

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 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  
 RECEIVED  
 OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-103  
 May 27, 2004

<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. 30-015-10258
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other Re-Entry of P&A well <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Sandel Operating Company		6. State Oil & Gas Lease No. 1964 P&A
3. Address of Operator P. O. Box 10487, Midland Texas 79702		7. Lease Name or Unit Agreement Name Harris State
4. Well Location Unit Letter P : 660 feet from the South line and 660 feet from the East line Section 36 Township 18S Range 23E NMPM County Eddy		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3830' KB		9. OGRID Number 226685
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> See C-144		10. Pool name or Wildcat Antelope Sink (Upper Penn)
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ ml Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/>		<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input checked="" type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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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.

07-07-06: Drill out float collar and hard cement to 467' (7' below shoe). Tested Liner and shoe to 1000 psig for 30 minutes, OK.  
 Drilled out CIBP at 1095' K.B.  
 Reamed and washed down to 5970', pipe stuck, pulled free. Cleaned out and drilled down 5575', pipe stuck. Ran chemical cutter and cut off and pulled 2-7/8" tubing at 5356'; left 10' piece of 2 7/8" tubing, (4) 4-3/4" DC, (2) 6" DC and 6-1/4" bit from 5356' to 5552' K.B. Received verbal P&A instructions from Van Barton with the NMOCD

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  as a general permit  or an (attached) alternative OCD-approved plan .

SIGNATURE Sheryl L. Jonas TITLE Agent for Sandel Operating DATE 08/08/06

Type or print name Sheryl L. Jonas E-mail address: Sjonas4011@aol.com Telephone No. 432-683-5511

**FOR STATE USE ONLY** **FOR RECORDS ONLY**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE AUG 23 2006

Conditions of Approval (if any):