

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
Revised March 25, 1999

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

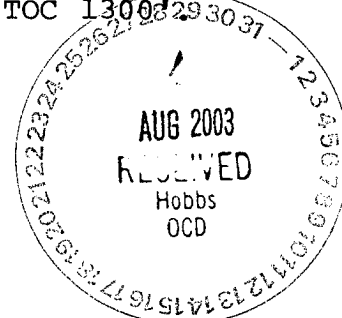
WELL API NO. 30-025-35240
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. --
7. Lease Name or Unit Agreement Name Merit
8. Well No. 1
9. Pool name or Wildcat House, Abo/House, Drinkard

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 type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator Capataz Operating, Inc.	8. Well No. 1
3. Address of Operator PO Box 10549, Midland, TX 79702	9. Pool name or Wildcat House, Abo/House, Drinkard
4. Well Location Unit Letter <u>O</u> : <u>660</u> feet from the <u>South</u> line and <u>1800</u> feet from the <u>East</u> line Section <u>11</u> Township <u>20S</u> Range <u>38E</u> NMPM Lea County	
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3565 GR	

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input 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"/>	SUBSEQUENT REPORT OF: 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 checked="" 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 recompilation.

TD well @ 7800'. Ran and set 7800' - 5-1/2" 17# casing. Cemented w/ 1190 SX 35:65 POZ "C" w/ .4% FL62, 6% gel, 5% sodium chloride and 425 SX Class "H" w/ .5% FL25 & 1% sodium metasilicate. Est TOC 1300. Plug down 2315 08/20/03. Release rig. Prep to complete.



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

SIGNATURE [Signature] TITLE Agent DATE 8/27/03

Type or print name H Scott Davis Telephone No 432-620-8820

(This space for State use)

APPROVED BY [Signature] TITLE FIELD REPRESENTATIVE II/STAFF MANAGER
Conditions of approval, if any:

DATE SEP 03 2003