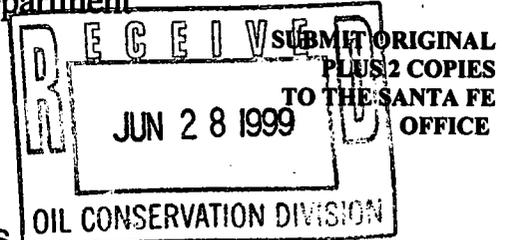


District I - (505) 393-6161
 1625 N. French Dr
 Hobbs, NM 88241-1980
 District II - (505) 748-1283
 811 S. First
 Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Road
 Aztec, NM 87410
 District IV - (505) 827-7131

New Mexico
 Energy Minerals and Natural Resources Department

Oil Conservation Division
 2040 South Pacheco Street
 Santa Fe, New Mexico 87505
 (505) 827-7131



APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address Hanagan Petroleum Corporation P.O. Box 1737 Roswell, NM 88202							OGRID Number 009911		
Contact Party Mike Hanagan							Phone 505-623-5053		
Property Name Twin Lakes San Andres Unit					Well Number 316		API Number 30-005-63185		
UL I	Section 36	Township 8S	Range 28E	Feet From The 2310	North/South Line South	Feet From The 330	East/West Line East	County Chaves	

II. Date/Time Information

Spud Date 1/2/99	Spud Time 12:30 PM	Date Completed 2/9/99	Pool Twin Lakes San Andres (Associated)
---------------------	-----------------------	--------------------------	--------------------------------------------

III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of New Mexico)
)
 County of Chaves) ss.

Michael G. Hanagan, being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature [Signature] Title President Date 6/24/99

SUBSCRIBED AND SWORN TO before me this 24th day of June, 1999.

[Signature]
 Notary Public

My Commission expires: 8/12/2001

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>[Signature]</u>	Title <u>P.E. Spec.</u>	Date <u>7-1-99</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 7/6/99

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2005848314

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 6 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.
 30-005-63185

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 _____

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

2. Name of Operator
 Hanagan Petroleum Corporation

8. Well No.
 316

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

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

4. Well Location
 Unit Letter I : 2310 Feet From The SOUTH Line and 330 Feet From The EAST Line

Section 36 Township 8S Range 28E NMPM Chaves County

10. Date Spudded 01/02/99 11. Date T.D. Reached 01/13/99 12. Date Compl. (Ready to Prod.) 02/09/99 13. Elevations (DF & RKB, RT, GR, etc.) 3977' RKB 14. Elev. Casinghead 3971'

15. Total Depth 2767' 16. Plug Back T.D. 2738' 17. If Multiple Compl. How Many Zones? _____ 18. Intervals Drilled By _____ Rotary Tools Cable Tools _____

19. Producing Interval(s), of this completion - Top, Bottom, Name
2638'-2684' 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	110'	12.25"	3yds - Redi-Mix	0
5.5"	15.50	2764'	7.875"	965ex - circulated 25ex	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)
2638'-2642', 2658'-2662', 2664'-70', 2674'-84' w/28 holes

27. **ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.**

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
<u>2638'-2684'</u>	<u>10,000gal 20% HCl</u>

28. **PRODUCTION**

Date First Production 02/08/99 Production Method (*Flowing, gas lift, pumping - Size and type pump*) PUMPING Well Status (*Prod. or Shut-In*) producing

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
<u>02/10/99</u>	<u>24</u>			<u>9</u>	<u>tstrn</u>	<u>251</u>	

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
	<u>Opsl</u>		<u>9</u>	<u>tstrn</u>	<u>251</u>	<u>24</u>

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 [Signature] Printed Name Michael G. Hanagan Title President Date 04/19/99

WELL NAME AND NUMBER Twin Lakes San Andres Unit 316

LOCATION 2310' FSL & 330' FEL, Section 36, T8S, R28E, 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>1/4° 524'</u>	_____	_____
<u>1/2° 1014'</u>	_____	_____
<u>1/2° 1512'</u>	_____	_____
<u>1/2° 2010'</u>	_____	_____
<u>1/4° 2505'</u>	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Drilling Contractor United Drilling, Inc.

By: George A. Aho

Title: Business Manager

Subscribed and sworn to before me this 18th day of January, 1999.

Barbara Tankersley
Notary Public

My Commission Expires: 9-25-99

Chaves NM
County State

Submit 3 Copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

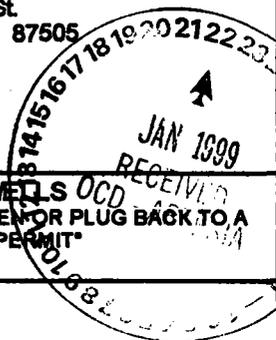
DISTRICT I P.O. Box 1980, Hobbs, NM 88240

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

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

OIL CONSERVATION DIVISION

2040 Pacheco St. Santa Fe, NM 87505



WELL API NO. 30-005-63185
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. 316
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 PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER
Name of Operator HANAGAN PETROLEUM CORPORATION
Address of Operator P.O. BOX 1737 - ROSWELL, NM - 88202-1737
Well Location Unit Letter <u>I</u> : <u>2310</u> Feet From The <u>SOUTH</u> Line and <u>330</u> Feet From The <u>EAST</u> Line 36 Section <u>86</u> Township <u>28e</u> Range <u>NMPM</u> <u>CHAVES</u> County Elevation (Show whether DF, RKB, RT, GR, etc.) 3977'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 110' w/air - run 3jts 8.625" 24#/ft casing to TD - RU Valley Concrete & cement w/3yds Redi-Mix to surface - RD Rig #10

1/13/99 - TD 7.875" hole @ 2767' - Run 63jts of 5.5", 15.50#/ft 8rd J55 casing w/shoe @ 2764' (KB) -RU BJ Services & cement w/765sx 50% "C"/50% Poz w/5#-sk salt + 10% bentonite lead cement(weight=11.80#/gl / yield = 2.39), tailed in w/200sx Class "C" cement (weight=14.80#/gl / yield=1.32), circulate 25sx 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 01-20-99

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

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY TIM W. GUM DISTRICT II SUPERVISOR [Signature] TITLE _____ DATE 1-27-99

CONDITIONS OF APPROVAL, IF ANY:

XC To postbox 3-11-99

Attachment to Form C-142WORKING INTEREST OWNERS

*Hanagan Petroleum Corporation
Twin Lakes San Andres Unit Well #316*

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