

HOBBS OCD

MAR 07 2012

Submit One Copy To Appropriate District Office

District I
1625 N French Dr, Hobbs, NM 88240District II
811 S First St, Artesia, NM 88210District III
1000 Rio Brazos Rd, Aztec, NM 87410District 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

Revised November 3, 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: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		WELL API NO. 30-041-20809 ✓
2. Name of Operator Sovereign Eagle, LLC		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
3. Address of Operator P.O. Box 968, Roswell, NM 88202-0968		6. State Oil & Gas Lease No.
4. Well Location Unit Letter <u>F</u> : <u>1650</u> feet from the <u>North</u> line and <u>2310</u> feet from the <u>West</u> line Section <u>26</u> Township <u>2S</u> Range <u>29E</u> NMPM _____ County <u>Roosevelt</u>		7. Lease Name or Unit Agreement Name Stoltenberg ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		8. Well Number 001 ✓
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data		9. OGRID Number 263940 ✓
10. Pool name or Wildcat Tule San Andres		

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input checked="" type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> <input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A	
<input checked="" type="checkbox"/> All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. <input checked="" type="checkbox"/> Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned. <input checked="" type="checkbox"/> A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the			

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. All INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
- ☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- ☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
- ☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- ☒ All other environmental concerns have been addressed as per OCD rules.
- ☒ Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.
- ☒ If this is a one-well lease or last remaining well on lease: all electrical service poles and lines have been removed from lease and well location, except for utility's distribution infrastructure.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Frank S. Morgan TITLE Manager of Operations DATE 03/06/2012

TYPE OR PRINT NAME Frank S. Morgan E-MAIL: fmorgan@stratanm.com PHONE: 3/7/2012

For State Use Only Maley Brown Compliance Officer

APPROVED BY: Maley Brown TITLE Compliance Officer DATE 3/7/2012

MAR 20 2012