Conditions of Approval (if any):

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 May 27, 2004

OIL CONSERVATION DIVISION	
1625 N. French Dr. Hobbs, NM 88240 1220 South St. Francis Dr.	WELL API NO.
DISTRICT II Santa Fe, New Mexico 87505	30-045-33471
1301 W. Grand Ave., Artesia, NM 88210	5. Indicate type of Lease
DISTRICT III 1000 KIO Brazos Ko., Aztec, NM 8/410	STATE FEE
<u>DISTRICT IV</u> 1220 S. St. Francis Dr., Santa Fe, NM	6. State Oil & Gas Lease No.
87505	RCVD FEB28'07
SUNDRY NOTICES AND REPORTS ON WELLS	
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A	7. Lease Name or Unit Agreement Variets. DIU.
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	Gracia Navajo 5K
1. Type of Well:	8. Well No. DIST. 3
	58 No. 2S
WELL X OTHER	9. OGRID Number
2. Name of Operator	18118
Pro NM Energy, Inc.	10. Pool name or Wildcat
3. Address of Operator 460 St. Michael's Dr., Suite 402 Santa Fe, NM 87505	Basin Fruitland Coal
4. Well Location	Dasin Fruitiand Coai
T. Well Education	
Unit Letter <u>C</u> : <u>1275</u> Feet From The <u>North</u> Line and	1620 Feet From The West Line
Section 5 Township 25N Range 11W	V NMPM County San Juan
11. Elevation (Show whether DF, RKB, RT, GR, etc.) 6316' GLE	
Pit or Below-grade Tank Application X or Closure	
Pit type <u>Drilling</u> Depth to Groundwater <u>>100'</u> Distance from nearest fresh water well <u>>1000'</u> Distance from nearest surface water <u>>1000'</u>	
	ruction Material:
12. Check Appropriate Box to Indicate Nature of	Nation Papert or Other Date
12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK DPLUG AND ABANDON REMEDIAL WO	ORK ALTERING CASING
TEMPORARILY ABANDON CHANGE PLANS COMMENCE D	ORILLING OPNS. PLUG AND ABANDONMENT
PULL OR ALTER CASING	AND CEMENT JOB
OTHER: Register drilling pit. X OTHER:	
13. 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 recompletion.	
Pro NM Energy, Inc. requests approval to construct a drilling reserve pit for the subject well.	
Approximate pit dimensions will be 65' x 15' x 12'. The pit will be lined with a 12 mil liner	
and fenced.	
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-	
grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit or an (attached) alternative OCD-approved plan	
SIGNATURE Nava J. William TITLE Agent DATE 2/27/07	
Type or print name Dana L. Delventhal E-mail address: ddelventhal @qwest.net Telephone No. 505-326-4125 For State Use Only	
A	
APPROVED BY: TITLE	DATE 3/2/07