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MAY 02 2011

HOBBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-041-10041

5. Indicate Type of Lease

STATE ☐ FEE ☒ P

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Milnesand Unit

8. Well Number 131

9. OGRID Number

257420

10. Pool name or Wildcat

Milnesand, San Andres

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

EOR Operating Company

3. Address of Operator

200 N. Loraine, Suite 1440 Midland, TX 79701

4. Well Location

Unit Letter B : 660 feet from the N line and 1980 feet from the E lineSection 7 Township 08S Range 35E NMPM County Roosevelt

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

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.

EOR Operating requests approval to plug and abandon this well according to attached proposed procedure and wellbore diagram.

Est. start date 5/30/11

EOR will notify OCD 24 hours prior to the beginning of plugging operations.

**Note: EOR plans to use BCM & Associates to plug a total of 12 wells. EOR has scheduled to complete these 12 P&As prior to 6/30/11.

The Oil Conservation Division Must be notified
24 hours prior to the beginning of plugging operations.

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

Jana True

TITLE

Production Asst.

DATE

4/28/11

Type or print name Jana TrueE-mail address: jtrue@enhancedoilres.com PHONE: 432-687-0303

For State Use Only

APPROVED BY:

[Signature]

TITLE

STAFF MGR

DATE

5-4-2011

Conditions of Approval (if any):

Plugging Procedure

Milnesand Unit #131

API No. – 30-041-10041

1. Prepare location and test anchors
2. MIRU plugging rig
3. Notify OCD/HFO 24 hours prior to commencement of P & A procedure. ✓
4. NDWH/NU BOP
5. RIH w/4 ½ CIBP on 2 3/8 WS @ 4530' (+/-) – within 100' of top perf – 4587' —
 - a. Spot ~~25~~^{255x} of cement on CIBP
 - b. Let cement cure – bump plug @ 4495' (+/-)
6. Load well with plugging mud and conduct MIT to 500 psi. , test for leak off.
 - a. Bleed pressure off after MIT.
7. ~~TIH to 4560' and spot 25 SX cement plug~~
 - a. ~~Wait on cement and tag~~
8. MIRU WL and RIH w/perf gun to 3040'
 - a. perforate @ 2 JSPF
 - b. POOH w/WL
 - c. Rig WL down move off loc.
9. TIH w/WS – ~~spot 25 SX cement plug @ 3040'~~
 - a. Wait on cement ✓
 - b. Tag plug ✓
10. MIRU WL and RIH w/perf gun to 1595'
 - a. perforate @ 2 JSPF
 - b. POOH w/WL
 - c. Rig WL down move off loc.
11. TIH w/WS – ~~spot 25 SX cement plug @ 1520'~~
 - a. Wait on cement
 - b. Tag plug
12. MIRU WL and RIH w/perf gun to ~~430'~~ ^{455'}
 - a. perforate @ 2 JSPF
 - b. POOH w/WL
 - c. Rig WL down move off loc.
13. ~~TIH w/WS – spot 25 SX cement plug @ 430'~~
 - a. 8 5/8 csng. Shoe @ 401'
 - b. ~~Wait on cement~~
 - c. ~~Tag plug~~
14. ~~TIH to tag plug @ 380' (+/-)~~
 - a. ~~Spot cement plug~~
 - b. circulate cement to surface ✓
 - c. TOH w/WS
15. RDMO Plugging Rig
 - a. Install P & A marker plate
 - b. Cut off dead men
 - c. Remediate Location

