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SANTA FE, NEW MEXICO 87501

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JAN 17 1985

O. C. D
ARTESIA OFFICE

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

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. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER-		7. Unit Agreement Name
2. Name of Operator COSTA RESOURCES INC. ✓		8. Farm or Lease Name TWO FORKS STATE
3. Address of Operator 3303 LEE PARKWAY, SUITE 111, DALLAS, TX. 75219		9. Well No. 2
4. Location of Well UNIT LETTER <u>I</u> <u>1600</u> FEET FROM THE <u>SOUTH</u> LINE AND <u>660</u> FEET FROM <u>EAST</u> LINE, SECTION <u>2</u> TOWNSHIP <u>18 S</u> RANGE <u>28 E</u> NMPM.		10. Field and Pool, or Wildcat UND. S. EMPIRE MORROW
15. Elevation (Show whether DF, RT, GR, etc.) 3667 KB		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 <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 type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <u>Completion work</u> <input checked="" type="checkbox"/>

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 1703.

- 12-10-84 Perforated well 1 shot @10,763',64,65,66' . Recovered 37 bbls. Flowed 5' flare. SI.
- 12-11-84 Shut-in 13 hrs. TP= 625 psi. Opened well, stabilization reached after 15 min. Swab, recovered no fluid. Flow 3' flare.
- 12-12-84 Rig up for 2,000 gal. Morrow acid; 25000 ft³ Nitrogen. Flowed back partial load (50%) gas to surface 3' flare. SI.
- 12-13-84 TP = 325 psi. Shut-in for build-up.
- 12-17-84 BHP = 3781 psi.
- 12-19-84 Swabbed well, recovered 10 bbls. Flowed 3' flare.
- 1-15-85 Continuing to test well.

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

SIGNED Steve Hamilton TITLE ENGINEER DATE 1/15/85

APPROVED BY Leslie A. Clements TITLE Supervisor District # DATE JAN 18 1985

CONDITIONS OF APPROVAL, IF ANY: