

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. 30-005-00230
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-8638
7. Lease Name or Unit Agreement Name State A
8. Well No. 1
9. Pool name or Wildcat Acme (San Anders)

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 <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	
2. Name of Operator N. Dale Nichols	
3. Address of Operator P.O. Box 1972 Midland, TX 79702	
4. Well Location Unit Letter <u>B</u> : <u>660</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>East</u> Line Section <u>7</u> Township <u>8S</u> Range <u>27E</u> NMPM <u>Chaves</u> County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4038 GL	

11. 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"/>	REMEDIAL WORK <input checked="" type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

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.

See Attached

RECEIVED
OCD - ARTESIA

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

SIGNATURE N. Dale Nichols TITLE Operator DATE 4-23-98
TYPE OR PRINT NAME N. Dale Nichols TELEPHONE NO. 915 682-5621

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY TIM W. GUM TITLE DISTRICT II SUPERVISOR DATE 4-30-98

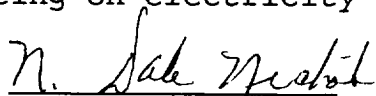
CONDITIONS OF APPROVAL, IF ANY:

Made part of the C-103 filed April 23, 1998 for the
N. Dale Nichols # 1 State "A":
Section 7, T8S, R27E, Chaves County, N.M.

12. Describe Completed Operations

- 1). RU pulling unit. Ran 4" bailer on sand line. Hit fish at 620' with FL at 385'.
- 2). Ran Impression block. Tubing collar looking up? Fished with tubing pin, no recovery.
- 3). Redressed block, ran same and showed 2 3/8" regular tubing collar looking up not 2 3/8" EUE collar looking up. Fished with regular tubing pin, no recovery.
- 4). Ran overshot with 2 7/8" grapple. Caught fish, stuck. Jarred with 35,000 pounds and jarred loose. Pulled and recovered 57 joints (1261') regular tubing. Tubing body looking up. Top fish 1834'.
- 5). Ran overshot, caught fish and pulled loose. recovered 3 joints regular tubing. Top fish 1897'.
- 6). Ran wash pipe (114'). Moved in reverse unit and and washed over fish to 1985' and could go no further. Pulled wash pipe and recovered 84' of fish, tubing and pump barrel. Lots of gyp scale.
- 7). Ran 4 3/4" bit and drilled and washed to original T.D. of 1991'. Recovered lots scale.
- 8). Ran 5 1/2" tension packer and set at 1943'. Acidized OH 1965'-1991' with 1500 gallons of 28% HCL. No break, average rate 1 BPM average pressure 1000 psi. Displaced with 8 barrels treated water. ISIP 985 psi, 5 min. SIP 965 psi, 10 min. SIP 960 psi, 15 min. SIP 960 psi.
- 9). Swabbed and flowed load with good show oil. Unseated packer and swabbed water from casing-tubing annulus.
- 10). Ran 63 joints tubing (1943') with seating nipple and 14' perforated mud anchor. Ran 10' bottom hole pump on 5/8" rods, and spaced out pump. Set American pumping unit.
- 11). Waiting on electricity and building tank battery.

Signature


N. Dale Nichols