

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

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

Form C-103  
March 4, 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. <b>30-025-36861</b>
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FED <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator <b>H.L. Brown Operating L.L.C</b>		6. Federal Oil & Gas Lease No. <b>LC - 061873B</b>
3. Address of Operator <b>300 West Louisiana, Midland, Texas 79702</b>		7. Lease Name or Unit Agreement Name <b>Paduca Federal 9</b>
4. Well Location Unit Letter: <b>D</b> : <b>660'</b> feet from the <b>North</b> line and <b>660'</b> feet from the <b>West</b> line Section <b>9</b> Township <b>T-25</b> Range <b>R-32-E</b> NMPM <b>Lea</b> County		8. Well Number <b>2</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>3456' GL</b>		9. OGRID Number <b>213179</b>
10. Pool name or Wildcat <b>Paduca Delaware</b>		
<b>Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)</b>		
Pit Location: UL <b>D</b> Sect <b>9</b> Township <b>25-S</b> Range <b>32-E</b> Pit type <b>drilling</b>		
Depth to Groundwater <b>290'</b> Distance from nearest fresh water well <b>2.5 miles NW</b> Distance from nearest surface water <b>2.5 miles NW</b> ***		
Below-grade Tank Location UL <b>D</b> Sect <b>9</b> Twp <b>25-S</b> Rng <b>32-E</b> ; <b>660'</b> feet from the <b>North</b> line and <b>660'</b> feet from the <b>West</b> line		

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 COMPLETION ☐  
OTHER: Construct reserve pit for drilling rig ☒

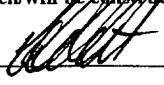
**SUBSEQUENT REPORT OF:**

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐  
OTHER: ☐

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.

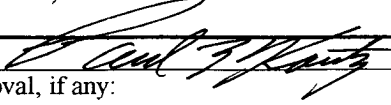
\*\*\* There is no useable fresh water below and around the Cotton Draw Unit. The nearest source of fresh water is CDU water supply well #7: 2310' FNL & 990' FWL, Unit H, Sec 1, T-25-S, R-37-E. Several ranchers use this water to fill nearby stock tanks. According to the State Land Office files, the closest actual water depth measurement is in Section 32, T-25-S, R-37-E, at 290' (4 miles south). Will use a single layer - 12 mil liner as per BLM and NMOCD requirements.

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 ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE  TITLE Operations Manager/ Petroleum Engineer DATE 7-26-04

Type or print name Robert McNaughton E-mail address: robertm@hlboperating.com Telephone No. 432-688-3726

(This space for State use)

APPROVED BY  TITLE ORIGINAL SIGNED BY PAUL F. KAUTZ PETROLEUM ENGINEER DATE SEP 24 2004  
Conditions of approval, if any: