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.
30-015-21758

5. Indicate Type of Lease
STATE [x]   FEE [ ]

6. State Oil & Gas Lease No.
K06527

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.)

7. Lease Name or Unit Agreement Name

1. Type of Well:
OIL WELL [X]   GAS WELL [ ]   OTHER

Eddy "FV" State

2. Name of Operator
Premier Oil & Gas, Inc.

8. Well No.
1

3. Address of Operator
P.O. Box 1246, Artesia, NM 88210

9. Pool name or Wildcat
Penlon-Bone Spring East

4. Well Location

Unit Letter __H__ : __1980__ Feet From The __North__ Line and __990__ Feet From The __East__ Line

Section 25   Township 20S   Range 27E   NMPM   Eddy County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

11.   Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK [X]   PLUG AND ABANDON [ ]

TEMPORARILY ABANDON [ ]   CHANGE PLANS [ ]

PULL OR ALTER CASING [ ]

OTHER: _____ [ ]

SUBSEQUENT REPORT OF:

REMEDIAL WORK [ ]   ALTERING CASING [ ]

COMMENCE DRILLING OPNS. [ ]   PLUG AND ABANDONMENT [ ]

CASING TEST AND CEMENT JOB [ ]

OTHER: _____ [ ]

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.

Set CIBP @ 6270'; cap w/35' of cement. Pressure test to 2000# psi;
perforate 5820-5880'. Spot acid & acidize w/3000gal 15% NEFE. Frac
if necessary.

RECEIVED

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

SIGNATURE __Rosalie Jones__   TITLE President   DATE 02/13/96

TYPE OR PRINT NAME   Rosalie Jones   TELEPHONE NO. 748-2093

(This space for State Use)

ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

FEB 16 1996

APPROVED BY _____   TITLE _____   DATE _____

CONDITIONS OF APPROVAL, IF ANY: