

MAYO MARRS CASING PULLING INC.
BOX 863
KERMIT, TEXAS 79745

NEW MEXICO OCD HOBBS
BID ID # 03-521-07-00199
CONTRACT # 03-521-0750-125

OPERATOR: M & G OIL INC.

Lease: SANTA FE # 1

Project: P & A – CEMENTING REPORT

02-10-04 – SPOT 25 SXS @ 4,800'-4,150' TAG
02-16-04 - PULLED 4098' OF 5 ½" CASING
02-16-04 – SPOT 35 SXS @ 4,150'-4,030' TAG
02-16-04 – SPOT 40 SXS @ 2270'-2170'
02-17-04 - PULLED 406' OF 9 5/8" CASING
02-17-04 – SPOT 60 SXS @ 450'-338' TAG
02-17-04 - SPOT 50 SXS @ 60' TO SURFACE

INSTALL HOLE MARKER
CIRCULATE 10# MUD

MAYO MARRS CASING PULLING INC.
BOX 863 KERMIT, TEXAS 79745

NEW MEXICO OCD-HOBBS

Lease: SANTA FE # 1
OPERATOR: M & G
Project: P & A – CONTRACT 03-521-0750-0125

CONTRACT PRICE = \$ 16,790.00

1-26-04

MIRU – BLEED DOWN WELL FROM 8:00 AM UNTIL 1:00 PM - NDWH – NUBOP – PICK UP ON TUBING – STUCK – WORK UP HOLE 10' – RETA CABLE IN HOLE
(11 HRS RIG)(5 HRS RIG)

01-27-04

PRESSURE UP ON BACKSIDE TO 1200# - PRESURE UP ON TUBING TO 800# - RIH & CUT TUBING @ 3600' – WORK TUBING & KEEP PRESSURE ON – WORK UP HOLE 60' - CLOSE IN WELL
(11 HRS RIG)(11 HRS RIG)

01-28-04

SHUT DOWN FOR RIG REPAIR

2-09-04

RIG UP – WORK TUBING LOOSE – LAY DOWN 117 JOINTS 2 7/8" TUBING & CABLE –
(12 HRS RIG)(1 HR RIG)

2-10-04

RIH WITH GAUGE RING & TAG @ 3620' – BILL PRITCHARD WANTS TO SET CEMENT PLUG – RIH WITH MMCPI WORKSTRING & TAG @ 4819' – CIR. 10# MUD – SPOT 25 SXS @ 4800' – POOH – CLOSE IN WELL
(11 HRS)(0)

2-11-04

RIH & TAG @ 4150' – POOH – WELD ON PULL NIPPLE – CUT CASING @ 4098' – WORK LOOSE LAY DOWN 46 JOINTS
(13 HRS)(0)

2-12-13 -04

SHUT DOWN WEATHER

2-16-04

LAY DOWN TOTAL 109 JOINTS 5 1/2" CASING – RIH & SPOT 35 SXS @ 4150' – POOH – WOC – RIH & TAG @ 4030' – POOH & SPOT 40 SXS @ 2270' – POOH – WELD ON 9 5/8" PULL NIPPLE – CUT CASING @ 406' – LAY DOWN 1 JOINT

2-17-04

LAY DOWN TOTAL 12 JOINTS 9 5/8" CASING – RIH & SPOT 60 SXS @ 450' – POOH – WOC – RIH & TAG @ 338' – POOH & SPOT 50 SXS @ 60' TO SURFACE – RIG DOWN – CUT OFF WELLHEAD & ANCHORS – INSTALL DRY HOLE MARKER – MOVE OUT

Mayo Marrs Casing Pulling Inc.
BOX 863
KERMIT, TEXAS 79745
915-586-3076

February 4, 2004

JOE ED WILLIAMS
8-C BOX 655
CROSSROADS, N.M. 88114

RE: SALVAGE

Dear Mr. Williams

I am pleased to turn over the surface equipment on the MEG OIL INC. LEASE SANTA FE # 1. OCD Bid # 30-521-07-00199. Since you are the landowner you have the right to be awarded this salvage.


This letter will serve, as evidence of our understanding as to the disposal of all surface salvage is your responsibility.

If you would please sign and return one copy for our records it would be appreciated.

Sincerely,



Rickey Smith
President



JOE ED WILLIAMS
DATE 2-11-04