Surveyor:  Certificate Number:</div>

**Laguna Grande Fed 1  
Yeso Energy, Inc.  
July 29, 2008  
Conditions of Approval**

- 1. Ok – BOP equipment to be tested.**
  - a. CIBP at 11850' to be tagged prior to setting any other plug**
- 2. Ok**
- 3. Ok**
- 4. Ok – indications are that these perforations have been squeezed.**
- 5. Ok**
- 6. Ok**
- 7. Work to be complete by October 27, 2008.**

**WWI 072908**

**Laguna Grande Fed 1  
Yeso Energy, Inc.  
July 29, 2008  
Conditions of Approval**

- 0. BLM to be notified 24 hours to beginning work (575) 361-2822**
- 1. Ok – BOP equipment to be tested.**
  - a. CIBP at 11850' to be tagged prior to setting any other plug**
- 2. Ok**
- 3. Ok**
- 4. Ok – indications are that these perforations have been squeezed.**
- 5. Ok**
- 6. Ok**
- 7. Work to be complete by October 27, 2008.**

**WWI 072908**