

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 Momentum Energy Corp. Box 3398 Midland, TX 79702		² OGRID Number 227069
³ Property Code 35169	³ Property Name Momentum State 36	³ API Number 30 - D25-37517 ⁶ Well No. 1
⁹ Proposed Pool 1 Wildcat		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/West line	County
K	36	25S	35E		1650	South	2310	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/West line	County

Additional Well Information

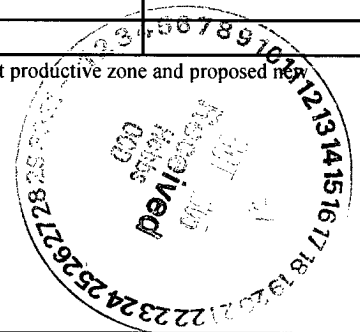
¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3072'
¹⁶ Multiple N	¹⁷ Proposed Depth 9700	¹⁸ Formation Bone Spring	¹⁹ Contractor	²⁰ Spud Date November 1, 2005
Depth to Groundwater 200'		Distance from nearest fresh water well Over 1000'		Distance from nearest surface water Over 1000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12__mils thick Clay <input type="checkbox"/> Pit Volume: 7000 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
17 1/2	13 3/8	48	550	750	Surf
12 1/4	9 5/8	40	5200	1850	Surf
8 3/4	5 1/2	17	9700	700	4500

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.

See attached Wellhead and Blow Out Prevention Plan
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 a general permit , or an (attached) alternative OCD-approved plan .

Russ Mathis

Printed name: Russ Mathis

Title: Agent

E-mail Address: consultant@momentumenergy.com

Date: 10-13-05

Phone: 432-682-0595

OIL CONSERVATION DIVISION

Approved by:

[Signature]

Title:

PETROLEUM ENGINEER

Approval Date: OCT 18 2005 Expiration Date:

Conditions of Approval Attached

WELLHEAD AND BOP's

Intermediate Hole

After setting 13 3/8" casing, WOC 2 hrs (or able to slack off).). Cut off 13-3/8" surface casing and install 13-3/8" SOW x 13-5/8" 3M psi WP casing head. NU 13-5/8" 1500 psi WP annular preventer.

After tripping in hole and prior to drilling out the shoe, test the 13-3/8" casing to 500 psi using rig pump and hold for 30 minutes. WOC until tail cement has >500 psi compressive strength prior to drilling out.

Production Hole

ND BOP and set 9-5/8" casing slips with full string weight after cementing. Cut off 9-5/8" intermediate casing and install 13-5/8" 3M psi WP x 11" 3M psi WP casing spool.

NU 11" 3M psi WP API Bulletin RP53, fig 2.C.5 SRRA (4-1/2" pipe rams and blind rams). Test ram BOP's and choke manifold to 250 psi and 3,000 psi, test annular BOP to 250 psi and 1,500 psi utilizing a test plug and an independent tester. Test 9-5/8" casing to 2,000 psi and hold for 30 minutes. WOC until tail cement has >500 psi compressive strength prior to drilling out.

BOP PROFICIENCY DRILLS are to be held on at least a weekly basis by all crews. More frequent drills may be required at the discretion of the Drilling Foreman and Toolpusher. These proficiency drills are to include:

- 1) drills while on bottom drilling,
- 2) drills while tripping, and
- 3) drills while completely out of the hole.

Reaction times are to be totally inclusive of all steps necessary to completely shut in the well. These drills and reaction times are to be recorded and reported on the IADC report and the daily drilling report. It is also recommended a Kill Sheet be maintained with accurate hole, string and pump information and updated as required by well conditions/status. The status of the choke manifold valves, i.e., open/close status, should also be posted either by a drawing of the manifold or notes on the Kill Sheet. All appropriate well control equipment, i.e., inside BOP's, floor safety valves, handles, closing unit, remote panel, etc. should be kept fully operational, tested and readily available as required.

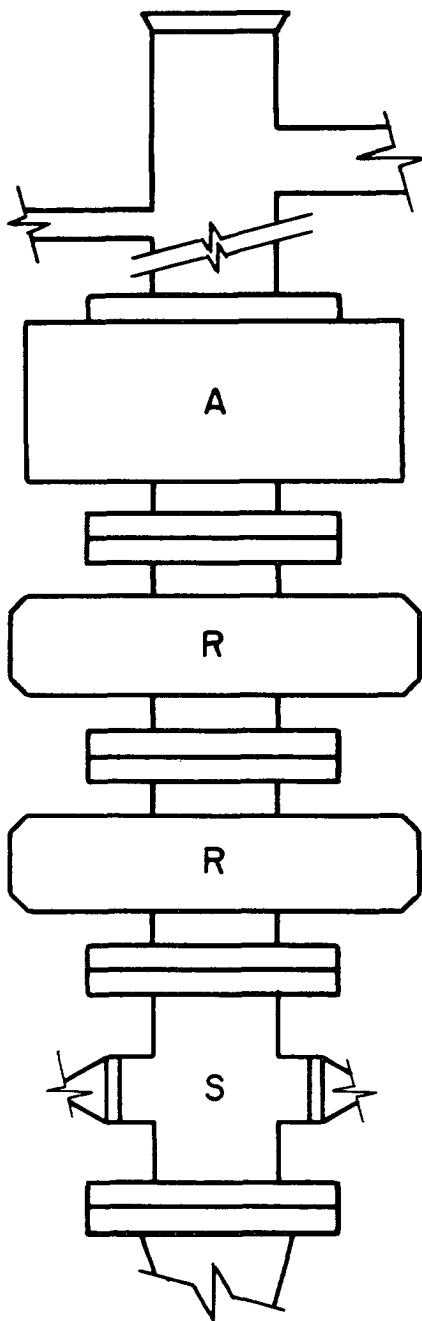


FIG. 2.C.5
 ARRANGEMENT SRRA
 Double Ram Type Preventers, R_d Optional.

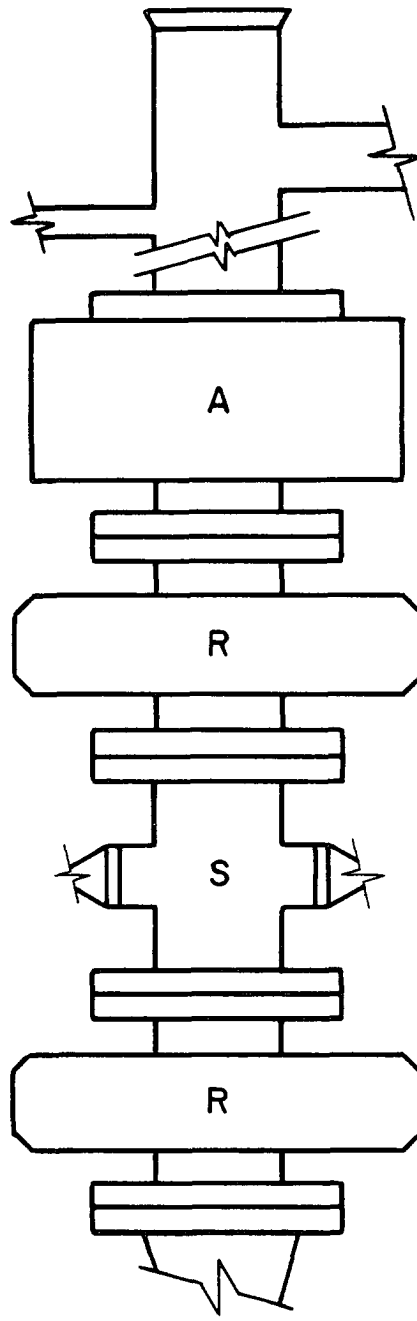


FIG. 2.C.6
 ARRANGEMENT RSRA

**TYPICAL BLOWOUT PREVENTER
 ARRANGEMENTS FOR 3M AND 5M RATED
 WORKING PRESSURE SERVICE—
 SURFACE INSTALLATION**

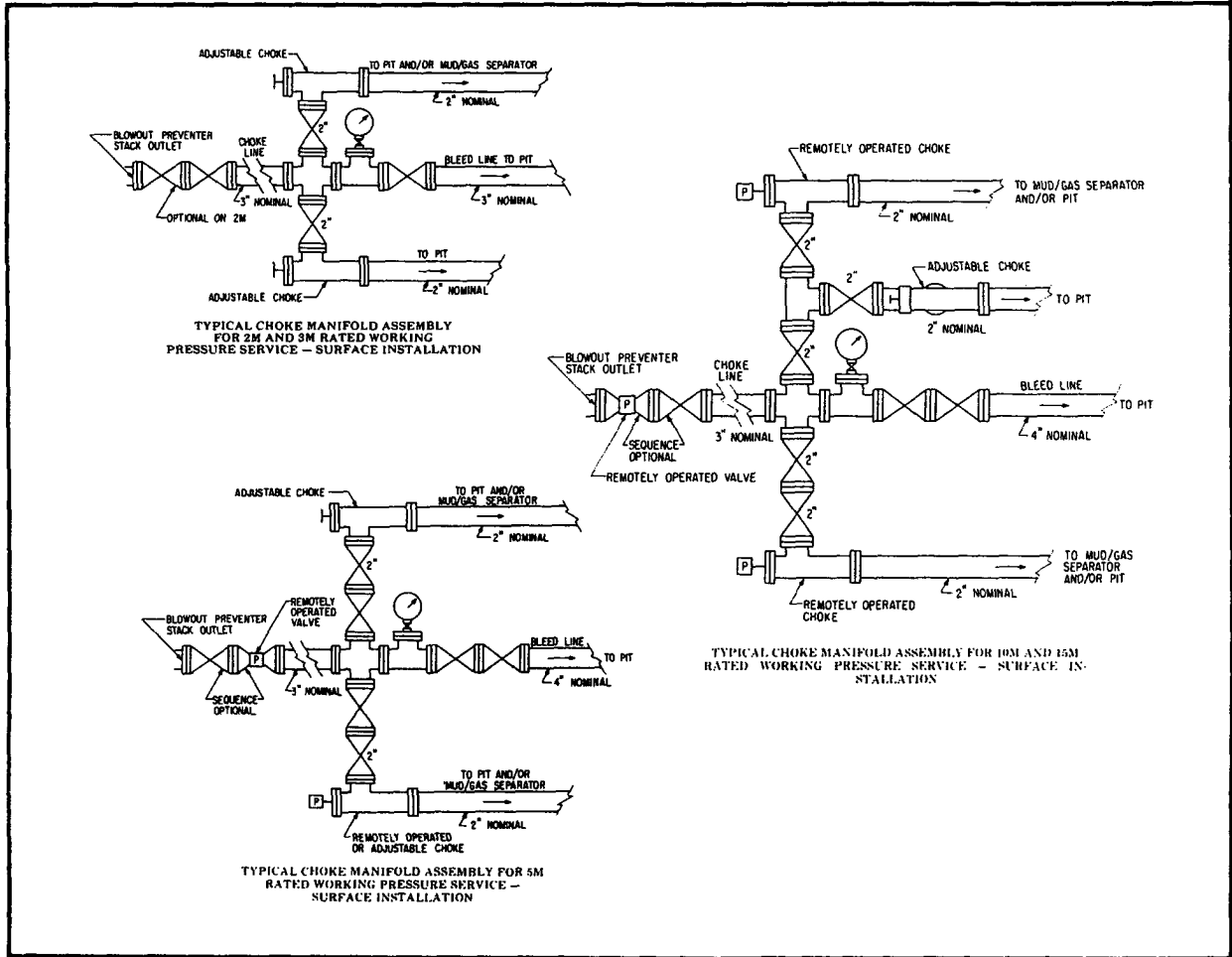


Figure 45. API RP53 RECOMMENDED CHOKES MANIFOLDS

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-37517		2 Pool Code -		3 Pool Name Wildcat Bone Spring	
4 Property Code 35169		5 Property Name MOMENTUM STATE "36"			6 Well Number 1
7 OGRID No. 227069		8 Operator Name MOMENTUM ENERGY CORP.			9 Elevation 3072'

10 Surface Location

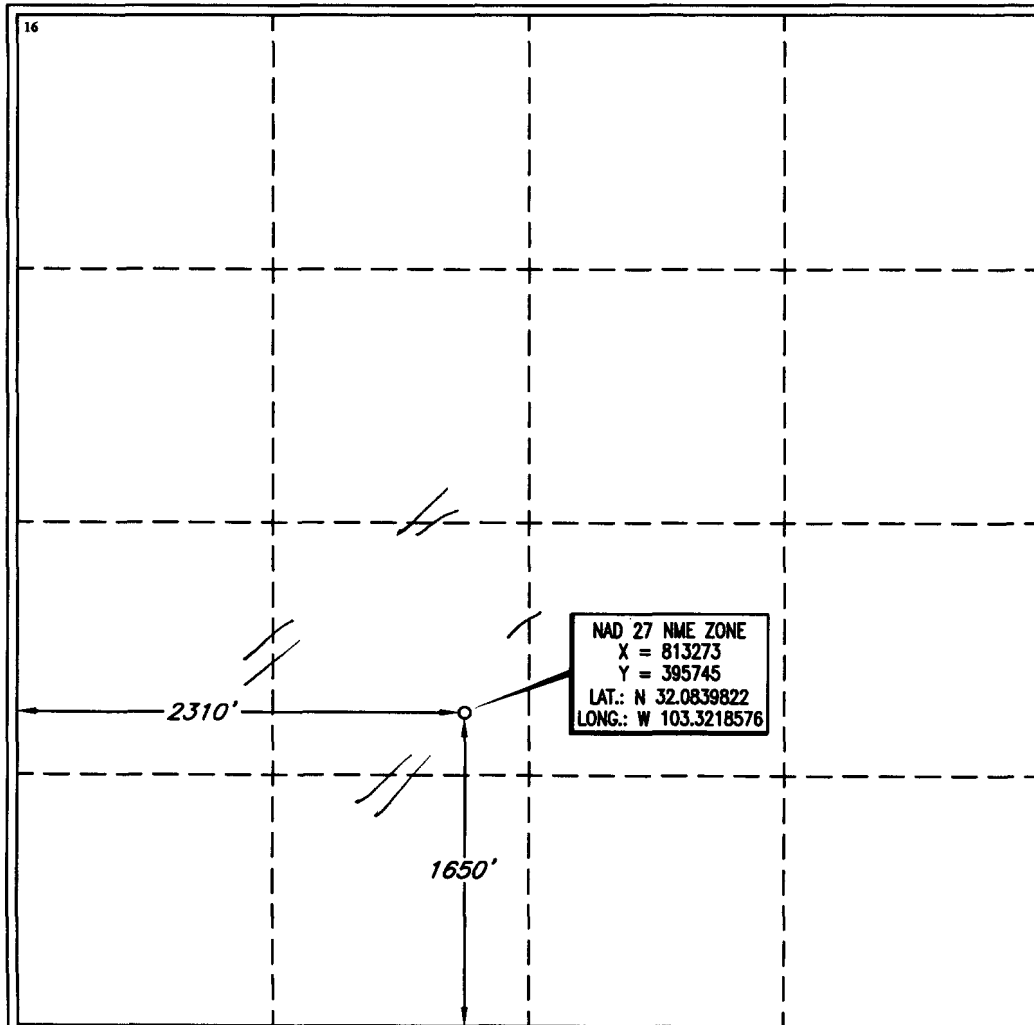
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	36	25 SOUTH	35 EAST, N.M.P.M.		1650'	SOUTH	2310'	WEST	LEA

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 4.0	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Russ Mathis*
Printed Name: Russ Mathis
Title: AGENT
Date: 10-14-05

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted and field notes of being surveyed and done under my supervision, and that the same is true and correct to the best of my ability.

Date of Survey: SEPTEMBER 7 2005
Signature and Seal of Professional Surveyor: V. LYNN BEZNER
Professional Land Surveyor No. 7920

Signature: *V. Lynn Bezner*
Certificate Number: V. L. BEZNER R.P.S. #7920
JOB #106073 / 21 SE / E.U.O.

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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: Momentum Energy Telephone: (432) 682-0595 e-mail address: consultant@momentumenergy.com
Address: Box 3398 Midland, TX 79702
Facility or well name: Momentum State #36 API #: N/A 30-025-37517 U/L or Qtr/Qtr K Sec 36 T 25S R 35E
County: Lea Latitude N 32.0839822 Longitude W 103.3218576 NAD: 1927 1983
Surface Owner: Federal State Private Indian

Pit	Below-grade tank	
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>7000</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.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (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.)	Yes No	(20 points) (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points)
	Ranking Score	(Total Points) 0 points

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: 10-13-2005

Printed Name/Title Russ Mathis

Signature Russ Mathis

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:

Printed Name/Title PETROLEUM ENGINEER

Signature [Signature]

Date: OCT 18 2005