

District I
1625 N. French Dr., Hobbs, NM 87240

District II
811 South First, Artesia, NM 87210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, NM 87505

Form C-103

Revised March 25, 1999

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| WELL API NO. | 30-025-08274 |
| 5. Indicate Type of Lease <i>Industrial</i> | STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. | |
| 7. Lease Name or Unti Agreement Name | NORTH EL MAR UNIT |
| 8. Well No. | 35 |
| 9. Pool name or Wildcat | EL MAR; DELAWARE |
| 10. Elevation (Show whether DR, RKB, RT, GR, etc.) | |

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 ☐ Gas Well ☐ Other INJECTION

2. Name of Operator
QUAY VALLEY, INC.

3. Address of Operator
P. O. BOX 10280 MIDLAND TX 79702-5026

4. Well Location
Unit Letter N 660 feet from the SOUTH line and 1980 feet from the WEST line
Section 25 Township 26S Range 32E NMPM County LEA

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
3115' DF

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: SEE BELOW ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOBS ☐

OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting and proposed work). SEE RULE 1103. For Multiple Completions: Attach diagram of proposed completion or recompletion.

THIS WELL FAILED THE MECHANICAL INTEGRITY TEST.

IT IS PLANNED TO MOVE IN A PULLING UNIT TO CORRECT THE PROBLEM IN THE WELL BORE.

THIS WORK WILL BEGIN AS SOON AS WE GET APPROVAL.

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

SIGNATURE *Stella Swanson* TITLE PRESIDENT DATE 08/16/2001

Type or print name STELLA SWANSON, CPL Telephone No. (915)687-4220

(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

AUG 30 2001