

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(505) 393-6161 Fax:(505) 393-0720  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
Phone:(505) 748-1283 Fax:(505) 748-9720  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
District IV  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

Form C-103  
Permit 85201

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------|
| SUNDRY NOTICES AND REPORTS ON WELLS<br>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)<br>1. Type of Well: <input type="radio"/><br>2. Name of Operator<br>TORCH ENERGY SERVICES, INC.<br>3. Address of Operator<br>1331 LAMAR SUITE 1350, HOUSTON, TX 77010<br>4. Well Location<br>Unit Letter <u>B</u> : <u>1100</u> feet from the <u>N</u> line and <u>1650</u> feet from the <u>E</u> line<br>Section <u>25</u> Township <u>24S</u> Range <u>36E</u> NMPM Lea County<br>11. Elevation (Show whether DR, KB, BT, GR, etc.)<br>3299 GR. |  | WELL API NUMBER<br>30-025-39101 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  | 5. Indicate Type of Lease<br>P  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  | 6. State Oil & Gas Lease No.    |
| 7. Lease Name or Unit Agreement Name<br>COOPER JAL UNIT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |                                 |
| 8. Well Number<br>515                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |                                 |
| 9. OGRID Number<br>241401                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |                                 |
| 10. Pool name or Wildcat                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |                                 |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/><br>Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____<br>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____                                                                                                                                                                                                                                                                                                                   |  |                                 |

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 OF PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐  
CASING/CEMENT JOB ☐  
Other: **Drilling/Cement** ☒

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.

- 1) Spud 10/16/08. Drilled to 1160'. 10/18/08
- 2) Ran 29 jts 8 5/8" 24# LS42 STC csg & set @ 1156'. 10/18/08
- 3) Cmt'd csg w/250sx Starlite C, 2% CaCl<sub>2</sub>, 3# Gilsonite, 0.25% R-38 & 1/4# CF & 250sx Starlite C, 2% CaCl<sub>2</sub>, 3# Gilsonite, 0.25% R-38, 1/4# CF. Circ'd 59sx cmt to pit. 10/18/08
- 4) NU BOP, tested to 3000# & csg to 1000#. 10/19/08
- 5) Drilled 7 7/8" hole to 3801' TD. 10/24/08
- 6) Ran 98 jts 5 1/2" 15.5# J55 LTC csg & set @ 3762'. 10/25/08
- 7) Cmt'd csg w/220sx 65/35 "C", 3# Gilsonite, 5% Salt, 1/4# CF, 0.25% R-38 & 300sx 50/50 "C", 3# Gilsonite, 5% Salt, 1/4# CF, 0.25% R-38. 10/26/08
- 8) ND, released rig 10/26/08 **10/16/2008** Spudded well.

Casing and Cement Program

| Date     | String | Fluid Type | Hole Size | Csg Size | Weight lb/ft | Grade | Est TOC | Dpth Set | Sacks | Yield | Class | 1" Dpth | Pres Held | Pres Drop | Open Hole |
|----------|--------|------------|-----------|----------|--------------|-------|---------|----------|-------|-------|-------|---------|-----------|-----------|-----------|
| 10/18/08 | Surf   |            | 12.25     | 8.625    | 24           | LS42  | 0       | 1156     | 500   |       | C     |         |           |           |           |
| 10/25/08 | Prod   |            | 7.875     | 5.5      | 15.5         | J55   | 0       | 3762     | 520   |       | C     |         |           |           |           |

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed TITLE VP DATE 11/14/2008  
Type or print name Randy Ziebarth E-mail address ziebarthr@teai.com Telephone No. 713-756-1620

For State Use Only:

APPROVED BY: Paul Kautz TITLE Geologist DATE 11/17/2008 10:13:16 AM