CST

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Fax Transmittal Memo 7672 | No. of Pages | Today's Date 6/6 | Time 3:15 pm CST

To Mr. VAN BARTON | From FROSTY GILLIAM, JR.
Company NMOCD | Company AGHORN OPERATING
Location | Location | Dept. Charge
Fax # 505 748 9720 | Telephone # 505 748 1283 | Fax # 915 550 0822 | Telephone # 915 550-0804
Company Mr. BARTON: | Original Disposition: ☐ Destroy ☐ Return ☐ Call for pickup

Attached are two Form C-103's for the last two wells not in compliance. Bow is moving in a rig today to get started. Please call if you need more info. Re conversation - Rigging up on #5

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

Form C-103
Revised March 25, 1999

WELL API NO. 30-015-04788
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No. NM 081381-A

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.)

7. Lease Name or Unit Agreement Name: North East Square Lake

1. Type of Well: Oil Well ☐ Gas Well ☒ Other
2. Name of Operator: Aghorn Operating Inc.
8. Well No. 5
3. Address of Operator: P O Box 12663
9. Pool name or Wildcat: North East Square Lake
4. Well Location
Unit Letter P : 330 feet from the South line and 330 feet from the West line
Section 3 Township 16S Range 31E NMPM County Eddy
10. Elevation (Show whether DR, RKB, RT, GR, etc.)

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☒	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPLETION	☐	CASING TEST AND CEMENT JOB	☐		
OTHER:			☐	OTHER:			☐

12. 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 recompilation.

Well failed mechanical integrity test because of suspected packer leak. Will POH w/ tbg. and packer, redress packer, RIH w/ test Packer and test csg. If casing passes, will RIH w/ injection packer and return to injection. If csg. fails, will RIH w. CIBP and set at 3600 ft. w/ 3 sx cmt. and TA well for future use.

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

SIGNATURE [signature] TITLE President DATE 6/6/02

Type or print name Frosty Gilliam Telephone No. 915-550-0804

(This space for State use)

APPROVED BY [signature] TITLE Field Rep II DATE JUN 6 2002

Conditions of approval, if any: