

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB 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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | 5. Lease Serial No. NM 14164 |
| 2. Name of Operator HEC Petroleum, Inc. | 6. If Indian, Allottee or Tribe Name NA |
| 3a. Address 500 W. Illinois Midland, Texas 79701 | 7. If Unit or CA/Agreement, Name and/or No. 34076 (NMOCD Property Code) |
| 3b. Phone No. (include area code) 432 498-8662 | 8. Well Name and No. CR "8" Federal #2 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FNL & 1,330' FEL UL B, Sec. 8, T-24-S, R-35-E | 9. API Well No. 30-025-37047 |
| | 10. Field and Pool, or Exploratory Area Cinta Roja; Morrow (Gas) (75000) |
| | 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 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 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 type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other New Well |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Completion |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | Sundry |

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.)

Completion Work Performed on Well

On 4/11/2005, MIRU WL unit, run CCL/CBL/GR logs w/3000psi. Tag @ 13,942', log to liner top @ 11,900', had 400' fill. RDMO WL unit. ON 4/18/2005, PU tbg to liner top @ 11,900', RIH w/remaining tbg, tag @ 13,942', CO cmt & drilling mud to 14,306', circ hole clean. TOH w/tbg. On 4/22/2005, change out tbg line to 4-1/2", change out pipe rams to 4-1/2", rig up tongs, PU 4-1/2" seal assembly & TIH w/4-1/2" tbg. to 5,900'. On 4/26/2005, TIH w/remaining 4-1/2" tbg, sting into liner w/seal assembly, load & test to 2000psi-OK. Bleed off pressure, pull out of liner, pickle tbg w/1000g 15% NeFe acid. On 4/27/2005, displace hole w/10# pkr fluid, land seal assembly into liner @ 11,995' w/59,000# compression on tbg string. ND BOP, NU tree, test backside to 3000psi for 15 min.-OK, test tbg & tree to 600 psi for 15 Min.-OK, test tbg & tree to 6000psi for 15 min. - OK. Prep to displace fluid in 4-1/2" tbg string w/coil tbg using N2. On 4/28/2005, RDMO unit, release rental equip, haul extra tbg & frac tanks on location w/frac fluid, MIRU coil tbg unit, blow well dry to 11,000' w/N2, pressure up on 4-1/2" tbg to 4500psi. RDMO coil tbg unit. On 5/2/2005, RU EM Hobbs WL service & 10K Lubricator, test to 6000psi-OK, RIH & perf Morrow f/13,954'-65' (11') w/4SPF (Total 44 holes). Tbg dry to 11,000' w/4200psi N2, no change in pressure, RD WL, open well on 22/64" choke w/4200psi, flowed well back for 2 hours-only N2 recovered. Flowed overnight w/no recoveries. Run BHP Bombs, CI well for BHP test. On 5/6/2005, SITP=500psi, pull BHP Bombs found BHP @ 3650psi. RDMO slickline, MIRU frac equipment. On 5/7/2005, frac Morrow perfs f/13,954'-13,964' (44 holes) w/111 tons CO2 70Q foam & 33,152 # 20/40 super D/C proppant @ avg press=5,643psi, avg rate = 19.1 BPM. Flowed well back for four hours- no recovery. MIRU WL, set flow thru composite plug @ 13,930', perf Middle Morrow f/13,857'-13,886' (52 holes total). CI well & prep to frac Middle Morrow.

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

Alan W. Bohling

Title Regulatory Agent

Signature

Alan W. Bohling

Date

08/08/2005

ACCEPTED FOR THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by: *DAVID E. GLASS*

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.

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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)

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☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
HEC Petroleum, Inc.3a. Address
500 W. Illinois Midland, Texas 797013b. Phone No. (include area code)
432 498-8662

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

990' FNL & 1,330' FEL
UL B, Sec. 8, T-24-S, R-35-E5. Lease Serial No.
NM 141646. If Indian, Allottee or Tribe Name
NA7. If Unit or CA/Agreement, Name and/or No.
34076 (NMOCD Property Code)8. Well Name and No.
CR "8" Federal #29. API Well No.
30-025-3704710. Field and Pool, or Exploratory Area
Cinta Roja; Morrow (Gas) (75000)11. County or Parish, State
LEA County, New Mexico

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| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other PAGE 2 - New Well |
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PAGE 2 - Completion Work Performed on Well

On 5/8/2005, Frac'd Middle Morrow perfs f/13,857' - 13,886' (52 holes) w/153 tons CO2 70Q Foam carrying 49,900# 20/40 Super DC proppant @ avg. press = 7,820psi & avg rate = 28.0 BPM. CI well, rug up WL. RIH w/plug & perf guns for Lower Morrow. Hung guns up @ 13,540' could not work free. Pull out of rope socket, blow well down, prep to fish tools. On 5/9/2005, blow well down, pump 50 Bbls 7% KCL w/clay stabilizer. CI well, MIRU coil tbg unit, shut down & prep to fish wireline tools. On 5/10/2005, PU overshot/jars/acc, RIH w/coil tbg to 11,900', fish moved up hole from 13,500', engage fish-could not work free. Pressured up to 6000psi & work coil tbg; could not work fish free. Release coil tbg above overshot, PO w/jars, CI well. On 5/11/2005, RDMO coil tbg unit. MIRU workover rig, prep to TIH w/fishing tools. On 5/12/2005, pump 50 Bbls 7% KCL w/clay stabilizer, ND Tree, NU BOP. On 5/13/2005, pump 50 Bbls to kill well, PU overshot & jars & DC's. RIH to 8,700'. On 5/14/2005, blow well down, pump 50 Bbls 7% KCL to kill well. PU tbg & RIH to 12,056', circ out gas, engage fish and jar free. TOH w/tbg, fishing tools. Recovered overshot off coil tbg run. CION. Prep to fish WL tools. On 5/16/2005, TIH w/overshot/bumper sub/hyd jars/DC's to 12,056', jar free. On 5/17/2005, TOH w/fishing tools recovered perforating guns & setting tool. Composite plug still in hole. Started in hole w/bit & DC's to 8,000'. On 5/18/2005, TIH w/bit to 12,089', DO composite plug. TIH to 13,836', circ out gas, start out of hole laying down tbg & DC's. On 5/20/2005, blow down tbg, ND BOP, NU Tree, RDMO unit, release & move out rental equip, MIRU WL, run junk basket & guage ring to 13,800'.

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Name (Printed/Typed)

Alan W. Bohling

Title Regulatory Agent

Signature

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08/08/2005

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DAVID R. CLARK

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PAGE 3 - Completion Work Performed on Well

On 5/21/2005, blow down tbq press, perf Upper Morrow w/4JSFP f/13,651'-13,666' (44 Holes). RDMO WL, press built to 1200psi in 1 hr. MIRU frac crew, held safety mtg., frac'd Upper Morrow perfs w/108 tons CO2 70Q foam, 20,437g gel fluid carrying 33,658# 20/40 coated proppant @ avg press=7,561psi, avg rate=20.6BPM. CI well. RDMO frac crew, open well to flow back @ 4800psi on 12/64" choke recovering CO2 w/slushy fluid-frozen problems. Returns starting to thaw out. On 5/23/2005, open @ 6am @ 3400psi on 12/64" choke, on+off burnable gas, CO2 w/trace of fluid. No sand. Press built to 5300psi on 10/64" choke, then held steady @ 5100/5300psi on 12/64" choke w/steady fall to 4050psi. Burnable gas w/trace of CO2. Recovered 20 Bbls of test fluid. Testing thru unit stopped due to icing problems. On 5/24/2005, open well @ 6am, 3850psi on 12/64" choke, 8% CO2, recovered 4 Bbls; @ 7am opened on 16/64" choke thru unit @ 3700psi & rate of 4MMcf/D, CO2 @ 2%, recovered total 60 Bbls fluid. On 5/25/2005, open well @ 6am, 2600psi, on 17/64" choke & rate=3.9MMcf/D. Opened choke to 21/64" @ 7am & pressure dropped to 2200psi & rate=4MMcf/D @ 1pm. Recovered 50 Bbls of fluid. CI well, prep to CO & drill frac plug w/coil tbq. On 5/26/2005, MIRU coiled tbq unit, RIH w/motor+mill. Drill top part of composite plug, stopped making hole. Pull motor + mill. RIH w/motor #2 + mill, could not make hole. Pull motor + mill. On 5/27/2005, RIH w/motor + mill on coil tbq. DO composite plug & CO sand to PBTD @ 14,300'. Jet while POH w/coil tbq. RD coil tbq. unit. Flow/test Morrow f/13,651'-13,965' for 3 hrs. FTP 2600psi-2300psi on 10/64" choke. Recovered 0BW, SBO, w/2.49-3.15MMcf/D. On 5/29/2005, turned well over to production & flow tested thru temporary facilities, recovered 25BLW, 37BO w/2.9-2.6MMcf/D on 18/64" choke w/FTP=1750-1550psi. On 6/22/2005, switch to permanent production facilities flowing Morrow zone f/13,651'-13,965' on 20/64" choke & FTP=1310psi recovering 18BLW, 10BO, & 3,267Mcf/D.

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

Alan W. Bohling

Title Regulatory Agent

Signature

Date

08/08/2005

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