

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

RECEIVED

MAR 12 2009

HOBSOCD

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; SW

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

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: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: San Andres Squeeze and Recompletion ☒

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.

06/09/2008: MIRU pulling unit. Pull out of hole with rods and pump. ND wellhead. NU BOP. Pull out of hole with tubing.

06/10/2008: Run in hole with cement retainer and set at 3900'. Pressure to 2000#. Held.

06/11/2008: Squeeze with 225 sacks Class "H" cement. Hesitate squeeze to 1500 psi. Unable to displace. Sting out and reverse out cement. WOC.

06/12/2008: Drill out retainer and 2 joints cement. WOC.

06/13/2008: Drill out to 4150'. Circulate.

06/16/2008: Run Cement Bond Log. Set CIBP at 4070'. Perforate 4 squeeze holes at 4065' and 4 squeeze holes at 3780'. Spot 200 gallons acid.

06/17/2008: Perforate 35 holes at 4015' - 4025' and 4030' - 4055'. Acidize with 4,000 gallons 20% acid.

06/18/2008: Run in hole with tubing. 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 NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE

Carol J. Smith

TITLE Production Analyst

DATE 3/09/2009

Type or print name Carol J. Smith

E-mail address: hanson@dfn.com

Telephone No. 505-622-7330

For State Use Only

APPROVED BY:

Camille L. Liel

TITLE DISTRICT 1 SUPERVISOR

DATE

MAR 16 2009

Conditions of Approval (if any):