

Compliance Resolved	9/15/2005
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JDR0135253494 Date of Violations: 8/1/2001 Violations: Mechanical Integrity

Date of Violation: 8/1/2001
 Compliance Required: Resolved: 1/12/2002

Notes

FAILED BHT. Sold well to Lou Ray Oil Co. Lewis Edgett 631-3341. He has one year to bring well into compliance.

Notifications

Notification	Notification Date	Enforcement
	8/1/2001	

Corrective Actions

Corrective Action	Date
Other Corrective Action(Explain)	1/15/2002
Packer Repair	1/12/2002

JDR0203036646 Date of Violations: 1/15/2002 Violations: Mechanical Integrity

Date of Violation: 1/15/2002
 Compliance Required: Resolved: 1/12/2002

Notes

Notifications

Notification	Notification Date	Enforcement
	1/15/2002	

Corrective Actions

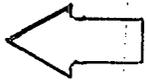
Corrective Action	Date
Tubing Repair	
Packer Repair	1/12/2002

JDR0207342574 Date of Violations: 3/20/2001 Violations: Mechanical Integrity

Date of Violation: 3/20/2001
 Compliance Required: Resolved: 1/12/2002

Notes

Repaired and tested well



MIT

Notifications

Notification	Notification Date	Enforcement
Phone Call	3/20/2001	

Corrective Actions

Corrective Action	Date
Other Internal Repair	1/12/2002

LWH0322533329 Date of Violations: 8/13/2003 Violations: Operation/Maintenance

Date of Violation: 8/13/2003
 Compliance Required: Resolved: 9/15/2005

Notes

OIL PUDDLES, HEAVY OIL STAIN INSIDE DYKE, AROUND TANKS..

Notifications

Notification	Notification Date	Enforcement
	8/13/2003	Field Inspection

Corrective Actions

Corrective Action	Date
Compliance Resolved	9/15/2005

LWH0419559905 Date of Violations: 7/13/2004 Violations: Operation/Maintenance

Date of Violation: 7/13/2004

2

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

Form C-103
 Revised March 25, 1999

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

WELL API NO. 30-025-23708
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: <i>Government</i>
8. Well No. #1 SWD
9. Pool name or Wildcat Lea Bowe Spring
10. 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 Salt Water Disposal *Government "E"*

2. Name of Operator
LouRay Oil CO. L.L.C.

3. Address of Operator
 1009 WEST BROADWAY HOBBS, NM 88240

4. Well Location
 Unit Letter N : 610 feet from the South line and 1880 feet from the West line
 Section 25 Township 19S Range 34E NMPM County Lea

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Run Tubing & Test <input checked="" 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.

Uncap Well & Bled Back Pressure. Run new Packer & New Plastic Coated tubing in the hole. Load Casing-Tubing Annulus with Biocide and Packer Fluid. Ran Mit Test on Casing Tubing Annulus. Tested Good.

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

SIGNATURE *[Signature]* TITLE PRESIDENT DATE 1-12-02

Type or print name Louis G. Edgett Telephone No. 391-0501
 (This space for State use)

APPROVED BY _____ DATE _____
 Conditions of approval, if any:

030
 Hobbs
 FEB 21 2002

MAR 21 2002

No De Pths

CS

3

Hours: 00:00

Oil Volume: 0.0 bbls
Gas Volume: 0.0 mcf
Water Volume: 0.0 bbls

Depths

Measured Depth:

Plugback Md:

Perforations

Date	Top Measured Depth (Where Completion Enters Formation)	Bottom Measured Depth (End of Lateral)
	9716	9749

Notes

Event Dates

Initial Effective/Approval: 1/1/1900
 Most Recent Approval: 6/6/1994
 Test Allowable Approval:
 Production Test:
 TD Reached:
 Deviation Report Received:
 Directional Survey Received:
 First Oil Production:
 Ready to Produce:
 C-104 Approval:
 Plug Back:
 Authorization Revoked Start: Not Implemented

Confidential Until:
 Test Allowable End: DHC:
 Rig Released:
 Logs Received:
 Closure Pit Plat Received:
 First Gas Production:
 Completion Report Received:
 Revoked Until: Not Implemented

Well Completion History

Effective Date	Property	Operator	Completion Status	TA Expiration Date
6/6/1994	[15068] GOVERNMENT E	[123503] SUBSURFACE WATER DISPOSAL INC	Zone Permanently Plugged	
4/4/1994	[1575] GOVERNMENT E	[1092] ARMSTRONG ENERGY CORP	Active	
1/1/1900	[1575] GOVERNMENT E	[1092] ARMSTRONG ENERGY CORP	Active	

Financial Assurance

Bond Id	Bond Type	Amount	Issuer	Cash/Surety	Issuer Bond Number	Bond Cancellation Date
253167	Blanket	50000	[267262] AMERICAN SAFETY CASUALTY INSURANCE COMPANY	Surety	OKC604107	

Requests to release bonds must be submitted in writing. You may send an e-mail to Dorothy.Phillips@state.nm.us or fax a letter to (505) 476-3462.

Compliance

Note that Financial Assurance and Inactive Well Compliance are documented in separate reports ([Inactive Well Report](#), [Financial Assurance Report](#)).

Also note that some compliance issues are addressed at the operator level so not listed under each well.

ELG0504257060 Date of Violations: 2/11/2005 Violations: Mechanical Integrity

Date of Violation: 2/11/2005
Compliance Required:

Resolved: 9/15/2005

Notes

FAILED BHT

Notifications

Notification	Notification Date	Enforcement
	2/11/2005	

Corrective Actions

Corrective Action	Date
Compliance Resolved	9/15/2005

JCW0523537438 Date of Violations: 8/23/2005 Violations: Mechanical Integrity, Operation/Maintenance

Date of Violation: 8/23/2005
Compliance Required:

Resolved: 9/15/2005

Notes

Notified Lewis Edgett (Louray Oil Co.) to shut well in until repaired. Gave them 30 days to repair.

Notifications

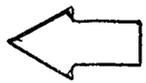
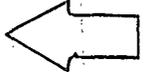
Notification	Notification Date	Enforcement
	8/23/2005	Shut-In

Corrective Actions

Corrective Action	Date

4

MIT



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

Form C-103
 May 27, 2004

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

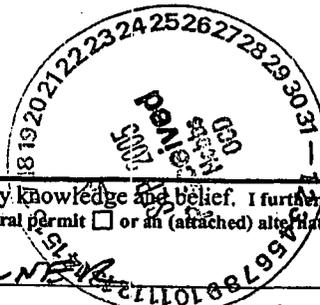
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. GOVERNMENT "E" #1
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <u>SUD</u>		5. Indicate Type of Lease <u>FED STATE</u> <input checked="" type="checkbox"/> FEE <input type="checkbox"/> <u>Federal</u>
2. Name of Operator <u>LOURAY OIL COMPANY LLC.</u>		6. State Oil & Gas Lease No. <u>30-025-23708</u>
3. Address of Operator <u>1009 WEST BROADWAY HOBBS, N.M.</u>		7. Lease Name or Unit Agreement Name <u>GOVERNMENT "E"</u>
4. Well Location Unit Letter <u>N</u> : <u>616</u> feet from the <u>SOUTH</u> line and <u>1880</u> feet from the <u>WEST</u> line Section <u>25</u> Township <u>19S</u> Range <u>34E</u> NMPM County <u>LEA</u>		8. Well Number <u>#1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number
10. Pool name or Wildcat <u>LEA BONE SPRING</u>		
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____		
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <u>Repair Tubing Leak</u> <input checked="" type="checkbox"/>		OTHER: <u>Rep Tub Leak</u> <input checked="" type="checkbox"/>	

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.

1. UNCAP THE WELL AND RELEASE THE ON-OFF TOOL.
2. PULL TUBING UP AND FOUND 4 BAD COLLARS ON TOP.
3. REPLACED COLLARS AND LATCHED BACK ON TO PACKER
4. CAPPED WELL OFF.
5. TESTED ANNULUS TO 400 lbs FOR 30 MINUTES
TESTED GOOD. 9/15/05



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 , a general permit or an (attached) alternative OGD-approved plan .

SIGNATURE [Signature] TITLE OWNER DATE 9-15-05

Type or print name LOUIS G. EGGETT E-mail address: LEGGETT3@AOL.com Telephone No. 631-3391
 For State Use Only

APPROVED BY: [Signature] TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE SEP 19 2005

Conditions of Approval (if any):