

Office

Energy, Minerals and Natural Resources

May 27, 2004

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

OIL CONSERVATION DIVISION

JUN 12 2009

HOBBSOCD1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. ✓

30-025-26558

5. Indicate Type of Lease

STATE ☒ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

McQuatters ✓

8. Well Number

5 ✓

9. OGRID Number

18037 ✓

10. Pool name or Wildcat

Tubb/Drinkard/Blinebry ✓ *Hardy!*

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 Injection ☒

2. Name of Operator Finley Resources, Inc. ✓

3. Address of Operator

1308 Lake Street, STE 200, Fort Worth, TX 76102

4. Well Location

Unit Letter H : 1650' feet from the North line and 990' feet from the East lineSection 11 Township 21S Range 36E NMPM County Lea ✓

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

3541.5' DR

Pit or Below-grade Tank Application ☐ or Closure ☐Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water 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: MIT ☐

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.

- 1) Rig up and drill out squeeze/cement retainer and lower squeeze to 5061'
- 2) Test casin and recover RBP @ 5061'
- 3) If successful, test well perforations and establish economics to return to production
- 4) If unsuccessful, make preparations and notify OCD of plans to P&A the well
- 5) Well bore sketch attached ---

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 Robert Howell TITLE Western District Manager DATE 05/08/09

Type or print name Bob Howell

E-mail address: bhowell@finleyresources.com Telephone No. 817-231-8766

For State Use Only

APPROVED BY: Camille Hill TITLE DISTRICT 1 SUPERVISOR DATE JUN 19 2009

Conditions of Approval (if any):

McQuatters #5

1650' FNL, 990' FEL, Sec 11

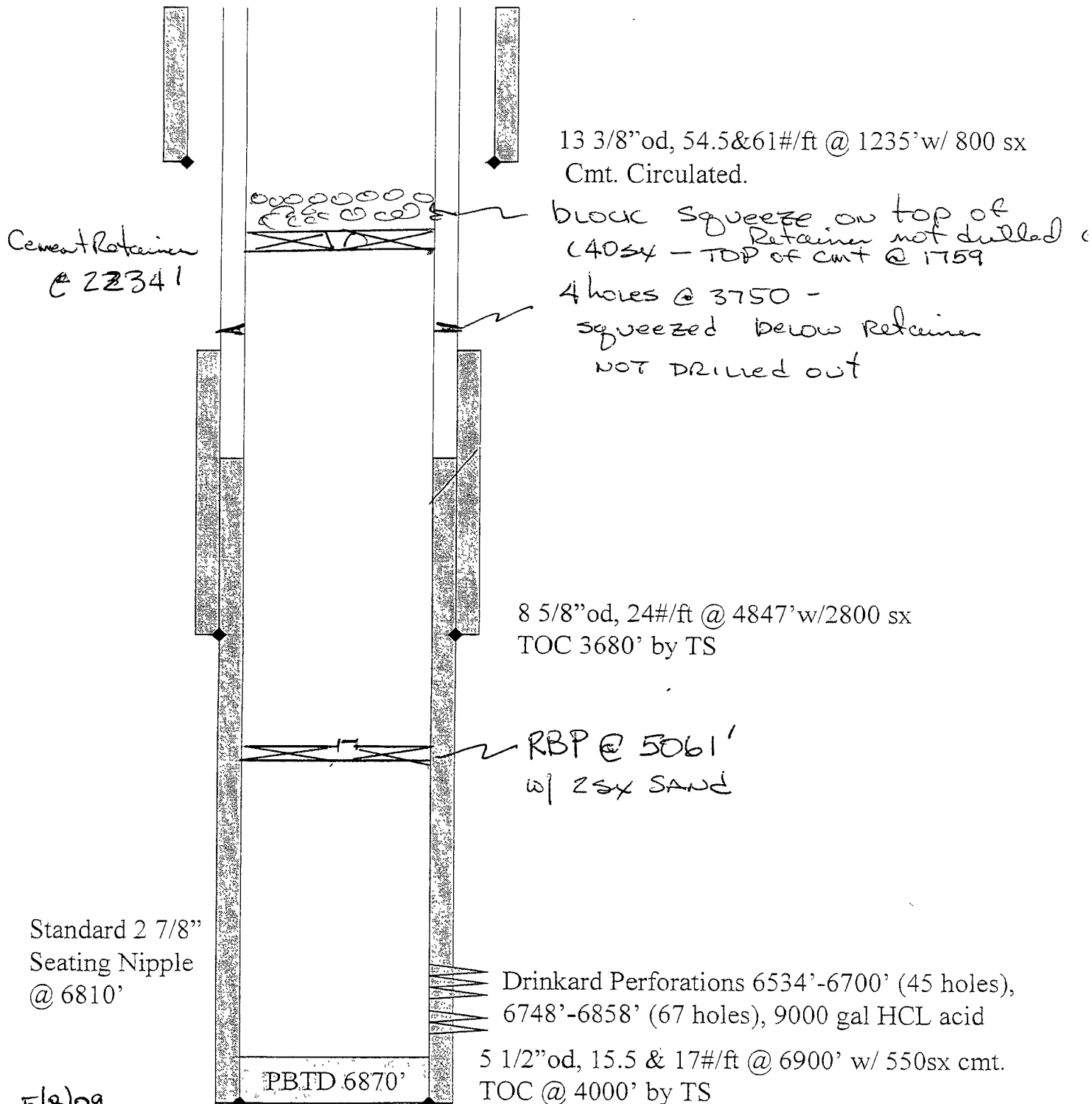
T21N, R36E Lea Co., NM

Hardy/Oil Center Fields completion Date: 1/17/80

KB 3541'

API # 30 025 26558

NM ID 180387



AS of 5/8/09