

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

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
June 19, 2008

WELL API NO. 30-015-36116
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name South Red Lake Unit II
8. Well Number 057
9. OGRID Number 241598
10. Pool name or Wildcat Red Lake, Queen-Grayburg, San Andres

<p><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.)</p>	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Fairway Resources Operating, LLC	
3. Address of Operator 538 Silicon Dr., Suite 101, Southlake, TX 76092	
4. Well Location Unit Letter <u>G</u> : <u>2305</u> feet from the <u>N</u> line and <u>1650</u> feet from the <u>E</u> line Section <u>36</u> Township <u>17S</u> Range <u>27E</u> NMPM <u>Eddy</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3650 GR	

SEP 10 2008  
OCD-ARTESIA

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: Surface & production casing ☒

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.

4/14/08 TD 379'. Drill 379' in 18.5 hrs, fresh water MUD w/LCM. MIRU United Drilling rig #11, spud well 11:30am 4/14/08 with 12 1/4" drill bit.  
4/15/08 TD 506', drilled 127' in 24 hrs. TD surface hole at 413', circulate BU. POH. Laid down 8" DC/ RU csg crew and run 10 jts 8 5/8 20# X-65 ERW R3STC. Set csg @413'. Cement casing w/250 sxs Class C w/2% CaCl. Bumped plug, circ, 20 bbl cmt to surface/ MI BOP's and choke manifold TIH w/7 7/8" bit, 6" DC. Drilled out cement & formation to 506'.  
4/16/08 TD 1061'. Drilled 555' last 24 hrs. Fresh water mud w/LCM. Survey 1 degree deviation at 643', 1 1/4 at 1017'.  
4/17/08 TD 1536'. Drilled 475' last 24 hrs. Fresh water mud w/LCM  
4/18/08 TD 1911'. Drilled 375' last 24 hrs. Fresh water mud w/LCM  
4/19/08 TD 2121'. Drilled 210' last 24 hrs. Fresh water mud w/LCM. TD 7 7/8" hole at 10:00 pm. Circ hole clean and pump starch pill. POH w/ DP and DC's.  
4/20/08 Ran 52 jts 5 1/2" 15.5# yellowband csg and 10 centralizers. Tagged TD at 2105'. Set 5 1/2" csg at 2081'. Cmt csg w/200 sxs 50/50 POZ cmt tailed in with 250 sx Class C w/2% CaCl. Released rig 11:30 am.

Spud Date: 4/14/2008

Rig Release Date: 4/20/08

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Star Hasse TITLE Engineering Tech DATE 9/8/08

Type or print name Star Hasse E-mail address: shasse@fairwayresources.net PHONE: 817-416-1946 x223

For State Use Only

APPROVED BY: NMOOD TITLE Accepted for record DATE   
Conditions of Approval (if any):