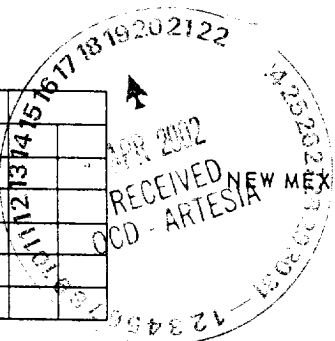


C.S.F.  
by

Form C-103  
Supersedes Old  
C-102 and C-103  
Effective 1-1-65

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NEW MEXICO OIL CONSERVATION COMMISSION

5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No. DIABLO 7546

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. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator SLAYTON RESOURCES, INC.
3. Address of Operator P.O. BOX 2035, ROSWELL, NM 88202-2035 505-623-7184
4. Location of Well UNIT LETTER P 660 FEET FROM THE S LINE AND 660 FEET FROM THE E LINE, SECTION 16 TOWNSHIP 10S RANGE 27E NMPM.

7. Unit Agreement Name
8. Farm or Lease Name DIABLO STATE
9. Well No. 1
10. Field and Pool, or Wildcat DIABLO SAN ANDRES

15. Elevation (Show whether DF, RT, GR, etc.)
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12. County Chaves
----------------------

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data  
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. 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.

This well is scheduled for a pulling job and tubing replacement. We are checking on fiberglass or coated tubing and will make a decision on what is best suited for the well.

This well has been very corrosive, but as the South Diablo field is depleting, the tubing won't last over 6 mos. whereas a tubing job would last several years before the South wells were drilled.

We will try to have this well returned to production within 90 days.

This well must be in physical compliance  
on or before 7-17-02

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

SIGNED Paul Slayton

TITLE Agent  
Tildy Sep 2

DATE 4-17-02  
APR 24 2002

APPROVED BY  
CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE