

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

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

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| WELL API NO. 30-025-28777 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. LC 3343 |
| 7. Lease Name or Unit Agreement Name Aaron State |
| 8. Well No. 1 |
| 9. Pool name or Wildcat Townsend Perm Upper Penn |

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| 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 checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | |
| 2. Name of Operator Integrity Oil & Gas, Inc. | |
| 3. Address of Operator P.O. Box 10253 Midland, Texas 79702 | |
| 4. Well Location Unit Letter J : 1980 Feet From The South Line and 1980 Feet From The East Line Section 35 Township 15S Range 35E NMPM Lea County | |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3951 GL 3967 KB | |

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| 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data | |
| NOTICE OF INTENTION TO: | SUBSEQUENT REPORT OF: |
| PERFORM REMEDIAL WORK <input 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: <input 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.

1. MIRU PU. Kill well. Pull production equipment.
2. Run 2 7/8" tbq and spot cement plug 10,700'-600' (100') above Wolfcamp perms. Tag plug. Spot cement plug 8250'-150' (100'). Pull tbq.
3. Rig up wireline truck. Cut off 5 1/2" csg @ 4700'. Pull and lay down.
4. Run tbq. and spot cement plugs 4750'-650' (100'), 1950'-850' (100'), 480'-380' (100') and 10 sx plug at surface.
5. Cut off 8 5/8" and 13 3/8" csg. Weld on steel plate & N.M. State marker.
6. Restore location

Note: All cement plugs 25 sx class C. Est. starting date: 11/15/99.
OR 100' - whichever is greater

THE COMMISSION MUST BE NOTICED 24 HOURS PRIOR TO THE STARTING OF PLUGGING OPERATIONS FOR THE CASE TO BE APPROVED.

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

SIGNATURE George R. Jones TITLE President DATE January 7, 1999

TYPE OR PRINT NAME George R. Jones TELEPHONE NO. 915-683-1867

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: