

DATE IN 9/14/07	SUSPENSE	ENGINEER BROOKS	LOGGED IN 9/17/07	TYPE NSL	APP NO. pTDS0726040587
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



*Westerly Espl
Romero Fecl 34#1*

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Larry Gillette
 Print or Type Name

Larry Gillette
 Signature

Division Manager
 Title

9/13/07
 Date

larryg@texascrude.net
 e-mail Address



WESTERLY EXPLORATION, INC.

P.O. BOX 2359 MIDLAND, TX 79702 432.684.7806 midlanddiv@texascrude.net

September 13, 2007

Mr. Mark Fesmire, P.E.
New Mexico Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87504

Re: Non-Standard Location Application
Westerly Exploration, Inc.
Romero Federal 34 – 1 API # 30-043-21019
Surface Loc: 405' FSL, 1255' FWL, Section 34, T23N R1W
Sandoval County, New Mexico
Wildcat Mancos

Dear Mr. Fesmire,

This is a request for administrative approval for a non-standard Bottom Hole Location and productive interval. This well has been drilled and completed as of 08/29/07. When this well was originally permitted a request for administrative approval for a non-standard location for a wildcat Mancos was approved 07/12/06 (see attached Administrative Order NSL-5422).

After drilling the well a cased hole directional survey was run in this well due to the deviation problems encountered while drilling. While filling out the BLM completion paperwork (copy attached), the Bottom Hole Location and Penetration Point were calculated. The BHL of the wellbore is at 495' FSL and 1488' FWL of Section 34. This puts the BHL and productive interval (Upper Gallup & Gallup A, B & C) in the E/2 S/2 of the SW/4 of Section 34. Originally the W/2 S/2 of the SW/4 was assigned to the well in the original APD. The Mancos zone was tested and the well plugged back to the current Gallup productive zone.

Westerly Exploration owns the mineral leases on all nine of the adjoining 40-acre spacing units and there are currently no offset wells producing from the Gallup in this Section.

I have attached for your review, a C-102 outlining the dedicated acreage.

Thank you for your consideration and approval of this application. If you have any questions please do not hesitate to call upon me.

Sincerely,

Larry Gillette
Division Manager
Westerly Exploration, Inc

RECEIVED
2007 SEP 14 10:13 AM



Arr: John Thompson
JCT

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

July 12, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Westerly Exploration, Inc.
c/o **Walsh Engineering & Production Corp.**
7415 East Main
Farmington, New Mexico 87402

RECEIVED

JUL 21 2006

MIDLAND

Attention: **Paul C. Thompson**
paul@walsheng.net

Administrative Order NSL-5422

Dear Mr. Thompson:

Reference is made to the following: (i) your initial application on behalf of the operator, Westerly Exploration, Inc., submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 7, 2006 (*administrative application reference No. pTDS0-615848887*); (ii) Mr. Michael E. Stogner's, Engineer with the Division in Santa Fe, e-mail correspondence with Mr. John Thompson on June 27 and 28, 2006; (iii) Ms. Kay Maddox's letter dated July 1, 2006 with supplemental information to support your application; (iv) Ms. Maddox's e-mail to Mr. Stogner on Thursday, July 6, 2006 checking on the status of this filing; and (v) the Division's records in Aztec and Santa Fe: all concerning Westerly Exploration, Inc.'s request for an exception to Division Rule 104.B (1) for its proposed Romero Federal "34" Well No. 1 (*API No. 30-043-21019*) to be drilled at an unorthodox Mancos oil well location 405 feet from the South line and 1255 feet from the West line (Unit M) of Section 34, Township 23 North, Range 1 West, NMPM, Sandoval County, New Mexico. The SW/4 SW/4 of Section 34 is to be dedicated to this well in order to form a standard 40-acre, more or less, oil spacing and proration unit for wildcat Mancos oil production (*WC 23NIW34: Mancos Oil – pool code No. 97521*).

Your application for Westerly Exploration, Inc. has been duly filed under the provisions of Division Rules 104.F and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

It is the Division's understanding that Westerly Exploration, Inc. is seeking this location exception for both topographic and geological reasons.

By the authority granted me under the provisions of Division Rule 104.F (2) the above-described unorthodox Mancos oil well location is hereby approved.

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED

JUN 12 2006

MIDLAND

ADMINISTRATIVE APPLICATION CHECKLIST

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 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
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U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
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[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Paul C. Thompson Paul C. Thompson AGENT 6/2/06
 Print or Type Name Signature Title Date

PAUL@WALSHENG.NET
 e-mail Address

**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834

June 2, 2006

Mr. Mark Fesmire, P.E.
New Mexico Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87504

Re: Non-Standard Location Application
Westerly Exploration, Inc.
Romero Federal 34 #1
405' FSL, 1255' FWL, Section 34, T23N R1W
Sandoval County, New Mexico
Wildcat Mancos

Dear Mr. Fesmire,

This is a request for administrative approval for a non-standard location for a Wildcat Mancos well. The well was located as far east as possible on the 40 acre tract to take advantage of more favorable geology as determined by seismic data. The well could not be located in a legal location in the SE/SW due to topographic restrictions. Please refer to the attached topo map.

Westerly Exploration owns the mineral leases on all nine of the adjoining 40 acre spacing units and there are currently no offset wells producing from the Mancos formation.



I have attached for your review, a C-102 outlining the dedicated acreage.

Thank you for your consideration and approval of this application. If you have any questions please do not hesitate to call upon me.

Sincerely,

A handwritten signature in cursive script that reads "Paul C. Thompson" followed by a horizontal line.

Paul C. Thompson, P.E.
Agent for
Westerly Exploration, Inc.

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Revised February 21,
Instructions on
Submit to Appropriate District Of
State Lease - 4 Co
Fee Lease - 3 Co

☐ AMENDED REPC

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number	*Pool Code	*Pool Name WILDCAT MANCOS
*Property Code	*Property Name ROMERO FEDERAL 34	*Well Number 1
*OGRID No. 22568	*Operator Name WESTERLY EXPLORATION, INC.	*Elevation 7703'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
M	34	23N	1W		405	SOUTH	1255	WEST	SANDOVA

¹¹ Bottom Hole Location If Different From Surface

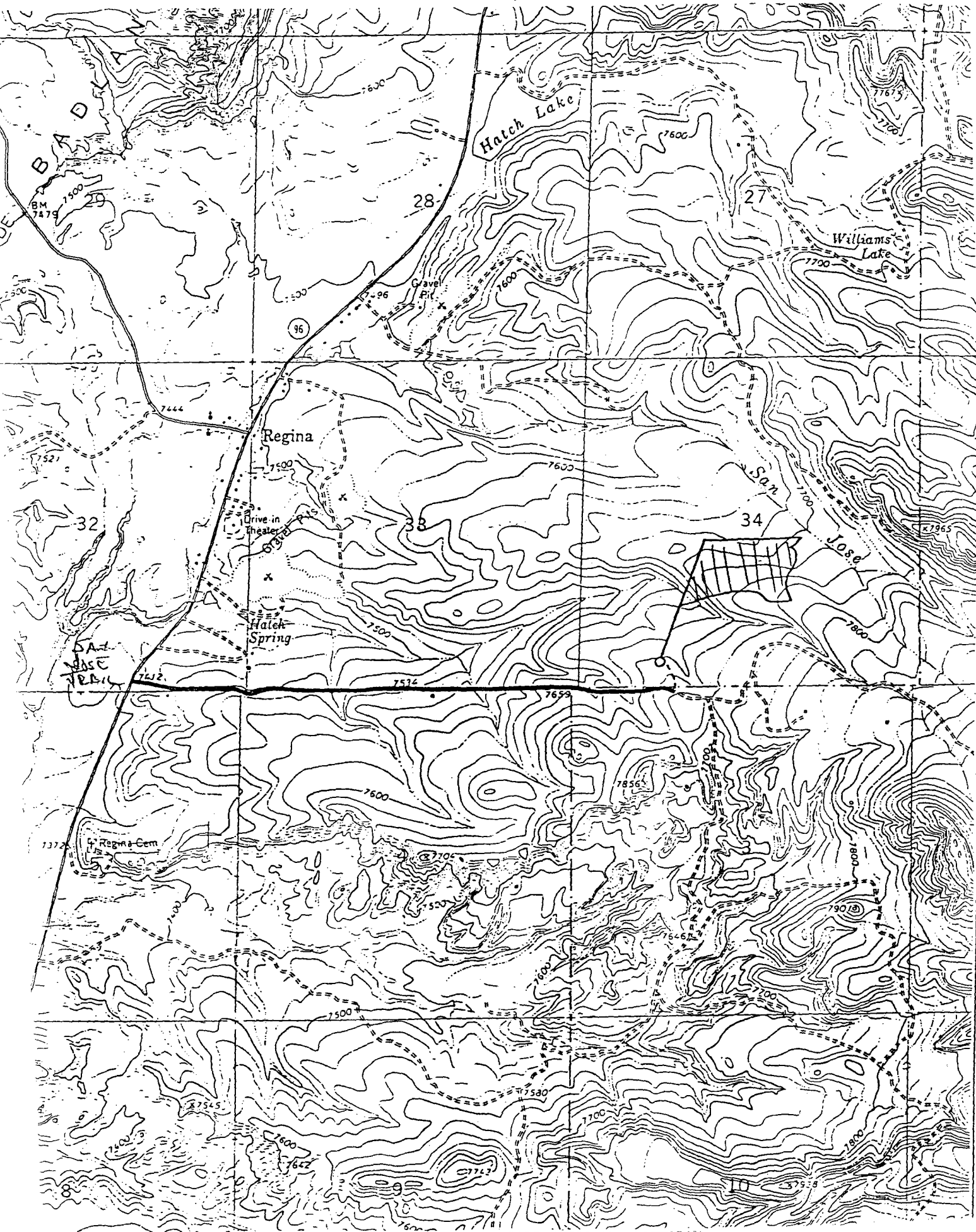
UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County

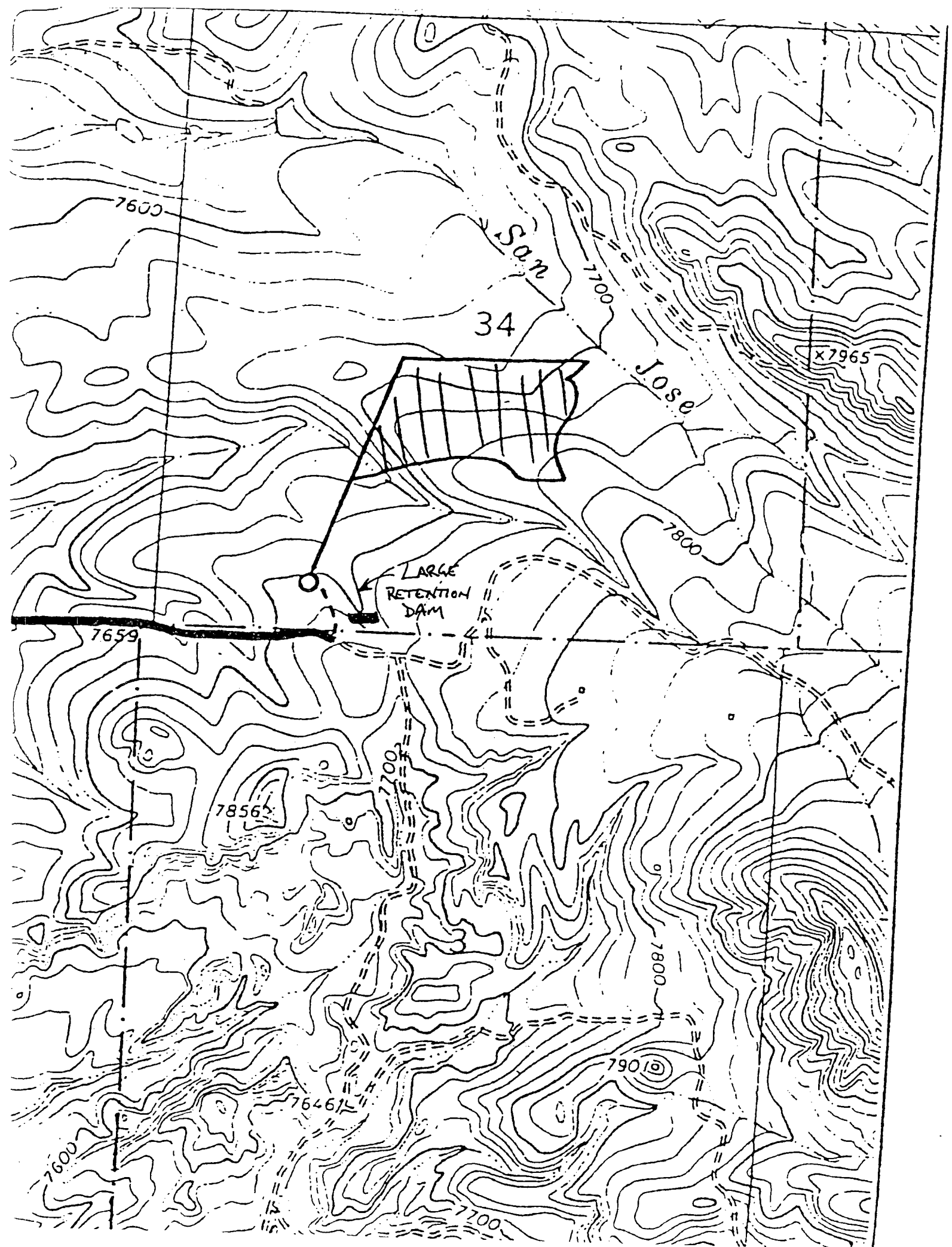
¹² Dedicated Acres SW/SW 40 ACRES	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p> <p>LOT 1</p> <p>S.H.C. TRACT No. 4358</p> <p>LOT 4</p> <p>34</p> <p>LOT 5</p> <p>H.E.S. TRACT No. 225</p> <p>LOT 6</p> <p>LOT 7</p> <p>LAT: 36°10.4485' N LONG: 106°56.0452' W DATUM: NAD27</p> <p>1255'</p> <p>405'</p> <p>5295.84'</p> <p>5280.00'</p> <p>2647.26'</p> <p>2649.90'</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Paul C. Thompson</i> Signature</p> <p>PAUL C. THOMPSON Printed Name</p> <p>AGENT Title</p> <p>4/12/06 Date</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: JUNE 13, 2005</p> <p>Signature and Seal of Professional Surveyor</p> <p>JASON C. EDWARDS Certificate Number 15269</p>
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SECTION 34 #1
405' FSL 1255' FWL, SECTION 34, T23N 4N, N.M.P.M.
ANDOVAL COUNTY, NEW MEXICO





Well File
under well tests
002

RF34#1

«»
° SCIENTIFIC DRILLING CONTROLS °
%
»

Gyroscopic Keeper Survey
Directional Survey Report

for
UAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAA
3 westernly Exploration 3
3
AAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAUU

Well Number : Romero Federal 34 #1
Well Location : Cuba, New Mexico
Job Number : 33K1106963
Location Latitude : 36.174
Survey Date : 27-NOV-2006
S.D.C. Personnel : K.Newlen
Length Units : Feet
North Reference : TRUE North
Grid Correction : 0.00 Degrees
Survey Depth Zero : KB
Proposal Direction :
Calculation Method : Minimum Curvature

Remarks : The INRUN Survey will be called definitive
Survey run in 7-5/8" & 5.5" csg from 0-7415'
Survey referenced to true north and 12' kb

RF34#1

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#####
° SCIENTIFIC DRILLING CONTROLS °
#####

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Inrun

Survey Data

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Ascii file for      : Westernly Exploration
Well Name          : Romero Federal 34 #1
Location           : Cuba, New Mexico
Survey date        : 27-NOV-2006
SDC Job No.        : 33K1106963
Referenced to      : TRUE North
Units of Depth     : Feet
Survey Type        : Gyroscopic Keeper Survey
of the             :

```

Meas'd Depth	Inc Deg	Azimuth Deg
0.00	0.00	0.00
100.00	0.34	143.18
200.00	0.28	165.88
300.00	0.33	73.94
400.00	0.86	66.91
500.00	1.57	57.26
600.00	1.68	56.67
700.00	1.84	55.57
800.00	1.80	51.99
900.00	1.80	48.12
1000.00	1.69	47.03
1100.00	1.67	45.11
1200.00	1.36	44.89
1300.00	1.44	47.49
1400.00	1.56	49.68
1500.00	1.76	49.35
1600.00	1.72	46.58
1700.00	1.86	47.16
1800.00	1.81	48.18
1900.00	1.91	54.24
2000.00	2.11	57.78
2100.00	2.66	64.10
2200.00	2.92	62.67
2300.00	2.90	58.64
2400.00	2.68	61.14
2500.00	2.44	55.21
2600.00	2.20	54.25
2700.00	2.29	50.23
2800.00	2.00	50.39
2900.00	1.84	45.78
3000.00	1.84	48.66
3100.00	1.78	42.51
3200.00	1.52	52.30
3300.00	1.13	81.64
3400.00	1.29	108.15
3500.00	1.35	103.13
3600.00	1.28	109.09
3700.00	1.35	115.84
3800.00	1.62	119.65

RF34#1

3900.00	1.78	103.06
4000.00	1.95	91.65
4100.00	2.30	76.69
4200.00	2.27	76.87
4300.00	2.29	71.22
4400.00	2.56	66.82
4500.00	2.75	65.50
4600.00	2.78	65.35
4700.00	2.94	65.28
4800.00	2.91	69.09
4900.00	2.79	65.92
5000.00	2.89	64.54
5100.00	2.57	64.21
5200.00	3.01	60.73
5300.00	3.30	63.96
5400.00	3.23	64.39
5500.00	3.11	65.97
5600.00	3.30	63.10
5700.00	3.45	71.70
5800.00	3.65	79.23
5900.00	3.76	83.18
6000.00	3.46	83.95
6100.00	2.82	81.35
6200.00	2.54	80.73
6300.00	2.33	79.47
6400.00	2.09	77.75
6500.00	1.79	75.29
6600.00	1.69	81.19
6700.00	1.69	87.37
6800.00	1.69	89.19
6900.00	1.48	82.02
7000.00	1.18	86.17
7100.00	1.22	100.11
7200.00	1.20	105.14
7300.00	1.18	112.19
7400.00	0.90	134.17
7415.00	0.86	140.12

SCIENTIFIC DRILLING CONTROLS

Inrun Survey
for
Westernly Exploration

Page 1

Well No.: Romero Federal 34 #1

Date : 27-NOV-2006

Job No. : 33K1106963

TRUE

Proposal : 0.00

Depth (Feet)	T.V.D. (Feet)	V.S. (Feet)	Inc Deg.	Azimuth Deg.	Latitude (Feet)	Departure (Feet)	D-leg /100
-------------------	--------------------	------------------	-------------	-----------------	----------------------	-----------------------	---------------

0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	100.00	-0.24	0.34	143.18	-0.24	0.18	0.34
200.00	200.00	-0.71	0.28	165.88	-0.71	0.42	0.14
300.00	300.00	-0.87	0.33	73.94	-0.87	0.75	0.44
400.00	399.99	-0.50	0.86	66.91	-0.50	1.72	0.53
500.00	499.97	0.54	1.57	57.26	0.54	3.56	0.74
600.00	599.93	2.08	1.68	56.67	2.08	5.94	0.11
700.00	699.88	3.79	1.84	55.57	3.79	8.48	0.16
800.00	799.83	5.67	1.80	51.99	5.67	11.04	0.12
900.00	899.78	7.68	1.80	48.12	7.68	13.44	0.12
1000.00	999.73	9.73	1.69	47.03	9.73	15.69	0.11
1100.00	1099.69	11.77	1.67	45.11	11.77	17.81	0.06
1200.00	1199.65	13.65	1.36	44.89	13.65	19.68	0.31
1300.00	1299.62	15.34	1.44	47.49	15.34	21.45	0.10
1400.00	1399.59	17.07	1.56	49.68	17.07	23.41	0.13
1500.00	1499.55	18.95	1.76	49.35	18.95	25.61	0.20
1600.00	1599.50	20.98	1.72	46.58	20.98	27.86	0.09
1700.00	1699.45	23.11	1.86	47.16	23.11	30.14	0.14
1800.00	1799.40	25.26	1.81	48.18	25.26	32.51	0.06
1900.00	1899.35	27.29	1.91	54.24	27.29	35.04	0.22
2000.00	1999.29	29.25	2.11	57.78	29.25	37.95	0.23
2100.00	2099.20	31.24	2.66	64.10	31.24	41.59	0.61
2200.00	2199.08	33.42	2.92	62.67	33.42	45.94	0.26
2300.00	2298.95	35.91	2.90	58.64	35.91	50.36	0.21
2400.00	2398.84	38.35	2.68	61.14	38.35	54.57	0.25
2500.00	2498.74	40.69	2.44	55.21	40.69	58.36	0.36
2600.00	2598.65	43.03	2.20	54.25	43.03	61.66	0.24
2700.00	2698.58	45.43	2.29	50.23	45.43	64.76	0.18
2800.00	2798.51	47.82	2.00	50.39	47.82	67.64	0.29
2900.00	2898.45	50.05	1.84	45.78	50.05	70.13	0.22
3000.00	2998.40	52.23	1.84	48.66	52.23	72.49	0.09
3100.00	3098.35	54.43	1.78	42.51	54.43	74.74	0.20
3200.00	3198.31	56.39	1.52	52.30	56.39	76.84	0.38
3300.00	3298.28	57.35	1.13	81.64	57.35	78.87	0.77
3400.00	3398.26	57.14	1.29	108.15	57.14	80.91	0.57
3500.00	3498.23	56.52	1.35	103.13	56.52	83.13	0.13
3600.00	3598.21	55.89	1.28	109.09	55.89	85.33	0.15
3700.00	3698.18	55.01	1.35	115.84	55.01	87.45	0.17
3800.00	3798.15	53.80	1.62	119.65	53.80	89.74	0.28
3900.00	3898.10	52.75	1.78	103.06	52.75	92.47	0.51

RF34#1

 ° S C I E N T I F I C D R I L L I N G C O N T R O L S °

Inrun Survey

for

Page 2

Westernly Exploration

Well No.: Romero Federal 34 #1 Date : 27-NOV-2006

Job No. : 33K1106963 TRUE Proposal : 0.00

Depth (Feet)	T.V.D. (Feet)	V.S. (Feet)	Inc Deg.	Azimuth Deg.	Latitude (Feet)	Departure (Feet)	D-leg /100
4000.00	3998.05	52.35	1.95	91.65	52.35	95.69	0.41
4100.00	4097.98	52.76	2.30	76.69	52.76	99.34	0.65
4200.00	4197.90	53.67	2.27	76.87	53.67	103.22	0.03
4300.00	4297.82	54.77	2.29	71.22	54.77	107.04	0.23
4400.00	4397.73	56.29	2.56	66.82	56.29	110.99	0.32
4500.00	4497.62	58.16	2.75	65.50	58.16	115.22	0.21
4600.00	4597.51	60.17	2.78	65.35	60.17	119.61	0.03
4700.00	4697.38	62.26	2.94	65.28	62.26	124.15	0.16
4800.00	4797.25	64.23	2.91	69.09	64.23	128.85	0.20
4900.00	4897.13	66.13	2.79	65.92	66.13	133.44	0.20
5000.00	4997.01	68.21	2.89	64.54	68.21	137.93	0.12
5100.00	5096.89	70.27	2.57	64.21	70.27	142.22	0.32
5200.00	5196.77	72.53	3.01	60.73	72.53	146.54	0.47
5300.00	5296.62	75.07	3.30	63.96	75.07	151.41	0.34
5400.00	5396.46	77.55	3.23	64.39	77.55	156.54	0.08
5500.00	5496.31	79.87	3.11	65.97	79.87	161.55	0.15
5600.00	5596.15	82.28	3.30	63.10	82.28	166.60	0.25
5700.00	5695.98	84.53	3.45	71.70	84.53	172.02	0.53
5800.00	5795.78	86.07	3.65	79.23	86.07	178.01	0.51
5900.00	5895.58	87.05	3.76	83.18	87.05	184.39	0.28
6000.00	5995.38	87.76	3.46	83.95	87.76	190.65	0.30
6100.00	6095.23	88.45	2.82	81.35	88.45	196.08	0.66
6200.00	6195.12	89.17	2.54	80.73	89.17	200.70	0.28
6300.00	6295.03	89.90	2.33	79.47	89.90	204.89	0.22
6400.00	6394.95	90.66	2.09	77.75	90.66	208.67	0.25
6500.00	6494.89	91.44	1.79	75.29	91.44	211.96	0.31
6600.00	6594.85	92.07	1.69	81.19	92.07	214.93	0.21
6700.00	6694.80	92.36	1.69	87.37	92.36	217.86	0.18
6800.00	6794.76	92.45	1.69	89.19	92.45	220.81	0.05
6900.00	6894.72	92.65	1.48	82.02	92.65	223.56	0.28
7000.00	6994.69	92.90	1.18	86.17	92.90	225.88	0.31
7100.00	7094.67	92.78	1.22	100.11	92.78	227.96	0.29
7200.00	7194.65	92.32	1.20	105.14	92.32	230.02	0.11
7300.00	7294.63	91.66	1.18	112.19	91.66	231.98	0.15
7400.00	7394.61	90.72	0.90	134.17	90.72	233.49	0.48
7415.00	7409.61	90.56	0.86	140.12	90.56	233.65	0.66

The Horizontal Displacement (in Feet) at
 Measured Depth 7415.00 is 250.59 in a Direction of 68.81 degrees

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. NM-101057							
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 Westerly Exploration, Inc		7. Unit or CA Agreement Name and No.							
3. Address P.O. Box 2359, Midland, Texas 79702		8. Lease Name and Well No. ROMERO FEDERAL 34-1							
3a. Phone No. (include area code) 432-684-7806		9. AFI Well No. 30-043-21019							
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface 405' FSL & 1255' FWL At top prod. interval reported below 493' FSL & 1450' FWL At total depth 495.6' FSL & 1488.6' FWL		10. Field and Pool, or Exploratory Wildcat Mancos							
14. Date Spudded 09/04/2006		11. Sec., T., R., M., on Block and Survey or Area Sec 34, T23N, R1W							
15. Date T.D. Reached 10/05/2006		12. County or Parish Sandoval							
16. Date Completed 08/20/2007 <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod.		13. State NM							
17. Elevations (DF, RKB, RT, GL)* 7703' GL									
18. Total Depth: MD 7485' TVD 7479'		19. Plug Back T.D.: MD 7076' TVD 7076'							
20. Depth Bridge Plug Set: MD TVD									
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) Neutron, Density, Induction, SP, GR		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 type="checkbox"/> No <input checked="" 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 Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
14 3/4	10 3/4 / J	40.5	Surface	269		250, CI C	52.5	Surface, Cir	-----
9 7/8	7 5/8 / N	29.7	Surface	5644		595, 65/35 poz	189.3	3195, Cir	-----
					3195	885, 50/50 poz	291.9	Surface, Cir	-----
6 3/4	5 1/2 / J	17	5520	7482		220, 50/50 poz	50.6	5520, CBL	-----
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	6581								
25. Producing Intervals									
Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status			
A) Gallup A,B,C	6551	6798	6551 - 6798	.38	34	Open & producing			
B) Upper Gallup	6080	6494	6080 - 6494	.34	16	Open & producing			
C)									
D)									
26. Perforation Record									
27. Acid, Fracture, Treatment, Cement Squeeze, etc.									
Depth Interval		Amount and Type of Material							
6551 - 6798		1500 gal 15% HCL, 2815 bbls 20# X-Linked fluid, 200,000 # 20/40 sand							
6080 - 6494		1750 gals 15% HCL, 2757 bbls 20# X-Linked fluid, 202,000 # 20/40 sand							
28. Production - Interval A									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
08/20/2007	09/02/2007	24	→	8.4	---	6.7	38.5	---	Pumping
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
---	---	65	→	8.4	---	6.7	---	Producing	
28a. Production - Interval B									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

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

28b. Production - Interval C									
Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	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 Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

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

All gas is being used on lease for pumping unit engine fuel. No gas is being vented.

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

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Upper Gallup Gallup A,B,C	6080 6551	6494 6798	Sand & Shale Sand & Shale	Ojo Alamo Pictured Cliffs Cliff House Point Lookout Mancos Shale Niobrara Gallup Gallup A Sanastee Carlile	2616 2962 4806 5308 5485 5975 6455 7234 7359

32. Additional remarks (include plugging procedure):

Interval A was completed first and pump tested. The zone was isolated by a RBP, then interval B was fraced and pump tested. The RBP was removed and both zones combined and put on pump 8/20/07.

33. Indicate which itmes 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) Larry Gillette

Title Division Manager

Signature _____

Date 09/07/2007

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.