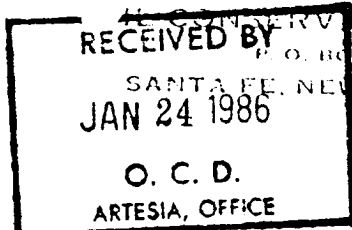


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Form C-103  
Revised 10-1-75

**SUMMARY NOTICES AND REPORTS ON WELLS**

DO NOT USE THIS FORM FOR PROPOSALS TO HILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.  
USE APPLICATION FOR PERMIT TO HILL (FORM C-101) FOR SUCH PROPOSALS.

|                                                                                                                                                                        |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 1. Indicate Type of Lease<br>State <input checked="" type="checkbox"/> For <input type="checkbox"/>                                                                    |  |
| 2. State Oil & Gas Lease No.<br><b>L-1582</b>                                                                                                                          |  |
| 3. Unit Agreement Name                                                                                                                                                 |  |
| 4. Name of Lease Name<br><b>Humble Grace Com</b>                                                                                                                       |  |
| 5. Well No.<br><b>1</b>                                                                                                                                                |  |
| 6. Field and Pool, or Substratum<br><b>So. Carlsbad Morrow</b>                                                                                                         |  |
| 7. Unit Letter <b>P</b> <b>990</b> FEET FROM THE <b>South</b> LINE AND <b>660</b> FEET FROM<br><b>East</b> LINE, SECTION <b>2</b> TOWNSHIP <b>233</b> RANGE <b>26E</b> |  |
| 8. Elevation (Show whether DF, RT, GR, etc.)<br><b>3268 DF</b>                                                                                                         |  |
| 9. County<br><b>Eddy</b>                                                                                                                                               |  |

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"/><br>TEMPORARILY ABANDON <input type="checkbox"/><br>FULL OR ALTER CASING <input type="checkbox"/><br>OTHER <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/><br>CHANGE PLANS <input type="checkbox"/><br>OTHER <input type="checkbox"/> | REMEDIAL WORK <input checked="" type="checkbox"/><br>COMMENCE DRILLING OPNS. <input type="checkbox"/><br>CASING TEST AND CEMENT JOBS <input type="checkbox"/><br>OTHER <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/><br>PLUG AND ABANDONMENT <input type="checkbox"/><br>OTHER <input type="checkbox"/> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|

10. 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.)

1/3/86 Ran in hole w/LH cutter, two collars, two jts wash pipe and 307 jts 2 7/8 tbg. Tag top of fish & made external cut two collars below (9434') Came out of hole w/LH cutter & tbg. No fish inside cutter. Close BOP & Flare

1/4/86 Kill flare open BOP. RIN w/impression block six jts. tbg. on sandline showed top of cut looking up. Ran in hole w/overshot w/tbg grapple, two collars, two jts. wash pipe & 307 jts tbg. tubing. Latched on to fish closed BOP & tbg. Flared over weekend.

1/6/86 Kill flare. Open tbg valve & BOP. Rig up Ry-Co. RIN w/guage ring & collar locator to 11330'. Fluid level 97700'. Run in hole w/collar locator & free point tool. Pipe free & top of PKR 10,467' stuck & bottom pkh 10,472' RIN w/chemical cutter & collar locator. Made cut 110446 w/1 depth (10,398' tbg) shut down. closed tbg & BOP flared overnight

1/7/86 Kill flare, open tbg valve & BOP Layed down tbg. shut down 1200 hrs. Closed tbg & BOP flared overnight.

1/10/86 Kill flare open BOP. RIN w/two collars, & 2 jts. washpipe. Came out layed down washpipe & collars. Rig down unit to put matting board down. Rig up. Ran in hole picking up 2 7/8 workstring 2/3" grapple & overshot. Ran 275 jts. Shut down closed tubing valve & BOP Flared overnight.

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

SIGNED [Signature] TITLE Agent DATE 1/20/86

APPROVED BY [Signature] TITLE OIL AND GAS SUPERVISOR DATE JAN 29 1986

CONDITIONS OF APPROVAL, IF ANY: