

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

WELL API NO. 30-025-35448
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
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.)

1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	7. Lease Name or Unit Agreement Name Merit II
2. Name of Operator Capataz Operating Inc	8. Well No. 1
3. Address of Operator PO Box 10549, Midland, TX 79702	9. Pool name or Wildcat House, Abo
4. Well Location Unit Letter <u>G</u> : <u>1980</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>East</u> Line Section <u>11</u> Township <u>20S</u> Range <u>38E</u> NMPM Lea County	10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3690 KB

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

MIRU PU 5/4/01. Perforated 7558-60, 7276-79 and stimulated Abo w/ 4000 gals. 20% Nefe and 9000 gals 28% SXE. Recovered load fluids and tested well until 5/18/01. Abo interval tested 30 BOPD X 21 BWPD X 125 MCFD. Set Retrievable Bridge Plug @ 7121' and initiated completion attempt in Drinkard. Will leave RBP above Abo and pump test Drinkard. Expect to request Dowhole Commingle in 45-60 days.

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

SIGNATURE H Scott Davis TITLE Agent DATE 7-10-01

TYPE OR PRINT NAME H Scott Davis TELEPHONE NO. 9156208820

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE JUL 13 2001

CONDITIONS OF APPROVAL, IF ANY:

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 4480, 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

WELL API NO. 30-025-35448
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 Merit II
8. Well No. 1
9. Pool name or Wildcat House, Abo

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 Capataz Operating Inc	
3. Address of Operator PO Box 10549, Midland, TX 79702	
4. Well Location Unit Letter <u>G</u> : <u>1980</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>East</u> Line Section <u>11</u> Township <u>20S</u> Range <u>38E</u> NMPM <u>Lea</u> County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	

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 checked="" type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input checked="" 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.

MIRU & spud 3/28/01. Drilled 12-1/4" hole to 1633'. Ran 1635' 24# 8-5/8" casing and set @ 1633'. Cemented w/ 600 SX Class "C" w/ 4% gel & 2% CaCl2 + 200 SX Class "C" w/ 2% CaCl2. Circ'd out 104 SX. WOC 12 hrs RIH w/ 7-7/8" Bit. Tested csg. Drilled out shoe and Drilled to total Depth of 7720'.

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

SIGNATURE H Scott Davis TITLE AGent DATE 7-10-01

TYPE OR PRINT NAME H Scott Davis TELEPHONE NO. 915-6208820

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

Original of  
Paul Kautz  
Geologist