

District I
1625 N. French Dr. Hobbs NM 88240
District II
1301 W. Grand Ave., Artesia NM 88201
District III
1600 Rio Brazos Rd. Aztec NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe NM 87505

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JUL 15 2010

HOBBSOCD

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

WELL API NO. 30-025-26664 ✓
5. Indicate Type of Lease STATE <input type="checkbox"/> FEDERAL <input checked="" type="checkbox"/> ✓
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name EL PASO SMITH ✓
8. Well Number 1 ✓
9. OGRID Number 13046 ✓
10. Pool name or Wildcat <i>Salmat</i> YATES/SEVEN RIVERS ✓

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 type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input checked="" type="checkbox"/>	7. Lease Name or Unit Agreement Name EL PASO SMITH ✓
2. Name of Operator LANEXCO, INC. ✓	8. Well Number 1 ✓
3. Address of Operator 1105 W. KANSAS, JAL, NM 88252	9. OGRID Number 13046 ✓
4. Well Location Unit Letter N : 990 feet from the SOUTH line and 1650 feet from the WEST line Section 21 Township 24S Range 37E NMPM County LEA	10. Pool name or Wildcat <i>Salmat</i> YATES/SEVEN RIVERS ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) RKB 10' (3243')	

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL Sect Twp Rng Pit type Depth to Groundwater Distance from nearest fresh water well

Distance from nearest surface water Below-grade Tank Location UL Sect Twp Rng ;
feet from the line and feet from the line

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>
OTHER: <input type="checkbox"/>	

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOB <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.

* See Attachment Procedure:

The Oil Conservation Division **Must be notified**
24 hours prior to the beginning of plugging operations

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 Charles L. Mann TITLE Production Supt. DATE 7-14-10
Type or print name Charles L. Mann E-mail address: (575) 395-3056
Telephone No. 395-3056

(This space for State use)

APPROVED BY [Signature] TITLE STAFF MGR DATE 7-15-10
Conditions of approval, if any:

El Paso Smith No. 1
Yates (J.R.M.A.)
KB 10' (3243')
Present

85/8" CS @ 416'
Lumped 300 SKS cont & circ w/ 85 SKS

7/8" CS @ 275' w/ 275 SKS & circ. 35 SKS

Cont @ 2951' - 3095' (15 holes)

FATD @ 3175'

TO @ 3200'

El Paso Smith No. 1

60 cm tubes (3" x 1/2")
40 ft. long KB 10' (3043')
Plugged

25 SKS cm across 5000'

85/8" CS @ 416'
Pumped 300 SKS cm & circ. w/ 25 SKS

25 SKS cm across TR 2 1240 ✓

CS cm 12 w/ 275 SKS & circ. 35 SKS ✓

25 SKS cm across BS @ 2675'

Circle @ 2951' - 3083' (15 notes)

PS-C @ 3182

TC @ 3700

LANEXCO INC.

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EL PASO SMITH #1

UNIT N, S 21, T 24S, R 37E

LEA COUNTY, NM

PLUGGING PROCEDURE

1. Move in and rig up equipment.
2. Pull out of hole and lay down production equipment.
3. Pick up work string and tag PBTD @ 3132'.
4. Spot 25 sacks cement plug @ 3000'. Pull out of hole. WOC and tag. Circulate 10# mud.
5. Spot 25 sacks cement plug @ 2625'. Pull out of hole. WOC and tag.
6. Spot 25 sacks cement plug @ 1290'. WOC.
7. Spot 25 sacks cement plug @ 466'. WOC and tag.
8. Spot cement 60' to surface.
9. Rig down pulling unit. Cut off well head and anchors. Install dry hole marker.

Will start work within 90 days depending on Mayo Marrs Casing Pullers, Inc. schedule.

ENERGY FOR TODAY