

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

WELL API NO. 30-025-06616
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-85
7. Lease Name or Unit Agreement Name State DA
8. Well No. 2
9. Pool name or Wildcat Blinebry / Drinkard
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3466'

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 Collins & Ware, Inc.
3. Address of Operator 508 W. Wall, Suite 1200, Midland, Texas 79701

4. Well Location Unit Letter K : 1980 Feet From The South Line and 1980 Feet From The West Line Section 16 Township 21S Range 37E NMMPM Lea County

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 OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: Changing the wells status <input checked="" 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.

This well has been changed from a shut-in / TA'd status, to a producing status. We swabbed the well and put it on an intermitter and plunger lift system.

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

SIGNATURE Dianne Sumrall TITLE Production Supervisor DATE 9/26/96

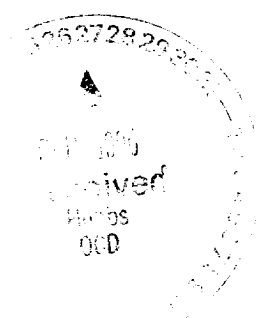
TYPE OR PRINT NAME Dianne Sumrall TELEPHONE NO. (915) 687-3435

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

OCT 02 1996



COLLINS & WARE, INC.508 WEST WALL AVENUE, SUITE 1200
MIDLAND, TEXAS 79701-5076

(915) 687-3435

September 25, 1996

Jerry Sexton
New Mexico Oil Commission
P. O. Box 1980
Hobbs, New Mexico 88241

Re: State DA No. 2
State DA No. 4
Lea County, New Mexico

Dear Sir:

In 1975 both of the above mentioned wells were dual completed in the Blinebry and Drinkard formations.

In November 1995 Amerada Hess Corporation downhole commingled the two zones in each of these wellbores without filing an application for an exception to Rule 303-C. Collins and Ware Inc. purchased this lease and took over operations July 1, 1996.

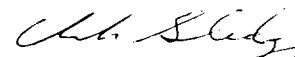
Within the next six months Collins and Ware plans a workover on each of these wells. We plan to plug back the Drinkard and re-stimulate the Blinebry in the State DA No. 4. We plan to either do the same workover on the State DA No. 2 or possibly plug it back to the Grayburg.

We propose allocations for the Form C-116 for each well based on percentages of cumulative production from each zone as follows:

State DA No.2			
Drinkard			
Oil	94%	Blinebry	Oil
Gas	97%		Gas
State DA No. 4			
Drinkard			
Oil	91%	Blinebry	Oil
Gas	51%		Gas

Please notify me if you have any recommendations considering this matter.

Chuck Sledge



Operations Engineer