

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
2040 Pacheco St.
Santa Fe, NM 87505

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| WELL API NO. 30-025-34519 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. 23826 |
| 7. Lease Name or Unit Agreement Name Townsend "2" State Comm |
| 8. Well No. 1 |
| 9. Pool name or Wildcat Townsend Permo Upper Penn |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3990' GR |

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| 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. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER | |
| 2. Name of Operator Ocean Energy Resources, Inc | |
| 3. Address of Operator 4305 N. Garfield, Suite 200A, Midland, TX 79705 | |
| 4. Well Location Unit Letter 0 2970 Feet From The South Line and 1980 Feet From The East Line Section 2 Township 16S Range 35E NMPM Lea County | |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3990' GR | |

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| Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data | |
| 11. 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"/> 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: Plug-back operations <input checked="" type="checkbox"/> |

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work).
SEE RULE 1103.

5-3-00: Set CIBP @ 11270' and dumped 20' cement on top of CIBP. Perforated Cisco 11004'-11020' and 11100'-11116' w/ 6 SPF.

5-4-00: RIH w/ 2.375" tubing and packer. Set packer @ 10941'. Acidized Cisco w/ 3500 gals 15% NeFe acid and 290 ball sealers. Ru swab and well KO flowing @ 100 psi FTP on 24/64" choke at 8 BOPH, no water. RD, obtain IP and wait on gas sales line.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE Janice Holley TITLE Production Analyst DATE 05/25/00
TYPE OR PRINT NAME Janice Holley TELEPHONE NO. 915-683-3003

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY _____

2A N 5200 R - M - 1 - 1 - 1
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