

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

Energy, Minerals and Natural Resources

RECEIVED

OIL CONSERVATION DIVISION

MAR 17 2009

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBSOCD

WELL API NO. /

30-025-05232

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
State T ✓

8. Well Number # 7 ✓

9. OGRID Number 228051

10. Pool name or Wildcat
Denton (Devonian) ✓

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

Americo Energy Resources, LLC ✓

3. Address of Operator

7575 San Felipe, Suite 200, Houston, TX 77063

4. Well Location

Unit Letter N : 990 feet from the South line and 2310 feet from the West line
Section 2 Township 15S Range 37E NMPM County Lea ✓11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3798.65' GLPit 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.

INFORM OIL CONSERVATION DIVISION

- 1- Move in and rig up work over rig. Spot & rig up reverse unit, fill tank with field salt water.
- 2- Unload & tally 8900' of 2-7/8" and 2915' of 2-3/8" EUE 8RD, N80 tubing on location.
- 3- Kill well w/brine wtr. N/d & N/u. Pooh with production equipment and sub pump in the well.
- 4- GIH w/6-1/8" bit, 7" scraper to 8985'. Pooh. GIH w/3-1/2" bit tag at 9878', bad liner & drilled hard solids to 12174'
- 5- Ran PDK-100 log from 11900' to 4000'. GIH w/3.52" gauge ring to 11900'. GIH w/3.375" Bridge plug, tag @ 9878', liner parted and unable to go in. Made several days attempt to open 4-1/2" liner without success.
- 6- GIH w/2-3/8" m.shoe & 2-7/8" liner on 7" liner packer w/on-off tool. Set packer at 8956' and end of liner at 11855'.
- 7- Tested liner packer & 7" casing 500 psi, held.
- 8- Rigged up Rising star cement co. made two attempt and squeezed off 2-7/8" liner with 145 sks of "H" cement.
- 9- Released from liner, and circulated well bore clean. Informed Mr. Maxey Brown to test the well.
- 10- On 03/06/2009 tested entire wellbore from 11855' to surface w/ 505 psi for 39 minutes, held good. bled off pressure.
- 11- Attach: C-103, subsequent report along pressure recorder chart.

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 Ehsan Bayat TITLE Regulatory Analyst DATE 3/6/2009Type or print name EHSAN BAYAT E-mail address: _____ Telephone No. 713-984-9700

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAR 18 2009

Conditions of Approval (if any): _____

Graphic Controls
Bldg. #111-1140 USA
(6.375 ARC LINE GRAD.)

03/06/2009

Nilus-8-0001-01101
MCI P 0-0001-01101

START

96 MIN

8 MIN

16 MIN

24 MIN

32 MIN

40 MIN

48 MIN

56 MIN

64 MIN

72 MIN

80 MIN

PRINTED IN USA

MR. MAXEL MASTINE
BEFORE 6/10/09

PERFORMED

API # 30-025-05232
OGRID # 228051

HARD 3/6/09
JOSEPH 3/6/09

Salvador H. Yengas
3/6/09

AMERICA ENERGY
STATE 1-1-2
DENTON FIELD