

Submit 3 Copies  
to Appropriate  
District Office

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
310 Old Santa Fe Trail, Room 206  
Santa Fe, New Mexico 87503

Form C-103  
Revised 1-1-89

MAILED 12-28-96

|                                                                                                     |
|-----------------------------------------------------------------------------------------------------|
| WELL API NO.<br><b>30-025-23431</b>                                                                 |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.<br><b>B-9949</b>                                                       |
| 7. Lease Name or Unit Agreement Name<br><b>STATE C</b>                                              |
| 8. Well No.<br><b>2</b>                                                                             |
| 9. Pool name or Wildcat<br><b>BAGLEY PENN PENN NORTH</b>                                            |

|                                                                                                                                                                                                                        |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| SUNDRY NOTICES AND REPORTS ON WELLS<br>(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:<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>                                                                                      |  |
| 2. Name of Operator<br><b>LAYTON ENTERPRISES, INC.</b>                                                                                                                                                                 |  |
| 3. Address of Operator<br><b>3103 79<sup>TH</sup> ST LUBBOCK, TX. 79423</b>                                                                                                                                            |  |
| 4. Well Location<br>Unit Letter <b>H</b> : <b>1980</b> Feet From The <b>NORTH</b> Line and <b>660</b> Feet From The <b>EAST</b> Line<br>Section <b>4</b> Township <b>12 S</b> Range <b>33 E</b> NMPM <b>LEA</b> County |  |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.)<br><b>4244 GL</b>                                                                                                                                                   |  |

|                                                                               |                                                     |
|-------------------------------------------------------------------------------|-----------------------------------------------------|
| 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data |                                                     |
| NOTICE OF INTENTION TO:                                                       | SUBSEQUENT REPORT OF:                               |
| PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>                     | REMEDIAL WORK <input type="checkbox"/>              |
| TEMPORARILY ABANDON <input type="checkbox"/>                                  | ALTERING CASING <input type="checkbox"/>            |
| PULL OR ALTER CASING <input type="checkbox"/>                                 | COMMENCE DRILLING OPNS. <input type="checkbox"/>    |
| OTHER: <b>RESTORE OIL PRODUCTION</b> <input checked="" type="checkbox"/>      | PLUG AND ABANDONMENT <input type="checkbox"/>       |
|                                                                               | CASING TEST AND CEMENT JOB <input type="checkbox"/> |
|                                                                               | OTHER: <input type="checkbox"/>                     |

12. 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.

PUMPING OPERATION DISCONTINUED BY PREVIOUS OPERATOR IN MARCH 1992 DUE TO TUBING FAILURE - JUNK TUBING AND ANCHOR ETC. LEFT IN WELL - WELL HAS PRODUCED ONLY GAS SINCE THAT TIME. INTEND TO RE-ENTER WELL - FISH JUNK, CLEAN WELL OUT - TEST CASING, PERFORATE & TREAT ADDITIONAL ZONE(S) IN PENN FORMATION, EQUIP WELL W/ ROD PUMPING EQUIPMENT AND PLACE WELL ON PRODUCTION.

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

SIGNATURE **Donald R. Layton** TITLE **PRESIDENT** DATE **12-4-96**  
TYPE OR PRINT NAME **DONALD R. LAYTON** TELEPHONE NO. **806/745-4638**

(This space for State Use)

APPROVED BY **ORIGINAL SIGNED BY JERRY SEXTON** TITLE                      DATE **APR 17 1997**  
CONDITIONS OF APPROVAL, IF ANY: