

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

RECEIVED

OIL CONSERVATION DIVISION

FEB 10 2011
220 South St. Francis Dr.
Santa Fe, NM 87505

HOBBSUCD

WELL API NO. 30-025-38488
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: SHERMAN 13 FEE
8. Well Number #003
9. OGRID Number 215099
10. Pool name or Wildcat DENTON; WOLFCAMP
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,776' - GR
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input checked="" type="checkbox"/> Pit type <u>STEEL</u> Depth to Groundwater _____ Distance from nearest fresh water well _____ * Distance from nearest surface water _____ * Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material <u>* NONE WITHIN 1,000'</u>

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 COMPLETION ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☒
CASING TEST AND CEMENT JOB ☐
OTHER: WELL PLUGGED AND ABANDONED 02/07/11. ☐

CONDITIONS OF PA APPROVAL: Approved as to plugging of the Well Bore. Liability under bond is retained until surface restoration is completed. OCD Hobbs office needs C-103 "Check Off List for Surface Inspection".

Multiple Completions: Attach wellbore diagram of proposed completion

02/01/11: ROTARY WIRELINE SET 5-1/2" CIBP @ 9,150'.

02/05/11: RIH W/ TBG. TO 9,150' X CIRC. WELL W/ PXA MUD; PUMP A 25 SX. CMT. PLUG @ 9,150'-8,950' (CALC.); PUMP A 25 SX. CMT. PLUG @ 7,686'-7,486' (CALC.); PUMP A 25 SX. CMT. PLUG @ 6,856'-6,656' (CALC.).

02/06/11: PUMP A 25 SX. CMT. PLUG @ 4,585'; WOC X TAG TOP OF CMT. PLUG @ 4,371'; PUMP A 25 SX. CMT. PLUG @ 3,267'-3,067' (CALC.); PUMP A 25 SX. CMT. PLUG @ 2,270'-2,070' (CALC.).

02/07/11: CUT X PULL 5-1/2" CSG. @ 1,900'; PUMP A 35 SX. CMT. PLUG @ 1,950'; WOC X TAG CMT. PLUG @ 1,827'; PUMP A 40 SX. CMT. PLUG @ 672'-572' (CALC.); CIRCULATE TO SURFACE A 25 SX. CMT. PLUG @ 63'-3'; DIG OUT X CUT OFF WELLHEAD 3' B.G.L.; WELD ON STEEL PLATE TO CASINGS X INSTALL DRY HOLE MARKER.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE David A. Eyer TITLE AGENT DATE 02/08/11

Type or print name DAVID A. EYLER

E-mail address: deyler@milagro-res.com

Telephone No. (432) 687-3033

For State Use Only

APPROVED BY [Signature] TITLE STAFF MGR DATE 2-14-2011

Conditions of Approval, if any: