

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

WELL API NO. 32-025-31670

5. Indicate Type of Lease STATE [X] FEE []

6. State Oil & Gas Lease No. V-3427

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.)

7. Lease Name or Unit Agreement Name Comanche 17 State

1. Type of Well: OIL WELL [X] GAS WELL [] OTHER []

8. Well No. 2

2. Name of Operator Mitchell Energy Corporation

9. Pool name or Wildcat North Legg (Delaware)

3. Address of Operator PO Box 4000; The Woodlands, TX 77387-4000

4. Well Location Unit Letter M H : 660 Feet From The East Line and 1980 Feet From The North Line Section 17 Township 21S Range 33E NMPM Lea 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: PERFORM REMEDIAL WORK [], TEMPORARILY ABANDON [], PULL OR ALTER CASING [], OTHER []. SUBSEQUENT REPORT OF: REMEDIAL WORK [], COMMENCE DRILLING OPNS. [], CASING TEST AND CEMENT JOB [], OTHER [].

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. 1-6-98 Set CIBP in 5 1/2" csg @ 8600'. 1-7-98 Circ well w/mud-laiden fluid. Spot 25 sks cmt @ 8600'-8348'. Spot 25 sks cmt @ 5600'-5348'. WOC. 1-8-98 Tag @ 5415'. Cut 5 1/2" @ 2923'. 1-9-98 LD csg. Spot 150 sks cmt @ 3755'-2640'. WOC. 1-12-98 Tag @ 2850'. Spot 180 sks cmt @ 2850'-2160'. WOC. 1-13-98 Tag @ 2207'. Spot 150 sks @ 2207'. WOC. Tag @ 1645'. Spot 35 sks @ 533'. 1-14-98 Tag @ 390'. Spot 10 sks surface plug. Cut off wellhead. Install dry hole marker.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE [Signature] TITLE Sr. Engineering Technician DATE 1-23-98 TYPE OR PRINT NAME Mark E. Fraser TELEPHONE NO. 713/377-6185

(This space for State Use) APPROVED BY [Signature] TITLE OIL & GAS INSPECTOR DATE NOV 2 1998 CONDITIONS OF APPROVAL, IF ANY

JC CW

[Handwritten initials]

