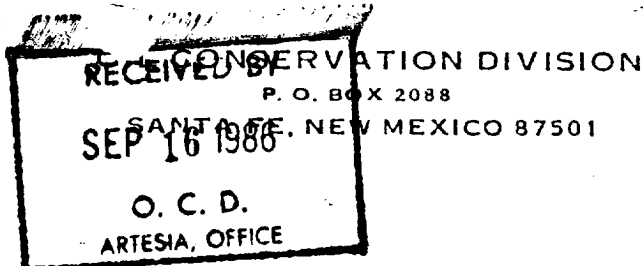


|                        |                                     |
|------------------------|-------------------------------------|
| NO. OF COPIES RECEIVED |                                     |
| DISTRIBUTION           |                                     |
| SANTA FE               | <input checked="" type="checkbox"/> |
| FILE                   | <input checked="" type="checkbox"/> |
| U.S.O.S.               |                                     |
| LAND OFFICE            |                                     |
| OPERATOR               | <input checked="" type="checkbox"/> |



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 <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>  | 7. Unit Agreement Name  |
| 2. Name of Operator<br>BHP PETROLEUM COMPANY INC.   | 8. Farm or Lease Name<br>Lowe State <i>Has Com</i>                      |
| 3. Address of Operator<br>1300 One First City Center 500 West Texas Midland, Texas 79701  | 9. Well No.<br>1  |
| 4. Location of Well<br>UNIT LETTER <u>F</u> , <u>1995</u> FEET FROM THE <u>North</u> LINE AND <u>1712</u> FEET FROM<br>THE <u>West</u> LINE, SECTION <u>36</u> TOWNSHIP <u>21-S</u> RANGE <u>23-E</u> NMPM. | 10. Field and Pool, or Wildcat<br>Indian Basin (Upper<br>Penn & Morrow) |
| 15. Elevation (Show whether DF, RT, GR, etc.)<br>3868' GR   | 12. County<br>Eddy  |

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 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 JOBS <input type="checkbox"/> | OTHER <u>Temporarily Abandon</u> <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.

Existing completion: Morrow perfs - 9296'-9555'; Cisco perfs - 7444'-55'  
8/25/86 to 8/29/86 Swab tested Morrow Formation, produced 100% water, no gas  
9/04/86 to 9/07/86 Pulled short and long 2 1/16" tubing strings and dual packer-. Set 5 1/2" CIBP @ 9195' (above Morrow), dump 40' cement on CIBP. Set RBP @ 7397', pressure tested 5 1/2" casing to 500# for 15 min, found no casing leak. RIH w/280 joints 2 1/16" tubing. Well TA'd.

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

|   |                                     |                         |
|---|-------------------------------------|-------------------------|
| SIGNED <u><i>[Signature]</i></u><br>D. E. Brown                 | TITLE <u>Regional Manager</u>       | DATE <u>9/12/86</u>     |
| APPROVED BY <u>Original Signed By</u><br><u>Les A. Clements</u> | TITLE <u>Supervisor District II</u> | DATE <u>OCT 23 1986</u> |
| CONDITIONS OF APPROVAL, IF ANY:                                 |                                     |                         |