

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. NMSF-077383
b. Type of Completion: <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. Other _____		6. If Indian, Allottee or Tribe Name
2. Name of Operator KTO Energy Inc.		7. Unit or CA Agreement Name and No.
3. Address 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM		8. Lease Name and Well No. DAVIDSON GAS COM G #1G
3a. Phone No. (include area code) 505-324-1090		9. API Well No. 30-045-33412
4. Location of Well (Report location clearly and in accordance with Federal requirements) At surface 860' FNL & 845' FEL At top prod. interval reported below At total depth 7069'		10. Field and Pool, or Exploratory BASIN DAKOTA
14. Date Spudded 5/10/06		11. Sec., T., R., M., or Block and Survey or Area SEC 21A-T28N-R10W
15. Date T.D. Reached 5/23/06		12. County or Parish SAN JUAN
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 8/4/06		13. State NM
17. Elevations (DF, RKB, RT, GL)* 6030'		

18. Total Depth: MD TVD 7069'	19. Plug Back T.D.: MD TVD 7023'	20. Depth Bridge Plug Set: MD TVD
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) GR/CCL		22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)									
Hole Size	Size/Grade	Wt. (#ft.)	Top (MD)	Bottom (MD)	Stage Cement Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	8-5/8"	24#		409'		250		0	0
7-7/8"	5-1/2"	15.5#		7064'		1140		0	0

24. Tubing Record									
Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	
2-3/8"	6669'								
25. Producing Intervals									
Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status			
A) DAKOTA	6722'	6570'	6722' - 6570'	0.34"	65				
B)									
C)									
D)									

26. Perforation Record									
Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status			
A) DAKOTA	6722'	6570'	6722' - 6570'	0.34"	65				
B)									
C)									
D)									

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.									
Depth Interval	Amount and Type of Material								
6722' - 6570'	A. w/1950 gals 15% NEFE HCl acid. Frac'd w/87,756 gals 70Q CO2 Purgel III CO2 foam frac fld carrying 114,300# 20/40 Ottawa sd & 24,800# 20/40 Super LC resin coated sd.								

28. Production - Interval A									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
	8/4/06	3	→	0	157	0			FLOWING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. →	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
3/8"	240	430	→	0	1256	0		SHUT IN	

28a. Production-Interval B									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. →	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
			→						

(See instructions and spaces for additional data on page 2)

NMOCD

ACCEPTED FOR RECORD

AUG 14 2006

FARMINGTON FIELD OFFICE

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

28c. Production-Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

TO BE SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries

31. Formation (Log) Markers

MORRISON FM 6809

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				OJO ALAMO SS	979
				KIRTLAND SHALE	1149
				FRUITLAND FORMATION	1652
				LOWER FRUITLAND COAL	2086
				PICTURED CLIFFS SS	2108
				LEWIS SHALE	2286
				CHACRA SS	3092
				CLIFFHOUSE SS	3679
				MENEFEE	3776
				POINT LOOKOUT SS	4450
				GALLUP SS	5658
				GREEHHORN LS	6444
				GRANEROS SH	6507
				1ST DAKOTA	6545
				BURRO CANYON SS	6766

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

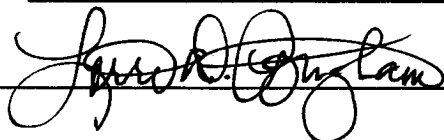
- ☐ Electrical/Mechanical Logs (1 full set req'd)
 ☐ Geologic Report
 ☐ DST Report
 ☐ Directional Survey
 ☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
 ☐ Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) LORRI D. BINGHAM

Title REGULATORY COMPLIANCE TECH

Signature



Date 8/10/06

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.