Submit 3 Copies To Appropriate District Office <u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 1301 W. Grand Ave., Artesia, RECE <u>District III</u> 1000 Rio Brazos Rd , Aztec, NM 8740 () <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NOBB		Form C-103 June 19, 2008 WELL API NO. 3000500658 5. Indicate Type of Lease STATE X FEE 6. State Oil & Gas Lease No. E-8664
SUNDRY NOTIO (DO NOT USE THIS FORM FOR PROPOS)	CES AND REPORTS ON WELLS ALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A ATION FOR PERMIT" (FORM C-101) FOR SUCH	 7. Lease Name or Unit Agreement Name SOUTH CAPROCK QUEEN UNIT 8. Well Number 010
2. Name of Operator KEVIN O BUTLER & ASSOCIATI		9. OGRID Number / 12627
3. Address of Operator PO BOX 1171, MIDLAND, TEXAS	5 79702	10. Pool name or Wildcat 08559 CAPROCK QUEEN
4. Well Location Unit LetterJ1980 Section 30	F	E NMPM CHAVES County
	11. Elevation (Show whether DR, RKB, RT, GR, etc. 4441' GR	
12. Check A	ppropriate Box to Indicate Nature of Notice,	Report or Other Data

NOTICE OF INTENTION TO:			SUBSEQUENT REPORT OF:		
PERFORM REMEDIAL WORK	PLUG AND ABANDON		REMEDIAL WORK X ALTERING CASING		
TEMPORARILY ABANDON	CHANGE PLANS		COMMENCE DRILLING OPNS. P AND A		
PULL OR ALTER CASING	MULTIPLE COMPL		CASING/CEMENT JOB		
	K		Intert to test		
OTHER:			OTHER: Request Witnessed MIT X		

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.

Isolate & Sqz Csg Leak, DO CIBP & Stimulate

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10/06/08 Mon. Day 1	MIRU Basic Energy Services WSU. Unflange wellhead, NU BOP and RU reverse unit. PU 4 ¾" bit, bit sub, 6 DC's and workstring. RIH with bit and DC's; tagged CIBP @ 3,110'. Stacked out 10 points and LD 1 joint. Close well in. SDFN.
10/07/08 Tues. Day 2	Bled well off. Dug out surface valves RU Quanah kill truck. Loaded the tubing with 60 Bbls but didn't pressure up. POH with tubing, DC's and bit. PU AD-1 packer and RIH but wouldn't go past 25'. RU 4 ³ / ₄ " mill on swivel; applied 50# torque on mill @ 25'. Passed through tight spot and RBIH with packer to 2,972 and held to 1000# for minutes. POH while attempting to locate casing leak. Casing leaks below 134' with no circulation to surface and below 604'. POH with tubing & packer and inspected elements. Close well in. SDFN.
10/08/08 Wed. Day 3	Bled well off. RBIH with packer attempting to locate casing leak. Bottom of @ 1,230' and top of it was @ 1,168'. Injected .75 BPM @ 500#. Use J&A pump to test hole. Loaded with 26 Bbls then pressured up to 650# through casing valve. Pressured dropped to 300# then injected .89 BPM. LD all $93 - 27/8$ " tubing, packer and DC's. Close well in. SDFN.
10/09/08 Thurs. Day 4	Bled well off. RR hauled off work string and DC's. ND BOP and flange wellhead with a 5 ½" collar. RDMO. RU Rising Star cement trucks and Quanah transport. Loaded with 22 Bbls and pressured up to 500#. Pumped 9.5 Bbls of 13.5# Class "C" slurry. Performed cement squeeze – please cement report. Calculated TOC @ 694'. Close well in. RD Rising Star cement trucks and transport pulled contents from pit. Close well in. SDFN.
10/17/08 Fri. Day 5	Drove Basic Energy WSU but couldn't RU due to mud. SDFN.

10/20/08 Mon. Day 6	RU WSU and bled well off. Left 10# on wellhead from cement squeeze; fluid holding @ surface. Flange new Larkin wellhead and NU BOP and spooler. Tested to 420# and held for 5 minutes. PU bit, bit sub and 6 DC's. RIH with bit, DC's and 16 joints of tubing. Tagged @ 704' and PU swivel and drilled out wiper plug. Continue drilling to 757' and circulated well clean. SDFN.
10/21/08 Tues. Day 7	Continue drilling from 757' to 914' and circulated well clean. LD swivel and POH with tubing, DC's and bit. Changed out bit; RBIH with bit, bit sub, DC's and 23 joints of tubing. Close well in. SDFN.
10/22/08 Wed. Day 8	PU swivel, circulated well clean and began drilling out. Test to 500# @ 1,009' (ISIP: 300# then bled to 120# within 20 minutes). Test to 500# @ 1,041' (ISIP: 320# then lost 40# in 5 minutes). Continue to drill out testing after each joint. Drilled out to 1,073' and circulated well clean between joints of tubing. Close well in. SDFN.
10/23/08 Thurs. Day 9	PU swivel and drilled out 5 total joints. Continue to test after each joint until drilling through cement @ 1,218'. Circulated well clean, wash down 1 joint and tested casing to 500#. Couldn't pump into hole; lost 90# in 30 minutes. Bled well off. LD swivel and test to 380#. Can't pump into hole; lost 40# in 30 minutes then held 340# for 15 minutes. Close well in. SDFN.
10/24/08 Fri. Day 10	RBIH with 53 joints of tubing, tagged @ 3,006' and stack out 10 points but couldn't rotate off with tongs. PU swivel, drilled through circulating up only dope and scale then lost circulation. Washed down 3 joints while circulating hydrocarbons and gas but no solids. Tagged @ 3,103' while taking cast iron returns. Made 12" through plug before drop out. Washed down 1 joint and plug got caught in the perfs. Made 6" through plug before drop out. Washed down 2 joints and circulated clean. Plug kept spinning on bottom and plugging up. Pumped down tubing then reverse back clean. POH with 7 joints of tubing (EOT @ 3,012'). Close well in. SDFN.
10/27/08 Mon. Day 11	RU swab equipment and tagged fluid @ 1,000'. Made 2 swab runs; swabbed well dry to 2,753' recovering less than 2% cut each swab run. SD for 20 minutes. Made 1 more swab run tagging fluid @ 2,500' but well then became dry. SD for 1 hour. Made another swab run tagging fluid @ 1,800'. LD swab equipment and POH with 94 joints of tubing. LD twisted bottom joint, DC's BHA, and bit. PU 5 1/2" AD- 1 packer and RBIH with packer and 98 joints of tubing, Sat the packer @ 3,077' and left 11 points on it.
10/28/08 Tues. Day 12	RU Rising Star acid trucks and Quanah kill truck. Acidized with 1,500 gallons of 15% HCL acid with 5% neutral solvent – please see treatment report. Loaded with .2 Bbls of FSW and pressured up to 150#. Established injection rate @ 3.1 BPM and water was on formation with 20.1 Bbls. Pumped acid 7.4 BPM @ 740#. Acid was on formation with 19.7 Bbls @ 740# 7.4 BPM. Pumped 32.4 Bbls of HCL acid while formation charged up to 820#. Flushed with FSW and 2% KCL then over flushed with 10 Bbls. (ISIP: 380# - 5 min, 320# - 10 min, 300# - 15 min). Bled down tubing and casing to pit. RD Rising Star acid trucks. Release packer and POH with 3 joints. Well began to flow back up the tubing and casing. Pumped water down the tubing @ 2 BPM down annulus taking returns to the pit. Circulated with 25 Bbls until returns showed no more acid. POH with 92 joints of tubing. RBIH with AD-1 packer, SN and 97 joints of IPC tubing. Pumped 60 Bbls of packer fluid. Close well in. SDFN.
10/29/08 Wed. Day 13	Tubing was on screaming vacuum on arrival. ND BOP, sat packer with 12 points and flange wellhead. Loaded annulus with 5 Bbls of packer fluid and pressured up to 300#. Couldn't pump into hole and lost 100# in minutes. Loaded tubing with 25 Bbls establishing an injection rate of 3 BPM @ 400#. Backside showed communication to the tubing. Unflange wellhead and lowered packer 16" and re-sat leaving 12 points. Re-tested with same results. Close well in. RDMO.
,	<u>Tubing Detail</u> 97 – 2 3/8" N-80 IPC YB joints 1 – 2 3/8" SN @ 3,081' 1 – 5 ½" AD-1 35K packer

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11/12/08 Wed. Day 1	MIRU Basic Energy Services WSU. Unflange Larkin wellhead & NU head valve. RU 2 3/8" tubing equipment LD 3 joints of IPC tubing. Sat packer leaving 13 points, flange up wellhead & ND head valve. RDMO.			
	Tubing Detail $94 - 2 3/8"$ N-80 YB IPC jts $1 - 2 3/8"$ SN @ 2,985' $1 - 5 \frac{1}{2}"$ AD-1 14# 35K packer			
11/13/08	Quanah Kill Truck pumped 20 Bbls of 2% KCL FW down the tubing @ 2 BPM 300#.			
Thurs.	Backside showed no communication. Loaded the backside 3 different times with 31 Bbls			
Day 2	of FW to blow down air. Lost 100# in 1 minute; held 200# for 15 minutes. Repeated			
	twice with same results. Released Quanah Kill Truck after blowing the remaining water			
	into reverse pit.			

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Spud Date:		Rig Release Date:			
I hereby certif	y that the information above is true a	and complete to the best o	f my knowledge and belief.		
SIGNATURE		TITLE Preside	nt/Owner DATE 4-3-09 <u>dland.com</u> PHONE: 432-6	82-1178	
For State Use	BY: Camp W. Jid		CT 1 SUPERVISOR	DATE_	APR n 9 2009
Conditions of	Approval (if any):				

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