

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

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

MAY 28 2008

WELL API NO. 30-025-06661
5. Indicate Type of Lease STATE [] FEE [X]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name ALVES
8. Well Number 1
9. OGRID Number 13046
10. Pool name or Wildcat PENROSE, SKELLY, GRAYBURG

SUNDRY OPERATIONS REPORT ON WELLS (DO NOT USE THIS FORM FOR...)

1. Type of Well: Oil Well [X] Gas Well [] Other []

2. Name of Operator LANEXCO, INC.

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

4. Well Location Unit Letter H : 1980 feet from the NORTH line and 660 feet from the EAST line
Section 18 Township 21S 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:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPLETION []
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT [X]
CASING TEST AND CEMENT JOBS []
OTHER: []

13. Describe proposed or completed operations. (Clearly state all pertinent details of starting any proposed work). SEE RULE 1103. For Multiple Completions, Attach wellbore diagram of proposed completion or recompletion.

5-16-08- MIRU. NDWH. NUBOP. RIH with gauge ring to 164'. POH. 5-19-08-RIH with MMCPI workstring. Tag @ 3244'. Spot 35 sxs @3244'. POH. WOC. RIH and tag @ 2992'. Circulate mud. PUH to 2510'. Spot 25 sxs. POH. 5-20-08-RIH nad tag @ 2376'. Test csg. No test. RIH and perf @ 1390'. Pump 45 sxs. POH. Pump 2 Bbls. WOC. RIH and tag @ 1372'. Pump 25 sxs down top. Well did not circulate. POH. 5-21-08-RIH and tag @ 1182'. RIH and perf @ 350'. PUH to 350' & circ. 95 sxs to surface. POH. RD. Cut off anchors. Install dryhole marker. Level

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 NMOC guidelines [], a general permit [] or an (attached) alternative OCD-approved plan [].

SIGNATURE [Signature] TITLE PRODUCTION SUPT. DATE 5-28-08

Type or print name CHARLES MANN E-mail address: Telephone No. 505-395-3056

(This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE JUN 20 2008

Conditions of approval, if any.