

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103

May 27, 2004

WELL API NO.

30-025-08987

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

025432

7. Lease Name or Unit Agreement Name

South Eunice Unit

8. Well Number 29

9. OGRID Number

002799

10. Pool name or Wildcat

Eunice 7 Rivers Queen, South

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

Breck Operating Corp.

3. Address of Operator

P.O. Box 911, Breckenridge, Texas 7624

4. Well Location

Unit Letter P : 660 feet from the South line and 660 feet from the East line

Section 21 Township 22S Range 36E NMPM Lea County

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

3520' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Steel Depth to Groundwater 199' Distance from nearest fresh water well >1000' Distance from nearest surface water >1000'

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.

5-29-08 Notify NMOCD of plugging
5-30-08 MIRU. NDWH. NUBOP. POOH & LD rods
6-02-08 RIH w/5 1/2" CIBP to 3330'. Plug stuck. Called Mark Whitaker w/NMOCD. OK'd to set plug @ 3330'. Mix & pump 50 sx Class C cement @ 3330'. SDON.
6-04-08 Tag top of plug @ 2987'. Contact Mark Whitaker w/NMOCD. Mix & pump 25 sx Class C cement from 2987' to 2740'. Not required to tag per Mark Whitaker. Circulate hole w/mud. Showed communication to BH. Isolate csg leak 953' to 1074'. Contact NMOCD. RIH & perf 5 1/2" csg @ 1588'. RIH w/pkr & set @ 1299'. Squeeze w/25 sx Class C cement
6-05-08 Tag plug @ 1482'. Call Mark Whitaker w/NMOCD. Pump 280 sx Class C cement from 1074' to surface between 8 5/8" & 5 1/2" csg.
6-06-08 Tag cement @ 38'. Call Mark Whitaker w/NMOCD. Mix & pump 10 sx. Class C cement from 38' to surface. RDMO. Dig up anchors. Install dry hole marker. Clean location.

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 Daniel D. Wilson TITLE Vice President / Production Mgr. DATE July 8, 2008

Type or print name Daniel D. Wilson E-mail address: dwilson@breckop.com Telephone No. 254-559-3355

For State Use Only

APPROVED BY: Chris Williams TITLE OCD DISTRICT SUPERVISOR/GENERAL MANAGER DATE JUL 17 2008

Conditions of Approval (if any): Need to submit C103 form for P & A cleanup before location can be released. CW 7/16/08



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

RECEIVED

JUL 14 2008

HOBBS OCD

July 1, 2008

Rule 40 of the Oil Conservation Division requires that the OCD notify any operator who operates a well that has shown no production or injection for the past twelve months. You may have received notification in the past of the wells that met that criteria at that time. Through this letter you are being advised that one or more wells operated by your company have become inactive since the last notification on December 4, 2007.

You may see a complete list of the inactive wells operated by your organization wells by going to www.emnrd.state.nm.us/oed, then OCD Online, then E-Permitting, then Inactive Well List. Enter three or more characters of your organization's name and select the right company from the pull-down list. Then click Get Report. The default report shows you all wells that have been inactive for 15 or more months; please change this to 12 months to see which wells have not produced in 12 months. If you do not change the options at the bottom of the screen, the list you pull will exclude wells in Approved Temporary Abandonment status and wells covered by an Agreed Compliance Order for inactive wells. The list also excludes wells that have been plugged but for which the site has not yet been released.

Please review the Oil Conservation Division's 2005 enforcement rules on the web to learn what impact this list of wells may have on your organization. These are available at www.emnrd.state.nm.us/oed, Rules, Newly Adopted Enforcement Rules.

You may keep yourself informed of upcoming inactive wells by going to the report as described above but change the box showing the number of months that the wells have been inactive to 8 months or anything else to see which wells may cause inactivity issues in the future.

If you believe any of these wells should have been reported with production or injection volumes on your C-115, please amend and re-file those C-115s immediately. If you have any other questions about why these wells are appearing as inactive, **please contact the OCD District Supervisor for the district in which the well in question is located.** If you do not have access to the internet and need a copy of your inactive well list, please request a copy from Kimberly Romero at 505/476-3453.

We have received some questions about the Status indicators of P and D. P means that the most active zone for this well at this time is a plugged zone. It does not mean that the well itself has been plugged or "plugged-not-released." This well would not be on the Inactive Well List if OCD had recorded the wellbore as plugged or "plugged-not-released"; if you believe that the well is plugged, please contact the OCD district. The D means that the most active zone for the well is recorded as a dry hole. If your records show otherwise, please contact the district.

Sincerely,

Jane Prouty

Bureau Chief, Automation and Records Bureau

Inactive Well List

Total Well Count: 84 Inactive Well Count: 2 Since: 7/16/2007

Printed On: Thursday, July 10 2008

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-025-08987	SOUTH EUNICE UNIT #029	P-21-22S-36E	P	2799	BRECK OPERATING CORP	P	O	07/2005			
1	30-025-09083	SOUTH EUNICE UNIT #050	M-28-22S-36E	M	2799	BRECK OPERATING CORP	P	I	02/1995	7R/QN 07/31/07 INT TO PA	T	5/8/2008

WHERE Ogrid:2799, County:All, District:All, Township:All, Range:All, Section:All, Production(months):12, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period