

May 27, 2004

Office  
District I  
1625 N French Dr., Hobbs, NM 88240  
District II  
1301 W Grand Ave., Artesia, NM 88201  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S St Francis Dr., Santa Fe, NM 87505

**RECEIVED**  
**JUL 10 2009**  
**HOBBSOCD**

CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-025-01431 /
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> ✓
6. State Oil & Gas Lease No. B-2148
7. Lease Name or Unit Agreement Name Shahara State Unit ✓
8. Well Number 4 ✓
9. OGRID Number 256523 ✓
10. Pool name or Wildcat Maljamar Grayburg San Andres ✓

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  
Southern Bay Operating, L.L.C. ✓

3. Address of Operator  
110 Cypress Station Dr., #220 Houston, TX 77090

4. Well Location  
Unit Letter C : 660 feet from the North line and 1980 feet from the West line  
Section 16 Township 17S Range 33E NMPM Lea County ✓

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
4183' 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 ☐

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.

Perfs 4270' - 4428'. 2-3/8" tubing at 4183'. Casing will not pass MIT. No tubing/casing communication. SITP 0#

1. MIRU PU. Release packer. Pull out of hole. TIH open-ended to 4428'.

2. Circ w/9.5 ppg mud.

3. Spot 40 sxs cement from 4120'-4428'.

4. Pull up to 2800'. (Top of Yates at 2750'). Spot 25 sxs plug from 2620'-2800'. Tag.

5. ~~1480'~~ Pull up to ~~1580'~~. (Top of Salt at 1530'). Spot 25 sxs plug from 1350'-1480'. Perfs and sqz 50' out and in tag at 1250'.

6. ~~348'~~ Pull up to 348'. (8-5/8" at 298'). Spot 25 sxs plug from 168' - 348'. Perf and sqz 50' out and in. Tag at 168'.

7. ~~60'~~ Spot 10 sxs at surface or 60'. ~~SQZ~~

8. Cut casing 3' below ground level. Weld on plate. Install dry hole marker.

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 Juanita Ramirez TITLE Mgr. Production Administration DATE 07/08/2009

Type or print name Juanita Ramirez E-mail address: juanita@sbenergy.com Telephone No. 281-537-9920

For State Use Only

APPROVED BY Malcolm Brown TITLE Compliance Officer DATE 7/10/2009

Conditions of Approval (if any):

The Oil Conservation Division **Must be notified**  
**24 hours prior** to the beginning of plugging operations

# Southern Bay Operating, L.L.C.

## Shahara State Unit #4

Maljamar Grayburg San Andres

Lea County, NM

Current Condition

8 5/8", 24# @ 298' CMT CIRC.

IPC 2 3/8" tubing.  
AD1 packer @ 4183'.

Perfs 4270' - 80', 4302' - 12', 4414' - 28'.  
Perfs added: 4348', 49', 50', 58', 59', 60', 61'.

5 1/2", 17# @ 4437'

TD @ 4439'

7-7-09