

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

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		WELL API NO. 30-025-40348
2. Name of Operator Three Rivers Operating Co., LLC		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator 1122 S. Capital of Texas Hwy, #325 Austin, TX 78746		6. State Oil & Gas Lease No.
4. Well Location Unit Letter P : 660 feet from the South line and 660 feet from the West line Section 8 Township 21S Range 34E NMPM County Lea		7. Lease Name or Unit Agreement Name Cosmo 8 State
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3714 GR		8. Well Number 004H
9. OGRID Number 272295		10. Pool name or Wildcat Berry, Bone Spring, South (906660)

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input checked="" 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: <input type="checkbox"/>		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.

The subject horizontal well is currently drilling at a MD of 13,267' with a proposed TD 15,200'. Due to the potential for lost circulation the original plan called for cementing the 5 1/2" production casing with a DV tool and a two stage cement job. The 9 5/8" intermediate casing was successfully set and two stage cemented from a TD of 5750', below the Seven Rivers Reef, with cement circulated back to surface on both stages. Therefore Three Rivers will change the 5 1/2 inch cementing program from a two stage cement job to a single stage job by pumping a lead slurry of 760 sx of light cement mixed at 11.9 ppg and 2.48 ft³/sx, followed by a tail slurry of 600 sx of Class H plus additives mixed at 13.2 ppg and 1.62 ft³/sx. Cement volumes will be sufficient to tie back a minimum of 300' into the 9 5/8" intermediate casing and final volumes will be based upon the open hole log caliper. Verbal approval of the single stage plan was received via telecom with Paul Kautz 5/25/2012.

HOBBS OCD

Spud Date: 4/4/2012

Rig Release Date:

MAY 25 2012

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

RECEIVED

SIGNATURE John C. Maxey TITLE Consulting Pet Engr DATE May 25, 2012

Type or print name: John C. Maxey E-mail address: jcm@maxeyengineering.com PHONE: 575-623-0438

For State Use Only

APPROVED BY: [Signature] TITLE **PETROLEUM ENGINEER** DATE **MAY 29 2012**

Conditions of Approval (if any):

MAY 29 2012