

Submit 1 Copy 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  
October 13, 2009

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-031-20440
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Nacogdoches Oil & Gas Inc.		6. State Oil & Gas Lease No.
3. Address of Operator PO Box 642418, Nacogdoches, Texas		7. Lease Name or Unit Agreement Name Santa Fe Railroad A
4. Well Location Unit Letter <u>P</u> : 1140' feet from the South line and 895' feet from the East line Section <u>36</u> Township <u>18N</u> Range <u>9W</u> County <u>McKinley</u>		8. Well Number <u>88</u>
11. Elevation (Show whether DR., RKB, RT, GR, etc.) 6949' GL		9. OGRID Number
		10. Pool name or Wildcat Hospah

12. 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 type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL. <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>	Drill Laterals	OTHER: <input type="checkbox"/>	

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Nacogdoches Oil & Gas plans to re-enter the Santa Fe Railroad A #88 and drill 5, 600'-2" 90 degree Laterals at 360 degrees, 90 degrees, 125 degrees, 180 degrees, 300 degrees into the Upper Hospah Sand @ 1520'.

Approved For High Pressure Water  
Perforation And Directional  
Completion

This Is Not A Drilling Operation

RCVD FEB 24 '10  
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 Mike Allen TITLE VP E&P DATE 1-25-2010

Type or print name Mike Allen E-mail address: mike.allen@nmtx.com PHONE: 918-260-7620  
For State Use Only

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector DATE FEB 25 2010  
Conditions of Approval (if any): District #3