Submit 3 Copies to Appropriate

CONDITIONS OF APPROVAL, IF ANY:

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

Revised 1-1-89 District Office OIL CONSERVATION DIVISION DISTRICT 1 WELL API NO. P.O. Box 1980, Hobbs NM 88241-1980 2040 Pacheco St. 30-025-DISTRICT II Santa Fe, NM 87505 P.O. Drawer DD, Artesia, NM 88210 5. Indicate Type of Lease STATE X FEE 6. State Oil & Gas Lease No. 1000 Rio Brazos Rd., Aztec, NM 87410 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.) Type of Well: State "R" GAS WELL X WELL [OTHER 2. Name of Operator 8. Well No. Santa Fe Energy Resources, Inc. 3. Address of Operator 9. Pool name or Wildcat 550 W. Texas, Suite 1330, Midland, TX 79701 Osudo West (Morrow) 4. Well Location 1980 Unit Letter Feet From The North 1650 Line and West Feet From The Line 21S 34E Section Township Range **NMPM** County 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3672' GR 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 REMEDIAL WORK ALTERING CASING TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT PULL OR ALTER CASING CASING TEST AND CEMENT JOB X OTHER: OTHER: 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. 7/26/98: TD 8-3/4" hole at 13,450'. Prep to log. 7/27/98: Log and cut sidewall cores w/ Schlumberger. Prep to run 5-1/2" csg. 7/28/98: Circ thru chokes. Circ & build heavy pill. LD DP. Repair draw works. 7/29/98: RU csg crew and ran total of 321 jts 5-1/2" 17.0 & 20.0# L-80, S-95, & N-80 LT&C csg. Set csg shoe at 13,449'. RU Dowell. 7/30/98: Cemented w/ 830 sx C1 "H" containing .3% D-65, .3% D-60, .15% D-79, and .1% D-800. WOC. Bumped plug w/ 2650#. Check for flow, float held. ND, set slips w/ 187,000#. Cut csg off and NU tbg spool. Jet and clean pits. Released rig at 7:00 p.m. Waiting on completion. I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE TITLE Sr. Production Clerk TYPE OR PRINT NAME Terry McCullough TELEPHONE NO. (This space for State Use) ORIGINAL SIGNED BY CHRIS WILLIAMS DISTRICT I SUPERVISOR APPROVED BY