

June 19, 2008

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

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

WELL API NO. 30-045-34735
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Rainbow's End
8. Well Number 1S
9. OGRID Number 006834
10. Pool name or Wildcat Basin Fruitland Coal
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5470' GL

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 ☐ Gas Well ☒ Other

2. Name of Operator El PamCo, Inc.

3. Address of Operator PO Box 14738
Albuquerque, NM 87191

4. Well Location

Unit Letter I : 1700 feet from the South line and 1085 feet from the East line
 Section 24 Township 29N Range 11W NMPM County San Juan

12. 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 COMPL ☐
 DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☒

OTHER ☐

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.

Sept. 2, 2008 Nipple up BOP. Pressure to 1000#. Held for 60 minutes. Drilled 7 7/8" hole, to 1860'.
 RCVD SEP 15 '08

Sept. 6, 2008 Ran 47 JTS. 5 1/2" 15.5# J-55 casing to 1855'.

OIL CONS. DIV.
 DIST. 3

Sept 7, 2008 Cemented with 225 SKS type 5 w 2% super SIL-SP 5# Gilsonite + 1/4# Super Flake (472 Cu. Ft.). Tailed w 150 SKS type 5 cement w 5# Gilsonite + 1/4# Super Flake. (270 Cu. Ft.) Pumped 10 BLS cement to pit.

Spud Date: 09/01/08

Rig Release Date: 09/07/08

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

SIGNATURE William J. Mayhew TITLE V.P. DATE 9-8-08

Type or print name WILLIAM J. MAYHEW E-mail address: BILL@MCKAYOIL&GAS.COM PHONE: 505-296-5508
 For State Use Only Deputy Oil & Gas Inspector,

APPROVED BY: Kelly G. Ratts TITLE District #3 DATE SEP 16 2008

Conditions of Approval (if any): SUBMIT SPUD + SURFACE CASING REPORT - REPORT PRESSURE TEST FOR PRODUCTION CASING ON NEXT REPORT.