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CONDITIONS OF APPROVAL, IF ANY:

## State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

DISTRICT OIL CONSERVATION DIVISION P.O. Box 1980, Hobbs, NM 88240 WELL API NO 2040 Pacheco St 30-025-36398 Santa Fe. NM 87505 DISTRICT II P.O. Drawer DD, Artesia, NM 88210 sIndicate Type of Lease FEE X STATE «State Oil & Gas Lease No. 1000 Rio Brazos Rd., Aztec, NM 87410 SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) Type of Well: Lee Stebbins NCT B ONFIDENTIAL OIL WELL XX «Well No. Name of Operator Arch Petroleum Inc. 3Address of Operator Pool name or Wildcat Penrose Skelly Grayburg P. O. Box 10340, Midland, TX 79702-7340 4Well Location : <u>860</u> Feet From The North Line and 1650 Feet From The Unit Letter B East Line 37E Section Range Lea Township **NMPM** County 10Elevation (Show whether DF, RKB, RT, GR, etc.) 3445 11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PLUG AND ABANDON **PERFORM REMEDIAL WORK** REMEDIAL WORK ALTERING CASING **TEMPORARILY ABANDON CHANGE PLANS** COMMENCE DRILLING OPNS. PLUG AND ANBANDONMENT **PULL OR ALTER CASING** CASING TEST AND CEMENT JOB OTHER: OTHER: 2Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. Spud & Set Surface Csg - MIRU Capstar Rig #14. Spud well @ 22:00 hrs 02/21/04. Drld 12-1/4" hole to 1120'. TD reached @ 15:30 hrs 02/22/04. Ran 25 jts 8-5/8" 24# J-55 ST&C csg. Cmt'd w/ 475 sks 35:65:6 @ 12.8 ppg followed by 200 sks \$125" + 2% CaCl2 @ 14.8 ppg. Plug down @ 0:30 hrs 02/23/04. Circ 117 sks to surface. WOC 16 hrs. Make cut-off. Well on WH. NE BOP's & test to 1000# ok. TD & Production Csg – Drld 7-7/8" hole to 4000'. TD reached @ 13:00 hrs 02/26/04. Ran 88 its 4-1/2 11.6# J Cmt'd w/ 1110 sks Cl "C" + additives @ 14.09 ppg. Plug down @ 04:00 hrs 02/27/04. CBL ran 03/02/624. I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE Sr. Operation Tech DATE 03/15/04 TYPE OR PRINT NAME Cathy Wright 432-685-8100 TELEPHONE NO. (This space for State Use PETROLEUM ENGINEER APPROVED BY TITLE °APR 1 9 2004