

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 35300

5. Indicate Type of Lease
STATE X FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
State 31

8. Well Number: 5

9. OGRID Number: 213190

10. Pool name or Wildcat
Baum Upper Penn

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 X Gas Well Other

2. Name of Operator: CrownQuest Operating, LLC

3. Address of Operator:
P.O. Box 53310, Midland, TX 79710

4. Well Location

Unit Letter M : 660 feet from the South line and 660 feet from the West line
Section 31 Township 13S Range 33E NMPM Lea County

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

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: mill 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 X
TEMPORARILY ABANDON CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER:

SUBSEQUENT REPORT OF:

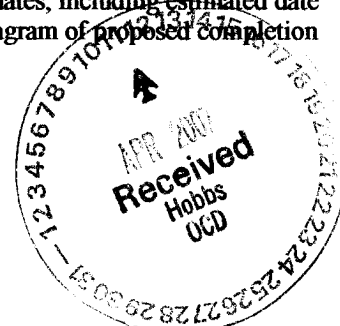
REMEDIAL WORK ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A
CASING/CEMENT JOB

OTHER:

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.

State 31 #5 (30-025-35300) Proposed Plugging Procedure:

1. Set CICR @ 8000' & squeeze w/ 100 sxs cmt
2. Cut and pull 5-1/2" casing at 6000'
3. Spot and tag 50' cmt plug in and out of 5.5" casing stub at 6000'
4. Spot and tag 50' cmt plug in and out of 8.625" casing shoe at 4097'
5. Spot and tag cmt plug from 1550-1600'
6. Spot and tag cmt plug from 350-450'
7. Spot 60' surface plug and weld on steel cap and install plugged location marker



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 X, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE Regulatory Agent DATE 04/09/2007

Type or print name Ann E. Ritchie E-mail address: ann.ritchie@wtor.net Telephone No.: 432 684-6381

For State Use Only

APPROVED BY: [Signature] TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE APR 12 2007

Conditions of Approval (if any):

THE OIL CONSERVATION DIVISION MUST
BE NOTIFIED 24 HOURS PRIOR TO THE
BEGINNING OF PLUGGING OPERATIONS.

CROWNQUEST

CrownQuest Operating, LLC

Dear Mr. Wink,

We have been working on the State 31 #5 since August of 2006. We originally rigged up with the intent to return to production and add extra Bough C pay. We found the tubing stuck and had to fish for a TAC. Then we discovered a casing leak after we recovered the TAC. We squeezed the first casing leak at 8036-70' but developed another casing leak during the squeeze procedure at 7101-7133'. We squeezed the second casing leak and thought we had regained wellbore integrity. We then attempted to re-open the existing perfs and our new perfs. During our last acid job, the casing at approximately 8100' collapsed and we were not able to recover our packer or tubing. When we first went in to attempt to cut the tubing above the packer, the tubing punch became stuck at 8100' and we could not get it out. We had to cut the tubing at 8030'. We attempted to jar the tubing out with no success and then verified the casing was collapsed by running wash pipe that stacked below the top of tubing. We do not think it is possible to fish the tubing or packer or repair the casing and have already spent over \$450,000 attempting to repair this wellbore. Please see the attached workover reports. We propose plugging this well in the below procedure to prevent waste. Please note that the 100 sxs is calculated with 40 sxs to fill the tubing volume from 8030-9628 and 40 sxs to fill the casing volume from 9628-9916' and 20 sxs extra because there is no way to squeeze the annular volume in the tubing from 8030-9628'.

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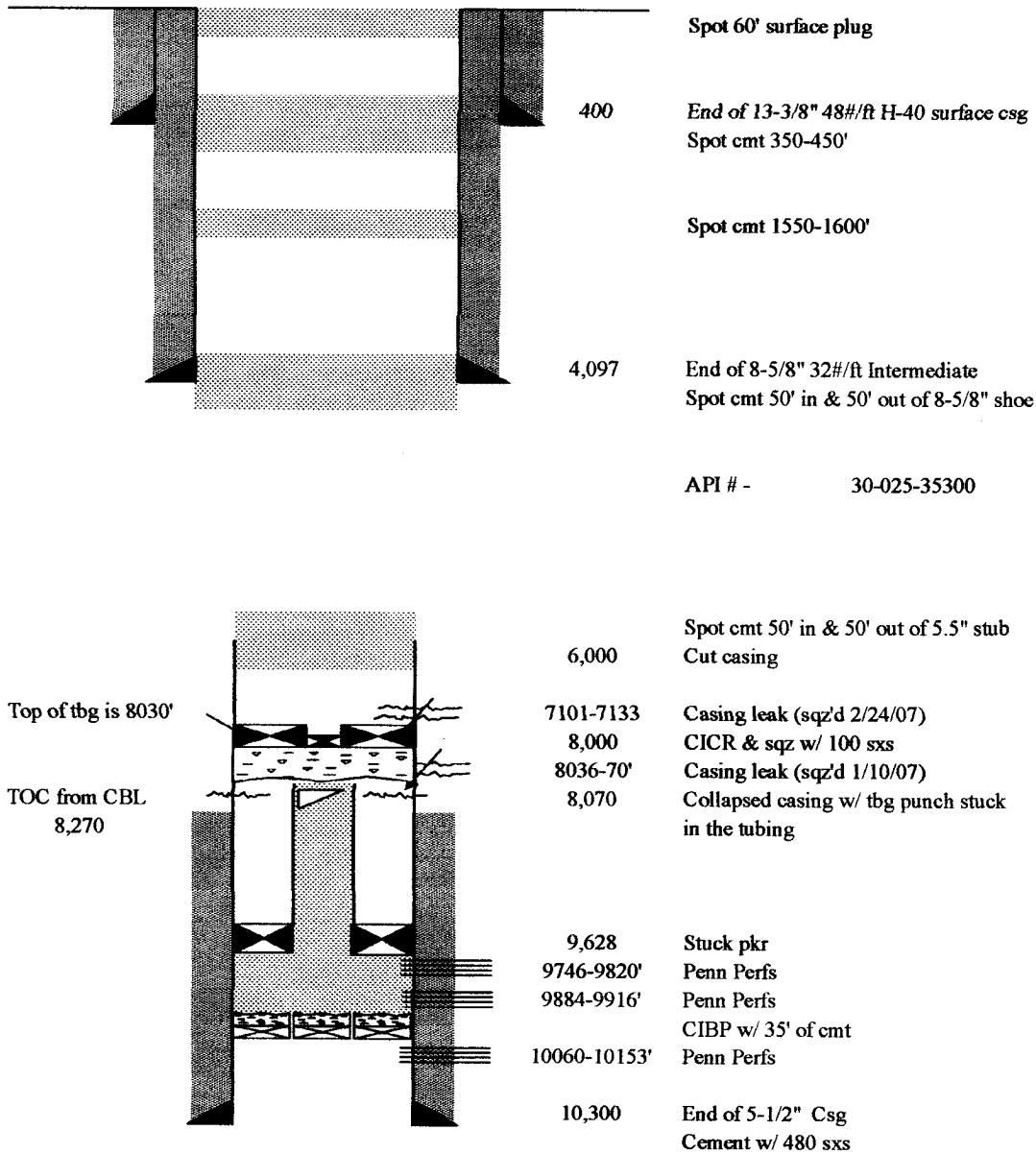
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7. Spot 60' surface plug and weld on steel cap and install plugged location marker

Sincerely,



Luke Dunn
432-818-0305 Office
432-638-4731 Cell
ldunn@crowquest.com

State 31 #5 - Proposed State After Plugging



WI	1
NRI	0.83334
Drilled	Jul-2001