

Submit 3 Copies to Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., 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
 May 27, 2004

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

WELL API NO. 30-005-10528
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name CATO SAN ANDRES UNIT
8. Well Number 54
9. OGRID Number 183718
10. Pool name or Wildcat CATO SAN ANDRES - 10540

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
LOTHIAN OIL INC. *UHC New Mexico Corp*

3. Address of Operator
405 N. MARIENFELD, MIDLAND, TX 79701

4. Well Location
 Unit Letter O: 660' feet from the SOUTH line and 1,980' feet from the EAST line
 Section 11 Township 8-S Range 30-E NMPM CHAVES County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4,150' - GL,

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

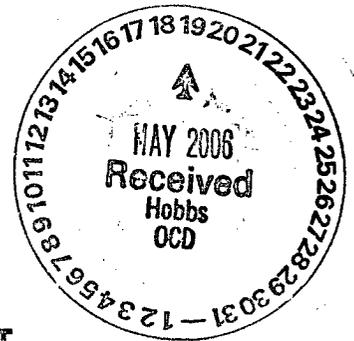
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 checked="" 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"/>		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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- 1) RIH to 3,450' & Set a CIBP. Spot a 35' Cmt Plug. WOC & Tag.
- 2) Free Point 4-1/2" Csg.
- 3) Chemical Cut 4-1/2" Csg & POOH & Salvage 4-1/2" Prod. Csg.
- 4) Spot a 100' Plug across 4-1/2" Csg Stub (50' Below & Above Stub). WOC & Tag.
- 5) Pmp 9.5 - 10 ppg Mud between Plugs.
- 6) Spot a 100' Plug f/ 1,315' - 1,415'.
- 7) Pmp 9.5 - 10 ppg Mud between Plugs.
- 8) Spot a 100' Plug f/ 409' - 509'. (Surf. Csg Shoe Plug). WOC & Tag.
- 9) Spot Cmt f/ 30' to Surf.
- 10) Cut Off Well Head & Cap below 3' & Install a Dry Hole Marker.
- 11) Remove all Rig Anchors.



**THE OIL CONSERVATION DIVISION MUST
 BE NOTIFIED 24 HOURS PRIOR TO THE
 BEGINNING OF PLUGGING OPERATIONS.**

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE: Jesse K. Lawson JKL TITLE: Petroleum Engineer DATE: May 18, 2006

Type or print name Jesse K. Lawson E-mail address: jklawson@lothian.us Telephone No. 432-686-2458 or 686-0475
For State Use Only OC FIELD REPRESENTATIVE II/STAFF MANAGER

APPROVED BY: Mary W. Wink TITLE _____ DATE MAY 19 2006

Conditions of Approval (if any): _____

LOTHIAN OIL, INC.

CONDITION OF HOLE

INJECTION WELL

3/27/06

FIELD: Cato San Andres LEASE: Cato San Andres Unit WELL NO: 54

LEGAL: 660' FSL & 1980' FEL, Unit O, Sec. 11, T-8-S, R-30-E, NMPM, Chaves County, NM

API No.: 30-005-10528 SPUD DATE: 10/09/66

STATE LEASE No.: COMPLETION DATE: 10/23/66

REASON FOR WORK: To increase water injection.

CONDITION OF HOLE:

TOTAL DEPTH: 3,644' PBTD: 3,616' KB DATUM: _____ Above: 4,150'-KB

CASING RECORD:

16 jts (452') of 8-5/8", 24#, J-55, 8rd, ST&C Surf Csg. Set Csg at 459'.
114 jts (3,652') of 4-1/2", 9.5#, J-55, 8rd, ST&C Prod Csg. Set Csg @ 3,644'.

PERFORATIONS:

3,500'-06', 3,510'-16', 3,518'-30' w/ 2-JSPF. A total of 24' Net Perfs & 48 Holes P-1
3,564'-3,610' w/ 2-JSPF. A total of 46' Net Perfs & 92 Holes. P-2

TUBING DETAIL: No Tbg in Well

Wellhead Model, Type & Rating:

Pumping Unit:

ROD & PUMP DETAIL:

Rod Pump:

Polish Rod:

Pol Rod Liner:

REGULATORY REQUIREMENTS:

WELL HISTORY:

10/9/66 Spud Well for Pan American Petrol. Corp. w/ Chico Drilling with 12-1/4" hole to 459'.

Original Well Name: Basket D # 3

Ran 16 jts (452') of 8-5/8", 24#, J-55, 8rd, ST&C Surf Csg. Set Csg at 459'.

Cmt'd w/ 300 sxs of Cl "C" Incor + 2% CaCl. Circ Cmt to Surf.

10/19/66 Drilled 7-7/8" Hole to TD @ 3,644'.

Ran 114 jts (3,652') of 4-1/2", 9.5#, J-55, 8rd, ST&C Prod Csg. Set Csg @ 3,644'.

Cmt'd w/ 500 sxs of Cl "C" Incor +12% Gel & Tailed w/ 300 sxs of Incor Neat.

TOC @ Unknown

- 10/21/66 Perf'd the P-2 f/ 3,564'-3,610' w/ 2-JSPF. A total of 46' Net Perfs & 92 Holes.
Acidized the P-2 f/ 3,564-3,610' w/ 2,000 gals of 15% LST-NE Acid. Drp'd 100 7/8" RCN BS f/ divert.
Pmax: 2700#, Pmin: 1800#, ISIP: 1300#, 15min: Vac, AIR: 5.6 BPM.
- 10/21/66 I P 'd: 280 BOPD, 0 BWPD, 174 MCFPD
- 9/24/72 Perf'd the P-1 f/ 3,500'-06', 3,510-16', 3,518-30' w/ 2-JSPF. A total of 24' Net Perfs & 48 Holes.
Perf'd w/ 3-1/8", 0.49" Dia, 2-JSPF Csg Guns.
Acidized the P-1 f/ 3,500-30' w/ 1,000 gals of 15% LST-NE Acid.
FRMBRKDOWN: 550#, Pmax: 2400#, Pavg: 2250#, ISIP: 700#, 1min: Vac AIR: 5.6 BPM.
- 9/25/72 Well was Converted f/ Production to Water Injection. POOH w/ Rod Pump, Rods & Tbg.
Ran 114 jts of 2-3/8", 4.7#, J-55, EUE, 8rd, PCID Tbg w/ Johnston PC Ten Pkr. SPA 3,450'.
Load Annulus w/ 58 bbls of Pkr Fluid. Start Wtr Inj on 9/23/72 in accordance with NMOCD Order # 3867-B,
Dated: 8/7/72. Well Name has changed to CATO Baskett Pressure Maintenance Project # 3
- 11/22/76 HIT. Pkr Coupling Broke. Push Johnston Ten Pkr to PBTD. Ran new 4-1/2" Johnston Ten Pkr to 3,426'.
- 5/17/83 Change of Ownership: Apollo Eneregy of Hobbs, NM bought the well.
- 2/2/88 Change of Ownership: Kelt Oil & Gas of Roswell, NM bought the well.
- 03/08/90 Well Name has changed to CATO San Andres Unit # 54
- 05/14/90 Well is Reclassified as a SWD by NMOCD Order # R-9029
- 11/01/95 Change of Ownership: Secondary Oil Corp. of Marble Falls, TX bought the well.
- 12/01/97 Change of Ownership: Seirra Blanca Operating Co. of Cleburne, TX bought the well.
- 06/01/99 Change of Ownership: UHC New Mexico Corp. of Cleburne, TX bought the well.
- 12/27/05 Lothian Oil Bought the Well.