

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.
30-025-34734

5. Indicate Type of Lease
STATE FEE

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.)

7. Lease Name or Unit Agreement Name
Picayune

8. Well No.
1

9. Pool name or Wildcat

1. Type of Well:
OIL WELL GAS WELL OTHER

2. Name of Operator
Capataz Operating, Inc

3. Address of Operator
PO Box 10549, Midland, TX 79702

4. Well Location

Unit Letter J : 1980 Feet From The South Line and 1980 Feet From The East Line

Section 11 Township 20S Range 38E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3575 GR

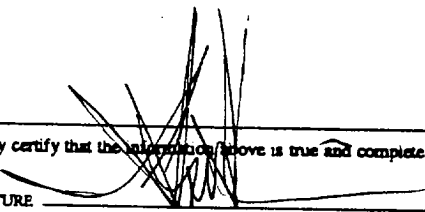
11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

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"/>
WELL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
HER: _____ <input type="checkbox"/>		OTHER: <u>Spud & Surface & Prod Casing</u> <input checked="" type="checkbox"/>	

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 1800 hrs 11/14/99. Drill 12-1/4" hole to 1630'. Run 1630'.
24# 8-5/8" and cement w/ 975 sx "C". Circulated to Surface. WOC 18 hrs. Drill
out Shoe Jt. w/ 7-7/8" Bit. Drill to total depth of 7805'. Ran 193 jts 17# 5-1/2" csg.
to 7804' and cemented w/ 1014 sx 35/65 POZ "C" and 410 sx 50/50 Poz "C". RDMO 12/2/99.

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

SIGNATURE  TITLE Agent DATE 12-8-99

TYPE OR PRINT NAME H Scott Davis 915-620-8820 TELEPHONE NO.

This space for State Use

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: