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State of New Mexico

to Appropriate Energy, Minerals and Natural Resources Department Form C-103 District Office Revised 1-1-89 OIL CONSERVATION DIVISION DISTRICT I P.O. Box 1980, Hobbs NM 88240. WELL API NO. P.O. Box 2088 DISTRICT II 30-025-26754 Santa Fe, New Mexico 87504-2088 P.O. Drawer DD, Artesia, Not 38210 5. Indicate Type of Lease DISTRICT HI STATE X FEE [] 1000 Rio Brazos Rd., Aztec, NM 87410 6. State Oil & Gas Lease No. LG-7655 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" 7. Lease Name of Omt Agreement Name (FORM 0-101) FOR SUCH PLOPOSALS) Max State 1. Type of Well; WELL X GAS WELL OTHER 2. Name of Operator Santa Fe Energy Resources, Inc. 8. Well No. 3. Address of Operator 550 W. Texas. Suite 1330, Midland, TX 9. Pool name or Wildcat 79701 North Lusk Bone Spring 4. Well Location Unit Letter 1980 Feet From The North 1780 Line and Feet From The East Line Township Ship 18S Range 32E N 10. Elevation (Show whether DF, RKB, RT, GR, etc.) County 3691' GR 11. 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 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 5/14/97: POOH w/pmp & rods, ND WH, NU BOP. POOH w/tbg, test to 7000# above slips going in hole w/RBP. Tbg set dwn @ 7258', POOH w/40 stds tbg. RU to cut paraffin. 5/15/97: Cut paraffin on 22 stds. POOH w/tbg & tools. RIH w/bit & scraper, tag up @ 7258'. Made 20' hole. Call for power swivel & rev unit. 5/16/97: Drl out 120' carbonate scale, ran bit to 9400' clean. POOH w/bit & scraper, PU RBP & pkr, RIH w/60 stds 5/17/97: RIH w/RBP & pkr, set RBP @ 7308', pkr @ 7182'. Pmp into form @ 2 BPM w/1212 PSI. ISIP vac. RIH, set RBP @ 8600', test to 500#, ok. Spot 250 gal 7-1/2% Hcl NeFe acid. RIH w/ GR-CCL-BL & log 8581'-6600' I heraby certify that the information above is true and complete to the best of my knowledge and belief. TITLE Sr. Prod. Clerk

TELEPHONE NO.915/687-3551

(This space for State Use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TYPE OR PRINT NAME TERRY McCullough