

Submit 3 Copies To Appropriate District
 Office **HOBBSON**
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 St. Francis Dr., Santa Fe, NM
 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 June 19, 2008

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

OCT 27 2008

WELL API NO. 30-025- 39025 39025
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: E. O. Carson
8. Well Number 28
9. OGRID Number 019958
10. Pool name or Wildcat Penrose-Skelly-Grayburg
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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
 Stephens & Johnson Operating Co.

3. Address of Operator
 P.O. Box 2249 Wichita Falls, Texas 76307-2249

4. Well Location
 Unit Letter N : 800 feet from the South line and 1660 feet from the West line
 Section 28 Township 21S Range 37E NMPM County Lea

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:

- REMEDIATION WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB

OTHER: OTHER: Recomplete and change well name

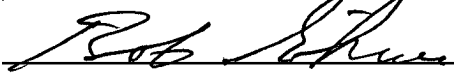
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- 10-11-08 Spud well. Drilled 12 1/4 hole to 1234'. Run 1232' 8 5/8" csg. Cmt w/550 sx. Cmt Circ.
- 10-13-08 Drilled out from 8 5/8" csg. Lost circ. @ 1267'. Mix lost circ. material with no success.
- 10-15-08 Halliburton cmt lost circ. zone w/200 sx. cmt. Drilled out cmt. and lost returns. Set cmt. retainer @ 1216'. Cmt. lost circ. zone with 400 sx. Drilled out retainer and cmt. Lost returns again.
- 10-17-08 Got P&A instruction from Paul Kautz OCD. Set CIBP @ 1186'. 25 x cmt plug on top of CIBP, 26 sx cmt from 400-300', 16 sx cmt plug 60' from surf.

Spud Date: 10-11-08

Rig Release Date: 10-19-08

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

SIGNATURE  TITLE Petroleum Engineer DATE 10-23-08
 Type or print name Bob Gilmore E-mail address: bgilmore@sjoc.net PHONE (940)723-2166

For State Use Only

APPROVED BY  TITLE PETROLEUM ENGINEER DATE NOV 05 2008

Conditions of Approval (if any):