Form 3160-4
(November 1983)
(formerly 9-330)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*
(See other instructions on reverse side)

Form approved
Budget Bureau No. 1004-0137
Expires August 31, 1985

# WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

5. LEASE DESIGNATION AND SERIAL NO.: NMNM94827

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Sandy

9. WELL NO.: No. 1

10. FIELD AND POOL, OR WILDCAT: Basin Fruitland Coal

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA: Section 32, T27N, R12W

1a. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] DRY [ ] OTHER

b. TYPE OF COMPLETION: NEW WELL [X] WORK OVER [ ] DEEP-EN [ ] PLUG BACK [ ] DIFF. RESVR. [ ] OTHER

2. NAME OF OPERATOR: Redwolf Production, Inc.

3. ADDRESS OF OPERATOR: P. O. Box 5382 Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface: 670' FSL, 1045' FEL
At top prod. interval reported below
At total depth: Same

14. PERMIT NO.: API 30-045-32347-0031 — DATE ISSUED: 6/12/2006

12. COUNTY OR PARISH: San Juan — 13. STATE: New Mexico

| 15. DATE SPUDDED | 16. DATE T.D. REACHED | 17. DATE COMPL. (Ready to prod.) | 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* | 19. ELEV. CASINGHEAD |
|---|---|---|---|---|
| 3/7/2007 | 3/10/2007 | 5/29/2007 | 5922' GR | 5922' GR |

| 20. TOTAL DEPTH, MD & TVD | 21. PLUG, BACK T.D., MD & TVD | 22. IF MULTIPLE COMPL., HOW MANY* | 23. INTERVALS DRILLED BY | ROTARY TOOLS | CABLE TOOLS |
|---|---|---|---|---|---|
| 1456' KB | 1406' KB | | → | X | |

24. PRODUCING INTERVAL(S), OF THIS COMPLETION — TOP, BOTTOM, NAME (MD AND TVD)*: 1197' - 1212' Basin Fruitland Coal

25. WAS DIRECTIONAL SURVEY MADE: Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN: Compensated Neutron, GR, CCL

27. WAS WELL CORED: No

28. CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT, LB./FT. | DEPTH SET (MD) | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|---|---|---|---|---|---|
| 7" | 20# | 132' KB | 9 7/8" | 75 sx (88.5 cf) Class A w/ 2% CaCl | 8 bbls |
| 4 1/2" | 10.5# | 1449' KB | 6 1/4" | Lead: 80 sx (164.8 cf) Class A w/ 2% | |
| | | | | Sodium Metasilicate | |
| | | | | Tail: 100 sx (118 cf) Class A w/ 2% CaCl | 18 bbls |

29. LINER RECORD

| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT | SCREEN (MD) |
|---|---|---|---|---|
| | | | | |
| | | | | |

30. TUBING RECORD

| SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|---|---|---|
| 2 3/8" | 1275' KB | |
| | | |

31. PERFORATION RECORD (Interval, size and number)
1197' - 1212' KB at 4 JSPF, a total of 60 0.5" holes

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

| DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED |
|---|---|
| 1197' - 1212' KB | 452 bbl 20# gel base fluid in 70Q foam |
| | and 85,000 lbs of 20/40 sand. |

33.* PRODUCTION

| DATE FIRST PRODUCTION | PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) | WELL STATUS (Producing or shut-in) |
|---|---|---|
| 5/29/2007 | Flowing | SI |

| DATE OF TEST | HOURS TESTED | CHOKE SIZE | PROD'N. FOR TEST PERIOD | OIL--BBL. | GAS--MCF. | WATER--BBL. | GAS-OIL RATIO |
|---|---|---|---|---|---|---|---|
| 5/29/2007 | 24 | 18/64" | → | 0 | 45 | 1 | |

| FLOW. TUBING PRESS. | CASING PRESSURE | CALCULATED 24-HOUR RATE | OIL--BBL. | GAS--MCF. | WATER--BBL. | OIL GRAVITY-API (CORR.) |
|---|---|---|---|---|---|---|
| 15 | 15 | → | 0 | 45 | 1 | |

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.): Vented

TEST WITNESSED BY: Bruce E. Delventhal

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED: Dana T. Delventhal TITLE: Vice President DATE: 5/30/07

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes 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.

NMOCD

RECEIVED 2007 MAY 31 AM 11:49 FARMINGTON

RCVD JUN 5'07 OIL CONS. DIV. DIST. 3

ACCEPTED FOR RECORD JUN 04 2007 FARMINGTON FIELD OFFICE BY T. Salvers

37. SUMMARY OF POROUS ZONES: (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):

| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS, ETC. |
|---|---|---|---|
| **Fruitland Coal** | **951'** | **1218'** | |
| **Pictured Cliffs** | **1218'** | **TD** | |

38. GEOLOGIC MARKERS

| NAME | TOP MEAS. DEPTH | TOP TRUE VERT. DEPTH |
|---|---|---|
| | | |