

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies
DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-105
 Revised 1-1-89

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.
 30-005-63187

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
 OIL WELL GAS WELL DRY OTHER _____

b. Type of Completion:
 NEW WELL WORK OVER DEEPEN PLUG BACK DIFF RESVR OTHER _____

2. Name of Operator
 Hanagan Petroleum Corporation

3. Address of Operator
 P.O. Box 1737 - Roswell, NM 88202-1737

7. Lease Name or Unit Agreement Name
 Twin Lakes San Andres Unit

8. Well No.
 319

9. Pool name or Wildcat
 Twin Lakes San Andres (Associated)

4. Well Location
 Unit Letter J : 2310 Feet From The South Line and 1650 Feet From The East Line

Section 31 Township 8s Range 29e NMPM Chaves County

10. Date Spudded 01/02/99	11. Date T.D. Reached 01/08/99	12. Date Compl. (Ready to Prod.) 01/28/99	13. Elevations (DF & RKB, RT, GR, etc.) 4009'kb	14. Elev. Casinghead 4003'
15. Total Depth 2903'	16. Plug Back T.D. 2876'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools <input checked="" type="checkbox"/>	Cable Tools
19. Producing interval(s), of this completion - Top, Bottom, Name 2746' - 2796' (San Andres)				20. Was Directional Survey Made No
21. Type Electric and Other Logs Run Cased hole gamma ray/comp. neutron/CCL			22. Was Well Cored No	

23. **CASING RECORD** (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8.625"	24	116'	12.25"	3yds - Redi-Mix	0
5.5"	15.50	2900'	7.875"	975sx - circulated 60sx	0

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2.375"	2781	

26. Perforation record (interval, size, and number)
 2746'-52', 2756'-60', 2766'-86', 2790-96' w/40 holes

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
2746'-2796'	10,000gl 20% acid

28. **PRODUCTION**

Date First Production 01/15/99	Production Method (Flowing, gas lift, pumping - Size and type pump) pumping	Well Status (Prod. or Shut-in) producing					
Date of Test 01/28/99	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - BbL 17	Gas - MCF tstm	Water - BbL 220	Gas - Oil Ratio
Flow Tubing Press.	Casing Pressure Ops	Calculated 24-Hour Rate	Oil - BbL 17	Gas - MCF tstm	Water - BbL 220	Oil Gravity - API - (Corr.) 24	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
 Test Witnessed By
 M. Hanagan

30. List Attachments
 2 copies of logs, deviation survey record

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature  Printed Name Michael G. Hanagan Title President Date 02/01/99

WELL NAME AND NUMBER Twin Lakes San Andres Unit 319
 LOCATION 2310' FWL & 1650 FEL, Section 31, T8S, R29E, Chaves County NM
 OPERATOR Hanagan Petroleum Corporation
 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° 556'</u>	_____	_____
<u>3/4° 1023'</u>	_____	_____
<u>3/4° 1551'</u>	_____	_____
<u>1/2° 2019'</u>	_____	_____
<u>3/4° 2545'</u>	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Drilling Contractor United Drilling, Inc
 By: *Darryl A. Cho*
 Title: Business Manager

Subscribed and sworn to before me this 8th day of January, 1999.

Karma Lambert
 Notary Public

My Commission Expires: 9-25-99
Chaves County NM State

OIL CONSERVATION DIVISION

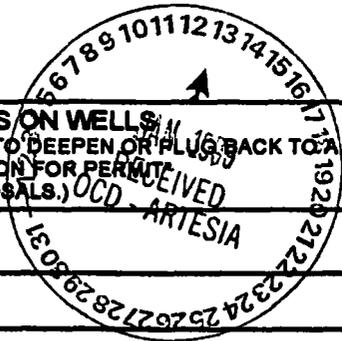
2040 Pacheco St.
Santa Fe, NM 87505

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P.O. Drawer DD, Artesia, NM 88210

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

WELL API NO. 30-005-63187
Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name Twin Lakes San Andres Unit
Well No. 319
Pool name or Wildcat Twin Lakes San Andres (Associated)



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 PERMITS (FORM C-101) FOR SUCH PROPOSALS.)

Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>
Name of Operator HANAGAN PETROLEUM CORPORATION
Address of Operator P.O. BOX 1737 - ROSWELL, NM - 88202-1737
Well Location Unit Letter <u>J</u> : <u>2310</u> Feet From The <u>SOUTH</u> Line and <u>1650</u> Feet From The <u>EAST</u> Line 31 Section <u>8s</u> Township <u>29e</u> Range <u>NMPM</u> <u>CHAVES</u> County
Elevation (Show whether DF, RKB, RT, GR, etc.) 4009'KB

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 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 ANBANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

1/2/99 - MIRU United Drilling Co. Rig #10 - drill 12.25" hole to 116' w/air - run 3jts 8.625" 24#/ft casing to TD - RU Valley Concrete & cement w/3yds Redi-Mix to surface - RD Rig #10

1/8/99 - TD 7.875" hole @ 2903' - Run 66jts of 5.5", 15.50#/ft 8rd J55 casing w/shoe @ 2900' (KB) -RU BJ Services & cement w/750sx 50% "C"/50% Poz w/5#-sk salt + 10% bentonite lead cement(weight=11.80#/gl / yield = 2.39), tailed in w/225sx Class "C" cement (weight=14.80#/gl / yield=1.33), circulate 60sx cement to pits - Release rig

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

SIGNATURE [Signature] TITLE President DATE 11/12/99
12-14-98

TYPE OR PRINT NAME Michael G. Hanagan TELEPHONE NO. 623-5053

(This space for State Use)

APPROVED BY [Signature] TITLE District Supervisor DATE 1-14-99

CONDITIONS OF APPROVAL, IF ANY:

2-2-99 - XC To partners

Attachment to Form C-142**WORKING INTEREST OWNERS*****Hanagan Petroleum Corporation
Twin Lakes San Andres Unit Well #319***

Weeks & Stroecker Twin Lakes, LLC
P.O. Box 1230
Fairbanks, AK 99707-1230

Mr. Rick Winther
3175 College Rd., Suite 1
Fairbanks, AK 99709

Nabob Production Company
P.O. Box 9598
Amarillo, TX 79105-9598

Entech Enterprises
4900 Woodway, Suite 800
Houston, TX 77056-1809

United Drilling Company
P.O. Box 2488
Roswell, NM 88202-0310

Elk Oil Company
P.O. Box 310
Roswell, NM 88202-0310

Tres Featherstone
1801 West Second Street
Roswell, NM 88201

Olen Featherstone, II
1801 West Second Street
Roswell, NM 88201

Aceite Associates, LLC
1801 West Second Street
Roswell, NM 88201

Manzano Oil Corporation
P.O. Box 2107
Roswell, NM 88202-2107

Reynolds Family Trust
P.O. Box 1498
Roswell, NM 88202-1498

Western Oil Producers
P.O. Box 2055
Roswell, NM 88202-2055

W.E.K. Drilling Co., Inc.
P.O. Box 1498
Roswell, NM 88202-1498

TJ & 4K Partnership
Route 1, 2904 Ave. De Amigos
Roswell, NM 88201

Richard J. Forrest, Jr.
208 Dickson Lane
Carlsbad, NM 88220

New Mexico Western Minerals, Inc.
P.O. Box 1738
Roswell, NM 88202-1738

Mikens, LLC
P.O. Box 1737
Roswell, NM 88202-1737

Hanagan Petroleum Corporation
P.O. Box 1737
Roswell, NM 88202-1737