

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
May 27, 2004

WELL API NO. 30-025-37316	
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 SALEM	
8. Well Number 1	
9. OGRID Number 03659	
10. Pool name or Wildcat House;Blinebry & Nadine; Drinkard-Abo	
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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Capataz Operating, Inc.	
3. Address of Operator P.O. Box 10549, Midland, TX 79702	
4. Well Location Unit Letter A : 990 feet from the North line and 450 feet from the East line Section 3 Township 20s Range 38E NMPM County Lea	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3573' GR	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
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 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: DHC Blinebry, Drinkard-Abo <input checked="" 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.

per R-11363

Pool Names: House; Blinebry (33230) Nadine; Drinkard-Abo (47510)
BLINEBRY 5981-84,6000-03,37-39,43-45,48-56,6128-35 & 6140-48' 4 spf
DRINKARD 6932-40,90-94,7000-02,13-15,18-19,28-33,35-38 & 7047-54'
ABO 7380-82,90-92,7439-42 & 7444-48' 4 spf

The allocation method will be as follows: Test 20 BO x 71 MCF x 52 BW

	Oil Alloc%	Gas Alloc%	Wtr Alloc%
Blinebry	16 80	60 85	38 72 73
Drinkard-Abo	4 20	11 15	14 27
	20 100	71 100	52 100

Downhole commingling will not reduce the value of the pools.
Ownership is the same for each of these pools.

DHC Order No.

HOB-0160

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 _____ TITLE Agent DATE 07/26/2006

Type or print name H. Scott Davis
For State Use Only

E-mail address: Capataz1@sbcglobal.net

Telephone No. (432)620-8820

APPROVED BY: _____ TITLE PETROLEUM ENGINEER DATE AUG 07 2006
Conditions of Approval (if any):