

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  
June 19, 2008

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. <b>30-025-28162</b>
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Brine Well		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Gandy Corporation		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 2140, Lovington, NM 88260		7. Lease Name or Unit Agreement Name Quality Brine
4. Well Location Unit Letter <u>M</u> : <u>593</u> feet from the <u>South</u> line and <u>639</u> feet from the <u>West</u> line Section <u>20</u> Township <u>12s</u> Range <u>36e</u> NMPM County <u>Lea</u>		8. Well Number <u>001</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number <u>68881</u>
		10. Pool name or Wildcat

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 ☐  
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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.

08/15/08 Pull tubing.

08/19/08 Run wire-line & sonar tools for capacity/cavity configuration and subsidence survey.

08/25/08 Run packer and set perform MIT.

08/26/08 Run 2 3/8 tubing to approximately 2800' and return to Brine.

Spud Date:

Rig Release Date:

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

SIGNATURE Larry Gandy TITLE Secretary/Treasurer DATE 8-13-08

Type or print name Larry Gandy E-mail address: gandy2@leaconet PHONE: 575-398-4960  
**For State Use Only**

APPROVED BY: [Signature] TITLE Geologist DATE AUG 13 2008  
Conditions of Approval (if any):

RECEIVED  
AUG 14 2008  
HOBBS OGD