

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	
		WELL API NO. 30-015-33700		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
				State Oil & Gas Lease No.	
WELL COMPLETION OR RECOMPLETION REPORT AND LOG					
1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____				7. Lease Name or Unit Agreement Name San Remo 32	
b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. WELL OVER BACK RESVR. <input type="checkbox"/> OTHER RECEIVED					
2. Name of Operator Preston Exploration, LLC JUN 28 2006				8. Well No. #1	
3. Address of Operator P.O. Box 7520 The Woodlands, Texas 77387-7820				9. Pool name or Wildcat POW; Morrow, Gas	
4. Well Location Unit Letter F : 1980' Feet From The North Line and 2130' Feet From The West Line Section 32 Township 16S Range 26E NMPM Eddy County					
10. Date Spudded 2/8/2005		11. Date T.D. Reached 3/16/2005		12. Date Compl. (Ready to Prod.) 12/18/2005	
				13. Elevations (DF& RKB, RT, GR, etc.) 3394'	
15. Total Depth 8,030'		16. Plug Back T.D. 7,941'		17. If Multiple Compl. How Many Zones? N/A	
				18. Intervals Drilled By 0 - TD	
19. Producing Interval(s), of this completion - Top, Bottom, Name 7,728' - 7,740', Morrow				20. Was Directional Survey Made No	
21. Type Electric and Other Logs Run Density Neutron, Gamma Ray, Dual Laterolog, Sonic				22. Was Well Cored No	
23. CASING RECORD (Report all strings set in well)					
CASING SIZE		WEIGHT LB/FT.		DEPTH SET	
13-3/8"		61#		422'	
9-5/8"		40#		1,235'	
5-1/2"		17#		8,026'	
24. LINER RECORD					
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	
25. TUBING RECORD					
SIZE	DEPTH SET		PACKER SET		
2-3/8"	7,563'		7,620'		
26. Perforation record (interval, size, and number) 7,728' - 7,740', 2 SPF, 24 holes					
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.					
DEPTH INTERVAL			AMOUNT AND KIND MATERIAL USED		
7,728' - 7,740'			1,000 gals 7.5% HCL Acid		
28. PRODUCTION					
Date First Production 12/19/2005		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing		Well Status (Prod. or Shut-in) Producing	
Date of Test 12/20/2005	Hours Tested 24 hrs	Choke Size 16/64	Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 1,265
				Water - Bbl. 2	Gas - Oil Ratio N/A
Flow Tubing Press. 1,500#	Casing Pressure 0#	Calculated 24-Hour Rate	Oil - Bbl. 0	Gas - MCF 1,265	Water - Bbl. 2
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold					Test Witnessed By
30. List Attachments Inclination Report, Logs, C-104					
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 <i>Lindsay Truesdell</i>		Printed Name Lindsay Truesdell		Title Consultant	
E-mail Address lindsay@rkford.com				Date January 9, 2005	

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 550	T. Canyon 6942	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn 7220	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka 7594	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss 7655	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres 822	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta 2078	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinbry	T. Gr. Wash	T. Morrison	T.
T. Tubb 3464	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo 4130	T. Morrow 7694	T. Wingate	T.
T. Wolfcamp 5398	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C) 6242	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
 No. 2, from.....to.....
 No. 3, 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
1500			Dolomite				
2000			Limestone				
2090			Sandstone				
2120			Dolomite				
2580			Dolomite with sand interbedded				
2740			Dolomite				
3480			Sandstone				
3650			Dolomite				
4177			Shale, shale with interbedded Dolomite.				
4810			Shale.				
4870			Shale and Dolomite				
5370			Limestone.				
5740			Limestone and Shale.				
6240			Limestone.				
6940			Limestone and Shale.				
7560			Limestone, Shale, and trace of Sand				
7700			Oolitic Limestone Sandstone, Shale, Limestone with Chert.				
7800			Shale				
7890			Limestone				