Submit 3 Copies to Appropriate District Office

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 005
30-~~015~~-62965

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

6. State Oil & Gas Lease No.
VB-0402

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.)

7. Lease Name or Unit Agreement Name
KELLS STATE

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

2. Name of Operator
ELK OIL COMPANY

8. Well No. 2

3. Address of Operator
P.O. BOX 310 ROSWELL, N.M. 88202

9. Pool name or Wildcat
SOUTHEAST ACME SAN ANDRES

4. Well Location
Unit Letter A : 330 Feet From The North Line and 660 Feet From The East Line

Section 14 Township 8 S Range 27 E NMPM CHAVES County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3928' GR

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [XX]
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.

10-30-96 Set CIBP @ 2050' - spot 25 sxs cement on top
11-04-96 SPOT 50 sxs @ 1550'-1390' tagged PULLED 1500' of 5 ½ casing
11-04-96 SPOT 50 sxs @ 486'-395' tagged
11-05-96 SPOT 25 sxs @ 395'-295'
11-05-96 SPOT 10 sxs @ 30'-surface

INSTALL DRY HOLE MARKER
CIR. HOLE WITH 10 # mud

RECEIVED DEC 20 '96
O. C. D.
ARTESIA, OFFICE

Post ID 2
1-3-96
P+A

Location cleaned and ready for inspection.

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

SIGNATURE _____ TITLE *President* DATE *12/19/96*

TYPE OR PRINT NAME *Joseph J. Kelly* TELEPHONE NO. *505/623-3190*

(This space for State Use)

APPROVED BY _____ TITLE *E.I. 2* DATE *1-16-97*

CONDITIONS OF APPROVAL, IF ANY: