

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
OCT 16 2017
RECEIVED

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| 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. 30-025-31153 |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator STRATA PRODUCTION COMPANY | | 6. State Oil & Gas Lease No. VB-0030 |
| 3. Address of Operator PO BOX 1030, ROSWELL, NM 88201 | | 7. Lease Name or Unit Agreement Name PALOMA STATE |
| 4. Well Location Unit Letter <u>O</u> : <u>330</u> feet from the <u>SOUTH</u> line and <u>1650</u> feet from the <u>EAST</u> line Section <u>26</u> Township <u>18S</u> Range <u>32E</u> NMPM LEA County | | 8. Well Number 001 |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3710 GR | | 9. OGRID Number 021712 |
| | | 10. Pool name or Wildcat BUFFALO YATES |

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"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | | |
| CLOSED-LOOP SYSTEM <input type="checkbox"/> | | | |
| OTHER: <input checked="" type="checkbox"/> | | OTHER: <input 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

REQUEST APPROVAL TO SHUT IN THE PALOMA STATE #1 DUE TO ECONOMIC HARDSHIP.
THE WELL IS CAPABLE OF PRODUCING 3.5 BOPD BUT PRODUCES 25 BWP.
THE WATER HAS TO BE HAULED TO A DISPOSAL FACILITY AND TRUCKING COSTS MAKES THIS AN UNECONOMIC VENTURE.

REQUEST APPROVAL TO SHUT THE WELL IN FOR 1 YEAR FROM 10-15-2017 TO 10-15-2018.

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|-----------------------|------------------------------|
| Spud Date: 02-27-1991 | Rig Release Date: 03-25-1991 |
|-----------------------|------------------------------|

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

SIGNATURE Paul Ragdale TITLE OPERATIONS MANAGER DATE 10/15/2017
Type or print name PAUL RAGSDALE E-mail address: pragsdale@stratanm.com PHONE: 575-622-1127

For State Use Only

Accepted for Record Only

APPROVED BY: M. Brown TITLE OCD DATE 10/17/2017
Conditions of Approval (if any):