

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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

<p>SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BASED ON A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p>		<p>WELL API NO. 30-045-31077</p>
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other</p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator TEXAKOMA OIL AND GAS CORPORATION</p>		<p>6. State Oil & Gas Lease No. E-3148-10 & VA-22510 & E-9707</p>
<p>3. Address of Operator 5400 LBJ FREEWAY, SUITE 500, DALLAS, TEXAS 75240</p>		<p>7. Lease Name or Unit Agreement Name: BLACKHILLS-STATE 16</p>
<p>4. Well Location Unit Letter <u>P</u> : <u>772</u> feet from the <u>SOUTH</u> line and <u>701</u> feet from the <u>EAST</u> line Section <u>16</u> Township <u>26N</u> Range <u>13W</u> NMPM County <u>SAN JUAN</u></p>		<p>8. Well No. 1</p>
<p>10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6180' GR</p>		<p>9. Pool name or Wildcat BASIN FRUITLAND COAL (71629)</p>

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
Complete Drilling Operations, Log and Run and Cement Production Casing ☒

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.

THIS WELL SPUDDED ON 12-11-02 AND AN 8 1/4" HOLE WAS DRILLED TO 180' RKB (5' GR TO RKB) AND 4 JTS OF NEW 7" 20 PPF J-55 API CASING WAS SET AT 170' RKB (165' GR) AND CEMENTED TO SURFACE WITH 70 SKS (82.6 CF) OF CLASS BE CEMENT W/2% CACL₂ & 1/4#/SK CELLOFLAKE @ 15.6 PPG, YIELD 1.18 CF/SK, CIRCULATED 5 BBLs OF GOOD CEMENT TO SURFACE, DISPLACED WITH 5.4 BW, PD @ 4:00 P.M., 12-11-02. WOC FOR 15 HOURS AND INSTALLED 7" CASING HEAD AND ANNULAR BOP, TESTED BOP TO 1000 PSIG FOR 15", OK. DRILL AHEAD WITH 6 1/4" BIT AND DRILLED CEMENT FROM 138' TO 165' GR, THEN DRILLED AHEAD TO 185' KB; TOOK SURVEY AT 180'- 1/2 DEGREE. DRILL AHEAD TO DTD 1442' GR ON 12-14-02. RAN TRIPLE COMBINATION LOG SUITE TO LTD 1457' KB ENDING 12-15-02. RAN 35 JOINTS OF NEW 4 1/2" 10.5 PPF J-55 API CASING TO 1454' KB WITH CASING SHOE ON BOTTOM AND INSERT FLOAT AT 1419' KB WITH 10 CENTRALIZERS ON BOTTOM 20 JTS. HALLIBURTON CEMENTED CASING WITH 10 BW PREFLUSH FOLLOWED BY 75 SKS CLS B CEMENT W/2% ECONOLITE W/0.25#/SK FLOCELE W/5#/SK GILSONITE, MIXED AT 12.2 PPG, YIELD 2.25 CF/SK AND TAILED IN WITH 100 SKS OF CLS B CEMENT W/2% CACL₂ W/0.25#/SK FLOCELE MIXED AT 15.4 PPG WITH 1.23 CF/SK YIELD, DISPLACED CEMENT WITH 22.4 BW AND PRESSURE TO 1400 PSIG, HELD PRESSURE 3" AND RELEASED, FLOAT HELD OK, HAD 8 BBL OF GOOD CEMENT CIRCULATED TO PIT. SET SLIPS WITH CASING IN FULL TENSION, INSTALLED TUBINGHEAD AND RELEASED RIG 12-15-2002.

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

SIGNATURE Tom Sprinkle TITLE DRILLING MANAGER DATE 12-18-2002

Type or print name TOM SPRINKLE Telephone No. 972-701-9106

(This space for State use)
APPROVED BY Charles T. R. TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 23 DATE DEC 23 2002

Conditions of approval, if any: