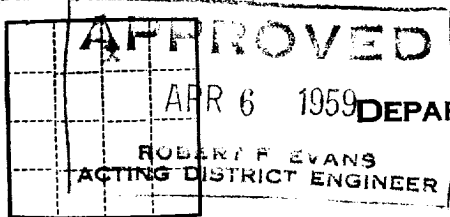


Form 9-331a
(Feb. 1961)

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYLand Office _____
Lease No. NM012896
Unit _____

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL	<input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF WATER SHUT-OFF	
NOTICE OF INTENTION TO CHANGE PLANS		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF		SUBSEQUENT REPORT OF ALTERING CASING	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL		SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE		SUBSEQUENT REPORT OF ABANDONMENT	
NOTICE OF INTENTION TO PULL OR ALTER CASING		SUPPLEMENTARY WELL HISTORY	
NOTICE OF INTENTION TO ABANDON WELL			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

Artesia, N. Mex. April 6, 1959

Aztec Federal
Well No. 2 is located 990 ft. from [N] line and 2310 ft. from [E] line of sec. 15NWNE Sec. 15 17S 28E N.M.P.M.
($\frac{1}{4}$ Sec. and Sec. No.) (Twp.) (Range) (Meridian)Red Lake Eddy New Mexico
(Field) (County or Subdivision) (State or Territory)The elevation of the derrick floor above sea level is 3545 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

We propose to drill a well to test the Grayburg-San Andres formation and not to exceed a depth of 2000 feet.
We propose the following casing program.

10 3/4" set at approx. 120' to shut off surface water.-to be pulled.
8 5/8" set at approx. 400', cemented with 50 sacks.
7" set through Red Sand if needed. To be pulled.
5 1/2" Oil string to be cemented with 100 sacks at approx. 1975'

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company Kinoaid & WatsonAddress Box 536Artesia, New MexicoBy Greg HolmerTitle Agent

NEW MEXICO OIL CONSERVATION COMMISSION
Well Location and Acreage Dedication Plat

Section A.

Date August 30, 1958

Operator Kincaid & Watson Lease Astee-Federal
Well No. 2 Unit Letter B Section 15 Township 17 South Range 28 East NMPM
Located 990 Feet From North Line, 2310 Feet From East Line
County Eddy G. L. Elevation 7550 Dedicated Acreage 40 Acres
Name of Producing Formation Grayburg-San Andres Pool Red Lake

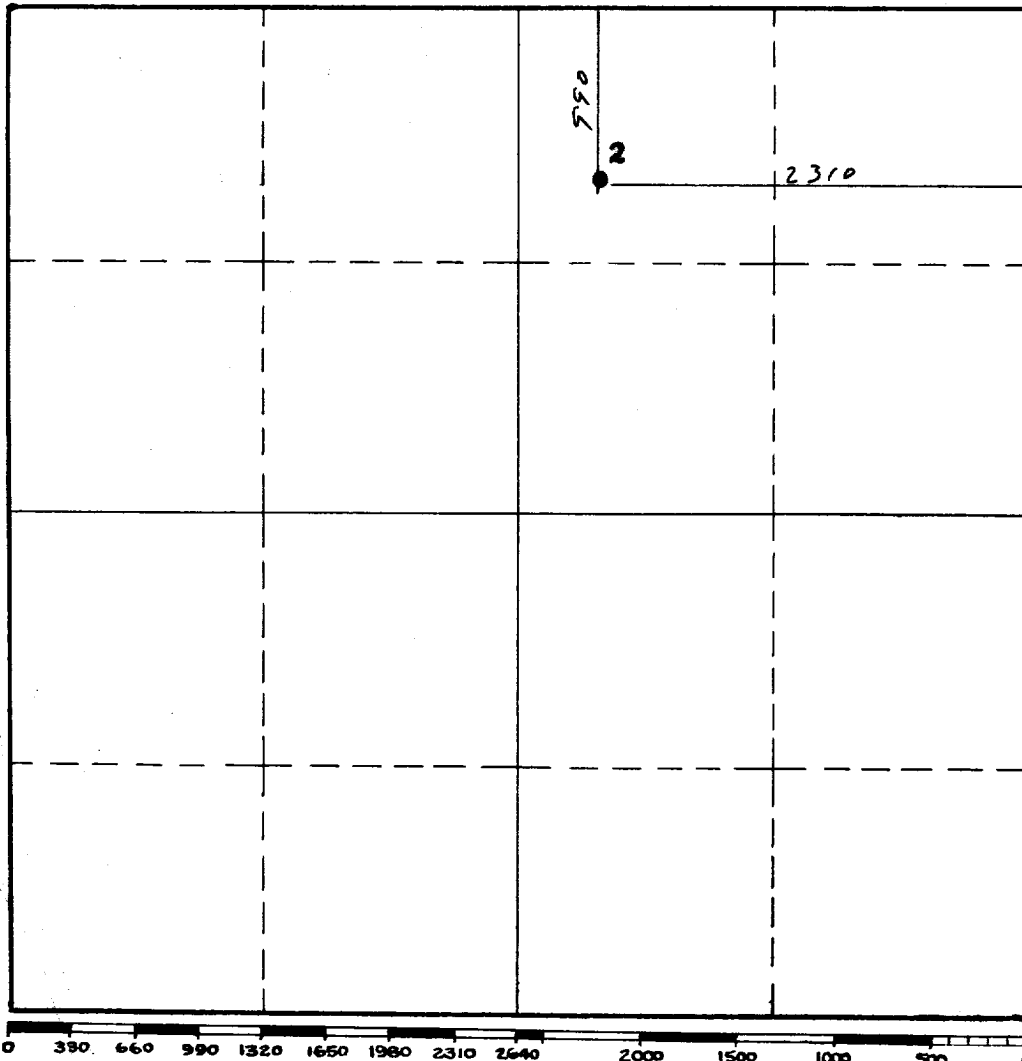
1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes Yes No .
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes No . If answer is "yes," Type of Consolidation
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

_____ RECEIVED
APR 6 1959
REGULAR SURVEY
ARTESIA, NEW MEXICO

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Kincaid & Watson

(Operator)

Gray Holman
(Representative) Agent

Box 536, Artesia, N. Mex.
Address

This is to certify that the well location shown on the plat in Section B was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed 8/30/58

John A. Mathis Jr.
Registered Professional
Engineer and/or Land Surveyor.

Certificate No. 2502

(See instructions for completing this form on the reverse side)