

State of New Mexico
Energy, Minerals and Natural Resources

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

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. 30-025-01130 ✓
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator CrownQuest Operating LLC		6. State Oil & Gas Lease No.
3. Address of Operator PO Box 53310, Midland, TX 79710		7. Lease Name or Unit Agreement Name: New Mexico BG State NCT 1 ✓
4. Well Location Unit Letter pm : 660 feet from the South line and 660 feet from the West line Section 14 Township 14S Range 33E NMPM County Lea		8. Well No. 2 ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4213		9. OGRID Number 213109
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Saunders: Permo Penn Upper
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

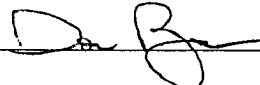
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input checked="" type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1/02/08 MIRU. 1/03/08 ND well head, NU BOP Rih w/ 169 jts. tbq. SDFN. 1/04/08 RIH w/ tbq. to 9660'. circulate hole with mud laden fluid. Spot 25 sx. cement plug on top of CIBP @ 9660. POH w/ 80 jts. tbq. 1/07/08 POH w/ tbq. ND wellhead and dig out cellar. SDFN. 1/08/08 Rig up casing jacks. Pulled 130000 lbs. got slips out. Free point csg. Cut csg. @ 7700'. Laid down 2 jts. casing. SDFN. 1/09/08 Laid down 44 jts. 5 1/2 csg. w/ jacks. Laid down 4 jts. w/ Rig. SDFN. 1/10/08 POH w 160 jts. 5 1/2 csg. SDFN. 1/11/08 Laid down 39 jts. 5 1/2 csg. RD casing equipment. NU wellhead and BOP. RIH w/ tbq to 7800'. Circulate hole w/ mud. Spot 50 sx cement plug. POH w/ 50 jts. tbq. SDFN. 1/14/08 Tagged plug @ 7574'. POH to 5600'. Spot 35 sx cement plug @ 5600. WOC 4 hrs. Tagged plug @ 5445'. POH to 4200'. Spot 50 sx cement plug. SDFN. 1/15/08 RIH and tag plug @ 4091. Spot 25 sx cement plug @ 4091'. WOC 4 hrs. Tag plug @ 4001'. POH to 2800'. Spot 75 sx cement plug to 2524. POH to 400'. Spot 35 sx cement plug. Pull out of cement. SDFN. 1/16/08 Tag plug @ 266'. POH to 50 ft. Spot 15 sx cement surface plug. Cut off wellhead and weld on Dry Hole Marker. Rigged down moved off.

Approved for plugging of well bore only.
 Liability under bond is retained pending receipt
 of C-103 (Subsequent Report of Well Plugging)
 which may be found at OCD Web Page under
 Forms, www.emnrd.state.nm.us/oecd.

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  TITLE Mgr. Special Projects DATE 1/21/08

Type or print name

E-mail address:

Telephone No.

For State Use Only**FEB 26 2008**

APPROVED BY


 TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGER

Conditions of Approval (if any):

CrownQuest
DAILY OPERATIONS REPORT - (Selected Days)

1/1/2008 thru 1/18/2008

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New Mexico BG State NCT 1 # 2

Lea Co., NM

Property#: 200756-02

Zone:

Plug & Abandon

Jan 2, 2008 Wednesday (Day 1)

MI rig & cement equip to begin the plug and abandonment process.

Daily Cost: \$1,050

Cum. Cost: \$1,050

Jan 3, 2008 Thursday (Day 2)

Rig up, ND wellhead. NU BOP. RU 2-7/8" tbg equip. RIH w/169 jts.

Daily Cost: \$6,072

Cum. Cost: \$7,122

Jan 4, 2008 Friday (Day 3)

Open well. RIH w/2-7/8" tbg to 9660'. Circ hole w/salt gel. Spot 25 sxs cement on top of CIBP. POH w/80 jts.

Daily Cost: \$6,455

Cum. Cost: \$13,577

Jan 7, 2008 Monday (Day 4)

Open well. POH 168 jts 2-7/8" tbg to derrick LD 58 jts. Dig cellar. ND well head.

Daily Cost: \$4,198

Cum. Cost: \$17,775

Jan 8, 2008 Tuesday (Day 5)

ND well head and BOP, RU csg equip. RU csg jacks, pulled up 13,000#, pulled slips. RU wireline, ran free point 5-1/2" csg free @ 7700'. POOH with free point tools. RU csg cutter, cut csg @ 7700'. POOH laid down two jts w/csg jacks.

Daily Cost: \$5,000

Cum. Cost: \$22,775

Jan 9, 2008 Wednesday (Day 6)

POH layed down 44 jts 5-1/2" csg. RD down casing jacks. Lay down 4 jts csg w/rig. Shut down for night.

Daily Cost: \$5,497

Cum. Cost: \$28,272

Jan 10, 2008 Thursday (Day 7)

Layed down 160 jts 5-1/2" casing. SDFN.

Daily Cost: \$5,482

Cum. Cost: \$33,754

Jan 11, 2008 Friday (Day 8)

POH w/39 jts 5-1/2" csg (total 269 jts, 7693.30'). Rigged down casing equipment. NU wellhead and BOP. RIH w/2-3/8" tbg to 7800'. Circulate hole w/mud laden fluid. Spot 50 sxs class C cement. POH w/50 jts tubing. SDFN.

Daily Cost: \$7,846

Cum. Cost: \$41,600

Jan 14, 2008 Monday (Day 9)

RIH w/tubing. Tag plug @ 7574'. POH w/70 jts. Spot 35 sxs cement @ 5600'. POH w/50 jts. WOC 4 hrs. RIH, tag plug @ 5445'. Laid down 44 jts. Spot 50 sxs cement plug @ 4200'. POH w/50 jts. SDFN.

Daily Cost: \$7,843

Cum. Cost: \$49,443

CrownQuest

DAILY OPERATIONS REPORT - (Selected Days)

1/1/2008 thru 1/18/2008

Printed Jan 18, 2008 Page 2

New Mexico BG State NCT 1 # 2

Lea Co., NM

Property#: 200756-02

Zone:

Jan 15, 2008 Tuesday (Day 10)

RIH w/ 2-7/8" tubing to 4091', spot 25 sxs cement. POH w/45 jts. WOC 4 hrs. RIH w/2-7/8" tubing. Tag cement plug @ 4001'. POH LD 45 jts. Spot 75 sxs @ 2800'. POH LD 76 jts. Spot 35 sxs @ 400'. POH w/13 jts.

Daily Cost: \$8,341

Cum. Cost: \$57,784

Jan 16, 2008 Wednesday (Day 11)

Open well. RIH w/2-7/8" tubing. Tag cement plug @ 266'. POH LD 13 jts. ND BOP. Pumped 50' surface plug. Rig down.

Daily Cost: \$4,693

Cum. Cost: \$62,477