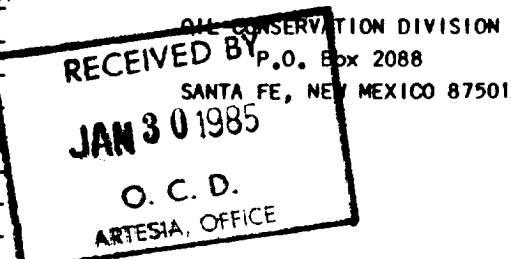


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

Form C-103
Revised 10-1-78

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OPERATOR	



5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	
K-745	

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. OIL WELL <input checked="" type="checkbox"/>	GAS WELL <input type="checkbox"/>	OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Read & Stevens, Inc.			8. Farm or Lease Name SUN "16" STATE
3. Address of Operator P.O. Box 1518, Roswell, NM 88201			9. Well No. 1
4. Location of Well UNIT LETTER <u>L</u> 1980 FEET FROM THE <u>South</u> LINE AND <u>660</u> FEET FROM THE <u>West</u> LINE. SECTION <u>16</u> TOWNSHIP <u>8S</u> RANGE <u>31E</u> NMPM			10. Field and Pool, or Wildcat Siete San Andres
5. Elevation (Show whether DF, RT, GR, etc.) 4220.5' GR			12. County Chaves

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"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER <input type="checkbox"/>		OTHER Acidize <input checked="" type="checkbox"/>	

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.

1-22-85 GIH w/bailer, tag @ 3741', clean out 62' to 3803' @ PBD, pull bailer, GIH w/tbg & RTTS pkr, spot 1 BBL acid @ 3764', pull 2jts, set pkr 3634', acid w/2000 gals 15% Pad acid, max 2200psi, avg 1920psi, avg rate 3.4 BPM, ISIP 1715psi, 5min 1500psi, 10min 1400psi, 15min 1400psi, drop 40 ballsealers, no ball action, 64 BL, prep to swb.

1-23-85 Swbd 68 BL, trip out w/RTTS, trip in w/mud anchor, perf sub, SN, 117jts 2 3/8"-4.7# tbg, 8'KB, total 3794.07', ran rods & pump, hung on pump, started pumping.

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

SIGNED Bruce Stubbins TITLE Drilling and Production Manager DATE 1-29-85

APPROVED BY ORIGINAL SIGNED BY JERRY SEXTON TITLE DISTRICT SUPERVISOR DATE FEB - 5 1985

CONDITIONS OF APPROVAL, IF ANY:

RECEIVED

FEB - 4 1985

O.C.D.
HOBBS OFFICE