Submit 3 Copies to Appropriate District Office

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-103
Revised 1-1-89

WELL API NO. 30-025-24865

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

6. State Oil & Gas Lease No.

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: Ares State

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

8. Well No. 2

2. Name of Operator: CLAYTON W. WILLIAMS, JR., INC.

9. Pool name or Wildcat: Jalmat - TNSL - YTS - SR

3. Address of Operator: 6 Desta Drive, Suite 3000, Midland, TX 79705

4. Well Location
Unit Letter H : 1980 Feet From The N Line and 660 Feet From The E Line

Section 16 Township 23S Range 36E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
GR = 3450'

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	[X]	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:			[ ]

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.

Work will commence upon OCD approval.

1) Set CIBP @ ±3500' and dump 35' of cement on CIBP.
2) Circulate 10 ppg gelled brine from CIBP to surface.
3) Perf @ ±365'.
4) Circulate cement down 4-1/2" csg. and up 4-1/2"/8-5/8" annulus to surface. (100 sx. Class "C" + 2% CaCl2)
5) Cut 4-1/2" and 8-5/8" csg. 3' below G.L. Set P&A marker. Cut deadmen. Remove all junk. Plug and abandon wellbore.

(See attached wellbore diagram)

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

SIGNATURE David Grafe TITLE Petroleum Engineer DATE Feb. 23, 1993

David G. Grafe
TYPE OR PRINT NAME TELEPHONE NO.

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY MIKE STOGNER TITLE DISTRICT II SUPERVISOR DATE MAR 31 1993

CONDITIONS OF APPROVAL, IF ANY: