

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

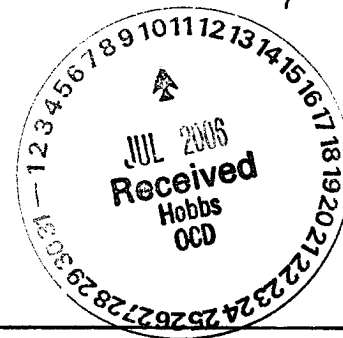
Form C-103  
Revised March 25, 1999

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. <b>30-025-11182</b>
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 type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator <b>PAONGHORN MGT. CORP.</b>		6. State Oil & Gas Lease No.
3. Address of Operator <b>P.O. BOX 1772 Hobbs, N.M. 505-392-2495</b>		7. Lease Name or Unit Agreement Name: <b>J. F. BLACK</b>
4. Well Location Unit Letter <b>B</b> : <b>660</b> feet from the <b>FNL</b> line and <b>1980</b> feet from the <b>FEL</b> line Section <b>21</b> Township <b>24S</b> Range <b>37E</b> NMPM <b>Lea</b> County		8. Well No. <b>3</b>
10. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. Pool name or Wildcat <b>Langlie Mattix Seven Rivers</b> <b>Queen</b>

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

**1. Move in and rig up. Install D.O.P.**  
**2. Set C.I.B.P. @ 3300'. Cap with 35' cement.**  
**3. Perforate J. Almat Yates zone. Stimulate as necessary.**  
**4. Put well on production.**



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

SIGNATURE *G.A. Baben* TITLE Partner DATE 06/27/06  
Type or print name G. A. Baben Telephone No. 505 392-2495  
(This space for State use)

APPROVED BY *Lang W. Wink* TITLE OC FIELD REPRESENTATIVE II / STAFF MANAGER  
Conditions of approval, if any:

JUL 10 2006