

District I

HOBBS OGD

Energy, Minerals and Natural Resources

May 27, 2004

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

SEP 17 2012

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

| | |
|---|---|
| WELL API NO. 30-025-40680 | |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> | |
| 6. State Oil & Gas Lease No. | |
| 7. Lease Name or Unit Agreement Name Laguna 16 State | |
| 8. Well Number | 2H |
| 9. OGRID Number 151416 | |
| 10. Pool name or Wildcat Salt Lake; Bone Spring | |
| 4. Well Location BHL: A 330' North 330' East Unit Letter P : 475' feet from the South line and 610' feet from the East line Section 16 Township 20S Range 32E NMPM County Lea | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3516' GR | |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> | |
| Pit type | Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water |
| Pit Liner Thickness: | mil Below-Grade Tank: Volume bbls; Construction Material |

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: Intermediate Casing ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

8-11-2012- 8-16-2012

Drilled a 12 1/4" hole from 2570' - 4590'. Set 106 jts. of 9-5/8" LT&C casing @ 4579' & a DV Tool @ 2983'. Cemented w/ 1st stage: Pumped 50 bfw, 350 sx Lightweight C with 5% salt, 1/8 lb/sx celloflake, 6% gel, 0.2% antifoam, 0.4% fluid loss, 2 lbs/sx D042 extender (s.w. 12.6 ppg, yield 2.05 ft³/sx) plus 250 sx Class "C" with 0.2% retarder (s.w. 14.8 ppg, yield 1.33 ft³/sx). PD at 11:00 a.m. MDT 8-15-12. Bumped plug to 1600 psi, floats held. Opened DV tool and circulated 244 sx excess cement. 2nd Stage: 50 bbls fw ahead of 600 sx Lightweight C with 5% salt, 1/8 lb/sx celloflake, 6% gel, 0.2% antifoam, 0.4% fluid loss, 2 lbs/sx D042 extender (s.w. 12.6, yield 2.05 ft³/sx) plus 200 sx Class "C" with 0.2% retarder (s.w. 14.8 ppg, yield 1.33 ft³/sx). PD at 7:00 pm MDT 8-15-12. Bumped plug to 2300 psi, closed DV tool. Circulated 122 sx excess cement to Surface. WOC time 31 hrs. Centralized casing on the first 3 joints, then every 4th joint up to and around DV - for a total of 14 centralizers. Pressure test 9 5/8" csg. to 1500 psi for 15 minutes.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Kim Tyson TITLE Regulatory Analyst DATE 9-13-2012

Type or print name Kim Tyson

E-mail address: kimt@forl.com

Telephone No. (432) 687-1777

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE SEP 18 2012

Conditions of Approval (if any):