DATE 05/27/94

TELEPHONE NO. (210) 308-8000

Energy, Minerals and Natural Resources Department Revised 1-1-89 OIL CONSERVATION DIVISION DISTRICT I WELL API NO. P.O. Box 1980, ilobbs, NM 88240 P.O. Box 2088 30-025-03229 Santa Fe, New Mexico 87504-2088 DISTRICT II 5. Indicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 STATE FEE L 6. State Oil & Gas Lease No. 1000 Rio Brazos Rd., Aztec, NM 87410 E-8183 & E-8184 SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: West Pearl Queen Unit GAS WELL WELL X Injection OTHER 2. Name of Operator 8. Well No. Pyramid Energy, Inc. 124 9. Pool name or Wildcat 10101 Reunion Place, Ste. 210 San Antonio, TX 78216 Pearl Queen Well Location Unit Letter 0 : 660 Feet From The South Line and 1980 Feet From The East 198 35E Township Range 10. Elevation (Show whether DF, RKB, RT, GR, etc.) Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON ALTERING CASING REMEDIAL WORK TEMPORARILY ABANDON **CHANGE PLANS** PLUG AND ABANDONMENT COMMENCE DRILLING OPNS. **PULL OR ALTER CASING** CASING TEST AND CEMENT JOB OTHER: Locate casing and either TA or OTHER:_ P&A wellbore 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. This well failed a Mechanical Integrity Test. The following procedure will be performed to bring the well into compliance: Tag cement at 4615' (Note: CIBP was set at 4650' and 35' cement plug was bailed on top) and circulate hole with mud laden fluid. 2) Locate casing with packer and tubing. Contact NMOCD District Office and obtain instructions to TA well. If conditions exist that will not allow well to be TA then it shall be plugged and abandoned in accordance with NMOCD rules and regulations. I hereby certify that the information above/saltue and complete to the best of my knowledge and belief.

Operations Manager

ORIGINAL

Scott Graef

SKINATURE .

TYPE OR PRINT NAME

APTROVED BY ----

(This space for State Use)

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