

State of New Mexico  
Energy, Minerals and Natural Resources

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

<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. 30-025-26805
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 checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Draco Energy, Inc.		6. State Oil & Gas Lease No. L-6731-2
3. Address of Operator PO Box 11404, Midland, Texas 79702		7. Lease Name or Unit Agreement Name Maralo "16" State
4. Well Location Unit Letter <u>O</u> : <u>660</u> feet from the <u>South</u> line and <u>1980</u> feet from the <u>East</u> line Section <u>16</u> Township <u>26S</u> Range <u>36E</u> NMPM County <u>Lea</u>		8. Well Number <u>10</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2932' GL		9. OGRID Number 6488
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Sioux Tansill (Yates 7 Rivers)
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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒  
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

## SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
 COMMENCE DRILLING OPNS. ☐ P AND A ☐  
 CASING/CEMENT JOB ☐

OTHER: ☐

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.

Circulate hole w/ 9.5# Brine w/ 12.5# gel/bbl.

Set CIBP @ 3563'. (Top perf @ 3613')

Spot 25 sx on top of CIBP.

Spot 25 sx @ 2950'

Perf 5 1/2" casing (4SPF) @ 1515'. Sqz w/ 80 sx. Displace to 1415'. WOC & Tag.

Spot 10 sx surface plug.

Cut off wellhead. Install marker. Clean location.

**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 MOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

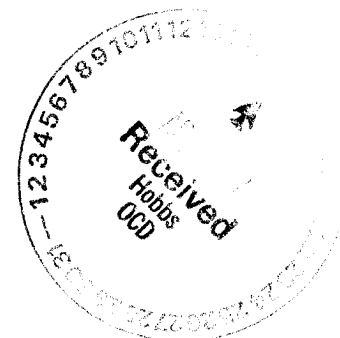
SIGNATURE John E. Scherer, Jr. TITLE President DATE 4-12-07

Type or print name John E. Scherer, Jr.  
For State Use Only

E-mail address: scherer@dracoenergy.com Telephone No. 432.687.4661

APPROVED BY: Larry W. Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE APR 18 2007

Conditions of Approval (if any):

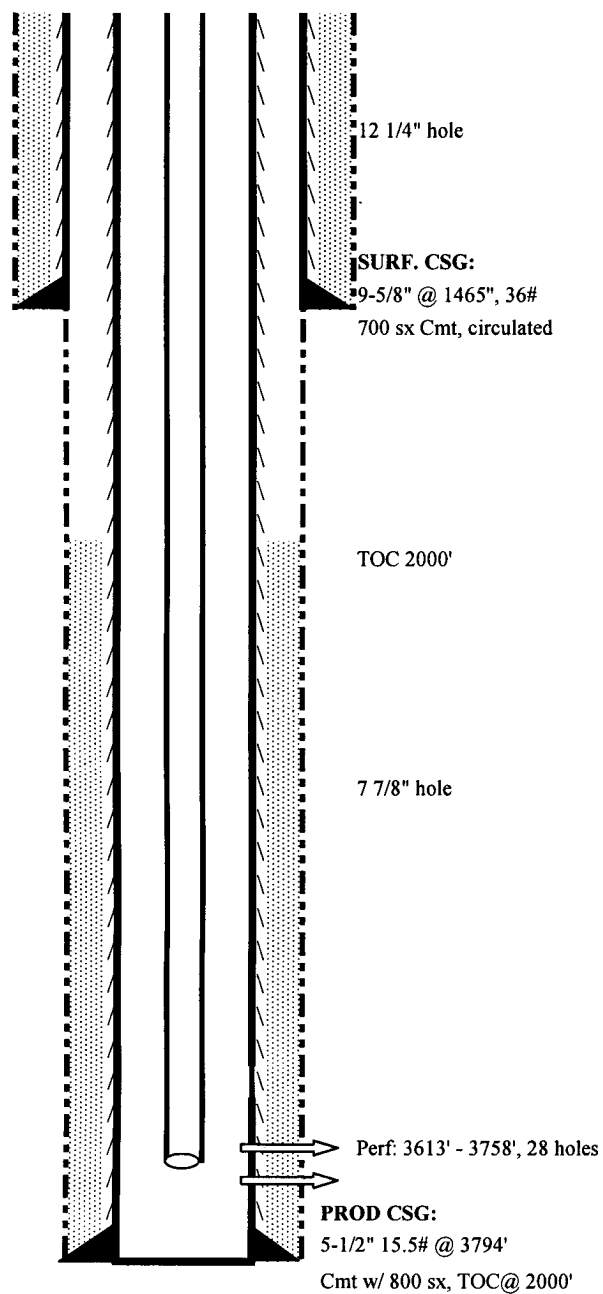


**WELL DATA**

DATE: 4/12/2007

**LEASE/WELL:** Maralo "16" State #10  
**FIELD:** Sioux Tansill (Yates 7 Rivers)

**LOCATION:** O: 660' FSL and 1980' FEL, Sec 16,  
Township 26S, Range 36E

**COUNTY:** Lea**STATE:** NM

TD: 3794'  
PBD: 3780'

**REMARKS:**