

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

87505

Minerals and Natural Resources

May 27, 2004

RECEIVED

OIL CONSERVATION DIVISION

APR 07 2008

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBS OCL

WELL API NO.

30-041-20648

5. Indicate Type of Lease

STATE ☐FEE ☒

6. State Oil & Gas Lease No.

257420

7. Lease Name or Unit Agreement Name

MILNESAND UNIT

8. Well Number

MSU # 523

9. OGRID Number

257420

10. Pool name or Wildcat

MILNESAND (SAN ANDRES)

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

EOR OPERATING COMPANY

3. Address of Operator

ONE RIVERWAY, SUITE 610, HOUSTON, TX 77056

4. Well Location

Unit Letter A : 90 feet from the NORTH line and 90 feet from the EAST lineSection 13Township 8SRange 34E

NMPM

County ROOSEVELT

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

4238.6' GL

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: ☐

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.

START DATE: 4/8/08

- 1.) RU, POOH W/ PUMP, RODS & TBG. RIH W/ BIT & SCRAPER TO BOTTOM & CLEAN OUT FILL.
- 2.) ADD PERFORATIONS 4544'- 4600' 4JSPF.
- 3.) RIH W/ BIT & SCRAPER TO TD. TOH W/ BIT & SCRAPER.
- 4.) RIH W/ 5 1/2" RTTS PKR. TEST ANNULUS TO 500 PSI. TOH W RTTS PKR.
- 5.) TIH W/ HES PPI TOOL. ACIDIZED PERFORATIONS W/ 5700 GALS OF 15% HCL ACID. TOH W/ HES PPI TOOL.
- 6.) RIH W/ NEW 2 3/8" J-55 TBG., ROD PUMP, NEW SUCKER RODS, NEW POLISH ROD & LINER, PUMPING "T" & STUFFING BOX.
- 7.) NIPPLE UP WELL HEAD. HANG WELL ON.
- 8.) RD, MOVE OFF PULLING.

Conditions of Approval:

OCD requires the Operator to complete a 24 hours production test and submit on form C-104 Request for Allowable before producing this well. Accompanied by Subsequent report on C-103 with dates and what was done, along with tubing size and depth

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 Sr. Well Operations SupervisorDATE 4/4/08Type or print name: Lawrence A. Spittler, Jr.E-mail address: lspittler@enhancedoilres.comTelephone No.: 432-687-0303

For State Use Only

APPROVED BY: Chris Williams

OCD DISTRICT SUPERVISOR/GENERAL MANAGER

DATE APR 16 2008Conditions of Approval (if any):