N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue

UNITED STARTOSIA, NM 88210

JUL 3 1 2007

ALEXIS C. SWOBODA PETROLEUM ENGINEER

UNITED STAIROSIA, NM 88210 DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT WEEL COMPLETION OR RECOMPLETION REPORT AND LOG											FORM APPROVED OMBNO 60 DOKARTESIA Expires March 31, 2007					
											5 Lease Serial No NM-36193					
la Type of Well Orl Well Gas Well Dry Other											6 If Indian, Allottee or Tribe Name					
b Type of Completion											7 Unit or CA Agreement Name and No					
2 Name of Operator McKay Oil Corporation												8 Lease Name and Well No Four Mile Draw B Federal				
3 Address P. O. Box 2014, Roswell, NM 88202-2014 3a Phone No (include area code) 505-623-4735												9		all Ma	005-63756	
Location of Well (Report location clearly and in accordance with Federal requirements)*												10		ind Pool, or	r Exploratory	
At surface 510' FNL, 660' FWL												11				
At top	At top prod interval reported below												11 Sec T R, M, on Block and Survey or Area SEC15, T6S, R22E 12 County or Parish 13 State			
	At total depth 3060'											Chaves NM				
14 Date S 03/26	pudded / 2006		15	Date T 04/04	D Reac 1/ 2006	hed		16 Date Ce ☐D &		d ✓ Read	y to Pro	od	17 Elevations (DF RKB, RT, GL)* 4343'			
									20 D	Depth Bridge Plug Set MD						
		VD 306					TVD :	3020'						TV I) 	
21 Type Llectric & Other Mechanical Logs Run (Submit copy of each) 22 Was well core Was DST run											 ✓ No					
GR, Deviation Survey Directional Surv											_لسنا_			Submit copy)		
	Ť					set in well)	Stage	e Cementer	No o	of Sks &		urry Vo	i			Amount Pulled
Hole Size	Size/Gra		't (#/ft)				1 1	Depth Type			of Cement (BBL)		Cement Top* Amo		Amount runeu	
12 1/4"	8 5/8"	2-	4#, J55			1063'				9sk 35-65-6 9sk Cl "C"						
7 7/8"	77/8" 4 1/2" 10.5, J55					3060'				c 50-502c						
				-			-									
21 15 1				<u> </u>						*******						
24 Tubing Size	<u> </u>	Set (MI) Packe	er Depth	(MD)	Size	Dept	h Set (MD)	Packer	Depth (N	(D)	Size		Depth	Set (MD)	Packer Depth (MD)
2 3/8"	2842'		n/a													
25 Produc	ing Interva Formation			To	Top Bottom			Perforation Perforated 1	Size N			No Holes F			Perf Status	
A) Abo								0' - 2850'				spf		open		
B)	3)															
C) D)																
	nacture, Tr	eatment,	Cement	Squeeze	. etc										1	
2840' - 2	Depth Inter	al		Enga	. /60.26	60gal C02. 90	140lbs			nd Type				and		
****	:840' - 285	50'				8gal Aqua St									60lbs 16/3	30 SierProp
										_						
28 Produ	ction - Inte						177	1016		T C.,		15.		(
Produced 05/05/2007	Date	Hours Tested	Produ		oil BBL		Water BBL 0	Oil Grav Con Al		Gas Produ Gravity p/a Flow		etion Method				
Choke Size	Tbg Piess Flwg	Csy Piess	24 Hı		Dil BBL		Water BBL	Gas/Oil Ratio			Status					<u> </u>
14/64	SI	150	Rate	>		1,410	0	n/a				Rea	ly to Pi	oduce		
28a Produ	iction - Int	erval B Hours	Test)ıl	Gas	N atei	loic		10		[D 1				
Produced	Date	Tested	Produc		BBL		BBL	Orl Grav Corr Al) 	Gas Gravit	ý	riodus	A		PTED	FOR RECORD
Choke Size	The Press Flug SI	Csg Press	24 Hr Rate	► E	Dil BBL		Water BBL	Gas/Oil Ratio		Well S	Status					
*(See ins	ti uctions a	nd space			luta on i	oage 2)		<u> </u>					+	+	JUL	2 7 2007

201 7	- <u></u>												
28b Produ	Test		Tast	T OJ	Cvs	War-	0.1 G	Gas	Production Method				
Produced Produced	Date	Hours Tested	Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gravity	Frougenon Wethod				
Choke Size	The Press Flwg SI	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status					
	uction - Int												
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Cort API	Gas Gravity	Production Method				
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas/Orl Ratro	Well Status	Well Status				
29. Disposition of Gas (Sold-used for fuel, vented, etc.)													
Show tests	w all impor	tant zones	(Include Aq of porosity val tested, cu	and conten	n	31. Formation (Log) Markers							
Fou	Formation Top				Desc	riptions, Cont	ents etc		Name	Top Meas Depth			
Tubb Abo Yeso		2573' 2801' 1077'											
33 Indicate which itimes have been attached by placing a check in the appropriate boxes Blectrical/Mechanical Logs (1 full set req'd) Geologic Report DST Report Duectional Survey													
Sundiy Notice for plugging and cement verification Core Analysis Other: 34 Thereby certify that the foregoing and attached information is complete and conect as determined from all available records (see attached instructions)*													
Name (please pint) (Aroli - Sharks 519 WW Harlis Harlis Manual Sharks 519 WW Harlis Ha													
Fithe Production analyst Date 7/2/07													

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 talse, fictitious or traudulent statements or representations as to any matter within its jurisdiction.

McKay Drilling Corporation_

Roy L McKay, President

Mailing Address: P.O. Box 2014 Roswell, NM 88202 * Telephone 505 / 623 - 4735 Street Address: One McKay Place Roswell, NM 88201 * Fax No. 505 / 624 - 2202

OIL & GAS

July 02, 2007

Bureau of Land Management 2909 W. Second Street Roswell, NM 88201-2019

RE: Four Mile Draw B Federal #8

510' FNL, 660' FWL, Lot D, SEC 15, T6S, R22E

Chaves County, New Mexico

Spud 3/26/06

DEVIATION SURVEY

 ½°
 @
 471'

 ½°
 @
 1066'

 ¾°
 @
 1553'

 ¾°
 @
 2046'

 ¾°
 @
 2483'

 ¾°
 @
 3060'

TD 3060'

Released Date 4/07/06

Sincerely,

Carol Shanks
Production Analyst

STATE OF NEW MEXICO)

COUNTY OF CHAVES

The foregoing instrument was Acknowledged before me this 2nd day of July 2007, by the person known to me to be Carol Shanks.

My Commission Expires: June 27, 2009 7/22/10

Notary Public

LEASES

PRODUCTION

INVESTMENTS