

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

WELL API NO. 30-025-36329
5. Indicate Type of Lease STATE [] FEE [X] P
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Lou Wortham
8. Well Number 7
9. OGRID Number 215758
10. Pool name or Wildcat Eunice, SA South / Penrose Skelly-GB
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3365' GR

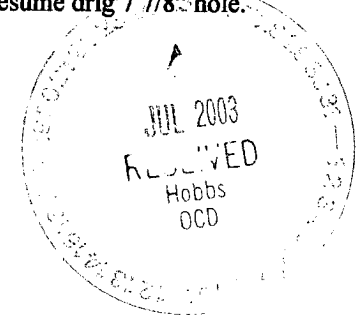
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [X] Gas Well [] Other
2. Name of Operator Pecos Production Company
3. Address of Operator 400 W. Illinois, Suite 1070, Midland, TX 79701
4. Well Location Unit Letter E : 1650' feet from the North line and 990' feet from the West line Section 11 Township 22S Range 37E NMPM Lea County
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPLETION []
OTHER: []

SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT []
CASING TEST AND CEMENT JOB []
OTHER: Spud & Set Surface Casing [X]

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

7/21/03 - MIRU Capstar Drlg Rig #6. Spud 12 1/4" hole at 12:00 pm. Finish drlg 12 1/4" hole @ 1150'. Ran 8 5/8" 24# casing. Set casing @ 1138'. Cement casing w/400 sxs Cl C, 4% gel, 1/4# cello followed by 250 sxs Cl C, 2% CaCl. Circ 110 sxs to pit. WOC 8 hrs. Test casing to 1000 psi - ok. WOC 2 hrs. Drill cmt & plug. Resume drlg 7 7/8" hole.



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

SIGNATURE Dora Bustamante TITLE Engineer Asst. DATE 7/23/03

Type or print name Dora Bustamante E-mail address: dorab@pecosproduction.com Telephone No. 432-620-8480

APPROVED BY Gary W. Wink TITLE OGD FIELD REPRESENTATIVE II/STAFF MANAGER DATE JUL 31 2003

Conditions of approval, if any: