

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

RECEIVED

SEP 19 2012

HOBBS OGD

OIL CONSERVATION DIVISION

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

| |
|---|
| WELL API NO. 30-025-27222 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. V-6981 |
| 7. Lease Name or Unit Agreement Name Dagger State Unit |
| 8. Well Number 1 |
| 9. OGRID Number 000785 |
| 10. Pool name or Wildcat Wildcat Bone Spring |

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 ☐

2. Name of Operator
AMTEX ENERGY, INC.

3. Address of Operator
P.O. BOX 3418, MIDLAND, TX 79702

4. Well Location
Unit Letter F : 1980 feet from the North line and 1980 feet from the West line
Section 30 Township 21S Range 33E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3109' GR

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

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|--|---|--|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | | |
| OTHER: <input type="checkbox"/> | | OTHER: Blind Sidetrack <input checked="" 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.

Beginning date: 07-09-2008.

MIRU Drilling Rig and PU a 8.75" bit, bent sub and motor and RIH and Blind Sidetrack at 7,247'. After sidetracking, drop back to vertical and drill new 8.75" hole down to 12,234'. At total depth (TD) ran new logs and sidewall cores. Then conditioned hole and LD the drill pipe, collars and bit. RIH with 7.0" Casing, 26 lb./ft., P-110, HC, LTC and Buttruss, from the surface to Open Hole Plug Back depth of 11,426', and cement back to tie back into the Intermediate Casing, and 7.0" Casing cemented in 2 stages, 1st stage is 700sx Class H Cement, DV Tool @ 7,171', 2nd stage is 675sx Class C Cement and TOC @ 800' from surface. The 7.0" Casing Slips are set and landed in the Well Head.

Perform detailed core analysis, detailed log analysis, detailed rock mineralogy-chemical compatibility analysis, and other reservoir analysis. These analysis identify the target completion pay zones for horizontal drilling in the Dagger State Unit. MIRU Completion Rig and PU 6.125" Bit, DC, and 2-7/8" Tbg. and RIH to 7,162' and tag cmt. inside the 7.0" Casing. Drill-out with reverse unit through DV Tool @ 7,171' and RIH to PBDT @ 11,390', and circ. clean and POH. RIH on WL and set CIBP at 11,360', and then Perforate from 10,890'-900', 10,902'-912', and 10,913'-923', 2SPF, 61 holes. Acidize w/ 3000 gal. 10% NEFE Acid. Frac down CSG at 60 BPM with 145,556 gal. of Delta Frac Fluid carrying 247,357 lbs. of CARBO Prop Premium 20/40 proppant. Flow back load water and production test, then potential test, build Tank battery, install pumping unit and put well on production, **08-23-2012.**

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

William J. Savage

TITLE

PRESIDENT

DATE 09/12/12

Type or print name

WILLIAM J. SAVAGE

E-mail address:

keads@amtexenergy.com

PHONE: (432) 686-0847

For State Use Only

APPROVED BY:

[Signature]

TITLE

Petroleum Engineer

DATE

SEP 25 2012

Conditions of Approval (if any):

SEP 25 2012