

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

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

WELL API NO. 30-045-32312
5. Indicate Type of Lease: STATE [ ] FEE [X]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name RIGGS
8. Well Number: #4
9. OGRID Number: 009812
10. Pool name or Wildcat BASIN FRUITLAND COAL

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 [X] Other [ ]
2. Name of Operator HEC PETROLEUM INC.
3. Address of Operator: c/o Agent, Mike Pippin LLC 3104 N. Sullivan, Farmington, NM 87401 505-327-4573

4. Well Location Unit Letter P : 1070 feet from the South line and 755 feet from the East line Section 4 Township 29N Range 12W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5810' GL

Pit or Below-grade Tank Application [X] or Closure [ ]
Pit type Production Depth to Groundwater >100' Distance from nearest fresh water well 200'-1000' Distance from nearest surface water >1000'
Pit Liner Thickness: mil Below-Grade Tank: Volume 110 bbls; Construction Material Steel

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: Register Steel Production Pit [X]
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.

We intend to install a below grade, 110 bbls, steel tank on this new Fruitland Coal well. This produced water tank will be double walled with a leak detection system. When the production pit is closed, it will be closed as per our general pit closing guidelines on file at the NMOCD.

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 [X], a general permit [ ] or an (attached) alternative OCD-approved plan [ ].

SIGNATURE Mike Pippin TITLE Agent, Petroleum Engineer DATE 6/2/05

Type or print name Mike Pippin E-mail address: mpippin@ddbroadband.net Telephone No.: 505-327-4573 For State Use Only

APPROVED BY: [Signature] TITLE DATE JUN - 3 2005
DEPUTY OIL & GAS INSPECTOR, DIST. 8

Conditions of Approval (if any):