

Office

Energy, Minerals and Natural Resources

October 13, 2009

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBSUCD

WELL API NO

3002532394

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Salado Brine well Y

8. Well Number

002

9. OGRID Number

246368

10. Pool name or Wildcat

BSW; Salado

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 ☒ Brine

2. Name of Operator

BASiC Energy Services

3. Address of Operator

P.O. Box 10460 Midland Tx. 79702

4. Well Location

Unit Letter A :1305 feet from the North line and 60 feet from the East lineSection 20Township 25 SRange 37 E

NMPM

County Lea

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

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 ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: IT tubing and reset depth ☐

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

2-26-10 RU unit un flange well head NU BOP & Enviro pan.

TOH W / 1608.08 2 7/8 J-55 tbg. inspected tbg. good

TIH with tbg. @ 1291.63 RU swab made run & tested show 8.34 lbs / gal

TIH with tbg. @ 1355.03 RU swab made run & tested show 9.7 lbs / gal

TIH with tbg. @ 1418.23 RU swab made run & tested show 10.1 lbs / gal

TIH with tbg. @ 1449.73 RU swab made run & tested show 10.1 lbs / gal

TOH with tbg. @ 1418.23 ND BOP & Enviro Pan

Flange well up hooked up tree for production

Started injection of fresh H2O

3-2-10 RD unit

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 SuperintendentDATE 3/5/10Type or print name DAVID ALVARADO E-mail address: david.alvarado@basicenergyservices.com PHONE: 575.746.9663

For State Use Only

APPROVED BY:

TITLE STAFF MGRDATE 3-8-10

Conditions of Approval (if any):