

Submit 1 Copy 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

Form C-103  
October 13, 2009

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

NOV 18 2011

|                                                                                                     |
|-----------------------------------------------------------------------------------------------------|
| WELL API NO.<br>30-025-01235                                                                        |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.<br>309512                                                              |
| 7. Lease Name or Unit Agreement Name<br>State M Com                                                 |
| 8. Well Number #3                                                                                   |
| 9. OGRID Number<br>210091                                                                           |
| 10. Pool name or Wildcat<br>Saunders; Permo Upper Penn                                              |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>4196 DR                                       |

SUNDY 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  
D.K.D., L.L.C.

3. Address of Operator  
PO Box 682, Tatum, NM 88267

4. Well Location  
Unit Letter B : 660 feet from the N line and 1980 feet from the E line  
Section 10 Township 15S Range R33E NMPM County Lea

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: SWD

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Start 11/18/11 (estimated) as soon as work-over rig is available. Install BOP. Drill out CIBP and convert to SWD Permit #1296.  
Then run new plastic-coated tubing with packer & run MIT test. We will call ODC when we start and for MIT testing.

Condition of Approval : Notify OCD Hobbs  
office 24 hours prior to running MIT Test & Chart

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 Danny R. Watson TITLE Owner DATE 11/17/2011

Type or print name Danny R. Watson E-mail address: dkdlc@leaco.net PHONE: (575)398-3490

For State Use Only

APPROVED BY: [Signature] TITLE STAFF MGR DATE 11-21-2011  
Conditions of Approval (if any):

NOV 21 2011

