

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

Form C-103  
 Revised July 18, 2013

HOEBS  
 MAR 24 2016  
 RECEIVED

WELL API NO. 30-041-20846
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name MORRISON
8. Well Number 001
9. OGRID Number 263940
10. Pool name or Wildcat TULE-PENN (GAS)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4339 G.L.

**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

2. Name of Operator  
SOVEREIGN EAGLE, LLC ✓

3. Address of Operator  
PO BOX 968, ROSWELL, NM 88202

4. Well Location  
 Unit Letter A : 750 feet from the N line and 990 feet from the E line  
 Section 22 Township 2S Range 29E NMPM ROOSEVELT County

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input checked="" 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"/>		OTHER: <input type="checkbox"/>	
CLOSED-LOOP SYSTEM <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.

THIS IS A REQUEST TO SHUT IN THE MORRISON #001 FOR UP TO ONE YEAR OR UNTIL TRANSWESTERN PIPELINE CAN CONTINUOUSLY ACCEPT THE GAS. THIS WELL IS CAPABLE OF PRODUCING IN PAYING QUANTITIES (CUM =>620,045 MCF, 2015=>11,539 MCF) BUT IS CURRENTLY SHUT IN BECAUSE THE GAS CONTAINS HIGH NITROGEN CONTENT AND TRANSWESTERN DOES NOT HAVE SUFFICIENT GAS FLOWING ON THE PANHANDLE LATERAL TO "BLEND DOWN" THE GAS TO ACCEPTABLE LEVELS. IT IS ALSO UNECONMOMIC AT CURRENT LOW GAS PRICES TO PROCESS TO REMOVE THE NITROGEN.

IT IS POSSIBLE TO PRODUCE THE WELL AND RECOVER THE CONDENSATE AND WATER BUT THE GAS WOULD HAVE TO BE VENTED OR FLARED. IN ORDER TO COMPLY WITH THE NO FLARING RULES AND TO PREVENT WASTER, WE REQUEST THE WELL REMAIN SHUT IN.

Well shut in: December 23, 2015 ✓  
 JM

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 OPERATIONSMANAGER DATE 03/24/2016  
 Type or print name Paul Ragsdale E-mail address: pragsdale@stratanm.com PHONE: 575-622-1127 ext 18  
 For State Use Only

APPROVED BY: Mary Brown TITLE Dist Supervisor DATE 3/24/2016  
 Conditions of Approval (if any):

MAR 25 2016 MB