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NEW MEXICO OIL CONSERVATION COMMISSION

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

<p>SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR NOTICES TO WELL OWNERS TO RETURN TO A DIFFERENT RESERVOIR, OR APPLICATIONS FOR PERMITS TO DRILL OR RE-ENTER EXHAUSTED RESERVOIRS.)</p>		<p>50. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/></p> <p>51. State Oil & Gas Lease No. B-11613</p>
<p>1. Name of Operator Southland Royalty Company</p> <p>2. Address of Operator 1100 Wall Towers West, Midland, TX 79701</p> <p>3. Location of Well UNIT LETTER C 921 FEET FROM THE North LINE AND 1650 FEET FROM THE West LINE, SECTION 2 TOWNSHIP 21-S RANGE 37-E N.M.P.M.</p>		<p>7. Unit Agreement Date</p> <p>8. Form or Lease Name State</p> <p>9. Well No. 7</p> <p>10. Field and Pool, or Wildcat Blinebry-Drinkard</p>
<p>13. Elevation (Show whether DF, RT, GR, etc.) 3520' KB</p>		<p>12. County Lea</p>

<p>16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data</p> <p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> OTHER <input checked="" type="checkbox"/> REMOVE CIBP TO DOWNHOLE COMMINGLE</p>		<p>SUBSEQUENT REPORT OF:</p> <p>CASING TEST AND CEMENT JOBS <input type="checkbox"/></p> <p>OTHER <input type="checkbox"/></p>
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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.

Administrative Order No DHC-252 from NM Energy and Mineral Dept. dated 7-8-78 grants permission to downhole commingle the Blinebry and Drinkard zones. At the present time the Blinebry only is producing in overall perf. 5750-5946'. It is proposed to drill out CIBP that is set in 3½" liner @ 5970' and return well to production. The producing zones that will be commingled downhole will be as follows:

Blinebry: 5750-60', 5772-82', 5790-5800', 5822-38', 5844-68', 5896-5904', 5912-28', 5934-46'. Test of Blinebry only 6-15-78 after plug back operations: Pumping 12 BOPD, 13 BWPD, 186 MCF/D, GOR 15,500.

Drinkard: 6538-6866'. Test of Drinkard only 1-20-78 prior to initiation of plug back operations. Pumping: 10.5 BOPD, 11 BWPD, 142 MCF/D, GOR 13,517.

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

SIGNED C. Harvey Carr TITLE District Engineer DATE 10-24-78

APPROVED BY John Runyan TITLE Geologist DATE OCT 26 1978

CONDITIONS OF APPROVAL, IF ANY