

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
March 4, 2004

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

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

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

¹ Operator Name and Address Latigo Petroleum Inc 415 W. Wall, Suite 1900 Midland, TX 79701		² OGRID Number 227001
		³ API Number 30-022-21443
³ Property Code 300357	³ Property Name North Lusk 32 State	⁶ Well No. 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/Southline	Feet from the	East/Westline	County
M	32	18S	32E		660	S	660	W	LEA

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/Southline	Feet from the	East/Westline	County

⁹ Proposed Pool 1 Lusk, N Bone Springs	¹⁰ Proposed Pool 2
--	-------------------------------

Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/Southline	Feet from the	East/Westline	County

Depth to ground water 102'	Distance from nearest fresh water well 16,750' S	Distance from nearest surface water 25 miles W
-------------------------------	---	---

¹¹ Work Type Code Re-enter Abd well	¹² Well Type Code O	¹³ Cable/Rotary	¹⁴ Lease Type Code VO6364	¹⁵ Ground Level Elevation 3678'
¹⁶ Multiple	¹⁷ Proposed Depth 8650'	¹⁸ Formation Bone Springs	¹⁹ Contractor	²⁰ Spud Date on approval

²¹ Proposed Casing and Cement Program

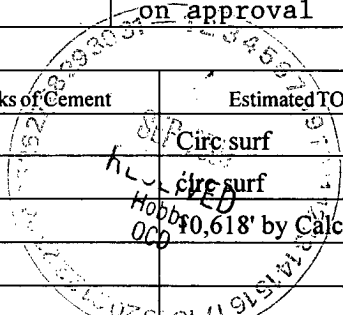
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	48#	638'	510	Circ surf
11"	8-5/8"	32#	3211'	900	Circ surf
7-7/8"	5-1/2"	17 & 20#	11,600	270	40,618' by Calc

²² 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. See wellbore attached
Drl'd as Lusk State #1 in 1965, P&A'd 1974 Blade location, set, test dead man anchors, dig out-cut off P&A marker. Install 8-5/8" csghd. RU PU, NU BOP, Unload 2-7/8" L80 WS. PU 7-5/8" mill tooth bit & 6- 4-1/2" dc's, drl out cmt plugs in 8-5/8" csg, cont RIH, drl out to top of csg stub @ 4150', Circ hole clean w/FW. RIH w/open end tbg, RU DHV, run DH camera to determine if 5-1/2" csg can be washed over. Remaining procedure will be determined by results of camera run. Subsequently perf Bone Springs 8584'-8612'.

²³ 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 , a general permit , or an (attached) alternative OCD-approved plan .

Signature: *Bonnie Husband*
Printed name: Bonnie Husband
Title: Production Analyst
E-mail Address: bhusband@latigopetro.com
Date: 09/02/2004
Phone: (432)684-4293

OIL CONSERVATION DIVISION
Approved by: *Paul F. Kautz*
Title: PETROLEUM ENGINEER
Approval Date: SEP 07 2004
Expiration Date:
Condition of Approval:
Attached



Permit Expires 1 Year From Approval
 Date Unless Drilling Underway
 RE-ENTRY

Well Schematic and History

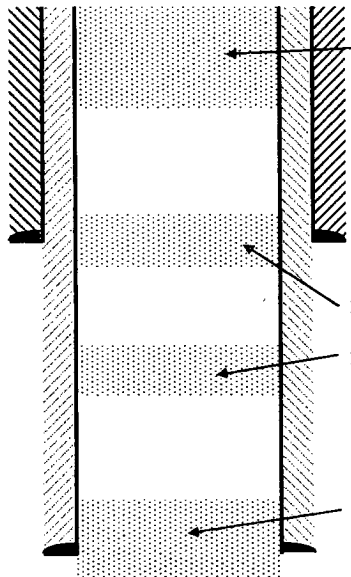
Lease: Lusk State Well: 1 Field: Lusk Strawn
 Location: 660' From South Line and 660' From West Line
 Unit M, Section 32 - T18S - R32E County: Lea State: New Mexico

API No.: _____ Spud Date: 4/22/1965
 Compl. Date: _____

GL: _____
 DF: 3692'
 KB: _____

SURF CSG
 13 3/8" 48# @ 638'
 Cmt'd w/ 510 sx (17 1/2" hole)
 TOC @ surface by circ.

INTER CSG
 8 5/8" 32# @ 3211'
 Cmt'd w/ 900 sx (11" hole)
 TOC @ surface by circ.



50 sack surface plug

DATE INITIAL COMPLETION DATA:

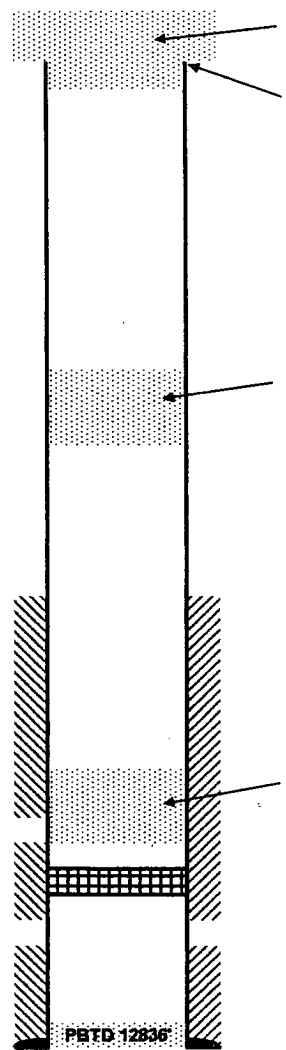
6/1/65 PERF Strawn 11520-40'
 Swabbed dry

6/7/65 PERF Strawn 11396-436', 470-76' w/ 1spf
 Acidized each zone w/ 2500 gal. acid
 IP 336 BO flowing

25 sack plug @ 748', tagged @ 547'

25 sack plug @ 1000', tagged @ 887'

45 sack plug @ 3243', d/n tag. Spot 25 additional sacks.
 Tagged @ 3178'



45 sack plug 4090-4190', tagged @ 4152'. Spot 10 additional sacks.
 Estimated TOC @ 4132'

Cut & pulled 5 1/2" casing @ 4150'

25 sack plug @ 6947'

45 sack plug, tagged @ 11065'

Top of cmt @ 10618'

Strawn perfs 11396-476'

BP @ 11500'

Strawn perfs 11632-42'

PROD CSG
 5 1/2" 17 & 20# @ 11600'
 Cmt'd w/ 270 sx (7 7/8" hole)
 TOC @ 10618' by calc (50% excess).

PBTD 12836'

PREPARED BY: JNC

Revised: 1/13/2004

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-21443	Pool Code 41450	Pool Name LUSK N BONE SPRINGS
Property Code 300357	Property Name NORTH LUSK "32" STATE	
OGRID No. 227001	Operator Name LATIGO PETROLEUM, INC	Well Number 2
		Elevation 3678'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	32	18 S	32 E		660	SOUTH	660	WEST	LEA

Bottom Hole Location If Different From Surface

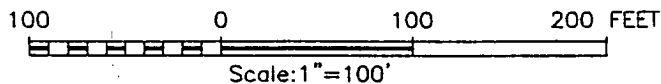
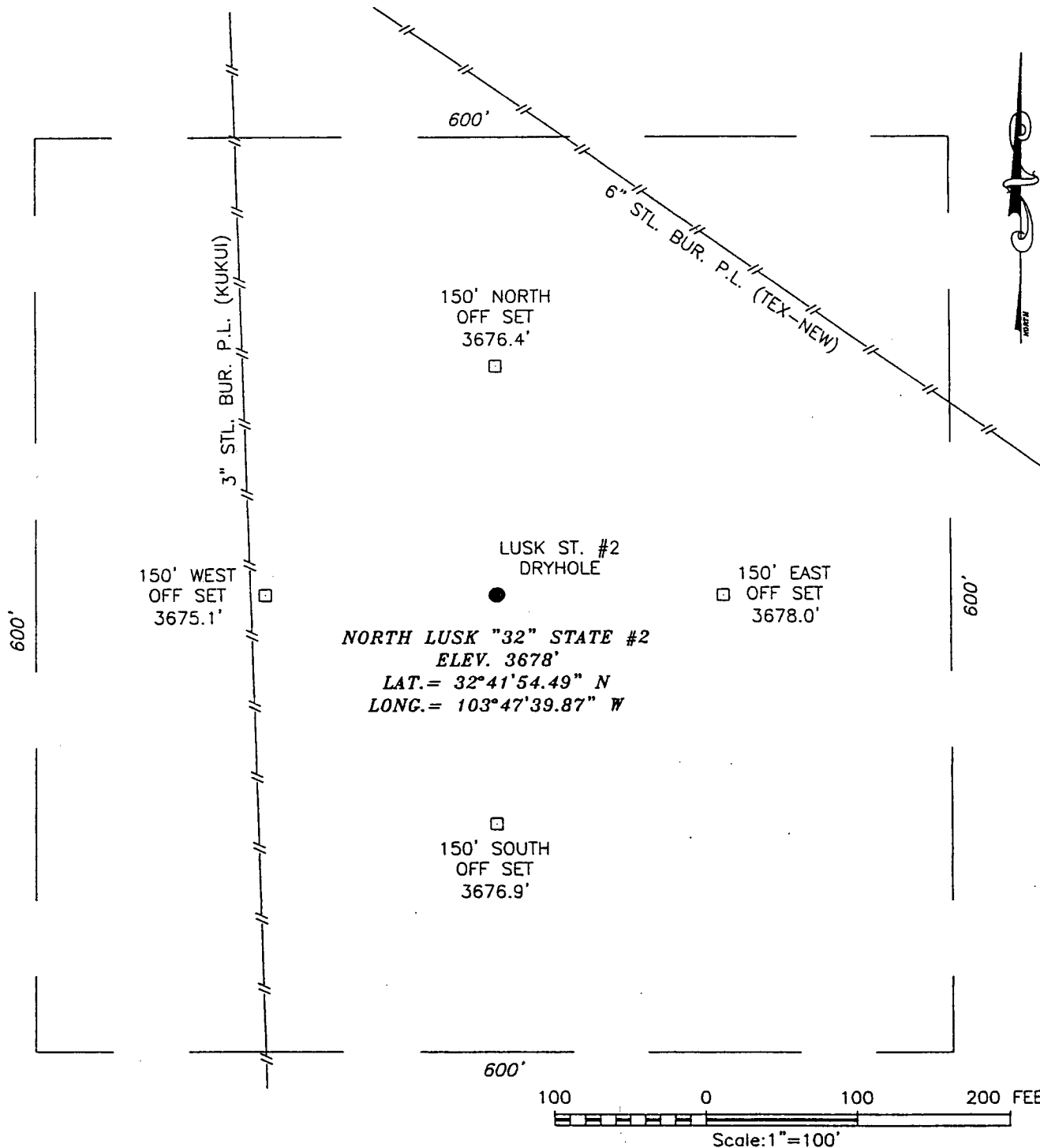
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill I	Consolidation Code	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>NAD 27 NME GEODETIC COORDINATES Y-618235.4-N X-665786.0-E LAT.= 32°41'54.49" N LONG.= 103°47'39.87" W</p>	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Bonnie Husband</i> Signature</p> <p>Bonnie Husband Printed Name</p> <p>Production Analyst Title</p> <p>May 26, 2004 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>JANUARY 28, 2004 Date Surveyed</p> <p>LMP</p> <p>Signature & Seal of Professional Surveyor <i>Gary Eidsen</i> 2/6/04 04.11.0105</p>
	<p>Certificate No. GARY EIDSEN 12641</p>

SECTION 32, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.



DRIVING DIRECTIONS:

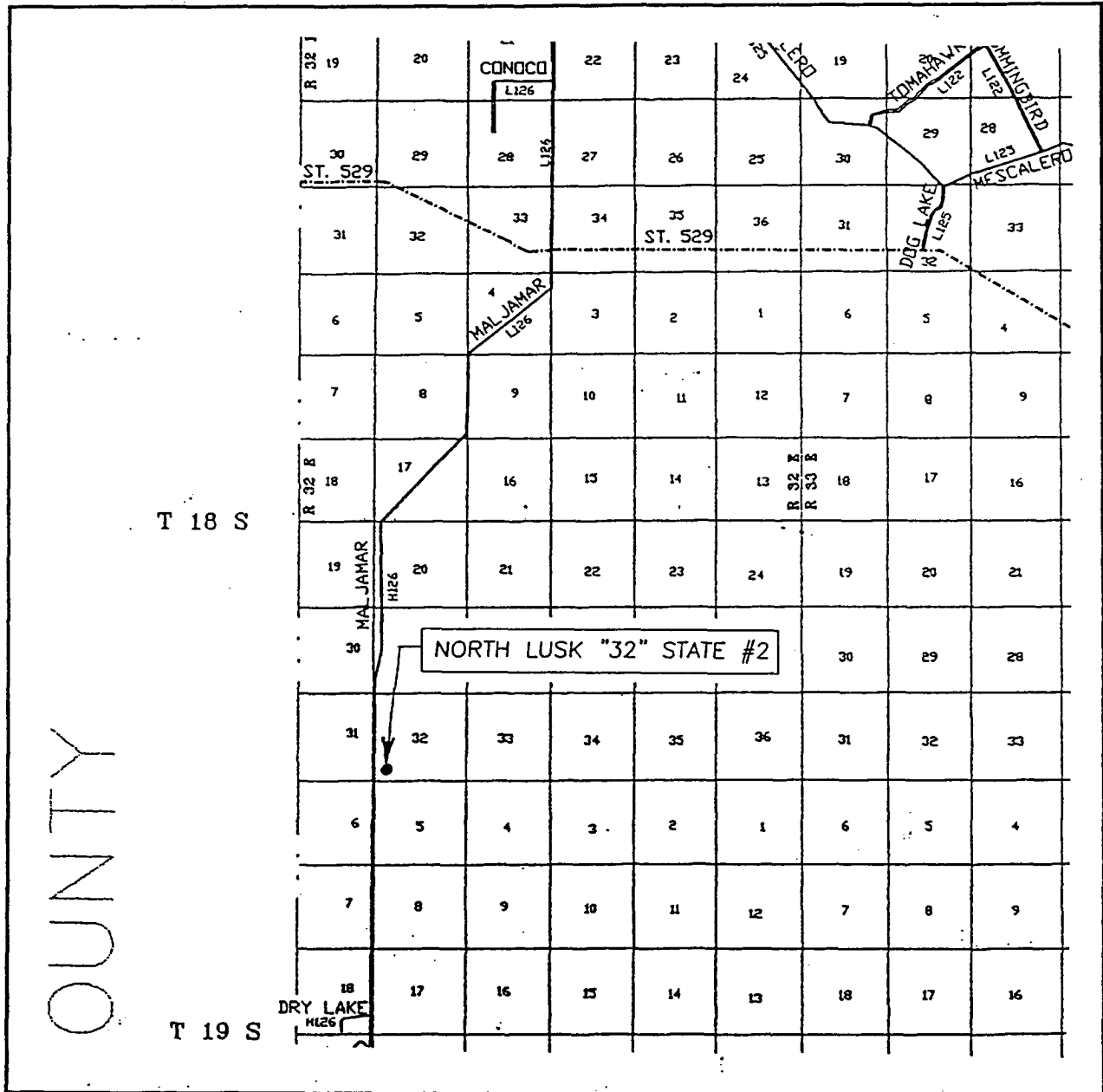
FROM THE INTERSECTION OF ST HWY 529 & COUNTY ROAD 126 (MALJAMAR RD) 7.0 MILES TO CALICHE ROAD. TURN LEFT AT CALICHE ROAD AND GO EAST 0.1 MILES. LOCATION IS 150' NORTH.

LATIGO PETROLEUM INC			
NORTH LUSK "32" STATE #2 LOCATED 660 FEET FROM THE SOUTH LINE AND 660 FEET FROM THE WEST LINE OF SECTION 32, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.			
Survey Date: 1/28/04	Sheet 1 of 1 Sheets		
W.O. Number: 04.11.0105	DRAWN BY: L. PERALES		
Date: 2/5/04	DISK: CD '04	04110105	Scale: 1"=100'

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117

VICINITY MAP



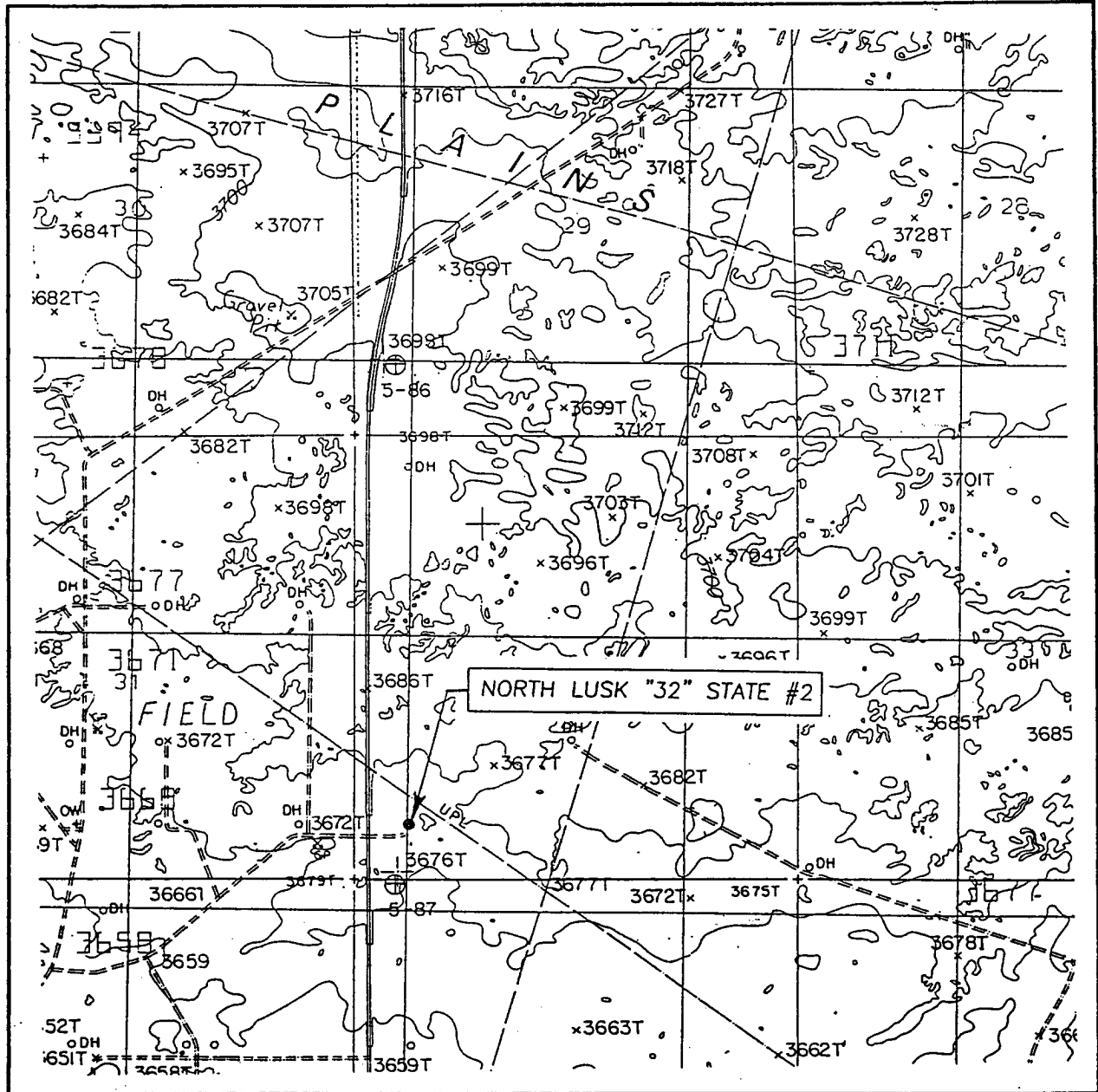
COUNTY

SCALE: 1" = 2 MILES

SEC. 32 TWP. 18-S RGE. 32-E
 SURVEY N.M.P.M.
 COUNTY LEA
 DESCRIPTION 660' FSL & 660' FWL
 ELEVATION 3678'
 OPERATOR LATIGOPETROLEUM, INC
 LEASE NORTH LUSK "32" STATE

JOHN WEST SURVEYING
 HOBBS, NEW MEXICO
 (505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
GREENWOOD LAKE, N.M. - 10'

SEC. 32 TWP. 18-S RGE. 32-E

SURVEY _____ N.M.P.M.

COUNTY _____ LEA

DESCRIPTION 660' FSL & 660' FWL

ELEVATION _____ 3678'

OPERATOR LATIGO PETROLEUM, INC

LEASE NORTH LUSK "32" STATE

U.S.G.S. TOPOGRAPHIC MAP
GREENWOOD LAKE, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117