

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30-025-07954
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

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 <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Lease Name or Unit Agreement Name D. F. Fergason
2. Name of Operator EnerQuest Resources, LLC	8. Well No. 1
3. Address of Operator P.O. Box 11150, Midland, TX 79702	9. Pool name or Wildcat Hobbs, E. (San Andres)
4. Well Location Unit Letter <u>H</u> : <u>1983</u> Feet From The <u>North</u> Line and <u>661</u> Feet From The <u>East</u> Line Section <u>30</u> Township <u>18S</u> Range <u>39E</u> NMPM <u>Lea</u> County <u></u>	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) <u>3602' GR</u>	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. 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.

See Attached Detailed Report.

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

SIGNATURE Christopher P. Renaud TITLE Engineer DATE 6/4/97
TYPE OR PRINT NAME Christopher P. Renaud TELEPHONE NO. (915) 685-3116

(This space for State Use)

APPROVED BY DISTRICT I SUPERVISOR TITLE DATE JUN 09 1997
CONDITIONS OF APPROVAL, IF ANY:

ENERQUEST RESOURCES, LLC

DAILY WORKOVER REPORT

Well Name: D. F. Fergason No. 1

Operator: EnerQuest Resources, LLC

Location: 1983' FNL & 661' FEL
Sec. 30, T-18-S, R-39-E
Lea County, NM

Project: E. Hobbs (San Andres)

Elevation: 3602' GL
3612' KB

Contractor: RAM Well Service
Hobbs, NM

1997

05-06: MIRUSU. Conduct 1 hr safety meeting with Calloway Safety personnel on H2S safety procedures. Set test tank, portable toilet & trash trailer. Set H2S safety trailer. Unseat pump & POH w/rods & pump. Hot water down tubing w/50 bbl 2% KCl water mixed with surfactant & paraffin dispersant. Bleed gas off of csg & NUBOP. Start to pull tbg. **Tubing was Range I (23'-25' joints). Tubing too short to stand in derrick.** Order out pipe racks & commence laying down tubing in singles. LD 129 jts tbg in singles (avg length 25') & shut down due to rain & severe lightning @ 6:30 pm CST. Secured well & SDON. Prep to lay down remainder of tubing string in am & change out string to Range II 2 7/8" tbg.

DWC: \$4,049

CWC: \$4,049

05-07: Finish laying down prodction tubing in singles. Unload & tally 145 jts used 2 7/8" J-55 8 rd EUE tbg. RIH w/ 6 1/4" bit & scraper for 7 5/8" csg. Tag soft PBTD @ 4461' KB corrected depth. POH w/tubing & tools & rig up wire-line to run GR-CNL-CCL log. Log from 4454'-3800' (top of fluid) w/CNL & pull GR-CCL to 3000'. Found log was 4' shallow to original OH log. Set 7 5/8" EZ Drill CIBP @ 4439'. Perf following intervals w/4" casing gun w/1 SPF: 4396-4403, 4405-4414, 4417-4433 (35 holes). Rig down wireline & TIH w/ 1 jt 2 7/8" tbg, 7 5/8" Model "R" pkr, SN, 135 jts 2 7/8" tbg. EOT @ 4345.84'. Load hole w/174 bbls 2% KCl water. Secure well & SDON. Prep to acidize Grayburg interval 4396-4433 in am.

DWC: \$8,068

CWC: \$12,117

05-08: Finish RIH w/ tbg & pkr & tag CIBP @ 4439'. Pick up 1 ft. "Pickle" tubing w/ 500 gals 15% HCl acid down tbg & then reverse circ spent acid to tank. Spot 250 gals 15% FeASZX HCl "anti-sludge acid from 4438-4311. Pull 2 stands tbg

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DAILY WORKOVER REPORT

1997

05-08: (Cont.) out. EOT @ 4313.13', pkr @ 4281.94', SN @ 4274.94'. Load annulus to 475 psi ok. Commence breakdown of Grayburg perfs 4396-4433. Formation broke @ 1300 psi @ 1.2 BPM. Increase rate to 3 BPM @ 1800 psi & pressure went to 0 psi in approx 1/2 minute. Switch to acid & commence acidizing w/ 1000 gals of 15% FeASZX HCL acid, dropping 70-7/8" 1.3 SG ball sealers staged through job. Avg inj rate 4 BPM, Avg trtg press 0 psi. Did not see any ball action across perfs. ISDP 0 psi (1 BPM vacuum). Suspect CIBP failed so unseat pkr & lower tbgt to CIBP @ 4439' ok. PU 2 stands & reset pkr. Rig up swab. 131 BLW to recover. IFL 3600' FS. Swabbed well 7 hrs, recovering 49 BLW. 82 BLWTR. FFL 3600' FS. Have trace of oil show @ end of swabbing period. May have lost an additional 100 bbl + or - of KCL water to zone when released packer to check out CIBP. No natural gas or acid gas odor detected yet. SION & prep to resume swab testing in am. (Suspect possibility of acid treatment communicating w/ San Andres)

DWC: \$5,025

CWC: \$17,142

05-09: SITP slight gas blow. Rig up swab. IFL 3600' FS. Swabbed well 3 hrs, rec 21 BLW, 61 BLWTR. FFL 3600' FS. Have trace of oil show @ end of swab runs. Unseat pkr & POH w/tbg & pkr. RIH w/BPMA, 2 7/8" x 4' perf sub, SN, 5 jts 2 7/8" tbg, 2 7/8" x 7 5/8" TAC, 133 jts 2 7/8" tbg. EOT @ 4431' KB, SN @ 4402' KB, TAC @ 4240.94' KB. NDBOP & flange up tbg head. Rebuild flow lines. Commence running rods & pump (dealtial to follow).

DWC: \$3,497

CWC: \$20,639

05-10: RIH w/ 1 1/4" x 12' gas anchor, 1- 2 1/2" x 2" x 16' RWBC pump, 1- 1" x 1' lift sub, 12-1.25" K-Bars, 64 - 1" Class "D" Sucker rods, 64-1.2" fiberglass rods, 1- 1" "D" sucker rod, 1- 1"x4' sub, 1- 1/4" x 22' polish rod w/8' liner. Hang well on pump & space out. Check pump action ok. Commence well pumping to tank battery @ 11:00 am.

DWC: \$910

CWC: \$21,549

05-11: 26 hr report. 0 BO x 341 BW x 40 MCF.

05-12: 24 hr report. 1/2 BO x 246 BW x 261 MCF. Pumper suspects incorrect reading on gas meter. Will contact GPM to verify accuracy of meter.

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Lea County, NM

DAILY WORKOVER REPORT

1997

05-13: 23 hr test. 0 BO & 267 BW & 308 MCF. GPM has verified accuracy of gas metered volumes.

05-14: 27 hr test. 1.38 BO & 336 BW & 242 MCF. (100% water @ bleeder)

05-15: 23 hr test. 1.38 BO & 297 BW & 183 MCF.

05-16: 24 hr test. 2.76 BO & 298 BW & 167 MCF.

05-17: 24 hr test. 4.14 BO & 312 BW & 159 MCF.

05-18: 24 hr test. 2.76 BO & 326 BW & 153 MCF.

05-19: 24 hr test. 2.76 BO & 307 BW & 149 MCF.

05-20: 25 hr test. 1.38 BO & 307 BW & 144 MCF.

05-21: 22 hr test. 2.76 BO & 262 BW & 137 MCF.

05-22: 25 hr test. 2.76 BO & 315 BW & 118 MCF.

05-23: 24 hr test. 2.76 BO & 281 BW & 126 MCF.

05-24: 24 hr test. 2.76 BO & 307 BW & 117 MCF.

05-25: 24 hr test. 2.76 BO & 276 BW & 131 MCF.

05-26: 24 hr test. 2.76 BO & 286 BW & 130 MCF.

05-27: 24 hr test. 2.76 BO & 286 BW & 129 MCF.

05-28: 24 hr test. 2.76 BO & 287 BW & 127 MCF. FINAL DAILY REPORT.