

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
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

Revised August 1, 2011

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	7. Lease Name or Unit Agreement Name Maralo 16 State
2. Name of Operator R. Operating, LLC	8. Well Number 4
3. Address of Operator W. Wall Street Suite 1310 Midland, TX 79701	9. OGRID Number 281085
4. Well Location Unit Letter <u>F</u> <u>1980</u> feet from the <u>North</u> line and <u>1980</u> feet from the <u>West</u> line Section <u>16</u> Township <u>26S</u> Range <u>36E</u> NMPM County <u>Lea</u>	10. Pool name or Wildcat Stourv. Tansill-Yates-Seven Rivers
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2943 GL	

12. 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 type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input checked="" type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER <input type="checkbox"/>		OTHER <input type="checkbox"/>	

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

This well was successfully TA in October 2005 and the abandonment was approved through October. The procedure was as follows:
10/4/05 TOH w/Rods & Tbg
10/5/05 11H Set CIBP @ 3225'. Displace hole with 2% KCl. Test casing to 540 PSI for 30 minutes. This procedure was witnessed by Buddy Hill and approved by the OCD.

In order to hold our state lease, which was set to expire December 31, 2011, RMR took over operatorship December 13, 2011. We plan to evaluate the well but at this time we are reapplying for the TA of this well for the approved time allowable. We plan to test the well by testing the casing to 540 PSI for 30 minutes. Until such time as we can evaluate the well, we intend to TA and upon evaluation we will either return to production or P&A.

1 yr. Extension - Only

The Oil Conservation Division
MUST BE NOTIFIED 24 Hours
Prior to the beginning of operations

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

Spud Date 6/2/1980

Rig Release Date 6/19/1980

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

SIGNATURE Katie Valencia TITLE Office Manager DATE 2/9/12

Type or print name Katie Valencia E-mail address katie@redmountainresources.com PHONE 214 871 0400

For State Use Only

APPROVED BY [Signature] TITLE State Manager DATE 2-9-2012

Conditions of Approval (if any)

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

Maralo "16" State #4
 1980' FNL, 1980' FWL
 Section 16, T-26-S,R-36-E, Unit F
 Lea County, New Mexico
 API- 300-25-26646

Date: 02/08/2012

WELLBORE DIAGRAM - NOT TO SCALE

