Submit 3 Copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-34179

5. Indicate Type of Lease: State

6. State Oil & Gas Lease No.: B-2148

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: Phillips State

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

2. Name of Operator: Shahara Oil, LLC

8. Well No.: 14

3. Address of Operator: 207 W. McKay, Carlsbad, NM 88220 505/885-5433

9. Pool name or Wildcat: Maljamar Grayburg San Andres

4. Well Location
Unit Letter K : 2630 Feet From The outh Line and 2307 Feet From The West Line

Section 16 Township 17S Range 33E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4185GR

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

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

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.

01/17/98 Perf 4553-4800' (17 holes). Acidized w/3000gls 15% NEFE w/40 ball sealers.

01/20/98 Frac w/18000 gls & 1000# 100 mesh & 25000# 20/40.

01/24/98 Perf 4261-4470' (23 holes). Acidize w/3000gls 15% NEFE.

01/26/98 Frac perfs 4261-4470' (23 holes) w/57000gls 40# linear gel w/50000# 20/40 & 30000# 16/30.

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

SIGNATURE Perry L. Hughes TITLE President DATE 02/03/98

TYPE OR PRINT NAME Perry L. Hughes TELEPHONE NO. 505-885-5433

(This space for State Use)

APPROVED BY CHRIS WILLIAMS DISTRICT I SUPERVISOR TITLE DATE FEB 12 1998

CONDITIONS OF APPROVAL IF ANY: