

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD- Artesia

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

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.<br>NMNM93469   |   |  |
| 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.<br>Other _____   |  |                                     | 6. If Indian, Allottee or Tribe Name   |   |  |
| 2. Name of Operator<br>READ & STEVENS INCORPORATED  |  |                                     | 8. Lease Name and Well No.<br>HOT DOG 23 FEDERAL 2   |   |  |
| 3. Address<br>ROSWELL, NM 88202   |  |                                     | 9. API Well No.<br>30-015-38337-00-S1  |   |  |
| 4. Location of Well (Report location clearly and in accordance with Federal requirements)*<br>Sec 23 T16S R27E Mer NMP<br>At surface NWSW Lot L 1730FSL 660FWL<br><br>At top prod interval reported below<br><br>At total depth |  |                                     | 10. Field and Pool, or Exploratory<br>DOG CANYON<br>11. Sec., T., R., M., or Block and Survey<br>or Area Sec 23 T16S R27E Mer NMP  |   |  |
| 14. Date Spudded<br>01/05/2011  |  | 15. Date T.D. Reached<br>01/10/2011 |  | 16. Date Completed<br><input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod.<br>03/18/2011 |  |
| 17. Elevations (DF, KB, RT, GL)*<br>3543 GL   |  | 18. Total Depth: MD 1640 TVD        |  |   |  |
| 19. Plug Back T.D.: MD 1600 TVD   |  | 20. Depth Bridge Plug Set: MD TVD   |  |   |  |
| 21. Type Electric & Other Mechanical Logs Run (Submit copy of each)<br>GR CCL CBL PEX-HRLA  |  |                                     | 22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)<br>Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)<br>Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) |   |  |

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 Sk. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-------------|----------|-------------|----------------------|-----------------------------|-------------------|-------------|---------------|
| 12.250    | 8.625 J-55 | 24.0        | 0        | 1012        |                      | 525                         |                   | 0           |               |
| 7.875     | 5.500 J-55 | 15.5        | 0        | 1640        |                      | 315                         |                   | 0           |               |
|           |            |             |          |             |                      |                             |                   |             |               |
|           |            |             |          |             |                      |                             |                   |             |               |
|           |            |             |          |             |                      |                             |                   |             |               |
|           |            |             |          |             |                      |                             |                   |             |               |
|           |            |             |          |             |                      |                             |                   |             |               |

24. Tubing Record

| Size  | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) |
|-------|----------------|-------------------|------|----------------|-------------------|------|----------------|-------------------|
| 2.375 | 1544           |                   |      |                |                   |      |                |                   |

25. Producing Intervals

| Formation   | Top  | Bottom | Perforated Interval | Size  | No. Holes | Perf. Status               |
|-------------|------|--------|---------------------|-------|-----------|----------------------------|
| A) GRAYBURG | 1530 | 1547   | 1530 TO 1547        | 0.390 | 19        | 1 SPF, 41" CMT PENETRATION |
| B)          |      |        |                     |       |           |                            |
| C)          |      |        |                     |       |           |                            |
| D)          |      |        |                     |       |           |                            |

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

| Depth Interval | Amount and Type of Material   |
|----------------|---|
| 1530 TO 1547   | 700 GAL 7 1/2% NEFE HCI. FLUSH W/8 BBLs 2% KCI WTR.   |
| 1530 TO 1547   | 124 BBLs 22# X-LINED GEL PAD, 26,000# 16/30 WHITE SAND, 10,000# 16/30 RESIN COATED WHITE SAND |

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     |
|---------------------|----------------------|------------------|-----------------|------------|-----------|-------------|-----------------------|-----------------|-----------------------|
| 03/19/2011          | 03/27/2011           | 24               | →               | 70.0       | 0.0       | 0.0         | 37.4                  | 0.00            | ELECTRIC PUMPING UNIT |
| Choke Size          | Tbg. Press. Flwg. SI | Csg. Press. 15.0 | 24 Hr. Rate →   | Oil BBL 70 | Gas MCF 0 | Water BBL 0 | Gas:Oil Ratio 0       | Well Status POW |                       |

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 reverse side)

ELECTRONIC SUBMISSION #105419 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

RECEIVED  
APR 13 2011  
NMOCD ARTESIA

## 28b. Production - Interval C

|                     |                      |              |                      |         |         |           |                       |             |                   |
|---------------------|----------------------|--------------|----------------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| Date First Produced | Test Date            | Hours Tested | Test Production<br>→ | 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<br>→     | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio         | Well Status |                   |

## 28c. Production - Interval D

|                     |                      |              |                      |         |         |           |                       |             |                   |
|---------------------|----------------------|--------------|----------------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| Date First Produced | Test Date            | Hours Tested | Test Production<br>→ | 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<br>→     | Oil BBL | Gas MCF | Water BBL | Gas:Oil Ratio         | Well Status |                   |

## 29. Disposition of Gas (Sold, used for fuel, vented, etc.)

NO MEASURABLE GAS

## 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 |
| GRAYBURG  | 1530 | 1547   |                              | PREMIER SAND | 1530        |

## 32. Additional remarks (include plugging procedure):

## 33. Circle enclosed attachments:

- |   |                    |               |                       |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.)     | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis   | 7. Other:     |                       |

## 34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #105419 Verified by the BLM Well Information System.

For READ &amp; STEVENS INCORPORATED, sent to the Carlsbad

Committed to AFMSS for processing by KURT SIMMONS on 03/31/2011 (11KMS1268SE)

Name (please print) DAVID LUNA

Title OPERATIONS ENGINEER

Signature (Electronic Submission)

Date 03/28/2011

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.

\*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\*