

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised August 1, 2011

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-015-22603
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> Fed.
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name East Shugart Unit
8. Well Number WSW # 1
9. OGRID Number
10. Pool name or Wildcat Shugart; Yates-7RS-QU-Grayburg
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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 - Water Supply Well

2. Name of Operator
Americo Energy Resources LLC.

3. Address of Operator
7575 San Felipe, Suite 200; Houston, TX 77063

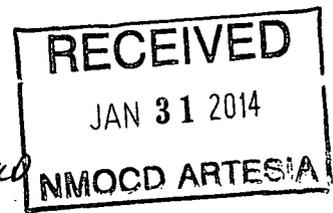
4. Well Location
 Unit Letter F : 1650 feet from the North line and 1980 feet from the West line
 Section 35 Township 18 S Range 31 E NMPM Eddy County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input checked="" 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"/> DOWNHOLE COMMINGLE <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input 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: Run 4-1/2", 10.63# liner from 4110' to surface	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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- MI W/O rig to prep well for running an ESP to provide field with supply water.
- Checked mechanical integrity of the casing and found casing leaks from 3880' - 3970'
- Discussions with Houston office as to running a 4-1/2", 10.63 #, flush joint liner; Proposed as follows:
- Set a BP at 4010'
- Land a 4-1/2", 10.633, flush joint liner just above the BP to surface
- Cement liner to surface
- Drill out the BP
- Perform MIT
- Install ESP equipment
- Return water supply well to active supply status.



Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE V.P. Operations DATE 1/28/2014

Type or print name Dr. Ghasem Bayat E-mail address: ghasem.bayat@americoenergy.com PHONE: 713-984-9700

APPROVED BY: [Signature] TITLE "Geologist" DATE 2-3-2014

Conditions of Approval (if any):

WSW #1

API # 30-015-22603

LC 029392-A Lease designation #
Eddy county, New Mexico.

GL 3654'
KB 10' 3638'
D & C 6/2/1979

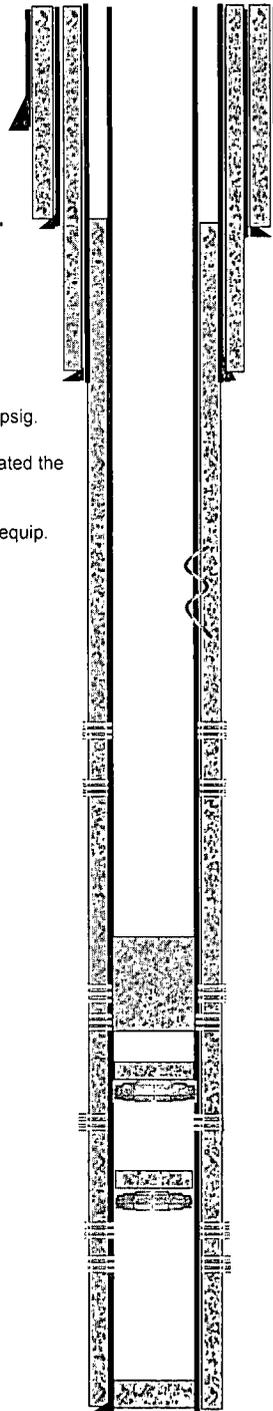
Location: .
1650' FNL & 1980' FWL,
section 35 - T-18 S- R 31 E, Unit F
Eddy county, New Mexico.

Top of Cement behind 5-1/2" at 1160'

Re-entering P & A well.
7/1/1996: MI workover rig & removed
dryhole marker & welded on wellhead',
drilled out cement plugs at 0', 815',
& 4486' 4733'. Tested Casing to 1,500 psig.
TIH w/bit to 6000'.
Run correlation log & selectively perforated the
Delaware : 5218' - 5055'
Grayburg : 4060' - 4410'
Acidized & Fractured.. Ran production equip.

H.Dashti
8/15/2006
MGB-1-28-2014

PBTD 6169'
TD 11,800'



20" Conductor Csg, set at 40' depth.
Ready mix cement to surface.

BLM permitted to complete
the well as water supply well.

13-3/8"x48#, H-40, ST&C set at 765'
w/ 800 sxs.17-1/2" hole circulated.

9-5/8"x 36 # K-55 set casing at 4600'
w/ 1750 sxs.12-1/4" hole circulated.

Logs: GR/ Sonic

Damaged 5-1/2" casing at 3880'

Damaged 5-1/2" casing at 3970'

Perforation Grayburg.
4060' to 4410'

Perforation: Delaware:
5218'-5955'
Acidized w/ 300 gal.7.5% HCl.
Frac 43,000 gals x-linked gelled 2%
KCl, 142,000 # 16/30 sand & 21,000 #
RC sand.

Cement Plug. at 9400' ? PBTD 9400'

Bone Spring perms.
9,192'-9,230' w/4 JSPF.Squeezed off.
9,274'- 9300 w/2 JSPF.Squeezed off.

CIBP at 11,450' w/ 35 ft. Cement on top
Atoka Perfs .squeezed off
11,054'- 11,080' w / 4 JSPF

CIBP at 11,450' w/ 35 ft. Cement on top
Morrow formation
11,492-508' w/ 4 JSPF
11,566' 581' w/ 4JSPF>
11,694' - 11732' w / 4 JSPF
Tested 6/2/1979
choke size 26/64 , AOF gas 4500 mcf/d.

5-1/2"x17 & 20 # N-80 casing set at 11,800'
inside 8-3/4" open hole, w 2700 sx.
of Cement, Top of cmnt at 1,160'

Recommendation: MGB - 2-8-08

The well's saltwater was checked in Jan 08 and found to be satisfactory for waterflood in East Shugart.
Plan to check the well's mechanical integrity and wellhead and equip with an ESP.

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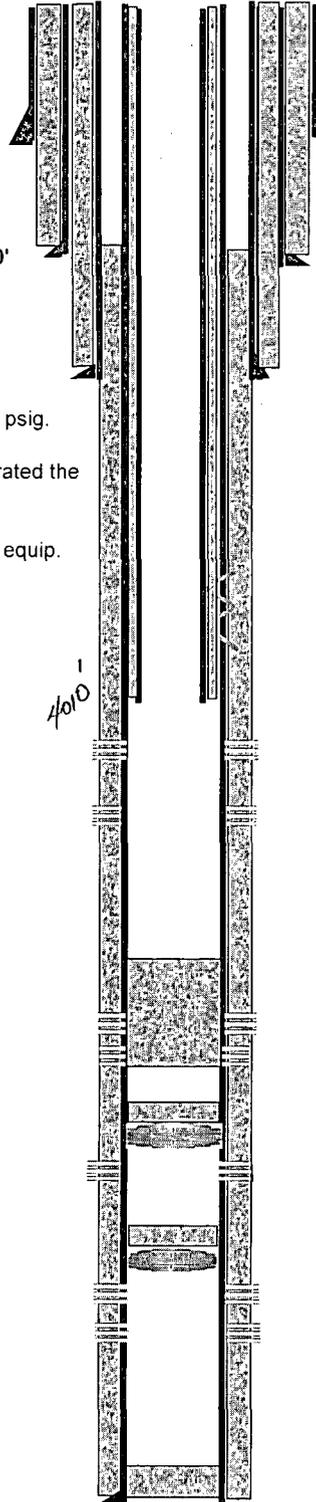
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Damaged 5-1/2" casing at 3970'

4-1/2" LinerLiner - 4010' - Surface
on top of a BP, Cemented to surface

Perf: 4060' to 4410' Grayburg

Perf: 5218' - 5955'Delaware:

Acidized w/ 300 gal.7.5% HCl.
Frac 43,000 gals x-linked gelled 2%
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Due to a casing leak at 3880' - 3970 ' plan to run a liner and cement to surface.