

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 ☒ FEE ☐

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
San Andres

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO REOPEN 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: San Andres Squeeze and Recompletion ☒

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.

Purpose to squeeze, perforate and acidize the San Andres formation as follows:

1. MIRU pulling unit. ND wellhead. Pull out of hole with rods and pump. Install BOP. Pull out of hole with tubing.
2. Run in hole with cement retainer and set at 3900'. Pressure to 2000#. If holds, continue with procedure. If does not hold, shut down and evaluate.
3. Squeeze with 500 sacks Class "H" cement. Hesitate squeeze, if necessary.
4. WOC 48 hours. Drill out retainer and cement.
5. Run Cement Bond Log, gamma ray and collator locator.
6. Perforate 40 holes at 4015' - 4080'.
7. Acidize with 5,000 gallons 20% acid.
8. Flow down. ND BOP. Run in hole with rods and pump. NU wellhead. Hang on and space out. Start pumping unit. Release rig. RDMO. Place on production. Test and evaluate.

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 Carol J. Smith
Type or print name Carol J. Smith

TITLE Production Analyst

DATE 5/08/2008

E-mail address: hanson@dfn.com

Telephone No. 505-622-7330

For State Use Only

APPROVED BY: [Signature]
Conditions of Approval (if any):

TITLE

PETROLEUM ENGINEER

DATE

MAY 13 2008