

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

Form C-103
 Revised July 18, 2013

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

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.)		WELL API NO. 30-025-23391
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other SWD		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator DKD LLC		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 682 Tatum, NM 88267		7. Lease Name or Unit Agreement Name Shell State SWD
4. Well Location Unit Letter <u>K</u> : <u>1980</u> feet from the <u>South</u> line and <u>1980</u> feet from the <u>West</u> line Section <u>32</u> Township <u>14</u> Range <u>34</u> NMPM Lea County		8. Well Number <u>1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number <u>210091</u>
10. Pool name or Wildcat SA-SWD		10. Pool name or Wildcat SA-SWD

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 checked="" 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"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input 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.

Notify OCD prior to moving rig in. (See schematic and attached procedure.)

HOBBSOCD

JAN 22 2014

RECEIVED

*NOTE C.O.A.
 Page 2*

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 Eddie W. Seay TITLE Agent DATE 1/17/2014

Type or print name Eddie W. Seay E-mail address: seay04@leaco.net PHONE: 575-392-2236

For State Use Only

APPROVED BY: Mary Brown TITLE Compliance Officer DATE 1/23/2014

Conditions of Approval (if any):

OIL CONSERVATION DIVISION - Hobbs office Must Be Notified
 24 hours prior to the beginning of Plugging Operations.

JAN 23 2014

SHELL STATE SWD
P & A PROCEDURE

- 1) Move in abandonment rig. (Will use steel pits)
- 2) Pull and lay down injection equipment.
- 3) Go in hole with tubing, spot 100 ft. plug 50/50 at 8 5/8" shoe from 4450' - 4550'.
- 4) WOC - Tag.
- 5) Load hole with salt gel.
- 6) Spot ³⁰ 25 sx plug at top of salt at 1800'.
- 7) Perforate 8 5/8" casing at 450 ft. sq. with 50 sx cement.
- 8) ~~Spot 10 sx~~ surface plug and marker. PERF @ 100'
- 9) File final report, clean location.

WOC & TAG
CIRC CMT INSIDE & OUT
TO SURFACE.

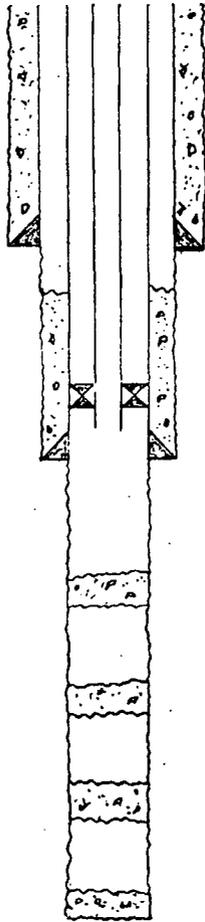
SPOT 30 SXS CMT @ 2900'.

INJECTION WELL DATA SHEET

Sage Oil Company		Shell State Lease	
OPERATOR	LEASE		
1-SWD	1980' FSL & 1980' FWL	32	T-14-S R-34-E
WELL NO.	FOOTAGE LOCATION	SECTION	TOWNSHIP RANGE

Current Condition

Schematic



Tabular Data

Surface Casing

Size 11 3/4 " Cemented with 400 sx.
 TOC Surface feet determined by Circulated
 Hole size 15"

Intermediate Casing

Size 8 5/8 " Cemented with 300 sx.
 TOC ± 1200' feet determined by Calculated
 Hole size 11"

Long string

Size -- " Cemented with -- sx.
 TOC -- feet determined by --
 Hole size --
 Total depth --

Injection interval

4475 feet to 5895 feet
~~xxxxxxx~~ open-hole, indicate which)

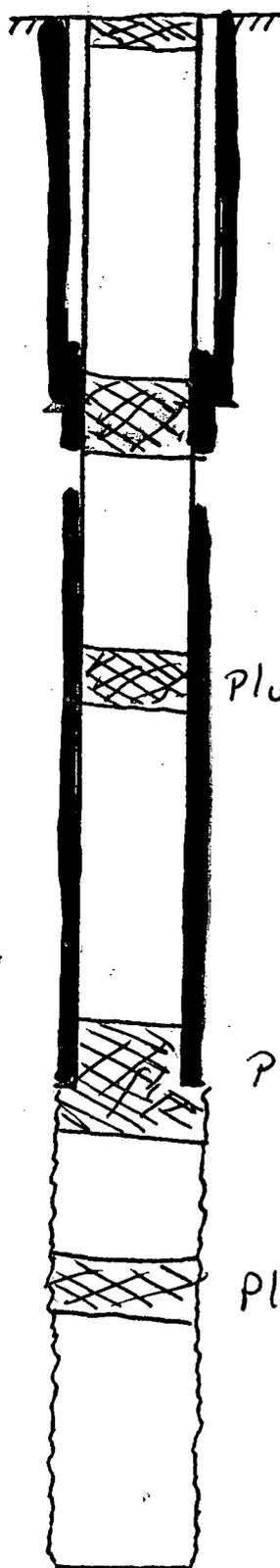
Tubing size 2 7/8" lined with Tuboscope TK-75 (or equivalent) set in a
(material)
Baker AD-1 Tension Packer (or equivalent) packer at ± 4400' feet
(brand and model)
 (or describe any other casing-tubing seal).

Other Data

- Name of the injection formation San Andres
- Name of Field or Pool (if applicable) None
- Is this a new well drilled for injection? Yes No
 If no, for what purpose was the well originally drilled? Drilled as a producer of oil and abandoned.
- Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail (sacks of cement or bridge plug(s) used) No perforations
10 sx @ surface; 25 sx 4425-4500'; 25 sx 5895-5970'; 25 sx 8050-8125'; 25 sx 9805-9880'; 35 sx 10,300-10,400'.
- Give the depth to and name of any overlying and/or underlying oil or gas zones (pools) in this area. Proposed injection zone overlies the Tres Papalotes Penn, West Field
There is no overlying producing interval.

OPERATOR	DKD LLC		DATE	11/17/2014	
LEASE	Shall State (API 30.025.23391)	WELL No	1	LOCATION	Unit K Sub 32 T. 14 R. 34

Proposed
PFA



surface plug & Marker

Perf + Sg $8\frac{5}{8}$ w/ 50% cement 450 - 350

Plug Top - salt 1800

load hole w/ salt gel

Plug 4450 - 4550

Plug 5895 - 5970