

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. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
Revised March 17, 1999

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

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

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

¹ Operator Name and Address Mulloy Operating, Inc. 508 West Wall #700 Midland Texas 79704		² OGRID Number 225942
⁴ Property Code 33410		³ API Number 30-025-36565
⁵ Property Name Dan Field		⁶ Well No. 1

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
Q	1	16 S	34 E		1720	South	660	East	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
⁹ Proposed Pool 1 Undesignated - EIDSON; MORROW, NORTH (GAS)					¹⁰ Proposed Pool 2 76360				

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code Fee	¹⁵ Ground Level Elevation 4064
¹⁶ Multiple No	¹⁷ Proposed Depth 13,500	¹⁸ Formation Morrow	¹⁹ Contractor TMBR/Sharp	²⁰ Spud Date ASAP

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#/ft H-40	500	500 or as required	Surface
12 1/4	8 5/8	32#/ft K-55	6000	2000	Surface
7 7/8	5 1/2	17 #/ft N-80	13,500	1st stage 750	+/-6,000
				2nd stage 1500	

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.

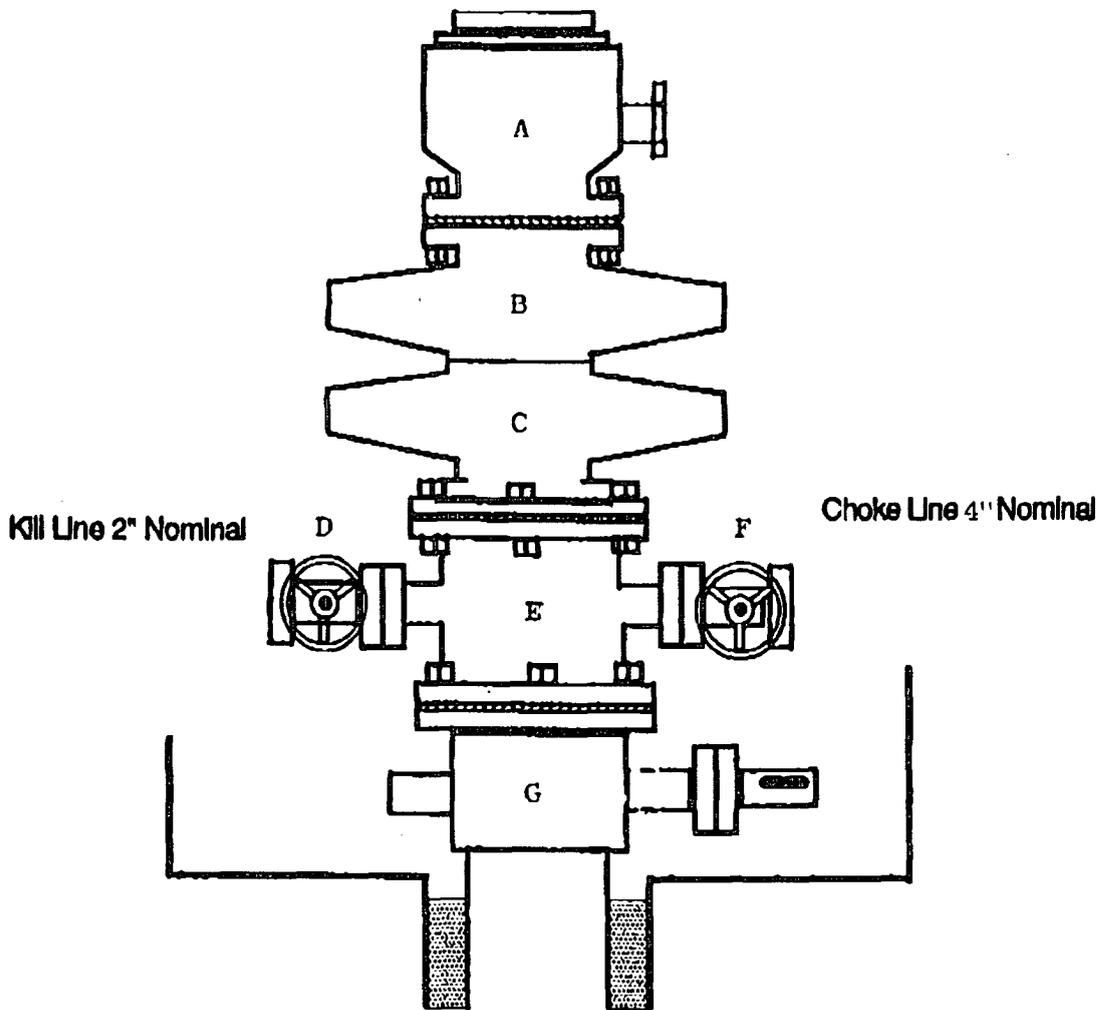
Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill Morrow well to +/-13,500'. Circulate cement to surface on 13 3/8" & 8 5/8" casing. Test all significant shows and evaluate w/adequate logging program. Completion or abandonment will be performed in accordance w/prudent practices & regulatory requirements. A double ram series 900 BOP & choke manifold will be used from the 8 5/8" to total depth

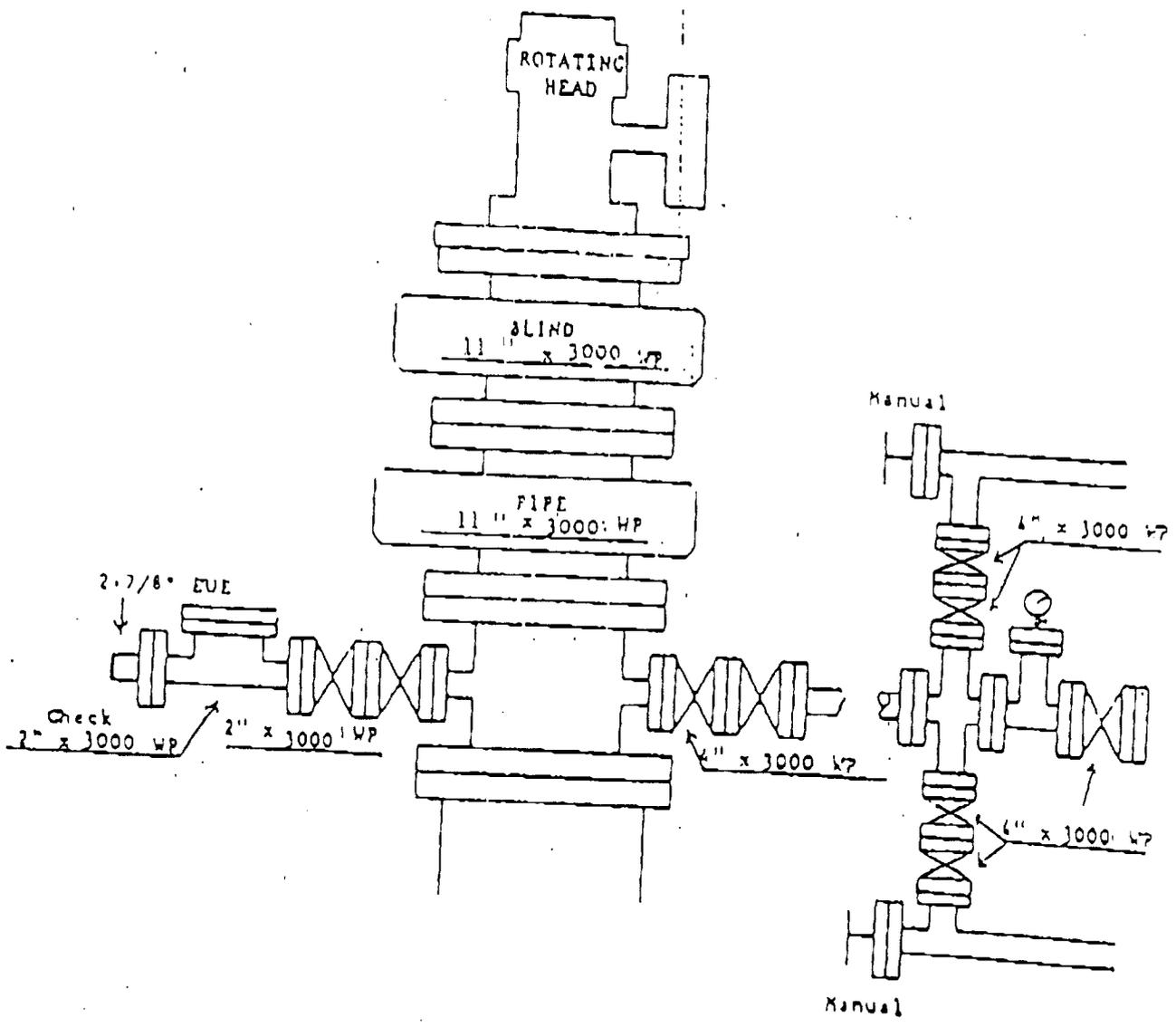
²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature:		Approved by: <i>Chris Williams</i>	
Printed name: Gary Mulloy		Title: <i>Dist. Insp.</i>	
Title:		Approval Date: <i>2/6/04</i>	Expiration Date: <i>2/6/05</i>
Date: 02/02/04	Phone: 4321-682-0323	Conditions of Approval: <i>Do not produce until communication agreement in place. Bond will be filed 2/8/04</i>	
		Attached <input checked="" type="checkbox"/>	

JWmulloy@JWMULLOYAFSOC.COM

- A --- Rotating Head
- B --- Pipe Rams
- C --- Blind Rams
- D --- 2" Kill Line
- E --- Adapter Spool
- F --- 4" Choke Line
- G --- Casing Head



ATTACHMENT "A"



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

State of New Mexico
Energy, Minerals & 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
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36565	Pool Code 76360	Pool Name EIDSON; MORROW, NORTH (GAS)
Property Code 33410	Property Name DAN FIELD	Well Number 1
OGRID No. 225942	Operator Name MULLOY OPERATING, INC.	Elevation 4064'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Q	1	16 S	34 E		1710	SOUTH	660	EAST	LEA

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

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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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

OPERATOR CERTIFICATION

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

Signature _____

Printed Name _____

Title _____

Date _____

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 upervison and that the same is true and orrect to the best of my belief.

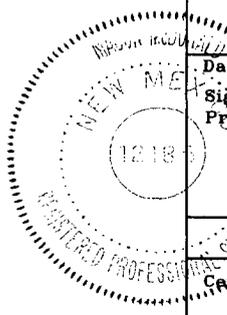
January 28, 2004

Date Surveyed _____ LVA

Signature & Seal of Professional Surveyor _____

W.O. Num. 2004-0065

Certificate No. MACON McDONALD 12185





OFFICE OF THE
PUBLIC REGULATION COMMISSION

CERTIFICATE OF AUTHORITY

OF

MULLOY OPERATING, INC.

2421089

A TEXAS CORPORATION

The Public Regulation Commission certifies that the Application for Certificate of Authority, duly signed and verified, pursuant to the provision of the

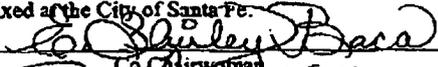
BUSINESS CORPORATION ACT
(53-17-1 to 53-17-20 NMSA 1978)

Have been received by it and are found to conform to law.

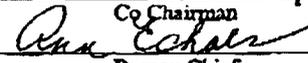
Accordingly, by virtue of the authority vested in it by law, the Public Regulation Commission issues this Certificate of Authority and attaches hereto a duplicate of the Application for Certificate of Authority.

Dated: FEBRUARY 2, 2004

In testimony whereof, the Public Regulation of the State of New Mexico has caused this certificate to be signed by its Chairman and the seal of said Commission to affixed at the City of Santa Fe.



Co-Chairwoman


Co-Chairman


Bureau Chief