

Submit To Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies  
 District I  
 1625 N French Dr., Hobbs, NM 88240  
 District II  
 1301 W Grand Avenue, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources  
 Oil Conservation Division  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-105  
 Revised June 10, 2003

**RECEIVED**  
**HOBBS OIL**  
 MAY 27 2008

WELL API NO. 30-025-33385  
 5. Indicate Type of Lease  
 STATE  FEE   
 State Oil & Gas Lease No. LG-478

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a Type of Well  
 OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_  
 b Type of Completion  
 NEW  WORK  DEEPEN  PLUG  DIFF   
 WELL OVER  BACK  RESVR  OTHER   
 2 Name of Operator  
 Pecos Operating Company  
 3 Address of Operator  
 400 W Illinois Ave., Suite 1210 Midland, TX 79701

7 Lease Name or Unit Agreement Name  
 Gallagher State  
 8 Well No  
 2  
 9 Pool name or Wildcat  
 Big Dog, Strawn, South

4 Well Location  
 Unit Letter F 2646 Feet From The North Line and 2299 Feet From The West Line  
 Section 2 Township 16-S Range 35-E NMPM Lea County

10 Date Spudded 4-7-08  
 11 Date T D Reached  
 12 Date Compl (Ready to Prod) 4-23-08  
 13 Elevations (DF& RKB, RT, GR, etc) 3992' GL  
 14 Elev Casinghead 3992'  
 15 Total Depth 12,439'  
 16 Plug Back T D 11,640'  
 17 If Multiple Compl How Many Zones? 2  
 18 Intervals Drilled By  
 Rotary Tools All  
 Cable Tools  
 19 Producing Interval(s), of this completion - Top, Bottom, Name  
 Strawn 11,538-586' Permo Penn 10,322-570' & 11,010-017'  
 20 Was Directional Survey Made NA  
 21 Type Electric and Other Logs Run NA  
 21. Was Well Cored NA

**CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB /FT	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
12 3/4	35	395	17 1/2	475 sx Prem Plus	0
8 5/8	32	4760	11	800 sx	0
5 1/2	17	11,797	7 7/8	500 sx	0

24 LINER RECORD					25 TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 7/8	11,617	NA

26 Perforation record (interval, size, and number)  
 Original 10,322-11,017'  
 This workover 11,538-586'  
 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.  
 DEPTH INTERVAL 11,538-586'  
 AMOUNT AND KIND MATERIAL USED 3000 gal 15% NEFE


**PRODUCTION**

28  
 Date First Production 4-20-08  
 Production Method (Flowing, gas lift, pumping - Size and type pump) Pump  
 Well Status (Prod or Shut-in) Producing  
 Date of Test 4-23-08  
 Hours Tested 24  
 Choke Size NA  
 Prod'n For Test Period  
 Oil - Bbl 8  
 Gas - MCF 36  
 Water - Bbl 30  
 Gas - Oil Ratio 4500  
 Flow Tubing Press NA  
 Casing Pressure NA  
 Calculated 24-Hour Rate  
 Oil - Bbl 8  
 Gas - MCF 36  
 Water - Bbl 30  
 Oil Gravity - API - (Corr)

29 Disposition of Gas (Sold, used for fuel, vented, etc) Sold  
 Test Witnessed By Chad Jeter

30 List Attachments

31 I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature   
 Printed Name William R. Huck  
 Title Manager  
 Date 5-22-08  
 E-mail Address billh@pecoscompanies.com

# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on 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 directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The 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	1,825	T. Canyon	10,974
T. Salt		T. Strawn	11,490
B. Salt		T. Atoka	11,708
T. Yates	2,993	T. Miss	
T. 7 Rivers	3,276	T. Devonian	
T. Queen	3,880	T. Silurian	
T. Grayburg	4,284	T. Montoya	
T. San Andres	4,510	T. Simpson	
T. Glorieta	6,541	T. McKee	
T. Paddock		T. Ellenburger	
T. Blinebry		T. Gr. Wash	
T. Tubb	7,416	T. Delaware Sand	
T. Drinkard	7,510	T. Bone Springs	
T. Abo	8,072	T.	
T. Wolfcamp	9,682	T.	
T. Penn		T.	
T. Cisco (Bough C)	10,902	T.	
		T. Ojo Alamo	
		T. Kirtland-Fruitland	
		T. Pictured Cliffs	
		T. Cliff House	
		T. Menefee	
		T. Point Lookout	
		T. Mancos	
		T. Gallup	
		Base Greenhorn	
		T. Dakota	
		T. Morrison	
		T. Todilto	
		T. Entrada	
		T. Wingate	
		T. Chinle	
		T. Permian	
		T. Penn "A"	
		T. Penn. "B"	
		T. Penn. "C"	
		T. Penn. "D"	
		T. Leadville	
		T. Madison	
		T. Elbert	
		T. McCracken	
		T. Ignacio Otzte	
		T. Granite	
		T.	
		T.	
		T.	
		T.	
		T.	
		T.	
		T.	
		T.	

### OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....  
 No. 2, from.....to..... No. 4, 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.....

### LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology