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. 30-025-06617

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No. B-85

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.)

7. Lease Name or Unit Agreement Name: State DA

1. Type of Well: OIL WELL [X] GAS WELL [ ] OTHER

2. Name of Operator: Collins & Ware, Inc.

8. Well No. 5

3. Address of Operator: 508 W. Wall, Suite 1200, Midland, Texas 79701

9. Pool name or Wildcat: Penrose Skelly Grayburg

4. Well Location
Unit Letter I : 1980 Feet From The South Line and 330 Feet From The East Line

Section 16 Township 21S Range 37E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3474' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [ ]
PULL OR ALTER CASING [ ]		CASING TEST AND CEMENT JOB [ ]	
OTHER: [ ]		OTHER: Plug back to Penrose Skelly Grayburg [X]	

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.

9/04/96 RIH and set CIBP at 6000'. Dump 35' cement on top. RIH and set CIBP at 5280'. Dump 35' cement on top. Replace BOP.

9/05/96 Spot acid. POOH and RU Computalog. Ran Correlation/CCL log. Perforate 5725' - 5775' (51 holes) with 1 SPF. Set packer at 3692'. Acidize perfs with 2000 gals 15% HCL. Achieved fair ball action but did not ball out. RU to swab.

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 9/5/96

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

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE NOV 12 1996

CONDITIONS OF APPROVAL, IF ANY: