

JAN 23 2015

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division Hobbs District Office

RECEIVED

BRADENHEAD TEST REPORT

| | | | |
|----------------------------------------|--|----------------------------|--|
| Operator Name Mark L. Shidler, Inc. | | API Number 30-025-20594 | |
| Property Name State B | | Well No. 2 | |

| Surface Location | | | | | | | | | |
|------------------|---------------|-----------------|--------------|--|-------------------|---------------|------------------|---------------|---------------|
| UL - Lot I | Section 36 | Township 22S | Range 37E | | Feet from 2310 | N/S Line S | Feet From 330 | E/W Line E | County Lea |

| Well Status | | | | | |
|------------------|----------------|-----------------|-----------------|---------------------|--|
| TA'D WELL YES | SHUT-IN YES | INJECTOR INJ | PRODUCER OIL | DATE Jan 3, 2015 | |

OBSERVED DATA

| | (A)Surface | (B)Interm(1) | (C)Interm(2) | (D)Prod Csng | (E)Tubing |
|----------------------|------------|--------------|--------------|--------------|-----------------------|
| Pressure | ✓ 30 | | | 30 | 30 |
| Flow Characteristics | | | | | |
| Puff | Y/N | Y/N | Y/N | Y/N | CO2 — |
| Steady Flow | Y/N | Y/N | Y/N | Y/N | WTR — |
| Surges | Y/N | Y/N | Y/N | Y/N | GAS — |
| Down to nothing | Y/N | Y/N | Y/N | Y/N | Type of Fluid |
| Gas or Oil | Y/N | Y/N | Y/N | Y/N | Injected for |
| Water | Y/N | Y/N | Y/N | Y/N | Waterflood if applies |

Remarks – Please state for each string (A,B,C,D,E) pertinent information regarding bleed down or continuous build up if applies.

Nothing on Surf.

* Per Timmy Dale 1/26/15 -
8:41 AM.

B8 1/23/2015

| | | | |
|------------------------------------------------------|----------------------------|---------------------------|--|
| Signature: <i>Jim Evans</i> | | OIL CONSERVATION DIVISION | |
| Printed name: <i>Jim Evans</i> | | Entered into RBDMS | |
| Title: <i>Cont. Pumping</i> | | Re-test | |
| E-mail Address: <i>EVANS Pumping AT BERO DOT NET</i> | | | |
| Date: <i>1-3-16</i> | Phone: <i>575-441-5175</i> | | |
| Witness: | | | |

JAN 26 2015

INSTRUCTIONS ON BACK OF THIS FORM

h

PERFORMING BRADENHEAD TEST

General Procedure for Bradenhead Test

- Identify: All valves prior to testing
- Gauges: Install on each casing string to record pressure.
- Assure: That all valves are in good working condition and **closed at least 24 hours prior to testing.**
- Open: Each valve (Bradenhead, intermediate and casing valves) is to be opened separately.
- Check Gauges: Record pressure on each gauge and casing string on BHT form. Open valves to atmosphere and record results on BHT form.

Designate what applies to the result of opening the valves for each string:

- | | |
|------------------------|-----------|
| • Blow or Puff | Yes or No |
| • Bled down to Nothing | Yes or No |
| • Steady Flow | Yes or No |
| • Oil or Gas | Yes or No |
| • Water | Yes or No |

Start: Injection or SWD pump so tubing pressure can be read.

Instructions below apply to the District 1 Hobbs office since this must be reported on a form.

In case of pressure:

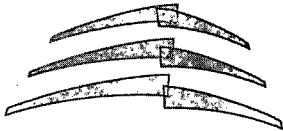
1. Record pressure reading on gauge.
2. Bleed and note time elapsed to bleed down.
3. Leave valve open for additional observation.
4. Note any fluids expelled.

In absence of Pressure:

1. Leave valve open for additional observation.
2. Note types of fluids expelled.
3. Note if fluids persist throughout test.

Note: Tubing pressure on injection or SWD wells.

Test will be signed by person performing test with a contact phone number.



MARK L. SHIDLER, INC.
PETROLEUM EXPLORATION AND PRODUCTION

HOBBSOCD

JAN 23 2015

MARK L. SHIDLER, INC.
2015-01-23-15:00

RECEIVED

Enclosed for the Hobbs District Office is a copy of the completed test results dated January 3, 2015 on the above Re well for your review and further handling. Should your office require further information, please contact the undersigned at ggregson@markshidlerinc.com or by telephone at (713) 481-6487.

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
Hobbs District Office
1625 N. French Drive
Hobbs, NM 88240

Re: State B No. 2 (30-025-20594)
Brunson; Drinkard-Abo, S Field
Lea Co., New Mexico

UIC/Bradenhead Test Report

Gentlemen:

Please find enclosed the completed test results dated January 3, 2015 on the above Re well for your review and further handling. Should your office require further information, please contact the undersigned at ggregson@markshidlerinc.com or by telephone at (713) 481-6487.

Very truly yours,
MARK L. SHIDLER, INC.

Gregory B. Gregson
Operations Manager

GBG

Encl.

BS 1/23/2015