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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

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| 5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> |
| 5. State Oil & Gas Lease No. E 754 |
| 7. Unit Agreement Name NA |
| 8. Farm or Lease Name Cities Service State |
| 9. Well No. 1 2 <input checked="" type="checkbox"/> |
| 10. Field and Pool, or Wildcat North Vacuum Abo |
| 12. County Lea |

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 - 1" (FORM C-101) FOR SUCH PROPOSALS.)

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|---|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> |
| 2. Name of Operator Sage Energy Company |
| 3. Address of Operator P. O. Drawer 3068, Midland, Texas 79702 |
| 4. Location of Well UNIT LETTER <u>P</u> <u>460</u> FEET FROM THE <u>South</u> LINE AND <u>1980</u> FEET FROM THE <u>East</u> LINE, SECTION <u>2</u> TOWNSHIP <u>17S</u> RANGE <u>34E</u> N.M.P.M. |
| 15. Elevation (Show whether DF, RT, GR, etc.) 4048.3 GL |

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO:

| | |
|--|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | OTHER <u>Re-drill around parted casing</u> <input checked="" type="checkbox"/> |

SUBSEQUENT REPORT OF:

| | |
|---|---|
| REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| CASING TEST AND CEMENT JOB <input type="checkbox"/> | OTHER <input type="checkbox"/> |

17. 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.

The casing in the original well (Cities State #2) parted and collapsed at 4710'. It is our intent to whipstock at 1940' and drill a new well to a bottom hole location of 300' to the east

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

| | | |
|--|-------------------------------|---------------------------|
| SIGNED <u>Jerry Sexton</u> | TITLE <u>Production Clerk</u> | DATE <u>Jan. 24, 1985</u> |
| ORIGINAL SIGNED BY JERRY SEXTON DISTRICT I SUPERVISOR | | |
| APPROVED BY <u>[Signature]</u> | TITLE <u></u> | DATE <u>FEB - 4 1985</u> |
| CONDITIONS OF APPROVAL, IF ANY: | | |

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FEB -1 1985

O.C.D.
HOSB OFFICE