

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

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

June 19, 2008

RECEIVED AUG 30 2010 HOBBSOCD		WELL API NO. 30-025-09626 ✓
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>		6. State Oil & Gas Lease No. 306443
7. Lease Name or Unit Agreement Name Cooper Jal Unit ✓		8. Well Number 217 ✓
9. OGRID Number 263848 ✓		10. Pool name or Wildcat Jalmat; Tansill-Yates-7Rivers ✓
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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		
2. Name of Operator Resaca Operating Company ✓		
3. Address of Operator 1331 Lamar St., Ste. 1450 Houston, TX 77010		
4. Well Location Unit Letter <u>N</u> : <u>990</u> feet from the <u>South</u> line and <u>2310</u> feet from the <u>West</u> line Section <u>24</u> Township <u>24S</u> Range <u>36E</u> NMPM Lea County ✓		
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3318' 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 ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

OTHER: Clean Out and Foam Frac Jalmat ☒

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.

- 1.) MIRU Pulling Unit and Above Ground Steel Pit; POOH w/ rods, pump and tubing. 6/24/10
- 2.) RIH w/ 4 3/4" Bit on 2 7/8" tubing; Clean out with Foam Air Unit from 2960'-3244'.
- 3.) Found communication to surface casing; RIH w/ 3 1/2" Frac String (Hydrotest- 7000#).
- 4.) Set Packer @ 2888'; RU ProPetro & pumped 1000 gals 15% NEFE; Foam Sand Frac'd Yates w/ 104,000# 16/30 Brown mesh sand, plus 60,000# resin coated sand; Fluid Rate= 16 bpm, Nitrogen Rate= 32 bpm, Pavg=3500#.
- 5.) Laid down 3 1/2" work string; last jt & Packer were full of resin coated sand.
- 6.) Found casing leak @ 354'; replaced 5 1/2" casing from 398' to surface; pumped 65 sxs Class C cement, not circ'd.
- 7.) RIH w/ 4 3/4" Concave Mill; worked tight spot @ 406'; test casing leak to 500#- held.
- 8.) Cleaned out sand from 2897' to 3090'; next day, tagged @ 3045', 45' entry.
- 9.) Cleaned out to 3244'; POOH w/ Bit, RIH w/ Notched Collar; cleaned out 156' of fill & 124' of fill.
- 10.) RIH w/ production string; RDMO Pulling Unit, cleaned location, cleaned and disposed of pit fluids. 7/13/10

Spud Date:

6/24/10

Rig Release Date:

7/13/10

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

SIGNATURE Melanie Reyes TITLE Engineer Assistant DATE 8/2/10

Type or print name Melanie Reyes E-mail address: melanie.reyes@resacaexploitation.com PHONE: (432)580-8500

For State Use Only

APPROVED BY: [Signature] TITLE REGISTERED ENGINEER DATE AUG 31 2010

Conditions of Approval (if any):

R.M.