Substilit 3 Copies To Appropriate District Office	State of New Mexico	Form C-103 May 27, 2004
<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240	Energy, Minerals and Natural Resources	WELL API NO
District II	OU CONCEDUATION DISTRICTOR	3004305062
1301 W. Grand Ave., Artesia, NM 88210 District III	OIL CONSERVATION DIVISION	
1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. Francis Dr.	STATE FEE
District IV 1220 S. St. Francis Dr., Santa Fe, NM	Santa Fe, NM 87505	6. State Oil & Gas Lease No.
87505	B B 2000	SF081160F
	ICES AND REPORTS ON WELLS	Lease Name or Unit Agreement Name
	SALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A CATION FOR PERMIT" (FORM C-101) FOR SUCH	
PROPOSALS.)	CATION FOR PERMIT (FORM 9-101) FOR SUCH	SAN LUIS FEDERAL
1. Type of Well: Oil Well	Gas Well Other	8. Well Number
2. Name of Operator	111 1 au 80 22 x 23 8 12	9. OGRID Number 073334
3. Address of Operator	1/b/2 TORREW OIL CONTRACT	10. Pool name or Wildcat
	- Englished The mills	SAN LUIS MESA VERDE
4. Well Location	UE, FORT WORTH, TX 76126	SAIK CAID FIEST VEINE
	1670 feet from the 5 line and 2	294 feet from the E line
Section 21		
Section 21	Township 18 N Range 3 W 11. Elevation (Show whether DR, RKB, RT, GR, etc.	
	6R. 6663	
Fit or Relow-grade Tank Application K	or Cleane	
Pit type Depth to Ground	vaterDistance from nearest fresh water wellDis	stance from nearest surface water
Pit Liner Thickness: cai		enstruction Material
12. Check	Appropriate Box to Indicate Nature of Notice,	Report of Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:		
PERFORM REMEDIAL WORK	PLUG AND ABANDON REMEDIAL WOF	RK ALTERING CASING
TEMPORARILY ABANDON		KILLING OPNS. P AND A
PULL OR ALTER CASING	MULTIPLE COMPL CASING/CEMEN	IT JOB
OTHER: CONTINUE	TO USE PIT A OTHER:	
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.		
WE REQUEST PERMISSION TO CONTINUE TO USE THE EXISTING PIT DESCRIBED ON THE ATTACHED DOCUMENT.		
earthen country on THE ATTACHED DOCUMENT.		
EXISTING	PIT DESCRIPTION OF	MA PUREN WATER ON
PRODUCED WATER IS FRESH WATER . THE KNOWN WATER ON		
THE PROPERTY OTHER THAN PRODUCED WATER. INFORMATION		
THE PROPERTY OF THE SOON		
THE PROPERTY OTHER THAN PRODUCED WHITE. INFORMATION AS SOON HAS BEEN REQUESTED ABOUT NEIGHBORING PROPERTIES, AS SOON		
as decerve	ED WE WILL PROVIDE THAT	INFO TO YOU.
110 1-0-1		
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 [2] or an (attached) alternative OCD-approved plan [2].		
SIGNATURE	TITLE ACENT	DATE 2-4-05
W W	M. D. REED	· · · · · · · · · · · · · · · · · · ·
Type or print name	E-mail address:	Telephope No. 7 2005
For State Use Only		* FEB - 7 2005
145	The formal GAS I	MSPECTOR, DIST. DATE
APPROVED BY: (if any)	TITLE	DATE
Conditions of Approval (if any):		
	//	

TORREON OIL COMPANY

1316 Juniper Lane, Fort Worth, TX 76126 817-249-2675 Fax 817-249-2628

January 28, 2005

#11 Well Site:

Pit No. 1: Located close to Well #11, approximately 50 bbls capacity. Not used normally and will be closed during the development of the water flood.

Tank Battery pit for produced water from Wells #11 and #12:

Tank Battery:

Pit No. 2: Discharge pit for the water separator. The pit was constructed on a mild slope by pushing soil to form a small pit that will hold an estimated 25 bbls. It is fenced in and serves as a receiving point for water discharged by the production fluid separator. The discharge pipe from the pit provides protection for accidental oil discharge by trapping it in the small pit.

Pit No. 3: A berm was created around the tank battery creating containment for unexpected oil losses. Within this berm is a pit about 8' x 8' and possibly 7' deep for additional protection to prevent possible spills overflowing into a waterway on the east. Capacity of the 8' x 8' pit would be about 70 bbls. There is a fence surrounding the pit.

Pit No. 4: An open pit to receive the overflow from Pit No. 2 is shaped similar to $1/4^{th}$ of a pie where the arc is approximately 80', with the water depth from zero to 4 feet. Capacity is approximately 130 bbls.

Approximately 1000 feet south or southeast of the Tank Battery is a soil erosion spreader dam for erosion control; possibly constructed by the Navajo Nation or another Agency.

On occasion a water analysis has been provided to OCD as requested, however, the most convincing evidence of potability is that numerous times cattle, horses and sheep have knocked the fence down and watered with no known problems over the 25 year period. Each time we rebuild the fences.

These wells are normally not produced during the winter because of the freezing temperatures. The current plan is to include these two wells in a waterflood program for the two leases, including some additional drilling. The planning is not complete at this time; progress is expected during 2005.