

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

Form C-103
 June 19, 2008

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-06941
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Foutz
8. Well Number 1
9. OGRID Number 265076
10. Pool name or Wildcat West Kutz Pictured Cliffs

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. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator PNL Operating, LLC	
3. Address of Operator PO Box 831 Casper, WY 82602	
4. Well Location Unit Letter <u>D</u> : <u>450</u> feet from the North <u> </u> line and <u>500</u> feet from the West <u> </u> line Section <u>5</u> Township <u>27N</u> Range <u>12W</u> NMPM San Juan County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5608' GL	

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

OTHER:

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.

Our pumper found water coming up approximately 2' from the casing @ a rate of approximately 8 bbls per day. He set up a tank for containment and we reported the condition to Charlie Perrin and Brandon Powell on Tuesday May 26th, 2009

PNL proposes to rig up, check PBTD and TOOH with tubing. TIH with RBP & set @ 1150' +/- . Fill hole with 2% KCl to see if it holds. Run CBL in order to determine cement top, run Magnetic Thickness Tool in order to determine if the 10 3/4" surface casing can be found (40'-60' was reported on the completion notice but we have not been able to determine if it exists after digging to a 10-12' depth.) and run an Audio log to determine if a casing leak or fluid movement behind the pipe can be detected.

We propose to return the well to production while we evaluate the logs and determine the course of action. **RCVD MAY 27 '09**

To Be Determined by Activity on Site!
Verbal OK given 5-27-09 cl

OIL CONS. DIV.

DIST. 3

Spud Date:

Rig Release Date:

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

SIGNATURE [Signature] TITLE Managing Member DATE 5-27-2009

Type or print name Lance R. Neiberger E-mail address: lancen@tribecsp.com PHONE: 307-577-1990

For State Use Only

APPROVED BY:

[Signature]

TITLE **SUPERVISOR DISTRICT # 3**

DATE **JUN 10 2009**