| Office Office  | State of New Mexico                    |                         |                      |                            | Form C-                    |             |
|--|--|-------------------------|----------------------|----------------------------|----------------------------|-------------|
| District I   | Energy, Minerals and Natural Resources |                         |                      | CANDLE ADVANCE             | Revised March 25,          | <u>1999</u> |
| 1625 N. French Dr., Hobbs, NM 88240  |  |                         |                      | WELL API NO.               |                            |             |
| <u>District II</u><br>1301 W. Grand Ave., Artesia, NM 88210  | OIL CONSERVATION DIVISION              |                         |                      | 30-015-34330               |                            |             |
| District III   | 1220 South St. Francis Dr.             |                         |                      | 5. Indicate Type           |                            |             |
| 1000 Rio Brazos Rd., Aztec, NM 87410   | Santa Fe, NM 87505                     |                         |                      |                            |                            |             |
| <u>District IV</u><br>1220 S. St. Francis Dr., Santa Fe, NM  | Dama 1                                 | 0, 11111 07             | 505                  | 6. State Oil & 0<br>VB0158 | Gas Lease No.              |             |
| 87505  |  |                         |                      |                            |                            |             |
|  | CES AND REPORTS O                      |                         |                      |                            | or Unit Agreement          |             |
| (DO NOT USE THIS FORM FOR PROPOS. DIFFERENT RESERVOIR. USE "APPLIC."   |  |                         |                      | Name:                      |                            |             |
| PROPOSALS.)  | THON FOR FERMIT (FOR                   | dvi C-101) 1·O          | KSOCII               | 1                          | •                          |             |
| 1. Type of Well:   |  |                         |                      | Marlin 32 State            |                            |             |
| Oil Well Gas Well X Other RECEIVED   |  |                         |                      |                            |                            |             |
| 2. Name of Operator  |  |                         | 8. Well No.          |                            |                            |             |
|  | 14744 JAN 1 1 2006                     |                         | 1 2006               | #1                         |                            |             |
| 3. Address of Operator   |  |                         |                      | 9. Pool name of            |                            |             |
| PO Box 5270 Hobbs, NM 88241  | 88241 OOD-AFITESIA                     |                         |                      | Undes Winchester Morrow    |                            |             |
| 4. Well Location   |  |                         |                      |                            |                            |             |
| 11 '41 44 1 1656   | 0 0 10 11 0                            | .1. 19                  | . 1 000 C            | 4 6 41 337                 | 4 10                       |             |
| Unit LetterL_:1650   | feet from theSou                       | ith line                | e and990fee          | et from thewes             | stline                     |             |
| Section 32   | Township 19S                           | Range                   | 29E 1                | NMPM Eddy                  | County                     |             |
| Section 32   | 10. Elevation (Show)                   |                         |                      |                            | County                     | Jan 254     |
|  | 3282' GL                               | wneinei Di              | i, KKD, K1, OK, eit  | ··/                        | Maria Maria Maria          |             |
| 11 Check A   | ppropriate Box to Ir                   | ndicate N               | ature of Notice      | Penort or Other            | ·Data                      |             |
| NOTICE OF IN   |  | idicate in              |                      | SEQUENT RE                 |                            |             |
| PERFORM REMEDIAL WORK  | PLUG AND ABANDON                       | <b>л</b> П              | REMEDIAL WOR         |                            | ALTERING CASING            | · 🗆         |
| PERFORM REMEDIAL WORK  | PLUG AND ADANDON                       | <b>'</b>                | REWEDIAL WOR         | <b>N</b> П                 | ALTERING CASING            | , Ц         |
| TEMPORARILY ABANDON  | CHANGE PLANS                           | GE PLANS   COMMENCE DRI |                      |                            | PLUG AND                   |             |
|  |  |                         |                      |                            | ABANDONMENT                | _           |
| PULL OR ALTER CASING   | MULTIPLE                               |                         | CASING TEST AN       | ND 🗆                       |                            |             |
|  | COMPLETION                             |                         | CEMENT JOB           |                            |                            |             |
| OTHER:   |  |                         | OTHER: TD well       | and TOC                    |                            |             |
|  | operations (Clearly st                 |                         |                      |                            | including estimated de     | ate of      |
| 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.   | L ROLL 1103. 101 Mu                    | nipic Com               | Jichons. Attach we   | moore diagram or j         | proposed completion (      | Л           |
| recompilation.   |  |                         |                      |                            |                            |             |
| 12/14/05TD'ed 8 3/4" hole @ 11550'. Ran 11550' 5 1/2" 17# HCP110/N80 LT&C Csg. Cemented 1st stage with 450 sks (61:15:11) Super H  |  |                         |                      |                            |                            |             |
| modified with additives. Mixed @ 13.2/g w/1.64 yd. Tail with 650 sks Class "H" with additives. Mixed @ 15.1 #/g w/ 1.28 yd.  |  |                         |                      |                            |                            |             |
| Drop bomb & open DV tool with 900#. Circ 142 sks off DV tool.  |  |                         |                      |                            |                            |             |
| Cemented 2nd stage with 850 sks (35:65:6) BJ Lite"H" modified with additives. Mixed @ 12.5/g w/1.94 yd. Tail with 400 sks Class "H" with additives. Mixed @ 15.6 #/g w/ 1.18 yd. Slow rate lift pressure at 1671# at 3 BPM. At 9:30 am 12/21/05, tested 5 ½" casing to 3280# |  |                         |                      |                            |                            |             |
| for 30 minutes, held OK. Set   |  | e iiit pressur          | e at 16/1# at 3 BPM. | At 9:30 am 12/21/0:        | 5, tested 5 ½" casing to 3 | 328U#       |
| for 50 minutes, neid Oic. Set  | rook on slips.                         |                         |                      |                            |                            |             |
| 12/21/05Released rig at 3:00 pm 12/21/   | 05.                                    |                         |                      |                            |                            |             |
|  |  |                         |                      |                            |                            |             |
| 12/30/05Ran CBL and found TOC at 13  | 60'.                                   |                         |                      |                            |                            |             |
|  |  |                         |                      |                            |                            |             |
|  |  |                         |                      |                            |                            |             |
| I hereby certify that the information a  | bove is true and comple                | ete to the be           | st of my knowledge   | e and belief.              |                            |             |
| 1/1  | _                                      |                         |                      |                            |                            |             |
| OK- 1Air   | Cha                                    |                         |                      |                            |                            |             |
| SIGNATURE 9 MILL   | ylle-                                  | TITLE_H                 | Iobbs Regulatory _   | D                          | ATE01/03/06_               |             |
| • •  | 1                                      |                         | -                    |                            |                            |             |
| Type or print name Kristi Green Telephone No. 505-393-5905   |  |                         |                      |                            |                            |             |
| (This space for State use)   | CODDO ONLY                             |                         |                      |                            | 1031 4 0 2006              |             |
|  | CORDS ONLY                             |                         |                      |                            | JAN 1 2 2006               |             |
| APPPROVED BY   |  | TITLE                   |                      |                            | _DATE                      |             |
| Conditions of approval, if any:  |  |                         |                      |                            |                            |             |