

OCT 01 2009

Submit One Copy 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
March 18, 2009

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

WELL API NO. 30-015-02888
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. KD-4
7. Lease Name or Unit Agreement Name STATE
8. Well Number 1
9. OGRID Number
10. Pool name or Wildcat GRAYBURG JACKSON, SA
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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
MURKS + GARNER Production

3. Address of Operator
PO BOX 1089 HOBBS NM 88241

4. Well Location
Unit Letter L75: 29E 990 feet from the N line and 660 feet from the W line
Section 04 Township 18 Range 29E NMPM County Eddy

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

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	P AND A <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPL. <input type="checkbox"/>	
OTHER: <input type="checkbox"/>	<input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A

- All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
- Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
- A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
- Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
- All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- All other environmental concerns have been addressed as per OCD rules.
- Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

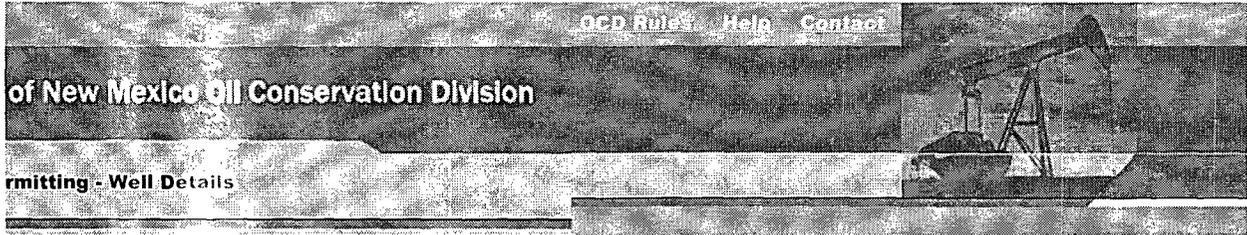
10/5/09

SIGNATURE [Signature] TITLE MURKS + GARNER DATE 9-25-09

TYPE OR PRINT NAME Clinton Welborn E-MAIL: QWELBORN@VALCORNER.COM PHONE: 505-398-9358

APPROVED BY: _____ TITLE **DENIED** DATE 10/5/09

Conditions of Approval (if any): Operator and mis pipe + junk on location.



30-025-08144 GULF HANAGAN FEDERAL #001 [6562]

General Well Information		Status: Active	
Well Type: Oil		Direction:	
Work Type: New		Lease Type: Federal	
Surface Location: P-11-24S-32E 660 FSL 660 FEL			
Lat/Long: 32.2267453139869 -103.638981092532		Sing/Mult Compl: Single	
GL Elevation: 99999		Potash Waiver:	
Proposed Formation and/or Notes			
05/15/08 TO RECLAMATION/BLM			
Depths			
Proposed: 5065		Measured: 0	
		Plugback Measured:	
Formation Tops			
Formation	Top	Method Obtained	Producing
Event Dates			
Initial APD Approval: 1/1/1900		Current APD Expiration: 1/1/1902	
Most Recent APD Approval: 1/1/1900			
APD Cancellation:			
APD Extension Approval:			
Spud: 12/31/9999		Expiration:	
Approved Temporary Abandonment:			
Shut In Waiting For Pipeline:		Plugged, Not Released	
Plug and Abandoned Intent		Expiration:	
Received:		Intention To Plug:	
Well Plugged:		Last MIT:	
Site Release:			
Last Inspection: 2/24/2009			

History						
Effective Date	Property	Operator	C-101 Work Type	Well Type	Apd Cancelled	Plug Date
1/1/1900	[6562] GULF HANAGAN FEDERAL	[14070] MARKS AND GARNER PRODUCTION LTD CO	N	Oil		

Comments

Operator

Company: [14070] MARKS AND GARNER PRODUCTION LTD CO
Address: P.O. BOX 1089
 HOBBS ,NM 88241
Country: U.S.A.
Main Phone: 575-390-7532

Central Contact Person

Name: Quinton R Welborn **Title:** Manager
Phone: 575-393-9358 **Fax:**
Cell: 575-390-7532
E-Mail Address: Qwelborn@valornet.com

Hobbs Contacts**Artesia Contacts****Pits****Casing****Well Completions**

[19090] DOUBLE X;DELAWARE **Status: Active** **Last Produced:**
 9/1/2006

Financial Assurance

Bond Id	Bond Type	Amount	Issuer	Cash/Surety	Issuer Bond Number	Bond Cancellation Date
248537	Blanket	50000	[25994] UNITED STATES FIDELITY & GUARANTY CO.	Surety	01013092077	11/3/2004
249605	Blanket	50000	[36469] WESTERN COMMERCE BANK	Cash	OCD-782	

Requests to release bonds must be submitted in writing. You may send an e-mail to Dorothy.Phillips@state.nm.us or fax a letter to (505) 476-3462.

Compliance

Note that Financial Assurance and Inactive Well Compliance are documented in separate reports ([Inactive Well Report](#), [Financial Assurance Report](#)).

Also note that some compliance issues are addressed at the operator level so not listed under each well.

LWH0312659516 **Date of Violations: 5/6/2003** **Violations: Operation/Maintenance**

LWH0411855619 **Date of Violations: 4/27/2004** **Violations: Operation/Maintenance**

Date of Violation: 4/27/2004 **Resolved:** 5/19/2005

Compliance Required:

Notes
 IDLE WELL. SHUT IN ,DISCONNECTED. NEEDS T/A ,P/A OR PUT BACK IN USE. SECOND NOTICE.

Notifications

Notification	Notification Date	Enforcement
	4/27/2004	Field Inspection

Corrective Actions

Corrective Action	Date
Compliance Resolved	5/19/2005

Complaints, Incidents and Spills

No Incidents Found

Please note that incidents that impact ground water are recorded along with "facilities" which may not be wells, so although the initial report may be recorded here as a spill, information related to the abatement plans, remediation plans and ground water impact information are not yet part of this application.

Orders

No Orders Found

Production / Injection [Show All Production](#) | [Export to Excel](#)

Earliest Production in OCD Records: 8/1994 **Last** 9/2006

Time Frame	Production				Injection				
	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
1994	197	523	86	100	0	0	0	0	0
1995	247	875	113	254	0	0	0	0	0
1996	169	675	87	335	0	0	0	0	0
1997	171	765	333	365	0	0	0	0	0
1998	32	56	24	35	0	0	0	0	0
1999	9	0	0	7	0	0	0	0	0
2000	876	0	1970	140	0	0	0	0	0
2001	261	0	704	135	0	0	0	0	0
2002	5	0	0	2	0	0	0	0	0
2003	0	0	0	0	0	0	0	0	0
2004	91	0	1610	90	0	0	0	0	0

2005	0	551	0	360	0	0	0	0	0
2006	376	567	531	360	0	0	0	0	0
2007	0	0	0	360	0	0	0	0	0
2008	0	0	0	360	0	0	0	0	0
2009	0	0	0	240	0	0	0	0	0
Grand Total:	2434	4012	5458	3143	0	0	0	0	0

Transporters