State of New Mexico

May 27, 2004 to Appropriate Energy, Minerals and Natural Resources Department District Offices OIL CONSERVATION DIVISION DISTRICT I 1220 South St. Francis Dr. 1625 N. French Dr. Hobbs, NM 88240 WELL API NO. Santa Fe, New Mexico 87505 30-045-32348 DISTRICT II Indicate type of Lease 1301 W. Grand Ave., Artesia, NM 88210 DISTRICT III STATE FEE 1000 RIO Brazos Rd., AZTEC, INM 8/410 DISTRICT IV 6. State Oil & Gas Lease No. RCVD FEB28'07 1220 S. St. Francis Dr., Santa Fe, NM 87505 OIL CONS. DIV. SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name 7. (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" Sandy (FORM C-101) FOR SUCH PROPOSALS.) 8. Well No. 1. Type of Well: **1S** OIL GAS WELL WELL 9. OGRID Number OTHER 018973 2. Name of Operator Redwolf Production, Inc. 10. Pool name or Wildcat 3. Address of Operator P.O. Box 5382, Farmington, NM 87499 **Basin Fruitland Coal** 4. Well Location M : 1070 Feet From The Line South 1145 Feet From The Line and San Juan County Section 32 Township 27N Range 12W **NMPM** (Show whether DF, RKB, RT, GR, etc.) 11. Elevation 5859' GLE Pit or Below-grade Tank Application X or Closure Pit type Drilling Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water >200' and <1000' Pit Liner Thickness: Below-Grade Tank: Volume 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 ALTERING CASING COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT TEMPORARILY ABANDON CHANGE PLANS MULTIPLE COMPL CASING TEST AND CEMENT JOB PULL OR ALTER CASING OTHER: Register drilling pit. 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. Redwolf Production, Inc. requests approval to construct a drilling reserve pit for the subject well. Approximate pit dimensions will be 65' x 15' x 12'. The pit will be lined with a 12 mil liner and fenced. 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 belowgrade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit _____ or an (attached) alternative OCD-approved plan_

SIGNATURE Dava J. Welco. Il TITLE Vice President DATE Type or print name Dana L. Delventhal E-mail address: ddelventhal @qwest.net Telephone No. 505-326-4125 For State Use Only SUTURY OIL & GAS INSPECTOR, DIST. A DATE APPROVED BY: Conditions of Approval (if any):