

Submit 3 Copies
to Appropriate
District Office

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-025-07964
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-7194
7. Lease Name or Unit Agreement Name Ralph Lowe State
8. Well No. 1
9. Pool name or Wildcat Hobbs, E. (San Andres)
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3595 GR

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 GAS WELL OTHER

2. Name of Operator
EnerQuest Resources, LLC

3. Address of Operator
P.O. Box 11150, Midland, TX 79702

4. Well Location
Unit Letter C : 330 Feet From The North Line and 1650 Feet From The West Line
Section 32 Township 18S Range 39E NMPM Lea County

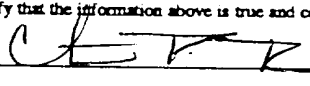
11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: _____ <input 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.

See Attached Detailed Report.

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

SIGNATURE  TITLE Engineer DATE 6/4/97

TYPE OR PRINT NAME Christopher P. Renaud TELEPHONE NO. (915) 685-3116

(This space for State Use) ORIGINAL SIGNED BY **CHRIS WILLIAMS**
DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE **JUL 31 1997**

CONDITIONS OF APPROVAL, IF ANY:

ENERQUEST RESOURCES, LLC

DAILY WORKOVER REPORT

Well Name: Ralph Lowe State No. 1 Operator: EnerQuest Resources, LLC
Location: 330' FNL & 1650' FWL Project: E. Hobbs (San Andres)
 Sec. 32, T-18-S, R-39E San Andres Deepening
 Lea County, NM
Elevation: 3,595' GL Contractor: Pool Company
 3,607' KB Denver City, TX

1997

05-15: MIRUSU. MI reverse equipment, tanks, 2 7/8" workstring, pipe racks, etc. Attempt to unseat pump. Pump stuck. Back off rods & TOH w/rods. NUBOP & strip out of hole w/tubing to fluid. Swab fluid down & continue stripping out of hole w/rods & tbg, laying down tbg in singles. Strap in hole w/4 3/4" bit, bit sub, 6-3 1/2" DC's, xover sub & 2 7/8" workstring to 3800'. Secure well & SDON. Prep to drill out CIBP in am.
DWC: \$5,700 CWC: \$5,700

05-16: Tag cmt @ 4206'. drill out cmt & tag CIBP @ 4285'. Drill out CIBP ok. RIH w/workstring 105' to 4390' & hit obstruction. Rig up power swivel & commence reverse drilling. Obstruction acts like solid iron. TOH w/workstring & **2 cones were knocked off of bit**. RIH w/magnet on sand line & no recovery. Make 2nd run w/magnet. No recovery. Rig up impression block. RIH w/impression block on sand line. POH w/impression block & had good impression of 2 7/8" OD tbg looking up. Assume possible tbg anchor stuck & tbg cut off prior to plug back to test Queen. Order out shoe & wash pipe to wash over tbg & possible anchor & to recover cones of of bit. TIH w/4 3/4" OD smooth shoe w/Mash ID (Kut Rite & diamond), 2 jts 4 1/2" washpipe, top full opening sub & 2 7/8" tbg to 3800'. SION & prep to commence washover in am.
DWC: \$4,660 CWC: \$10,360

05-17: TIH to 4391' w/shoe & washpipe. Commence reverse circulating & washed up scale & pieces of CIBP. Washed approx 3 1/2" to 4394.5' & lost complete return. PU 10 stands & commence mixing mud to regain circulation. Pump 15 lb/bbl 125 bbl pill & regained circulation. Go back down to 4394.5' w.shoe & washpipe & commenced milling. Material is very hard that is being milled. Returns shoe to be metal filings. Made approx 4' w/shoe in 2 hrs. Could only run 1 to 1 1/2 points weight or power swivel would stall out. Shoe quit cutting after 2 hrs. TOH w/workstring & inspect shoe. Kut Rite worn out smooth @ bottom face of shoe. Secure well & SD for Sunday. Prep to continue w/fishing operations on 5-19-97.
DWC: \$3,710 CWC: \$14,070

05-19: RIH w/ #2 shoe & washpipe. Wash & mill down 8" over fish, obtaining good metal returns in approx 2 1/2 hrs of milling. POH w/shoe & inspect same. Appear to be getting over fish approx 6". Shoe still in good shape. RIH w/same shoe & cut over fish an additional 2". Obtain "friction" bite on fish. Pulled fish up 3' & dropped it. Spud & dry drill on fish to obtain friction bite. POH & first single and first stand were "wet". Assume fish in wash pipe. Remainder of string POH "dry". POH w/no fish. #2 shoe was worn out. RIH w/ 4 3/4" impression block on sand line. Obtained picture of 7/8" x 1" stub looking up. (Not the same picture as the first impression block run). Could be fishing neck on RBP. SDON. Prep to RIH in am w/shoe & wash pipe to burn over fish & attempt to get bite on it.
DWC: \$6,960 CWC: \$21,030

DAILY WORKOVER REPORT

1997

05-20: Finish RIH w/ 4 3/4" shoe. Tag up @ 4396'. Mill to 4398.5'. Pull shoe & wash pipe. Found 2 pieces of a packer wedged up in shoe. Run new 4 3/4" shoe & continue milling on junk (packer). Mill to 4401' & then made 3" to 4404' in less than 1 hr, & then to 4405' in 2 hrs. Quit making hole @ 4405'. POH w/wash pipe & mill. Inspect shoe. Shoe appears to be getting over junk by 3-4', & acting like junk is spinning. RIH w/impression block on sand line. Obtained picture of little speckles (probably metal pieces). Secure well & SDON. Prep to RIH w/new shoe w/tighter finger/diamonds to try & catch fish w/a friction bite.

DWC: \$5,481

CWC: \$26,511

05-21: RIH w/ 4 3/4" OD mill shoe w/built up fingers. Set down on fish. Pick up & pulled 5 pts over string wt. & then lost bite. POH & inspect shoe. Run shoe back in hole & mill for 2 hrs. Fish acts like it is spinning. POH w/workstring & RIH w/4 3/4" OD x (3.479 x 4.25) box tap. Ran box tap, 1- 3 1/2" DC, bumper sub, 1- 3 1/2" DC & 2 7/8" work string. Set down on fish. Work box tap down 6". Work tbg up & down (string wt. 20,000#). Pulled up 70,000# (50 pts over string wt.) & box tap pulled off of fish. POH w/workstring. Measured marks in box tap. Ordered out overshot w/3 5/8" catch along w/jars & accelerator. Close well in & SDON.

DWC: \$5,080

CWC: \$31,591

05-22: RIH w/ 4 3/4" OD x 3 5/8" ID short catch overshot. Could not get over top of fish @ 4394'. POH & inspect overshot. Grapple too small. RIH w/bax tap & jars, collars, bumper sub & accelerator. Used power swivel to get good bit on fish. Jar lightly on fish (20,000# over) & got fish to move up hole. Got fish loose. Went down hole & still tagged up at 4394'. POH with fish. Fish was a 17' 9" long tubing pump bbl w/ 3 1/2" OD. Had a ball & seat in cage on bottom & a 1 1/8" plunger rod sticking out of the top of the pump bbl 3' long. Appears to be a "bottle neck" pump. Assume anchor assembly still in hole. Run impression block on sand line but could not get down due to new junk in hole @ 4407'. RIH w 4 3/4" OD x 4 1/4" ID shoe w/60' wash pipe to 4407'. Milled 8" & quit making hole. POH & found shoe to be full of big metal pieces. Close well in & SDON. Prep to continue milling junk in am.

DWC: \$6,283

CWC: \$37,874

05-23: RIH w/ 4 3/4" x 3 5/8" shoe. Milled 4" to 4408' & quit making hole. POH. Found diamond fingers in shoe scavaged up but not folded in. Ran slick ID shoe 4 3/4" x 3 5/8" in hole & milled over 14" & then dropped 8' to 4417'. Milled 1 hr @ 4417' without much torque. POH & had junk metal wedged up in shoe. Lokks like it could be a latch in assembly to a permanent TAC or packer. RIH w/different shoe w/fingers & milled 1 1/2 hrs. Junk was spinning. Pushed junk downhole 2 1/2' to 4419'-4420'. POH. Shoe was clean. RIH w/impression block on sand line. Got excellent picture of round stub looking up w/ 2 1/4" ID. Close well in & SDON. Prep to RIH w/taper tap in am.

DWC: \$6,205

CWC: \$44,079

05-24: RIH w/taper tap, 1 3 1/8" DC, bumper sub, jars, 1 3 1/8" DC & 2 7/8" workstring. Latch into fish, working tubing up to 30,000# over string weight. Pull out of fish & POH & inspect taper tap. RIH w/2 1/4" center spear w/2.210 grapple, 1 DC, bumper sub, jars, 1 DC, & 2 7/8" workstring. Latch into fish. Work fish. Fish appears to be moving. Can push fish down hole, but drags up the hole. Work tubing to 30,000# over tubing weight. Set off jars lightly, (20000#-30000#). Fish appears to be free. Stacked out 3' higher than

DAILY WORKOVER REPORT

1997

05-24: (Cont.) fish was previously. POH w/workstring & no recovery on fishing tool. Had broken grapple in center spear. Fish appears to be oblong in symmetry, as all grapples were not evenly worn on fishing tool. SD for Memorial Day holiday @ 3:00 pm CST. Will resume work Tuesday, May 27. Prep to RIH w/shoe top mill fish, hoping that fish is now locked up due to prior fishing attempts.

DWC: \$2,930

CWC: \$47,009

05-27: RIH w/ 4 1/2" x 4 3/4" Mill Shoe, 2 joints wash pipe, & 2 7/8" work string. Tag fish @ 4420' & commence milling. Milled approx 4" in 1 hr & fish began to spin. "Dry drill" fish for 1/2 hr & began cutting over fish. Fell through fish & washed over fish to total depth of 4466' (4' from reported TD of 4470'). POH w/workstring. RIH w/ 4 11/16" Box Tap, 1-DC, Bumper sub, Jars, 3-DC's, & 2 7/8" workstring. Tag top of fish @ 4419'. Work down over top of fish. Latched into fish & pull up to 20,000# over string weight, & fish acted like it came loose. POH. Retrieved approx 1 foot piece of twisted metal up into top connection of box tap. RIH w/ 4 3/4" impression block on sand line. POH & had a 3/4" circle w/approx diameter of 2 1/4" on Impression Block. RIH w/ 4 11/16" overshot w/2 1/4" grapple, 6' x 2 7/8" N-80 sub, 1-DC, bumper sub, jars, 3-DC's, & 2 7/8" workstring. Work overshot down over fish. Latch on to fish, pulling up to 25,000# over string weight. Fish seemed to jerk loose. POH. Had approx 3' of 2 1/4" mandrel in overshot. Secure well & SDON @ 9:00 pm CST. Prep to run 4 11/16" box tap in am.

DWC: \$4,710

CWC: \$51,719

05-28: RIH w/ 4 11/16" x 36" (Catch 4.3" - 2.0") Box Tap, 1-DC, 1-bumper sub, jars, 3-DC, 2 7/8" tbg to top of fish @ 4423'. Catch fish & work tbg up to 40,000# over string weight. Unable to hold on to fish long enough to activate jars. Re-attempt to latch on to fish 4 times w/same results. TOH w/workstring. Inspect box tap & internal threads show little wear. RIH w/ 4 3/4" x 4 1/2" shoe, 2 joints washpipe, & 2 7/8" workstring. Get over fish at 4423' & go down to 4471'. Commence milling. Mill up pieces of packer slips and other metal pieces to approx 4474'. Commence cutting clean dolomite (new formation) to 4476'. Circ hole clean & LD swivel. TOH w/workstring. First single & 2 stands out of hole pulled "wet". Had to shut down for 1 hr while lacking approx 12 stands from being out of hole due to rain storm. Finish TOH. **Recovered joint of tubing in wash pipe. 8' piece pulled free from bottom of wash pipe & remainder of fish stuck in washpipe. Assume all junk in hole recovered.** Secure well & SDON @ 6:30 pm CST. Prep to cut out remainder of fish in am. Will make bit run w/ 4 3/4" mill tooth bit & junk basket to ensure clean bottom prior to deepening well with 4 3/4" button bit.

DWC: \$4,435

CWC: \$56,154

05-29: Contract welder & cut fish out of wash pipe. Recovered total of **49.12'** of fish being top piece of packer mandrel (2'), 26' joint of 2 7/8" tbg, 3' x 2 7/8" perf sub, 18' of 2 7/8" mud anchor which appeared to be "mule shoed" on bottom. RIH w/ 4 3/4" used mill tooth bit, junk basket, bit sub, 6- 3 1/2" DC, xover sub, & 2 7/8" tbg. Tag up @ 4472'. Commence drilling & bit jumping like it is drilling on metal. Circulating up scrap pieces of metal & teeth from bit. Work on bottom 1 hr & then bit began to torque up. TOH. Inside teeth on bit were broken out & found 3 pieces of scrap metal in junk basket. RIH w/ Globe Basket, 2 jts wash pipe, & 2 7/8" workstring to 4472'. Commence milling w/Globe Basket. Check returns & circulating up pieces of scrap metal. Milling appears to be smooth & began cutting new formation. Cut approx 2' of new formation to 4474'.

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EnerQuest Resources, LLC
Ralph Lowe State No. 1
Sec. 32, T-18-S, R-39-E
Lea County, NM

DAILY WORKOVER REPORT

1997

05-29: (Cont.) TOH w/workstring. Recovered 1 fairly large heavy piece of 2 7/8" collar & 4 pieces of scrap metal. TIH w/used 4 3/4" mill tooth bit, junk basket, 6-3 1/2" DC, xover sub & tbg to 4474'. Commence drilling @ 4474'. Bit slightly jumping & then seems to be smoothing out, then jumping again as if metal is on bottom of hole. Work bit on bottom 1 1/4 hr to approx depth of 4476' & then bit began to torque. TOH & found 7" piece of pin end of tbg torn approx in half, in junk basket. Bit looks ok. SDON @ 8:30 pm CST. Prep to run Globe Basket back in hole in am to continue cleaning out scrap metal before drilling out to deepen well.

DWC: \$4,590

CWC: \$60,744

05-31: (24 hr report from 7:00 am 05-30 - 7:00 am 05-31) RIH w/ 4 3/4" Globe Basket & cut down 5'. Circ up several scrap metal pieces. POH. Recovered a 2' core in Globe Basket, bleeding live oil & gas. Core depth from 4484 - 4486. RIH w/new 4 3/4" mill tooth bit, bit sub, 6-3 1/2" DC's, xover sub & 2 7/8" tbg to 4485'. Displace hole w/new mud: 10 lb/gal, 32 Vis, 6.4 WL. Drilled from 4485-4490 while displacing hole. Drill from 4490 - 4540 in 8 hrs, ROP approx 6'/hr. Mud logger catching & running 2' samples. Lost 100 bbls of fluid in 8 hrs of drlg, probably due to seepage in original OH due to no LCM in mud system now. Prep to trip for Bit # 2 @ 4540'.

DWC: \$12,940

CWC: \$73,684

06-01: POH w/Bit #1. Bit in excellent condition. RIH w/new Varel Type 33, 4 3/4", Jets 11-11-11, bit sub, 12-3 1/2" DC's, xover sub, 2 7/8" workstring. Tag up @ 4535'. Ream back down to 4540' & continue drlg @ 25-28' per hr. Continue drlg & switch to evaluating 5' samples due to ROP increase. **Drill to 4673' & TD well.** Circ 1 1/2 hrs for logs. Started loosing fluid @ 100 bbls/hr @ 4666'. POH w/tbg, collars & bit. Bit # 2 in good shape but missing 3 buttons. RU Halliburton Logging Services & run OH logs. Logger TD @ 4665' KB, 4659' w/new 6' KB. Rig down HLS. Run wash pipe in hole & lay down same. Run collars in hole & LD same. Run work string in hole w/ bull plugged perf sub on bottom. Run rods into tbg. LD rods in singles. (Rods are severely stretched & no good). LD 2 7/8" rental workstring onto pipe racks. NDBOP. RIH w/ 1 jt 2 7/8" tbg w/collar on bottom of joint. Flange up tbg head. Install stabbing valve on tbg. Rig down & release Pool company unit & rental equipment. WO completion orders.

DWC: \$13,737

CWC: \$87,421