

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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Form C-103
Revised March 25, 1999

WELL API NO. 30-015-25804
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-640
7. Lease Name or Unit Agreement Name: State 2
8. Well No. 2
9. Pool name or Wildcat Shugart Yates 7-Rvrs Qn-GB

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 checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Water Injection Well	
2. Name of Operator Pecos Production Company	8. Well No. 2
3. Address of Operator 400 W. Illinois, Ste 1070, Midland, TX 79701	9. Pool name or Wildcat Shugart Yates 7-Rvrs Qn-GB
4. Well Location Unit Letter <u>X3</u> 400 feet from the North line and 2250 feet from the West line Section 2 Township 19S Range 30E NMPM Eddy County	
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3523.7' GR	

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Temporarily Isolate Queen Perfs & Test 7-Rivers <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

1. TIH with mechanical and set CIBP, set at 3000'. Pressure test casing to 1000 psi.
2. Perforate 7-Rivers pay at 2364'-78' with 1 - .38" SPF (15 holes).
3. Treat perfs with 1000 gals 15% NEFE sour well HCl dropping 30 RCN ball sealers for divert.
4. Swab back load and test. If a reasonable show. Frac perfs as follows:
5. Press annulus to 1000 psi. Frac perfs from 2364'-78' with approx 10,000 gals 25# gel with 20,000# 16-30 sand. Flow back load and test.
6. Return to production.

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

SIGNATURE Dora Bustamante TITLE Engineer Tech DATE 3/25/03

Type or print name Dora Bustamante Telephone No. (915) 620-8480

(This space for State use)

APPROVED BY Jim W. [Signature] TITLE District Supervisor DATE MAR 28 2003

Conditions of approval, if any: