| ant 3 Copies To Appropriate District | State | of New Mexi | | | | C-103 |
|--|-------------------------------|---------------------------|-----------------------|---------------------------|-------------------------|-----------|
| District I | Energy, Miner | als and Natural | Resources | WELL API NO. | May | 27, 2004 |
| 1625 N. French Dr., Hobbs, NM 88240 District II | OII CONSE | RVATION D | IVISION | 30-015-339 | 0-7 | |
| 1301 W. Grand Ave., Artesia, NM 88210 District III | • | outh St. Franci | 1 | 5. Indicate Type of | | |
| 1000 Rio Brazos Rd., Aztec, NM 87410 District IV | | Fe, NM 8750 | 1 | 6. State Oil & Gas I | FEE X | |
| 1220 S. St. Francis Dr., Santa Fe, NM 87505 | | • | | | | |
| SUNDRY NO (DO NOT USE THIS FORM FOR PRO | TICES AND REPORTS | | PACV TO A | 7. Lease Name or U | nit Agreement | Name |
| DIFFERENT RESERVOIR. USE "APP | EKG Fee | | | | | |
| PROPOSALS.) 1. Type of Well: Oil Well | 8. Well Number | 1 | | | | |
| 2. Name of Operator | - | 9. OGRID Number 217955 | | | | |
| 3. Address of Operator | 10. Pool name or W | | | | | |
| | Box 2064 Mi | dland, T | 79702 | Wildcat, | Morrow (| gas) |
| 4. Well Location Unit Letter | : 1980 feet from | the North | line and19 | 80 feet from | the West | line |
| Section 29 | Township | | | NMPM (| County Eddy | inie |
| | 11. Elevation (Show | | | | | |
| Pit or Below-grade Tank Application | 3049 | | | | | |
| Pit type | | n nearest fresh wate | er well Dista | ince from nearest surface | e water | |
| · · · · · · · · · · · · · · · · · · · | mil Below-Grade Tank | | | struction Material | | |
| 12. Checl | k Appropriate Box to | Indicate Nat | ure of Notice, I | Report or Other D | ata | |
| | | 1 | ŕ | • | | |
| PERFORM REMEDIAL WORK | INTENTION TO: | OON 🗆 F | SUBS REMEDIAL WORK | SEQUENT REP | ORT OF: LTERING CASI | NG □ |
| TEMPORARILY ABANDON | CHANGE PLANS | | COMMENCE DRIL | | AND A | |
| PULL OR ALTER CASING | MULTIPLE COMPL | . 🗆 9 | CASING/CEMENT | JOB 🗆 | | |
| OTHER: | | | OTHER: Compl | etion atten | npt | X |
| Describe proposed or conformal of starting any proposed | | early state all per | tinent details, and | give pertinent dates, | including estim | |
| or recompletion. | CHED | - | - | _ | | • |
| SEE ATTA | CHED | | | | | -11.11-1 |
| | | | | | | EIVED |
| | | | | | JUL | o 5 2005 |
| | | | | | OCD-A | AULESIA |
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| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| I hereby certify that the informati grade tank has been will be constructed | on above is true and con | aplete to the best | of my knowledge | and belief. I further | certify that any pit | or below- |
| By a second designation of the second design | or enjoyer according to reful | / | | | | |
| SIGNATURE /// | | TITE ** | _ | 1 | DATE COOL | റട |
| SIGNATURE MANAGEMENT AND | gan | TITLE M | | DUNCOS COM | | |
| Type or print name nk M A | gar, | E-mail addr | | ources.com | 432-6 phone No. | 85-1738 |
| Type or print name nk M A | gar, or FOR RECORDS | E-mail addr | | ources.com Tele | 432-6 phone No. | |

EKG FEE #1 WELL

1980' FNL & 1980' FWL
Section 29: N/2

T-24-S, R-28-E, NMPM,
Eddy Co., New Mexico
OGX RESOURCES LLC

- 5/11-5/14 Go into top of 5-1/2" liner @ 9430' drl 5-1/2" shoe joint and open hole from 12,306' 12,445'.
- 5/18/05: GIH w/2-7/8" tbg running 5-1/2 pkr, Set 5-1/2" pkr @ 12,130'. OH Morrow A zone 12,350'-445'. RU swab
- 5/19-5/25:Swab water with gas.
- 5/26/05: Acidize Morrow OH 12,350'-435' w/3000 gals 15% NEFE w/clay stabilizer. Press 2-7/8" x 7-5/8" annulus to 500 psi, held good. RU swab
- 5/27-5/31: Swab water with gas.
- 6/1/05: Rel 5-1/2" pkr @ 12,130'. POOH w/2-7/8" tbg & pkr.
- 6/2/05: Set 5-1/2" Alpha CIBP @ 12,150'. Dump 2 sx cmt on top. Load 7-5/8" csg w/80 bbls 10# brine & PT to 1500 psi, held OK.
- 6/3/05: GIH w/3-1/8" x 20' csg gun loaded w/2 JSPF. Perf Atoka ls 11,896'-936' (40') w/80 holes. GIH w/5-1/2"
 Arrowset pkr & 2-7/8" tbg.
- 6/4/05: Acidize Atoka perfs 11,896'-936' (80 holes) down 2-7/8" tbg w/pkr @ 11,733' using 4000 gals 15% HCL NEFE. Flush w/75 bbls 10# brine.
- 6/7/05: Swab water and gas.
- 6/8/05: Perf Atoka LS 11,790'-820' (30') w/60 holes. Acidize Atoka perfs 11,890'-920' & 11,896'936' (140 holes) w/3000 gals 15% HCL dwn 2-7/8" tbg w/5-1/2" pkr @ 11,733'.

OGX Resources LLC EKG Fee #1 Well Page 2

6/9/05: swab water and some gas

6/13/05: Rel pkr @ 11,733' SION.

- Run 5 ½" Alpha CIBP and set @ 11,734. Dump bail 2 sx cmt on top. PT CIBP to 1000 psi, held OK. GIH w/ 5 ½" Arrowset pkr & 2 7/8" tbg. Set pkr @ 10,938. PT backside 1000 psi, OK.
- 6/15/05 Perf Strawn lime 11,620-30 (10) (20 holes),11,560-70 (10) w/ 20 holes & 11,504-24 (20) w/ 40 holes. Flow back & start swabbing.
- 6/16/05 Acidize Strawn limestone perfs 11,504-630 (80 holes) down 2 7/8" tbg w/ 5 ½" pkr at 10,938' using 4000 gals 15% HCL NeFe acid.
- 6/17-6/27/05: Flowing gas and load water at a estimated rate of 250 mcfpd. Waiting on service co. to frac Strawn perfs 11,504-630.



INCLINATION REPORT

DATE:

04/21/05

WELL NAME AND NUMBER EKG Fee #1

LOCATION:

Sec 29, T24S, R28E

Eddy Co., NM

OPERATOR:

OGX Resources LLC

DRILLING CONTRACTOR: Grey Wolf Drilling

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

| DEGREE | DEPTH | DEGREE | DEPTH | DEGREE | DEPTH | DEGREE | DEPTH |
|--------|-------|--------|-------|--------|-------|--------|-------|
| | | | | | | | |
| 1.00 | 283 | 0.50 | 6065 | 2.00 | 8573 | 1.00 | 12199 |
| 1.00 | 407 | 0.75 | 5569 | 1.75 | 8823 | 1.50 | 12350 |
| 1.00 | 800 | 1.00 | 4073 | 1.75 | 9168 | | |
| 1.00 | 1047 | 1.00 | 4553 | 0.75 | 9656 | | |
| 1.00 | 1126 | 1.00 | 5063 | 1.25 | 10200 | | |
| 1.50 | 1282 | 1.25 | 3561 | 3.00 | 10709 | | |
| 0.25 | 1441 | 1.50 | 3084 | 2.25 | 10773 | | |
| 1.25 | 1728 | 1.50 | 6562 | 2.25 | 11064 | | |
| 2.00 | 2016 | 1.50 | 7080 | 2.00 | 11245 | | |
| 3.00 | 2207 | 1.50 | 8138 | 2.00 | 11314 | | |
| 3.00 | 2271 | 2.00 | 7548 | 1.50 | 11529 | | |
| 2.00 | 2701 | 2.00 | 7795 | 2.00 | 11886 | | |

Drilling Contractor:

Grey Wolf Drilling Company, LP

Sherry Coskrey, Office Manager

Subscribed and sworn to before me on this 20 th

My Commission Expires:

Grey Wolf Drilling Company L.P.

6 Desta Drive, Ste 5850 Midland, Texas 79705-5516 tel (432) 684-6828 fax (432) 684-6841

