

Submit 3 Copies To Appropriate District  
Office  
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

Form C-103  
May 27, 2004

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

WELL API NO. <b>3004320376</b>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>SF081160F</b>
7. Lease Name or Unit Agreement Name <b>SAN LUIS FEDERAL</b>
8. Well Number <b># 3</b>
9. OGRID Number <b>023334</b>
10. Pool name or Wildcat <b>SAN LUIS MESA VERDE</b>

11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>GR 6690</b>
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Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>
Pit type <b>Production</b> Depth to Groundwater <b>*</b> Distance from nearest fresh water well <b>*</b> Distance from nearest surface water <b>*</b>
Pit Liner Thickness: <b>mill</b> Below-Grade Tank: Volume <b>bbbls</b> Construction Material

SUNDRY NOTICES AND REPORTS ON WELLS  
(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.)

1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other
2. Name of Operator <b>NOEL REYNOLDS d/b/a TORREON OIL COMPANY</b>
3. Address of Operator <b>1316 JUNIPER LANE, FORT WORTH, TX 76126</b>
4. Well Location Unit Letter <b>J</b> : <b>2164</b> feet from the <b>S</b> line and <b>1600</b> feet from the <b>E</b> line Section <b>21</b> Township <b>18N</b> Range <b>3W</b> NMPM County <b>SANDOVAL</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>GR 6690</b>

Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>
Pit type <b>Production</b> Depth to Groundwater <b>*</b> Distance from nearest fresh water well <b>*</b> Distance from nearest surface water <b>*</b>
Pit Liner Thickness: <b>mill</b> Below-Grade Tank: Volume <b>bbbls</b> Construction Material

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <b>CONTINUE TO USE PIT</b> <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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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. PRODUCED WATER IS FRESH WATER. \*NO KNOWN WATER ON THE PROPERTY OTHER THAN PRODUCED WATER. INFORMATION HAS BEEN REQUESTED ABOUT NEIGHBORING PROPERTIES. AS SOON AS RECEIVED WE WILL PROVIDE THAT INFO TO YOU.

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 Wm. R. Reed TITLE AGENT DATE 2-4-05

Type or print name Wm. R. Reed E-mail address: Telephone No.

For State Use Only  
APPROVED BY: Denny Reut TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 28 DATE FEB - 7 2005  
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

## Well #3

### Well Site – Pit #1 — *Workover*

The pit was created adjacent to the drill site and is the remains of the mud pit. It is approximately 6' wide and 10' long and 1.5' deep, with a capacity of about 14 bbls. It is used to hold fluid resulting from any work over of the well.

### Tank Battery pit for produced water from Well #3:

**Pit #2:** This pit is to receive produced water from the single storage tank and is approximately 9' x 9' and about 8' deep into natural soil. The soil removed created a berm surrounding the excavation and is topped by a wire fence on steel posts. It has a capacity of nearly 100 bbls.

**Pit #3:** The pad site for the single tank was cut into the hillside and the soil used to create a berm 3'+ high that would protect against oil spills. This containment berm surrounding the tank battery possibly meets the criteria indicated in your letter of January 13, 2005, under "Special Notes (1.)"

This well normally is not produced during the winter because of the freezing temperatures. This well produces from a 600' zone and is not part of the initial waterflood being planned although; planning is not complete at this time with progress expected during 2005.

A handwritten signature in black ink, appearing to be 'M. J. [unclear]', located at the bottom right of the page.