

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OM B No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
E.G.L. Resources, Inc.

3a. Address
P.O. Box 10886, Midland, TX 79702

3b. Phone No. (include area code)
432-687-6560

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**4650' FSL & 1980' FWL
Sec. 5, Twp. 21-S, Rge. 32-E**

5. Lease Serial No.

NM - 04229 - B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

New Mexico Fed. "F" No. 1

9. API Well No.

30-025-25976

10. Field and Pool, or Exploratory Area

Salt Lake South (Morrow)

11. County or Parish, State

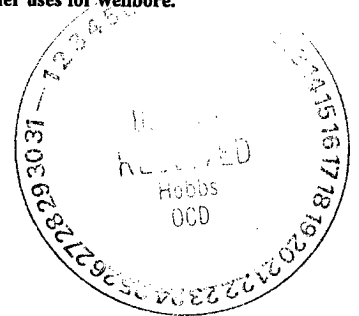
Lea County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleat 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 recompleat 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.)

Please see attached wellwork summary of wellwork performed from August 12, 2004 through September 14, 2004. Recompleat attempt to Hat Mesa (Delaware) field was unsuccessful. Current wellbore diagram is also attached. Currently evaluating other uses for wellbore.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

John A. Langhoff

Title **Petroleum Engineer**

Signature

Date

09/28/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

DAVID R. GLASS
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant has legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

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)

GWW

**NEW MEXICO FEDERAL "F" COM. NO. 1
4,650' FSL & 1,980' FWL, SEC 5, TWP 21S, RGE 32E
LEA COUNTY, NEW MEXICO**

DELAWARE RECOMPLETION WELLWORK SUMMARY

Aug. 12, 2004 - MIRU. ND wellhead. NU BOP. RIH w/ tubing.

Aug. 13, 2004 - Notified Hobbs BLM office of intention to set P&A plug. Tag at 13,095' (TOC on CIBP). Test casing to 500 psi. Spot 9.0 #/gal P&A mud up to 10,125'. POOH to 10,136'.

Aug. 14, 2004 - RU Schlumberger cementing crew. Spot 25 sxs Class "H" cement mixed at 16.4 #/gal (4.3 gal/sx mix water, 1.06 cu. ft/sx yield) balanced cement plug from 10,136' to 9,925'. POOH with tubing.

Aug. 16, 2004 - RU wireline services. RIH w/ GR-CBL tool and tag top of cement plug at 9,910'. PUH to 9,300'. Pull GR-CBL log. Perf at 8,500' and 7,000' w/ 4 spf. RD wireline services.

Aug. 17 & 18, 2004 - RIH w/ RBP & pkr. Attempt to establish circulation between squeeze perfs at 8,500' and 7,000' w/o success.

Aug. 19 & 20, 2004 - Perforate additional squeeze holes at 8,260', 7,900', and 7,350'. Establish communication between perfs 8,260' and 7,900' and between perfs 7,350' and 7,000'.

Aug. 21, 2004 - Run fluid caliper on both intervals. POOH w/ pkr and RBP. RIH w/ CICR and set at 8,198'.

Aug. 23, 2004 - RU Schlumberger. Cement squeeze perfs 8,260' w/ circulation back thru perfs 7,900' w/ 140 sxs Class "C" cement. Sting out of CICR, PUH to 7,470' and reverse clean w/ cement return to surface. RD Schlumberger. POOH w/ tubing. Found 4 blast marks on tubing w/ one hole where cement re-entered casing at 7,900' and cut hole in tubing.

Aug. 24, 2004 - RIH w/ 4-1/8" bit to tag at 7,562'. POOH w/ bit.

Aug. 25, 2004 - RIH w/ CICR and set at 7,297'. RU Schlumberger. Cement squeeze perfs 7,350' w/ circulation back thru perfs 7,000' w/ 125 sxs Class "C" cement. Sting out of CICR, PUH to 6,416' and reverse clean. POOH w/ tubing.

Aug. 26 - 29, 2004 - WOC.

Aug. 30 & 31, 2004 - RIH w/ bit to tag at 6,860'. Drill out cement 6,860' to 7,050', CICR @ 7,297', and cement down to 7,380', cement from 7,562' to 7,952' where fell through. RIH and tag cement on top of CICR at 8,188' (10' cement of top of CICR) (Driller PBDT). Circulate clean. Test casing to 500 psi. POOH w/ bit. RU wireline company. RIH w/ Segmented Bond Gamma Ray CCL log and log from 8,172' (Logger PBDT) to 6,400' with zero pressure. Perforate 8,088' - 8,105', 8,073' - 8,080', 7,180' - 7,200' and 7,138' - 7,160'. POOH. RD wireline truck.

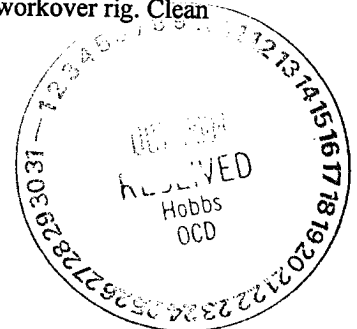
Sept. 1, 2004 - RIH w/ RBP and pkr. Set RBP at 8,150' and pkr at 8,000'. Pressure up on perfs 8,073' - 80' and 8,088' - 105' to 3,000 psi with water. Pressure bleeding off slowly initially then showing signs of communication through squeeze holes at 7,900' with 1,500 psi on perfs. Did not fully breakdown perfs at this time. Pickle tubing w/ 600 gallons 15% HCl. Break down perfs 7,138' - 60' and 7,180' - 200'. Acidize perfs 7,138' to 7,200' w/ 2,650 gallons 7-1/2% Delaware acid and 78 ball sealers. Average rate and pressure of 2.2 BPM at 1,700 psi. ISIP: 1,365 psig, 5" - 1,355#, 10" - 1,350#, and 15" - 1,328#. BWO. No communication up hole during acid job. Move tools isolating squeeze hole at 7,350'. Pressure up on squeeze hole at 7,350' to 500 psi. Test okay, did not communicate w/ completion perforations.

Sept. 2 & 3, 2004 - Swab perfs 7,138' to 7,200'.

Sept. 7, 2004 - Frac perfs 7,138' to 7,200' w/ using 18,852 gallons J533_D Clearfrac fluid containing 23,866 lbs. 16/30 Jordan sand in 0 to 4 PPG stages.

Sept. 8, 9, 10 & 13, 2004 - Flowback and swab well. No shows oil and small amount gas. POOH w/ tools.

Sept. 14, 2004 - RIH w/ tbg. ND BOP. NU wellhead. Land tubing w/ EOT at 8,098'. RD workover rig. Clean location. Move off location.



WELL DATA SHEET

FIELD: Salt Lake South

WELL NAME: New Mexico Fed. "F" Com. No. 1

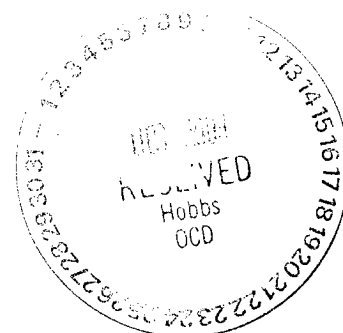
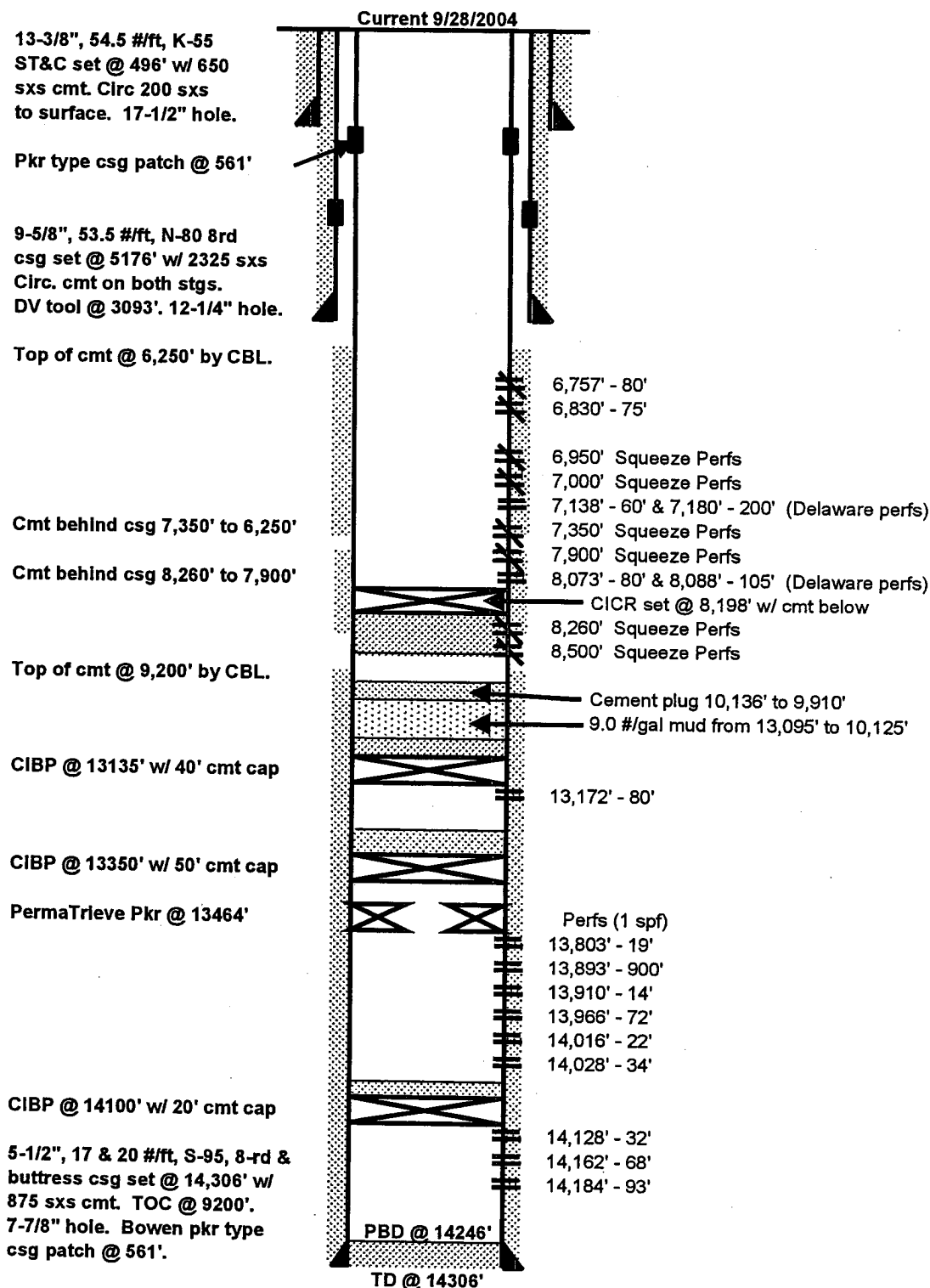
FORMATION: TA'd

LOC: 4650' FSL & 1980' FWL
SEC: 5 TWP: 21S RGE: 32E

COUNTY: LEA
STATE: NM

GL: 3668'
KB to GL: 18.0'

CURRENT STATUS: Shut-In
API NO: 30-025-25976



FILE: NMF_1WBS_del.XLS
JAL 09-28-2004