

Submit 1 Copy 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

Form C-103
October 13, 2009

HOBBS OCD

OIL CONSERVATION DIVISION

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

APR 24 2012

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. 30-025-27647
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator PROVIDENCE ENERGY SERVICES, INC. dba KELTON OPERATING		6. State Oil & Gas Lease No. E-8077
3. Address of Operator P.O. BOX 928, ANDREWS, TEXAS 79714-0928		7. Lease Name or Unit Agreement Name STATE 731
4. Well Location Unit Letter <u>M</u> : 990 feet from the <u>SOUTH</u> line and 660 feet from the <u>WEST</u> line Section 25 Township 22S Range 35E NMPM LEA County		8. Well Number 4
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3558' GL		9. OGRID Number 012444
		10. Pool name or Wildcat Undesignated Jalmat/Yates/7 Rivers

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: ☐

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.

Well Bore Diagram Attached

1. Pull Rods and Tubing out of hole.
2. Set CIBP at 3660 +/- 3690
3. Circulate Hole with packer fluid. Test casing to 560#.
4. Run MIT Test.

Rule 19.15.25.14

Set CIBP, RBP or Packer within 100 feet of uppermost
perms. or open hole Pressure test to 500 psi for 30 minutes with
a pressure drop of not greater than 10% over a
30 minute period

Condition of Approval: Notify OCD Hobbs
office 24 hours prior to running MIT Test & Chart

**The Oil Conservation Division
MUST BE NOTIFIED 24 Hours
Prior to the beginning of operations**

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

C. Dale Kelton

TITLE PRESIDENT

DATE April 19, 2012

Type or print name C. Dale Kelton

E-mail address: providenceenergy@suddenlink.net

PHONE: 432-661-1364

For State Use Only

APPROVED BY

[Signature]

TITLE

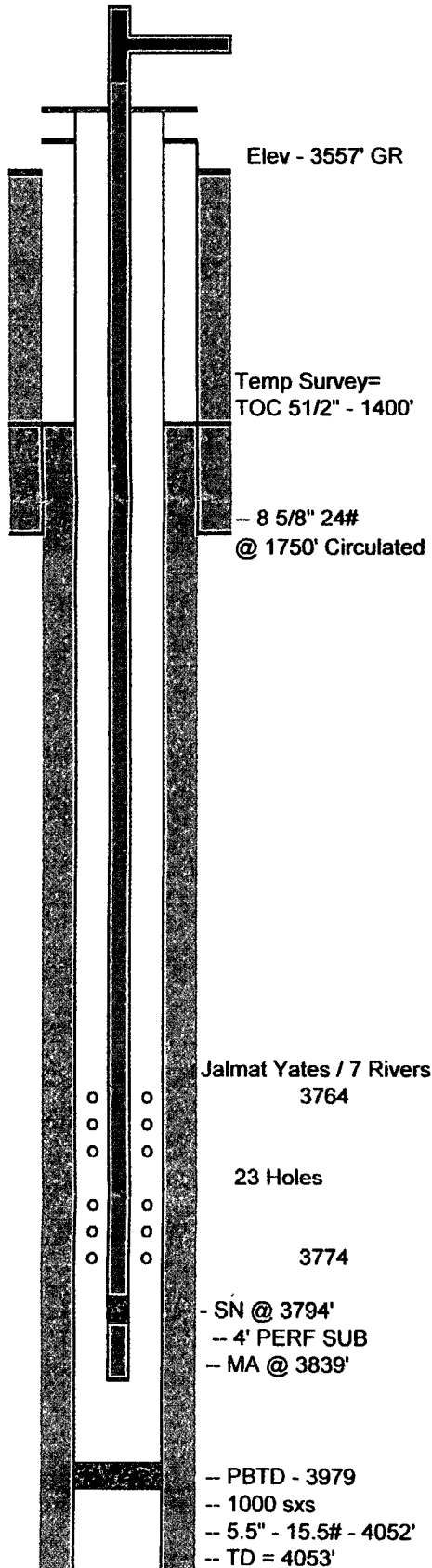
STAFF 11/12

DATE

4-25-2012
APR 25 2012

Conditions of Approval (if any):

Kelton Operating Corporation - WELL DIAGRAM



WELL INFORMATION

Date 04-19-2012

WELL NAME: State 731 #4
 LEGAL LOCATION : Section 25-22S-35E
 Lea County, New Mexico
 WELL HEAD TYPE: Larkin
 WELL HEAD SIZE: 5.5"
 CASING SIZE: 5.5" - 15.5# J-55

ROD TYPE AND SIZE

	7/8"	3/4"	SUBS 7/8"	3/4"
# RODS	149			

DETAIL

Pump 2" x 1.5 x 16' RWTC
 Gas Anchor - 10'

CONDITION

Good XX
 Fair
 Pitted
 Scaled - Some
 Worn (Rod/Box)
 Corrosion - No
 Parrafin - Yes
 Polish Rod and Liner 1.5" x 16' Liner

TUBING SIZE

	New	Used XXX	Coated	Yes	No
DETAIL					

Size 2 3/8" Wgt 4.7# Type J-55 Thread - 8rd
 # JOINTS 118

Condition :

Good XXX Pitted
 Fair Rod Wear
 Hole Corrosion - No
 Split Scale -

COMMENTS

KELTON OPERATING CORPORATION

Post Office Box 928

Andrews, TX 79714

432-524-6400

432-661-1364

HOBBS OCD

APR 24 2012

RECEIVED

April 19, 2012

Mr. EL Gonzalez
State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
1625 North French Drive
Hobbs, New Mexico 88240

Re: State 731 #3 & #4 Proposed TA
OGRID #012444

Dear Mr. Gonzalez:

Pursuant to our telephone conversation, please find enclosed the completed Form C-103 and well diagrams for the above-mentioned wells to be prepared and tested for TA Status.

We will be preparing the C-103 for the Skelly Penrose B Unit #24 and 48 wells as well as selecting two additional wells to either reinstate production or P&A in the near future.

Should you need anything further, please advise.

Very truly yours,
Providence Energy Services, Inc,
dba Kelton Operating



Dale Kelton
President