Energy Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

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

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

| L CONSERVATION DIVISION 310 Old Santa Fe Trail, Room 206 | WELL API NO. 30-025-07947              |  |  |  |  |
|--|--|--|--|--|--|
| Santa Fe, New Mexi∞ 87503                                | 5. Indicate Type of Lease STATE FEE XX |  |  |  |  |

| DISTRICT III 1000 Rio Brazos Rd., Azzec, NM 87410   | 6. State Oil & Gas Lease No.                      |  |  |  |  |  |
|---|---|--|--|--|--|--|
| 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.) | 7. Lease Name or Unit Agreement Name  LANEY REESE |  |  |  |  |  |
| 1. Type of Well: OIL GAS WELL X WELL OTHER  |   |  |  |  |  |  |
| 2. Name of Operator FOSSIL FUELS INC.   | 8. Well No.                                       |  |  |  |  |  |
| 3. Address of Operator SUITE 860 LB 52, 2121 SAN JACINTO STREET, DALLAS, TX.75201   | 9. Pool name or Wildcat HOBBS SAN ANDRES, EAST    |  |  |  |  |  |
| 4. Well Location  Unit Letter I: 1980' Feet From The SOUTH Line and 660'  |   |  |  |  |  |  |
| Section 30 Township 18S Range 39E NMPM LEA County  10. Elevation (Show whether DF, RKB, RT, GR, etc.)  3618 DF.   |   |  |  |  |  |  |
| Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data  NOTICE OF INTENTION TO:  SUBSEQUENT REPORT OF:   |   |  |  |  |  |  |
| PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK  | REMEDIAL WORK ALTERING CASING                     |  |  |  |  |  |
| TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING  | COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT      |  |  |  |  |  |
| PULL OR ALTER CASING CASING TEST AND CE   | CASING TEST AND CEMENT JOB                        |  |  |  |  |  |
| OTHER: Deepen well in San Andres  |   |  |  |  |  |  |
| <ol> <li>Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, incl.<br/>work) SEE RULE 1103.</li> </ol>  | uding estimated date of starting any proposed     |  |  |  |  |  |
| l. Move in equipment and rig up.  |   |  |  |  |  |  |

- 2. Pull rods, pump and tubing.
- 3. Pick up 4 3/4" bit with drill collars and go in hole.
- 4. Clean out to 4463' and drill to 4700'±.
- 5. If deemed necessary for a good completion run a flush joint liner cement and perforate over pay interval in the San Andres formation and complete as an oil well.

|                                 | )  |             |               | <del></del> |          | _ |
|---------------------------------|--|-------------|---------------|-------------|----------|---|
| I hereby certify that the infor | mation above is true and complete to the best of my knowledge at | id belief.  |               |             |          |   |
| SIGNATURE                       | 20/ Joneta   | Agent Agent |               | DATE _      | 11/17/98 | _ |
| SIGNATURE                       |  |             |               |             |          |   |
| TYPE OR PRINT NAME              |  |             | TELEPHONE NO. |             |          | = |
| (Thus space for State Use)      | ORIGINAL REPORTS AND THE PROPERTY.                               |             |               |             |          |   |
| , ,                             | William Commence   |             |               |             |          |   |
| APPROVED BY                     | ·  | TITLE       |               | DATE -      |          | _ |

CONDITIONS OF APPROVAL, IF ANY: