District I Form C-103 State of New Mexico 1625 N. French Dr., Hobbs, NM 88240 August 1, 2011 Phone:(575) 393-6161 Fax:(575) 393-0720 Energy, Minerals and Natural District II Permit 136007 811 S. First St., Artesia, NM 88210 Resources WELL API NUMBER Phone:(575) 748-1283 Fax:(575) 748-9720 District III 30-025-40170 Oil Conservation Division 1000 Rio Brazos Rd., Aztec, NM 87410 5. Indicate Type of Lease Phone:(505) 334-6178 Fax:(505) 334-6170 1220 S. St Francis Dr. District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462 6. State Oil & Gas Lease No. SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO GOOD CHIEF STATE A DIFFRENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH 8. Well Number PROPOSALS.) 001 Type of Well: O 9. OGRID Number 2. Name of Operator CABAL ENERGY CORPORATION 194930 10. Pool name or Wildcat 415 W. Wall Street, Suite 1700, Midland, TX 79701 4. Well Location Unit Letter line and 330 feet from the N 330 feet from the 28 Township 26S 36E NMPM Lea Range County 11. Elevation (Show whether DR, KB, BT, GR, etc.) 2907 GR Pit or Below-grade Tank Application or Closure Depth to Groundwater____ Distance from nearest fresh water well____ Distance from nearest surface water____ mil Below-Grade Tank: Volume____ Pit Liner Thickness: 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 | PLUG AND ABANDON | REMEDIAL WORK ALTER CASING TEMPORARILY ABANDON CHANGE OF PLANS COMMENCE DRILLING OPNS. PLUG AND ABANDON PULL OR ALTER CASING | MULTIPLE COMPL | CASING/CEMENT JOB Other: Other: Drilling/Cement X 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. Set 5-1/2" casing 17# L-80 LTC at 3,873" Circulated hoe and rigged up cementrs. Cemented casing with 550 sx lead Econocem C + 0.125 pps Poley-E'Flake, 11.9 ppg, 2.42 yeield plug with 1585 psi, circ 49 sx to pit. Rig down cementers. Released rig @ 2AM 7/29/2011 OCD was notified before cementing commenced. 7/13/2011 Spudded well.

& 320 sx tail VersaCem C + 0.6% Halad r-9 + 3 pps KCL +0.125 pps Poly-E-Flake, 14.4 ppg, 1.26 yeild. Plug down at 0600, bumped

| Casing and | Cement Pr | ogram | | | | | | | | | | | | |
|------------|-----------|---------------|--------------|-------------|-----------------|-------|-----|-------------|-------|-----------|-----|------------|----|--------------|
| Date | String | Fluid Type | Hole Size | Csg Size | Weight lb/ft | Grade | TOC | Dpth Set | Sacks | Yield Cla | ass | 1" Dpth | | Open Hole |
| 07/15/11 | Int1 | Mud | 12.25 | 8.63 | 32 | J-55 | 0 | 1427 | 915 | | | | 24 | |
| 07/28/11 | Prod | Mud | 7.88 | 5.5 | 17 | | 0 | 3873 | 870 | | | | | |

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 OCD-approved plan [. SIGNATURE Electronically Signed TITLE President DATE 8/15/2011 Type or print name Randell Ford E-mail address Sandra@rkford.com Telephone No. 432-682-0440 For State Use Only: APPROVED BY: TITLE Geologist DATE 8/15/2011 3:29:05 PM Paul Kautz