

Submit 3 Copies To Appropriate District
Office
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

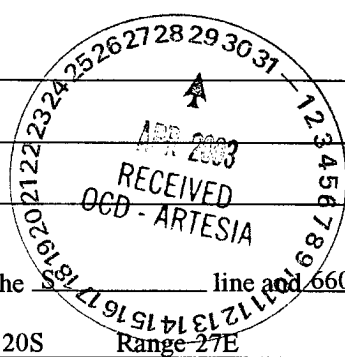
State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

WELL API NO.	30-015-32497
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	K4990
7. Lease Name or Unit Agreement Name	ALLIED
8. Well No.	2
9. Pool name or Wildcat	Avalon Morrow
10. Elevation (Show whether DR, RKB, RT, GR, etc.)	3261' Gr



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 type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other
2. Name of Operator	Saga Petroleum LLC
3. Address of Operator	415 W. Wall, Suite 1900 Midland, TX 79701
4. Well Location	Unit Letter M : 660 feet from the line and 660 feet from the W line Section 22 Township 20S Range 27E NMPM County Eddy

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"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: Perf & Frac <input checked="" type="checkbox"/>

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.

3-6-03 thru 3-15-03 TD 11,051'. Unload, rack & tally production tbg. TIH w/bit, collars & tbg to DV tool (9997') Break circ, test csg to 500 psi-csg holds good. Drl out DV tool, test below DV tool to 500 psi-csg test good. Continue to TIH w/tbg, tag up @ 10,645' (329' high) PU swivel, drl out to 10,680', circ clean. LD swivel. PU off btm. PBTB 10,949'Continue to drl cmt out to FC (10,949'), circ well w/2% KCL wtr w/claystay. LD swivel, TOOH w/tbg, LD DC's & bit, RU Halliburton, Pull GR-CBL-LS sonic log. PBTB (10,949'), Pull Min log & CBL under 1000 psi. TOC @ 3530'. POOH. PBTB 10,949'. PU & RIH w/WL guide, 2.25" F-nipple, 2-7/8" x 6' N-80 sub, 2.31" F-nipple, 2-7/8" x 6' N-80 sub, 2-7/8" x 5-1/2" 10K Arrowset 1-X pkr, w/T2 on/off tool w/2.31" profile nipple. Test tbg to 10K psi below slips, land tbg. Set pkr @ 10647', EOT @ 10661'. Get off pkr, circ 175 bbls pkr fluid. PBTB 10,949'. ND BOP, get on pkr (10,647') NU tree, test csg to 500 psi - hold for 20-mins. RU & RIH w/swab, swab well down to 8000'. Duke continues to lay PL to well
4-4-03 RU Halliburton perf trk, RIH w/2-1/8" perf gun w/millennium deep star HMX charges .35 EHD, 30.7" penetration. Ran strip log - get on depth. Perf w/4 JSPF (48 holes) @ 10,768'-10,780'. POOH w/perf guns. RD perf trk. Well began unloading. Let well clean up to test tank. Turned well to test separator. Op well on 18/64" choke, flw'g ARO 940 MCF w/FTP 480 psi. Op ck to 20/64" after 4-hrs. This AM flw'g ARO 1.16 MMCF w FTP 330 psi. LP 110 psi, Flow rate & FTP are steady this AM. Duke PL connection & meter run installation complete. Continued on back of form

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

SIGNATURE Bonnie Husband TITLE Production Analyst DATE 04/28/2003

Type or print name Bonnie Husband Telephone No. (432)684-4293

(This space for State use) Jim W. Gunn District Supervisor APR 30 2003
APPROVED BY TITLE DATE

Conditions of approval, if any: