

HOBBS OGD
JUN 06 2012
RECEIVED

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-01235

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

309512

7. Lease Name or Unit Agreement Name

State M SWD

8. Well Number #3

9. OGRID Number 210091

10. Pool name or Wildcat

SWD Permo Upper Penn

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 SWD

2. Name of Operator

DKD, LLC

3. Address of Operator

PO Box 682, Tatum, NM 88267

4. Well Location

Unit Letter B : 660 feet from the N line and 1980 feet from the E lineSection 32 10 Township 15S Range R33E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

4196 DR

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: SWDOTHER: ☐

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.

6/1/12 - Run wireline. Found liner collapsed @ 1310 ft. Will rig up pulling unit and try to find blockage on 6/4/12.

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. WatsonTITLE OwnerDATE 6/1/2012

Type or print name

Danny R. Watson

E-mail address:

dkdllc@leaco.netPHONE: (575) 398-3490

For State Use Only

APPROVED BY:

Mahesh Patel

TITLE

Compliance Officer

DATE

06-06-2012

Conditions of Approval (if any):

JUN 07 2012