

Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-103  
Revised March 25, 1999

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		<b>WELL API NO.</b> 30-025-03735
<b>1. Type of Well:</b> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Salt Water Injection <input checked="" type="checkbox"/>		<b>5. Indicate Type of Lease</b> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
<b>2. Name of Operator</b> Gandy Corporation		<b>6. State Oil &amp; Gas Lease No.</b> 33114
<b>3. Address of Operator</b> P. O. Box 827, Tatum, NM 88267		<b>7. Lease Name or Unit Agreement Name:</b> State T
<b>4. Well Location</b> Unit Letter <u>L</u> : <u>4290</u> feet from the <u>South</u> line and <u>500</u> feet from the <u>West</u> line Section <u>6</u> Township <u>16 S</u> Range <u>36-E</u> NMPM County <u>Lea</u>		<b>8. Well No.</b> <u>2</u>
<b>10. Elevation (Show whether DR, RKB, RT, GR, etc.)</b>		<b>9. Pool name or Wildcat</b> SWD: <u>Glorieta</u>

<b>11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data</b>	
<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

**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.

Tubing Size, 3.5" liner Packer ID 2.5"  
Perforate 2" RTG (Swell Size 2 1/8"), loaded 4spf, 120 deg phasing

Zone: 4810-50' (40' @4spf = 160 holes)  
5290'-5300' ( 10' @ 4spf = 40 holes)  
6210'-6260' (50' @ 4spf =200 holes)  
6300' - 6360' ( 60' @ 4 spf = 240 holes)  
6440' - 6455' ( 15' @ 4spf = 60 holes)  
6610' - 6630' ( 20' @ 4spf = 80 holes)  
6770' - 6880' ( 110' @ 4 spf = 440 holes)  
Total Holes 1220

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

SIGNATURE Larry Gandy TITLE Secretary/Treasurer DATE 4-25-05

Type or print name Larry Gandy Telephone No. 505-398-4960

(This space for State use) OC FIELD REPRESENTATIVE II/STAFF MANAGER APR 25 2005

APPROVED BY Larry W. Wink TITLE DATE

Conditions of approval, if any:

