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Submit One Copy To Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources

Form C-103

Revised November 3, 2011

District I 1625 N. French Dr., Hobbs, NM 88240
District II 811 S. First St., Artesia, NM 88210
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

DISTRICT IV ARTESIA O.C.D. OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

WELL API NO 30-015-29378

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No. 20436

7. Lease Name or Unit Agreement Name State 32

8. Well Number 1

9. OGRID Number 009920

10. Pool name or Wildcat Avalon Bone Springs

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 SUCH PROPOSALS.)

1. Type of Well: [X] Oil Well, [ ] Gas Well, [ ] Other

2. Name of Operator Hanley Petroleum, Inc.

3. Address of Operator 415 West Wall St. Suite 700, Midland, Tx 79701

4. Well Location Unit Letter D : 600 feet from the N line and 660 feet from the W line Section 32 Township 19S Range 31E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3461 GR

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 [ ] OTHER [ ]
SUBSEQUENT REPORT OF: REMEDIAL WORK [ ] ALTERING CASING [ ] COMMENCE DRILLING OPNS [ ] P AND A [ ] CASING/CEMENT JOB [ ]
[X] Location is ready for OCD inspection after P&A

[X] All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
[X] Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
[X] A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- [X] The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
[X] Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
[X] If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
[X] All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
[X] All other environmental concerns have been addressed as per OCD rules.
[X] Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.
[X] If this is a one-well lease or last remaining well on lease: all electrical service poles and lines have been removed from lease and well location, except for utility's distribution infrastructure.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Walter Krol TITLE engineer DATE 8-14-2019

TYPE OR PRINT NAME Walter Krol E-MAIL: wkrol@areseenergy.com PHONE: 432-685-1960 For State Use Only

APPROVED BY: [Signature] TITLE Staff mg DATE 8/20/19