

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT 1
P.O. Box 1980, Hobbs, NM 88240

DISTRICT 2
P.O. Drawer DD, Artesia, NM 88210

DISTRICT 3
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

| | |
|--------------------------------------|---------------------------|
| WELL APN NO. | 30-015-04358 |
| 5. Indicate Type of Lease | Federal |
| 6. State Oil & Gas Lease No. | NM-0467934 |
| 7. Lease Name or Unit Agreement Name | Grayburg Jackson PSU |
| 8. Well No. | MB No. 3 |
| 9. Pool name or Wildcat | Grayburg Jackson 7R-QN-GB |

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| SUNDY 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 <input type="checkbox"/> GAS <input type="checkbox"/> WEI <input type="checkbox"/> | |
| 2. Name AROC (TEXAS) INC PO BOX 702373 TULSA OK 74170-2373 | |
| 3. Add 505/885-5433 | |
| 4. Well Location: Unit Letter <u>N</u> <u>990'</u> Feet From The <u>South</u> <u>1650'</u> Feet From The <u>West</u> Line Section <u>27</u> Township <u>17S</u> Range <u>30E</u> NMPM <u>Eddy</u> County | |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3585' | |

| | |
|---|--|
| 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"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | CASING TEST AND CEMENT JOB <input type="checkbox"/> |
| OTHER: <input type="checkbox"/> | OTHER: Casing Integrity Test <input checked="" type="checkbox"/> |

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.

- 09/12/00 Scheduled MIT. Met Oil Conservation Division representative, Mr. Mike Stubblefield @ location. Tested annulus to 300 psi and fluid started flowing around the outside of the 7" casing. Stopped test. Will reschedule when well is repaired.
- 09/25/00 Located hole in 7" casing 18" down from the surface. Installed a 7" clamp. Met Oil Conservation Division representative, Mr. Gerry Guye @ location. Pressured up to 300 psi on 7" casing and clamp would not hold. Will weld hole.
- 10/03/00 Met Oil Conservation Division representative, Mr. Gerry Guye @ location. Pressured up to 300 psi and 7" casing would not hold. Started taking fluid @ 220 psi. Pressured up to 500 psi on tbg so hydrostatic pressure would not override tension pulled into packer. Tested again to 300 psi and held good. OCD indicated that they would put well on monitor test and drive by and check every 6 months. They will take off monitor test if holding good in 6 months. Started injecting into well.

Original chart attached.

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

SIGNATURE Thallia Marshall TITLE _____

TYPE OR PRINT NAME Thallia Marshall

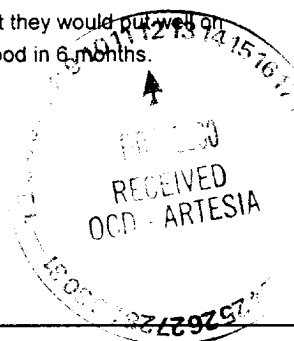
(This space for State Use)

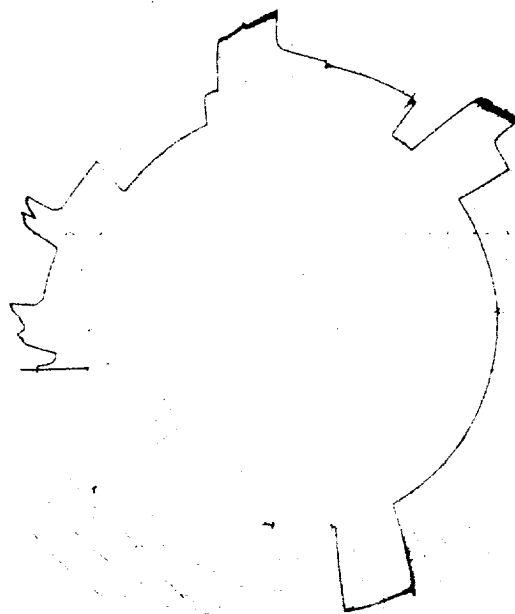
APPROVED BY Perry Guye TITLE Head Rep 1

CONDITIONS OF APPROVAL IF ANY:

DATE 10/11/00
TELEPHONE NO. 505-885-5433

DATE 2-16-01





Pressured to 4600*
Below PKR

SHARPA OK
C.J. WKN #3 N-27-17-30
30-016-04358 Post Workover
10-3-00 MDN 17012 List
July

