

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

RECEIVED
JAN 12 2011
HOBBSDO

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

WELL API NO. 30-025-10687
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 301940
7. Lease Name or Unit Agreement Name SKELLY PENROSE B UNIT
8. Well Number 054
9. OGRID Number 012444
10. Pool name or Wildcat LANGLIE MATTIX (37240)

<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: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other TA'D Injection</p>	
<p>2. Name of Operator PROVIDENCE ENERGY SERVICES, INC. dba KELTON OPERATING</p>	
<p>3. Address of Operator P.O. BOX 928, ANDREWS, TEXAS 79714-0928</p>	
<p>4. Well Location Unit Letter <u>L</u> : 1980 feet from the <u>SOUTH</u> line and <u>660</u> feet from the <u>WEST</u> line Section <u>9</u> Township <u>23S</u> Range <u>37E</u> NMPM LEA County</p>	
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.)</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 COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Mechanical Integrity Test - TA Status ☒

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Run Mechanical Integrity Test to extend T.A status of well.

6 mo. Only

Condition of Approval: Notify OCD Hobbs office 24 hours prior of running MIT Test & Chart

Spud Date:

Rig Release Date:

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

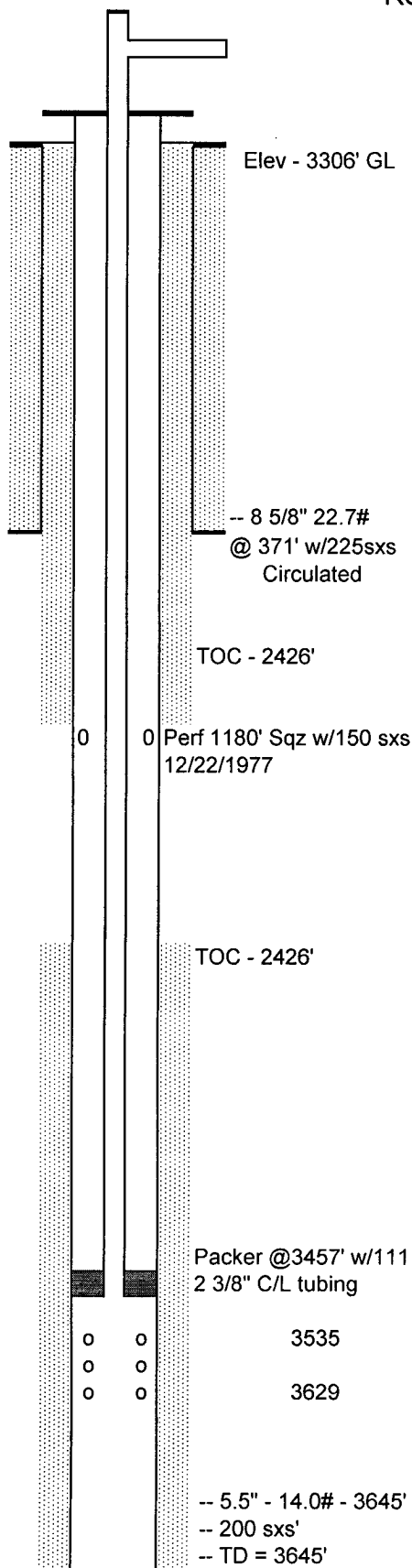
SIGNATURE C. Dale Kelton TITLE PRESIDENT DATE January 3, 2011

Type or print name C. Dale Kelton E-mail address: providenceenergy@suddenlink.net PHONE: 432-661-1364

For State Use Only

APPROVED BY: [Signature] TITLE STATE MGR DATE 1-26-2011
Conditions of Approval (if any):

Kelton Operating Corporation - WELL DIAGRAM



WELL INFORMATION

WELL NAME: Skelly Penrose B Unit # 54
LEGAL LOCATION : 9-23S-37E LEA, NM

WELL HEAD TYPE: _____
WELL HEAD SIZE: _____
CASING SIZE: _____

Drilled December 1957

COMMENTS

TEMPORARILY ABANDONED INJECTOR 04/23/1997
LAST MIT TEST 10-29-2009 540# > 540#
Converted to injector 2/5/1993
Last prod. 1 BOPD 08/1968