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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease
State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.
E-1085

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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Southern Union Supply Company	8. Farm or Lease Name Gallagher & State
3. Address of Operator Suite 1800 - First International Bldg. Dallas, Texas 75270	9. Well No. 3
4. Location of Well UNIT LETTER <u>D</u> , 1980 FEET FROM THE <u>East</u> LINE AND <u>660</u> FEET FROM THE <u>South</u> LINE, SECTION <u>8</u> TOWNSHIP <u>17-S</u> RANGE <u>34-E</u> NMPM.	10. Field and Pool, or Wildcat North Vacuum
15. Elevation (Show whether DF, RT, GR, etc.)	12. County Lea

16. 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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <u>Blowout prevention program</u> <input checked="" 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.

Following the setting of the 13-3/8" surface casing a BOP consisting of an API Series 1500 blind rams and pipe rams will be installed. The casing and blind rams will be pressure tested to 1000 psig for 30 minutes then drill pipe will be run in the hole and the pipe rams tested to 1000 psi for 30 minutes. When the intermediate casing is set an Hydril type preventor will also be installed and the casing, blind rams, pipe rams and Hydril tested to 1500 psig for 30 minutes. At the top of the Wolfcamp the BOP stack will be pressure tested to 5000 psig and pit level volume indicators and totalizers will be installed. BOP operation is to be checked daily below 11000'.

Gas from this well is not dedicated to a purchaser.

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

SIGNED David M. Kline TITLE Drilling Engineer DATE September 1, 1976

APPROVED BY [Signature] DATE SEP 8 1976

CONDITIONS OF APPROVAL, IF ANY: