

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

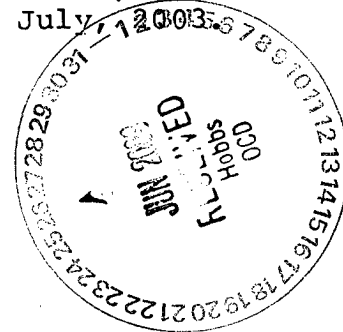
WELL API NO.	30-025-35240
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	NA

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.)		7. Lease Name or Unit Agreement Name Merit
1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	2. Name of Operator Capataz Operating Inc	8. Well No. 1
3. Address of Operator PO Box 10549, Midland, TX 79702	9. Pool name or Wildcat House, Abo/House, Drinkard	
4. Well Location Unit Letter O : 660 Feet From The South Line and 1800 Feet From The East Line Section 11 Township 20S Range 38E NMPM Lea County		
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3565 G F		

11. 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 type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: Extend Drilling Permit <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. 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.

On 11/06/2000 the OCD approved the Merit #1 Drilling Permit. Due to Surface issues the well's drilling was postponed. Capataz wishes to extend and "Renew" our original Drilling Permit until October, 2003. We anticipate spudding the Merit #1 during the month of July.



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

SIGNATURE H Scott Davis TITLE Agent DATE 6-24/03
TYPE OR PRINT NAME H Scott Davis TELEPHONE NO. 432-620-8820

(This space for State Use)

APPROVED BY Harry W. Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE JUN 26 2003

CONDITIONS OF APPROVAL, IF ANY: