

FILE IN TRIPLICATE

OIL CONSERVATION DIVISION

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

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO.
30-025-07575

DISTRICT II
811 S. 1st Street, Artesia, NM 88210

5. Indicate Type of Lease
FED STATE FEE

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

6. State Oil & Gas Lease No.

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
SOUTH HOBBS (G/SA) UNIT

1. Type of Well:
Oil Well Gas Well Other

8. Well No. 1

2. Name of Operator
ALTURA ENERGY LTD.

3. Address of Operator
1017 W. Stanolind Rd., HOBBS, NM 88240 505/397-8200

9. Pool name or Wildcat
HOBBS (G/SA)

4. Well Location
Unit Letter D : 660 Feet From The NORIT Line and 660 Feet From The WEST Line
Section 34 Township 18S Range 38E NMPM LEA County

10. Elevation (Show whether DF, RKB, RT GR, etc.)
3630 GL

11. 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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
WELL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <u>WELL BORE INTERGITY</u> <input checked="" type="checkbox"/>	PLUG & ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

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

FOR CONVERSATION WITH NMOCD 10/19/98 (Chris Williams)
Pressure exists on 10-34x7" annulus.

Well TA'd 6/11/98.
Discovered pressure on 10-3/4x7" annulus, 10/12/98. Bled down within minutes, expect channel in cement allowing Yates to communicate. Pumped down 7" to pressure test and got returns through 10-3/4 braden head. RHH with 7" packer. Tested CIBP at 4050' and 5" liner top at 3872' to 620 psig, held OK. Move packer to 30' from surface and tested 7", held pressure below packer. Tested above packer and got returns through 10-3/4" braden head. Pinpointed leak at surface. Opened blinds on BOP and pumped down 10-3/4" braden head riser and observed fluid entry into 10-3/4x7" wellhead packing area. Could not see any packing in wellhead. Agreed to monitor wellhead pressures and re-test 7" casing integrity annually.
Surface casing (16") had no pressure (per Altura)

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

SIGNATURE [Signature] TITLE PROD ENGR DATE 10/19/98
FOR PRINT NAME D. NELSON TELEPHONE NO. 505/397-8200

(space for State Use)

APPROVED BY ORIGINAL SIGNED BY CHRIS WILLIAMS TITLE DISTRICT ENGINEER DATE OCT 28 1998
CONDITIONS OF APPROVAL IF ANY:

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SOUTH HOBBS UNIT NO. 1
HOBBS GRAYBURG SAN ANDRES (FLAC 924949)
660' FNL X 660' FWL, SEC. 34, T-18-S, R-38-E
T&P RR SURVEY, LEA COUNTY, HOBBS, NEW MEXICO

API# 30-025-07575

KB = 3641
DF = 3640
GL =

BOTTOM OF 16 IN OD, 70 LB/FT
Ø 224, CMT W/100 SKS

BOTTOM OF 10.7500 IN OD, 45.5 LB/F
Ø 1647, CMT W/350 SKS

13th N-90

TOP OF 5 IN LINER AT 3872

BOTTOM OF 7 IN OD, 24 LB/FT
Ø 3976, CMT W/1450 SKS

PERF 4080-4086
PERF 4090-4104
PERF 4114-4130
PERF 4130-4150
PERF 4162-4190
PERF 4200-4220

BOTTOM OF 5 IN OD LINER, 18 LB/FT
Ø 4221, CMT W/50 SKS

TOTAL DEPTH FT
4306