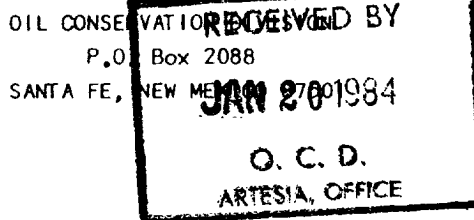


STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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Form C-103  
Revised 10-1-78

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	
E-8560	

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. OIL WELL <input checked="" type="checkbox"/>	GAS WELL <input type="checkbox"/>	OTHER	7. Unit Agreement Name
2. Name of Operator Read & Stevens, Inc.			8. Farm or Lease Name Marathon Mesa
3. Address of Operator P.O. Box 1518, Roswell, NM 88201			9. Well No. 1
4. Location of Well UNIT LETTER <u>O</u> <u>660</u> FEET FROM THE <u>South</u> LINE AND <u>1980</u> FEET FROM THE <u>East</u> LINE. SECTION <u>11</u> TOWNSHIP <u>16S</u> RANGE <u>31E</u> NMPM			10. Field and Pool, or Wildcat Und. Bunker Hill Penrose
5. Elevation(Show whether DF,RT,GR,etc.) 4406.7' GR			12. County Eddy

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 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 checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input type="checkbox"/>

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.

1-17-84 Trip out of hole w/ tubing. Ran 114jts tubing to 3551.0', broke circ. Spot 25sx cmt, 3551'-3451', 100'. Tag plug @ 3451'. Circ hole w/ mud. Pull tubing to 2400', clear tubing. Spot 25sx cmt plug, 2400'-2300'. Pull 3 strands cleared tubing. SD for night.

1-18-84 Casing free @ 1800', cut @ 2000', pulled casing. Trip in hole to 2050'. Spot 35sx cmt. Come out of hole. Lay down tubing.

1-19-84 Tagged plug @ 1968.5'. Lay tubing down, pulled tubing to 1338', pump 35sx cmt plug. Tag @ 1226', cmt plug 1338'-1226'. Lay down tubing, spot 15sx plug @ surf. Install Dryhole Marker. Clean loc. Will notify NOCC when ready for inspection.

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

SIGNED Bruce Hobbs TITLE Drilling & Production Manager DATE 1-19-84

APPROVED BY Bruce Hobbs TITLE Geologist DATE 6-24-85  
CONDITIONS OF APPROVAL, IF ANY:

Post #10-2  
8-31-84  
PFA