NVANU "8-R" #1 - NORTON DRILLING - OCTOBER 28, 1994

KB: 14' 13-3/8" Casing Set at 402' KB (17-1/2" Hole - Circulate Cement) 8-5/8" Casing Set at 4610' KB (11" Hole - Circulate Cement) TD: 8700' KB 7-7/8" Hole Size: Drilled to TD, circulate, POH to run 4-1/2" Casing as follows: 1 Weatherford Float Shoe 1.40' Jt. 4-1/2" 11.6# N-80 LT&C Casing (Shoe Jt) 18.25' Weatherford Float Collar 1.40' 5 Jts. 4-1/2" 11.6# N-80 LT&C Casing 210.59' 1 Jt. 4-1/2" 11.6# N-80 LT&C Casing (Marker Jt) 18.60' 6 Jts. 4-1/2" 11.6# N-80 LT&C Casing 247.02' 36 Jts. 4-1/2" 11.6# J-55 LT&C Casing 1514.14' 21 Jts. 4-1/2" 10.5# J-55 ST&C Casing 883.27' Weatherford DV Tool 2.31' Jts. 4-1/2" 10.5# J-55 ST&C Casing 3639.48' 87 52 Jts. 4-1/2" 11.6# J-55 LT&C Casing 2169.67' 209 Jts. 4-1/2" Casing 8706.13' 4-1/2" Casing above KB 10.13' 4-1/2" Casing Set at 8696.00'KB

PBTD at: 8674.95' KB

Top of DV Tool at: 5799.02' KB

RU Halliburton to Cement 1st Stage (1st Stage Float Shoe & 12 Centralizers) Lead with 500 gals Mud Clean, then pumped 350 sxs Class "C" Cement with 2% Gel, 3 PPS KCL, 1/4 PPS Celloflake and 4% FL-25, flush with 46 bbls water and 92 bbls mud. 1st Plug down at 7:15 PM. Opened DV Tool and circulate 3 hours.

2nd Stage (DV Tool and 2 Centralizers) Pump 500 gals Mud Clean and 250 sxs Class "C" Cement with 2% A-7P and 1/4 PPS Celloflake, flush with 92 bbls Water. Plug down at 11:00 PM (10-28-94) Nipple down and set slips, released rig.

TOC at 4750' by Temperature Survey.

State of New Mexico

Form C-103 Submit 3 Copies Energy, Minerals and Natural Resources Department to Appropriate District Office Revised 1-1-89 OIL CONSERVATION DIVISION DISTRICTI WELL API NO. P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088 30-025-32693 DISTRICT II Santa Fe, New Mexico 87504-2088 P.O. Drawer DD, Artesia, NM 88210 5. Indicate Type of Lease STATE FEE L 1000 Rio Brazos Rd., Aztec, NM 87410 6. State Oil & Gas Lease No. E - 754SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) NORTH VACUUM ABO NORTH Type of Well: GAS WELL WELL | UNIT INJECTOR 2. Name of Operator 8. Well No. 82 SAGE ENERGY COMPANY 3. Address of Operator 9. Pool name or Wildcat 79702 NORTH VACUUM ABO PO DRAWER 3068 Midland, Texas 4. Well Location 467' : 367 Feet From The South East Line and Feet From The Line 34E Lea 2 17S Range **NMPM** Township Section County 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4042' GR · Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. SUBSEQUENT REPORT OF: NOTICE OF INTENTION TO: ALTERING CASING PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK **CHANGE PLANS** COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT **TEMPORARILY ABANDON** CASING TEST AND CEMENT JOB X **PULL OR ALTER CASING** OTHER: OTHER:

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 PAGE.

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