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U.S.G.S.		
LAND OFFICE		
OPERATOR		

5a. Indicate Type of Lease  
State  Fee

5. State Oil & Gas Lease No.  
LH-2932

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.)

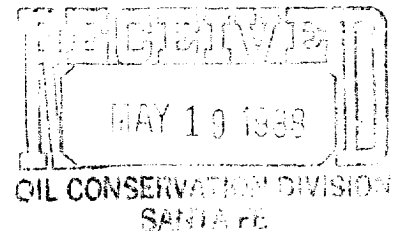
1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- Wildcat	7. Unit Agreement Name NA
2. Name of Operator Esperanza Energy Corp.	8. Farm or Lease Name Logan State
3. Address of Operator 17400 Dallas Pkwy., #210, Dallas, TX 75252	9. Well No. 1
4. Location of Well UNIT LETTER _____ FEET FROM THE West LINE AND 660 FEET FROM THE North LINE, SECTION 16 TOWNSHIP 13N RANGE 34E NMPM.	10. Field and Pool, or Wildcat Wildcat
15. Elevation (Show whether DF, RT, GR, etc.) 3956' GR	12. County Quay

16. 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 checked="" 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"/>	OTHER _____ <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER CHANGED TOTAL DEPTH <input checked="" type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1703.

5/13/88 DRILLED TO 3600' & did not encounter GRANITE BASEMENT.  
DRILLED TO 3600' without finding basement and T.D. well.  
RAM LOGS - CDL-CNL DLL w/ MSFL from 3600 TO 843'.  
5/16/88 RAN 4 1/2" - 10.5# J-SS CASING TO 3600' & cemented  
w/ 210 SKS of 50/50 PORT w/ 10# gilsonite. PBTD 3565'.  
WAITING ON COMPLETION TO START ON 5/23/88



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

SIGNED William Keith York TITLE Engineer DATE 5/16/88

APPROVED BY R. E. Johnson TITLE DISTRICT SUPERVISOR DATE 5-19-88

CONDITIONS OF APPROVAL, IF ANY: