

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

HOBBS OCD

State of New Mexico
 Energy, Minerals and Natural Resources
 CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised July 18, 2013

OCT 08 2014

RECEIVED

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. 30-025-34587
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator EverQuest Energy Corporation		6. State Oil & Gas Lease No. V-4362
3. Address of Operator 10 Desta Drive, Ste 300E, Midland, Texas 79705		7. Lease Name or Unit Agreement Name Rancho Verde 10 State
4. Well Location Unit Letter <u>L</u> : <u>2310</u> feet from the <u>South</u> line and <u>930</u> feet from the <u>West</u> line Section <u>10</u> Township <u>16S</u> Range <u>32E</u> NMPM County <u>Lea</u>		8. Well Number <u>1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4319' AGL		9. OGRID Number 2862911
10. Pool name or Wildcat Wolfcamp, SW		10. Pool name or Wildcat Wolfcamp, SW

ANDERSON RANCH

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- CLOSED-LOOP SYSTEM
- OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- OTHER:

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.

We plan to run a test packer above the open perms 9806-28' and test the 5-1/2" casing pressure-holding integrity to 500 psig. The results will be recorded on a circular chart and forwarded to the Hobbs OCD office. We will notify the OCD 24-hours in advance of the test so they can witness the job. Junior Bennett will be on location as our well representative. His cell phone number is 432-312-4001. If the casing integrity test meets OCD expectations EverQuest Energy will submit a new C-103 asking for TA approval for a term of 3-6 months so deepening plans can be executed.

SEE ATTACHED CONDITIONS OF APPROVAL

Spud Date: October 9, 2014 Rig Release Date: Assuming a 3-5 day job

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

SIGNATURE M. Duffey TITLE PRESIDENT DATE 10-8-14
 Type or print name TERRY DUFFEY E-mail address: TDUFFEY@EVERQUESTENERGY.COM PHONE: 432-978 1126
 For State Use Only
 APPROVED BY: Mary Brown TITLE Dist. Supervisor DATE 10/8/2014
 Conditions of Approval (if any):

OCT 08 2014

CONDITIONS OF APPROVAL

October 8, 2014

- SUBMIT CURRENT WELLBORE DIAGRAM.
- WHEN PACKER IS RAN IT MUST BE WITHIN 100' OR LESS FROM THE TOP PERFORATIONS.
- ANNULUS MUST CONTAIN INERT FLUID (PACKER FLUID).
- FOR A VALID TEST, A CIBP, RBP OR TUBING AND PACKER MUST REMAIN IN THE WELLBORE AFTER TEST.
- THIS IS A MINIMUM OF 500# TEST, FOR 30 MINUTE DURATION. IF A 10% OR GREATER FALL OFF OCCURS THE TEST HAS FAILED.
- CONTACT OCD WITH A MINIMUM OF 24 HOURS NOTICE PRIOR TO RUNNING TEST.
- USE 1000# CHART AND CHART RECORDER WITH A CLOCK WITH THE ABILITY TO BE RAN FOR 60 MINUTES, AND HAS BEEN CALIBRATED IN THE LAST 6 MONTHS. CALIBRATION RECORDS MUST BE PRESENT WITH THE RECORDER.

MG Brown

District I Supervisor

OCD -Hobbs

OCT 08 2014