

District I

1625 N. French Dr., Hobbs, NM

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

JUN 21 2010

HOBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-22761

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

K-3895

7. Lease Name or Unit Agreement Name
Vera

8. Well Number: #1

9. OGRID Number

247692

10. Pool name or Wildcat

Bagley Permo Pen North

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

Jay Management Company, LLC

3. Address of Operator

2425 West Loop South, Ste 810, Houston, TX 77027

4. Well Location

Unit Letter E : 1980 feet from the N line and 810 feet from the W line

Section 32 Township 11S Range 33E NMPM Lea County

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

4298' 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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

OTHER: Added perms in the Wolfcamp ☒

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.

Please see attached sheet for detailed description of operations that have been completed.

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

Kirk Broussard

TITLE: Operations Engineer

DATE: 06/15/10

Type or print name: Kirk Broussard

E-mail address: kirkb@isramco-jay.com

PHONE: 713-621-6785

For State Use Only

APPROVED BY:

[Signature]

TITLE

PETROLEUM ENGINEER

DATE

JUN 22 2010

Conditions of Approval (if any):

Jay Management Company, LLC

2425 West Loop South, Ste 810

Houston, TX 77027

Daily Workover Report of Operations

Well Name: Vera #1

AFE #: Vera1-1

Field Name: Bagley

County: Lea

Begin Date: 5/3/2010

End Date:

Monday, May 03, 2010

MIRU. Held safety meeting. PU drill bit and 294 jts. GIH to TD @ 9330'. Come out of the hole w/ same. Secure well and shut it for night.

Daily Cost: \$4,568.74

Cum Cost: \$4,568.74

Tuesday, May 04, 2010

Arrive on location. Held safety meeting. GIH w/ casing scraper and bit with 294 jts of tubing. Tag TD @ 9330'. Cone out of the hole and stand down. Secure well and shut down for the night.

Daily Cost: \$2,460.98

Cum Cost: \$7,029.72

Wednesday, May 05, 2010

Arrive on location and hold safety meeting. RU water line and run junk basket to 9330'. Dump 35' of cement on top of CIBP @ 9330'. Pump 126 bbls of water and well went on vacuum. Went in hole to run CCL/CBL but with no water in the hole, the hole was logged with just the CCL from 9295' to 8130'. RD water line and secure well. Shut down for the night.

Daily Cost: \$5,890.43

Cum Cost: \$12,920.15

Thursday, May 06, 2010

Arrive on location & held safety meeting. TIH w/ 4.5" pkr @ set @ 8402 w/ 264 jts of tubing in hole. Pump 60 bbls of water down to tubing and test plug @ 9115'. Plug did not test. Well went on vacuum. Release okr and reset @ 8600' w/ 270 jts of tubing in the hole. Pump 50 bbls of water and plug did not test. Release & reset pkr @ 9008' w/ 283 jts of tubing. Pump 50 bbls of water & plug did not test. Release pkr & set pkr @ 9135' and plug @ 9148'. Did not test. Release pkr & TOOH w/ same. Secure well and shut down for the night.

Daily Cost: \$5,344.54

Cum Cost: \$18,264.69

Friday, May 07, 2010

Arrive on location & Held safety meeting. RU water lines. Made 1 run & found plug. POOH w/ same. RIH w/ another plug @ set it @ 9092'. Dump 30' of cement on top. RD water lines. Secure well and shut down.

Daily Cost: \$6,831.06

Cum Cost: \$25,095.75

Monday, May 10, 2010

Arrive on location and held safety meeting. RU water line. Run junk basket in hole to 9076'. Come out of the hole and go back in with RBP. Set plug @ 9076'. Come out of the hole. RD water lines and secure well. Shut down for the night.

Daily Cost: \$19,954.68

Cum Cost: \$45,050.43

Daily Workover Report of Operations

Well Name: Vera #1

AFE #: Vera1-1

Tuesday, May 11, 2010

Arrive on locatin & held safety meeting. Ru tesres & GIH w/ pkr, 130 stands & a single. Set pkr @ 8595'. Test plug to 250#. Unset pkr & POOH. RU water line & perforate from 8740 to 9066' for a total of 60 holes. RD water line & RIH w/ pkr and tubing. Test back in the hole. Sert pkr @ 8595'. RU swab unit. Secure well and shut down for the night.

Daily Cost: \$5,411.42

Cum Cost: \$50,461.85

Wednesday, May 12, 2010

Arrive on location & held safety meeting. Check tubing pressure = 420 #. Make 4 swab runs and fluid level was @ 6600'. Make a total of 6 swab runs & recovered 16 bbls. NU well head and RU Team CO2. Pump & acididze perforations. Secure well and shut down for night.

Daily Cost: \$3,517.08

Cum Cost: \$53,978.93

Thursday, May 13, 2010

Arrive on location & held safety meeting. Tubing had 400# on it. Made 4 swab runs & found fluid level @ 6600'. Made a total of 6 runs. Recovered 10 bbls. ND wellhead & NU Team CO2. Pump & acidize well with CO2 as well. RD Team CO2. NU well head. Secure well and shut down for the night.

Daily Cost: \$22,444.21

Cum Cost: \$76,423.14

Friday, May 14, 2010

Arrive on location & held safety meeting. Tubing had 500# on it. Open choke. Flowed well back thru 24/64" choke. Recovered a total of 50 bbls of fluid. 27 bbls of oil & 23 bbls of water. Shut down rig and left well on choke with testing crew over nite.

Daily Cost: \$3,426.40

Cum Cost: \$79,849.54

Saturday, May 15, 2010

Arrive on location & held safety meeting. Well had flowed overnite on 24/64" choke with testing crew. Continue to monitor flowback during day operations. Left well to flow over nite with testing crew.

Daily Cost: \$3,538.90

Cum Cost: \$83,388.44

Sunday, May 16, 2010

Arrive on location & held safety meeting. Took over for night crew. Flowed well back from 7:00 am til 11:00 am/ RU swab unit & swabbed off & on. Recovered 43 bbls. Left well open to the tank. Shut down for the night.

Daily Cost: \$3,987.47

Cum Cost: \$87,375.91

Monday, May 17, 2010

Arrive on location & held safety meeting. Pump 23 bbls into the tubing. Unset packer. TOO H & GIH w/ mud jts, bull plug, perf sub, seat nipple, 12 jts, 4.5" TAC & 270 jts. ND BOPs. NU wellhead. Put everything to racks. Secure well. Shut down for the night.

Daily Cost: \$13,969.38

Cum Cost: \$101,345.29

Tuesday, May 18, 2010

Arrive on location & held safety meeting. PU pump & rods. RIH w/ same and respace. Load well up w/ 20 bbls. Long stroked it to 500#. Hung well off. Secure well and shut down for the night.

Daily Cost: \$10,745.10

Cum Cost: \$112,090.39

Daily Workover Report of Operations

Well Name: Vera #1

AFE #: Vera1-1

Wednesday, May 19, 2010

Arrive on location & held safety meeting. Clean up location and rig down. Move rig off location. Roustabout crew installed fill line on heater, oil dump line & gas line down to ground level for facilities. Installed truck load line on 2 tanks. Installed 2" BS line on tanks. Install dump line from treater to tanks then made tie-ins. Installed clean out plate on treater.

Daily Cost:	\$8,754.92	Cum Cost:	\$120,845.31
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Thursday, May 20, 2010

Tied water dump line from treater to SWD line. Installed truck load line on 2 tanks. Installed pop off line from treater to tanks. Install gas sales line from treater to gas meter run. Installed BS line on back of tanks. Installed gas supply lines to dump valves.

Daily Cost:	\$1,452.38	Cum Cost:	\$122,297.69
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Friday, May 21, 2010

Finish loading junk, pipe & old stairway on trailer. Carry all to lease yard & unload in junk pile. Built new well head & tied into flow line. Install new site glass on treater. Clean up around location. Switch well into battery.

Daily Cost:	\$1,010.07	Cum Cost:	\$123,307.76
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Saturday, May 22, 2010

PU pipe stands & carry to lease. PU cement @ Cogburn Pipe. Dug hole under tank stairway. Installed stand under stairway. Mix & pour cement around stand. Dug hole under truck load line & installed stand under barrel. Cement stand. Put well to production facilities.

Daily Cost:	\$400.95	Cum Cost:	\$123,708.71
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Sunday, May 23, 2010

Daily Cost:	\$0.00	Cum Cost:	\$123,708.71
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Monday, May 24, 2010

Daily Cost:	\$0.00	Cum Cost:	\$123,708.71
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Tuesday, May 25, 2010

Daily Cost:	\$1,034.33	Cum Cost:	\$124,743.04
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