



## OCD-ARTESIA

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 <b>NM-98821</b>							
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 <b>ATLANTIC OPERATING, INC.</b>		7 Unit or CA Agreement Name and No							
3 Address <b>P.O. Box 3759 Midland, TX 79702</b>		8 Lease Name and Well No <b>FEDERAL 25 #1</b>							
3a Phone No (include area code) <b>432-683-3275</b>		9 AFI Well No <b>30-015-35618</b>							
4 Location of Well (Report location clearly and in accordance with Federal requirements)* At surface <b>SEC 25, T-25-S, R-29-E, EDDY CO., NM</b> At top prod interval reported below <b>AUG 29 2007</b> <b>OCD-ARTESIA</b> At total depth		10 Field and Pool, or Exploratory <b>North Brushy Draw - Delaware</b>							
14 Date Spudded <b>05/23/2007</b>		11 Sec, T, R, M, on Block and Survey or Area <b>25, T-25-S, R-29-E</b>							
15 Date T D Reached <b>06/01/2007</b>		12 County or Parish <b>EDDY</b>							
16 Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod		13 State <b>NM</b>							
17 Elevations (DF RKB, RT GL)* <b>3046</b>									
18 Total Depth MD <b>3420</b> TVD	19 Plug Back T D MD <b>3669</b> TVD	20 Depth Bridge Plug Set MD TVD							
21 Type Electric & Other Mechanical Logs Run (Submit copy of each) <b>DUAL LATERLOG/CBL</b>		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
<b>12 1/4</b>	<b>8 5/8</b>	<b>24</b>	<b>40</b>	<b>617</b>		<b>325 Class C</b>		<b>Surface</b>	
<b>7 7/8</b>	<b>5 1/2</b>	<b>15.50</b>	<b>Surface</b>	<b>3369</b>		<b>660 Class C</b>		<b>Surface</b>	
24 Tubing Record									
Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	
<b>2 7/8</b>	<b>3270</b>	<b>N/A</b>							
25 Producing Intervals									
Formation	Top	Bottom	Perforation Interval	Size	No Holes	Perf Status			
A) <b>Ramsey, Delaware Sand</b>	<b>3272</b>	<b>3296</b>	<b>3274-3288</b>	<b>29</b>					
B)									
C)									
D)									
26 Perforation Record									
27 Acid, Fracture, Treatment, Cement Squeeze, etc									
Depth Interval		Amount and Type of Material							
<b>3274-3288</b>		<b>1800 gals 10% NEEF</b>							
		<b>1609 bbls Brine w/ 8000# Lite-Prop</b>							
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
<b>07/27/2007</b>	<b>07/27/2007</b>	<b>24</b>	<b>→</b>	<b>30</b>	<b>0</b>	<b>142</b>			<b>PUMPING</b>
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
<b>.750</b>	<b>60</b>	<b>20</b>	<b>→</b>	<b>30</b>	<b>0</b>	<b>142</b>			<b>PUMPING</b>
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
			<b>→</b>						
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			<b>→</b>						

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

ACCEPTED FOR RECORD

AUG 24 2007

JERRY FANT  
PETROLEUM GEOLOGIST

## 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.)

## 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
TOP RAMSEY	3272	3296	Sandstone, unconsolidated quartz	Base of Salt	3030
TOP OLDS	3306	not pent.	Sandstone, very fine grained, unconsolidated quartz	Top Lamar	3226
				Top Ramsey	3272

32. Additional remarks (include plugging procedure)

## 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) MICHELLE LANGSTON

Title REGULATORY ANALYST

Signature

Michelle Langston

Date 08/17/2007

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

SEP 28 2007  
OCD-ARTESIA

ATLANTIC OPERATING, INC.  
P.O. BOX 3759  
MIDLAND, TX 79702  
432-683-3272  
(Fax) 432-683-3244

COPY

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**DAILY DRILLING REPORT**

**\*TIGHT HOLE\***

**FEDERAL "25" #1 – Eddy County, New Mexico – Proposed Depth: 3500', Permit #:NM-98821 : - API: , Sec:25, T-25-S, R-29-E; Spud Date: 5/23/07 - Drilling Co: American Drilling, Rig#:4.**

**Report #1 – 5/23/07 - REPORT: MIRU. Depth: 0', Made: 0', Formation: , MW: , Vis: , pH: , Bit #, Size: , Jets: , Depth In: , Out @: RPM: , WOB: Surveys:**

Rig Up	19.50 hrs
Weld on Cond. Pipe	03.50 hrs
No Crews	01.00 hrs
<b>Total</b>	<b>24.00 hrs</b>

**Daily Cost: \$59,814**

**Cum Cost: \$59,814**

**Report #2 – 5/24/07 - REPORT: Running 8 5/8" csg. Depth: 617', Made: 577', Formation: Salt, Anhy, MW: 8.8, Vis: 32, pH: 9, Bit #1, Size: 12 1/4", Jets: 3x14, Depth In: 40', Out @: Inc., RPM: 80, WOB: 30K, Surveys: 1/2° @ 255', 1 1/4° @ 408', 1° @ 597'. \*Note: 20" conductor pipe set @ 40'.**

Rig Up	06.00 hrs
Drilling	10.50 hrs
Circ b/f trip	00.50 hrs
Trip	02.00 hrs
Run csg/circ/cmt	02.00 hrs
Slope Tst	01.00 hrs
Make up BHA to spud	02.00 hrs
<b>Total</b>	<b>24.00 hrs</b>

**Daily Cost: \$33,781**

**Cum Cost: \$93,595**

**Report #3 – 5/25/07 - REPORT: NU BOP. Depth: 617', Made: 0', Formation: Salt, Anhy, MW: 8.8, Vis: 32, pH: 10, Bit #1, Size: 12 1/4", Jets: 3x14, Depth In: 40', Out @: Inc., RPM: 80, WOB: 30K, Surveys: \*Note: 8 5/8 csg, 24#, J-55 set @ 617'.**

Weld on head	02.25 hrs
Run csg/circ/cmt	03.00 hrs
Wait on csg	18.00 hrs – Had to wait 18 hrs due to requirements of BLM, therefore, no Drilling activity based on this requirement.
NU/Tst BOP	00.50 hrs
<b>Total</b>	<b>24.00 hrs</b>

**Daily Cost: \$17,650**

**Cum Cost: \$111,245**

**Report #4 – 5/26/07 - REPORT: Drlg Ahead @ 35°PH. Depth: 742', Made: 125', Formation: Sand-Salt, MW: 9.8, Vis: 29, pH: 11, Bit #1, Size: 12 1/4", Jets: 3x14, Depth In: 40', Out @: 617', Bit#: 2, Size: 7 7/8". Jets: 3x14, Depth In: 617', Out @: Inc., RPM: 60, WOB: 50K, Surveys: None.**

Rig Down	00.75 hrs
Drlg cmt/float/guide shoe	00.75 hrs
Drlg	03.50 hrs
Trip	01.75 hrs
NU/Tst BOP	00.50 hrs
<b>Total</b>	<b>24.00 hrs</b>

**Daily Cost: \$17,100**

**Cum Cost: \$128,345**

ATLANTIC OPERATING, INC.  
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MIDLAND, TX 79702  
432-683-3272  
(Fax) 432-683-3244

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**DAILY DRILLING REPORT**

**TIGHT HOLE**

**FEDERAL "25" #1** – Eddy County, New Mexico – Proposed Depth: 3500', Permit #: NM-98821 - API:, Sec:25, T-25-S, R-29-E; Spud Date: 5/23/07 - Drilling Co: American Drilling, Rig#:4.

**Report #5 – 5/27/07 - REPORT:** Drlg Ahead. Depth: 1630'', Made: 888', Formation: Anhy, MW: 10, Vis: 29, pH: 10.5, Bit#: 2, Size: 7 7/8'', Jets: 3x14, Depth In: 617', Out @: Inc., RPM: 60, WOB: 10-30K, Surveys: 1 1/2° @ 848', 3/4° @ 1063', 1 3/4° @ 1373', 1 3/4° @ 1531'.

Drlg	21.75 hrs
Rig Service – BOP	00.50 hrs
Surveys	01.75 hrs
<b>Total</b>	<b>24.00 hrs</b>

**Daily Cost: \$17,440**

**Cum Cost: \$145,785**

**Report #6 – 5/28/07 - REPORT:** Drlg Ahead @ 24 FPH. Depth: 2074'', Made: 444', Formation: Anhy, MW: 10, Vis: 29, pH: 10.5, Bit#: 2, Size: 7 7/8'', Jets: 3x14, Depth In: 617', Out @: Inc., RPM: 65, WOB: 25K, Surveys: 2 1/2° @ 1781', 1 1/2° @ 1874'.

Drlg	22.00 hrs
Rig Service	00.75 hrs
Surveys	01.25 hrs
<b>Total</b>	<b>24.00 hrs</b>

**Daily Cost: \$18,110**

**Cum Cost: \$163,895**

**Report #7 – 5/29/07 - REPORT:** Drlg Ahead @ 16 FPH. Depth: 2478'', Made: 404', Formation: Anhy-Salt, MW: 10, Vis: 29, pH: 11, Bit#: 2, Size: 7 7/8'', Jets: 3x13, Depth In: 617', Out @: Inc., RPM: 60, WOB: 10-25K, Surveys: 1 1/2° @ 2061', 2 3/4° @ 2216', 1 3/4° @ 2307'.

Drlg	22.00 hrs
Rig Service	00.50 hrs
Surveys	01.50 hrs
<b>Total</b>	<b>24.00 hrs</b>

**Daily Cost: \$ 24,539**

**Cum Cost: \$ 188,434**

**Report #8 – 5/30/07 - REPORT:** Drlg Ahead @ 20 FPH. Depth: 2940'', Made: 462', Formation: Anhy-Salt, MW: 10, Vis: 29, pH: 10, Bit#: 2, Size: 7 7/8'', Jets: 3x13, Depth In: 617', Out @: Inc., RPM: 60-65, WOB: 15-25K, Surveys: 2 1/4° @ 2431', 3/4° @ 2589', 1 1/4° @ 2744', 2 1/2° @ 2867'.

Drlg	21.50 hrs
Rig Service	00.50 hrs
Surveys	02.00 hrs
<b>Total</b>	<b>24.00 hrs</b>

**Daily Cost: \$ 17,100**

**Cum Cost: \$ 205,534**

ATLANTIC OPERATING, INC.  
P.O. BOX 3759  
MIDLAND, TX 79702  
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(Fax) 432-683-3244

**DAILY DRILLING REPORT**

**\*TIGHT HOLE\***

**FEDERAL "25" #1 – Eddy County, New Mexico – Proposed Depth: 3500', Permit #:NM-98821 : - API: , Sec:25, T-25-S, R-29-E; Spud Date: 5/23/07 - Drilling Co: American Drilling, Rig#:4.**

**Report #9 – 5/31/07 - REPORT:** Drlg Ahead @ 12 FPH. Depth: 3202'', Made: 262', Formation: Anhy-Lime, MW: 10.1, Vis: 35, pH: 10.5, Bit#: 2, Size: 7 7/8'', Jets: 3x13, Depth In: 617', Out @: Inc., RPM: 65, WOB: 35K, Surveys: 4° @ 3019', 2 1/2° @ 3050'.

Drlg	22.00 hrs
Rig Service	00.50 hrs
Surveys	01.50 hrs
<b>Total</b>	<b>24.00 hrs</b>

**Daily Cost: \$ 18,688**

**Cum Cost: \$ 224,222**

**Report #10 – 6/1/07 - REPORT:** TOH f/Logs. Depth: 3420', Made: 218', Formation: Anhy-Lime, MW: 10.2, Vis: 57, pH: 10, Bit#: 2, Size: 7 7/8'', Jets: 3x13, Depth In: 617', Out @: 3420', RPM: 60, WOB: 40K, Surveys: 1 1/2° @ 3383'.

Drlg	09.25 hrs
Circ to log	05.50 hrs
Trip	06.00 hrs
Logging	02.50 hrs
Rig Service	00.50 hrs
Surveys	00.25 hrs
<b>Total</b>	<b>24.00 hrs</b>

**Daily Cost: \$ 22,981**

**Cum Cost: \$ 247,303**

**Report #11 – 6/2/07 - REPORT:** Running 5 1/2" csg. Depth: 3420', Made: 0', Formation: Anhy-Lime, MW: 10.2, Vis: 57, pH: 10.

Circ b/f trip	04.50 hrs
Trip	04.00 hrs
Logging	04.25 hrs
Run csg/circ/cmt	02.75 hrs
LD DCs & DP	05.00 hrs
WO Csg crew	03.50 hrs
<b>Total</b>	<b>24.00 hrs</b>

**Daily Cost: \$ 45,084**

**Cum Cost: \$ 292,287**

**Report #12 – 6/3/07 - REPORT:** Rigging Down. Depth: 3420'. Rig released @ 11:30 pm.

Rig Down	06.50 hrs
Run csg, circ & cmt	07.00 hrs
Set slips & cut off csg	04.00 hrs
Remove BOPs & NU Tree	04.00 hrs
Jet Pits	02.50 hrs
<b>Total</b>	<b>24.00 hrs</b>

**Daily Cost: \$ 20,360**

**Cum Cost: \$ 312,647**

**\*FINAL REPORT UNTIL COMPLETION PROCEDURES BEGIN.**

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(Fax) 432-683-3244

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**COMPLETION REPORT**

**TIGHT HOLE**

**FEDERAL "25" #1 – Eddy County, New Mexico – Proposed Depth: 3500', Permit #:NM-98821, Sec:25, T-25-S, R-29-E; Spud Date: 5/23/07 – TD: 3420'.**

**Report #1 – 6/19/07 – REPORT:** Unit to Location. RU. SD.

**Daily Cost: \$**

**Cum Cost: \$**

**Report #2 – 6/20/07 – REPORT:** RU WL. Logged well. TOH w/logs. TIH to perf. Shot 29 holes from 3274-3288'. RD WL. TIH w/pkr. Set pkr @ 3172'. RU swab. Made total of 10 runs. Starting FL @ surface. Ending FL @ 2200'. Swabbed back 55 bbls total fluid. No gas. Last run had 1% oil cut. SI & SD.

**Daily Cost: \$**

**Cum Cost: \$**

**Report #3 – 6/21/07 – REPORT:** Well had 100 psi on tbgr. Bled dwn. Checked csg. Csg had pressure. Reset pkr. Standby f/BJ. RU BJ. Loaded csg. Pressured up to 500 psi. Left for backup. RU on tbgr. Tst lines to 4000 psi. Pumped 200 gals acid ahead. Pumped 1800 gals acid w/50 balls. Formation broke down @ 2000 psi. Balled out. Surged. Fin flush. Had 5, 10 & 15 min SI. SI 310 psi. RD BJ. RU swab & lay lines to tst tank. Made total of 7 runs. Starting FL @ surface, ending FL @ 3000'. Swabbed back 22 bbls total fluid. Fluid was water & acid. Moderate gas. SI & SD.

**Daily Cost: \$**

**Cum Cost: \$**

**Report #4 – 6/22/07 – REPORT:** Well had 100 psi. Bled dwn to tst tank. Gas pressure. RU swab. Made total of 6 runs. Starting FL @ 2000', ending FL @ 3000'. Swabbed dry after 1<sup>st</sup> run. Made run every 1-2 hours. FL stayed @ 3000'. Swabbed back 7 bbls total fluid. 30% oil cut. Good gas show. SI & SD till 6/25/07.

**Daily Cost: \$**

**Cum Cost: \$**

**Report #5 – 6/25/07 – REPORT:** Well had 300 psi. Bled to tst tank. Flowed for 25 mins. Flowed back 6 bbls of oil. RU swab. Made total of 7 runs. Starting FL @ 2600'. Ending FL @ 3100'. No entry. Swabbed back 3 bbls fluid. 30% oil cut. Waited 1-2 hrs between runs. SI & SD.

**Daily Cost: \$**

**Cum Cost: \$**

**Report #6 – 6/26/07 – REPORT:** Well had 300 psi. LD 2 stands out of derrick. RD swab. Left well landed in slips on BOP. RD.

**Daily Cost: \$**

**Cum Cost: \$**

**Report #7 – 6/27/07 – REPORT:** No Report

**Daily Cost: \$**

**Cum Cost: \$**

**Report #8 – 6/28/07 – REPORT:** Well had 600 psi. Bled to tst tank. Flowed for 15 mins. 100% oil cut. 6 bbls. RU swab. Made 2 runs. Starting FL @ 2800', ending FL @ 3100'. 2 bbls fluid @ 95% oil cut. RD swab. Unset pkr. TOH w/tbgr & pkr. ND BOP. Install WH flange. SI & SD.

**Daily Cost: \$**

**Cum Cost: \$**

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COMPLETION REPORT

HIGHWELL

FEDERAL "25" #1 – Eddy County, New Mexico – Proposed Depth: 3500', Permit #:NM-98821, Sec:25, T-25-S, R-29-E; Spud Date: 5/23/07 – TD: 3420'.

Report #9 – 6/29/07 – REPORT: Well had 100 psi. Standby for BJ. RU BJ. Standby for 2 loads of 10# brine. Frac well dwn csg. Avg psi 300. Pumped total of 1609 bbls fluid. 8000# prop. RD BJ. TIH w/pkr. Set pkr. RU swab. SI & SD

*Daily Cost: \$*

*Cum Cost: \$*

Report #10 – 6/30/07 – REPORT: Well had 100 psi. Bled dwn. RU swab. Made total of 37 runs. Starting FL @ 750', ending @ 2100'. Swabbed back 230 bbls total fluid. All frac fluid. No show of oil or gas. SI & SD.

*Daily Cost: \$*

*Cum Cost: \$*

Report #11 – 7/2/07 – REPORT: Well had 50 psi. Bled dwn. RU swab. Made total of 33 runs. Starting FL @ 1000', ending @ 2100'. Swabbed back 195 bbls total fluid. 20% oil cut. Good gas show. SI & SD.

*Daily Cost: \$*

*Cum Cost: \$*

Report #12 – 7/3/07 – REPORT: Well had 100 psi. Bled dwn. RU swab. Made total of 21 runs. Starting FL @ 1000', ending @ 2300'. Swabbed back 125 bbls total fluid. 20% oil cut. Unloaded rod string & well equipment. SI & SD.

*Daily Cost: \$*

*Cum Cost: \$*

Report #13 – 7/5/07 – REPORT: Well had 300 psi. Bled down. Unset pkr. Well flowed due to U-tube. TOH w/tbg. LD pkr. TIH w/purge valve + 2 jts + perf sub + SN + 99 jts. ND BOP. Land tbg. NU WH. RU for rods. TIH w/pump + 129 - 3/4" rods. Spaced out. Set on stuffing box. RD. Clean location. SD.

*Daily Cost: \$*

*Cum Cost: \$*

Report #14 – 7/6/07 – REPORT: Drove to location. SD due to weather.

*Daily Cost: \$*

*Cum Cost: \$*