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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

WELL API NO.	30 025 34308
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	B 2656
7. Lease Name or Unit Agreement Name	State A - 3
8. Well No.	4
9. Pool name or Wildcat	Skaggs Drinkard

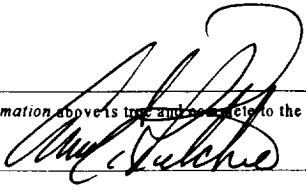
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> OTHER	
2. Name of Operator Conoco Inc.	
3. Address of Operator 10 Desta Dr. Ste 100W, Midland, Tx., 79705-4500	
4. Well Location Unit Letter J 2310 Feet From The South Line and 2310 Feet From The East Line Section 3 Township 20S Range 37E NMPM Lea County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3559'	

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 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.)

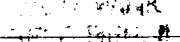
5-4-98: Ran 7148' of 5 1/2", 17#, K-55 casing, cemented with lead slurry of 200 sx, CI C w/16% gel + .4% D-32 + .2% SM, tailed with 350 sx CI C w/ 1.1% FL-62 + 1% BA-58 bonding + .3% CD-32 + .2% SM + 3% salt. Stage 2: lead slurry of 420 sx CI C w/16% gel + .4% CD-32 + .2% SM, tailed with 426 sx CI C w/1.1% FL-62 + 1.0 BA-58 bonding + .3% CD-32 + .2% SM + 5% salt, stage collar depth @ 4010', circulated out 100 sx from above DV on 1st stage, closed DV tool sleeve w/3000 psi, circulated 63 sx to pit. Set slips, cut-off, rig released 7:00 am 5-4-98.

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

SIGNATURE  TITLE Regulatory Agent DATE 5-12-98

TYPE OR PRINT NAME Ann E. Ritchie TELEPHONE NO. 915 684-6381

(this space for State Use)

APPROVED BY  DATE 5-19-1998

CONDITIONS OF APPROVAL, IF ANY: