

RECEIVED

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APR 23 2012

FORM APPROVED  
OMB No. 1004-0137  
Expires July 31, 2010WELL COMPLETION OR RECOMPLETION REPORT AND LOG  
Farmington Field Office  
Bureau of Land Management

SF-078198

|                                                                                                                                                                                                                                                                                                           |  |                                                                                                                                                                                                                                      |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 1a. Type of Well<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other                                                                                                                                            |  | 6. If Indian, Allottee or Tribe Name                                                                                                                                                                                                 |  |
| b. Type of Completion<br><input type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resv.                                                                                                     |  | 7. Unit or CA Agreement Name and No                                                                                                                                                                                                  |  |
| Other: _____                                                                                                                                                                                                                                                                                              |  | 8. Lease Name and Well No<br><b>NYE SRC 14N</b>                                                                                                                                                                                      |  |
| 2. Name of Operator                                                                                                                                                                                                                                                                                       |  | 9. API Well No<br><b>30-045-35154</b>                                                                                                                                                                                                |  |
| 3. Address<br><b>PO Box 4289, Farmington, NM 87499</b>                                                                                                                                                                                                                                                    |  | 3a. Phone No. (include area code)<br><b>(505) 326-9700</b>                                                                                                                                                                           |  |
| 4. Location of Well (Report location clearly and in accordance with Federal requirements)*<br><br>At surface <b>B(NWNE) 1075' FNL &amp; 1494' FEL</b><br><br>At top prod. Interval reported below <b>H (SENE) 2053' FNL &amp; 747' FEL</b><br><br>At total depth <b>H (SENE) 2053' FNL &amp; 747' FEL</b> |  | 10. Field and Pool or Exploratory<br><b>BASIN DAKOTA</b><br><br>11. Sec., T., R., M., on Block and Survey or Area<br><b>Sec. 13, T30N, R11W</b><br><br>12. County or Parish<br><b>San Juan</b><br><br>13. State<br><b>New Mexico</b> |  |
| 14. Date Spudded<br><b>2/2/2012</b>                                                                                                                                                                                                                                                                       |  | 15. Date T.D. Reached<br><b>2/20/2012</b>                                                                                                                                                                                            |  |
| 16. Date Completed<br><input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod.                                                                                                                                                                                                   |  | 17. Elevations (DF, RKB, RT, GL)*<br><b>GL-5,062' / KB-6,077'</b>                                                                                                                                                                    |  |
| 18. Total Depth<br>MD <b>7,408'</b><br>TVD <b>7,205'</b>                                                                                                                                                                                                                                                  |  | 19. Plug Back T.D.<br>MD <b>7,401'</b><br>TVD <b>7,198'</b>                                                                                                                                                                          |  |
| 20. Depth Bridge Plug Set.<br>MD<br>TVD                                                                                                                                                                                                                                                                   |  | 21. Type Electric & Other Mechanical Logs Run (Submit copy of each)                                                                                                                                                                  |  |
| 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 type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit copy)                                                                                                                                                                                                     |  |                                                                                                                                                                                                                                      |  |

GR/CCL/CBL

| 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 |
| 12 1/4"                                                      | 9 5/8 H-40  | 32.3#     | 0        | 229'        | n/a                  | 76 sx/Pre-mix                | 22 bbls           | Surface     | 6 bbls        |
| 8 3/4"                                                       | 7" J-55     | 23#       | 0        | 4,764'      | 2,296'               | 712 sx/Prem Lite             | 257 bbls          | Surface     | 65 bbls       |
| 6 1/4"                                                       | 4 1/2" L-80 | 11.6#     | 0        | 7,403'      | n/a                  | 221 sx/Prem lite             | 80 bbls           | 3,150'      |               |
|                                                              |             |           |          |             |                      |                              |                   |             |               |
|                                                              |             |           |          |             |                      |                              |                   |             |               |
|                                                              |             |           |          |             |                      |                              |                   |             |               |
|                                                              |             |           |          |             |                      |                              |                   |             |               |

| 24. Tubing Record  |                |                   |      |                |                   |      |                |
|--------------------|----------------|-------------------|------|----------------|-------------------|------|----------------|
| Size               | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) |
| 2 3/8", 4.7#, L-80 | 7,298'         | n/a               |      |                |                   |      |                |

| 25. Producing Intervals |        |        |  | 26. Perforation Record |      |           |              |
|-------------------------|--------|--------|--|------------------------|------|-----------|--------------|
| Formation               | Top    | Bottom |  | Perforated Interval    | Size | No. Holes | Perf. Status |
| A) Basin Dakota         |        |        |  |                        |      |           |              |
| B)                      | 7,179' | 7,296' |  | 1 SPF                  | .34" | 24        | Open         |
| C)                      | 7,314' | 7,386' |  | 2 SPF                  | .34" | 28        | Open         |
| D) Total Holes          |        |        |  |                        |      | 52        |              |

| 27. Acid, Fracture, Treatment, Cement Squeeze, etc |                                                                                                                      |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Depth Interval                                     | Amount and Type of Material                                                                                          |
| 7,179' - 7,386'                                    | Acidize w/ 10 bbls 15% HCL Acid. Frac w/ 34,986 gal 85Q N2 slickwater w/ 24,764# 20/40 Brady sand. N2: 4,767,300scf. |
|                                                    |                                                                                                                      |
|                                                    |                                                                                                                      |

| 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 |
| 4/4/12 GRS                  | 4/4/2012             | 1              | →               | 0       | 43mcf/h   | trace     |                       |             | FLOWING           |
| Choke Size                  | Tbg. Press. Flwg. SI | Csg. Press. SI | 24 Hr. Rate     | Oil BBL | Gas MCF   | Water BBL | Gas/Oil Ratio         | Well Status |                   |
| 1/2"                        | 791psi               | 752psi         | →               | 0       | 1037mcf/d | 5 bwpd    |                       | SI          | DIST. 3           |

| 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. SI | 24 Hr. Rate     | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio         | Well Status |                   |
|                              |                      |                | →               |         |         |           |                       |             |                   |

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

NMOC

FARMINGTON FIELD OFFICE

APR 25 2012

ACCEPTED FOR RECORD

## 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 (Solid, used for fuel, vented, etc.)

## TO BE SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem test, 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 |
| Ojo Alamo           | 1242 | 1385   | White, cr-gr ss                                                                              | Ojo Alamo           | 1242       |
| Kirtland            | 1358 | 2334   | Gry sh interbedded w/tight, gry, fine-gr ss                                                  | Kirtland            | 1358       |
| Fruitland           | 2334 | 2669   | Dk gry-gry carb sh, coal, grn silts, light-med gry, tight, fine gr ss                        | Fruitland           | 2334       |
| Pictured Cliffs     | 2669 | 2947   | Bn-Gry, fine grn, light ss.                                                                  | Pictured Cliffs     | 2669       |
| Lewis               | 2947 | 3492   | Shale w/ siltstone stringers                                                                 | Lewis               | 2947       |
| Huerfanto Bentonite | 3492 | 3542   | White, waxy chalky bentonite                                                                 | Huerfanto Bentonite | 3492       |
| Chacra              | 3542 | 4323   | Gry fn grn silty, glauconitic sd stone w/ drk gry shale                                      | Chacra              | 3542       |
| Mesa Verde          | 4323 | 4574   | Light gry, med-fine gr ss, carb sh & coal                                                    | Mesa Verde          | 4323       |
| Menefee             | 4574 | 5078   | Med-dark gry, fine gr ss, carb sh & coal                                                     | Menefee             | 4574       |
| Point Lookout       | 5078 | 5536   | Med-light gry, very fine gr ss w/ frequent sh breaks in lower part of formation              | Point Lookout       | 5078       |
| Mancos              | 5536 | 6306   | Dark gry carb sh                                                                             | Mancos              | 5536       |
| Gallup              | 6306 | 7066   | Lt gry to brn calc carb micac glauc silts & very fine gry gry ss w/ irreg interbed sh        | Gallup              | 6306       |
| Greenhorn           | 7066 | 7123   | Highly calc gry sh w/ thin lmst                                                              | Greenhorn           | 7066       |
| Graneros            | 7123 | 7177   | Dk gry shale, fossil & carb w/ pyrite incl.                                                  | Graneros            | 7123       |
| Dakota              | 7177 | 7408   | Lt to dark gry foss carb sl calc sl sitty ss w/ pyrite incl thin sh bands cly Y shale breaks | Dakota              | 7177       |
| Morrison            |      |        | interbed grn, brn & red waxy sh & fine to coard grn ss                                       | Morrison            | 0          |

32. Additional remarks (include plugging procedure):

This is a Blanco Mesa Verde/Basin Dakota being commingled by DHC Order # 3465AZ.

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)

DENISE JOURNEY

Title

REGULATORY TECHNICIAN

Signature

Date

4/23/12

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