

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

RECEIVED

Minerals and Natural Resources

APR 06 2009

HOBBSD

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

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June 19, 2008

WELL API NO.

3000500657 ✓

5. Indicate Type of Lease

STATE ☒ X FEE ☐

6. State Oil & Gas Lease No.

E-2771

7. Lease Name or Unit Agreement Name

SOUTH CAPROCK QUEEN UNIT ✓

8. Well Number

011 ✓

9. OGRID Number

12627 ✓

10. Pool name or Wildcat

08559 CAPROCK QUEEN ✓

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: X Oil Well Gas Well Other

2. Name of Operator

KEVIN O BUTLER & ASSOCIATES, INC. ✓

3. Address of Operator

PO BOX 1171, MIDLAND, TEXAS 79702

4. Well Location

Unit Letter K 1980 feet from the SOUTH line and 1963 feet from the WEST lineSection 30 Township 15S Range 31E NMPM CHAVES County

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

4447' GR

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 ☐DOWNHOLE COMMINGLE ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ X ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: PRODUCING ☒ X

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.

DO PLUG & STIMULATE

10/29/08 Wed. Day 1	MIRU Basic Energy Service WSU. Dug out wellhead. A 5 1/2" x 2' sub joint under wellhead showed multiple holes but none visible bellow collar above 8 5/8" bowl. Broke out wellhead, recovered one joint but couldn't break out of National flange. Attempted to break out of 5 1/2" collar but unsuccessful due to it being welded internally. Repaired damage threads on collar. Close well in. SDFN.
10/30/08 Thurs. Day 2	NU 5 1/2" x 2 7/8" swedge, unflange wellhead and pressured up casing to 300#. NU new Larkin wellhead with 5 1/2" x 16" nipple and BOP. PU 4 3/4" rock bit, bit sub, crossover, 6 - 3 1/8" collars and sub joint. Displaced 100% cut to cellar. PU 2 joints and circulated 25 Bbls but still above oil. RIH with 47 joints stopping to hand bail cellar. Circulated 45 Bbls but continue to get oil in returns. RIH with 91 joints and tagged CIBP @ 3,041'. Quannah truck pulled cellar and attempted to circulate well but 5 1/2" collar was leaking. POH with 91 joints and 6 DC's. PU 5 1/2" retrievable clevis plug and RIH with 20 joints setting plug @ 815'. Stand back 2 joints and close well in (EOT @ 750'). SDFN.
10/31/08 Fri. Day 3	Tough Dog welded on bull nipple to damaged 5 1/2" collar and tested to 350# (held good). RBIH with 2 joints and Watson man released plug. POH with 20 joints and plug. RBIH with bit, BHA and 91 joints tagging plug @ 3,041'. Circulated well clean while truck pulled fluid from pit. PU swivel and drilled out 18" of plug before drop out. Washed out 4 joints and circulated fill of formation. Circulated wellbore capacity and cleaned out fill. Lost 40 Bbls in 10 minutes while circulating. RD swivel, PU tongs and POH with 12 joints (EOT @ 2,788'). Close well in. SDFN.
11/03/08 Mon. Day 4	POH with 84 joints, BHA and bit. RIH with 5 1/2" AD-1 packer and 97 joints and setting packer @ 3,039' leaving 12 points of tension. Loaded casing and tested to 300# (held good). RU swab equipment and fluid level was @ 1,100'. RU Rising Star acid trucks and perform acid job - please see treatment report. RD Rising Star acid trucks and blew down casing. Close well in. SDFN.
11/04/08 Tues.	0# of pressure on arrival. RU swab equipment and fluid level was @ 2,200'. Made a total of 7 swab runs leaving fluid level @ 1,400'. Made 9 more runs then recovered 2% cut. Fluid level remain @ 1,400'.

Day 5	Recovered 110 Bbls of fluid. Close well in. SDFN.
11/05/08 Wed. Day 6	0# of pressure on arrival. RU swab equipment and fluid level was @ 1,400'. Made a total of 16 swab runs recovering 85 Bbls of fluid. Bottled a few samples to get analyzed. Left fluid level @ 1,400' with 5% cut. RD swab equipment and RU tubing equipment. Couldn't LD tubing due to high winds. Close well in. SDFN.
11/06/08 Thurs. Day 7	Bled well off. Release packer and POH with tubing. LD tubing and packer. ND BOP, flange wellhead with 2 3/8" x 6' J-55 sub with collars on both ends. RDMO.

PWOP

11/25/08 Tues. Day 1	MIRU Basic Energy Services WSU. Bled well off. Unflange wellhead, NU BOP and spooler. Close well in. SDFN.
11/26/08 Wed. Day 2	<p>Bled well off. RU tubing equipment and RIH with tubing & BHA. ND BOP, sat TAC with 10 points of tension and flange wellhead. RD tubing equipment & RU rod equipment. RIH with pc pump and rods. Hung well and spaced out pump 36" off bottom. SDFN.</p> <p><u>Tubing Detail</u> 97 - 2 7/8" N-80 YB joints 1 - 2 7/8" x 4' J-55 sub joint 1 - 3.5" x 26.5 stator joint 1 - 2 7/8" x 1.67" bump sub joint 1 - 2 7/8" N-80 YB joint 1 - 5 1/2" TAC 40K @ 3,108' 1 - 2 7/8" x 4' perf'd sub joint w/ BP</p> <p><u>Rod Detail</u> 1 - 1 1/4" x 16' PR 1 - 7/8" D rod w/ twin guides 2 - 7/8" pony rods 6', 4' 9 - 7/8" D rods w/ twin guides 100 - 7/8" D rods w/ single guides 10 - 7/8" D rods w/ twin guides 1 - 7/8" D rod w/ single guides 1 - 7/8" x 1' lift sub & 22.91' chrome rotor</p>
12/01/08 Mon. Day 3	Level drive head and installed motor support. RDMO.

Spud Date:

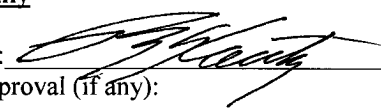
Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE President/Owner DATE 4-3-09

Type or print name KEVIN O BUTLER E-mail address: robie@geedmidland.com PHONE: 432-682-1178

For State Use Only

APPROVED BY:  TITLE **PETROLEUM ENGINEER** DATE **APR 22 2009**

Conditions of Approval (if any):

SCQU #11-30 (STATE "D" #1) WELLBORE DIAGRAM

LOCATION: K-30-T15N-R31E
CHAVES COUNTY, NEW MEXICO

(9-30-2005)

9-5/8" 36# J-55 Casing @ 327'

2-3/8" 4.7# J-55 EUE Tubing
(Unknown)

Perforated Interval (3,143'-3,151')

5-1/2" 14# J-55 Casing @ 3,181' w/ 200 sx

TD: 3,181'

Date	Comments
5-20-55	O'Neill spudded well as the State "D" #1 Drilled 12-1/4" hole to 327' and set 9-5/8" 36# J-55 casing @ 327' Cemented w/ 215 sx Drilled 7-7/8" hole to 3,181' Ran 5-1/2" 14# J-55 LT&C Casing and set @ 3,181' Cemented w/ 200 sx
6-6-55	Completed well in Queen formation from 3,143' to 3,151' Well flowed naturally on test at a rate of 144 BOPD. No stimulation
12-1-60	Unitized wellbore into SCQU and changed well name from State "D" #1 to SCQU #11-30.
3-24-72	Plug and abandon wellbore
4-4-84	Unocal re-entered old wellbore Drilled out cement plugs, junk and cleaned out wellbore to 3,168' Reperforated Queen interval from 3,143' to 3,151' w/ 16 holes' Acidized interval w/ 1,200 gals of 15% acid down tubing @ 1.5 to 4.5 BPM / 200 to 1,600 psig ISIP - 800 psig.
4-11-84	Ran 93 jts of 2-3/8" 4.7# J-55 EUE tubing (3,129') SN @ 3,097' TAC @ 3,026' EOT @ 3,168'
5-15-84	Well potentiaedl on pump @ 7 BOPD and 266 BWPD
5-15-89	Shut in well due to field economics and high SWD injection pressures on #10-30 and #16-30 Last production was 4 BOPD and 219 BWPD
2-1-94	Effective date KOB becomes operator of SCQU
9-30-05	Well is temporarily Abandoned. No equipment on location other than wellhead. Unknown location of tubing string. Well is capable of being placed back into production