

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 811 South First, 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

199

Form C-103
 Revised March 25, 1999

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

WELL API NO. 30-005-62081
5. Indicate Type of Lease STATE <input type="checkbox"/> N/AFEE <input type="checkbox"/> N/A
6. State Oil & Gas Lease No. N/A
7. Lease Name or Unit Agreement Name: FEDERAL LEASE #RNM130 Lura Federal
8. Well No. 1
9. Pool name or Wildcat Sams Ranch Grayburg

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 Gas Well Other

2. Name of Operator
 Herman V. Wallis

3. Address of Operator
 Post Office Box 291858, Kerrville, Texas 78029-1858

4. Well Location
 Unit letter M : 660 feet from the South line and 820 feet from the West line
 Section 10 Township 14S Range 28E NMPM County Chaves

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3572 GR

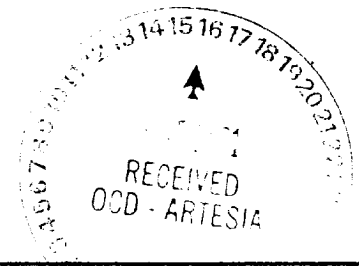
11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input checked="" type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation. All remedial work to be accomplished at a later date.

Shut-in as low volume high pressure producer. Will plug back to just under surface pipe. Will directional drill for completion in NESW Section 10-T14S-R28E. Will Horizontal complete in Sams Ranch Grayburg Gas.

Federal Well



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

SIGNATURE Herman V. Wallis TITLE Operator DATE 10/01/01

Type or print name Herman V. Wallis Telephone No. 830 257-7532
 (This space for State use)

APPROVED BY _____ TITLE _____ DATE _____
 Conditions of approval, if any: