

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  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  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 OCD 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

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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 perms and our new perms. 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'.

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

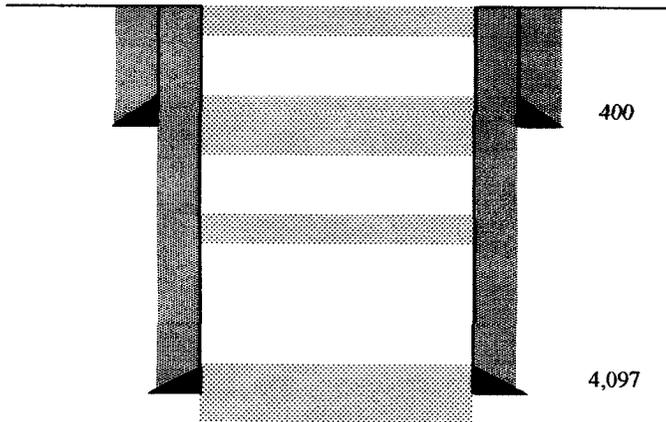
1. Set CICR @ 8000' & squeeze w/ 100 sxs cmt
2. Cut and pull 5-1/2" casing at 6000'
3. Spot and tag 50' cmt plug in and out of 5.5" casing stub at 6000'
4. Spot and tag 50' cmt plug in and out of 8.625" casing shoe at 4097'
5. Spot and tag cmt plug from 1550-1600'
6. Spot and tag cmt plug from 350-450'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

Sincerely,



Luke Dunn  
432-818-0305 Office  
432-638-4731 Cell  
[ldunn@crowquest.com](mailto:ldunn@crowquest.com)

## State 31 #5 - Proposed State After Plugging



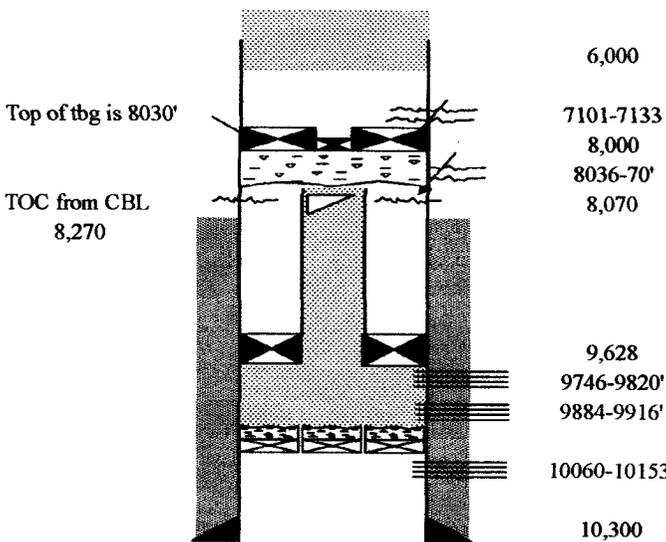
Spot 60' surface plug

End of 13-3/8" 48#/ft H-40 surface csg  
Spot cmt 350-450'

Spot cmt 1550-1600'

End of 8-5/8" 32#/ft Intermediate  
Spot cmt 50' in & 50' out of 8-5/8" shoe

API # - 30-025-35300



Top of tbg is 8030'

TOC from CBL  
8,270

6,000

Spot cmt 50' in & 50' out of 5.5" stub  
Cut casing

7101-7133

Casing leak (sqz'd 2/24/07)

8,000

CICR & sqz w/ 100 sxs

8036-70'

Casing leak (sqz'd 1/10/07)

8,070

Collapsed casing w/ tbg punch stuck  
in the tubing

9,628

Stuck pkr

9746-9820'

Penn Perfs

9884-9916'

Penn Perfs

10060-10153'

CIBP w/ 35' of cmt

Penn Perfs

10,300

End of 5-1/2" Csg  
Cement w/ 480 sxs

WI  
NRI  
Drilled

1  
0.83334  
Jul-2001