

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

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

Form C-103
Revised June 10, 2003

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.)		WELL API NO. 30-025-36690
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator L.E. Jones Operating, Inc.		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 1185, Duncan, OK 73534		7. Lease Name or Unit Agreement Name McNeill 32
4. Well Location Unit Letter <u>P</u> : <u>334</u> feet from the <u>South</u> line and <u>669</u> feet from the <u>East</u> line Section <u>32</u> Township <u>19S</u> Range <u>38E</u> NMPM Lea County		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>3590</u> GL		9. OGRID Number 180930
		10. Pool name or Wildcat Nadine; Drinkard/Abo, Blinebry

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Downhole Commingle <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input 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.

Please refer to Order No. R-11363

Plan to MIRU pulling unit. Install BOP. Perforate through 5-1/2" casing the following intervals: Nadine Drinkard-Abo (47510) perfs from 6982-7413' and Nadine Blinebry (47395) perfs from 6032-6130'. TH w/ production equipment and begin producing well as downhole commingled.

Working, royalty and overriding royalty interests are identical in all commingled zones.

Commingling will not reduce value of production.

Well is located on private land.

Attachment: Pool allocation

DHC Order No. HOB-0097

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

SIGNATURE Dan W. Hammond TITLE Production Engineer DATE 09/09/04
Type or print name Dan W. Hammond E-mail address: dhammond@texhoma.net Telephone No. 580-255-1191
(This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE OCT 14 2004
Conditions of approval, if any:

Allocation of Production
L.E. Jones Operating, Inc. - McNeil 32 #1
Allocation by Pool - Nadine Drinkard-Abo & Nadine Blinebry

	Net Porosity Feet	Oil (BOPD)	Gas (MCFD)	Oil Alloc %	Gas Alloc %
Nadine Blinebry (47395)	20	6	6	30%	30%
Nadine Drinkard-Abo (47510)	47	13	14	70%	70%
Total	67	19	20	100%	100%

All allocations based on the ratio of net porosity feet.