

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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

Form C-103
Revised June 10, 2003

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

WELL API NO.	30-025-22353
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	K4105
7. Lease Name or Unit Agreement Name	STATE L
8. Well Number	1
9. OGRID Number	148967
10. Pool name or Wildcat	LANE ABO

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 Saga Petroleum LLC	
3. Address of Operator 415 W. Wall, Suite 1900 Midland, TX 79701	
4. Well Location Unit Letter <u>K</u> : 1980 feet from the <u>S</u> line and 1980 feet from the <u>W</u> line Section <u>2</u> Township 10S Range 33E NMPM County LEA	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4249.8'	

12. 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 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: MIT for TA Status <input checked="" type="checkbox"/>		OTHER: <input checked="" type="checkbox"/>	

13. 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 recompletion.

Have been attempting to establish mechanical integrity to officially TA this well by the March 26, 2004 required date. As you can see on the chronological report that continues on the back of this form - have been working on the well since March 12, 2004 and cumulative costs to date are in excess of \$45,000. Request extension to continue attempt to establish MIT for TA status.

3-12-04 Attempt to run MIT-TA. Attempt to POOH w/rods, can't due to paraffin, hot wtr csg, POOH, LD all rods, discover pin break on Rod #299, LD 7475' of rods DC:\$2950

3-16-04 NDWH, NUBOP, POOH w/148 jts 2-3/8" tbg, parted, collar looking up, prep to fish

3-17-04 Unload & rack 2-7/8" WS, RU & RIH w/OS, w/3-1/16" grapple, bumper sub, jars & 4 dc's. RU, Phils Testers, hydrotest 2-7/8" WS to 6000 psi above slips, TIH to fish @ 4608', catch fish, PU 10K, lose weight, POOH, rec 1 jt 2-7/8" tbg, SBIH w/same tools

3-18-04 Continue to TIH w/tbg, attempt to catch fish, can't catch collar, POOH, change grapple to fish upset, TIH to fish, catch upset, PU 10K, lose weight, POOH & recover 4 jts 2-3/8" tbg, RIH to top of fish w/same tools

3-19-04 Continue to TIH w/tbg, catch fish, gain 8K wt, SOOH, lose fish w/43 stds out (1/2 way) POOH, ck grapple, RIH & catch fish again, PU & lose fish, recatch & SOOH. Lose again, recatch fish, POOH w/tbg & tools, Rec 36 jts 2-3/8" tbg, total tbg OOH is 5978', LD all 2-3/8" tbg in derrick

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

SIGNATURE: Bonnie Husband TITLE: Production Analyst DATE: 04/05/2004
Type or print name Bonnie Husband E-mail address: bhusband@sagapetroleum.com Telephone No. (432)684-4293
(This space for State use)

APPROVED BY: Gary W. Wink TITLE: FIELD REPRESENTATIVE II / STAFF MANAGER DATE: APR 15 2004
Conditions of approval, if any:

3-20-04 TIH w/full open top bushing OS w/2-19/32" grapple to catch pin looking up, catch pin, PU & RIH w/rods & 1-5/8" OS to fish rods. Catch rods, work to unseat pump for 1-1/2 hrs, lose weight, POOH w/rods, find barrel on OS is split SDFW.

3-23-04 RIH w/OS & rods, catch fish, attempt to unseat pump, work rods 30-mins, lose fish, can't recatch, POOH, spring in OS bad, replace spring, RIH & catch fish, work to unseat pump 2-hrs, lose fish again, can't recatch, POOH, find OS bbl split

3-24-04 RIH w/OS & rods, catch fish, attempt to unseat pump, work rods 3-hrs, can't get pump loose. Backoff rods, have 5 pts, screw back onto rods, tighten rods up, backoff again, have 2 pts, screw back onto rods, return to attempt to unseat pump. Lose fish, POOH w/rods, change over to tbg, release TAC. POOH standing 2-7/8" WS back. Change elevators, slip dies, tong heads & BOP rams to 2-3/8". LD OS & 1st fished jt, continue to POOH, LD 2-3/8" tbg - 49 jts - get to rods, install valve on tbg. SION. Prep to continue to strip out Wed AM 3-24-04

3-25-04 Open BOP, backoff rods & POOH, LD all rods, recover pump valve rod. POOH w//45 jts 2-3/8" junk tbg. SD for rig repairs.

3-26-04 Continue to repair rig, POOH w/remainder of 2-3/8" tbg. RIH w/SN & 2-7/8" N-80 tbg, tag up @ 8968' w/288 jts in hole. RU Stearns, circ 218 bbls 2% KCL wtr w/soap to frac tank. Circ 168 bbls to frac tank. RD Stearns, open well to frac tank, flow back 40 BW in 2-1/2-hrs. SI well. Total fluid rec 208 bbls

3-27-04 SITP vac, RU & RIH w/swab, IFL 900', swab back 64 bbls dirty wtr, FFL 3000' SDFW

3-30-04 SITP 0, RU & RIH w/swab, IFL 1800', swab back 89 bbls dirty wtr, FFL 3650', SION. Rec total 192 bbls.

3-31-04 SITP 0, RU & RIH w/swab, IFL 3000', swab back 68 bbls dirty wtr, FFL 3800', SION. Rec total 260 bbls.

4-01-04 SITP 0, RU & RIH w/swab, IFL 3600', swab back 72 bbls dirty wtr, FFL 4800', SION. Rec total 332 bbls.

4-02-04 SITP 0, RU & RIH w/swab, IFL 4300', swab back 81 bbls dirty wtr, FFL 5300', SION. Rec total 413 bbls.

4-03-04 SITP 0, RU & RIH w/swab, IFL 4800', swab back 85 bbls fluid, 3% oil cut, FFL 8200', Rec total 498 bbls fluid

DC: \$1,816 CC: \$45,439