

Submit 3 Copies To Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources

Form C-103 May 27, 2004

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

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

WELL API NO. 30-015-33744
5. Indicate Type of Lease STATE [X] FEE [ ]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Two Marks 36 State Property Code (34291)
8. Well Number #2
9. OGRID Number 227001
10. Pool name or Wildcat Indian Basin; Upper Penn Assoc. (33685)

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 [X] 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 N : 660' feet from the South line and 2080' 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 [X] or Closure [ ]
Pit type Synthetic Depth to Groundwater 150' Distance from nearest fresh water well 10,000' NW Distance from nearest surface water 9 mi.
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 500 bbls; Construction Material synthetic

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 [X] PULL OR ALTER CASING [ ] MULTIPLE COMPL [ ] OTHER: [ ]
SUBSEQUENT REPORT OF: REMEDIAL WORK [ ] ALTERING CASING [ ] COMMENCE DRILLING OPNS. [ ] P AND A [ ] CASING/CEMENT JOB [ ] OTHER: [ ]

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.

Moving location FROM: 660'FSL & 1980' FWL TO: 660'FSL & 2080' FWL

Fax - 432 684 0829

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 [X], a general permit [ ] or an (attached) alternative OCD-approved plan [ ].

SIGNATURE Donna Huddleston TITLE Production Analyst DATE 02/23/2005

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

APPROVED BY: FOR RECORDS ONLY TITLE DATE FEB 27 2005

Conditions of Approval (if any): NSL Required from Santa Fe before drilling to commence

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-33744		<sup>2</sup> Pool Code 33685		<sup>3</sup> Pool Name INDIAN BASIN, UPPER PENN, ASSOCIATED	
<sup>4</sup> Property Code 34291		<sup>5</sup> Property Name TWO MARKS 36 STATE			<sup>6</sup> Well Number #2
<sup>7</sup> OGRID No. 227001		<sup>8</sup> Operator Name LATIGO, PETROLEUM, INC.			<sup>9</sup> Elevation 3825

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
N	36	21-S	24-E		660	SOUTH	2080	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

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

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

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

	<p><sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Donna Huddleston</i> Signature</p> <p>Donna Huddleston Printed Name</p> <p>Production Analyst Title and E-mail Address</p> <p>02/23/05 Date</p>
	<p><sup>18</sup> 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.</p> <p>10/25/05 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><i>Bruce R. Kennell</i> Certificate Number PLS 9062</p>

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State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
May 27, 2004

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

Submit to appropriate District Office  
**RECEIVED**  
NOV 19 2004  
 AMENDED REPORT

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

<sup>1</sup> Operator Name and Address Latigo Petroleum, Inc. 550 W. Texas, Suite 700 Midland, TX 79701		<sup>2</sup> OGRID Number 227001
<sup>3</sup> Property Code	<sup>3</sup> Property Name TWO MARKS 36 STATE	<sup>4</sup> API Number 30-015-33744
<sup>5</sup> Proposed Pool 1 INDIAN BASIN, UPPER PENN ASSOC		<sup>6</sup> Well No. 2
<sup>9</sup> Proposed Pool 2		

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Westline	County
N	36	21S	24E		660'	South	1980	West	EDDY

<sup>8</sup> 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

<sup>11</sup> Work Type Code New Drill	<sup>12</sup> Well Type Code Oil	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3825'
<sup>16</sup> Multiple	<sup>17</sup> Proposed Depth 8,700'	<sup>18</sup> Formation Cisco/Canyon	<sup>19</sup> Contractor J/W Drilling	<sup>20</sup> Spud Date 12/01/2004
Depth to Groundwater 150'		Distance from nearest fresh water well 10,000' NW		Distance from nearest surface water 9 miles NE
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 milsthick Clay <input type="checkbox"/>		Pit Volume: 500 bbls		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"/>
Closed-Loop System <input type="checkbox"/>				

<sup>21</sup> 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# J-55	1,600'	795 sxs	Surface
8 3/4"	7"	26# L-80	8,700'	1570 sxs	Surface

<sup>22</sup> 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 to a depth of approx. 1600'.  
MIRT, air rig, and drill w/air to a depth of 1600' and set surface csg as shown above.  
MORT air rig and MIRT w/fluid system.  
Drill hole to TD.  
Log and possible DST of Cisco/Canyon interval.  
Set and cmt long string as shown above.

NOTIFY OCD TO WITNESS  
ALL CASING STRINGS

<sup>23</sup> 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"/> .	<b>OIL CONSERVATION DIVISION</b>
Printed name: Donna Frazier <i>Donna Frazier</i>	Approved by: <b>TIM W. GUM</b>
Title: Production Analyst	Title: <b>DISTRICT II SUPERVISOR</b>
E-mail Address: dfrazier@latigopetro.com	Approval Date: <b>DEC 02 2004</b> Expiration Date:
Date: 11/18/2004 Phone: (432)684-4293	Conditions of Approval Attached <input type="checkbox"/> <b>DEC 02 2005</b>

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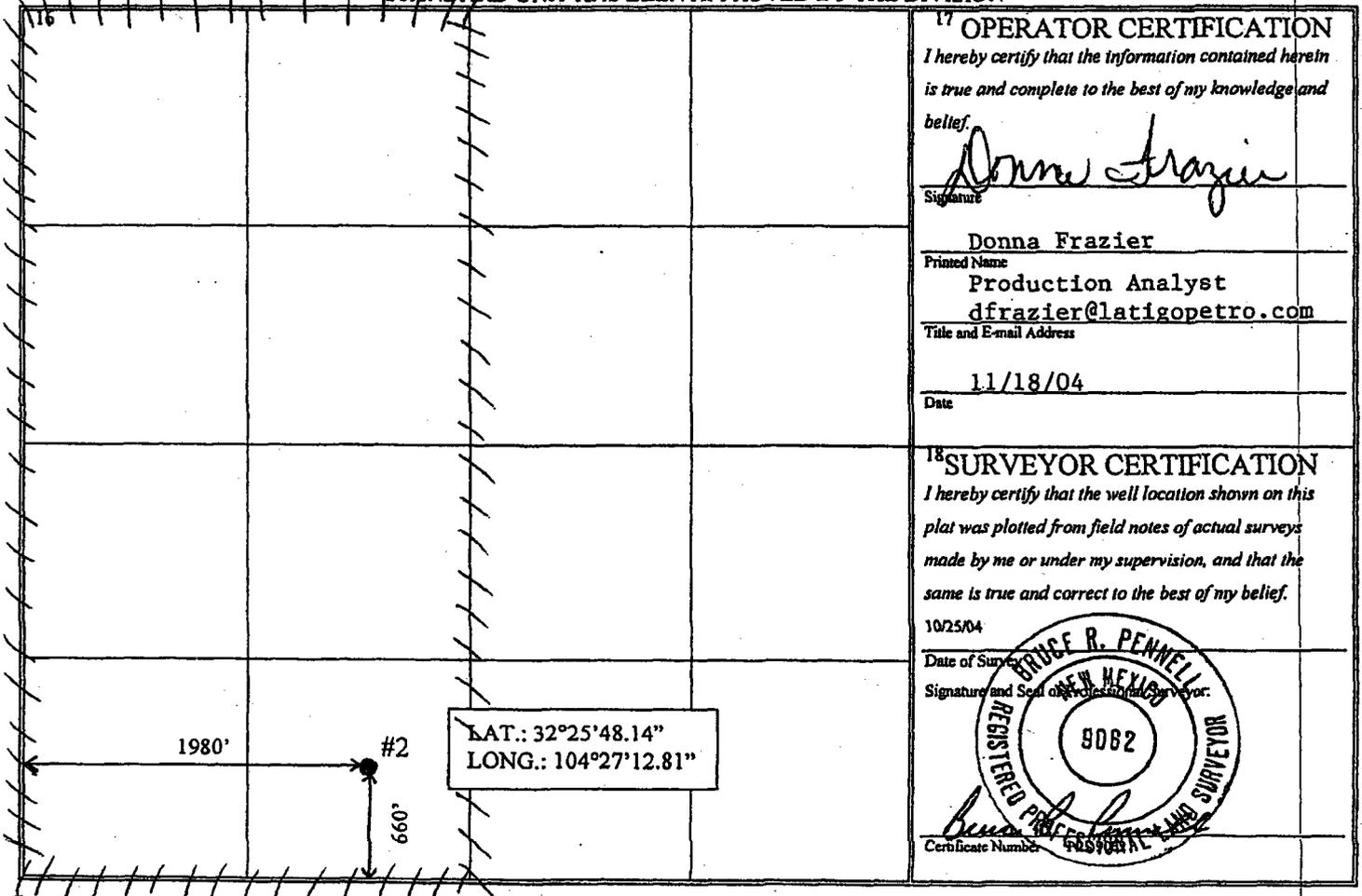
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<sup>17</sup> OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  
*Donna Frazier*  
Signature  
Donna Frazier  
Printed Name  
Production Analyst  
dfrazier@latigopetro.com  
Title and E-mail Address  
11/18/04  
Date  
<sup>18</sup> 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.  
10/25/04  
Date of Survey  
Signature and Seal of Registered Professional Surveyor:  
*Bruce R. Penwell*  
Certificate Number: 9082  
REGISTERED PROFESSIONAL SURVEYOR  
NEW MEXICO