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DEC 08 2010

HOBBSOCD

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

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

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: Completion ☒

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.

- 12-4-10 TIH w/ pkr assy + retv tool to 8170', latch/rel RBP, TOH to 7960' & set RBP. MIRU acidizers test RBP to 1000 psi OK, pmp 500 gal 2% KCL inhibited 10% acetic acid 7960'-7390', TOH pkr assy to 7805', pmp 10 bbls 2% KCL to rev circ acid into tbq, set pkr assy @ 7805', press to 500 psi OK. MIRU WL, RIH w/ 9/16" 0^ phasing 4 spf perf gun, perf from 7882'-7898', 68 holes made, RDMO WL, pmp 15 bbls 2% KCL to brk form 2800 psi to flush acid into Lwr Cisco/Penn, increase to 1.5 bpm 3100 psi, ISDP= 2665 psi/ 5 min SITP= 1379 psi/ 10 min SITP= 650/ 15 min SITP= 250 psi, LTR =60 bbls, RDMO acidizers, open well NIL psi, well on vacuum, RU RIH swb, IFL @ surf, made 8 runs to move FL to 5200', recover 50 bbls, 100% wtr, LTR= 10 bbls. SWI SDFN
- 12-6-10 Open well NIL psi- well on vac, RU RIH swb, IFL @ 1800', made 10 runs to move FL to 4600', FFL 4350', recovered 45 bbls, 100% wtr, no oil/ no color/no gas show. SWI SDFN

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

Angela Lightner

TITLE Regularoty Consultant

DATE 12/07/2010

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

DEC 09 2010

Conditions of Approval (if any):

P