

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.	30-015-33622
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	TWO MARKS 36 STATE
8. Well Number	1
9. OGRID Number	227001
10. Pool name or Wildcat	INDIAN BASIN, UPPER PENN ASSOC.

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
 Latigo Petroleum, Inc.

3. Address of Operator
 550 W. Texas, Suite 700
 Midland, TX 79701

4. Well Location
 Unit Letter M : 660' feet from the SOUTH line and 760 feet from the WEST line
 Section 36 Township 21S Range 24E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3825

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mfl Below-Grade Tank: Volume _____ bbls: Construction Material _____

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPL

OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB

OTHER: 7" csg

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

01-08-05 Depth: 8700'. At report time: RD Halliburton. Finished LD DC's. RU csg crew & ran 197 jts 7" L-80 csg, shoe @: 8670'. Float collar @: 8622'. Pkr is @: 5997'. DV tool @: 5968'. RD csg crew & LD machine. Rig pumped 630 BW down csg to make sure csg is clear. RU Halliburton & cmt as follows: 100 bbls nitrified water. 10 bbls superflush. 100 sx Premium acid soluble cmt. 350 sx Premium cmt. nitrified. Tailed in w/100 sx Super H. Dropped 1st plug. Displaced w/329 BW. Bumped plug. pressured up & set pkr. Opened DV tool. Cmt w/950 sx Interfill C. Tailed in w/100 sx Class "C" w/2% CaCl2 at 12:00 a.m. Circ 140 sx cmt. 1st out. Circ 180 sx back of 2nd stage. RD Halliburton & began ND.

01-09-05 Depth: 8700'. Finished PU stack up, set slips & cut csg off. Set stack back down. Jetted & cleaned pits. Began RD. Rig released @: 6:00 p.m. on 01-08-05.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Donna Frazier TITLE Production Analyst DATE 01/11/2005

Type or print name Donna Frazier E-mail address: dfrazier@latigopetro.com Telephone No. (432)684-4293
 For State Use Only

APPROVED BY: _____ FOR RECORDS ONLY TITLE _____ DATE JAN 12 2005
 Conditions of Approval (if any): _____

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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

RECEIVED

2. Name of Operator Latigo Petroleum, Inc.

DEC 29 2004

3. Address of Operator 550 W. Texas, Suite 700 Midland, TX 79701

DOB:ARTESIA

4. Well Location Unit Letter M : 660' feet from the SOUTH line and 760 feet from the WEST line Section 36 Township 21S Range 24E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3825

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS
- CASING/CEMENT JOB
- OTHER: 9 5/8" csg.

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

12-12-04 Day 9 - Depth 1640'. At report time: drlg cmt. RU csg crew. Ran 37 jts 9 5/8" 36# ST&C csg. Shoe is @ 1640. Float collar @ 1556'. Circ csg w/air & water. Had good circ. RU Halliburton & pumped 200 sx THIX cmt set & 500 sx Halib Lite. Tail in w/150 sc Class "C". Attempted to drop plug. Pumped 20 BW after plug was gone but plug never left head. Pumped 40 BW ahead of cmt job. WOC. Trip in w/long tooth bit to drl cmt. Tagged cmt @ 360'. Drl'd & CO cmt from 360' - 1100'. Time breakdown: 3 hr circ, 2 hrs ran csg, 1 hr cmt, 18 WOC & other.

12-13-04 Day 10 - Depth 1640'. At report time: WOC. Drl'd cmt & float collar. Cleaned to 1612'. Circ. Rig repair. TOH LD DP. Stood DC's in derrick. WOC. RU WL & ran bond log. TOC @ 675'. RD WL & WO welder. Cut off conductor & csg. WOC & pump truck. Time breakdown: 12 1/2 hrs W&R, 1 hr cond/circ, 1 1/2 hrs trips/LD DP, 1 1/2 hrs logging, 7 1/2 hrs WOC & other.

12-14 -04 Day 11 - Depth 1640'. At report time: WOC. Weld on head. WO BJ & cmt. PU 22 jts of 1" pipe & tagged @ 622'. Set plug 1# 25 sx Class "C" 3% CaCl. WOC. Set plug @ 490'. WOC. Set plug 3# @ 375' 25 sx Class "C" 3% CaCl. WOC. Tagged plug @ 175'. Set plug 4# 165' to surface w/40 sx Class "C" 2% CaCl. Cut csg & made final cut. Time breakdown: 24 hrs cmt.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Donna Frazier TITLE Production Analyst DATE 12/23/2004 Type or print name Donna Frazier E-mail address: dfrazier@latigopetro.com Telephone No. (432)684-4293 For State Use Only

FOR RECORDS ONLY

APPROVED BY: _____ TITLE _____ DATE JAN 09 2005 Conditions of Approval (if any): _____

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Energy, Minerals and Natural Resources

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May 27, 2004

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7. Lease Name or Unit Agreement Name	TWO MARKS 36 STATE
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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 RECEIVED

2. Name of Operator: Latigo Petroleum, Inc. DEC - 9 2004

3. Address of Operator: 550 W. Texas, Suite 700 Midland, TX 79701 OGD-ARTESIA

4. Well Location
Unit Letter M : 660' feet from the SOUTH line and 760 feet from the WEST line
Section 36 Township 21S Range 24E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
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Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. 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 type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL. <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Spud Well <input checked="" type="checkbox"/>	

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

12/07/04 Day 4 - Depth 130'. MW 8.4, Vis 33. Bit #1: 12 1/4" JZ547 SN#1333017 15-15-15 in @ 40'. Finished RU rotary tools. Mixed up 500 bbls spud mud. PU BHA & bit. Spudded well @ 6:00 p.m. on 12-06-04. Drlg from 40' - 130'.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Donna Frazier TITLE Production Analyst DATE 12/07/2004
Type or print name Donna Frazier E-mail address: dfrazier@latigopetro.com Telephone No. (432)684-4293
For State Use Only

FOR RECORDS ONLY

APPROVED BY: _____ TITLE _____ DATE DEC 13 2004
Conditions of Approval (if any): _____

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1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
May 27, 2004

Submit to appropriate District Office

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address LATIGO PETROLEUM INC 415 W. Wall, Suite 1900 Midland, TX 79701		² OGRID Number 227001
³ Property Code	⁴ Property Name TWO MARKS 36 STATE	⁵ Well No. 1
⁶ Proposed Pool 1 Indian Basin, Upper Penn Assoc		⁷ Proposed Pool 2

7 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Westline	County
M	36	21S	24E		660	S	760	W	EDDY

8 Proposed Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Westline	County

Additional Well Information					
¹¹ Work Type Code	¹² Well Type Code	¹³ Cable/Rotary	¹⁴ Lease Type Code	¹⁵ Ground Level Elevation	
Drill	New Well	R	S	3825' Gr	
¹⁶ Multiple	¹⁷ Proposed Depth	¹⁸ Formation	¹⁹ Contractor	²⁰ Spud Date	
	8700'	Canyon	JW/United	09/20/2004	
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water	
150'		9625' NW		9 mi NE	
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 6 milst thick Clay <input type="checkbox"/>			Pit Volume: 500 bbls		
Closed-Loop System: <input type="checkbox"/>			Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>		

21 Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	9-5/8"	36# - J55	1600'	795 sx	Surface
8-3/4"	7"	26# - L-80	8700'	1520 sx	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.
This is an area of severe lost circulation problems to a depth of approx 1600', therefore intend to drill w/air (JW Drlg Co) to 1600' & set surface csg. MIRT (United) w/fluid system & continue drl to TD of 8700'. Possible DST of Cisco/Canyon interval. BOP diagram of JW attached

As a condition of approval
a detailed closure plan
must be filed before
closure may commence.

NOTIFY OCD TO WITNESS
ALL CASING STRINGS

RECEIVED
SEP 13 2004
OCD-ARTESIA

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Bonnie Husband <i>Bonnie Husband</i>		Approved by: TIM W. GUM	
Title: Production Analyst		Title: DISTRICT II SUPERVISOR	
E-mail Address: bhusband@latigopetro.com		Approval Date: SEP 15 2004 Expiration Date: SEP 15 2005	
Date: 09/07/2004	Phone: (432)684-4293	Condition of Approval Attached <input type="checkbox"/>	

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Grande Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-10
Revised February 10, 1999
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-		Pool Code 33685		Pool Name INDIAN BASIN, UPPER PENN, ASSOCIATED	
Property Code		Property Name TWO MARKS 36 STATE		Well Number 1	
OGRID No. 227001		Operator Name LATIGO PETROLEUM, INC		Elevation 3825	

10 Surface Location

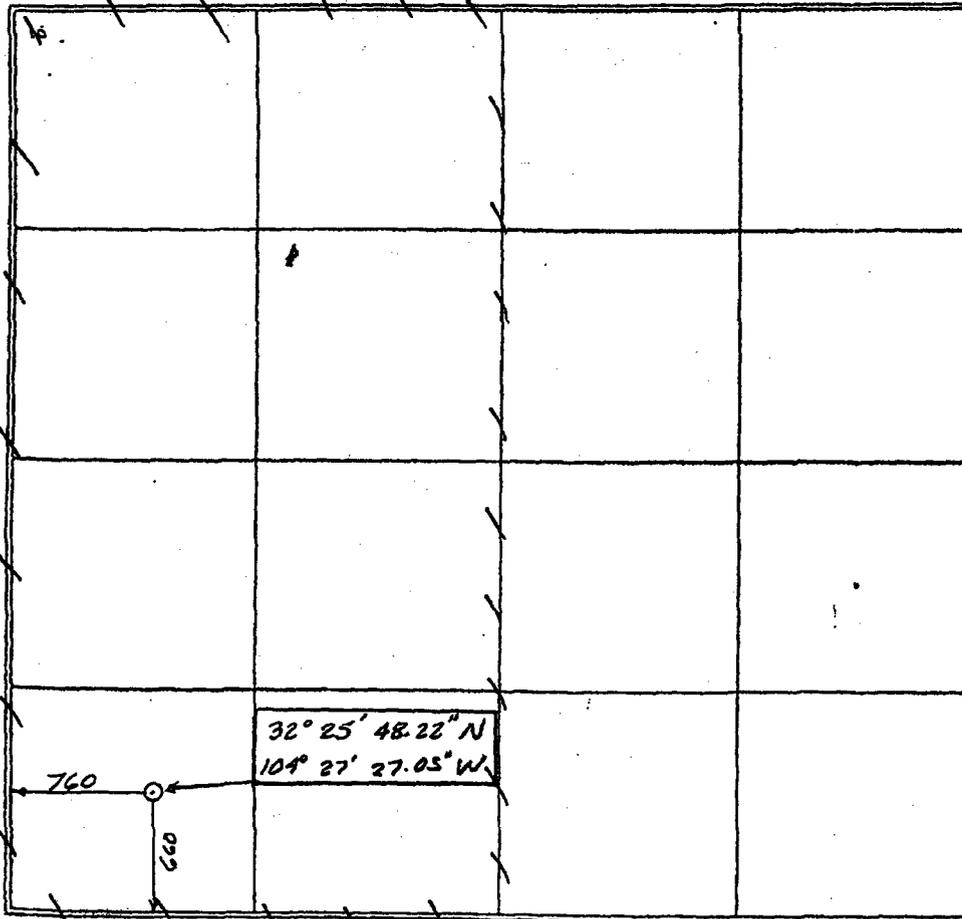
UL or lot no.	Section	Township	Range	Lot Ida	Foot from the	North/South line	Foot from the	East/West line	County
M	36	21-S	24-E		660	SOUTH	760	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Foot from the	North/South line	Foot from the	East/West line	County

12 Dedicated Acres 320	13 Joint or Infill I	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

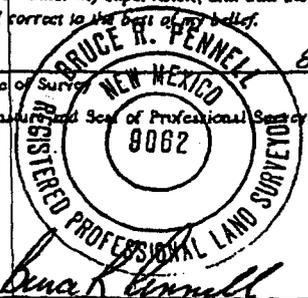


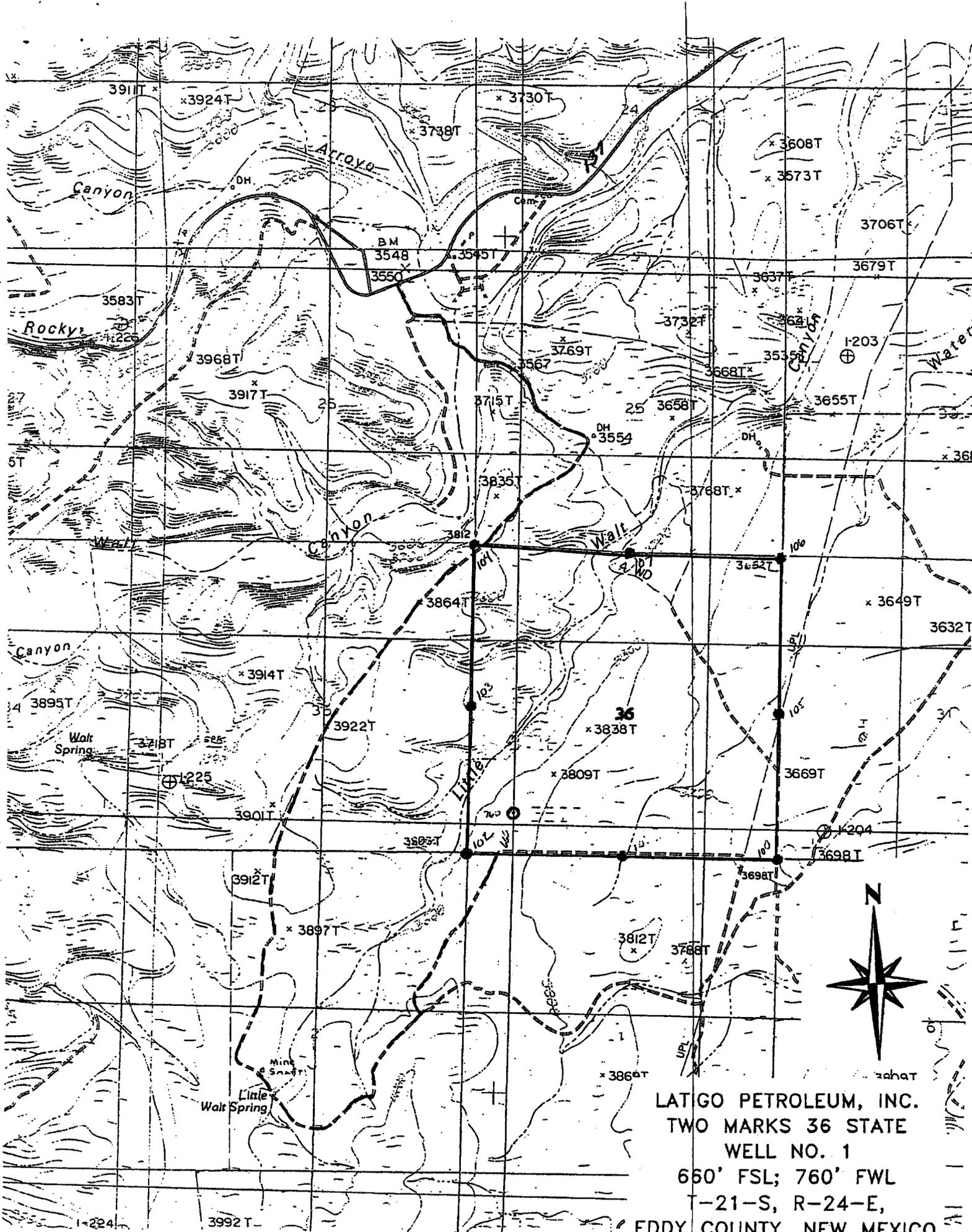
17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Bonnie Husband
Signature
Bonnie Husband
Printed Name
Production Analyst
Title
Sept 9, 2004
Date

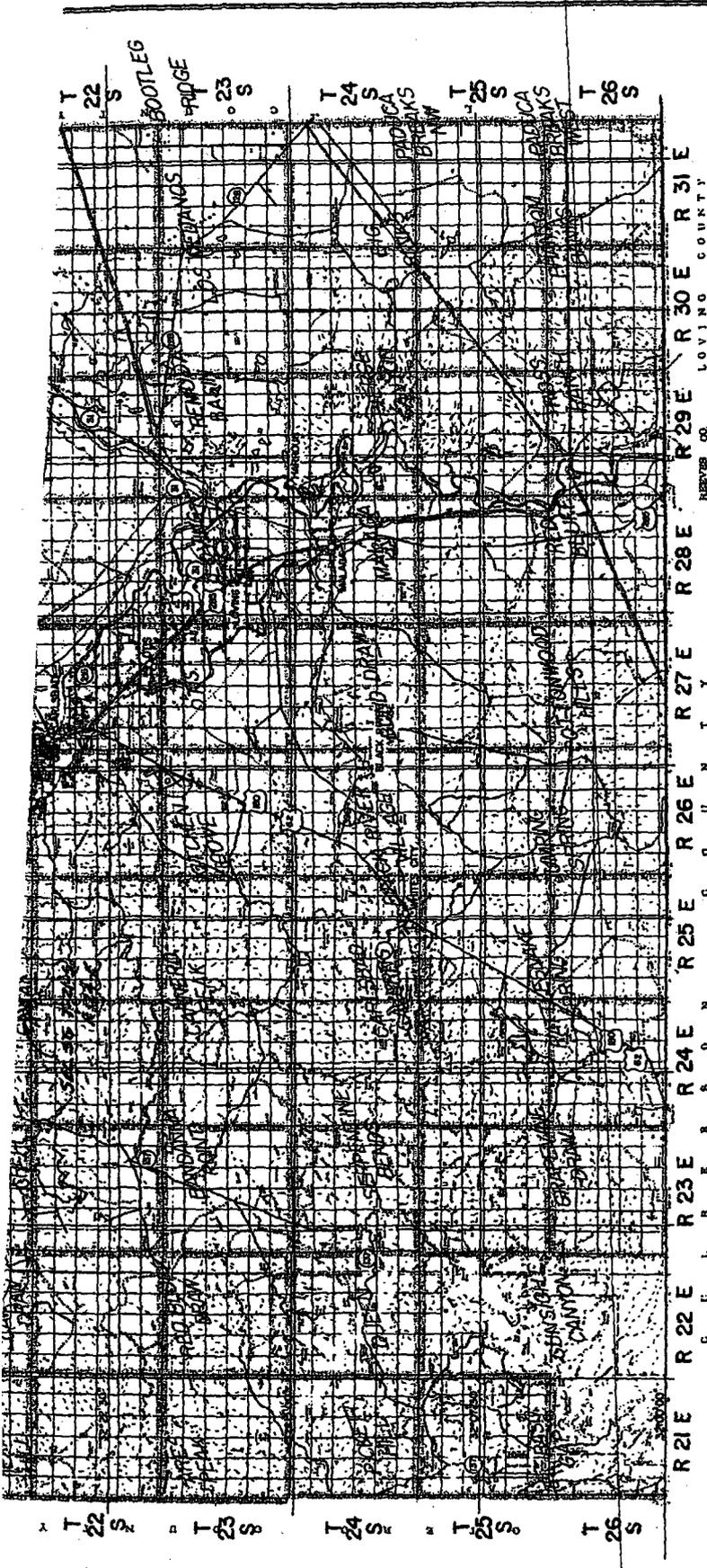
18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey
8-24-04
Signature and Seal of Professional Surveyor
Bruce R. Fennell
Certificate Number
LS 9062





LATIGO PETROLEUM, INC.
 TWO MARKS 36 STATE
 WELL NO. 1
 660' FSL; 760' FWL
 T-21-S, R-24-E,
 EDDY COUNTY, NEW MEXICO



INDEX OF
 U.S.G.S. TOPOGRAPHIC MAP
 COVERAGE AND
 GENERAL HIGHWAY MAP
 FINNY COUNTY



22	23	24	25	26	27	28	29	30	31
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LEGEND

- U.S. NUMBERED HIGHWAY
- STATE HIGHWAY
- RED. LIMITS OF U.S.G.S. TOPOGRAPHIC MAP COVERAGE (7 1/2" SERIES)

