

HOBBS OGD

DEC 20 2011

RECEIVED

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

* Amended

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.)		WELL API NO. 30-025-01235
1. Type of Well: Oil Well ☐ Gas Well ☒ Other <i>SWD</i>		5. Indicate Type of Lease STATE ☒ FEE ☐
2. Name of Operator D.K.D., L.L.C.		6. State Oil & Gas Lease No. 309512
3. Address of Operator PO Box 682, Tatum, NM 88267		7. Lease Name or Unit Agreement Name * State M SWD <38992>
4. Well Location Unit Letter <u>B</u> : <u>660</u> feet from the <u>N</u> line and <u>1980</u> feet from the <u>E</u> line Section <u>10</u> Township <u>15S</u> Range <u>R33E</u> NMPM County <u>Lea</u>		8. Well Number #3
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4196 DR		9. OGRID Number 210091
		10. Pool name or Wildcat SWD Permo Upper Penn

12. 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 COMPL ☐
 DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

OTHER: ☐OTHER: *SWD* ☒

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.

11/28/11: Rig up with TWS pulling unit. Run in hole with bit and collars 2-3/8 tubing. Installed BOP.

11/29/11: Finish running 2-3/8 tubing. Tag plug. Shut down to wait on reverse unit.

11/30/11: Rig up reverse unit. Drill out cement & plug. Push plug to 9992 ft.

12/1/11: Lay down 2-3/8 collars & bit

12/2/11: Run new 2-7/8 plastic-coated tubing & packer

12/3-5/11: Down due to weekend and snow.

12/6/11: Finish 2-7/8 tubing in hole & flanged up

12/7/11: Set packer and load casing. Let well set for packer fluid to settle. Called OCD to test.

12/13/11: Run MIT test witnessed by Maxy from the OCD. Tested okay - chart attached.

OPER. OGRID NO 210091PROPERTY NO 38992POOL CODE 96134OFF. DATE 12/13/11API NO. 30-025-01235

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 Danny R. Watson TITLE Owner DATE 12/20/2011Type or print name Danny R. Watson E-mail address: dkdlc@leaco.net PHONE: (575)398-3490

For State Use Only

APPROVED BY: Maxy Brown TITLE Compliance Officer DATE 12/21/2011

Conditions of Approval (if any)

* Amended

SWD-1296

OPERATOR: DKD, LLC

WELL NAME & NUMBER: State M Cam #3 ARI 30-025-01235

WELL NAME & NUMBER: State M. Cam #3 ARI 30:025:01235

WELL LOCATION: 660/N 1980/E

NO

FOOTAGE LOCATION

UNIT LETTER

TOWNSHIP

33E

RANGE

WELLBORE SCHEMATIC

[illegible]

Injection Interval

9840 feet to 9990

(Perforated or Open Hole; indicate which)