

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

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

WELL API NO. 30-025-05561
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-2330
7. Lease Name or Unit Agreement Name STATE AC
8. Well Number 1
9. OGRID Number 13046
10. Pool name or Wildcat EUMONT YATES SEVEN RIVERS

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
LANEXCO, INC.

3. Address of Operator
1105 WEST KANSAS, JAL, NM 88252

4. Well Location
Unit Letter F : 1974 feet from the WEST line and 2079 feet from the NORTH line
Section 5 Township 19S Range 37E NMPM County LEA

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

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL Sect Twp Rng Pit type Depth to Groundwater Distance from nearest fresh water well
Distance from nearest surface water Below-grade Tank Location UL Sect Twp Rng
feet from the line and feet from the line

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"/> PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <u>Approved as to plugging of the Well Bore. Liability under bond is retained until surface restoration is completed.</u> <input type="checkbox"/>	OTHER: <input type="checkbox"/>

13. Describe proposed 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. 10-10-06: Attempt to test well, but produced no gas. Shut well in.
Smith and Marrs Casing Pullers contracted to plug this well.
*See Attached Plugging Procedures.

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 Charles Mann TITLE PRODUCTION SUPT. DATE 10-16-06

Type or print name CHARLES MANN E-mail address: 9robert@gte.net Telephone No. 505-395-3056

(This space for State use)

OCD DISTRICT SUPERVISOR/GENERAL MANAGER

APPROVED BY Chris Williams TITLE DATE OCT 23 2006

Conditions of approval, if any: 90 days to either TA, PA or produce.

Lanexco, Inc.
1105 West Kansas
Jal, New Mexico 88252
505/395-3056
Fax 505/395-3205

LANEXCO, INC.

PLUGGING PROCEDURE
STATE 'AC' #1
30-025-05561
LEA COUNTY, NM

1. Move in and rig up plugging unit and equipment.
2. Pull out of hole with production tubing.
3. Set CIBP at 3500' and cap with 25 sacks cement.
4. Load hole with salt gel.
5. Set 100' plug base of salt 2703' – 2803'
6. Perf and squeeze 50' out and in F/ 928' – 828' (Top of salt). WOC and tag.
7. Perf at 407 and circulate to surface.
8. Set marker.

State AC No. 1

30-025-05561

Lea County, NM

← 8 $\frac{5}{8}$ " @ 457'

≡≡≡ } Perfs: 3536-3554, 3736-3762, 3776-3799, 3819-3827,
3842-3853

← 5 $\frac{1}{2}$ " @ 3922', TOC @ 1340'