



OCD-ARTESIA

 UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT

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

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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>NMMN-67103</b>
b Type of Completion <input type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input checked="" type="checkbox"/> Plug Back <input type="checkbox"/> Diff Resvr, Other _____		6 If Indian, Allottee or Tribe Name
2 Name of Operator <b>Laguna Grande LLC</b>		7 Unit or CA Agreement Name and No
3 Address <b>601 W. 2nd Street, Suite #18, Roswell, NM 88201</b>		8 Lease Name and Well No <b>Laguna Grande Federal #1</b>
3a Phone No. (include area code) <b>763-2166</b>		9 API Well No <b>30-015-21636</b>
4 Location of Well (Report location clearly and in accordance with Federal requirements)* At surface <b>1380' FSL &amp; 990' FEL</b> At top prod interval reported below <b>1380' FSL &amp; 990' FEL</b> At total depth <b>1380' FSL &amp; 990' FEL</b>		10 Field and Pool, or Exploratory <b>Und Laguna Salado Bone Spring, South 96857</b>
14 Date Spudded <b>08/25/2009</b>		11 Sec, T, R, M, on Block and Survey or Area <b>28-T23S-R29E</b>
15 Date T D Reached <b>09/02/2009</b>		12 County or Parish <b>Eddy</b>
16 Date Completed <b>12/07/2009</b> <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod		13 State <b>NM</b>
17 Elevations (DF, RKB, RT, GL)* <b>2980' GL</b>		

18. Total Depth MD <b>13700</b> TVD <b>13700</b>	19 Plug Back T D MD <b>8647</b> TVD <b>8647</b>	20 Depth Bridge Plug Set MD <b>10196 &amp; Squeezed</b> TVD <b>10196 &amp; Squeezed</b>
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) <b>None during plug back. See Original Logs in well file.</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
17 1/2	13.375 J	54.50	0	343	---	325		Circ	None
12 1/4	10.75 K	45.5, 51	0	2900	---	1800 + 200 C		Circ	None
9.5	7 5/8 N8	29.7, 33.	0	10848	6784	1450 sx H		3900 Est Calc	None
6.5	5" P110	18	10343	13695	---	375 sx 50/50H		10343 CBL	None

## 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	7022	N/A						

## 25 Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No Holes	Perf Status
A) <b>Bone Spring</b>	<b>6681</b>	<b>9949</b>	<b>6701--6986</b>	<b>.41"</b>	<b>30</b>	<b>Open / Producing</b>
B)						
C)						
D)						

## 27 Acid, Fracture, Treatment, Cement Squeeze, etc

Depth Interval	Amount and Type of Material
<b>6701--6986</b>	<b>Acidize w/ 5200 gal 15% HCL, Frac with 123,000 gal Gel/H2O + 248,000# 20/40 Brady Sand + 119,000# 10/20 Brady Sand.</b>

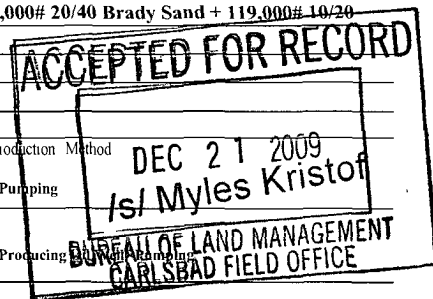
## 28 Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
<b>12/07/2009</b>	<b>12/08/2009</b>	<b>24</b>	<b>→</b>	<b>15</b>	<b>148</b>	<b>128</b>	<b>40</b>	<b>0.62</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>--</b>	<b>--</b>	<b>52</b>	<b>→</b>	<b>15</b>	<b>148</b>	<b>128</b>	<b>9866:1</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)



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## 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---Las Animas gas pipeline**

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

**Bone Spring, Upper---6681**

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
<b>Bone Spring</b>	<b>6701</b>	<b>6986</b>	<b>Sand, Oil, Gas, Water</b>	<b>Upper Bone Spring</b>	<b>6681</b>

32. Additional remarks (include plugging procedure):

**Well plugged back from Wolfcamp perfs to Bone Spring on 8/12/2008. Wolfcamp perfs squeezed with 300 sx from 10196'--11186, then plugged back above 7 5/8" retainer set above 5" liner with cement to 8647. Plug back witnessed by BLM CRO personnel.**

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) **Ron Rutherford**Title **Operations / Managing Member**

Signature

Date **12/14/2009**

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.