

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

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

WELL API NO. 30-025-41995
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LC-070315
7. Lease Name or Unit Agreement Name Paloma 21 Federal Com
8. Well Number 3H
9. OGRID Number 151416
10. Pool name or Wildcat Lea; Bone Spring, South

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 PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Fasken Oil and Ranch, Ltd.

3. Address of Operator
6101 Holiday Hill Road, Midland, TX 79707

4. Well Location BHL: G 2310' North 1870' East
 Unit Letter B : 350' feet from the North line and 2200' feet from the East line
 Section 21 & 28 Township 20S Range 34E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3641' GR

HOBBS OCD
 JUL 31 2014
 RECEIVED

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
 CLOSED-LOOP SYSTEM
 OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB
 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Fasken Oil and Ranch, Ltd. will be using a closed loop pit system for the drilling and completion operations for the Paloma 21 Federal Com No. 3H.

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 Kim Tyson TITLE Regulatory Analyst DATE 7-29-2014

Type or print name Kim Tyson E-mail address: kimt@forl.com PHONE: 432-687-1777

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 07/31/14

Conditions of Approval (if any):

AUG 01 2014

dm