

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 87400
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

Form C-103
Revised May 08, 2003

WELL API NO. 30-015-32438
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 002936
7. Lease Name or Unit Agreement Name Shugart State Com
8. Well Number 2
9. OGRID Number 2936
10. Pool name or Wildcat North Shugart (Morrow)

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 checked="" type="checkbox"/> Other	
2. Name of Operator Brothers Production Company, Inc.	
3. Address of Operator P.O. Box 7515, Midland, Texas 79708	
4. Well Location Unit Letter <u>K</u> : <u>1850</u> feet from the <u>South</u> line and <u>1650</u> feet from the <u>West</u> line Section <u>16</u> Township <u>18-S</u> Range <u>31E</u> NMPM County <u>Eddy</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR - 3659' RKB - 3682'	

12. 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"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: <input type="checkbox"/>

13. 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 recompletion.

- 2-3-03 Kill Well. POH w/pkr and TCP guns. Run TCP guns and pkr. Run corrolation log and set pkr @ 11,662'. Drop bar and perf Lower Morrow 11,744-51 4 JSPF. Well flowing @ 460 MCFD on 8/64" choke @ 1050 psi. Quickly dropped to 126 MCF + 25 BWPD and died.
- 2-27-03 Ran capillary string to inject foam. Now 131 MCF + 36 BW but quickly fell to 45 MCF + 33 BWPD.
- 5-19-03 Pulled capillary string. Cut off guns @ 11,737'. Acidize well w/2000 gal 7.5% HCl 50 quality foam + 40 bulls + 1500 gal isosol 50 quality foam. Flush w/120 bbls CO2. 5 BPM @ 3540 psi. Flow back and run capillary. Start foamer.
- 6-17-03 Now 113 MCFD + 75 BWPD.

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

SIGNATURE Scott McGraw TITLE Operations Manager DATE 6-18-03

Type or print name Scott McGraw
(This space for State use)

Telephone No. 432-682-2516

APPROVED BY Accepted for record TITLE _____ DATE JUN 26 2003
Conditions of approval, if any: