

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

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

WELL API NO. 30-025-00320
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. VA962
7. Lease Name or Unit Agreement Name NM STATE BD
8. Well Number 1
9. OGRID Number 227001
10. Pool name or Wildcat DEVONIAN SWD

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well [] Gas Well [] Other SWD

2. Name of Operator Latigo Petroleum, Inc.

3. Address of Operator 550 W. Texas, Suite 700 Midland, TX 79701

4. Well Location Unit Letter N : 660 feet from the S line and 1980 feet from the W line Section 34 Township 13S Range 32E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4328' GR; 4341' KB

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 Below-Grade Tank: Volume bbls: Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A [X]
CASING/CEMENT JOB []

OTHER: []

OTHER: []

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.

1/10/06 - Notify Gary Wink & Buddy Hill w/NMOCD on 1/9/06. RU PU. Open well. 5-1/2" csg is static. 5-1/2" x 8-5/8" csg has slight water flow. ND WH. NU BOP. PU & RIH w/5-1/2" AD-1 pkr & BES 2-3/8" WS to 2000' & stack out. POH w/tbg & pkr. RIH w/17-23# pkr to 4929'.

1/11/06 - RIH w/pkr & tbg. Set pkr @ 5850'. Pressure tbg to 2000 psi. Unable to establish pump in rate. Consulted w/NMOCD rep Gary Wink. Unseat pkr. POOH w/tbg & pkr. RIH w/OE tbg. Mix & spot 25 sxs cmt w/2% CaCl @ 5850'. PUH 20 stads WOC. RIH & tag TOC @ 5608'. Mix mud. Circ 5 1/2" csg w/10# MLF. Stand back 3950. LD remainder tbg.

1/12/06 - Slight blow on 5 1/2" x 8 5/8" csg. RU WL. RIH w/5 1/2" jet cutter & cut 5 1/2" csg @ 3900'. POOH w/WC. ND BOP & WH. Weld on pull sub. PU on csg 200,000#. Remove 5 1/2" slips. Work csg free. Csg dragging 160,000# -180,000#. POOH. LD 96 jts 5 1/2" csg, LTC, STC. ND 5 1/2" csg tools. RU to run tbg. RIH & try to set 8 5/8", 24-32#, AD-1 pkr. Unable to set pkr. POOH. NU 5 1/2" WH & BOP.

1/13/06 - Well on slight vacuum. RIH w/ 2 3/8" tbg. Mix & spot 60 sxs cmt @ 3950'. PUH to stads.

1/16/06 - Well is static. RIH & tag TOC @ 3698'. PUH & spot 35 sxs cmt @ 1500'-1435'. PUH & spot 60 sxs cmt w/2% CaCl @ 430'. POOH. WOC. RIH & tag TOC @ 201'. PUH & circ 20 sxs cmt @ 60' - surface. POOH & ND BOP. Load out & POOH w/equipment. RDP. Cut WH. Install P&A marker. Remove anchors. Back fill cellar.

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-grade tank has been/will be constructed or closed according to NMOCD guidelines [], a general permit [] or an (attached) alternative OCD-approved plan [].

SIGNATURE Lisa Hunt TITLE Regulatory Analyst DATE 01/19/2006

Type or print name Lisa Hunt E-mail address: lhunt@latigopetro.com Telephone No. (432)684-4293

APPROVED BY: Gary W. Wink TITLE FIELD REPRESENTATIVE Approved as to plugging of the Well Bore.

Conditions of Approval (if any): Liability under bond is retained until surface restoration is completed.

