OCD-ARTESIA

Form 3160-5 UNITED STATES AUG 02 2007 (April 2004) DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS OCD-AR TENM 05808C 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160 - 3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE- Other instructions on reverse side. ROCK TANK UNIT NM 71026A 1. Type of Well Oil Well Other ✓ Gas Well 8. Well Name and No. **ROCK TANK UNIT NO. 1** 2. Name of Operator E.G.L. RESOURCES, INC. API Well No. 30-015-20095 3a Address 3b. Phone No. (include area code) PO BOX 10886, MIDLAND, TX 79702 432-687-6560 10. Field and Pool, or Exploratory Area **ROCK TANK - UPPER MORROW** 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 660' FNL & 920' FWL, SEC 7, TWP 23S, RGE 25E EDDY COUNTY, NEW MEXICO 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE. REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize ✓ Water Shut-Off Deepen Production (Start/Resume) Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Other Update Well Record Casing Repair New Construction Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Plug Back Convert to Injection Water Disposal 13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) MIRU 5-8-2003 ND wellhead. NU BOP. Release On-Off tool @ 10,188' and POOH. RIH w/ 4-3/4" bit & scraper to 10,107' (soft tag). POOH. RIH w/5-1/2" RBP and pkr. Set RBP @ 10,050'. PUH and set pkr at 9,926' w/ 20,000# compression ("F" profile nipple @ 9,889'). ND BOP, NU wellhead. Load casing and test csg to 500 psig. Held good. Swab well in. RD swab equipment. Start compressor and place well on production. Clean location and rig down. RD 5-20-2003 Well producing through compressor from Upper Morrow formation. Lower Morrow shut-in under RBP. See attached Well History and Well Schematic. ACCEPTED FOR RECORD 29 2007 14. I hereby certify that the foregoing is true and correct BURÉAU OF LAND MANAGEMENT Name (Printed/Typed) JOHN A. LANGHOFF Title PETROLEUM ENGINEER CARLSBAD FIELD OFFICE

Signature 05/04/2007 HOR FEDERAL OR STATE OFFICE USE Approved by Title Date Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

8/3/07

Rock Tank Unit No. 1 660' FNL & 920' FWL, Sec. 7, Twp. 23-S, Rge. 25-E Eddy County, New Mexico

Elevations: GL: 3,943' Csg. Head: 3,943' KB: 3,962'

TD: 11,026' Original PBTD: 10,394'

Casing:

8-5/8", 24 #/ft, J-55 csg set @ 2,426'. Cmt'd w/ 350 sxs Incor plus 4% gel and 200 sxs Incor. Cement did not circ. TOC @ 800' by TS. Performed "top job" w/ 400 sxs Class "C" cmt in 10 stages bringing cement top to surface. 12-1/4" hole.

5-1/2", 17 #/ft, N-80 csg set @ 10,472'. Cmt'd w/ 500 sxs Class "H" w/ 1-1/2% CFR-2 and 7# salt per sack. TOC @ 8,920' by calc. 7-7/8" hole.

Perforations: 10,290' - 98' (16 holes), 10,308' - 24' (16 holes) (Opened 1968)

9,965' - 78' (14 holes) (Opened 1968)

Well History:

11/11/1967 Spud well. Drill 12-1/4" hole to 2,423'. Run & cmt 8-5/8" csg. Drill 7-7/8" hole to 11,026' DST testing the Cisco, Lower Morrow, and Devonian formations. Devonian formation was wet. Plug back open hole to 10,800'. Run and cmt 5-1/2" csg. PBTD 10,394'. RD drilling rig. MIRU completion rig. Run correlation log. Perf L. Morrow 10,290' – 98' (16 holes) and 10,308' – 24' (16 holes). Set Baker Model "F" pkr @ 10,200'. RIH w/ tbg and latch into pkr. Swab well in to flow test. Set blanking plug in pkr and release tbg from pkr. Perf U. Morrow 9,965' – 78' (14 holes). Fracture treat perfs 9,965' – 78' w/ 30,000 gals. gelled water, 17,500 lbs. sand and 3,500 lbs. glass beads. Conduct 4 pt test. CAOF U. Morrow 6.698 MMCFGPD and L. Morrow 52.351 MMCFGPD. Completed 1/23/1968.

10/25/1970 Ran temperature survey showing tbg collar leak. Attempt to seal leak using wireline conveyed tools (Otis tubing sleeve).

12/13/1970 MIRU. Pull all Otis tubing sleeves from tubing. Set blanking plug in On-Off tool nipple and open Baker sleeve. Kill well w/ treated water. Pulled tubing. Repair collar leak. Hydrotest tbg to 4,000 psi while RIH. Latch onto On/Off tool. Open sliding sleeve. Swab in U. Morrow completion. Close sliding sleeve. Flow L. Morrow to clean up. RD workover unit. Place well on production. Complete 12/19/1970.

4/30/1974 MIRU. Set tbg plug in profile at 10,188'. FL @ 5,700'. Open sliding sleeve and circ. well w/ 10# brine wtr. Circ. out 100 Bbls. mud and sulphur wtr. ND wh. NU BOP. Tbg parted. POOH w/ tbg. Left 6 jts. in hole. Ran casing inspection log. Fish out 6 jts. tbg and On-Off tool. RIH w/ pkr and RBP. Set RBP @ 4,715'. Isolate casing leak between 4,080' and 4,655'. Casing leak communicated w/ 8-5/8" csg. Set CICR @ 4,030'. Mix and pump 500 sxs Class "H" cmt with full circulation up 8-5/8" csg. Squeezed last 15 bbls cmt to 850 psi. Drill out cement to 4,235'. Pressure test csg to 1,400 psi. Retrieve RBP. RIH w/ On-Off tool and sliding sleeve on tubing string. Latch On-Off tool. Swab U. Morrow but did not get it to kick off. L. Morrow cleaned up to flow 3.78 MMCFPD. Complete 5/20/1974.

4/29/1997 Soap and flow test casing (U. Morrow perfs 9,965' – 78') to compressor. Final flow rate from U. Morrow was 450 MCFPD / 1 BFPD w/ 11 psi FCP. Rig up wireline truck(s). Make 1.734" gauge ring run to 10,400'. Re-perf L. Morrow w/ 1-11/16" Deep Star expendable strip guns. Shoot 10,290' – 98' (32 holes) and 10,308' – 24' (64 holes). Flow test tubing to sales line. L. Morrow producing 2,200 MCFPD / 2 BFPD w/ 230 psi FTP. Complete 5/20/1997.

Rock Tank Unit No. 1 660' FNL & 920' FWL, Sec. 7, Twp. 23-S, Rge. 25-E Eddy County, New Mexico

Well History (continued):

- 6/24/1998 MIRU swabbing unit. Well dead. IFL 8800'. Swab on well two days swabbing from 9,900' and swabbing tubing dry. MIRU Halliburton. Acidize L. Morrow w/ 500 gals. 7.5% HCl and flush w/ 500 gals. 2% KCl wtr. Tbg on vacuum. Wait 45 minutes and start swabbing. Swab & flow back 40 BW (all load recovered). Flow well to atmosphere and tank to clean up and place well on production through compressor. Complete 7/1/1998.
- 6/23/1999 MIRU wireline unit. RIH w/ 1-1/2" weight bars and tag PBTD at 10,379'. Ran 2.25" standing valve w/ 2.302" no-go and set at 10,204'. Pump 15 bbls 2% KCl wtr down tbg. Attempt to shift sliding sleeve at 10,009' w/o success. Ran tbg perforator and shoot hole in tbg at 10,005' (WLM) (9,990' Monsanto schematic). Pull 2.25" standing valve. Perforate second hole in 2-7/8" at 9,989'. Flow U. Morrow and L. Morrow through tubing to sales at 968 MCFPD / 63 BWPD w/ 60 psi FTP and 390 psi. SICP. Complete 6/25/1999.
- 5/08/2003 MIRU. ND wellhead. NU BOP. Release On-Off tool @ 10,188' and POOH. RIH w/ 4-3/4" bit & scraper to 10,107' (soft tag). POOH. RIH w/ 5-1/2" RBP and pkr. Set RBP @ 10,050'. PUH and set pkr at 9,926' w/ 20,000# compression ("F" profile nipple @ 9,889'). ND BOP. NU wellhead. Load casing and test csg to 500 psig. Held good. Swab well in. RD swab equipment. Start compressor and place well on production. Clean location and rig down. RD 5-20-2003.

WELL DATA SHEET

FIELD: Rock Tank

WELL NAME: Rock Tank Unit #1

FORMATION: Morrow

LOC: 660' FNL & 920' FWL

SEC: 7

TWP: 23-S RGE: 25-E

COUNTY: Eddy

STATE: NM

GL: 3943' KB to GL: 19.0'

DF to GL: 18.0'

CURRENT STATUS: Producer

API NO: 30-015-20095



Csg leak 4080' - 4655' cmt sqz'd w/ 500 sxs.

TOC @ 8920'

Pkr set at 9,926'

U. Morrow Perfs 9965' - 78'

RBP set at 10,050'

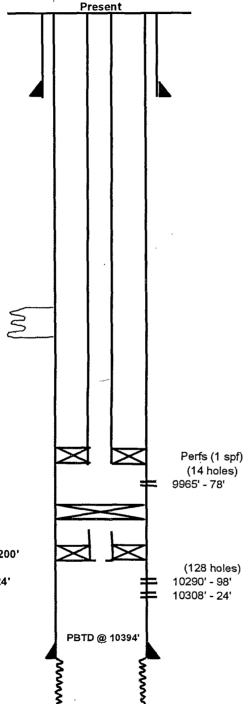
Baker Model "F" pkr @ 10,200'

L. Morrow Perfs 10290' - 324'

5-1/2", 17 #/ft, N-80, set @ 10,472' w/ 500 sxs cmt. TOC @ 8920'. 7-7/8" Hole.

Devonian Formation

FILE: RT_1_DIA.XLS JAL 05-01-07



TD @ 11,026'