



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

December 20, 2004

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

**Latigo Petroleum, Inc.**  
415 West Wall – Suite 1900  
Midland, Texas 79701

**Attention: William F. Chatham, CPL**  
**Sr. Staff Landman**  
*hchatham@latigopetro.com*

*Administrative Order NSP-1882 (L)*

Dear Mr. Chatham:

Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") on October 4, 2004 (*administrative application reference No. pMES0-428753865*); and (ii) the Division's records in Hobbs and Santa Fe, including the file in Division Case No. 13387: all concerning Latigo Petroleum, Inc.'s ("Latigo") request to reinstate a previously approved non-standard 160-acre gas spacing and proration unit ("GPU") in the Justis (Glorieta) Gas Pool (76360) comprising the SW/4 of Section 1, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, and to dedicate this GPU to Latigo's proposed Hodges "B" Well No. 7 to be drilled at an unorthodox gas well location 1880 feet from the South line and 390 feet from the West line (Unit L) of Section 1.

This application has been duly filed under the provisions of: (i) Division Rules 104.F and 104.D (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999; (ii) Division Rule 605; and (iii) the "*Special Rules and Regulations for the Justis Gas Pool*," as promulgated by Division Order No. R-8170, as amended.

From the Division's records and from the information provided in your application, it is our understanding that by Division Order No. R-586-C, issued in Case No. 1293 on October 3, 1957, this 160-acre non-standard GPU was "grandfathered" in as approved for Justis (Glorieta) gas production from the Cities Service Oil Company's Hodges "B" Well No. 1 (API No. 30-025-11395) located at a standard gas well location 660 feet from the South and West lines (Unit M) of Section 1. This well was initially completed in the Glorieta formation in the late 1940's and was subsequently plugged and abandoned in 1975.

By authority granted me under the provisions of Division Rules 605.B (2) (b), 104.F (2), and 104.D (2) and the applicable provisions of the special pool rules governing the Justis (Glorieta) Gas Pool, the: (i) above-described 160-acre non-standard GPU is restored; and (ii) Latigo's proposed Hodges "B" Well No. 7 to be drilled at the above-described unorthodox gas well location is hereby approved.

Latigo Petroleum, Inc.  
December 20, 2004  
Page 2

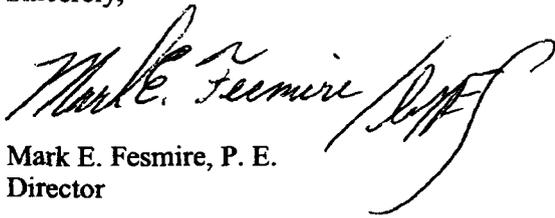
Division Administrative Order NSP-1882 (L)

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Further, Latigo is permitted to produce the allowable assigned this 160-acre GPU from the Hodges "B" Well No. 7 in accordance with Rule 5 of the special rules governing the Justis (Glorieta) Gas Pool and Division Rule 605.D (4) (a).

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P. E.  
Director

MEF/mes

cc: New Mexico Oil Conservation Division - Hobbs  
File: Case No. 13387  
Case No. 1293  
James Bruce, Legal Counsel for Latigo Petroleum, Inc. - Santa Fe



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Latigo Petroleum, Inc.**

c/o James Bruce

P. O. Box 1056

Santa Fe, New Mexico 87504

January 24, 2005

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

## *AMENDED Administrative Order NSP-1882 (L)*

Dear Mr. Bruce:

Reference is made to your letter dated December 31, 2004, requesting that Division Administrative Order NSP-1882 (L), dated December 20, 2004, be amended to reflect a location change for Latigo Petroleum, Inc.'s proposed Hodges "B" Well No. 7. It is the Division's understanding that a move 40 feet east from the proposed well site is needed in order "*to move the well further from an existing pipeline.*"

By authority granted me under the provisions of Division Rules 605.B (2) (b), 104.F (2), and the applicable provisions of the special pool rules governing the Justis (Glorieta) Gas Pool, Division Administrative Order NSP-1882 (L) is hereby amended to reflect a location change for Latigo's proposed Hodges "B" Well No. 7 to be drilled at a less-unorthodox oil well location 1880 feet from the South line and 430 feet from the West line (Unit L) of Section 1, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

All other provisions of Division Order NSP-1882 (L) shall remain in full force and effect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

Mark E. Fesmire, P. E.  
Director

MEF/mes

cc: New Mexico Oil Conservation Division - Hobbs  
File: Case No. 13387  
Case No. 1293  
NSP-1882 (L)

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, 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-101  
May 27, 2004

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

Submit to appropriate District Office

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 300320	<sup>4</sup> Property Name Hodges "B"	<sup>5</sup> API Number 30-025-37016
<sup>9</sup> Proposed Pool 1 Glorieta Justis Gas Pool		<sup>6</sup> Well No. 7
<sup>9</sup> Proposed Pool 1		<sup>10</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
L	1	25S	37E		1880	South	390	West	Lea

<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

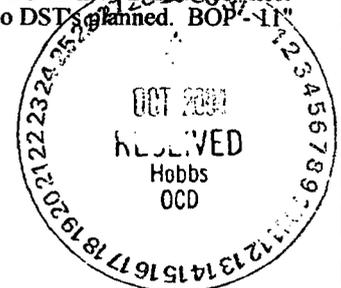
<sup>11</sup> Work Type Code New Drill	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 3118'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 5100'	<sup>18</sup> Formation Glorieta	<sup>19</sup> Contractor United	<sup>20</sup> Spud Date 11/15/2004
Depth to Groundwater 90'		Distance from nearest fresh water well 13,000'		Distance from nearest surface water 6 miles SW
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 milstuck 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 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
11"	8 5/8"	24	1000'	400	Surface
7 7/8"	5 1/2"	15.5	5100'	675	1000'

<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.  
Drill an 11" hole to 1000', run 8 5/8" 24# J55 casing. Cement w/400 sx Class C cement + additives. WOC 12 hrs. ~~Drill 7 7/8" hole to 5100', run 5 1/2" 15.5# J55 casing. Cement w/675 sx Class C + additives. Estimated TOC 1000'. No DSTs planned. BOP-11" 3000# Shaffer LWS Double, annular: Hydril GK 10" x 3000psi.~~

Permit Expires 1 Year From Approval Date Unless Drilling Underway



<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 NMOC guidelines , a general permit , or an (attached) alternative OCD-approved plan .

OIL CONSERVATION DIVISION

Approved by:

*Donna Frazier*

Printed name: Donna Frazier

*Donna Frazier*

Title:

PETROLEUM ENGINEER

Title: Production Analyst

Approval Date:

Expiration Date:

E-mail Address: dfrazier@latigopetro.com

DEC 28 2004

Date: 10/26/2004

Phone: (432)684-4293

Conditions of Approval Attached

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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 & 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 30-025-37010		<sup>2</sup> Pool Code 78360		<sup>3</sup> Pool Name JUSTIS Glorieta	
<sup>4</sup> Property Code 300320		<sup>5</sup> Property Name HODGES "B"			<sup>6</sup> Well Number #7
<sup>7</sup> OGRID No. 227001		<sup>8</sup> Operator Name LATIGO PETROLEUM INC.			<sup>9</sup> Elevation 3118

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	1	25-S	37-E		1880	SOUTH	390	WEST	LEA

<sup>11</sup> 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/West line	County
<sup>12</sup> Dedicated Acres 160		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No. NSP-1882(L)			

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 Frazier</i> Signature Donna Frazier Production Analyst Printed Name Production Analyst Title and E-mail Address Date 10/28/04</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>9-20-04 Date of Survey Signature and Seal of Professional Land Surveyor <i>Bruce R. Pennell</i> Certificate Number LS9062</p>

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.	30-025-37016
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name Hodges "B"	
8. Well Number	7
9. OGRID Number	227001
10. Pool name or Wildcat	Justis Glorieta Gas Pool (79360)

**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 L : 1880 feet from the South line and 447 390 feet from the West line  
Section 1 Township 25S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3118 GR

Pit or Below-grade Tank Application  or Closure

Pit type Synthetic Depth to Groundwater 90' Distance from nearest fresh water well 13,000 Distance from nearest surface water 6 miles SW

Pit Liner Thickness: 12 mil mil Below-Grade Tank: Volume 500 bbls; Construction Material Synthetic

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
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.

Drill & complete Glorieta Gas Well  
 01/26/2005 Wednesday (Day 1)  
 Depth: 400'. MW 8.3. Bit #1: 12 1/4" SEC 4680 SN#949473 13-13-13 in @ 40' w/10 total hrs & 360' total footage on bit. Drlid 360' in last 24 hrs @ 36 ft/hr. At report time: drlg. Mud added: 35 FW gel, 5 paper & 2 lime. Spudded well @ 8:00 p.m. on 01-25-05. RU & spudded w/12 1/4" bit from 40' - 400'. Time breakdown: 14 hrs RU & 10 hrs drlg.



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 01/27/2005  
 Type or print name Donna Frazier E-mail address: dfrazier@latigopetro.com Telephone No. (432)684-4293  
**For State Use Only**  
 APPROVED BY: Harry White OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE FEB 03 2005  
 Conditions of Approval (if any):

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.	30-025-37016
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	Hodges "B"
8. Well Number	7
9. OGRID Number	227001
10. Pool name or Wildcat	Justis Glorieta Gas Pool (79360)

**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 L : 1880' feet from the South line and 447' 390' feet from the West line  
 Section 1 Township 25S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 3118 GR

Pit or Below-grade Tank Application  or Closure

Pit type Synthetic Depth to Groundwater 90' Distance from nearest fresh water well 13,000 Distance from nearest surface water 6 miles SW

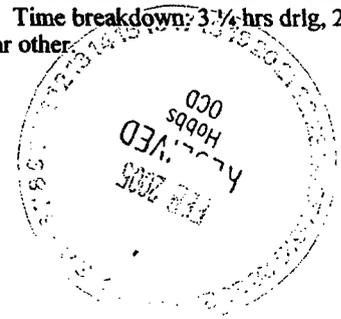
Pit Liner Thickness: 12 mil mil Below-Grade Tank: Volume 500 bbls; Construction Material Synthetic

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
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: Run 8 5/8" csg <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.

01/28/2005 Depth: 1030'. MW 8.3. Bit #1: 12 1/4" SEC 4680 SN#949473 13-13-13 in @ 40' & out @ 1030' w/36 1/4 total hrs & 990' total footage on bit. Drld 69' in last 24 hrs @ 3 1/4 ft/hr. At report time: WOC & BOP. Mud added: 5 paper. Drld from 961' - 1030'. Circ & sweep hole. Dropped Totco. TOH to run 8 5/8" csg (tight hole) & LD 8" DC's & S. sub. RU csg crew & ran 23 jts 8 5/8" csg & set @ 1026'. RD csg crew. Broke circ & circulated. RU cmt tools & cmt surface w/362 sxs Class C w/2% bwoc + 81.4% fresh water, tail w/ 100 sxs Class C + 2% bwoc Calcium Chloride. Plug down @ 5:00 p.m. RD cmt tools. WOC. Welder arrived on location & started cutting off conductor & 8 5/8" csg. Welded WH. WOC & BOP. Time breakdown: 3 1/4 hrs drlg, 2 hrs trips, 1/2 hr cond/circ, 9 1/4 hr WOC, 1 1/2 hrs drld cmt, 2 3/4 hrs ran csg, 4 1/2 hrs weld head & 1/4 hr other



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 01/31/2005

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

For State Use Only **UC FIELD REPRESENTATIVE II/STAFF MANAGER**

APPROVED BY: Hayden Wink TITLE DATE FEB 03 2005

Conditions of Approval (if any): FEB 03 2005

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.	30-025-37016
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	Hodges "B"
8. Well Number	7
9. OGRID Number	227001
10. Pool name or Wildcat	Justis Glorieta Gas Pool (79360)

**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 L : 1859' feet from the South line and 447' feet from the West line  
Section 1 Township 25S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3118 GR

Pit or Below-grade Tank Application  or Closure

Pit type Synthetic Depth to Groundwater 90' Distance from nearest fresh water well 13,000 Distance from nearest surface water 6 miles SW

Pit Liner Thickness: 12 mil mil Below-Grade Tank: Volume 500 bbls; Construction Material Synthetic

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
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: Run 5 1/2" csg <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.

02/08/2005 Depth: 4950'. RU csg crew & ran 125 jts 5 1/2" csg & set @ 4949'. RD csg crew. Broke circ & circulated. RU cmt tools & cmt w/500 sxs Class C light, tail w/ 397 sxs Class C 50/50 pos. RD cmt tools. WOC. WO temp survey.



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 02/10/2005

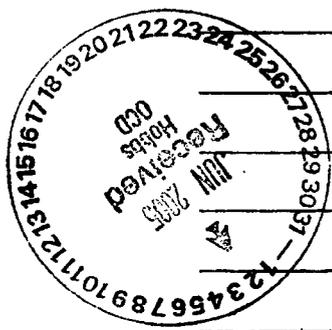
Type or print name Donna Frazier E-mail address: dfrazier@latigopetro.com Telephone No. (432)684-4293  
For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE FEB 17 2005  
Conditions of Approval (if any):

WELL NAME AND NUMBER Hodges "B" No. 7 Unit 1  
 LOCATION 1880' FSL & 390' FWL, Section 125S, R37E, Lea County NM  
 OPERATOR Latigo Petroleum, Inc. 30-025-37016  
 DRILLING CONTRACTOR United Drilling, Inc.

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation tests and obtained the following results:

<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>
<u>1/2° 502'</u>	<u>1-1/2° 4517'</u>	_____
<u>3/4° 1023'</u>	<u>2° 4930'</u>	_____
<u>1° 1502'</u>	_____	_____
<u>1-1/4° 2008'</u>	_____	_____
<u>1/2° 2516'</u>	_____	_____
<u>1-1/4° 2996'</u>	_____	_____
<u>1-1/2° 3503'</u>	_____	_____
<u>1-3/4° 4010'</u>	_____	_____



Drilling Contractor United Drilling Inc.  
 By: George A. Aho  
 Title: Business Manager

Subscribed and sworn to before me this 14<sup>th</sup> day of February, 2002.

Carlue Martin  
 Notary Public

My Commission Expires: 10-08-08  
Chaves County New Mexico State

*Ke*

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies <b>District I</b> 1625 N. French Dr., Hobbs, NM 88240 <b>District II</b> 1301 W. Grand Avenue, Artesia, NM 88210 <b>District III</b> 1000 Rio Brazos Rd., Aztec, NM 87410 <b>District IV</b> 1220 S. St. Francis Dr., Santa Fe, NM 87505	<b>State of New Mexico</b> <b>Energy, Minerals and Natural Resources</b>  <b>Oil Conservation Division</b> <b>1220 South St. Francis Dr.</b> <b>Santa Fe, NM 87505</b>	<b>Form C-105</b> Revised June 10, 2003  <b>WELL API NO.</b> <b>30-025-37016</b> <b>5. Indicate Type of Lease</b> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> <b>State Oil &amp; Gas Lease No.</b>					
<b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>							
<b>1a. Type of Well:</b> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____  <b>b. Type of Completion:</b> NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. _____ WELL OVER _____ BACK RESVR. <input type="checkbox"/> OTHER _____		<b>7. Lease Name or Unit Agreement Name</b>  Hodges "B"					
<b>2. Name of Operator</b>  Latigo Petroleum, Inc.		<b>8. Well No.</b>  #7					
<b>3. Address of Operator</b>  550 W. Texas, Suite 700 Midland, TX 79701		<b>9. Pool name or Wildcat</b>  Justis Glorieta Gas Pool (79360)					
<b>4. Well Location</b> Unit Letter <u>L</u> <u>1880</u> Feet From The <u>South</u> Line and <u>390</u> Feet From The <u>West</u> Line Section <u>1</u> Township <u>25S</u> Range <u>37E</u> NMPM Lea County							
<b>10. Date Spudded</b> 01/25/2005	<b>11. Date T.D. Reached</b> 02/06/2005	<b>12. Date Compl. (Ready to Prod.)</b> 04/18/2005	<b>13. Elevations (DF&amp; RKB, RT, GR, etc.)</b> 3115 GR	<b>14. Elev. Casinghead</b>			
<b>15. Total Depth</b> 4950'	<b>16. Plug Back T.D.</b> 4889' WL	<b>17. If Multiple Compl. How Many Zones?</b>	<b>18. Intervals Drilled By</b> Rotary	<b>Rotary Tools</b> Rotary	<b>Cable Tools</b>		
<b>19. Producing Interval(s), of this completion - Top, Bottom, Name</b> 4760' - 4787' Justis Glorieta Pool				<b>20. Was Directional Survey Made</b> No			
<b>21. Type Electric and Other Logs Run</b> SGR-CN-FD, GR-Induction, CBL				<b>22. Was Well Cored</b> No			
<b>23. CASING RECORD (Report all strings set in well)</b>							
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED		
8 5/8"	24#	1026'	12 1/4"	462 sxs			
5 1/2"	15.5#	4949'	7 7/8"	897 sxs			
<b>24. LINER RECORD</b>			<b>25. TUBING RECORD</b>				
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8"	4832'	
<b>26. Perforation record (interval, size, and number)</b> 4670' - 4687' w/4 SPF (total 68 holes) 4760' - 4787' w/4 SPF (total 108 holes)				<b>27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.</b> DEPTH INTERVAL      AMOUNT AND KIND MATERIAL USED 4670' - 4687'      sqz'd w/ 270 sxs crmt 4760' - 4787'      3000 gal 15% NEFE, Foam Frac w/290bbbls H2O, 358 bbbls CO2 & 54042# 16/30 Brady			
<b>28. PRODUCTION</b>							
<b>Date First Production</b> 04/20/2005		<b>Production Method (Flowing, gas lift, pumping - Size and type pump)</b> Pumping Lufkin C114D-173-64 unit w/15 hp motor			<b>Well Status (Prod. or Shut-in)</b> Prod.		
<b>Date of Test</b> 05/04/2005	<b>Hours Tested</b> 24	<b>Choke Size</b>	<b>Prod'n For Test Period</b>	<b>Oil - Bbl</b> 8	<b>Gas - MCF</b> 45	<b>Water - Bbl.</b> 31	<b>Gas - Oil Ratio</b> 5630
<b>Flow Tubing Press.</b>	<b>Casing Pressure</b>	<b>Calculated 24-Hour Rate</b>	<b>Oil - Bbl.</b> 8	<b>Gas - MCF</b> 45	<b>Water - Bbl.</b> 31	<b>Oil Gravity - API - (Corr.)</b> 36.4	
<b>29. Disposition of Gas (Sold, used for fuel, vented, etc.)</b> Venting unit CO2 concentration drops						<b>Test Witnessed By</b>	
<b>30. List Attachments</b>							
<b>31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief</b>							
<b>Signature</b> <i>Donna Huddleston</i>		<b>Printed Name</b> Donna Huddleston		<b>Title</b> Production Analyst		<b>Date</b> 05/06/2005	
<b>E-mail Address</b> dhuddleston@latigopetro.com							

# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

## INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	985	T. Canyon	T. Ojo Alamo
T. Salt	1770	T. Strawn	T. Kirtland-Fruitland
B. Salt		T. Atoka	T. Pictured Cliffs
T. Yates	2370	T. Miss	T. Cliff House
T. 7 Rivers	2610	T. Devonian	T. Menefee
T. Queen	3135	T. Silurian	T. Point Lookout
T. Grayburg	3380	T. Montoya	T. Mancos
T. San Andres	3605	T. Simpson	T. Gallup
T. Glorieta	4675	T. McKee	Base Greenhorn
T. Paddock		T. Ellenburger	T. Dakota
T. Blinebry		T. Gr. Wash	T. Morrison
T. Tubb		T. Delaware Sand	T. Todilto
T. Drinkard		T. Bone Springs	T. Entrada
T. Abo		T.	T. Wingate
T. Wolfcamp		T.	T. Chinle
T. Penn		T.	T. Permian
T. Cisco (Bough C)		T.	T. Penn "A"
			T. Penn "B"
			T. Penn "C"
			T. Penn "D"
			T. Leadville
			T. Madison
			T. Elbert
			T. McCracken
			T. Ignacio Otzte
			T. Granite
			T.

### OIL OR GAS SANDS OR ZONES

No. 1, from 4760' to 4790' No. 3, from ..... to .....

No. 2, from ..... to ..... No. 4, from ..... to .....

### IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from ..... to ..... feet

No. 2, from ..... to ..... feet

No. 3, from ..... to ..... feet

### LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
2000	2170	170	Salt				
2170	2580	410	Anhydrite, Shale				
2580	3820	1240	Anhydrite, Dolomite				
3820	4950	1130	Dolomite				

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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 & Natural Resources

Form C-10  
Revised June 10, 2003

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

Submit to Appropriate District Office  
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

<sup>1</sup> Operator name and Address <b>Latigo Petroleum, Inc.</b> 550 W. Texas, Suite 700 Midland, TX 79701		<sup>2</sup> OGRID Number <b>227001</b>
<sup>4</sup> API Number <b>30 -025-37016</b>		<sup>3</sup> Reason for Filing Code/ Effective Date <b>NW</b>
<sup>5</sup> Pool Name <b>Justis Glorieta Gas Pool</b>	<sup>6</sup> Pool Code <b>79360</b>	
<sup>7</sup> Property Code <b>3D032D</b>	<sup>8</sup> Property Name <b>Hodges B</b>	<sup>9</sup> Well Number <b>#7</b>

II. <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
L	1	25S	37E		489'	South	447'	West	Lea

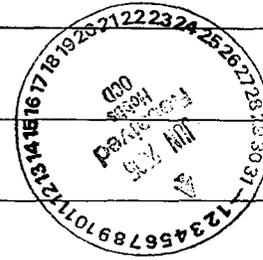
<sup>11</sup> Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
					188'		390'		

<sup>12</sup> Use Code P	<sup>13</sup> Producing Method Code P	<sup>14</sup> Casing Connection Date	<sup>15</sup> C-129 Permit Number	<sup>16</sup> C-129 Effective Date	<sup>17</sup> C-129 Expiration Date
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III. Oil and Gas Transporters

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> POD	<sup>21</sup> O/G	<sup>22</sup> POD ULSTR Location and Description
015694	Navajo Refining	2026100	Oi	
020809	Sid Richardson	2026130	Ga	
	CASINGHEAD GAS MUST NOT BE FLARED AFTER 8/6/05 UNLESS AN EXCEPTION TO R 4070 IS OBTAINED.			



IV. Produced Water

<sup>23</sup> POD 2026150	<sup>24</sup> POD ULSTR Location and Description
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V. Well Completion Data

<sup>25</sup> Spud Date 01/25/2005	<sup>26</sup> Ready Date 04/18/2005	<sup>27</sup> TD 4950'	<sup>28</sup> PRTD 4889' WL	<sup>29</sup> Perforations 4760' - 478	<sup>30</sup> DHC. MC
<sup>31</sup> Hole Size 12 1/4"	<sup>32</sup> Casing & Tubing Size 8 5/8"	<sup>33</sup> Depth Set 1026'	<sup>34</sup> Sacks Cement 462 sxs		
7 7/8"	5 1/2"	4949'	897 sxs		

VI. Well Test Data

<sup>35</sup> Date New Oil 04/20/2005	<sup>36</sup> Gas Delivery Date venting	<sup>37</sup> Test Date 05/04/2005	<sup>38</sup> Test Length 24 hr	<sup>39</sup> Tbg. Pressure	<sup>40</sup> Csg. Pressure
<sup>41</sup> Choke Size 8 bbbls	<sup>42</sup> Oil	<sup>43</sup> Water 31 bbbls	<sup>44</sup> Gas 45 mcf	<sup>45</sup> AOF	<sup>46</sup> Test Method P

<sup>47</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Donna Huddleston*

Printed name: **Donna Huddleston**

Title: **Production Analyst**

E-mail Address: **dhuddleston@latigopetro.com**

Date: **05/31/2005**

Phone: **(432)684-4293**

OIL CONSERVATION DIVISION

Approved by: *[Signature]*

Title: **PETROLEUM ENGINEER**

Approval Date: **JUN 06 2005**