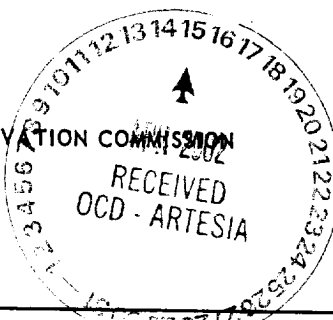


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NEW MEXICO OIL CONSERVATION COMMISSION



Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

C15F
AP

5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No. 7546
7. Unit Agreement Name
8. Farm or Lease Name Diablo State
9. Well No. #3
10. Field and Pool, or Wildcat Diablo San Andres
12. County Chaves

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. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- <input type="checkbox"/>
2. Name of Operator SLAYTON RESOURCES, INC. /
3. Address of Operator P.O. BOX 2035, ROSWELL, NM 88202-2035 505-623-7184
4. Location of Well UNIT LETTER <u>O</u> , <u>660</u> FEET FROM THE <u>S</u> LINE AND <u>1650</u> FEET FROM THE <u>E</u> LINE, SECTION <u>16</u> TOWNSHIP <u>10S</u> RANGE <u>27E</u> NMPM.
15. Elevation (Show whether DF, RT, GR, etc.)

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG 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 checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input 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.

The motor was stolen from this well.

We have replaced the motor, wiring and switch parts.

Lightning had struck the transformer. We have now replaced the transformer, meter base and meter.

The pump is sticking, so we are waiting on service unit.

The well sign is for the #2 Diablo. (The sign was attached to the pumping unit)-unit moved from #2 to #3. New well signs have been ordered for Diablo #3 and #1.

Accepted for record - NMOCU

This well must be in physical compliance

on or before 4-30-02

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

SIGNED Paul Slayton by Jc TITLE Agent DATE 4-10-02

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: