

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

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| 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. 30-025-09659 |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Injector <input checked="" type="checkbox"/> | | 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 2. Name of Operator SDG Resources L. P. | | 6. State Oil & Gas Lease No. NM 12612 |
| 3. Address of Operator P. O. Box 1390 Montrose, CO 81402 | | 7. Lease Name or Unit Agreement Name NM 70962X |
| 4. Well Location Unit Letter <u>E</u> 1980 feet from the <u>NORTH</u> line and <u>330</u> feet from the <u>WEST</u> line Section <u>25</u> Township <u>24S</u> Range <u>36E</u> NMPM LEA County | | 8. Well Number <u>Cooper Jal Unit 238</u> |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,303' GL | | 9. OGRID Number 193003 |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> | | |
| Pit type <u> </u> Depth to Groundwater <u> </u> Distance from nearest fresh water well <u> </u> Distance from nearest surface water <u>>1000</u> feet | | |
| Pit Liner Thickness: <u> </u> mil Below-Grade Tank: Volume <u> </u> bbls; Construction Material <u>Synthetic</u> | | |

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 ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: Performed Step-Rate Test. ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Objective: Performed Step-Rate Test.

1. Shut well in 24 hours prior to test.
2. R.U. Arc Pressure Data, Inc. on 11/18/05.
3. RIH with pressure bomb and located at 3,139' (Mid Perfs Point).
4. Started injection at 800 bwpd for 1 hour.
5. Ramped rates up at 200 bwpd increments per hour.
Obtained at least 3 points before parting pressure and 5 points after parting pressure.
6. POOH with pressure bomb. R. D. Arc Pressure Data, Inc.
7. Place well on injection at 700 bwpd.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Domingo Canizales TITLE Senior Petroleum Engineer DATE 2/22/06

Type or print name
For State Use Only

E-mail address: Domingo@sdgresources.com Telephone No. 432-580-8500

APPROVED BY: Larry W. Wink TITLE FIELD REPRESENTATIVE II/STAFF MANAGER DATE FEB 27 2006
Conditions of Approval (if any):