

NOV 0 2 2015

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Submit One Copy To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 811 S. First St., 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  
 Revised November 3, 2011

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

|   |   |
|---|---|
| WELL API NO.<br>30-025-26186  | ✓ |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> | ✓ |
| 6. State Oil & Gas Lease No.<br>L2662   |   |
| 7. Lease Name or Unit Agreement Name<br>NEW MEXICO 28 STATE   | ✓ |
| 8. Well Number 001  | ✓ |
| 9. OGRID Number<br>148394   | ✓ |
| 10. Pool name or Wildcat<br>85210 SHOE BAR; ATOKA   |   |

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  Gas Well  Other ✓

2. Name of Operator  
VERNON E. FAULCONER, INC. ✓

3. Address of Operator  
1001 ESE LOOP 323, SUITE 160 P.O. BOX 7995, TYLER, TX 75711 ✓

4. Well Location  
 Unit Letter O : 660 feet from the SOUTH line and 1980 feet from the EAST line  
 Section 28 Township 16S Range 35E NMPM County LEA ✓

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 4011' RKB

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 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"/>   |  |
| OTHER: <input type="checkbox"/>                |   | <input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A |  |

- All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
- Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
- 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 Karen Charles TITLE: PRODUCTION ANALYST DATE: 11/2/15

TYPE OR PRINT NAME: KAREN CHARLES E-MAIL: kcharles@vefinc.com PHONE: 903-581-4382

APPROVED BY: [Signature] TITLE: Compliance Officer DATE: 11/19/15

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