

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
CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
JUN 17 2010
HOBBSOCD

WELL API NO. <input checked="" type="checkbox"/> 30 025 39739
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Screaming Eagle State <input checked="" type="checkbox"/>
8. Well Number 1 <input checked="" type="checkbox"/>
9. OGRID Number 15262 <input checked="" type="checkbox"/>
10. Pool name or Wildcat Lovington (Abo)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3847' GR <i>lea</i>

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 /
Morexco, Inc.

3. Address of Operator
c/o P.O. Box 953, Midland, TX 79702

4. Surface Well Location
Unit Letter D : 660 feet from the North line and 660 feet from the West line
Section 11 Township 17S Range 36E NMPM Eddy County ☒

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3847' GR *lea*

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.

5-20-10: Spudded 17 1/2" hole; ran 400' 13 3/8" J-55, 54# casing and cemented with 225 sx Cl C + 2% CaCl2 + 25# CF + 4% gel 13.5 ppg 1.75 yield, tailed with 100 sx Cl C + 2% CaCl2, 14.8 ppg, 1.35 yield - circulated 30 sacks to surface. Plug down. WOC. Pressure tested to 1000 psi for 30 minutes, held. Centralizers every fourth joint.

5-21-10: Drilling 12 1/4" hole.

5-30-10: Ran intermediate 8 5/8" casing string to 3897' with 10 centralizers. Rigged up BJ Services and pumping 575 sx lead Cl C 50/50 poz, 10C + 5% salt + 1/4# CF @ 11.8 ppg, yield 2.45; tailed with 200 sx Cl C @ 14.8 ppg, yield 1.34. displaced with 233 bbls @ 7 bpm, slowed to 3 bpm 10 bbls bumped plug @ 1455 psig, diff. 1053. Floats held good. Circulated 101 sx cement. Tested to 1000# for 30 min. WOC.

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 *Ann E. Ritchie* TITLE Regulatory Agent DATE 6-14-10

Type or print name Ann E. Ritchie E-mail address: ann.wtor@gmail.com PHONE: 432 684-6381

For State Use Only

APPROVED BY: *[Signature]* TITLE PETROLEUM ENGINEER DATE JUN 18 2010

Conditions of Approval (if any):

R.M.