Submit 3 Copies to Appropriate District Office

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

Form C-103
Revised 1-1-89

Received
Hobbs OCD
MAR 29 2007

WELL API NO. 30-025-27400

5. Indicate Type of Lease STATE ☐ FEE ☑

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: E.L. Steeler

1. Type of Well: OIL WELL ☐ GAS WELL ☐ OTHER Disposal Well

2. Name of Operator: Basic Energy Services

8. Well No. Lea #1

3. Address of Operator: P.O. Drawer 1869 Eunice NM 88231

9. Pool name or Wildcat: San Andres

4. Well Location

Unit Letter _____ : _____ Feet From The _____ Line and _____ Feet From The _____ Line

Section 17 Township 23 Range 37 NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☑	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐			CASING TEST AND CEMENT JOB	☐		
OTHER:	☐			OTHER:			☐

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.

3-16-07 Rig up unit, unseat packer + pull tubing. Run new packer and work string. Test back side to ~~500#~~ 340. Chamical squeeze + flush down tubing. Swab back 350bbl iron sulfide. Acidize + Flush. Unseat packer pull work string. Run new packer + production string back in. Load back side with packer fluid. Test back side + run chart for O.C.D. Buddy Hill witness Rig down put back on production

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

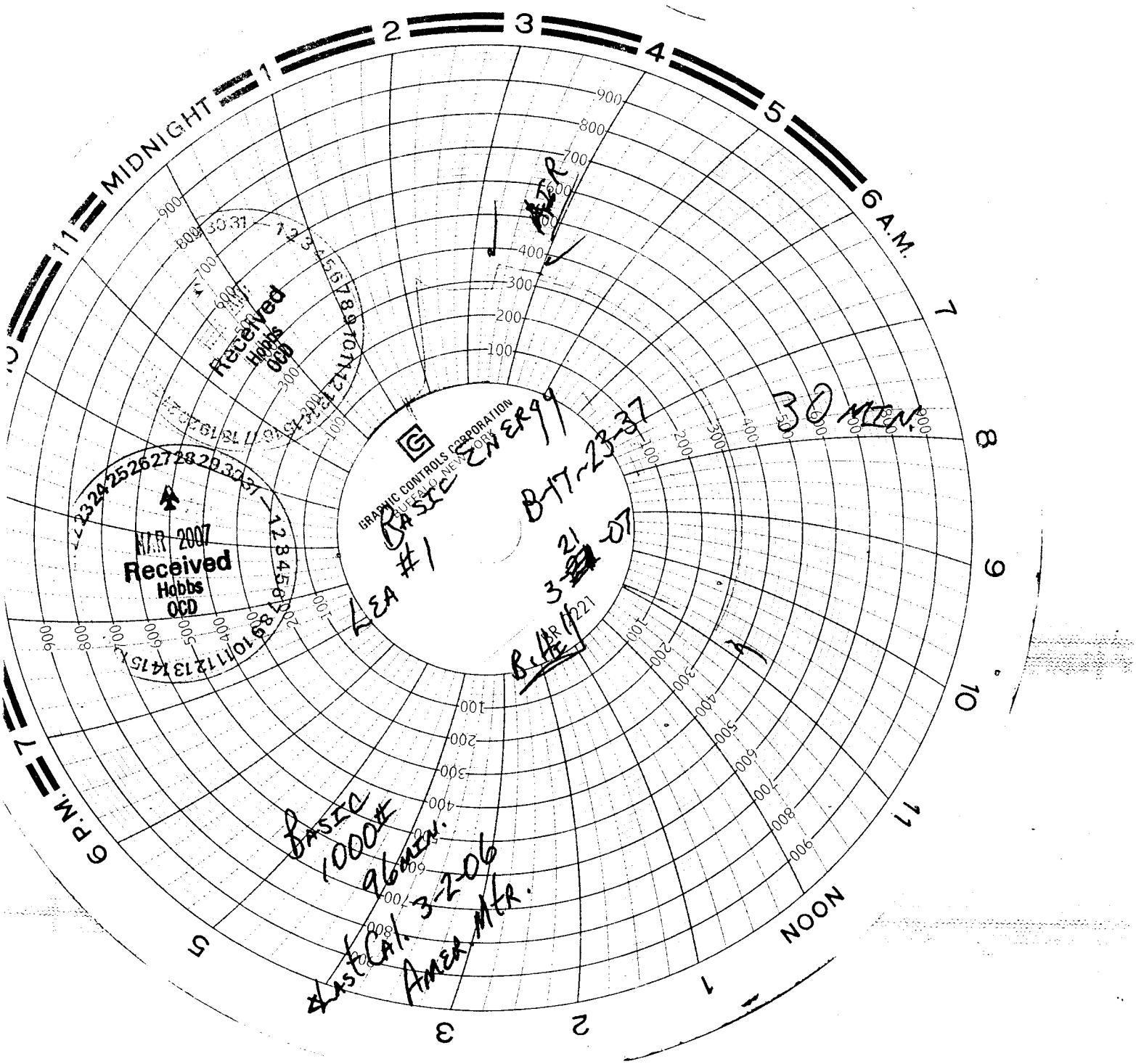
SIGNATURE _____ TITLE Area Manager DATE 3-21-07

TYPE OR PRINT NAME Steve Prather TELEPHONE NO. (505)390.1435

(This space for State Use)

APPROVED BY Gary W. Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE MAR 29 2007

CONDITIONS OF APPROVAL, IF ANY: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