

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., Artesia, NM 88210
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

RECEIVED

OCT 27 2008

HOBBS (11)

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

WELL API NO. 30-025-25071
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Arco-Lanehart
8. Well Number 1
9. OGRID Number 192143
10. Pool name or Wildcat Jalmat
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3080 GR

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 <input checked="" type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator HERMAN L. LOEB	
3. Address of Operator P O BOX 524, LAWRENCEVILLE, IL 62439	
4. Well Location A 990 North 330 East Unit Letter : feet from the line and feet from the line Section 21 Township 25-S Range 37-E NMPM Lea County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3080 GR	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

The purpose of this workover is to add perforations in the Tansil, Yates and Seven Rivers formations. The new perforations will be acidized and possibly sand fractured. See attached proposed-workover procedure for complete details. The proposed starting date is November 4, 2008 with a duration of 1week.

New Tansil perforations: 2740-2747, 2755-2762 & 2769-2772.

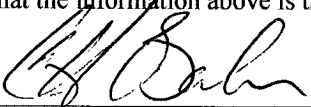
New Yates perforations: 2791-2817, 2830-2847, 2900-2922, 2930-2958, 2980-3001 & 3008-3040.

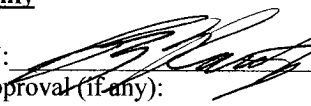
New Seven Rivers perforations: 3062-3070, 3100-3104, 3172-3180 & 3190-3193.

Possible fracture treatment w/CO2 foam & 80000 to 140000# of 10/20 sand depending on extent of gas shows & depletion.

Spud Date:		Rig Release Date:	
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I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE 	TITLE Petroleum Geologist	DATE 10-23-08
Type or print name C. H. Bahr	E-mail address: chbahr@msn.com	PHONE: (303) 694-2150
For State Use Only		

APPROVED BY: 	TITLE PETROLEUM ENGINEER	DATE OCT 28 2008
Conditions of Approval (if any):		

HERMAN L. LOEB

Arco-Lanehart No. 1, Lea County

API No. 30-025-25071

Workover Procedure

1. MIRU WSU. ND WELLHEAD. NU BOP.
2. PRESSURE TEST TBG TO 500 PSI. POH W/ RODS AND PUMP. PU 2 3/8" TBG AND TAG BOTTOM. TOH. CLEAN OUT AS NECESSARY WITH BAILER TO 3450'.
3. TIH W/ 3 7/8" BIT AND CASING SCRAPER. TAG BOTTOM. DISPLACE/ LOAD W/ 2% KCL. TOH.
4. RU WIRELINE AND RUN CBL-GR-CCL LOG. SET RBP W/ BALL CATCHER @ 3300'. PRESSURE TEST CASING, RBP AND BOP TO 2000 PSI. PERFORATE 2740-2747', 2755-2762', 2769-2772', 2791-2817', 2830-2847', 2900-2922', 2930-2958', 2980-3001', 3008-3040', 3062-3070', 3100-3104', 3172-3180', 3190-3193' W/ 1 JSPF (186 HOLES) 120° PHASED SLICK GUNS.
5. TIH W/ PKR AND TBG. SET PKR +/- @ 2620'. SWAB TEST WELL.
6. RU ACID COMPANY. SPOT 1 BBL ACID OVER PERFS. PULL UP TO +/- 2620'. REVERSE 3 BBLs. SET PKR. BREAK DOWN PERFS. SWAB TBG DRY. ACIDIZE WELL W/ 5000 GALS 15% NEFE ACID AND 300 RCN BALLS AT 3-4 BPM. FLUSH W/ 2% KCL WATER.
7. SWAB TEST WELL AND EVALUATE FOR FRAC JOB.
8. IF ZONE IS ENCOURAGING, FRAC WELL AS PER SERVICE COMPANY'S PROPOSAL.
9. SWAB AND FLOW TEST WELL TO EVALUATE. PULL RBP. RETURN TO PRODUCTION.

IF CASING DOES NOT PASS PRESSURE TEST, FRAC THROUGH 2 7/8" WORK STRING

