

Submit 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

RECEIVED

OCT 09 2012

HOBBSUCD

CONSERVATION DIVISION

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

WELL API NO. 30 025 22932
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. L 522
7. Lease Name or Unit Agreement Name State 27
8. Well Number 2-SWD
9. OGRID Number 213190
10. Pool name or Wildcat SWD; 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 ☒ - disposal

2. Name of Operator
CrownQuest Operating, LLC

3. Address of Operator
Box 53310, Midland, TX 79710

4. Well Location

Unit Letter P : 660 feet from the South line and 660 feet from the East line

Section 27 Township 14S Range 32E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.):
4302' GR

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 ☐

OTHER:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMINGLED INJECTION ☒
CASING/CEMENT JOB ☐

Per Underground Injection Control Program Manual

11.6 C Packer shall be set within or less than 100 feet of the uppermost injection perfs or open hole.

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.

Last mechanical integrity test 9-11-08, passed.

9/27/12: Possible casing leak, RIH w/5 1/2 rental compression packer to 9706', set & loaded casing w/22 bbls, pressured up to 500#, csg pressure did not hold. Moved up hole and tested @ 8607', 7962', 6988', 6350' and 6092' - tested good for 30 minutes. Set @ 6124' and test failed.

Intend to repair casing in well with squeeze job - anticipated @ 6094-6124' w/sufficient cement, WOC. Will contact NMOCD 24 prior to cement job. CrownQuest Field Contact is Jeremy Divine @ jdivine@crowquest.com.

Condition of Approval: notify

OCD Hobbs office 24 hours

prior of running MIT Test & Chart

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

Rig Release Date:

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

SIGNATURE Ann Ritchie TITLE Regulatory DATE 10/04/2012

Type or print name Ann Ritchie E-mail address: ann.wtor@gmail.com PHONE: 432 6846381

For State Use Only

APPROVED BY [Signature] TITLE Dist. MGR DATE 10-9-2012

Conditions of Approval (if any):

OCT 09 2012