

Submit 3 Copies To Appropriate District
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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

RECEIVED
CONSERVATION DIVISION
SEP 18 2009
HOBBS
1220 South St. Francis Dr.
Santa Fe, NM 87505

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.)		WELL API NO. 30-025-08463
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Dakota Resources		6. State Oil & Gas Lease No. NMLC0295612C
3. Address of Operator 4912 N. Midkiff, Midland, Texas 79705		7. Lease Name or Unit Agreement Name Federal
4. Well Location Unit Letter <u>5</u> 1980 : <u>18</u> feet from the <u>South</u> line and <u>34E</u> 1980 feet from the <u>East</u> line Section <u>18</u> Township <u>20S</u> Range <u>34E</u> NMPM County <u>✓</u>		8. Well Number #1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3625' GL		9. OGRID Number
		10. Pool name or Wildcat Teas Yates - 7 Rows

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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.

9/4/2009 MIRU PU. Pooh w/ production equipment. NDWH NUBOP. Rih w/ tbg & Vortech Wash Tool & clean OH (3500-3526) and perfs (3350-3440) w 2% KCL. Closed casing valve and acid wash OH w / 1000 gals NEFE 15% HCL. Pooh w/ equipment. Rih w/ pkr and swab OH. Recovered 100% of load fluids. Continue to swab 100% water. No oil cut. Pooh w/ pkr. Rih w/ CIBP & set @ 3480' & cap w/ 20' cmt. Rih w/ pkr and acidize perfs 3350'-3440' w 500 gals 15% NEFE HCL. Swab back under pkr & recovered 100% of load. Continue swab and recover trace to 2% to 4% oil cut. Pooh w/ pkr. Rih w/ production tubing, pump, and rods. Well returned to production 9/11/2009.

See attached daily report for further details.

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 Robert G. Turner TITLE Operations Engineer DATE 9/16/2009

Type or print name Robert G. Turner E-mail address: bobt@dakotares.com PHONE: 432-697-3420
For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE SEP 22 2009
Conditions of Approval (if any):

Sparger Federal #1
Dakota Resources
(Acidize & Swab Isolated Zones)

9/4/2009 Day #1

MIRU PU. Unhand & LD horsehead. Pooh w/ 2ft, 4ft ¾ pony subs 40 ¾ rods, 85 5/8" rods and 12 ¾ rods & 2 ½ x 1 ¼ x 13 RHBC pump. NDWH NU BOP. Pooh w/ 107 jts 2 7/8" tbg, sn, 4 ft perf sub, and 1 jt BPMA. Rih w/ 10 stands to secure well for weekend. Spot open top tank. SDON

Estimated Costs

Eunice Well Service	\$1,500		
ABC Rental	\$300		
Daily Total	\$1,800	Cum Total:	\$1,800

Shut Down for Labor Day Weekend.

9/8/2009 Day #2

5 min safety meeting. SITP = 0 psi. POOH with 10 stand kill string. Pick up seat nipple Rig up BO MONK hydro testers. Tested 108 jts of 2 7/8 in hole to 7000psi; all tbg good. Pulled three stand out of hole Rig up Rising Star acid truck. Pump 21 bbls 2% KCL down tbg to flush. Drop VORTECH tool down TBG. Put on check valve and rig up stripper head. RIH with three stands and pick up one jt to start washing down from 3500' w/ 2% KCL. Load tbg with 14 bbls started washing down at 1720 psi at 3 bbls a min w/ 2% KCL. Not making any hole. Increased pressure up to 2380 at 3.3 bpm. Made 2' to 3513 pretty hard. Spot 2 bbls of 15% HCL acid on fill and shut down for thirty min to allow acid to work. Pumping at 1890 psi at 3 bpm washed down to 3524.5' w/ 2% KCL. Pumped 19 bbls of 15 % NEFE HCL into tbg. Shut csg valve. Pumped 5 more bbls of 15% HCL acid and displaced acid into formation with 22 bbls 2 % KCL while washing up and down over open hole. Shut down pumps. Pulled three jts to start water washing perfs at 3410 to 3440 washed perfs with 25 bbls 2% KCL at 2100 psi at 3.1 bpm. Worked tbg up and down over perfs. Shut down pumps. Pulled 2 jts to start water washing perfs at 3350 to 3356 with 25 bbls kcl at 2273 psi at 3.3 bpm. Worked tbg up and down over perfs. Shut down. Rig down Rising Star trucks. POOH with tbg. Lay down vortech tool. Pick up 7 inch AD 1 packer and RIH with 107 jts of tbg. Circulate 40 bbls 2 % KCL down csg to flush acid off packer. Set packer at 3468'. Rig up and start swabbing.

Run	Fluid Level	Went to	Fluid Pulled
1	surface	1200	1200
2	300	1500	1200
3	500	1700	1200
4	700	1800	1200
5	950	2200	1200
6	1150	2500	1400
7	1300	2800	1500
8	1500	3300	1800

Total Load	193 bbls
Circ Vol	120 bbls
Load Rec	42 bbls
LTR	31 bbls

Costs:

Eunice Well	\$2500
ABC BOP	\$200
ABC TANK	\$100
Rising Star	\$2690
Vortech Tool	\$1700
Supervisor	\$700
Travel EXP	\$200

Daily Total	\$8,090
-------------	---------

Cum Total \$9890

Sparger Federal #1
Dakota Resources
(Acidize & Swab Isolated Zones)

9-09-09 Day #3

5 min safety meeting. ONSITP -- Vac. Rig up swab.

RUN	Fluid Level	Pulled from	Fluid Pulled	Oil %
1	1500	3400	1500	0
2	1800	3400	1500	0
3	2000	3400	1200	0
4	2200	3468 sn	1000	0
5	2300	sn	800	0
6	2300	sn	800	0
7	2700	sn	500	0
8	3000	sn	300	0
9	3100	sn	200	0
10	3200	sn	200	0
11	3200	sn	200	0
12	3300	sn	100	0
Waited 30 min for run 13				
13	3200	sn	200	0
Waited 1 hr for run 14				
14	3200	sn	200	0

The fluid is all water with some iron sulfide and little bit of sand. NO OIL CUT! Swabbed a total of 30 bbls today. Swabbed a total of 72 bbls back. Recovered all fluid lost during acid job. SDON

Costs:

Eunice well Service	\$1400		
ABC BOP	\$100		
ABC Tank	\$100		
G and L Water Truck	\$400		
Supervisor	\$700		
Travel Exp	\$200		
Daily Total	\$2900	Cum Total	\$13,090

Sparger Federal #1
Dakota Resources
(Acidize & Swab Isolated Zones)

9/10/09 Day #4

5 min safety meeting. ONSITP = vac. RIh with swab find fluid level at 3300 ft and pulled 150 ft of fluid. Made run #2 and fluid level was 3350 and pulled 100 ft of fluid. No oil cut on either run. Release packer and POOH with tbg and packer. Pick up 7 inch CIBP and rih with 9 jts. Mix 4 sacks of cement and pour into tbg put 4 ft perf sub on and run 98 more jts and pick up an 8 ft sub and set CIBP at 3480'. Get off CIBP and dump 20 ft of cement on plug. POOH with tbg and lay down setting tool and pick up 7 inch AD 1 packer. RIH with 106 jts and pick up 8 ft and 6 ft subs and set packer at 3450. Rig up rising star trucks. Load tbg w/15 bbls and test CIBP to 640 psi. Held Good. Release packer and laydown subs and spot 3.5 bbls of acid over perfs with 19 bbls of 2% kcl. And pull 2 stands and set packer 3305'. Pumped 9 bbls of acid and flushed with 30 bbls of 2% KCl. ISIP was 970 psi, 5 min. 780 psi, 10 min 700 psi, 15 min 630 psi. Left well shut in for 30 min while rigging down Rising star. Open well to pit and flowed back 5bbls of water. RUTS. Pumped a total of 60 bbls for total load. 12 bbls acid and 48 bbls water.

Run	Fluid Level	Pulled from	fluid pulled	oil %
1	surface	1500	1200	0
2	500	2000	1200	0
3	700	2200	1200	0
4	1000	2500	1200	trace
5	1800	3305 sn	1000	trace
6	2000	sn	1000	trace
7	2200	sn	900	2%
8	2200	sn	900	2%
9	2200	sn	900	10%
10	2200	sn	750	15%
11	2300	sn	700	5%
12	2500	sn	500	trace
13	2500	sn	500	trace

Swabbed 42 bbls +5 bbls that flowed = Recovered 47 bbls total. LTR 13 bbls

Eunice Well	\$2500		
ABC BOP	\$100		
ABC Tank	\$100		
Schlehuber CIBP	\$2450		
Rising Star	\$2100		
Supervisor	\$700		
Travel Exp	\$200		
Daily Total	\$8150	Cum Total	\$21,240

Sparger Federal #1
Dakota Resources
(Acidize & Swab Isolated Zones)

9/11/09 Day #5

5 min safety meeting. ONSITP = vac. RUTS

Run	Fluid level	Pulled from	Fluid pulled	oil %
1	2300	3305 sn	750	trace
2	2800	sn	400	trace
3	3000	sn	250	trace
4	3000	sn	200	trace
5	3000	sn	200	2% Lots of brown foam
6	3100	sn	150	2% Brown foam
7	3100	sn	150	2% to 4% Lot of Foam
8	3200	sn	150	2% to 4% Foam
9	3200	sn	100	2% to 4% Foam
10	3200	sn	75	trace lots of foam
11	3200	sn	75	trace lots of foam
Waited 1 hr				
12	3200	sn	50	trace Lots of foam

Swabbed a total of 22 bbls today for a total of 69 bbls recovered from well.

Rig up pump truck to load and test csg. Loaded well with 50 bbls. Could not catch pressure. Think packer gave up. Lay down swab and pull 5 more pts on packer and retest. Packer not holding. Rig down swab. Release packer and POOH with tbg and packer. Packer has cuts on rubber seal. RIH with Bull plugged mud anchor, 4 ft seat nipple and 106 jts and tag cement at 3470. Lay down one jt. Nipple down bop and nipple up well head. Pick up 2 ½ x 1 ¼ x 13 RHBC pump with 2 ft ¾ sub and RiH with 40 ¾, 83 5/8, and 11 ¾ and a 6 ft and 2- 4ft pony subs. Changed out 10 5/8 boxes badly worn. Pick up polish rod and Hang well on. Load and test well to 500 psi Held good. (no power on the jack) Longstroked pump and pump action good. Rig down and move rig off. END REPORT.

Tubing Detail

105 jts 2 7/8tbg	3404.05
Seat Nipple	3406.15
4 ft perf sub	3410.35
BP MA	3442.43

ROD detail

2 ½ x 1 ¼ x 13 RHBC Pump
2 ft ¾ pony on pump
40 ¾ RODs
83 5/8 rods
11 ¾ Rods
6 ft ¾
4 ft ¾
4 ft ¾ Pony subs
12 ft 1 ¼ Polish Rod W/ 6ft 1 ½ liner

Costs:

Eunice Well Service	\$2600
ABC Bop	\$100
ABC Tank	\$100
DON NAN pump	\$1600
G and L Truck	\$500
Supervisor	\$700
Travel Exp	\$200

Daily Total	\$5800
-------------	--------

Cum Total \$27,040