

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 NM117806
b Type of Completion <input type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input checked="" type="checkbox"/> Diff Resvr, Other RE-Entry		6 If Indian, Allottee or Tribe Name N-A
2 Name of Operator Tarco Energy LC		7 Unit or CA Agreement Name and No N-A
3 Address 12403 CR 2300, Lubbock, TX 79423		8 Lease Name and Well No Magruder 11
3a Phone No (include area code) 806-795-2042		9 AFI Well No 3001500629 (Corrected)
4 Location of Well (Report location clearly and in accordance with Federal requirements) At surface T17S R27E Section 35 LOT #P 330 FSL, 482 FEL At top prod interval reported below 540' TD -Deviation survey waived by OCD At total depth		10 Field and Pool, or Exploratory Yates - Seven Rivers
14 Date Spudded 03/29/2010		11 Sec, T, R, M, on Block and Survey or Area SEC 35, T17S, R27E
15 Date T D Reached 03/30/2010		12 County or Parish EDDY
16 Date Completed 12/21/2011 <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod		13 State NM
17 Elevations (DF, RKB, RT, GL)* 3643'		

18. Total Depth MD 700' TVD	19 Plug Back T D MD TVD	20 Depth Bridge Plug Set MD 625' TVD
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) Compensated Neutron, Gamma Ray, CCL Log		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 Cementer Depth	No of Sks. & Type of Cement	Slurry Vol (BBL)	Cement Top*	Amount Pulled
12 1/4"	8 5/8 J55	20#	Surface	1067'		Casing placed	in service	when well was	first drilled.
7 7/8"	5 1/2 J55	11.6#	Surface	5840'		Casing placed	in service	when well was	first drilled.
					RE-Entry				

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"	538'	N-A							

25 Producing Intervals				26 Perforation Record			
Formation	Top	Bottom	Perforated Interval	Size	No Holes	Perf Status	
A) Yates	489'	536'	448'-500'		33	OPEN	
B)			510'-513'		9	OPEN	
C)			518'-522'		12	OPEN	
D)			532'-536'		12	OPEN	

27 Acid, Fracture, Treatment, Cement Squeeze, etc	
Depth Interval	Amount and Type of Material
489'-536'	2500 GALS - - 15% - HCL with ACI-166 2.5 Gal, NE - 116 1.25 GAL, NE 122 1.25 Gal FE Reducer 7.5 Gal, Balls 100

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
12/21/2011	12/23/2011	24	→	2		26	38		Pump Jack
Choke Size N-A	Tbg Press Flwg SI N-A	Csg Press 14#	24 Hr Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

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	24 Hr Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

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

**RECLAMATION
DUE 6-21-12****ACCEPTED FOR RECORD****MAR 10 2012****BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**

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*)**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

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth

32. Additional remarks (include plugging procedure):

Original logs sent to BLM 6-18-2010 with Sundry Notice

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*)

Joe L. Tarver

Title **Manager**

Signature

Date

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.

Tarco Energy LC

Drilling and Completion Report MaGruder #11—ReEntry

- 3-29-2010 Rigged up and spudded Re-Entry
- 3-30-2010 Reached TD 540'
- 4-15-2010 Casing Test Failed
- 6-11-2010 Gray wireline ran – Compensated Newtron, Cement Bond, Gamma Ray, CCI Logs all sent to BLM with sundry notice
- 11-13-2010 set CIBP and prepared for suicide squeeze (see attached report)
- 1-14-2011 Drilled out to TD

Field Supervisor (BLAKE TARVER) had to go through several weeks of Chemo Therapy and tests In Lubbock

- 8-03-2011 Casing test passed –witnessed by Jerry Blakley W/BLM
- 9-08-2011 Gray wireline perfed 3 holes per ft.
489 – 500, 510 – 513, 518 – 522, 532 – 536
- 11-01-2011 Basic Energy Acidized W/ 2500 gals- 15%-
HCLwithACI-166 2.5gals, NE 122 1.25 gals, FE
reducer 7.5 gals
- Waiting for Electricity permit and hookup

- 12-21-2011 Have electricity and hooked up to pump

*Waiting on O.C.D. to correct the
API # - O.C.D. HAD ERRONEOUSLY assigned
A new API.#*

*2-2-2012 - Received CALL from Mike BRATCHER
O.C.D. HAS NOW CORRECTED the API
TO CORRESPOND TO the original # 3001500629
ON THIS RE-ENTERED well BORE.*

Joe Tarver
Magruder 11
330' FSL, 482' FEL
P-35-17s-27e
Eddy Co, NM
30-015-00629

13-Nov-10

MIRU Basic WSU/BOP, Riverside kill truck, Gray W/L, T&C upright tank and Kenco.

Remove wellhead, NU spool and manual BOP onto casing.

RIH with squeeze hole guns, tag at approx. 700', correlate to GR/CCL log and shoot 8 squeeze holes at 675-677' using 1-9/16" decentralized guns loaded with 3.25 gram casing puncher 0.25" EHD charges.

All shots fired. RIH with and perf 8 more squeeze shots at 215-217' with same guns as shown above.

All shots fired. PU AD-1 tension packer, seating nipple and 2-3/8"/4.775/EUE tubing.

Set packer at 595' and pump 24 bbls fresh water down 5-1/2" x 2-3/8" annulus 0-215', 8-5/8" x 5-1/2" annulus 215-675' and up 2-3/8" tubing 0-595' to prepare for cementing. Pumped at 2.5 bpm rate at 150 psi.

Call Chief Services to head this way with cementing equipment. POOH with packer, pick up cement retainer and RIH with retainer on tubing. Set retainer at 625'. Pumped 5 bbls fresh water down tubing to make sure retainer valves open prior to setting retainer. Pump 1/2 bbl fresh water down tubing after setting retainer to verify circulation up 2-3/8" x 5-1/2" annulus. RU Chief Services and pump 23.5 bbls Class "C" cement with 2% CaCl₂ down tubing (cement mixed at approx. 15.5 ppg average density, 100+ sx). Flush cement to retainer.

Sting out of retainer and attempt unsuccessfully to reverse circulate cement out of well (was able to pump down 2-3/8" x 5-1/2" annulus but didn't have returns up the 2-3/8" tubing). Shut down after pumping couple bbls water.

POOH with tubing and lay down retainer setting tool and stinger. Tubing pulled dry—not sure why couldn't reverse circulate. Closed blind rams and side outlet on casing spool and SD until Monday to let cement cure.

Well operations occurred from 7:00 am until 5:30 pm.