

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No. L-4945
7. Unit Agreement Name
8. Farm or Lease Name Saunders 16 State
9. Well No. 1- 1
10. Field and Pool, or Whidcat Saunders Permo Upper Penn
12. County Lea

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-
2. Name of Operator MWJ PRODUCING COMPANY
3. Address of Operator 400 W. Illinois - Suite 1100 Midland, Texas 79701
4. Location of Well UNIT LETTER <u>I</u> , <u>660</u> FEET FROM THE <u>east</u> LINE AND <u>2310</u> FEET FROM THE <u>south</u> LINE, SECTION <u>16</u> TOWNSHIP <u>14 south</u> RANGE <u>33 east</u> NMPM.
15. Elevation (Show whether DF, RT, GR, etc.) 4211.5' GL

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input checked="" type="checkbox"/>	OTHER <input 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"/>

17. 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.

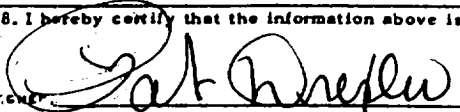
The 5-1/2" production casing has collapsed at approximately 8800'. The packer and bottom hole production assembly are at approximately 9800'. The casing has collapsed on the 2-3/8" tubing and the 1" vent tubing.

PROPOSED PROCEDURE:

1. Pump 100 sx cement thru 2-3/8" tubing below packer and BHA to plug perforations.
2. Pull the 2-3/8" and the 1" tubing strings.
3. Shoot off and pull approximately 6000' of the 5-1/2" casing.
4. Set a cement plug at the 5-1/2" cut-off sufficient to serve as whipstock plug.
5. Whipstock the Saunders 16 State #1 and drill new production hole to a point located 330' FEL and 2310' FSL, Section 16, T-14S, R-33E, with a proposed total depth of 10,040' (old T. D.)
6. Run, set and cement 5-1/2" casing to T. D.

Smith INTERNATIONAL will do directional Survey

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

	TITLE <u>Pat Drexler - Agent</u>	DATE <u>8/31/87</u>
ORIGINAL SIGNED BY JERRY SEXTON DISTRICT I SUPERVISOR		
APPROVED BY _____	TITLE _____	DATE <u>SEP 8 1987</u>
CONDITIONS OF APPROVAL, IF ANY: <u>Per 10.0-15</u>		