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State of New Mexico

Energy, Minerals and Natural Resources Department Form C-103 District Office Revised 1-1-89 OIL CONSERVATION DIVISION DISTRICT I P.O. Box 1980, Hobbs NM 88241-1980 WELL API NO. 2040 Pacheco St. **DISTRICT II** 30-045-29705 Santa Fe, NM 87505 P.O. Drawer DD, Artesia, NM 88210 5. Indicate Type of Lease DISTRICT III STATE L FEE 🗆 1000 Rio Brazos Rd., Aztec, NM 87410 6. State Oil & Gas Lease No. SUNDRY NOTICES AND REPORTS ON WELL (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OF PLUG BACK DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" JUN ease Name or Unit Agreement Name - 3 1999 (FORM C-101) FOR SUCH PROPOSALS.) Federal Gas Com H 1. Type of Well: GAS WELL X WELL CON. D OTHER 2. Name of Operator 8. Well No. Cross Timbers Operating Company 3. Address of Operator 2700 Farmington Avenue, 9. Pool name or Wildcat Bldg K, Suite 1, Farmington, NM 87401 (915)682-8873 Basin Fruitland Coal 4. Well Location 2045 Unit Letter Feet From The 1685 Feet From The Section 12W Township Range San Juan **NMPM** 10. Elevation (Show whether DF, RKB, RT, GR, etc.) GR 5464 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. **NOTICE OF INTENTION TO:** SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING **TEMPORARILY ABANDON CHANGE PLANS** COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT PULL OR ALTER CASING CASING TEST AND CEMENT JOB OTHER: -OTHER: Spud and 7" surface casing 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. MIRU Wayne Smith Drlg Rig #1. Spudded 8-3/4" hole @ 10:00 a.m., MST, 5/26/99. Drilled 8-3/4" hole to 134'. RU & RIH w/3 jts new 7", 20#, J55, STC casing. Could not get to bottom. Annulus bridged off casing. Stuck @ 122'. Worked pipe & could not pull free. Ran 3/4" tubing in annulus to 40', couldn't wash through. On 5/29/99 telephoned OCD/Aztec. Ernie Bush w/OCD advised Cross Timbers to "squeeze" shoe joint & bring cement to surface via 3/4" tubing in the annulus. RU Cementers, Inc. & pumped 50 sx of Cl B cement containing 2% CaCl₂, 1/4 pps celloflake (15.6 ppg 1.18 cubic feet/sx). Displ cement to 97' from surface. No returns during cement & displacement. Final displacement pressure 250 psig. Ran 3/4" tubing down annulus to 52'. Cemented down tubing w/40 sx of Cl B cement containing 2% CaCl₂, 1/4 pps celloflake (15.6 ppg, 1.18 cubic feet/sx). Circulated 12 sx cement to surface. LD 3/4" tubing. WOC 26 hrs. Prep to drill out cement w/6-1/4" bit & drill ahead. Test BOP & casing to 1000 psig, OK. Administrative Order NSL-4256, approved 4/14/99.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE DOVE TITLE Drilling/Operations Manager jt DATE 6/01/99 TYPE OR PRINT NAME BODDY L TELEPHONE NO. 915/682-8873 (This space for State Use) DRIGINAL SIGNED BY ERNIE BUSCH DEPUTY OIL & GAS INSPECTOR, DIST. #3

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY