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NEW MEXICO OIL CONSERVATION COMMISSION

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OCT 12 1977

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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p align="center"><b>SUNDY NOTICES AND REPORTS ON WELLS</b></p> <p align="center"><small>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO REPER OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT TO DRILL" (FORM C-101) FOR SUCH PROPOSALS.)</small></p>                                                                                                                                                                                                                                                |  | <p>5a. Indicate Type of Lease<br/>State <input checked="" type="checkbox"/> Fee <input type="checkbox"/></p> <p>5. State Oil &amp; Gas Lease No.<br/><b>L-6518</b></p>                                      |
| <p>1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER</p> <p>2. Name of Operator<br/><b>Aztec Oil &amp; Gas Company c/o Southland Royalty Company</b></p> <p>3. Address of Operator<br/><b>1100 Wall Towers West, Midland, TX 79701</b></p> <p>4. Location of Well<br/>UNIT LETTER <b>G</b> <b>1731</b> FEET FROM THE <b>north</b> LINE AND <b>2310</b> FEET FROM THE <b>east</b> LINE, SECTION <b>32</b> TOWNSHIP <b>18-S</b> RANGE <b>29-E</b> N.M.P.M.</p> |  | <p>7. Unit Agreement Name<br/>—</p> <p>8. Farm or Lease Name<br/><b>Palmillo-State Comm.</b></p> <p>9. Well No.<br/><b>1</b></p> <p>10. Field and Pool, or Wildcat<br/><b>Turkey Track, N. (Morrow)</b></p> |
| <p>15. Elevation (Show whether DF, RT, GR, etc.)<br/><b>3432.9' GR</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  | <p>12. County<br/><b>Eddy</b></p>                                                                                                                                                                           |

16. 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"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/>                          | ALTERING CASING <input type="checkbox"/>      |
| TEMPORARILY ABANDON <input type="checkbox"/>   | CHANGE PLANS <input type="checkbox"/>     | COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>     | PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/>  | OTHER <input type="checkbox"/>            | CASING TEST AND CEMENT JOBS <input checked="" 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.

Hondo Drilling Company Rig #3 spudded well @ 12:30 p.m., 10-6-77. Drilled 17½" hole to 377'.  
Set 13 3/8" 48# H-40 ST&C casing @ 377'. Cemented w/425 sx Class "C" cmt w/2% C.C. P.D. 10 p.m., 10-6-77. Circulated out 30 sx cmt.  
WOC 18 hrs.  
Nipped up 10" Ser. 900 Double BOP.  
Tested BOP and casing to 500 psi for 30 min., held O.K.  
Drilling ahead w/11" hole.

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

|                                   |                                       |                         |
|-----------------------------------|---------------------------------------|-------------------------|
| SIGNED <u>SW Slaughter</u>        | TITLE <u>Dist. Production Manager</u> | DATE <u>10-11-77</u>    |
| APPROVED BY <u>W. A. Gressett</u> | TITLE <u>SUPERVISOR, DISTRICT II</u>  | DATE <u>OCT 13 1977</u> |

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