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SEP 30 2010

MOBBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-041-20942
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name San Juan Mesa 16 State
8. Well Number 1
9. OGRID Number 241401
10. Pool name or Wildcat Wildcat Fussman

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

Torch Energy Services, Inc.

3. Address of Operator

1331 Lamar Ste. 1450 Houston, TX 77010

4. Well Location

Unit Letter A : 660 feet from the North line and 660 feet from the East line
Section 16 Township 4S Range 30E NMPM Roosevelt County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4613.3' GL

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

Surface casing & cement

- 9-11-10 Spud 7:30 am. Ran 11 jts 13 3/8" 48# H-40 csg as follows: 1 guide shoe, 1 jt csg, 1 float collar & 10 jts csg. Set depth @ 460'. Centralizers placed @ 215', 292', 334', 376', & 440'. Pumped a 20 bbls fr water spacer, cement w/ 440 sks Halcem cmt, wt.- 14.8, yld.- 1.35, circ 33 bbls back to pit.
- 9-12-10 NU BOP & test to 1000# for 30 min. WOC 17.25 hrs. Reduce hole size to 8 5/8" and resume drilling.

Spud Date:

9/11/2010

Rig Release Date:

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

SIGNATURE

Angela Lightner

TITLE Regularoty Consultant

DATE 9/28/2010

Type or print name Angela Lightner

E-mail address: angela@rkford.com

PHONE: 432-682-0440

For State Use Only

APPROVED BY:

[Signature]

TITLE

PETROLEUM ENGINEER

DATE

OCT 05 2010

Conditions of Approval (if any):

ck

State of New Mexico
Energy, Minerals and Natural Resources

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HOBBSD

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DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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Intermediate casing & cement

- 9-19-10 Ran 52 jts 8 5/8" 24# J-55 csg as follows: 1 guide shoe, 2 jts csg, 1 float collar & 50 jts csg. Set depth @ 2201'. Centralizers placed @ 1397', 1566', 1693', 1862', 2031' & 2130'. Pumped a 20 bbls fr water spacer & 20 bbl gel spacer, cement lead w/ 680 sks Extendacem cmt, wt.- 13.5, yld.- 1.75. Cement tail w/ 240 sks Halcem + 2% CaCl, wt.- 14.80, yld.- 1.35, displaced w/ 131 bbl brine wtr, bumped plug w/ 430 psi, increased to 985 psi, float held ok. .75 bbls to haul off pit, circ green gel mixed cmt to surf. NU BOP
- 9-20-10 Finish NU BOP & test to 1000# for 30 min. WOC 17.50 hrs. Reduce hole size to 5 1/2" and resume drilling.

Spud Date:

9/11/2010

Rig Release Date:

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

SIGNATURE

Angela Lightner

TITLE Regularoty Consultant

DATE 9/29/2010

Type or print name Angela Lightner

E-mail address: angela@rkford.com

PHONE: 432-682-0440

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):