Submit 3 Copies To Appropriate District Office	State of New M	exico	Form C-103
District I	Energy, Minerals and Natural Resources		Revised May 08, 2003
1625 N. French Dr., Hobbs, NM 88240			ELL API NO.
<u>District II</u> 1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION	N DIVISION -	30-015-33537 Indicate Type of Lease
District III	1220 South St. Fra	ncis Dr.	STATE FEE X
1000 Rio Brazos Rd., Aztec, NM 87410 District IV	Santa Fe, NM 8	7505	State Oil & Gas Lease No.
1220 S. St. Francis Dr., Santa Fe, NM	,	0.	State on & Gas Boast 110.
87505	TEG AND DEPONTS ON WELL	<u> </u>	Y
(DO NOT USE THIS FORM FOR PROPOSA	CES AND REPORTS ON WELLS		Lease Name or Unit Agreement Name
DIFFERENT RESERVOIR. USE "APPLICA			rdue Farms "29"
PROPOSALS.)			Well Number
1. Type of Well: Oil Well X Gas Well	Othor	0.	•
	Other		1
2. Name of Operator	_	9.	OGRID Number
Morexco,	Inc.	10	015262
3. Address of Operator	11 NM 99202 1501	10.	Pool name or Wildcat
P. 0. Box 1591 Ros	swell, NM 88202-1591		und
4. Well Location			
Unit LetterB	754 feet from the N	line and 2013	feet from the E line
Section 29		ange 28E NN	MPM Eddy County
	11. Elevation (Show whether DR	R, RKB, RT, GR, etc.)	Carlo
and the common section of the common section	3029 GR		
	ppropriate Box to Indicate N		
NOTICE OF INT		SUBSEC	QUENT REPORT OF:
PERFORM REMEDIAL WORK 🆾	PLUG AND ABANDON	REMEDIAL WORK	☐ ALTERING CASING ☐
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRILLIN	
PULL OR ALTER CASING	MULTIPLE	CASING TEST AND	ABANDONMENT
	COMPLETION	CEMENT JOB	_
OTHER:	П	OTHER:	П
	ted operations (Clearly state all		e pertinent dates, including estimated date
			wellbore diagram of proposed completion
or recompletion.	.,,, сдате да тем		venesse amgemmes proposed compromen
_			
See Attached			
Woll is shut-in wais	ting on regults of De	ndua Farma #2	11 Dlam to comment to
			ell. Plan to convert to
pressure marnicenance	e well or SWD in the	second quarter o	of this year - 2006.
•		RE(DEIVED
			-
		FEB	1 7 2006
		CCO.	-ADTESIA
		3. J L J L J L J L	
		シグル	
		₩ ₩	B PRINT BURBLINGS
I hereby certify that the information at	beve is true and complete to the bo		
I hereby certify that the information at		est of my knowledge and	belief.
I hereby certify that the information at SIGNATURE			
SIGNATURE ALCH-	TITLE	est of my knowledge and	belief. DATE 2/16/06
SIGNATURE Type or print name Donald G		est of my knowledge and	belief.
SIGNATURE A Ch.	TITLE	est of my knowledge and	belief. DATE 2/16/06
Type or print name Donald G (This space for State use)	TITLE	est of my knowledge and	belief. DATE 2/16/06

		Eddy County Not Moxico
,	1/11/05	RU KEYEPPS & frac with 35,358 gal Ambormax 1025 carrying 40,000# 20/40 Ottawa sand & 14,220 # Ottowa (resin coated) sand. Max rate = 20.2 bpm, Avg rate = 20 bpm, Max press = 1230 psi, Avg press = 900 psi. ISIP = 720 psi, 5 min = 670 psi, 10 min = 630 psi, 15 min = 580 psi. Shut well in a total of 3 hrs, RU Flow Test Well Testers & open on 16/64" choke (505 psi) @ 2:30PM. DC: \$ 34,000.00 CC: \$ 94,000.00
	1/12/05	This AM (6:00) well is still flowing 10-11 bph & gassing. Have recovered approx 450 bbls LW in past 15 ½ hrs. LWTR = 250 bbls. Well continued to flow until 12:00 PM then died. Recovered an additional 50 bbls LW. LWTR = 200 bbls. SI&SDFD. DC: \$ 2,000.00 CC: \$ 96,000.00
		Note: On the day of the frac the pulling unit was moved to another McCabe Energy, Inc. well for a one day rod job. Because of a stuck pump and high winds it has turned into a three day job. The pulling unit should be back on the Pardue Farms 29 #1 on Friday. Tubing will be run and the well will be swabbed at that time.
	1/13/05	SICP = 0 psi. Open well to pit with puff of gas & about 10 gal oil. SI&SDFD.
	1/13/05 1/14/05 1/15/05 1/16/05 1/17/05	No operations. MI & spot Longhorn pulling unit. Work on rig No operations. Finish rig repair, ND frac valve & NU BOP. PU & run 80 jts 2 7/8" tubing (SN on bottom). SDFD.
	1/18/05	DC: \$1,000.00 CC: \$97,000.00 Continue in the hole with tubing to 6118' & tag sand. Pull tubing to 5566' & RU swab. Made 4 runs & recovered approx 20 bbls LW. Beg FL = surface & end FL = 400'. LWTR = 160 bbls. DC: \$2,500.00 CC: \$99,500.00
	1/19/05	SITP = 0 psi. SICP = 25 psi. Fl 1 st run = surface, pulled from 2000' & recovered 100% wtr. Made a total of 17 runs & recovered approx 150 bbls LW. Ending FL = 300'. LWTR = 10 bbls. DC: \$3,000.00 CC: \$102,500.00
	1/20/05	SITP = 0 psi, SICP = 120 psi. FL 1 st run = surface, pulled from 2000' & recovered 100% wtr. Made a total of 5 runs & recovered approx 40 bbls wtr. Ending FL = 200'. LD swab, ND BOP & NU well head. SI&SDFD. DC: \$2,000.00 CC: \$104,500.00
	1/21/05	MI& RU Key swabbing unit & SDFD.

DC: \$1,500.00 CC: \$106,000.00

DC: \$1,500.00 CC: \$107,500.00

SITP = 0 psi, SICP = 120 psi. Beg FL = surface, made 33 runs with swab & well started flwg (2:00 PM). Flwd well on ½" choke to pit with 1-3% oil cut for 3 hrs & SI (5:00 PM). Flwg tubing press = 100 psi, SICP = 50 psi. Recovered approx 200

1/23/05 No operations.

bbls wtr swabbing & flwg.

1/22/05

COMPLETION

1/03/05 Back drag location & set anchors. DC: \$ 2,500.00 CC: \$ 2,500.00 1/04/05 Set pipe racks & rig mat. MI&RU Longhorn Well Service, Unload & tally new 2 7/8" J-55 tubing, NU BOP. 1/05/05 PU 4 3/4" bit, scraper & RIH on 2 7/8" tubing to PBTD (6230'), RU Cudd Pumping Services, pickle tubing with 100 gal xylene & 250 gals 15% reg HCl while circulating the hole with 2% KCl water. Pull tubing to 5746' & spot 250 gal 10% Acetic acid. Pull 10 stds & SDFD. DC: \$ 34,500.00 CC: \$ 38,000.00 1/06/05 Continue out of the hole with bit & scrapper. RU E.M. Hobbs. Run CBL-CCL-GR from PBTD (6230') to the top of cmt (4100'). Cmt bond looked good across intervals. Perforate as follows: 5654, 58, 60, 64, 66, 68, 70, 5700, 02, 06, 08, 14, 20, 22, 24, 28, 30, 32, 34, 36, 40, 45 (2spf- 44 holes). RD Hobbs, PU 5 1/2" RBP & PKR, RIH on 2 7/8" tubing to 5828' & set RBP, Leave PKR swinging & SDFD. DC: \$ 9,000.00 CC: \$ 47,000.00 1/07/05 RU Cudd, pull PKR to 5685' & set. Breakdown perfs (1500 psi) with spot acid. Acidize perfs with 1000 gal 7 1/2% NEFE HCl carrying 45 balls (had good ball action but did not ball out). Max rate = 4 bpm, Avg rate = 3 bpm, Max press = 1648 psi, Avg press = 1375 psi, ISIP = 740 psi, 5 min = 631 psi, 10 min = 618 psi, 15 min = 607 psi. Unseat PKR, RIH & latch onto RBP. Unseat RBP & pull to 5685', set & test to 1000 psi (held ok). Pull PKR to 5535' & set. Break down perfs (1700psi), acidize with 500 gal 7 1/2% NEFE HCL carrying 30 bbls (balled out). Max rate = 5 bpm, Avg rate = 3.5 bpm, Max press = 4000 psi, Avg press = 2000 psi. ISIP = 714 psi, 5 min = 592 psi, 10min = 587 psi, 15 min = 585 psi, Bleed well off, unseat PKR, RIH & latch onto RBP, Unseat RBP & RIH to 5828. Set RBP, pull PKR to 5535' & re-set, RU swab, made 8 runs & recovered approx 50 bbls LW. Beg FL = surface, end FL = 4500'. LWTR = 58 bbls. DC: \$ 8,000.00 CC: \$ 55,000,00 1/08/05 SITP = 160 psi. Bleed down all acid gas. FL 1st run = 2200', pulled from 3200' & recovered all LW. Made 4 more runs & swabbed well down to SN (5530'). Wait 1

1/09/05 No operations.

1/10/05

good show of formation gas. SI&SDFD.

SITP = 150 psi. Bled well down (all gas). 1st run with swab found FL @ 2800', pulled from 3800' & recovered 400' free oil on top of run. Swabbed well down to SN in 4 runs & had good follow gas after last run. Unseat PKR, RIH with tubing & latch onto RBP. Unseat RBP & POOH (laying down tubing) with tools. LD RBP & PKR. ND BOP, NU frac valve & Rig down.

DC: \$ 2,000.00

hr, made last run & found FL @ 4800', pulled from SN & recovered 5% oil with

DC: \$ 3,000.00 CC: \$ 60,000.00

CC: \$ 57,000.00

11/29/04

6270' Rigging down Time breakdown:

1/4 hrs LD DCs

1 hrs Unload & talley csg % hrs RU csg crew 6 ½ hrs Run & cmt csg 1 ½ hrs RU BJ & cmt

6 1/2 hrs ND BOP, set slips & NU tree

2 1/2 hrs jet pit Rig released @ 2:00 AM 11/29/04

20 hrs Total

DWC: \$ 90,000.00 CWC: \$ 447,000.00

Ran new 5 1/2" csg as follows:

1 -5 ½" Float shoe .80' 1-5 ½", 15.5#, J-55, 8rd, LT&C 37.70' 1-5 ½" Float collar 1.20' 159-5 ½", 15.5#, J-55, 8rd, LT&C 6237.50' Total pipe 6277.20' Set @ 6270.00'

RU BJ & crntd with 600 sxs Class "C" 50:50:2 with .5 FL-52, .5 FL-25, .2 SMS & 3% Salt. Plug Down @ 5:00 PM 11/28/04. Differential press = 1200 psi. Note: Used 10 turbilizers & 10 centralizers through out potential pay areas.

Note: Any proposed completion will be delayed pending further geologic and engineering evaluation of the 5700', 5400' and BTA zones. After completion of the evaluation a meeting will be called to discuss a possible completion.

11/24/04

6237' Drlg Im & shale, made 185', survey = 1 $\frac{3}{4}$ @ 6063', bit #3-7 7/8" Hughes HR38C, jets = 3-12s, in @ 2489', made 3748' in 150 hrs, wob = 55,000, rpm = 60, pp = 1275, spm = 58, mud wt = 10.2, vis = 37, wl = 6, ph = 9.5.

Time breakdown:

22 hrs Drlg

1 1/2 hrs Rig repair

1/2 hrs Service Rig

24 hrs Total

DWC: \$8,000.00 CWC: \$296,000.00

11/25/04

6270' Running side wall cores, made 33', survey = 1 $\frac{1}{2}$ @ 6247', bit #3-7 7/8" Hughes HR38C, jets = 3-12s, in @ 2489', made 3781' in 153 $\frac{1}{2}$ hrs, wob = 55,000, rpm = 60, pp = 1275, spm = 58, mud wt = 10.1, vis = 32, wl = 5, ph = 9.5. Time breakdown:

3 1/2 hrs Drla

1/4 hrs Rig repair

2 1/2 hrs Circulate @ TD

5 % hrs Trips

10 1/2 hrs Logging

1_ hrs Building mud volume

24 hrs Total

DWC: \$10,000.00 CWC: \$306,000.00

11/26/04

6270' Running side wall cores, mud wt = 9.7, vis = 32, wl = 8, ph = 10. Time breakdown:

14 hrs Circulate

8 hrs Trips

1 hrs Log

1 hrs WO Loggers

24 hrs Total

DWC: \$ 18,000.00 CWC: \$ 324,000.00

11/27/04

6270' LD DC with washed pin & PU overshot (left 16 DCs in the hole)

Time breakdown:

7 1/4 hrs Trips

5 1/2 hrs Logging

10 1/2 hrs WOO

3/4 hrs LD DC & PU overshot

24 hrs Total

DWC: \$ 18,000.00 CWC: \$ 342,000.00

11/28/04

6270' LD DP

Time breakdown:

7 hrs Rig repair

8 1/4 hrs Trip

6 % hrs LD DP & DCs

1/2 hrs Fishing

1 hrs RU LD machine

24 hrs Total

DWC: \$15,000.00 CWC: \$357,000.00

11/19/04

4577' Drlg, sand & shale, made 792', survey = 1 @ 4120', bit #3 7 7/8" Hughes HR38C, jets = 3-12s, in @ 2489', made 2088' in 50 ½ hrs, wob = 55,000, rpm = 60, pp = 1150, spm = 60, mud Wt = 8.8, vis = 29, ph = 10.

Time breakdown:

20 1/4 hrs Drlg

1/2 hrs Service rig

2 1/4 hrs Rig repair (pump)

1/2 hrs Survey

24 hrs Total

Note: 8 bph water flow @ approx 4500' W L Fed 20 had the same flow.

DWC: \$20,000.00 CWC: \$246,000.00

11/20/04

5037' Trip for hole in DP, sand & shale, made 460', survey = 1 % @ 4613', bit #3-7 7/8" Hughes HR38C, jets = 3-12s, in @ 2489', made 2548' in 64 hrs, wob = 55,000, rpm = 60, pp = 1175, spm= 59, mud wt = 8.8, vis = 29, ph = 10.

Time breakdown;

13 ¾ hrs Drlg

1/2 hrs Service rig

1/2 hrs Rig repair

8 % hrs Trip for hole 1/2 hrs Wash & ream

24 hrs Total

Note: 7 bph wtr flow

DWC: \$12,000.00 CWC: \$258,000.00

11/21/04

5459' Drlg, silt & sand, made 422', survey = $\frac{3}{4}$ @ 5109', bit #3-7 7/8 Hughes HR 38C, jets = 3-12s, in @ 2489', made 2970' in 83 hrs, wob = 55,000, rpm = 60, pp = 1200, spm = 59, mud wt = 9.2, vis = 29, wl = 15, ph = 10.

Time breakdown:

19 3/4 hrs Drlg

1 1/2 hrs Rig repair

1/2 hrs Survey

2 1/4 hrs Trip

24 hrs Total

DWC: \$12,000.00 CWC: \$270,000.00

11/22/04

5801' Drlg silt sand & shale, made 342', survey = $\frac{1}{2}$ @ 5521', bit #3-7 7/8" Hughes HR38C, jets = 3-12s, in @ 2489', made 3312' in 106 $\frac{1}{2}$ hrs, wob = 55,000, rpm = 60, pp = 1275, spm = 59, mud wt = 9.4, vis = 33, wl = 10, ph = 10. Time breakdown:

23 1/4 hrs Drlg

3 1/4 hrs Drig 3/4 hrs Survey

24 hrs total

DWC: \$10,000.00 CWC: \$280,000.00

11/23/04

6052' Working on pump, sand, lm, shale, made 251', bit #3-7 7/8" Hughes HR38C, jets = 3-12s, in @ 2489', made 3563' in 128 hrs, wob = 55,000, rpm = 60, pp = 1300, spm = 59, mud wt = 9.9, vis = 32, wl = 25, ph = 10.

Time breakdown:

21 3/4 hrs Drlg

1/4 hrs Service rig

2 hrs Rig repair

24 hrs Total

DWC: \$8,000.00 CWC: \$288,000.00

11/16/04

2489' Trip in hole, bit #3-7 7/8" Hughes HR38C (ser #5063061), jets = 3-12s. Time breakdown:

- 1 hrs Trip
- 8 hrs NU & test BOP
- 5 1/4 hrs Set slips & cut off
- 1 % hrs Run csa & cmt
- 5 1/2 hrs WO dozier
- 2 1/2 hrs NU well head
- 24 hrs Total

DWC: \$62,000.00 CWC: \$187,000.00

Ran new 8 5/8" as follow:

1-8 5/8" Float shoe	1.20'
1-8 5/8", 32#, J-55, 8rd, st&c	44.35'
1-8 5/8" Float collar	1.50'
12-8 5/8", 32#, J-55, 8rd, st&c	535.47'
42-8 5/8", 24#, J-55, 8rd, st&c	<u>1909.68'</u>

Total pipe 2492.20'

Set @ 2489.00'

RU BJ & cmtd with 825 sxs Class "C" 35:65:6 with 5# salt & 1/4# Celloflake followed by 150 sxs Class "C" with 1% CaCl2. Plug down @ 1:10 PM 11/15/04. Circulated 129 sxs to surface.

Note: Used 12 centralizers. One in middle of shoe jt, one on 1st collar then one every collar thereafter.

11/17/04

2801' Drlg sand & silt, made 312', survey = 2 @ 2632', 1 $\frac{1}{2}$ @ 2729', bit #3-7 7/8" Hughes HR38C, jets = 3-12s, in @ 2489', made 312' in 9 $\frac{1}{2}$ hrs, wob = 55,000, rpm = 65, pp = 1050, spm = 60, mud wt = 8.6, vis = 29, ph = 11. Time breakdown:

9 1/4 hrs Drla

- 1 1/4 hrs Surveys
- 6 1/2 hrs Trip
- 2 1/2 hrs Drlg cmt & shoe
- 3 1/2 hrs Repair adapter spool for BOP
- 1 hrs Tst stack & choke manifold
- 24 hrs Total

DWC: \$ 10,000.00 CWC: \$ 197,000.00

11/18/04

3785' Drlg, sand, made 984', surveys = $2 \frac{1}{2}$ @ 2852', $2 \frac{1}{2}$ @ 2945', $2 \frac{1}{2}$ @ 3038', $1 \frac{1}{4}$ @ 3133', $1 \frac{1}{4}$ @ 3379', 1 @ 3625', bit #3-7 7/8" Hughes HR38C, jets = 3-12s, in @ 2489', made 1296' in 30 hrs, wob = 55,000, rpm = 60, pp = 1125, spm = 60, mud wt = 9.1, vis = 29, ph

= 11.

Time breakdown:

20 1/4 hrs Drlg

3 1/4 hrs Surveys

24 hrs Total

DWC: \$29,000.00 CWC: \$226,000.00

11/12/04

837' Drlg, salt & anhy, made 364', survey = 2 ½ @ 614', bit #2-12 ½" Varel CH31MS (ser # 203144), jets = 3-13s, in @ 473', made 364' in 11 hrs, wob = 60,000, rpm = 65, pp = 900, spm =65, mud wt = 10.2, vis = 29, ph = 10. BHA = bit, IBS, short DC, IBS, shock sub, IBS, 1-8" DC, IBS, 4-8" DCs, 20-6" DCs (551,73', 62,000#)

Time breakdown:

11 hrs Drlg

1 hrs Survey

5 hrs Trip

4 1/2 hrs NU & test BOP

1 1/2 hrs Drlg cmt

24 hrs Total

DWC: \$26,000.00 CWC: \$80,000.00

11/13/04

1484' Drlg, salt & anhy, made 647', surveys = 1 % @ 881', 2 @ 1380', bit #2-12 %" Varel CH31MS (ser #203144), jets = 3-13s, in @ 473', made 1011' in 33 hrs, wob = 68,000, rpm = 65, pp = 975, spm = 61, mud wt = 10.1, vis = 29, ph = 10. Time breakdown:

22 hrs Drig

1 hrs Survey

1/4 hrs Trip to PU 6 more 6" DCs

1/4 hrs Wash & ream

24 hrs Total

DWC: \$ 17,000.00 CWC: \$ 97,000.00

11/14/04

2394' Drlg, salt & anhy, made 910', surveys = 1 @ 1873', 2 $\frac{1}{2}$ @ 2244', bit #2-12 $\frac{1}{2}$ " Varel CH31MS (ser #203144), jets = 3-13s, in @ 473', made 1921' in 56 hrs, wob = 68,000, rpm = 65, pp = 900, spm = 57, mud wt = 10.1, vis = 29, ph = 10. Time breakdown:

22 hrs Drlg

1/4 hrs Service ria

3/4 hrs Survey

24 hrs Total

DWC: \$ 23,000.00 CWC: \$ 120,000.00

11/15/04

2489' Circulating, lime, made 95', surveys = 2 @ 2421', 1 % @ 2470', bit #2-12 %" Varel CH31MS (ser # 203144), jets = 3-13s, in @ 473', out @ 2489', made 2016' in 60 % hrs, wob = 68,000#, rpm = 65, pp = 900, spm = 57, mud wt = 10.1, vis = 29, ph = 10.

Time breakdown:

4 ¾ hrs Drla

2 hrs Circ @ TD

1/4 hrs Surveys

2 1/4 Trip out with DP

1 hrs Clean pits & refill

1/2 hrs RU & RD fluid calipers

1 hrs RU LD machine & LD BHA

4 % hrs Run 8 5/8"

6 1/2 hrs Circ WO BJ to get un-stuck

24 hrs Total

DWC: \$5,000.00 CWC: \$125,000.00

10/21/04	JW Drilling Co. notified us today that the rig would be available approximately 10/31.
9/24/04	Meet with dirt contractors & award location bid to B&H construction
10/4/04	Complete location. DWC; \$ 24,000.00 CWC; \$ 24,000.00
11/2/04	Drilling rat hole, mouse hole & starting hole. DWC: \$ 2,500.00 CWC: \$ 26,500.00
11/3/04	Line pits & start pumping water. DWC: \$ 3,000.00 CWC: \$ 29,500.00
11/3/04 11/4/04 11/9/04 11/10/04	Waiting on drilling rig. Waiting on drilling rig. Due to snow rig will move Monday MI JW rig #4 323' drlg, red bed & anhy, made 283', survey = 2° @ 189', Bit #1-17 ½" Hughes MX-1 (ser # W32JT), in @ 40', made 283' in 10 hrs, jets = 3-12s, wob = all, rpm = 120, spm = 60, pp = 850, Mud wt = 10.1, vis = 32, ph = 9. Time breakdown: 9 hrs Rig up 10 hrs Drlg 3 ½ hrs Work DP @ 83' & mix mud 1 ½ hrs Survey 24 hrs Total
	DWC: \$ 8,000.00 CWC: \$ 37,500.00
11/11/04	473' NU BOP, red bed & anhy, made 150', survey = 2 @ 374', 2 ½ @ 473', bit #1-17 ½" Hughes MX-1 (ser #W32JT), in @ 40', out @ 473', made 433', in 15 ½ hrs, jets = 3-12s, wob = all, rpm =100, spm = 61, pp = 875, mud wt = 10.1 vis = 32, ph = 9. Time breakdown: 5 ½ hrs Drlg ½ hrs Circulate ½ hrs Surveys 1 hrs Trip out to run 13 3/8" 4 hrs WOC 3 hrs Weld on head 2 hrs NU BOP 24 hrs Total Ran 13 3/8" as follows: 1-13 3/8" Guide shoe 1.00' 1-13 3/8", 54.5#, J-55, 8rd, st&c 29.67' 1-13/38" Insert flo 0.00' 11-13/38", 54.5#, J-55, 8rd, st&c 4444.92' Total pipe 475.59'

RU BJ & cmtd with 350 sxs Class "C" 35:65:6 with 5% Gilsonite & 1/4# Celoflake, followed by 150 sxs Class "C" with 2% CaCl2 & 1/4# Celoflake. Plug down @ 9:00 PM 11/10/04. Circulated 124 sxs to surface. Note: Ran 5 centralizers. One on shoe jt, then one on 1st collar then one every4th collar thereafter.

DWC: \$ 16,500.00 CWC: \$ 54,000.00