

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

Form C-103  
 Revised July 18, 2013

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505  
**HOBBS OGD**  
**RECEIVED**  
**OCT 16 2017**

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.)		WELL API NO. 30-025-31153
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator STRATA PRODUCTION COMPANY		6. State Oil & Gas Lease No. VB-0030
3. Address of Operator PO BOX 1030, ROSWELL, NM 88201		7. Lease Name or Unit Agreement Name PALOMA STATE
4. Well Location Unit Letter <u>O</u> : <u>330</u> feet from the <u>SOUTH</u> line and <u>1650</u> feet from the <u>EAST</u> line Section <u>26-26</u> Township 18S Range 32E NMPM LEA County		8. Well Number 001
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3710 GR		9. OGRID Number 021712
10. Pool name or Wildcat BUFFALO YATES		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
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"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input checked="" 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.

REQUEST APPROVAL TO SHUT IN THE PALOMA STATE #1 DUE TO ECONOMIC HARDSHIP.  
 THE WELL IS CAPABLE OF PRODUCING 3.5 BOPD BUT PRODUCES 25 BWPD.  
 THE WATER HAS TO BE HAULED TO A DISPOSAL FACILITY AND TRUCKING COSTS MAKES THIS AN UNECONOMIC VENTURE.

REQUEST APPROVAL TO SHUT THE WELL IN FOR 1 YEAR FROM 10-15-2017 TO 10-15-2018.

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 Paul Ragsdale TITLE OPERATIONS MANAGER DATE 10/15/2017  
 Type or print name PAUL RAGSDALE E-mail address: pragsdale@stratanm.com PHONE: 575-622-1127

**For State Use Only**  
**Accepted for Record Only**  
 APPROVED BY: M. Brown TITLE OGD DATE 10/17/2017  
 Conditions of Approval (if any):