

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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| WELL API NO. 30-025-06925 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name PRUITT |
| 8. Well No. 2 |
| 9. Pool name or Wildcat EUMONT YATES 7 RIVERS QUEEN |

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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 | |
| 2. Name of Operator LANEXCO, INC. | |
| 3. Address of Operator 1105 WEST KANSAS, JAL NM 88252 | |
| 4. Well Location Unit Letter 0 : 660 Feet From The SOUTH Line and 1980 Feet From The EAST Line Section 31 Township 21S Range 37E NMPM LEA County | |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.) | |

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

This well may possibly have a hole in the casing. Our intent is to rig up a pulling unit, pull production equipment, run a packer and bridge plug and determine if there is a hole in the casing. If there is a hole, it will be squeezed with approximately 250 SX or accordingly. Squeeze will be drilled out, pressure tested and cleaned out to present TD of 3586ft. Well to be placed back on production and monitored. This may be a candidate to deepen to Grayburg. AFE's are now being prepared. Work will be performed as soon as the AFE's are approved. This should be within the next 45-60 days and possibly sooner.

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

SIGNATURE Mike Copeland TITLE PRODUCTION SUPT. DATE 8-12-02

TYPE OR PRINT NAME MIKE COPELAND

TELEPHONE NO. 505-395-3056

(This space for State Use)

ORIGINAL SIGNED BY
GARY W. WINK
OG FIELD REPRESENTATIVE #1/STAFF MANAGER

APPROVED BY _____ DATE AUG 15 2002

CONDITIONS OF APPROVAL, IF ANY: