

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

|                        |                                     |
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OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-103  
Revised 10-1-78

|                                                                                                      |
|------------------------------------------------------------------------------------------------------|
| 3a. Indicate Type of Lease<br>State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> |
| 5. State Oil & Gas Lease No.<br>LH 3690                                                              |

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. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER-                                                                                      | 7. Unit Agreement Name                    |
| 2. Name of Operator<br>Michael K. Galvis                                                                                                                                                               | 8. Farm or Lease Name<br>HGH STATE        |
| 3. Address of Operator<br>12221 Merit Drive Suite 1360 Dallas, Texas 75251                                                                                                                             | 9. Well No.<br>1                          |
| 4. Location of Well<br>UNIT LETTER <u>I</u> <u>1460</u> FEET FROM THE <u>South</u> LINE AND <u>660</u> FEET FROM<br>THE <u>East</u> LINE, SECTION <u>16</u> TOWNSHIP <u>14N</u> RANGE <u>32E</u> NMPM. | 10. Field and Pool, or Wildcat<br>Wildcat |
| 15. Elevation (Show whether DF, RT, GR, etc.)<br>3858 G.L.                                                                                                                                             | 12. County<br>Harding                     |

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data  
NOTICE OF INTENTION TO:

|                                                |                                           |
|------------------------------------------------|-------------------------------------------|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUS AND ABANDON <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/>   | CHANGE PLANS <input type="checkbox"/>     |
| PULL OR ALTER CASING <input type="checkbox"/>  | OTHER <input type="checkbox"/>            |

SUBSEQUENT REPORT OF:

|                                                     |                                                          |
|-----------------------------------------------------|----------------------------------------------------------|
| REMEDIAL WORK <input type="checkbox"/>              | ALTERING CASING <input type="checkbox"/>                 |
| COMMENCE DRILLING OPS. <input type="checkbox"/>     | PLUS AND ABANDONMENT <input checked="" type="checkbox"/> |
| CASING TEST AND CEMENT JOB <input type="checkbox"/> | OTHER <input type="checkbox"/>                           |

17. 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.

7/26/88 Commence plugging operations on verbal approval by Roy Johnson, NMOCD. Mr. Johnson was on location during plugging operations, 7/27/88.

Move in unit and equipment, rig up unit, run sinker bar on sandline, tag plug at 424 feet, pull out of hole, run 2 3/8" tubing and tag plug at same place, solid. Order water, contact Mr. Johnson, mix and pump 40 sx cement with 1 sack calcium chloride, pull tubing, shut down.

7/27/88 Crew to location, run tubing, tag plug at 256', mix and pump 75 sx cement, circulate cement to surface, pull tubing, wash cement out of tubing, rig down unit and equipment, install dry hole marker, job completed, move off location.

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

SIGNED [Signature]

TITLE President, HGH Energy, Inc. DATE 8/4/88

APPROVED BY [Signature]

TITLE DISTRICT SUPERVISOR DATE 9-20-88

CONDITIONS OF APPROVAL, IF ANY: