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State of New Mexico

Energy Minerals and Natural Resources

Form C-103

October 13, 2009

MAY 02 2011

HOBBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-041-10180

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Milnesand Unit

8. Well Number 201

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 line

Section 25 Township 08S Range 34E 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 6/6/11

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 True

E-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):

MAY 05 2011

## Plugging Procedure

Milnesand Unit #201

API No. – 30-041-10180

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. 4 ½ casing is parted @ 1852' ??
6. Attempt will be made to mill parted/collapsed casing – in an effort to re-enter casing and perform a standard plugging procedure.
7. If unsuccessful EOR Operating Co. will work with OCD/BLM on contingency plugging plan.

