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NOV 18 2010

HOBBSOCD

Form C-103  
March 18, 2009

Submit One Copy 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., 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

WELL API NO. 30-025-01005 /
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 26540
7. Lease Name or Unit Agreement Name Kelsay /
8. Well Number 1 /
9. OGRID Number 247692 /
10. Pool name or Wildcat Bagley Permo Penn North

<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>1. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other /</p>	
<p>2. Name of Operator Jay Management Company LLC /</p>	
<p>3. Address of Operator 2425 West Loop South, Ste 810 Houston, TX 77027</p>	
<p>4. Well Location Unit Letter _____ M _____ : _____ 660 _____ feet from the _____ South _____ line and _____ 660 _____ feet from the _____ West line Section _____ 28 _____ Township 11S Range 33E NMPM Lea County</p>	
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4942' KB</p>	

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

<p><b>NOTICE OF INTENTION TO:</b></p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p><b>SUBSEQUENT REPORT OF:</b></p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p><input checked="" type="checkbox"/> Location is ready for OCD inspection after P&amp;A</p>
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- ☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
- ☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
- ☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

**OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.**

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
- ☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- ☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
- ☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- ☒ All other environmental concerns have been addressed as per OCD rules.
- ☒ Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Salina Grisham TITLE Engineering Tech DATE: 11/17/10

TYPE OR PRINT NAME Salina Grisham E-MAIL: sgrisham@isramco-jay.com PHONE: 713-621-6785

For State Use Only

APPROVED BY: Mary Brown TITLE Compliance Officer DATE 11/30/2010

Conditions of Approval (if any):