

District I

1625 N. French Dr., Hobbs, NM 88241

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 88201

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED

APR 05 2011

HOBBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.
30-041-20813

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
J.T. MCGEE

8. Well Number 001

9. OGRID Number
263940

10. Pool name or Wildcat
MONTOYA; PENN (Gas)

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
SOVEREIGN EAGLE, LLC

3. Address of Operator
P.O. BOX 968, ROSWELL, NM 88202-0968

4. Well Location

Unit Letter B : 990' feet from the FNL line and 1080' feet from the FEL line
Section 27 Township 2S Range 29E NMPM County ROOSEVELT

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

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ 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 _____

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- 7-17-10- MI & RU Totem Well Service pulling unit. Unseated pump. TOH laying down 283 rods & 1 1/2 X 20' pump. ND wellhead & release anchor. TOH laying down 223 jts of 2 3/8 tbg. Shut down. Left well flowing to battery.
- 7-20-10- CP 400#. Blow down. PU 5 1/2 Pkr & TIH PU a total of 207 jts of 3 1/2" 12.95# Frac string. Put bottom of pkr @ 6510'. SISD.
- 7-23-10- RU BJ. Prep to frac via 3 1/2" frac string w/ 150,000# 20/40 sand, 594 tons CO2 and 2000 bbls 5% kcl 65 quality foam. Tag w/ Iridium (IR-192) & ramp sand .5 ppg - 1.5 ppg. Placed 146,215# 20/40 sand on formation. ISDP-2123#. 5' - 1716#, 10' - 1672#, 15' - 1634#. Have 2000 BLWTR and 594 tons CO2 to recover. SI overnight
- 7-24-10- TP 600#. RU well testers. Open well up at 1:10 pm. Fluid hit at 420# flowing to frac tanks on 25/64" choke. 6 pm flowing 1240# on 25/64" choke. Recovering CO2.
- 7-30-10- SI. TP 1150#. Rig up Schlumberger wireline and run "After Frac Survey GR/CCL." Results indicate that all intervals were adequately stimulated Start 4 pt. Have fluid in middle of test. Stop. SISD. Run on Sunday.
- 8-2-10- Prep to set Stack-Pac Ut. and Equipment.

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 Jennifer Zarata TITLE PRODUCTION ANALYST DATE 04/04/11

Type or print name JENNIFER ZARATA E-mail address: jzapata@stratanm.com Telephone No. (575) 622-1127

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE APR 06 2011

Conditions of Approval (if any):