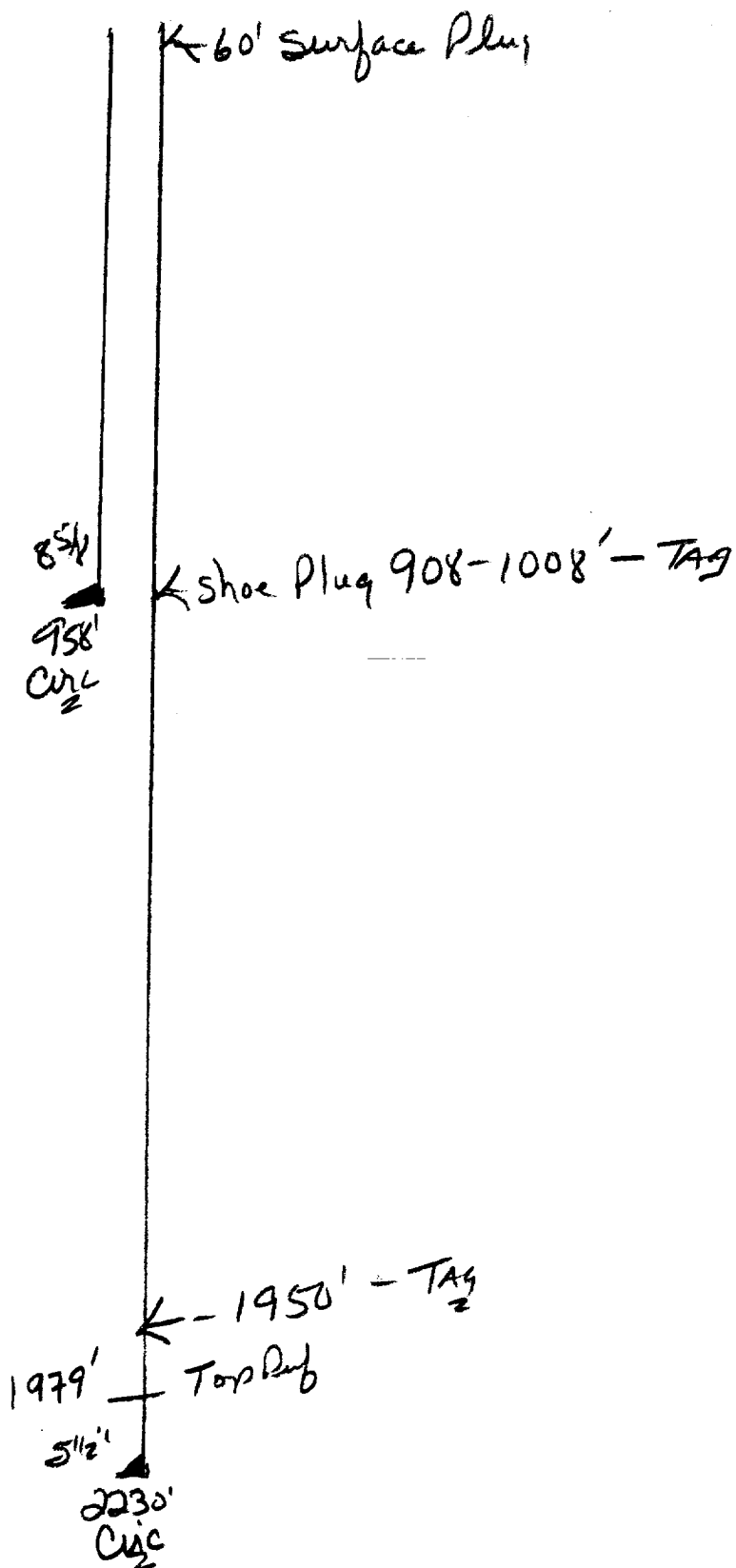


Operator John A. -tes Jr. Oil Oper.
Well State HC #1
Unit L Section 2 Township 17 Range 27
API # 30-015-21998

TOPS

1. Salt _____
B. Salt _____
Yates _____
Glorieta _____
Delaware _____
Bone Sp. _____
Abo _____
Wolfcamp _____
Morrow _____
Devonian _____
Fusselman _____
Other Oman 810
S.A. 1500



- Contact OCD 24 hrs. prior to any work done.
- Salt gel mud consisting of 10# brine with 25# of gel per barrel must be placed between each plug
- Install dry hole marker as per rule 202.B.2
- Plugs are to be set from point indicated up. Plugs must not be less than 100' or 25 Sacks of cement, whichever is greater, unless specifically indicated.
- Shoe and stub plugs will be 50' above and below shoe or stub and tagged.
- Surface plug will be from 0' - 60'
- Where plugs are required cement must be placed inside and outside of all casing string(s), in the correct footage or sacks required, if no cement exists.
- Plugs to be tagged will be indicated.

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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.	30-015-21998
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	K-6593
7. Lease Name or Unit Agreement Name	State HC
8. Well No.	1
9. Pool name or Wildcat	Daugherty Grayburg San Andres

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"/>	
2. Name of Operator John A. Yates, Jr. Oil Operator	
3. Address of Operator 105 South 4th St., Artesia, NM 88210	
4. Well Location Unit Letter <u>L</u> : <u>1980</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>2</u> Township <u>17S</u> Range <u>27E</u> NMPM <u>Eddy</u> County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3430' GR	

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: Attempt to return well to production <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.

Propose to change out old tubing, pump and rods and replace with new tubing, pump and rods. NOTE: If necessary, will fish out old tubing. Will set pump above top perforation of 1979' and pump test perforations 1979-2122' (San Andres) to evaluate.

MAR 1998
RECEIVED
OCD - ARTESIA

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

SIGNATURE Rusty Klein TITLE Operations Technician DATE March 26, 1998
TYPE OR PRINT NAME Rusty Klein TELEPHONE NO. 505/748-1471

(This space for State Use)

SUPERVISOR, DISTRICT II

MAR 30 1998

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: