

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

WELL API NO. 30-025-24866
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-1167
7. Lease Name or Unit Agreement Name Shell State
8. Well Number #1
9. OGRID Number 009974
10. Pool name or Wildcat Drinkard

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
Hanson Operating Company, Inc.

3. Address of Operator
P. O. Box 1515, Roswell, NM 88202-1515

4. Well Location

Unit Letter O : 660 feet from the South line and 1650 feet from the East line
Section 36 Township 21 South Range 36 East NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3493.2' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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: Drinkard Recompletion ☐

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.

10/04/2006: MIRU pulling unit. Pull rods and pump. Install BOP. Tallied tubing out of hole. LD mud anchor and perforated sub.

10/05/2006: Start drilling out CIBP at 6025'.

10/09/2006: Drill out CIBP at 6025'. Drill to 6512'.

10/12/2006: Drill to 6519'. Impression block test indicates casing is collapsed.

10/13/2006: Set CIBP at 6450' with 30' cement cap. Perforate 16 holes 2 spf at 6250'-6364'.

10/14/2006: Acidize perfs with 2,000 gallons 15% acid. Swab test.

10/17/2006: Acidize perfs with 4,000 gallons 15% acid. Swab test.

10/19/2006: RIH with tubing. ND BOP. RIH with rods and pump. Place on production.

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 ☐ approved plan ☐.

SIGNATURE Carol J. Smith TITLE Production Analyst DATE 10/27/2006

Type or print name Carol J. Smith

E-mail address: hanson@dfn.com

Telephone No. 505-622-7330

For State Use Only

APPROVED BY: Larry W. Wink

TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER

DATE NOV 28 2006

Conditions of Approval (if any):