

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. 30-025-03211
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-8183 & E-8184
7. Lease Name or Unit Agreement Name East Pearl Queen Unit
8. Well No. 35
9. Pool name or Wildcat Pearl Queen
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3719' DF

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 type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER Injection
2. Name of Operator Pyramid Energy, Inc.
3. Address of Operator 10101 Reunion Place, Ste. 210 San Antonio, TX 78216
4. Well Location Unit Letter M : 990 Feet From The South Line and 660 Feet From The West Line Section 27 Township 19S Range 35E NMPM Lea County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3719' DF

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: Locate casing and either TA or plug and abandon <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input 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.

The captioned well failed a Casing Integrity Test. To bring the well into compliance the following procedure will be performed:

- 1) Set CIBP at 4550' above existing perfs 4646-4742. Spot 25 sack cement plug on top of CIBP and circulate hole with mud laden fluid.
- 2) Locate casing leak with tubing and packer.
- 3) Contact NMOCD District Office and obtain instructions to TA well. If conditions exist that will not allow well to be TA then it shall be plugged and abandoned in accordance with NMOCD rules and regulations.

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

SIGNATURE Scott Graef TITLE Operations Manager DATE 06/02/94
TYPE OR PRINT NAME Scott Graef TELEPHONE NO. (210) 308-8000

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

JUN 07 1994