

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies  
DISTRICT II  
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-105

REC-26 90

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

|                                      |                          |                                         |
|--------------------------------------|--------------------------|-----------------------------------------|
| WELL API NO.                         | 30-015-26536             | O. C. D.                                |
| 5. Indicate Type of Lease            | ARTESIA, OFFICE          |                                         |
| STATE                                | <input type="checkbox"/> | FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No.         |                          |                                         |
| 7. Lease Name or Unit Agreement Name | Candelario               |                                         |
| 8. Well No.                          | 1                        |                                         |
| 9. Pool name or Wildcat              | E. Loving (Delaware)     |                                         |

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

|                        |                                                                              |                                    |                                 |                                    |                                     |                                |
|------------------------|------------------------------------------------------------------------------|------------------------------------|---------------------------------|------------------------------------|-------------------------------------|--------------------------------|
| a. Type of Well:       | OIL WELL <input checked="" type="checkbox"/>                                 | GAS WELL <input type="checkbox"/>  | DRY <input type="checkbox"/>    | OTHER <input type="checkbox"/>     |                                     |                                |
| b. Type of Completion: | NEW WELL <input checked="" type="checkbox"/>                                 | WORK OVER <input type="checkbox"/> | DEPLEN <input type="checkbox"/> | PLUG BACK <input type="checkbox"/> | DIFF RESVR <input type="checkbox"/> | OTHER <input type="checkbox"/> |
| 2. Name of Operator    | RB Operating Company                                                         |                                    |                                 |                                    |                                     |                                |
| 3. Address of Operator | 2412 N. Grandview, Suite 201, Odessa, Tx. 79761                              |                                    |                                 |                                    |                                     |                                |
| 4. Well Location       | Unit Letter D : 660 Feet From The North Line and 660 Feet From The West Line |                                    |                                 |                                    |                                     |                                |

|                                                                  |                        |                       |          |                                        |          |                                        |                |                      |      |
|------------------------------------------------------------------|------------------------|-----------------------|----------|----------------------------------------|----------|----------------------------------------|----------------|----------------------|------|
| Section 24                                                       | Township 23S           | Range 28E             | NMPM     | Eddy                                   | County   |                                        |                |                      |      |
| 0. Date Spudded                                                  | 11/7/90                | 11. Date T.D. Reached | 11/17/90 | 12. Date Compl. (Ready to Prod.)       | 12/14/90 | 13. Elevations (DF& RKB, RT, GR, etc.) | 2983 GR        | 14. Elev. Casinghead | 2983 |
| 5. Total Depth                                                   | 6310                   | 16. Plug Back T.D.    | 6295     | 17. If Multiple Compl. How Many Zones? |          | 18. Intervals Drilled By               | Rotary Tools X | Cable Tools          |      |
| 9. Producing Interval(s), of this completion - Top, Bottom, Name | 6150-62                |                       |          |                                        |          | 20. Was Directional Survey Made        | No             |                      |      |
| 11. Type Electric and Other Logs Run                             | DLL-GR-CNL-CAL-CBL-CCL |                       |          |                                        |          | 22. Was Well Cored                     | No             |                      |      |

CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT LB/FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|---------------|-----------|-----------|------------------|---------------|
| 8-5/8       | 24#           | 543       | 12-1/4    | 350              |               |
| 5-1/2       | 15.50#        | 6310      | 7-7/8     | Shoe 700         |               |
|             |               |           |           | DV 1000          |               |
|             |               |           |           |                  |               |
|             |               |           |           |                  |               |

LINER RECORD

| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN |
|------|-----|--------|--------------|--------|
|      |     |        |              |        |
|      |     |        |              |        |

TUBING RECORD

| SIZE  | DEPTH SET | PACKER SET |
|-------|-----------|------------|
| 2-7/8 | 6049      | 6049       |

Perforation record (interval, size, and number)

6150-6162 0.41" Dia. 48 holes

ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

| DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED |
|----------------|-------------------------------|
| 6150-6162      | 600 gal. 10% NeFe             |
|                | 10000# sand in 4100 gal Gel   |
|                | water                         |

PRODUCTION

|                                                           |                |                                                                     |      |                                |       |                        |            |           |           |              |                   |                             |                 |     |
|-----------------------------------------------------------|----------------|---------------------------------------------------------------------|------|--------------------------------|-------|------------------------|------------|-----------|-----------|--------------|-------------------|-----------------------------|-----------------|-----|
| Date First Production                                     | 12/12/90       | Production Method (Flowing, gas lift, pumping - Size and type pump) | Flow | Well Status (Prod. or Shut-in) | Prod  |                        |            |           |           |              |                   |                             |                 |     |
| Date of Test                                              | 12/13/90       | Hours Tested                                                        | 24   | Choke Size                     | 16/64 | Prod'n For Test Period | Oil - Bbl. | 47        | Gas - MCF | 70           | Water - Bbl.      | 40 Load                     | Gas - Oil Ratio | 851 |
| Low Tubing Press.                                         | 150            | Casing Pressure                                                     | 0    | Calculated 24-Hour Rate        | 47    | Oil - Bbl.             | 47         | Gas - MCF | 70        | Water - Bbl. | 40 Load           | Oil Gravity - API - (Corr.) | 42.6            |     |
| 9. Disposition of Gas (Sold, used for fuel, vented, etc.) | Vented         |                                                                     |      |                                |       |                        |            |           |           |              | Test Witnessed By | David Mitchell              |                 |     |
| 10. List Attachments                                      | DLL-GR-CNL-CAL |                                                                     |      |                                |       |                        |            |           |           |              |                   |                             |                 |     |

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

James L. Shatzsall

Printed James L. Shatzsall

Sr. Prod. Engr

12/21/90