

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. 30-025-31073
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-11

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 <input type="checkbox"/>	7. Lease Name or Unit Agreement Name Hour Glass State Unit
2. Name of Operator ZATES PETROLEUM CORPORATION (505) 748-1471	8. Well No. 1
3. Address of Operator 105 South 4th St., Artesia, New Mexico 88210	9. Pool name or Wildcat South Vacuum Bone Springs
4. Well Location Unit Letter <u>A</u> : <u>660</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>East</u> Line Section <u>16</u> Township <u>18S</u> Range <u>35E</u> NMPM Lea County	10. Elevation (Show whether DF, RKB, RT, GR, etc.) <u>3919' GR</u>

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"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING CPNS. <input checked="" type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input checked="" 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) SEE RULE 1103.

Spudded 24" hole 11:00 AM 11-30-90. Set 40' of 20" conductor. Redi-mix to surface with 4 yards. Notified Bonnie, NMOC, Hobbs, of spud.
Resumed drilling 17 1/2" hole 3:15 PM 12-1-90. Ran 10 jts 13-3/8" 54.5# J-55 casing set 415'. Guide shoe set 415', insert float set 373'. Cemented w/400 sx "C" + 2% CaCl2 (yield 1.32, wt 14.8). PD 2:30 PM 12-2-90. Bumped plug to 500 psi, released pressure and float did not hold. Shut cement head in with 250 psi. Cement circulated 25 sacks. WOC 13 hrs. NU and tesetd to 1000 psi for 30 minutes, OK. Reduced hole to 11".
Resumed drilling.

REQUIRED MINIMUM 18 HRS

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

SIGNATURE Juanita Goodlett TITLE Production Supervisor DATE 12-6-90
TYPE OR PRINT NAME Juanita Goodlett TELEPHONE NO. 505/748-1471

(This space for State Use)

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