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**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

Form O-105  
Revised 11-4-74

|                               |                                                                        |
|-------------------------------|------------------------------------------------------------------------|
| 5a. Indicate Type of Lease    | State <input checked="" type="checkbox"/> Fed <input type="checkbox"/> |
| 5b. State Oil & Gas Lease No. | <b>L-786</b>                                                           |

|                       |                                                                                                                                                                                                                         |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1a. TYPE OF WELL      | OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>                                                                              |
| b. TYPE OF COMPLETION | NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/> |

|                        |                   |
|------------------------|-------------------|
| 7. Unit Agreement Name |                   |
| 8. Form or Lease Name  | <b>Gulf-State</b> |

2. Name of Operator

**Energy Reserves Group, Inc.**

9. Well No.

**1**

3. Address of Operator

**Box 2437, Midland, Texas 79702**

10. Field and Pool, or Wildcat

**Undesignated**

4. Location of Well

UNIT LETTER **A** LOCATED **760** FEET FROM THE **North** LINE AND **760** FEET FROM

THE **East** LINE OF SEC. **9** TWP. **18-S** RSE. **35-E**

|            |            |
|------------|------------|
| 11. County | <b>Lea</b> |
|------------|------------|

|                  |                       |                         |                                     |                      |
|------------------|-----------------------|-------------------------|-------------------------------------|----------------------|
| 15. Date Spudded | 16. Date P.D. Reached | 17. Date Ready to Prod. | 18. Flowing (DP, RKB, RT, GR, etc.) | 19. Elev. Casinghead |
| <b>2/24/78</b>   | <b>3/30/78</b>        | <b>4/27/78</b>          | <b>3940' KDB</b>                    | <b>3928'</b>         |

|                 |                   |                                  |                          |                 |
|-----------------|-------------------|----------------------------------|--------------------------|-----------------|
| 20. Total Depth | 21. Flowback T.D. | 22. If Multiple Compl., How Many | 23. Intervals Drilled By | 24. Cable Tools |
| <b>9155'</b>    | <b>9070'</b>      | <b>----</b>                      | <b>Surf-TD</b>           | <b>----</b>     |

|                                                                   |                                 |
|-------------------------------------------------------------------|---------------------------------|
| 24. Producing Interval(s), of this completion - Top, Bottom, Name | 25. Was Directional Survey Made |
| <b>8948'-9052' Abo Detrial</b>                                    | <b>Yes</b>                      |

|                                                                                                                        |                    |
|------------------------------------------------------------------------------------------------------------------------|--------------------|
| 26. Type Electric and Other Logs Run                                                                                   | 27. Was Well Cored |
| <b>Borehole Compensated Sonic; Compensated Neutron; Dual Induction Laterlog; Compensated Neutron Formation Density</b> | <b>No</b>          |

| 28. CASING RECORD (Report all strings set in well) |                |           |           |                  |               |
|----------------------------------------------------|----------------|-----------|-----------|------------------|---------------|
| CASING SIZE                                        | WEIGHT LB. FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
| 13-3/8"                                            | 48#            | 358       | 17-1/4"   | 318 Sx Circ.     | 0             |
| 8-5/8"                                             | 32#            | 3603      | 11"       | 800 Sx           | 0             |
| 4-1/2"                                             | 11.6#          | 9155      | 7-7/8"    | 625 Sx           | 0             |

| 29. LINER RECORD |     |        |              | 30. TUBING RECORD |       |           |
|------------------|-----|--------|--------------|-------------------|-------|-----------|
| SIZE             | TOP | BOTTOM | SACKS CEMENT | SCREEN            | SIZE  | DEPTH SET |
| None             |     |        |              |                   | 2-3/8 | 8939      |

| 31. Production Report (Interval, size and number)                                                                                                         | 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.                                                                                                                                                                                                                                     |                |                               |           |                   |             |                   |           |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------------|-----------|-------------------|-------------|-------------------|-----------|-------------------|
| <b>9084'-9092'-16 Jets This interval covered w/ cement; CIBP set at 9080 w/ 10' cmt. on top; PBD 9070'.<br/>9032'-52'-20 Jets<br/>8992'-9012'-20 Jets</b> | <table border="1"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>9032'-52'</td> <td>2500 gal 15% Acd.</td> </tr> <tr> <td>8992'-9012'</td> <td>2500 gal 15% Acd.</td> </tr> <tr> <td>8948'-80'</td> <td>4000 gal 15% Acd.</td> </tr> </table> | DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED | 9032'-52' | 2500 gal 15% Acd. | 8992'-9012' | 2500 gal 15% Acd. | 8948'-80' | 4000 gal 15% Acd. |
| DEPTH INTERVAL                                                                                                                                            | AMOUNT AND KIND MATERIAL USED                                                                                                                                                                                                                                                      |                |                               |           |                   |             |                   |           |                   |
| 9032'-52'                                                                                                                                                 | 2500 gal 15% Acd.                                                                                                                                                                                                                                                                  |                |                               |           |                   |             |                   |           |                   |
| 8992'-9012'                                                                                                                                               | 2500 gal 15% Acd.                                                                                                                                                                                                                                                                  |                |                               |           |                   |             |                   |           |                   |
| 8948'-80'                                                                                                                                                 | 4000 gal 15% Acd.                                                                                                                                                                                                                                                                  |                |                               |           |                   |             |                   |           |                   |

|                                |                                                                     |
|--------------------------------|---------------------------------------------------------------------|
| 33. 8948'-80'-32 Jets          | PRODUCTION                                                          |
| Date First Production          | Production Method (Flowing, gas lift, pumping - Size and type pump) |
| <b>4/14/78</b>                 | <b>Flowing</b>                                                      |
| Well Status (Prod. or Shut-in) |                                                                     |
| <b>Now SI (5/1/78)</b>         |                                                                     |

|                     |                 |                         |                         |              |                      |                           |                 |
|---------------------|-----------------|-------------------------|-------------------------|--------------|----------------------|---------------------------|-----------------|
| Date of Test        | Hours Tested    | Cycle Size              | Prod'n. Per Test Period | Oil - Pbl.   | Gas - MCF            | Water - Pbl.              | Gas - Oil Ratio |
| <b>4/29/78</b>      | <b>23</b>       | <b>18/64"</b>           | <b>→</b>                | <b>284</b>   | <b>253.7</b>         | <b>3 (load wtr.)</b>      | <b>894</b>      |
| Flow Testing Press. | Casing Pressure | Fluid P.S.I. 24-Hr Rate | Oil - Pbl.              | Gas - MCF    | Water - Pbl.         | Oil Gravity - API (Corr.) |                 |
| <b>100 psi</b>      | <b>100 psi</b>  | <b>→</b>                | <b>296</b>              | <b>264.7</b> | <b>3 (load wtr.)</b> | <b>41.2° @ 60° F</b>      |                 |

|                                                            |                   |
|------------------------------------------------------------|-------------------|
| 34. Disposition of Gas (Sold, used for fuel, vented, etc.) | Test Witnessed By |
| <b>Vented pending sales contract</b>                       | <b>Roy Turner</b> |

|                                         |
|-----------------------------------------|
| 35. List of Attachments                 |
| <b>Summary of DST's; copies of logs</b> |

|                                                                                                                                         |                          |               |
|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------|
| 36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief. |                          |               |
| SIGNED                                                                                                                                  | TITLE                    | DATE          |
| <b>W. J. Sandidge</b>                                                                                                                   | <b>District Engineer</b> | <b>5/1/78</b> |

# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by a copy of all electrical and radioactivity logs run in the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of conventionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. This form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

## INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

### Southeastern New Mexico

### Northwestern New Mexico

|                               |                              |                             |                       |
|-------------------------------|------------------------------|-----------------------------|-----------------------|
| T. Anhy _____                 | T. Canyon _____              | T. Ojo Alamo _____          | T. Penn. "B" _____    |
| T. Salt _____                 | T. Strawn _____              | T. Kirtland-Fruitland _____ | T. Penn. "C" _____    |
| B. Salt _____                 | T. Atoka _____               | T. Pictured Cliffs _____    | T. Penn. "D" _____    |
| T. Yates <u>3177'</u>         | T. Miss _____                | T. Cliff House _____        | T. Leadville _____    |
| T. 7 Rivers _____             | T. Devonian _____            | T. Menefee _____            | T. Madison _____      |
| T. Queen <u>4252'</u>         | T. Silurian _____            | T. Point Lookout _____      | T. Elbert _____       |
| T. Grayburg <u>4620'</u>      | T. Montoya _____             | T. Mancos _____             | T. McCracken _____    |
| T. San Andres _____           | T. Simpson _____             | T. Gallup _____             | T. Ignacio Qute _____ |
| T. Glorieta <u>6548'</u>      | T. McKee _____               | Base Greenhorn _____        | T. Granite _____      |
| T. Paddock _____              | T. Ellenburger _____         | T. Dakota _____             | T. _____              |
| T. Blinebry <u>8684'</u>      | T. Gr. Wash _____            | T. Morrison _____           | T. _____              |
| T. Tubb _____                 | T. Granite _____             | T. Todilto _____            | T. _____              |
| T. Drinkard _____             | T. Delaware Sand _____       | T. Entrada _____            | T. _____              |
| T. Alca <u>Detrital 8884'</u> | T. Bone Springs <u>6125'</u> | T. Wingate _____            | T. _____              |
| T. Wolfcamp _____             | T. _____                     | T. Chinle _____             | T. _____              |
| T. Penn. _____                | T. _____                     | T. Permian _____            | T. _____              |
| T. Cisco (Bough C) _____      | T. _____                     | T. Penn. "A" _____          | T. _____              |

## OIL OR GAS SANDS OR ZONES

|                                          |                            |
|------------------------------------------|----------------------------|
| No. 1, from <u>8896'</u> to <u>9052'</u> | No. 4, from _____ to _____ |
| No. 2, from _____ to _____               | No. 5, from _____ to _____ |
| No. 3, from _____ to _____               | No. 6, from _____ to _____ |

## IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

|                                  |       |
|----------------------------------|-------|
| No. 1, from _____ to _____ feet. | _____ |
| No. 2, from _____ to _____ feet. | _____ |
| No. 3, from _____ to _____ feet. | _____ |
| No. 4, from _____ to _____ feet. | _____ |

## FORMATION RECORD (Attach additional sheets if necessary)

| From  | To    | Thickness in Feet | Formation           | From | To | Thickness in Feet | Formation |
|-------|-------|-------------------|---------------------|------|----|-------------------|-----------|
| 4252' | 4620' | 368'              | Queen               |      |    |                   |           |
| 4620' | 6125' | 1505'             | Graybury-San Andres |      |    |                   |           |
| 6125' | 8684' | 2559'             | Bone Springs        |      |    |                   |           |
| 8684' | 8884' | 200'              | Blincbry            |      |    |                   |           |

Summary of DST Data  
Energy Reserves Group, Inc.  
Gulf-State No. 1

- DST No. 1    3603'-3675'    Tool open 80 min. Recovered 368' drlg fluid. No shows oil or gas. Initial and final SIP 163 psi. Flow pressure 62-125 psi.
- DST No. 2    7185'-7242'    Tool open 50 min. Recovered 40' drlg fluid with trace of oil. Initial SIP 2276 psi. Final 90 min SIP 2302 psi. Sample chamber contained 1100 cc drlg fluid plus 60 cc oil.
- DST No. 3    8871'-9003'    Tool open 90 min. Gas to surface at 10 psi on 3/8" choke. Recovered 1027' of water cushion and 1209' of oil. Initial 10 min flow pressure 560-585 psi. Initial 60 min SIP 2417 psi. Final 90 min flow pressure 585-880 psi. Final 3 hour SIP 2404 psi. Sample chamber contained 2.92'<sup>3</sup> gas and 920 cc of oil at 500 psi.
- DST No. 4    9022'-9155'    Tool open 90 min. Recovered 968' water cushion, 5' of oil, 706' of water and drilling fluid and 505' of drilling fluid. Initial 10 min FP 521-547 psi. Initial 60 min SIP 3147 psi. Final 90 min FP 547-585 psi. Final 3 hour SIP 3083 psi. Sample chamber contained 1300 cc drlg fluid, 600 cc water, .09'<sup>3</sup> gas.

# M-G-F DRILLING Co., INC.

7TH FLOOR, VAUGHN BUILDING

MIDLAND, TEXAS 79701

915 - 684-7173

## INCLINATION REPORT

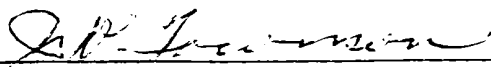
OPERATOR: Energy Reserve Group  
1509 West Wall  
Midland, Texas 79701

LOCATION: Gulf State No. 1  
Section 9, T-18-S, R-35-E  
Lea County, New Mexico

| Depth<br>Feet | Inclination<br>Degrees | Depth<br>Feet | Inclination<br>Degrees | Depth<br>Feet | Inclination<br>Degrees |
|---------------|------------------------|---------------|------------------------|---------------|------------------------|
| 358           | 1/4                    | 5877          | 2 1/2                  | 8346          | 4 1/4                  |
| 851           | 1/2                    | 6059          | 3 1/2                  | 8421          | 4 1/2                  |
| 1348          | 1/4                    | 6187          | 3                      | 8550          | 5                      |
| 1841          | 1/4                    | 6318          | 2 3/4                  | 8706          | 5 1/4                  |
| 2302          | 3/4                    | 6318          | 2 3/4                  | 8862          | 5 3/4                  |
| 2662          | 1 1/4                  | 6491          | 2 3/4                  | 9000          | 6                      |
| 2948          | 2 1/4                  | 6685          | 3 1/4                  | 9150 TD       | 6                      |
| 3134          | 1 1/2                  | 6829          | 3 1/4                  |               |                        |
| 3183          | 2                      | 7085          | 3 1/4                  |               |                        |
| 3308          | 1 1/2                  | 7242          | 3 1/2                  |               |                        |
| 3600          | 1 1/4                  | 7444          | 3 1/4                  |               |                        |
| 3675          | 1                      | 7594          | 3 1/2                  |               |                        |
| 4205          | 2 1/2                  | 7769          | 3 3/4                  |               |                        |
| 4401          | 2 1/4                  | 7825          | 3 3/4                  |               |                        |
| 4680          | 2                      | 7950          | 3 1/2                  |               |                        |
| 4831          | 2 1/4                  | 8013          | 3 3/4                  |               |                        |
| 5022          | 2 1/4                  | 8044          | 3 1/2                  |               |                        |
| 5290          | 2 1/4                  | 8101          | 3 1/2                  |               |                        |
| 5455          | 2 3/4                  | 8170          | 4                      |               |                        |
| 5598          | 2 1/2                  | 8209          | 4 1/4                  |               |                        |
| 5661          | 2                      | 8295          | 4 1/4                  |               |                        |

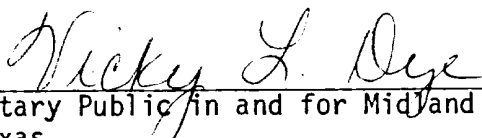
STATE OF TEXAS  
COUNTY OF MIDLAND

The undersigned state that he has knowledge of the facts and matter herein set forth and that the same are true and correct.

  
J. D. Townson, Drilling Superintendent

SUBSCRIBED AND SWORN TO BEFORE ME this the 7 day of April, 19 78

My Commission Expires:  
August 31, 1978

  
Notary Public in and for Midland County,  
Texas.

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| TRANSPORTER            | OIL |  |
|                        | GAS |  |
| OPERATOR               |     |  |
| PRODUCTION OFFICE      |     |  |

NEW MEXICO OIL CONSERVATION COMMISSION  
REQUEST FOR ALLOWABLE  
AND  
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104  
Supersedes Old C-104 and C-  
Effective 1-1-65

I. Operator  
Energy Reserves Group, Inc.  
Address  
Box 2437 Midland, Texas 79702  
Reason(s) for filing (Check proper box)  
New Well ☒ Change In Transporter of:  
Recompletion ☐ Oil ☐ Dry Gas ☐  
Change In Ownership ☐ Casinghead Gas ☐ Condensate ☐  
Other (If lease is not a new well, check proper box)  
Casinghead Gas MUST NOT BE  
PLACED UNDER  
UNLESS AN EXCEPTION TO R-4070  
IS OBTAINED.

If change of ownership give name  
and address of previous owner

THIS WELL HAS BEEN PLACED IN THE POOL  
DESIGNATED BELOW. IF YOU DO NOT CONCUR  
NOTIFY THIS OFFICE.

II. DESCRIPTION OF WELL AND LEASE

|                                                                                                                                                     |               |                                                |                                        |                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------------------------------------|----------------------------------------|--------------------|
| Lease Name<br>Gulf-State                                                                                                                            | Well No.<br>1 | Pool Name, Including Formation<br>Undesignated | Kind of Lease<br>State, Federal or Fee | Lease No.<br>1-786 |
| Location<br>Unit Letter A : 760 Feet From The North Line and 760 Feet From The East<br>Line of Section 9 Township 18-S Range 35-E, NMPM, Lea County |               |                                                |                                        |                    |

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

|                                                                                                                                     |                                                                                                                 |              |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|--------------|
| Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/><br>Western Crude Oil, Inc.    | Address (Give address to which approved copy of this form is to be sent)<br>P. O. Box 1142 Midland, Texas 79702 |              |
| Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/><br>Not yet designated | Address (Give address to which approved copy of this form is to be sent)                                        |              |
| If well produces oil or liquids,<br>give location of tanks.                                                                         | Unit<br>A                                                                                                       | Sec.<br>9    |
|                                                                                                                                     | Twp.<br>18-S                                                                                                    | Rge.<br>35-E |
|                                                                                                                                     | Is gas actually connected? No                                                                                   |              |

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

|                                                   |                                              |                                      |                                              |                                   |                                 |                                    |                                       |                                        |
|---------------------------------------------------|----------------------------------------------|--------------------------------------|----------------------------------------------|-----------------------------------|---------------------------------|------------------------------------|---------------------------------------|----------------------------------------|
| Designate Type of Completion - (X)                | Oil Well <input checked="" type="checkbox"/> | Gas Well <input type="checkbox"/>    | New Well <input checked="" type="checkbox"/> | Workover <input type="checkbox"/> | Deepen <input type="checkbox"/> | Plug Back <input type="checkbox"/> | Same Res'tv. <input type="checkbox"/> | Diff. Res'tv. <input type="checkbox"/> |
| Date Spudded<br>2/24/78                           | Date Compl. Ready to Prod.<br>4/29/78        |                                      | Total Depth<br>9155                          |                                   | P.B.T.D.                        |                                    |                                       |                                        |
| Elevations (DF, RAB, RT, GR, etc.)<br>3940RKB     | Name of Producing Formation<br>Abo Detrital  |                                      | Top Oil/Gas Pay<br>8948                      |                                   | Tubing Depth<br>8939'           |                                    |                                       |                                        |
| Perforations<br>9032'-52'; 8929'-9012'; 8948'-80' |                                              | TUBING, CASING, AND CEMENTING RECORD |                                              |                                   |                                 |                                    |                                       |                                        |
| HOLE SIZE                                         | CASING & TUBING SIZE                         |                                      | DEPTH SET                                    |                                   | SACKS CEMENT                    |                                    |                                       |                                        |
| 17-1/4"                                           | 13-3/8"                                      |                                      | 358'                                         |                                   | 318 Circ.                       |                                    |                                       |                                        |
| 11"                                               | 8-5/8"                                       |                                      | 3603'                                        |                                   | 800                             |                                    |                                       |                                        |
| 7-7/8"                                            | 4-1/2"                                       |                                      | 9155'                                        |                                   | 625                             |                                    |                                       |                                        |

V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top all able for this depth or be for full 24 hours)

|                                            |                            |                                                       |                           |
|--------------------------------------------|----------------------------|-------------------------------------------------------|---------------------------|
| Date First New Oil Run To Tanks<br>4/14/78 | Date of Test<br>4/29/78    | Producing Method (Flow, pump, gas lift, etc.)<br>Flow |                           |
| Length of Test<br>23 Hours                 | Tubing Pressure<br>100 psi | Casing Pressure<br>100 psi                            | Choke Size<br>18/64"      |
| Actual Prod. During Test<br>284 BO, 3 BLW  | Oil-Bbls.<br>296 BOPD      | Water-Bbls.<br>3 BLWPD                                | Gas-MCF<br>253.7 (23 Hrs) |

GAS WELL

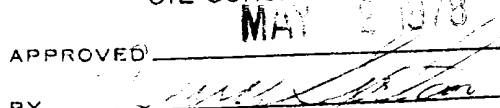
|                                  |                           |                           |                       |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| Actual Prod. Test-MCF/D          | Length of Test            | Bbls. Condensate/MMCF     | Gravity of Condensate |
| Testing Method (pilot, back pr.) | Tubing Pressure (shut-in) | Casing Pressure (shut-in) | Choke Size            |

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

  
(Signature)  
District Engineer  
(Title)  
5/1/78  
(Date)

OIL CONSERVATION COMMISSION

APPROVED  19  
BY  
TITLE SUPERVISOR DISTRICT I

This form is to be filed in compliance with RULE 1104.  
If this is a request for allowable for a newly drilled or deeper well, this form must be accompanied by a tabulation of the device tests taken on the well in accordance with RULE 111.  
All sections of this form must be filled out completely for all able on new and recompleted wells.  
Fill out only Sections I, II, III, and VI for changes of own well name or number, or transporter, or other such change of condition.  
Separate Forms C-104 must be filled for each pool in multi-completed wells.