

Submit 3 Copies To Appropriate District Office
 District I
 1625 N French Dr., Hobbs, NM 88240
 District II
 1301 W Grand Ave., Hobbs, NM 88240
 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
 May 27, 2004

WELL API NO. 30-025-38510

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 OG-379-9

7. Lease Name or Unit Agreement Name
 ENCORE "28" STATE COM

8. Well Number 001

9. OGRID Number 189951

10. Pool name or Wildcat
 KEMNITZ; ATOKA-MORROW,

NOTICE OF INTENTION TO DRILL OR TO DEEPEN OR TO 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
 ENCORE OPERATING, L.P.

3. Address of Operator
 777 MAIN STREET, STE. 1400 FORT WORTH, TX. 76102

4. Well Location
 Unit Letter A : 860 feet from the NORTH line and 660 feet from the EAST line
 Section 28 16S Township 34E Range NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 4092

Pit or Below-grade Tank Application or Closure

Pit type 115 Depth to Groundwater N/A Distance from nearest fresh water well N/A Distance from nearest surface water N/A

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 14000 bbls; Construction Material

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

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETIONS <input type="checkbox"/></p> <p>OTHER: _____</p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input checked="" type="checkbox"/></p> <p>OTHER: _____</p>
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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.

8 31/08 DRILL 12-1/4 TO 4820'. TD AT 1:30 AM 9-1-2008 CST." RIG UP CASING CREW CALLED NMOCD ABOUT CASING & CEMENT JOB. RUN 114 JOINTS 9-5/8 40# HCK-55 AND J-55 LTC CASING. WASH LAST 20' TO BOTTOM. BJ CEMENT W/ 1550 SX LEAD AND 200 TAIL. DISPLACE WITH FRESH WATER. PLUG BUMP AT 3 AM 9-2-2008 CST. CIRCULATED 20 SX TO ROLL OFF CAR. FLOATS HELD. TEST BOPE, ALL VALVES AND CHOKE MANIFOLD TO 250# LOW AND 5000# HIGH. ANNULAR 250# AND 3500#. TEST CASING TO 1000#. HELD OK.

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 [Signature] TITLE REGULATORY MANAGER DATE 09/03/2008

Type or print name: ANN BURDETTE WILEY E-mail address: awiley@encoreacq.com Telephone No. 817-877-9955

For State Use Only: OC FIELD REPRESENTATIVE II/STAFF MANAGER

APPROVED BY: [Signature] TITLE _____ DATE _____

Conditions of Approval (if any):

SEP 09 2008