

Submit 3 Copies To Appropriate District Office:  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1701 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

<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. 30-025-26883
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FREE <input type="checkbox"/>
2. Name of Operator Gandy Corporation		6. State Oil & Gas Lease No. 25-26883
3. Address of Operator P.O. Box 2140, Lovington, NM 88260		7. Lease Name or Unit Agreement Name Eidson Brine Station, BW-004
4. Well Location Unit Letter M 567.4 feet from the South line and 161.7 feet from the West line Section 31 Township 16 Range 35 NMPM County Lea		8. Well Number # 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 8426
		10. Pool name or Wildcat

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: ☐

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.

Move in Well Service Unit & Rig up, Casing has been tested from 1738 feet to Surface & Witnessed by OCD.

RIH set CIBP @ 1738 feet & test

RIH & set 3 degrees whip stock plug @ 1737 feet, TOH

Cut 5 7/8 window in casing @ 1737 feet & drill into Brine Zone. - run 2100' 5 1/2" casing

Run sonar for cavity configuration

Run production tubing & return to production

Will notify the NMOCD on all test or changes

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 Larry Gandy TITLE Secretary/Treasurer DATE 08/27/2008

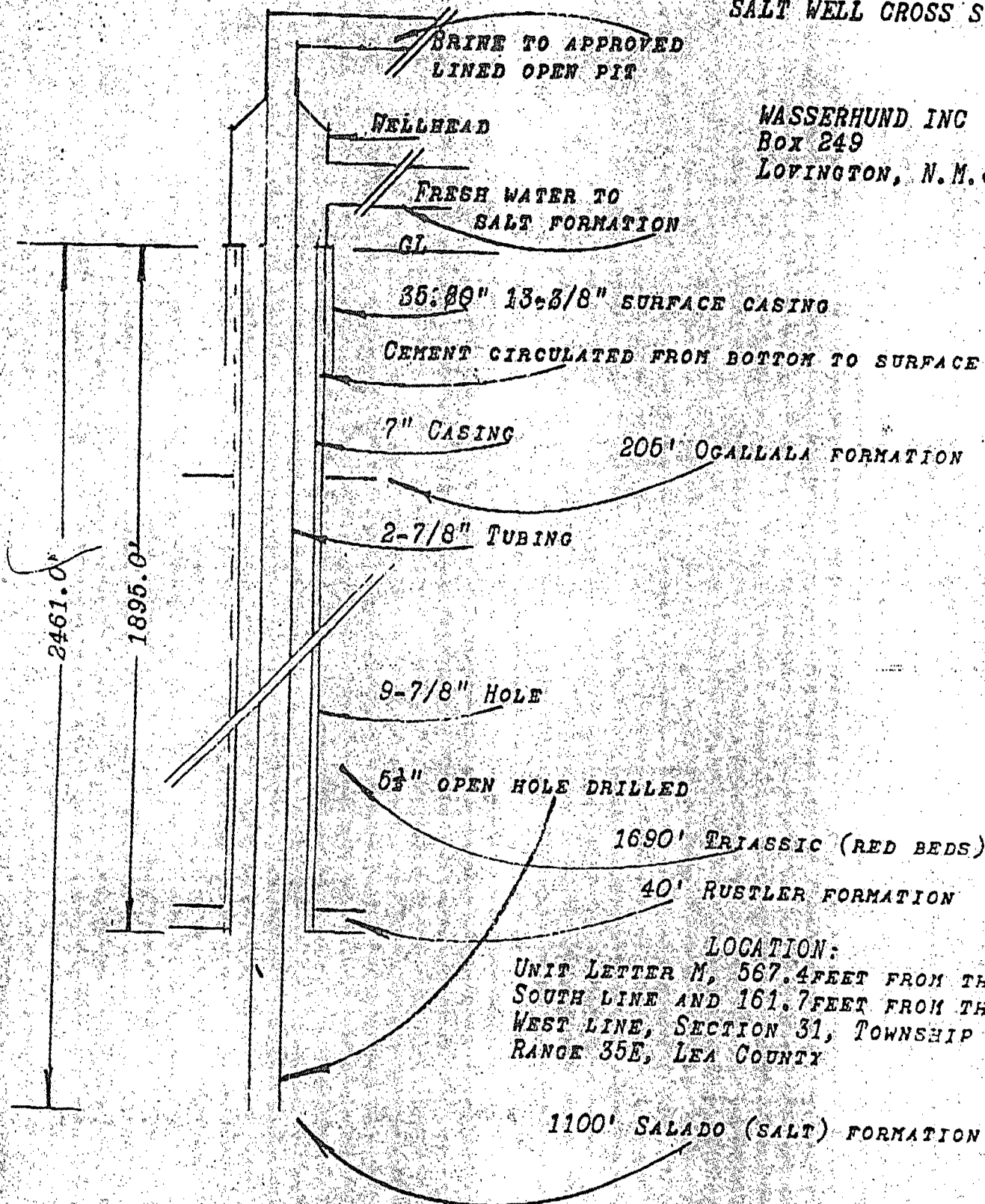
Type or print name Larry Gandy E-mail address: \_\_\_\_\_ PHONE: 575-396-0522  
For State Use Only

APPROVED BY: Carl Chavez for Wayne Price TITLE Bureau Chief DATE 10/6/2008  
Conditions of Approval (if any): \_\_\_\_\_

# Exhibit 7

## SALT WELL CROSS SECTION

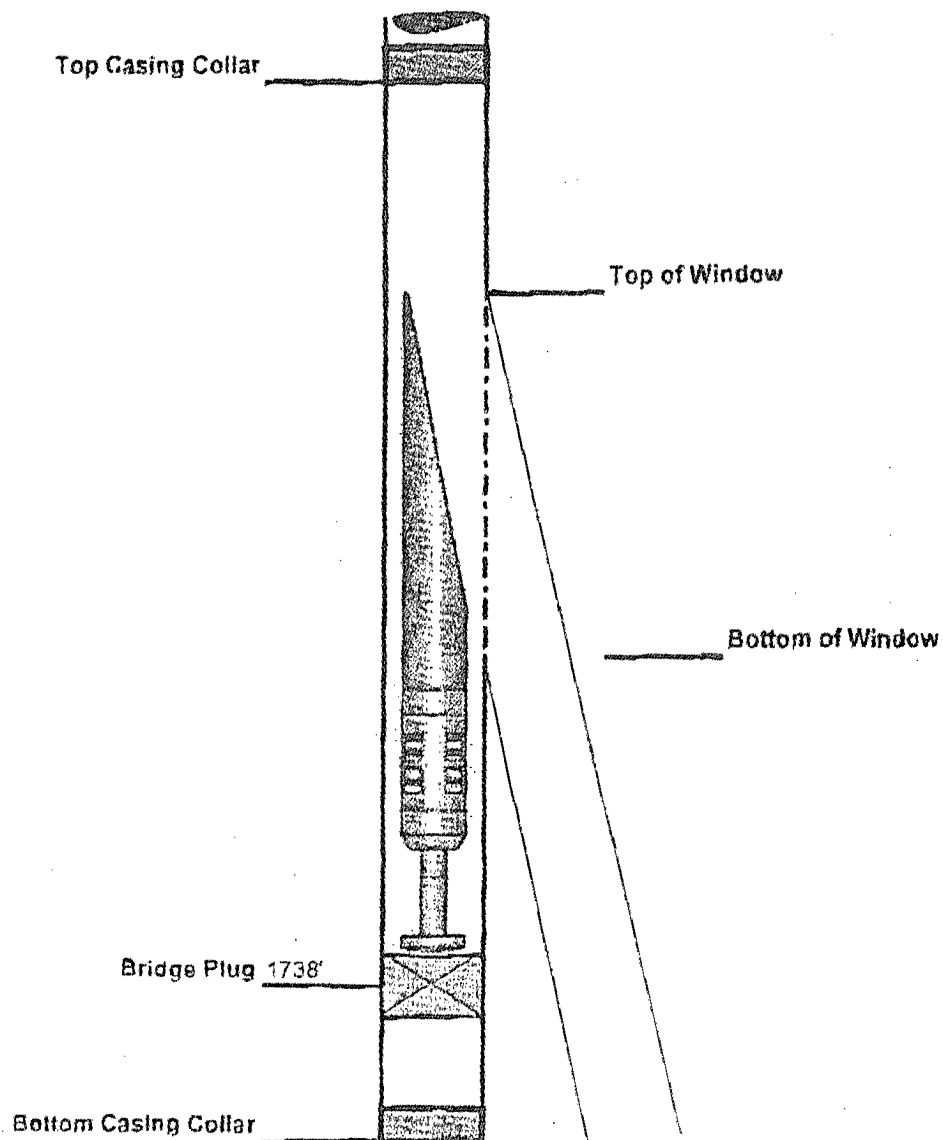
WASSERHUND INC  
Box 249  
LOVINGTON, N.M. 88260



LOCATION:  
UNIT LETTER M, 567.4 FEET FROM THE  
SOUTH LINE AND 161.7 FEET FROM THE  
WEST LINE, SECTION 31, TOWNSHIP 16S,  
RANGE 35E, LEA COUNTY

Date: 9/3/2008  
Customer: Gandy Corporation  
Cust. Rep. Larry Gandy/Jr. Bennett  
Lease Name: Edsin Brinn Station  
Well Number: 0

County: Lea  
State: New Mexico



Gandy Corporation  
Edison Brine Stat 1  
3W-04  
Proposed 10-6-08

