

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. 30-025-21231
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 COBALT OPERATING, LLC		6. State Oil & Gas Lease No.
3. Address of Operator 3001 N. BIG SPRING ST. STE. 206 MIDLAND, TEXAS 79705		7. Lease Name or Unit Agreement Name STATE A
4. Well Location Unit Letter <u>C</u> : <u>752</u> feet from the <u>NORTH</u> line and <u>2092</u> feet from the <u>WEST</u> line Section <u>05</u> Township <u>24S</u> Range <u>38E</u> NMPM County <u>LEA</u>		8. Well Number <u>2</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>3,300</u>		9. OGRID Number 286255
		10. Pool name or Wildcat STATELINE ELLENBURGER

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <u>Recompletion</u> <input checked="" type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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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.

Test casing to 500 psi  
 MIRU workover unit  
 RIH with a 4-5/8" bit (some 20# casing in string) on a working string to 9500 feet.  
 POOH with bit.  
 Perforate 2 JSPF from 9288 to 9298'  
 RIH with packer with three joints of tail pipe below packer, place seating nipple above packer)  
 Place tail joints at 9300' and spot 500 gallons 28% HCL acid  
 Pull packer up-hole 300 feet  
 Set packer, test backside to 500 psi  
 Acidize with 3500 gals (4000 total) of 28% HCL, over flush acid.  
 Flow back, swab back to frac tank

Spud Date: 11/12/2014 Rig Release Date:

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

SIGNATURE JoAnn Tercero TITLE Regulatory Analyst DATE 11/04/2014

Type or print name JoAnn Tercero E-mail address: joann@cobaltoperating.com PHONE: 432-683-8030

For State Use Only  
 APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 11/06/14  
 Conditions of Approval (if any):

NOV 06 2014