

Submit 3 Copies To Appropriate District Office
 District I
 1625 N French Dr., Hobbs, NM 88240
 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

FEB 17 2009

Form C-103
 Revised March 25, 1999



OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.
 30-005-00265

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 E-8731

7. Lease Name or Unit Agreement Name
 New Mexico State A

8. Well No.
 #1

9. Pool name or Wildcat
 Coyote Queen

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
 Slayton Resources, Inc.

3 Address of Operator
 P. O. Box 2035, Roswell, NM 88202-2035

4 Well Location
 Unit Letter M : 330 feet from the South line and 330 feet from the West line
 Section 11 Township 11S Range 27E NMPM Chaves County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3713 DR

11. 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
- OTHER

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- ALTERING CASING
- COMMENCE DRILLING OPNS.
- PLUG AND ABANDONMENT
- CASING TEST AND CEMENT JOB
- OTHER: PIT

12 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 recompilation

Began removing soil from the pit the last week of July 2008. Removed soil from pit down 8 feet, leaving an opening 10 feet wide by 10 feet long. Sent soil samples to TraceAnalysis. Summary report of soil samples was faxed to Mike Bratcher of the Artesia OCD office. Mr. Bratcher said more work was necessary. Another 4 feet of soil was removed in depth and 2 more feet was removed from the length and width. Soil samples were again sent to TraceAnalysis with the report being faxed to Mike Bratcher. On October 17, 2008 Mr. Bratcher gave us an extension to complete this work. The last week of November 2008 Mr. Bratcher gave us permission to fill the excavated area. The last load of clean soil was delivered November 28, 2008 and the area was leveled.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE A. D. Allison TITLE Vice-President DATE 12-04-08

Type or print name A. D. Allison Telephone No. 575-623-7184
 (This space for State use)

APPROVED BY Signed By Mike Bratcher TITLE _____ DATE MAR 09 2009
 Conditions of approval, if any _____