

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

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Latigo Petroleum, Inc. 550 W. Texas, Suite 700, Midland, TX 79701		² OGRID Number 227001
³ Property Code 300320	³ Property Name Hodges "B"	⁴ API Number 30-025-37016
⁹ Proposed Pool 1 Glorieta Justis Gas Pool		⁶ Well No. 7
¹⁰ Proposed Pool 2		

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Westline	County
L	1	25S	37E		1880	South	390	West	Lea

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Westline	County

Additional Well Information

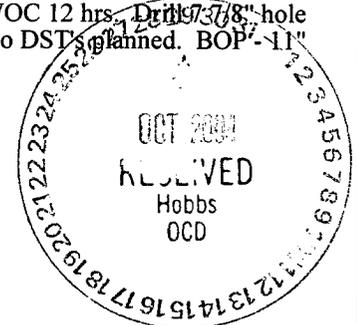
¹¹ Work Type Code New Drill	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3118'
¹⁶ Multiple No	¹⁷ Proposed Depth 5100'	¹⁸ Formation Glorieta	¹⁹ Contractor United	²⁰ Spud Date 11/15/2004
Depth to Groundwater 90'		Distance from nearest fresh water well 13,000'		Distance from nearest surface water 6 miles SW
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 milst thick Clay <input type="checkbox"/> Pit Volume 500 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8 5/8"	24	1000'	400	Surface
7 7/8"	5 1/2"	15.5	5100'	675	1000'

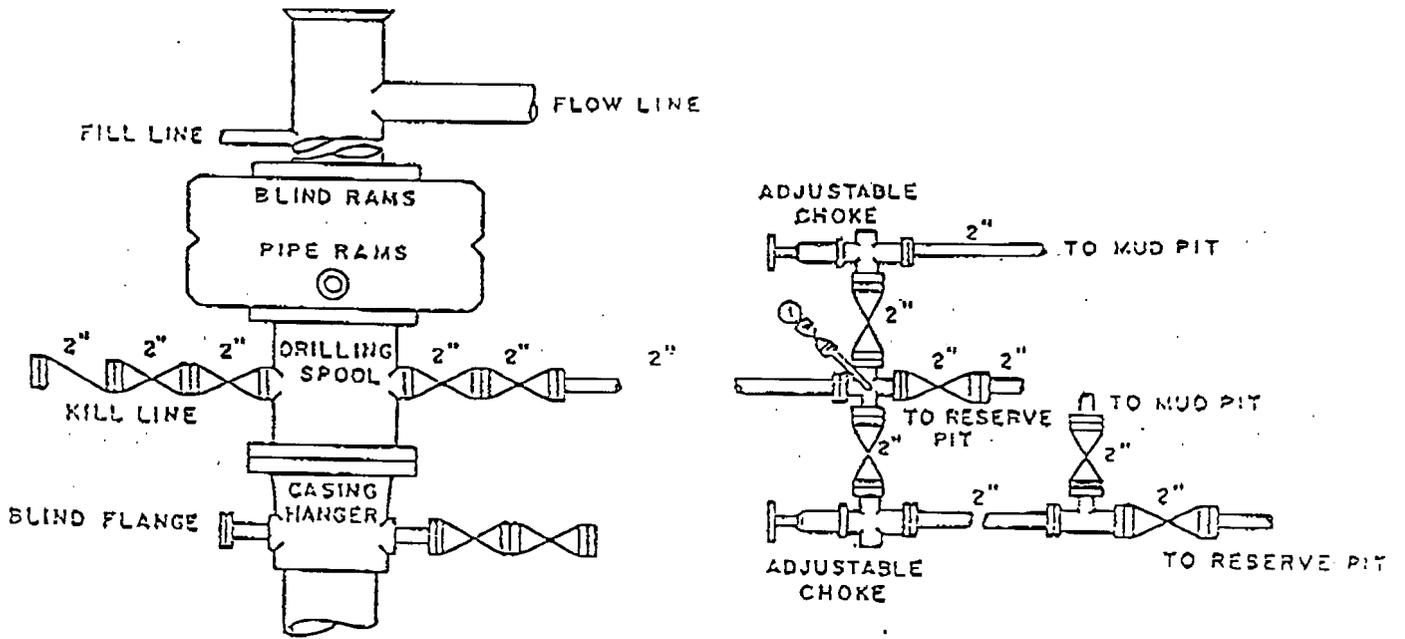
²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill an 11" hole to 1000', run 8 5/8" 24# J55 casing. Cement w/400 sx Class C cement + additives. WOC 12 hrs. Drill 7 7/8" hole to 5100', run 5 1/2" 15.5# J55 casing. Cement w/675 sx Class C + additives. Estimated TOC 1000'. No DST planned. BOP - 11" 3000# Shafter LWS Double, annular. Hydril GK 10" x 3000psi.



Permit Expires 1 Year From Approval Date Unless Drilling Underway

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved by: <i>Donna Frazier</i>	
Printed name: Donna Frazier	Title: PETROLEUM ENGINEER	
Title: Production Analyst	Approval Date: DEC 28 2004	Expiration Date:
E-mail Address: dfrazier@latigopetro.com	Condition of Approval Attached <input type="checkbox"/>	
Date: 10/26/2004	Phone: (432)684-4293	



BOP DIAGRAM

3000# Working Pressure
Rams Operated Daily

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-37010		² Pool Code 78360		³ Pool Name JUSTIS <i>Glorieta</i>	
⁴ Property Code 300320		⁵ Property Name HODGES "B"			⁶ Well Number #7
⁷ OGRID No. 227001		⁸ Operator Name LATIGO PETROLEUM INC.			⁹ Elevation 3118

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	1	25-S	37-E		1880	SOUTH	390	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. <i>NSP-188254</i>
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Donna Frazier</i> Signature Donna Frazier Printed Name Production Analyst Title and E-mail Address 10/28/04 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>9-20-04 Date of Survey Signature and Seal of Professional Surveyor <i>Bruce R. Pennell</i> Certificate Number LS9062</p>

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State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes No

Type of action: Registration of a pit or below-grade tank Closure of a pit or below-grade tank

Operator: Latigo Petroleum, Inc. Telephone: (432)684-4293 e-mail address: dfrazier@latigopetro.com
Address: 550 W. Texas, Suite 700 Midland, TX 79701
Facility or well name: Hodges "B" API#: 30-025-3701b U/lor Qtr/Qtr L Sec 1 T 25S R 37E
County: Lea Latitude _____ Longitude _____ NAD: 1927 1983 Surface Owner Federal State Private Indian

Pit	Below-gradetank
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>500</u> bbl	Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) <u>90'</u>	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.) <u>13000'</u>	Yes (20 points) No (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.) <u>6 miles SW</u>	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points)
Ranking Score (Total Points)	
10	

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite offsite If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No Yes If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described 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 .
Date: 10/27/2004

Printed Name/Title Donna Frazier Production Analyst Signature Donna Frazier
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: **PETROLEUM ENGINEER**
Printed Name/Title _____ Signature Paul J. [Signature] Date: DEC 28 2004