

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

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



WELL API NO. 30-015-28142
5. Indicate Type of Lease STATE [] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Tracy 29 Federal #1
8. Well Number #1
9. OGRID Number 258858
10. Pool name or Wildcat Cedar Lakes Wolfcamp

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: Oil Well [] Gas Well [] Other SWD
2. Name of Operator Biscuit Hills Disposal L.L.C. NOV 14 2008
3. Address of Operator P.O. Box 564, Lovington, New Mexico 88260 OCD-ARTESIA
4. Well Location Unit Letter O : 950 feet from the South line an 1980 feet from the East line Section 29 Township 17S Range 31E NMPM County Eddy
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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: Witnessed Mechanical Integrity Test [X]

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.

An initial mechanical integrity test was successfully conducted on the Tracy 29 Fed. # 1 on November 12, 2008 and witnessed by NMOCD Field Inspector Richard Inge in compliance with NMEMNRD administrative Order SWD-1118.

Equipment currently installed in the well bore consists of:

29' 2 1/2" fiberglass tubing tail pipe

Arrowset II big bore compression set packer set at 8,290'

262 joints of used, tested and inspected 2 7/8" J-5 tubing with new plastic coating
The tubing tally is 8,285.5'

The casing annulus is loaded to the surface with brine water and Baker-Petrolite CRW-32 corrosion inhibitor.

ACCEPTED FOR RECORD

NOV 14 2008

Gerry Guye, Deputy Field Inspector NMOCD-District II ARTESIA

Spud Date: []

Rig Release Date: []

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

SIGNATURE [Signature] TITLE Manager DATE 12/Nov/2008

Type or print name D. M. Harrod E-mail address: D.Harrod@msn.com PHONE: 575-396-6862

For State Use Only

APPROVED BY:

TITLE

DATE