

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

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

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

OIL CONSERVATION DIVISION

2040 Pacheco St. Santa Fe, New Mexico 87505

WELL API NO. 30-045-30096
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. VA 235

MAR 2002

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 Salt Water Disposal

2. Name of Operator Pendragon Energy Partners

3. Address of Operator c/o Walsh Engineering, 7415 East Main Street, Farmington, NM 87402

4. Well Location Unit Letter K : 2220 Feet From The South Line and 1680' Feet From The West Line Section 16 Township 26N Range 12W NMPM County

7. Lease Name or Unit Agreement Name Cowsaround SWD

8. Well No. #1

9. Pool name or Wildcat Blanco Mesa Verde

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 6016' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data. NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [] PLUG AND ABAND [] TEMPORARILY ABANDON [] CHANGE PLANS [] PULL OR ALTER CASING [] OTHER: [] SUBSEQUENT REPORT OF: REMEDIAL WORK [] ALTERING CASING [] COMMENCE DRILLING OPNS. [] PLUG & ABANDONM [] CASING TEST AND CEMENT JO [] OTHER: See Below [x]

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work). SEE RULE 1103.

2/27/02 Perforated the following intervals at 2 spf (0.43" holes). Total of 910 perforations. 3878 - 82; 3854 - 58; 3810 - 34; 3754 - 66; 3708 - 25; 3406 - 80; 3363 - 81; 3260 - 74; 3220 - 40; 3190 - 96; 3160 - 66; 2983 - 94; 2953 - 66; 2939 - 43; 2928 - 32; 2903 - 13; 2673 - 2708; 2316 - 24; 2271 - 2308 2238 - 56; 2206 - 10; 2172 - 80; 2158 - 69; 2133 - 47; 2000 - 79.

2/28/02 Ran a 5-1/2" X 2-3/8" plastic lined packer on 61 jts of 2-7/8", 6.5#, J-55, internally plastic lined tubing and set the packer in compression at 1959' KB. Loaded the annulus with corrosion inhibitor and pressure tested to 540 psi for 30 min. Test held OK and was witnessed by the NMOCD.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE Paul C. Thompson TITLE Agent/Engineer DATE 02/28/02 TYPE OR PRINT NAME Paul C. Thompson TELEPHONE NO. (505) 327-4892

(This space for State Use) APPROVED BY TITLE DATE CONDITIONS OF APPROVAL, IF ANY:

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OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, New Mexico 87505

DISTRICT I
P.O. Box 1980, Hobbs, NM 87400

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

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

WELL API NO. <i>30-045-90096</i>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <i>VA 235</i>

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 GAS
WELL WELL OTHER *Salt Water Disposal*

7. Lease Name or Unit Agreement Name
Cowsaround SWD

2. Name of Operator
Pendragon Energy Partners

8. Well No.
#1

3. Address of Operator
c/o Walsh Engineering, 7415 East Main Street, Farmington, NM 87402

9. Pool name or Wildcat
Blanco Mesa Verde

4. Well Location
Unit Letter *K* *2220* Feet From The *South* Line and *1680'* Feet From The *West* Line
Section *16* Township *26N* Range *12W* NMPM County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
6016' GR

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

11. NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER: <input type="checkbox"/>
OTHER: <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
	ALTERING CASING <input type="checkbox"/>
	COMMENCE DRILLING OPNS. <input type="checkbox"/>
	PLUG & ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOBS <input type="checkbox"/>
	OTHER: <i>See Below</i> <input checked="" type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work).
SEE RULE 1103.

Pendragon Energy Partners completed this Salt Water Disposal well according to the attached treatment reports.

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

SIGNATURE <i>Paul C. Thompson</i>	TITLE <i>Agent/Engineer</i>	DATE <i>01/26/02</i>
TYPE OR PRINT NAME <i>Paul C. Thompson</i>	TELEPHONE NO. <i>(505) 327-4892</i>	

(This space for State Use)
APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

FRACTURE TREATMENT REPORT

Operator: Pendragon Energy Partners **Well Name:** Cowsaround SWD #1
Date: 13-Feb-02
Field: Blanco Mesa Verde **Location:** 16/28N12W **County:** San Juan **State:** NM
Stimulation Company: American Energy **Supervisor:** Paul Thompson

Stage #: 1/2 Point Lookout and some Manefee

Sand on location : **Design:** 65,000 **Weight ticket:** 130,130 **Size/type:** 20/40 Brady

Fluid on location : **No. of Tanks:** 8 **Strap:** 20' **Amount:** 3,200 **Usable:** 2,880

Depth: 3881' - 3153' **Total Holes:** 37 **PBTD:** 8996' KB

Shots per foot: 1 **EHD:** 0.42" - 0.38"

Acid: 1000 gals 15% HCl **Comments:**
 Well broke at 1830#. Disp acid at 8 BPM and 1300 psi.
Balls: 70 Good ball action to 3500#.
 Recovered 67 balls with 35 hits.
Pressure: 1300# - 3500# **Rate:** 4 - 15 BPM

ATP: 1850 # **AIR:** 71 BPM
MTP: 2040 # **MIR:** 72 BPM

ISIP: 1030 #	pad 1720# - 1800# at 68 - 72 BPM
5 min: 745 #	1.0 ppg 1800# - 68 BPM
10 min: 670 #	1.5 ppg 1890# - 71 BPM
15 min: 630 #	2.0 ppg 1900# - 70 BPM

Job Complete at: 1200 hrs. **Date:** 2/13/02 **Start flow back:**

Total Fluid Pumped: 1119 BBLS

Total Sand Pumped: 65,000 **Total Sand on Formation:** 65,000

Total Nitrogen Pumped: NA

Notes:
 Pumped 242 bbl of the pad and shut down to tighten cap on the frac valve. Extended pad an additional 100 bbls once pumping was resumed.

Signature Paul Thompson

FRACTURE TREATMENT REPORT

Operator: Pendragon Energy Partners Well Name: Cowsaround SWD #1
 Date: 13-Feb-02
 Field: Blanco Mesa Verde Location: 18/26N/12W County: San Juan State: NM
 Stimulation Company: American Energy Supervisor: Paul Thompson

Stage #: 2/2 Menefee and Cliff House

Sand on location : Design: 65,000 Weight ticket: 65,000 Size/type: 20/40 Brady

Fluid on location : No. of Tanks: 8 Strap: 11.5 Amount: 1,840 Usable: 1,520

Depth: 2008' - 2991' Total Holes: 35 PBD: 090' KB
 Shots per foot: 1 EHD: 0.38"
 CIBP

Acid: 1000 gals 15% HCl Comments:
 Well broke at 1550#. Dip acid at 15 BPM and 1600 psi.
 Balls: 70 Good ball action to 3500#.
 Recovered 52 balls with 26 hits.
 Pressure: 1100# - 3500# Rate: 4 - 15 BPM

ATP: 2000 # AIR: 71 BPM
 MTP: 2200 # MIR: 75 BPM

ISIP: <u>926 #</u>	pad	1850# at 75 BPM
5 min: <u>495 #</u>	1.0 ppg	1800# - 74 BPM
10 min: <u>308 #</u>	1.6 ppg	2000# - 71 BPM
15 min: <u>220 #</u>	2.0 ppg	2100# - 71 BPM

Job Complete at: 1600 hrs. Date: 2/13/02 Start flow back: 1800 hrs Vacuum
 Total Fluid Pumped: 1042 BBLS
 Total Sand Pumped: 65,000 Total Sand on Formation: 65,000
 Total Nitrogen Pumped: NA

Notes:
 Opened well at 1800 hrs -- well was on a vacuum.

Signature Paul Thompson

WORKOVER AND COMPLETION REPORT

Operator: Pendragon Energy Partners	Well Name: Cowsaround SWD #1
Date: 13-Feb-02	Report #: 3
Field: Blanco Mesa Verde	Location: 16/26N/12W
County: San Juan	State: NM
Contractor:	Supervisor: Paul Thompson

Work Summary:

Compulog perfed 13 more holes at 3722, 3377, 3368, 3272, 3267, 3262, 3239, 3233, 3227, 3223, 3194, and 3153 (total of 37 holes). American Energy pressure tested lines to 4500#. Formation broke at 2000 psi with water. Balled off Point Lookout/Menefee with 1000 gals of 15% HCl and 70 ball sealers. Good ball action to 3500# but did not completely ball off. Ran junk basket and retrieved 67 balls with 35 hits. Fraced PL/Menefee with 65,000# of 20/40 Brady sand at 0.5 - 2.0 ppg in 1119 bbl of slick water. Job completed at 1200 hrs. 2/13/02. ISIP = 1030#, 5 min - 745#, 10 min - 670#, 15 min - 630#. AIR = 71 BPM, MIR = 72 BPM, ATP = 1850#, MTP = 2040#. Set 5-1/2" CIBP at 3090'. Pressure tested to 3500# - held OK. Perforate Menefee and Cliff House at 2991, 2986, 2964, 2958, 2941, 2929, 2906, 2702, 2696, 2690, 2684, 2676, 2322, 2306, 2298, 2290, 2284, 2274, 2254, 2244, 2207, 2174, 2168, 2162, 2144, 2136, 2077, 2064, 2056, 2048, 2040, 2032, 2024, 2016, and 2008. Total of 35 (0.38") holes. Formation broke at 1550 psi with water. Balled off with 70 ball sealers in 1000 gals of 15% HCl. Good ball action to 3500# but did not completely ball off. Ran junk basket and retrieved 52 balls with 26 hits. Fraced with 65,000# of 20/40 Brady sand at 0.5 - 2.0 ppg in 1042 bbls of slick water. Job completed at 1600 hrs. 2/13/02. ISIP = 926#, 5 min = 495#, 10 min = 308#, 15 min = 220#. AIR = 71 BPM, MIR = 75 BPM, ATP = 2000#, MTP = 2200#. All frac fluid on both jobs was produced water with 0.5 gal FR/1000 gal water, surfactant and biocide. Installed flow line and opened the well to the pit at 1800 hrs. Well was on a vacuum.

Daily Costs:

Road & Location		Tubulars	
Rig Costs		Wellhead Equipment	
Equipment Rental	\$3,000	Subsurface Equipment	
Logging & Perforating	\$5,900	Artificial Lift Equipment	
Stimulation	\$49,629	Sucker Rods	
Testing		Tanks	\$2,500
Cementing		Ballers	
Completion Fluids (2% KCl water)		Flowlines	
Contract Services		Installation/Labor	
Miscellaneous Supplies		Fittings, Valves, Etc.	
Engr. & Supervision	\$460	Meters, Lect, Etc.	
Slick line		Electrical Equipment	
Other (Trucking)			
		Total Daily Costs	\$61,489
		Cumulative Costs	\$86,485

Well Record

TD: 3999' KB	Run In well			
FBTD: 3986' KB	Tubing	Joints	Seals	
Casing Size: 5-1/2", 15.5#	WT	Threads	Length	
Perforations:	Tubing Subs		Length	
	Sealing Nipple		Length	
			Top of lbg to GL	
DV Tool - 1862' KB			Bottom of Tubing/Produced String Landed at	
SPF:	Rods	Size		
	Rods	Size		
Pulled from well	Pony Subs			
Tubing	Pump			
Packer	Packer Depth			
Rods	Type			
Pump	Flow Set			