

MAY 29 2013

Form C-103

Revised August 1, 2011

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

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-041-20955	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No. 39543	
7. Lease Name or Unit Agreement Name WATSON 31	
8. Well Number 1	
9. OGRID Number 178694	
10. Pool name or Wildcat CLR (SAN ANDRES)	

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"/>	
2. Name of Operator ICA ENERGY OPERATING, LLC	
3. Address of Operator P.O. BOX 2712 ODESSA, TX 79760	
4. Well Location Unit Letter <u>I</u> : 1980 feet from the <u>SOUTH</u> line and <u>500</u> feet from the <u>EAST</u> line Section <u>31</u> Township <u>8-S</u> Range <u>34-E</u> NMPM County <u>ROOSEVELT</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4309 GL	

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

OTHER: PERF & ACIDIZE

X

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.

2/12/13: MIRU PU. POH W/RODS/PUMP/TBG. RIH W/RBP/PKR AND TBG. SET RBP @ 4650. PUMP 17 BBLS 2% KCL TO LOAD. - TEST TO 500#. SET PKR @ 4520. PUMP 22 BBLS 2% KCL TO LOAD - TEST TO 500#. DUMP (2) SACKS SAND THRU TBG. INSTALL TIW VALVE.

2/13/13: ACID JOB. PERFS 4600-14', 4622-25' @ 3 SPF. MAX RATE = 4.3 BPM - AVG RATE = 3.2 BPM. MAX PSI = 3727# - AVG PSI = 15773. ISIP = 1242#, 5 = 1039#, 10 = 958#, 15 = 888#.

2/14/13: POH W/PKR - POH W/RBP - RIH W/PRODUCTION STRING - RIH W/RODS AND PUMP. HBO.

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 Debbie Curry TITLE OPERATIONS ASSISTANT DATE 5/22/13

Type or print name DEBBIE CURRY E-mail address: dcurry@icaenergy.com PHONE: 432-580-5722

For State Use Only

Petroleum Engineer

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE MAY 30 2013

Conditions of Approval (if any):

MAY 30 2013