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RECEIVED
NEW MEXICO OIL CONSERVATION COMMISSION
OCT 23 1979
O. C. D.
ARTESIA, OFFICE

Form C-103
Supersedes Old C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease: State [X] Fee [ ]
5. State Oil & Gas Lease No.: B-2613

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.)

OIL WELL [X] GAS WELL [ ] OTHER-

7. Unit Agreement Name

2. Name of Operator: Kennedy Oil Co., Inc.

8. Farm or Lease Name: New Mexico "BG" State

3. Address of Operator: Box 151 Artesia, N.M. 88210

9. Well No.: 3

4. Location of Well: UNIT LETTER I, 1650 FEET FROM THE South LINE AND 330 FEET FROM THE East LINE, SECTION 2 TOWNSHIP 17S RANGE 31E NMPM.

10. Field and Pool, or Wildcat: Grayburg Jackson Q-G-SA

15. Elevation (Show whether DF, RT, GR, etc.): 3995 GR

12. County: Eddy

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]		COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [ ]
PULL OR ALTER CASING [ ]	CHANGE PLANS [ ]	CASING TEST AND CEMENT JOB [ ]	
OTHER [ ]		OTHER Fracture treatment	[X]

17. 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.

10/2/79 **Perforations:** 3659-3694
Treated with 1000 gal 15% NE acid, 31,000 gallons gelled water, 20,000 #'s FLA 100, 15,500 #'s 20-40 sand with a salt and ball block.

Perforations: 3569-74
Treated with 500 gal 15% NE acid, 20,000 gallons gelled water, 10,000 #'s FLA 100, and 13,000 #'s 20-40 sand.

10/3/79 **Perforations:** 2994-3000
Treated with 500 gal 15% NE acid, 17,000 gallons gelled water, 8,000 #'s FLA 100, and 11,000 #'s 20-40 sand.

10/4/79 Placed well on pump.

10/20/79 Perforations 2994-3000 has show of gas and water. Will squeeze off with rig availability.

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

SIGNED W. P. Kennedy TITLE President DATE 10/23/79

APPROVED BY W. A. Gressett TITLE SUPERVISOR, DISTRICT II DATE OCT 24 1979

CONDITIONS OF APPROVAL, IF ANY: