

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

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

WELL API NO. 30-041-20809
5. Indicate Type of Lease STATE [] FEE [X]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name STOLTENBERG
8. Well Number #1
9. OGRID Number 263940
10. Pool name or Wildcat TULE MONTOYA/PENN [X]
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4394'

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 Plug and Abandon []
2. Name of Operator SOVEREIGN EAGLE LLC
3. Address of Operator PO BOX 1030 ROSWELL NM 88202
4. Well Location Unit Letter F: 1650 feet from the NORTH line and 2310 feet from the WEST line
Section 26 Township 2S Range 29E NMPM ROOSEVELT County
5. Elevation (Show whether DR, RKB, RT, GR, etc.) 4394'

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 []
CLOSED-LOOP SYSTEM []
OTHER: []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A [X]
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.

10/13/2014 Re-entered well and drill out surface plugs and plug inside 8 5/8" casing shoe. Could not get past hole casing in at 2250'.

10/20/14 Plugged and abandoned by;
Set plug #1 with 100 sx across 8 5/8" casing shoe at 2128', end of tubing at 2169'.
Set plug #2 with 50 sx with end of tubing at 395' across the 13 3/8" casing shoe at 331'.
Set 10 sx plug at surface.
Clean location and fill cellar. Dry hole marker will be placed after Stoltenberg #2 is drilled and completed on same location.

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 Paul Ragsdale TITLE Operations Manager DATE 10/21/2014
Type or print name Paul Ragsdale E-mail address: pragsdale@stratanm.com PHONE: 575-626-7903

For State Use Only
APPROVED BY: [Signature] TITLE Dist Supervisor DATE 10/27/2014
Conditions of Approval (if any):

E-PERMITTING
P&A NR [] P&A R []
INT TO P&A [] COMP []
CSNG [] CHG Loc []
TA [] RBDMS CHART []

OCT 28 2014

[Handwritten initials]