

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.
 30-025-00789

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 B-4109

7. Lease Name or Unit Agreement Name:
 Hover State "B"

8. Well No. #1

9. Pool name or Wildcat
 Maljamar B.G.S.A.

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

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 Gas Well Other

2. Name of Operator
 Kersey + Company

3. Address of Operator
 P.O. Box 1248 Fredericksburg Tx. 78624

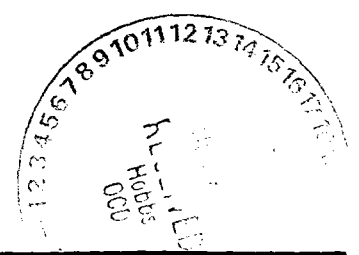
4. Well Location
 Unit Letter A : 660 feet from the N line and 660 feet from the E line
 Section 32 Township 17S Range 32E NMPM Lea County

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" 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"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

Plan to run 2 3/8" Tubing, pump and rods, set pump-jack. Will test well, if production can not be re-established, then will submit plugging procedure and plug well.
 Will start when equipment and well service unit can be obtained, if possible by Dec. 31, 2001.



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

SIGNATURE Kenneth R Wade TITLE manager DATE 12-03-01

Type or print name Kenneth R Wade Telephone No. 830 997-7568

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE 12/5/01

Conditions of approval, if any: OCD
3/26/02