

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
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> 30-025-30660
<b>1. Type of Well:</b> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		<b>5. Indicate Type of Lease</b> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
<b>2. Name of Operator</b> QUAY VALLEY, INC.		<b>6. State Oil &amp; Gas Lease No.</b>
<b>3. Address of Operator</b> P.O. BOX 10280 MIDLAND, TEXAS 79702		<b>7. Lease Name or Unit Agreement Name:</b> MCDONALD FEDERAL NO. 1
<b>4. Well Location</b> Unit Letter <u>I</u> : <u>2310</u> feet from the <u>SOUTH</u> line and <u>890</u> feet from the <u>EAST</u> line Section <u>21</u> Township <u>26-S</u> Range <u>32-E</u> NMPM County		<b>8. Well No.</b> 1
<b>10. Elevation (Show whether DR, RKB, RT, GR, etc.)</b> 3145.45 GR		<b>9. Pool name or Wildcat</b> MASON DELAWARE EAST

<b>11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data</b>	
<b>NOTICE OF INTENTION TO:</b>	<b>SUBSEQUENT REPORT OF:</b>
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: CONVERT TO SWD WELL <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 recompletion.

PROPOSED CONVERSION OF THIS WELL INTO A SALT WATER DISPOSAL WELL: DATE OF 2/13/02

1. MOVE AND RIG UP PULLING UNIT.

2. PULL RODS, DOWNHOLE PUMP AND TUBING.

3. RIH W/ 5 1/2" AD-1 PC PACKER 135 JOINTS 2 3/8" DURLINE PLASTIC COATED TUBING 4270'.  
CIRCULATE PACKER FLUID. SET PACKER @ 10 POINTS. TESTED TO 550 PSI.

4. PACKER @ 4273'

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

SIGNATURE Shannon Kitchen TITLE AGENT

Type or print name SHANNON KITCHENS

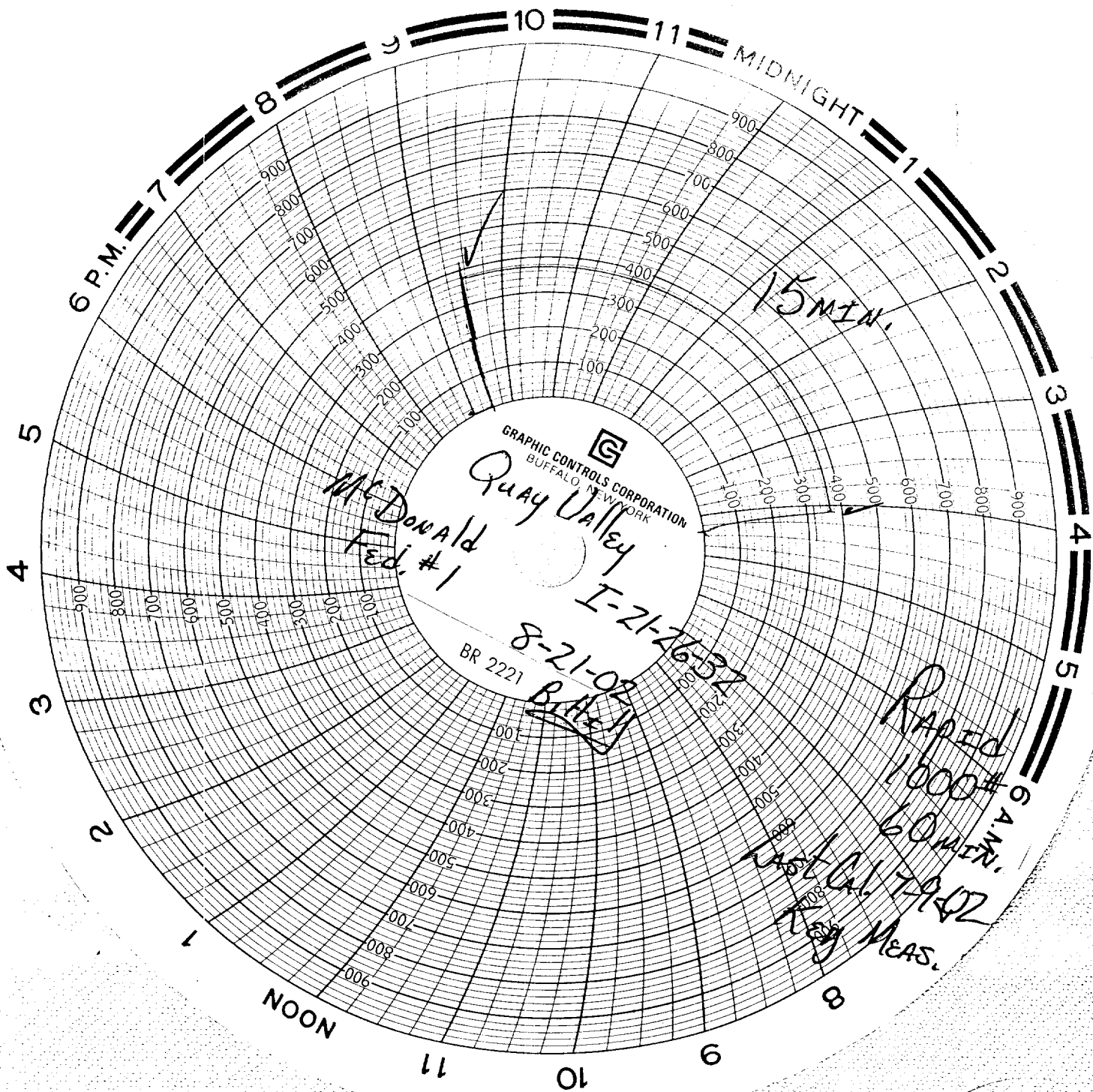
(This space for State use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_

Conditions of approval, if any:

Telephone No. (915) 687-4220

OCT 28 2002  
RECEIVED  
Hobbs  
OCD  
DATE 5/12/02



RECEIVED  
OCT 16 2002

Copy to Bud 10-16-02