

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87504

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87504

WELL API NO. 30-025-00383
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-9683
7. Lease Name or Unit Agreement Name: Anderson Ranch Unit
8. Well No. 1
9. Pool name or Wildcat Wolfcamp

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

2. Name of Operator

Grand Banks Energy

3. Address of Operator

10 Desta Drive, Ste 300E, Midland, Texas 79705

4. Well Location

Unit Letter: G - 1980 feet from the North line and 1980 feet from the East line

Section: 11 Township: 16S Range: 32E NMPM: County: Lea

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
4302' GL

11. 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
COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND
ABANDONMENT ☐

CASING TEST AND
CEMENT JOB ☐

OTHER: Temporary Abandonment ☒

12. 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 recompilation.

Recent well work was performed to establish the fact that this wells mechanical casing integrity satisfied OCD Rule 203.C.(1)(a). and, as such, the well was temporarily abandoned as herein described.

Well work recap:

(Highest existing perforation is at 9090').

Set RBP at 9050' and packer at 9040'. Test RBP to 1000 psi. OK. Unseat packer and tested 7" casing to 500 psi. Held pressure for 30+ minutes and recorded results on chart meter. Retrieved packer and RBP. Set CIBP at 9000'. Circulated entire casing volume with packer fluid. Laid down tubing. NU wellhead.

FINAL REPORT 2-23-01.

Recorded pressure chart is attached as evidence of the test.

This Approval of Temporary
Abandonment Expires

3/27/06

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

SIGNATURE:

Terry M. Duffey

TITLE: Agent

DATE: Mar 5, 2001

Type or print name Terry M. Duffey

Telephone No. (915) 686-9790

(This space for State use)

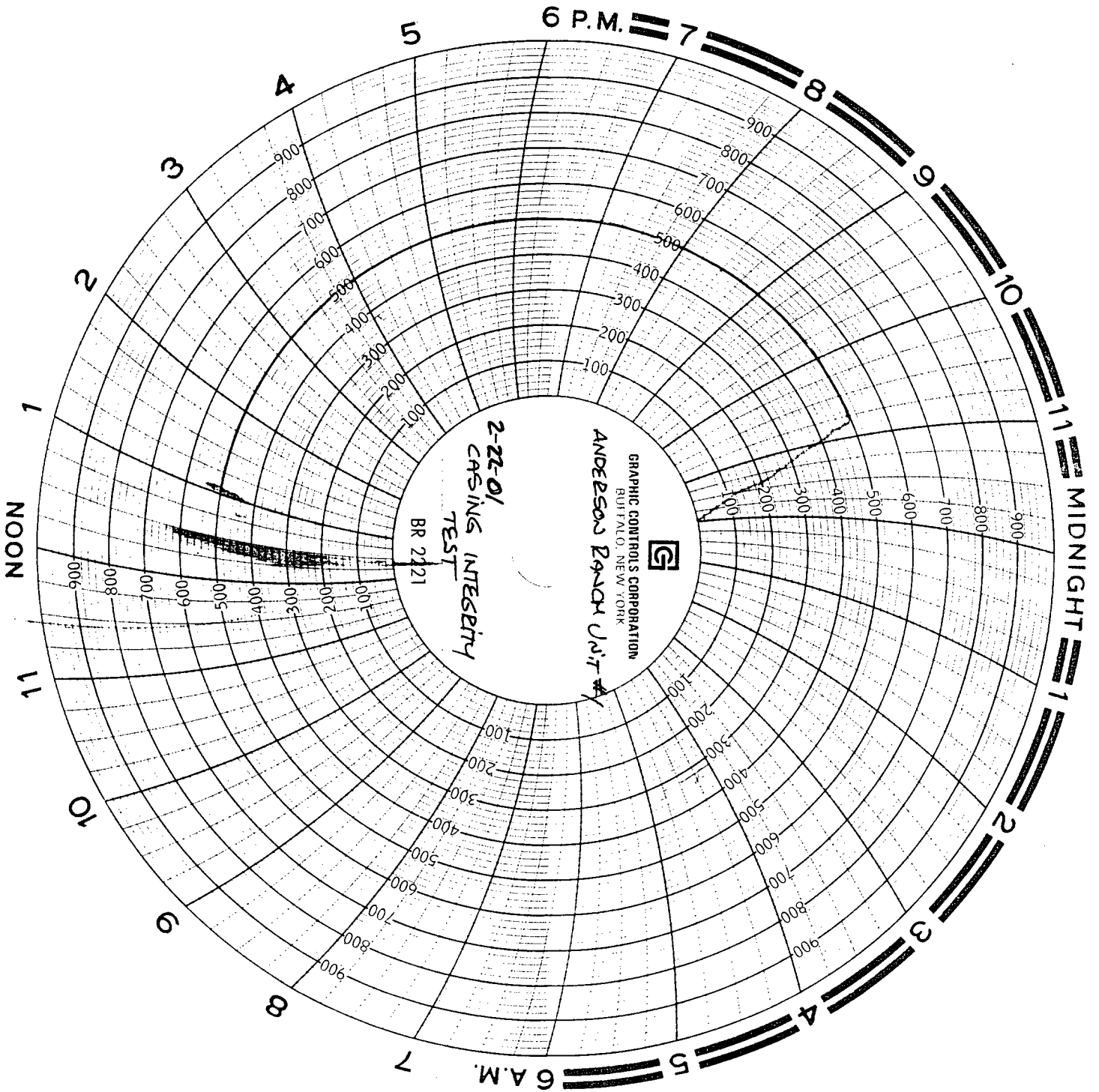
APPROVED BY

TITLE ORIGINAL

DATE MAR 27 2001

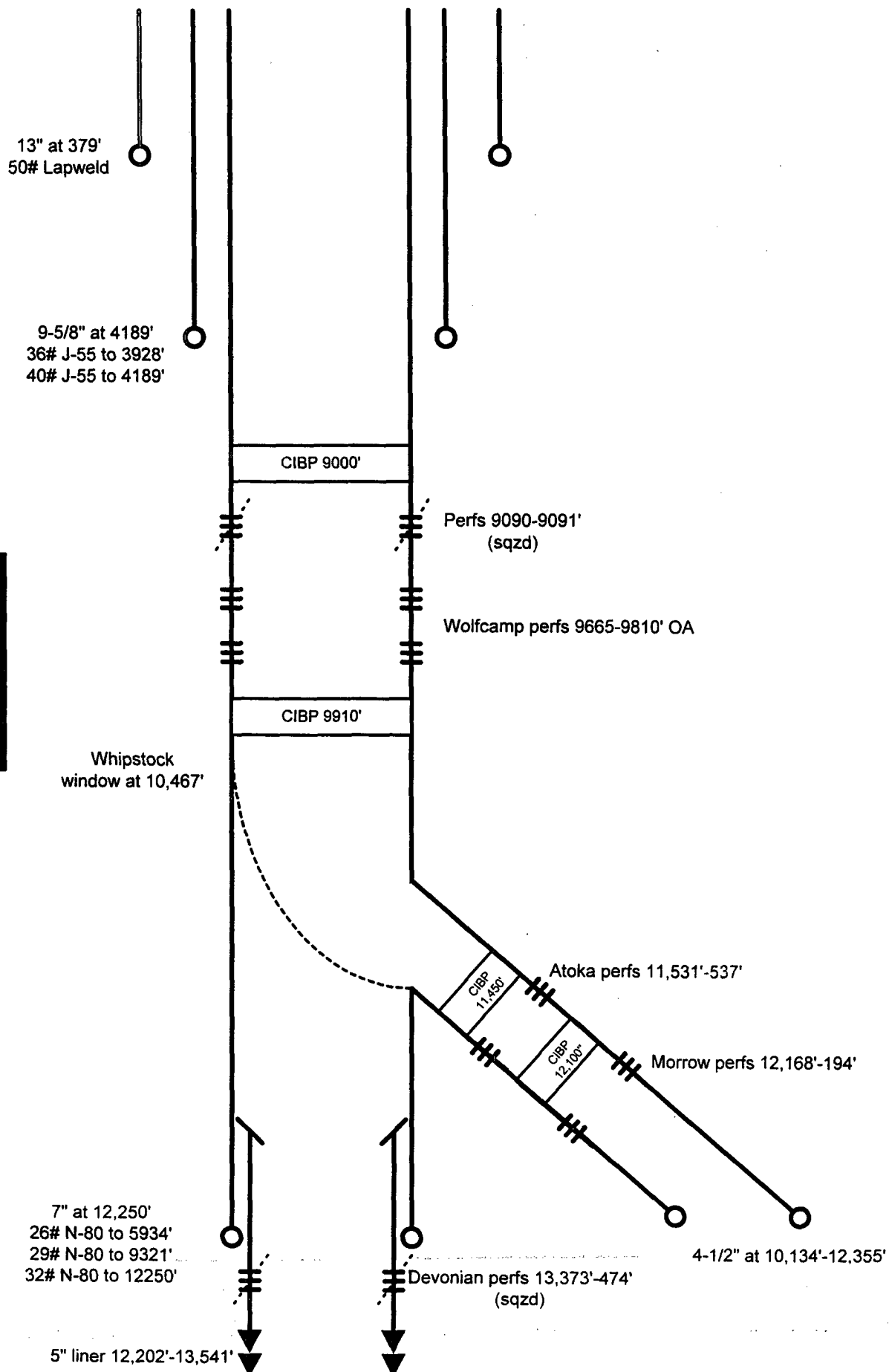
Conditions of approval, if any:

GARY WINK
FIELD REP. II



Wellbore Schematic ARU #1

Temporary Abandonment
Wellbore Configuration
February 23, 2001



Future Plan:

Retain for
potential
SWD
wellbore

Daily Report

AFE#	Lease	Well#	Description	Date	Field	County	State	Activity Description	Daily\$	Cum\$
1001	Anderson Ranch Unit	1	Temporarily abandon wellbore	19-Feb-01	Anderson Ranch	Lea	NM	MIRU Key Energy Services rig.	900	900
				20-Feb-01	Anderson Ranch	Lea	NM	ND WH. RU rig. Install BOP. TOO H w/ 317 jts of 2-7/8" tubing. PU 6-1/8" bit and scraper and 2 jts of tubing. RIH. Install TIW valve. SDFN.	2,318	4,118
				21-Feb-01	Anderson Ranch	Lea	NM	Open TIW valve. No pressure. RU tbg testers. GIH testing 317 joints. Found one split joint. TOO H. LD 25 jts. PU 7" packer/RBP. RIH w/ 158 jts. SDFN.	5,361	9,479
				22-Feb-01	Anderson Ranch	Lea	NM	Open well w/ no pressure. FIH and set RBP at 9050' and packer at 9040'. Test plug to 1000 psi. Test casing to 500 psi. OK. Released packer and plug, retrieved plug and TOO H. RIH with 7" CIBP and set at 9000'. LD one joint. SDFN.	6,335	15,814
				23-Feb-01	Anderson Ranch	Lea	NM	Open well. Circ 260 bbls of packer fluid. TOO H laying down tubing. ND BOP. NU WH. RDMO. FINAL REPORT	4,456	20,270