

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-35630
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Redtag
8. Well No. 2
9. Pool name or Wildcat House, Abo

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"/>
2. Name of Operator Capataz Operating Inc
3. Address of Operator PO Box 10549, Midland, TX 79702
4. Well Location

Unit Letter K : 2410 feet from the South line and 2310 feet from the West line

Section 2 Township 20S Range 38E NMPM Lea County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

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"/>	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"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: Test Additional Zone <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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Well Currently producing +16.5 BOPD X +78 MCFD from performances at 7370-7522'.

Propose to MIRU. Set retrievable bridge plug @ +6100', perforate 5950-6035 1JSPF 23.42" holes, acidize w/ 6000 gals 20% Nefe and evaluate. Expect to fracture stimulate w/ 75,250 gals X 175,000# 20/40 sand if test indicates appropriate.

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

SIGNATURE H Scott Davis TITLE Agent DATE 2-6-02

Type or print name _____ Telephone No. _____

(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

ORIGINAL SIGNED BY
PAUL F. KAUTZ
PETROLEUM ENGINEER

FEB 12 2002