| Submit 3 Copies To Appropriate District<br>Office  | State of New Mexico   | Form C-103   |
|--|---|--|
| District 1   | Energy, Minerals and Natural Resources  | May 27, 2004<br>WELL API NO.   |
| 1625 N. French Dr., Hobbs, NM 88240<br>District II   |   | 30-025-37520   |
| 1301 W. Grand Ave., Artesia, NM 88210  | OIL CONSERVATION DIVISION   | 5. Indicate Type of Lease  |
| <u>District III</u><br>1000 Rio Brazos Rd., Aztec, NM 87410  | 1220 South St. Francis Dr.  | STATE 🗌 FEE 🛛  |
| <u>District IV</u><br>1220 S. St. Francis Dr., Santa Fe, NM  | Santa Fe, NM 87505  | 6. State Oil & Gas Lease No.   |
| 87505  |   |  |
| (DO NOT USE THIS FORM FOR PROPO  | ICES AND REPORTS ON WELLS SALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A CATION FOR PERMIT" (FORM C-101) FOR SUCH | 7. Lease Name or Unit Agreement Name<br>FORT   |
| PROPOSALS.)  |   | 8. Well Number 1   |
| 1. Type of Well: Oil Well 🛛  | Gas Well Other  |  |
| 2. Name of Operator  | Onerating Company   | 9. OGRID Number<br>152527  |
| NorthStar Operating Company   3. Address of Operator   |   | 10. Pool name or Wildcat   |
| P.O. Box 10708, Midland, Texas 79702-7708  |   | Denton; Wolfcamp, East 17300   |
| 4. Well Location   |   | -  |
| Unit LetterG:  | 2100 feet from the North line and   | 2500 feet from the East line   |
| Section 8  | Township 15S Range 38E  | NMPM Lea County  |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)   |   |  |
| 3766' GR   |   |  |
| Pit or Below-grade Tank Application or Closure   |   |  |
| Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water   |   |  |
| Pit Liner Thickness: mil   |   | onstruction Material   |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data   |   |  |
| NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:  |   |  |
|  |   | ·  |
|  |   | ILLING OPNS. 🛛 P AND A 🛛   |
| PULL OR ALTER CASING   |   | т јов 🛛  |
| ·  |   |  |
| OTHER:   | oleted operations (Clearly state all pertinent details an   | d give pertinent dates including estimated date  |
| 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.   |   |  |
|  |   |  |
| Spudded well at 8:00 AM 11/01/05. Drilled 17 1/2" hole to 430'. RU and ran 10 jts. 13 3/8" 48#/ft surface casing. Set casing at 430'.  |   |  |
| RU Halliburton and cement with <u>360 sx Premium Plus 'C' cement</u> with additives. Cement did not circulate. Notified NMOCD and received instructions to top out cement with 1" string. RU Apollo wireline and ran temperature survey and found top of cement at 150'.                                       |   |  |
| Picked up 1" and tagged cement   | at 150'. RU Halliburton and pumped <u>200 sx Premium</u>  | Plus cement with 2% CaCl. Circulated 10 sx.  |
| WO cement 6 hours. Cut off co  | nductor pipe and 13 3/8" casing. Welded on 13 3/8"  | Larkin wellhead. Screw on companion flange.  |
| Nippled up BOP. Test blind and pipe rams 3000# (high) and 250# (low). Test annular rams 2500# (high) and 250# (low). TIH with  |   |  |
| 11" bit. Tagged cement at 380'. Drilled cement and float equipment. Drilled to 4800'. TOH. RU casing crew. Ran 15 jts. (628') 8  |   |  |
| 5/8" 32.00# HCK-55 ST&C and 99 jts. (4172') 8 5/8" 32.00# J-55 ST&C casing. RU Halliburton and pump 1810 sx Interfill C  |   |  |
| cement (lead) and 250 sx Premium Plus (tail). Circulated 106 sx cement. Nippled up BOP. Tested pipe rams (250 low and 3000 high), blind rams (250 low and 3000 high), and hydril (250 low and 2500 high). TIH with 7 7/8" bit, collars and drill pipe. Tagged cement at  |   |  |
| blind rams (250 low and 3000 hi  | gh), and hydril (250 low and 2500 high). 11H with 77.<br>point. Tested casing to 1000#. Drilled 7 7/8" hole to  | /8" bit, collars and drill pipe. Tagged cement at 0516' Regar mud up at 0167' TOH Picked |
| up test tools and TIH.   | Joint. Tested casing to 1000#. Drilled 7 //8 hole to  | 9510. Began mud up at 9107. 1011. Tiekee   |
| up test tools and THT.   |   | Approved as to plugging of the Well Bore.  |
|  |   | Liability under bond is retained until   |
|  |   | surface restoration is completed.  |
| •  |   |  |
| 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-<br>grade tank has been/will be constructed or posed according to NMOCD guidelines [], a general permit [] or an (attached) alternative OCD-approved plan []. |   |  |
| SIGNATURE  | TITLEPresident  | DATE12/21/05   |
| Type or print name Mark A. Philpy E-mail address: mphilpy@northstarop.com Telephone No. 432 / 684-5765   |   |  |
| For State Use Only   |   |  |
|  | TYPE E SUGINE   | ER DATE JAN 0 6 2006   |
| APPROVED BY:   | TITLE PETROLEUM ENGINE  | DATE DATE  |
| Conditions of Approval (if $any$ ).  | -   | estation.  |

15.A.f - . . .

NorthStar Operating Company Fort #1 Form C-103 Page 2

*Ran DST #1 from 9423' - 9516'*. Surface action report: Opened tool with very weak blow (top of water), building to 4.5" in 15 minutes. Closed tool for 1 hour. Reopened tool with a very weak blow (1/2"), (6") in 30 min., bottom of bucket in 60 minutes. Closed tool for 4 hours. TOH.

DST#1 Results: IHP - 4315# IFP (15 min) - 52# - 116# ISIP (60 min) - 3721# FFP (60 min) - 123# - 338# FSIP (240 min) - 3721# FHP - 4286# BHT - 135° F

Recovered 653' Total Fluid (90' slightly gas cut mud, 563' formation water with chlorides from 22,000 to 55,000 ppm). Sample chamber had 225# and recovered 0.01 cu. ft. gas and 2,000 cc sulphur water with 58,000 ppm chlorides.

TIH and drilled to 9615'. TOH. Rigged up Precision Wireline and ran GR, Density-Neutron, Sonic, Induction, and Micro log. TIH in open ended to plug well. RU Halliburton. Spotted 25 sx Class "H" plug from 9615' - 9515'. Spotted 30 sx Class "H" plug from 7630' - 7530'. Spotted 30 sx Class "H" plug from 6483' - 6383'. Spotted 30 sx Class "C" plug from 4850' - 4750'. WOC. Tag plug at 4730'. Spotted 30 sx Class "C" plug from 2300' - 2200'. Spotted 30 sx Class "C" plug from 380' - 480'. WOC. Tag plug at 370'. Set 10 sx Class "C" surface plug. Nipple down BOP. Released rig at 9:00 pm 12/08/05.