

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

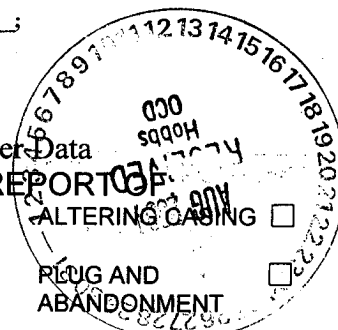
Form C-103
March 4, 2004

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.)		WELL API NO. 30-025-35748
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Latigo Petroleum Inc		6. State Oil & Gas Lease No. VO 6364
3. Address of Operator 415 W. Wall, Suite 1900 Midland, TX 79701		7. Lease Name or Unit Agreement Name North Lusk 32 State
4. Well Location Unit Letter <u>L</u> : 1980 feet from the <u>S</u> line and 660 feet from the <u>W</u> line Section 32 Township 18S Range 32E NMPM County LEA		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3691' Gr		9. OGRID Number 227001
10. Pool name or Wildcat Lusk North Bone Springs		

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL Sect Twp Rng Pit type Depth to Groundwater Distance from nearest fresh water well
 Distance from nearest surface water Below-grade Tank Location UL Sect Twp Rng
 feet from the line and feet from the line

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: 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"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT REMEDIAL WORK <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: perf Bone Springs <input checked="" type="checkbox"/>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

8-5-04 Open BOP, RU Computalog. RIH w/ 5-1/2" CIBP, set plug at 10450'. POH. RIH w/ bailer, cap w/2 sx cmt. RIH w/ 4" cased hole gun, perf 8570-8598' w/ 4 spf (112 holes). RD Computalog. RIH w/ 5-1/2" Arrowset 1-X, SN, on 2-7/8" tubing to 8504', set packer w/ 15K comp. RU and RIH w/ swab, IFL 5200', recover 25 BW, no show, no gas. FFL 8500'
 8-6-04 Acidized w/2000 gal 15% NEFE, dropped 200 ball sealers. Flush to btm perf w/2% KCL wtr @ avg rate 5 BPM @ avg press 2760 psi. No ball action. Formation broke @ 3000 psi, Cont on back

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Bonnie Husband TITLE Production Analyst DATE 08/24/2004

Type or print name Bonnie Husband E-mail address: bhusband@latigopetro.com Telephone No. (432)684-4293

(This space for State use)

APPROVED BY Harry W. Wink TITLE OC FIELD REPRESENTATIVE II / STAFF MANAGER DATE AUG 27 2004
 Conditions of approval, if any:

8-10-04 72 hr SITP 500 psi

8-11-04 SITP – 0 psi. RU & RIH w/swab. IFL – 6800'. Cont swabbing & recovered 50 bbls wtr. Started hourly swab runs @ 500' entry/hr. 10% oil cut on hourly runs. Total of 55 bbls fluid recovered.

8-12-04 SITP – 0 psi. RU & RIH w/swab. IFL – 7800'. Swabbed well dry & recovered 5 bbls w/20-30% oil cut. Very little gas. RD swab & POOH w/tbg & pkr. SION.

8-13-04 Opened BOP, ND BOP, NU frac valve & csg saver. WO frac crew. RU BJ to frac Bone-Springs as follows:
 Pmp'd 238 bbls Spectra Frac G-3000 pad, 34 BPM @ 2700#
 Pmp'd 65 bbls Spectra Frac G-3000 w/2# 20/40 Sand, 36 BPM @ 2784#
 Pmp'd 141 bbls Spectra Frac G-3000 w/4# 20/40 sand, 36 BPM @ 2600#
 Pmp'd 227 bbls Spectra Frac G-3000 w/6# sand; 85% 20/40 sand / 15% 14/30 flexsand, 36 BPM @ 2200#
 Pmp'd 188 bbls 30# linear gel flush, 36 BPM @ 2795#, final pressure 3400#.
 Pumped a total of 71,080# of sand. Max Pressure 3400#, Avg 2200#, Avg Rate 36 BPM. ISIP 2500#, 5 min NA, 10 min NA, 15 min NA. Total load 975. Opened well on choke & force closed frac. RD BJ and Stinger Treesaver. RU flow back manifold, started flow back @ 1600#. Well flowed 50 bbls and died. SION. **TLWTR 925**

8-14-04 SICP 0 psi, ND frac valve, NU BOP, PU & RIH w/5-1/2: Arrowset 1-X pkr, SN & 2-7/8" N-80 tbg, set pkr @ 8540'. RU & RIH w/swab, IFL 1200'. Swab back 114 bbls, FFL 2000'. **811 BLTR**

8-15-04 SITP 290 psi. RU & RIH w/swab, IFL 1400' (600' entry) Rec 169 bbls, last 3-runs 10% oil cut, well kicks off. RD swab, Leave flw'g to frac tank. Pro Well Testing on location for flowback. **642 BLTR.**

8-20-04 Overnight prod 16 BO, 2-1/2 BW, 70 MCF. ND tree, NU BOP, release pkr. RIH to 8732', POOH w/tbg & pkr, RIH w/1 std tbg on sandline & tag up @ 10,300'. POOH w/sandline, PU & RIH w/prod tbg, ND BOP, set TAC w/18 K tension, NUWH 269 jts 8469', 2-7/8" 6.4# N-80 EUE tbg, **EOT @ 8760.9'**
 1-2.8' 2-7/8" x 5-1/2" **TAC @ 8471.8' w/18K**
 8 jts – 252' 2-7/8" 6.4# N-80 tbg
 1-1.1' 2-7/8" **SN @ 8724.9'**
 1-4' 2-7/8" perf sub
 1-32' BPMA

8-21-04 Open tbg, PU & begin running pump & rods, RU PU, space out rods, load & test tbg & pump action to 500 psi-test good, Perfs 8570'-8598', 112 holes