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

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 35-015-00745

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

6. State Oil & Gas Lease No. B9391

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.)

RECEIVED AUG 2003 OCD - ARTESIA

7. Lease Name or Unit Agreement Name: State "H"

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

2. Name of Operator: HS Oil, LLC

8. Well No. #1

3. Address of Operator: P.O. Box 186 Artesia, NM

9. Pool name or Wildcat

4. Well Location
Unit Letter H : 1980 Feet From The North Line and 660 Feet From The East Line

Section 2 Township 18S Range 27E NMPM Eddy County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3592 GR

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

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

Estimated Starting Date: September 8, 2003

Set CIBP @ 5470
Perforate 5375-5380 & 5386-5401 w/2 spf
Acidized New Perfs w/3000 gal. NeFe Acid

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

SIGNATURE Herbert R. Spencer TITLE Managing Member/Operator DATE 8/20/2003

TYPE OR PRINT NAME HERBERT R. SPENCER TELEPHONE NO. 505-746-6658

(This space for State Use)

APPROVED BY [signature] TITLE SUPERVISOR, DISTRICT II DATE AUG 24 2003

CONDITIONS OF APPROVAL, IF ANY: Open To use BOP control device