Submit 3 Copies to Appropriate District Office

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, 87505

Form C-103
Revised 1-1-89

WELL API NO.
30-025-29208

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No.
933763

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.)

7. Lease Name or Unit Agreement Name
State Land 76

1. Type of Well:
OIL WELL [X] GAS WELL [ ] OTHER

2. Name of Operator
Headington Oil Company

8. Well No.
5

3. Address of Operator
7114 W. Jefferson Ave., Ste 213, Denver CO 80235

9. Pool name or Wildcat
~~N.~~ Anderson Ranch Wolfcamp

4. Well Location
Unit Letter J : 1650 Feet From The East Line and 4290 Feet From The South Line

Section 2 Township 16S Range 32E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
4318' KB

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[X]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	PLUG AND ABANDONMENT	[ ]
PULL OR ALTER CASING	[ ]			CASING TEST AND CEMENT JOB	[ ]		
OTHER:	[ ]			OTHER:			[ ]

12. 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.

Open Middle Wolfcamp zones @ 9450'-9700' (not opened in previous recompletion), and plug off Canyon zones @ 10,456' by setting CIBP @ 10,100' to eliminate produced water.

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

SIGNATURE Al Powell TITLE Division Manager DATE 10/18/95

TYPE OR PRINT NAME Alfred R. Powell TELEPHONE NO. 303-969-8280

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE OCT 24 1995

CONDITIONS OF APPROVAL, IF ANY:


OCT 1995
Received
Hobbs
OCD

State Land 76 #5 & #1

Justification
Recompletion & Shut-In

In 1993 the Wolfcamp lower zones were recompleted adding significant production. Those zones dropped off rapidly such that the oil production was down to 10 BOPD, one year later. The gas production remained at a level of 50 MCFGPD. In January of 1995, we commingled the lower Canyon which increased the oil production by 10 BOPD, but added 70 BWPD. Since that time, oil production from the well has dropped back to 10 BOPD. The additional water production has become a problem, because we will have to install water disposal on the #3, unless the Canyon is plugged off, which would cost $60,000.

Review of the #5 log reveals 34' of unopened Wolfcamp pay, which is producing in the #1 well approximately 1,120' to the northwest. The zones in the #5 well are 16-18' updip from the #1. The #1 well is at economic limit producing 3 BOPD and 10 MCFGPD with 5 BWPD.

We propose plugging off the Canyon which will eliminate 70 BWPD and opening the Upper Wolfcamp zones. These zones at this location should add 15-20 BOPD and 15-25 MCFGPD or total production of 20-25 BOPD, 60-70 MCFGD and 10-15 BWPD. The #1 well will be shut-in and the 640 MK II pumping unit sold for $35,000. The operating costs will be reduced by $3,500/month. We will loose 3 BOPD and 10 MCFGPD from the #1 well, but the production increase in the #5 should be significantly greater than the loss in production by shutting in the #1. As a result, the profitability of the entire property (State Land 76 lease) should improve and the need for a SWD well eliminated. The sale of the MK II from the #1 well will pay for the recompletion of the #5. In doing this work, the estimated ROR @ 10% should increase by $253,000 and the payout of the job will be less than 1 month. It should also eliminate the imminent need to install a SWD well at a cost of $60,000, which would make the entire property uneconomic.


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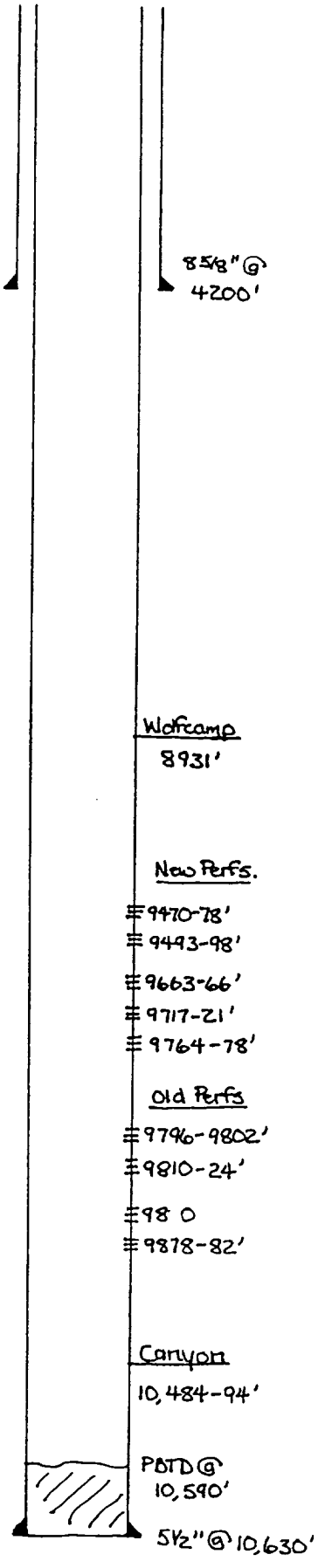
State Land 76 #5
SW/NW/NE Sec. 2-T16S-R32E
Lea County, New Mexico



Pertinent Data:

- Elevation: 4318' KB, 4301' GL, TD @ 10,630' (5/85)
- 13 3/8" casing @ 405' cemented w/400 sxs.
- 8 5/8" casing @ 4200' cemented w/2100 sxs.
- 5 1/2" casing @ 10,629' cemented w/350 sxs. and thru DV @ 9296' w/350 sxs.
- Cement top @ 6,200'
- PBTD @ 10,590' @ FC

Geological Tops:

ABO @ 7615' (-3297')
Wolfcamp @ 8931' (-4613')
Cisco @ 10,235' (-5917')
Canyon @ 10,478' (-6160')

Completion History:

- Perf'd Canyon @ 10,484-494' (1985); acidized w/7,000 gals acid; IPP = 428 BOPD, 116 BWPD (6/4/85).
- Perf'd Wolfcamp @ 9796-9802', 9810-24', 9850-62', & 9878-82'; acidized w/2,000 gals 15% HCL; IPP = 282 BOPD, 273 BWPD (12/93).
- Well production dropped to 10 BOPD and 50 MCFGPD w/15 BWPD by 1/95.
- Commingled Canyon (1/95).
- Production increased to 30 BOPD, 20 MCFGPD & 90 BWPD.
- Production dropped to 10 BOPD, 50 MCFGPD & 70 BWPD (9/95).

Proposed Work:

Open remaining Wolfcamp net pay (approx 30') from 9470-9778'. Treat w/5,000 gals 15% HCL using 60 ball sealers.

Procedure:

1) MIRU; POOH w/rods, pump and tubing.
2) GIH w/CIBP & set @ 10,250'.
3) Perforate Wolfcamp w/2 jts/ft as follows: 9764-78' (14'), 9717-21' (4'), 9663-66' (3'), 9493-98' (5') & 9470-78' (8') total = 34'.
4) RIH w/retrievable BP w/ball catcher & packer. Set BP @ 9785' & packer @9400'.
5) Treat Wolfcamp perfs 9470-9778' w/5,000 gals 15% HCL, dropping 15 balls/1,000 gals after the first 1,000 gallons. Flush w/60 bbls 2% KCL water.
6) Latch onto BP & POOH w/packer & BP.
7) RIH w/production equipment. Set SN @ 9930' w/MA to 10,000'.
8) Put on production.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