

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

<p>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.)</p>		<p>WELL API NO. 30-025-35359</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Momentum Energy, LLC</p>		<p>6. State Oil & Gas Lease No. 27143</p>
<p>3. Address of Operator P.O. Box 3398, Midland, Texas, 79702</p>		<p>7. Lease Name or Unit Agreement Name Alfalfa "2" State</p>
<p>4. Well Location Unit Letter <u>L</u> : <u>350'</u> feet from the <u>West</u> line and <u>2100'</u> feet from the <u>South</u> line Section <u>2</u> Township <u>24 S</u> Range <u>37 E</u> NMPM Lea County</p>		<p>8. Well Number 1</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3230' Ground level</p>		<p>9. OGRID Number 221356</p>
<p>10. Pool name or Wildcat Teague (ABO) South # 58250</p>		

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 ☐
- CASING TEST AND 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.

Pull sucker rods, insert pump, tubing anchor catcher and 2 3/8" tubing.

Run Cast Iron Bridge Plug on tubing and set @ 6800'. Displace hole by pumping down tubing with 9.5 lb/gal salt water gelled mud mixed @ 12.5 lb per bbl. Spot a 25 sack cement plug on top of CIBP @ 6700' - 6800'. Pull out of hole with tubing.

Work 5 1/2" - 17 #/ft N-80 casing and shoot off at indicated free point. Estimated casing recovery is 4000' or more. Recover casing.

Run 2 3/8" tubing and sting 50' into 5 1/2" casing stub (est @ 4050'). Fill hole with 9.5 #/gal mud. Spot 35 sack cement plug over interval 50' below casing cutoff to 50' above stub. Wait on cmt 4 hrs and tag plug.

Pull up tbg to 2430' (50' below base of salt). Spot 100' cement plug with 45 sx @ 2430' - 2330'.

Pull up tbg to 1230' (50' into top of salt). Spot a 198' cement plug with 100 sx @ 1230' - 1032' (50' above 9 5/8" casing shoe).

Wait on cement 4 hours and tag plug.

Pull up tbg to 60' from surface and spot a 30 sack cement plug from 60' to surface. Pull tubing and fill top of casing with cement.

Salvage wellheads and weld a steel plate over 9 5/8" surface casing. Weld a 7' dry hole marker on steel cap with well info on it.

Close all pits, remove battery, cut off deadmen and remove all junk and trash. Level location and leave barren.

→ SPOT 100' PLUG F/400'-300' (THIS IS REQUIRED TO COVER FRESH WATER)

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

SIGNATURE Steve Rossler

TITLE Petroleum Consultant

DATE December 8, 2003

Type or print name Steve Rossler E-mail address: paulamc@momentumenergy.com

Telephone No. 505-682-0595

(This space for State use)

APPROVED BY Gayle Wink

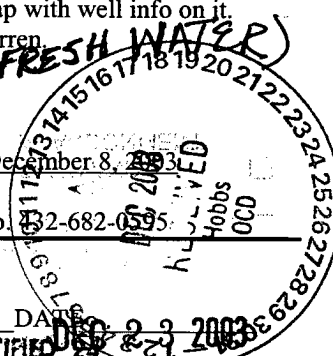
OC FIELD REPRESENTATIVE II/STAFF MANAGER

TITLE

DATE

Conditions of approval, if any:

THE COMMISSION MUST BE NOTIFIED 24 HOURS PRIOR TO THE BEGINNING OF PLUGGING OPERATIONS FOR THE C-103 TO BE APPROVED.

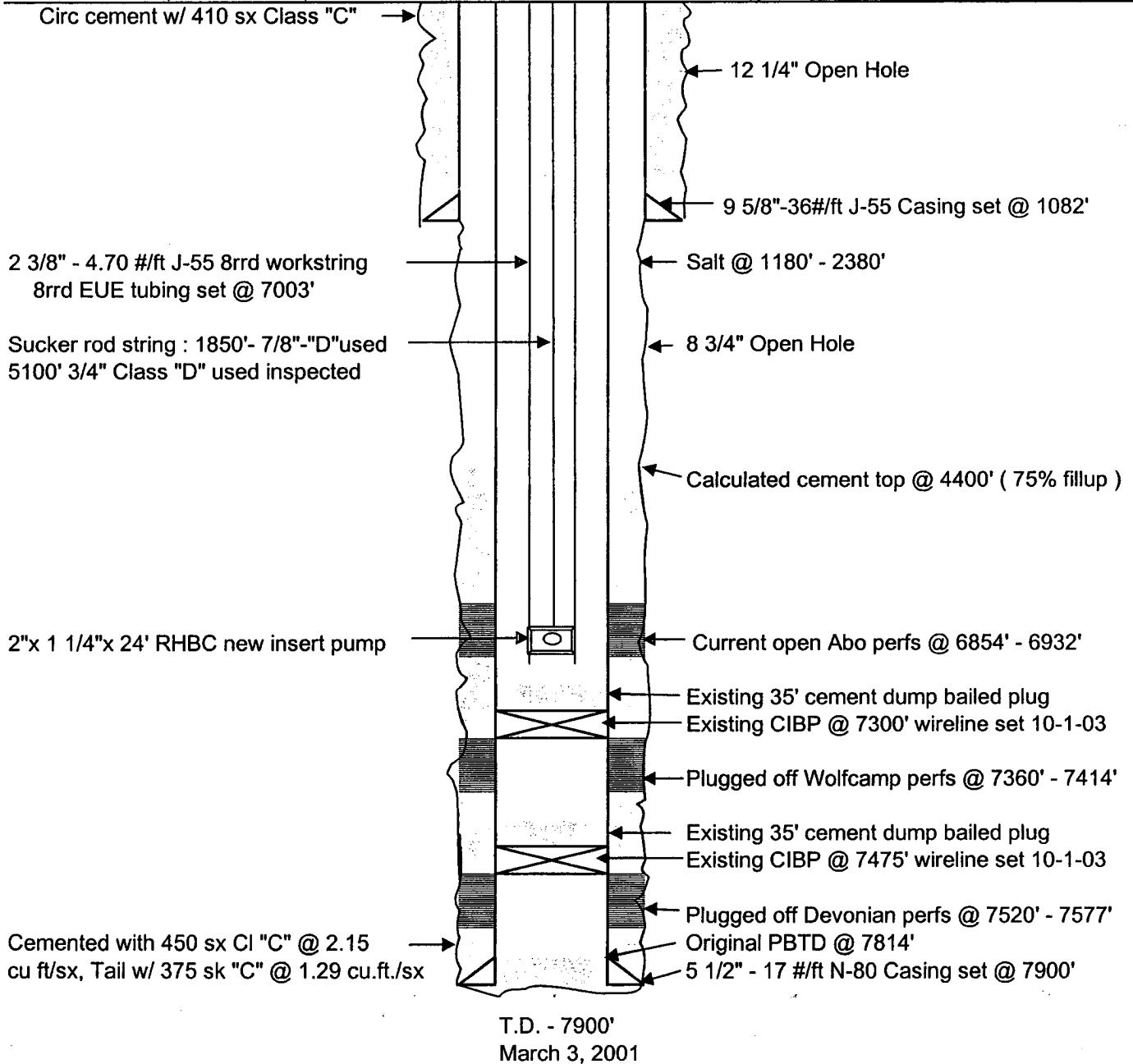


December 8, 2003

WellBore Schematic
Alfalfa "2" State Well # 1
Current Condition

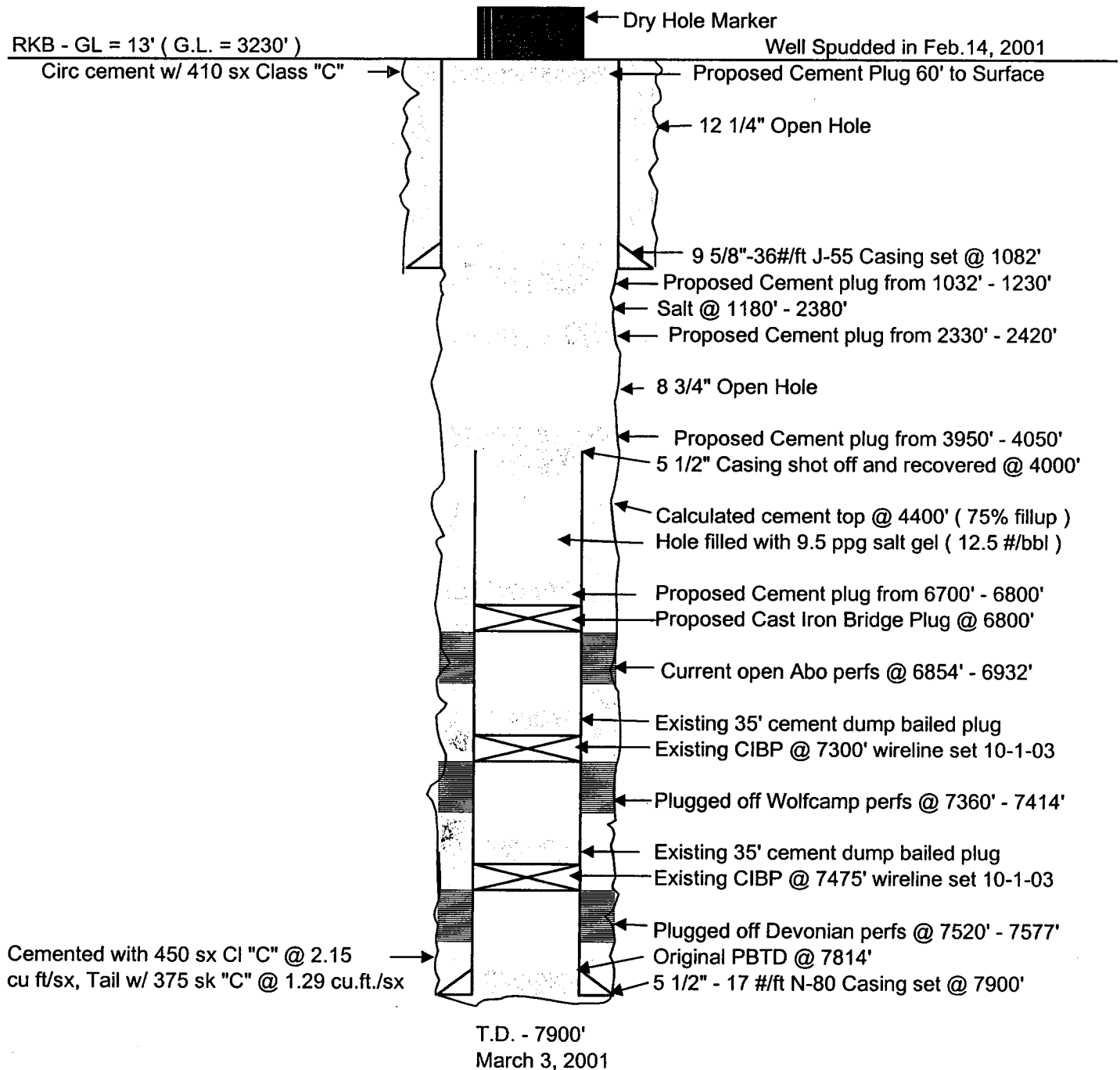
RKB - GL = 13' (G.L. = 3230')

Well Spudded in Feb.14, 2001



December 8, 2003

WellBore Schematic
Alfalfa "2" State Well # 1
Proposed After Plugging



Directions To:
Alfalfa "2" State Well #1
Momentum Energy Corporation
Lea County, New Mexico

December 8, 2003

From Jal, New Mexico: At intersection of Hwy 18 and Hwy 128

- 1). Go North on Hwy 18 (towards Eunice) for 6.2 miles, just passing mile marker # 115.
- 2). Turn right on Lea County Road J 12 (also called Cooper East Road) and go east on blacktop road for 2.4 miles to the Y.
- 3). Veer left thru Yellow cattleguard with sign saying W/3 and Cooper East Road and continue east on caliche road for 8/10 mile.
- 4). **Do Not Go Straight Past Dead End Road Sign to the Ranchhouse,**
Instead:
Turn left by the Texaco Private Road sign and go north 1.9 mile to a T intersection.
- 5). Turn right and go east 2/10 mile to the T intersection.
- 6). Turn right and go south 1/10 mile to the T intersection.
- 7). Turn right and go west 1/10 mile to the barb wire fenced enclosed caliche location.

Location calls are: 2100' FSL & 350' FWL
Section 2, T-24-S, R-37-E, Lea County, New Mexico
API # 30-025-35359

Landowner: Mr. Bill Grobie (cell # 505/ 395-3189).