District I State of New Mexico Form C-103 1625 N. French Dr., Hobbs, NM 88240 Permit135077 Energy, Minerals and Natural Resources Phone:(505) 393-6161 Fax:(505) 393-0720 WELL API NUMBER Oil Conservation Division 811 S. First St., Artesia, NM 88210 30-025-40169 Phone:(505) 748-1283 Fax:(505) 748-9720 1220 S. St Francis Dr. Santa Fe, NM 87505 Indicate Type of Lease 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 1220 S. St Francis Dr., Santa Fe, NM 87505 6. State Oil & Gas Lease No. Phone:(505) 476-3470 Fax:(505) 476-3462 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO BIG BRAVE STATE A DIFFRENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH 8. Well Number 001 1. Type of Well:O 2. Name of Operator 9. OGRID Number CABAL ENERGY CORPORATION 194930 3. Address of Operator 10. Pool name or Wildcat 415 W. Wall Street, Suite 1700, Midland, TX 79701 4. Well Location line and 330 feet from the Unit Letter A feet from the N 33 Township 26S Range 36E NMPM Lea County 11. Elevation (Show whether DR, KB, BT, GR, etc.) 2902 GR Pit or Below-grade Tank Application or Closure Pit Type ______ Depth to Groundwater_____ Distance from nearest fiesh water well _____ Distance from nearest surface water ____ mil Below-Grade Tank: Volume_______ bbls; Construction Material___ Pit Liner Thickness: 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTER CASING COMMENCE DRILLING OPNS. PLUG AND ABANDON TEMPORARILY ABANDON CHANGE OF PLANS PULL OR ALTER CASING | MULTIPLE COMPL | CASING/CEMENT JOB X Other: Other: Spud 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. 7/25/2011 Spudded well. 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 l SIGNATURE Electronically Signed TITLE President DATE 7/26/2011 Type or print name Randell Ford E-mail address Sandra@rkford.com Telephone No. 432-682-0440

TITLE Geologist

DATE 7/27/2011

For State Use Only: APPROVED BY:

Paul Kautz