

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

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

Form C-103  
Revised August 1, 2011

|   |  |   |
|---|--|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(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.<br>30-025-40448  |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other Acid Gas Injection  |  | 5. Indicate Type of Lease<br>STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 2. Name of Operator: AGAVE ENERGY COMPANY   |  | 6. State Oil & Gas Lease No.<br>NMLC063798  |
| 3. Address of Operator 105 S. FOURTH STREET<br>ARTESIA, NM 88210  |  | 7. Lease Name or Unit Agreement Name<br>AGAVE RED HILLS   |
| 4. Well Location<br>Unit Letter 1600 feet from the south line and 150 feet from the east line<br>Section 13 Township 24 S Range 33 E NMPM, LEA County   |  | 8. Well Number AGI #1   |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>3580 GL   |  | 9. OGRID Number   |
|   |  | 10. Pool name or Wildcat<br>EXPLORATORY CHERRY CANYON   |

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 checked="" 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"/>    |   |   |  |
| OTHER: <input 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.

Yates Petroleum spud Agave Red Hills AGI #1 at approximately 2100 hrs. on October 23, 2013.  
Proposed TD is 6,600'.

Spud Date: OCTOBER 23, 2013

Rig Release Date:

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

SIGNATURE  TITLE: PRESIDENT, GEOLEX, INC. DATE: OCTOBER 23, 2013

Type or print name: ALBERTO A. GUTIERREZ

APPROVED BY:  TITLE: DIETMAR DATE: 10-24-2013  
Conditions of Approval (if any):

OCT 24 2013