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MAY 07 2013

Farmington Field Office
Bureau of Land Management

Form 3160-4
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. NMNM113426

1a. Type of Well ☐ Oil Well ☐ Gas Well ☐ Dry ☒ Other: INJ
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

2. Name of Operator: HPOC,LLC
Contact: BUTCH BUTLER
E-Mail: bbutler@highplainsop.com

8. Lease Name and Well No.: OJO ENCINO 31 FEDERAL SWD 1

3. Address: P.O. BOX 5046, BUENA VISTA, CO 81211

3a. Phone No. (include area code): Ph: 719-395-8059

9. API Well No.: 30-031-21112-00-S1

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface: Sec 31 T20N R5W Mer NMP NWNE 340FNL 2300FEL 35.926480 N Lat, 107.405320 W Lon
At top prod interval reported below
At total depth

10. Field and Pool, or Exploratory: UNKNOWN WILDCAT

11. Sec., T., R., M., or Block and Survey or Area: Sec 31 T20N R5W Mer NMP

12. County or Parish: MCKINLEY

13. State: NM

14. Date Spudded: 09/19/2012

15. Date T.D. Reached: 09/27/2012

16. Date Completed: ☐ D & A ☐ Ready to Prod. 02/14/2013

17. Elevations (DF, KB, RT, GL)*: 6731 KB

18. Total Depth: MD 6023 TVD

19. Plug Back T.D.: MD 5979 TVD

20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
TRIPLECOMBOTO32 RESISTO2418' GRTO200'

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☒ No ☐ 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 Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	9.625 J-55	36.0	0	394		150	37	0	13
8.750	7.000 J-55	23.0	0	6023		494	209	2244	

RCVD MAY 9 '13
OIL CONS. DIV.
DIST. 3

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
4.500	5762	5765						

25. Producing Intervals / 26. Perforation Record

	Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A)	ENTRADA			5810 TO 5850	0.430	240	ALL SHOTS FIRED
B)				5854 TO 5954	0.400	500	ALL SHOTS FIRED
C)							
D)							

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

Depth Interval	Amount and Type of Material

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
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

ACCEPTED FOR RECORD

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
			→						MAY 07 2013

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					FARMINGTON FIELD OFFICE BY TL Salyers

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #206206 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCD

Non-well DOD # 2837067 For Reporting Sale of Skim Oil

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.)*
UNKNOWN

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
ENTRADA	5808	5954	FINE TO VERY FINE QUARTZ SAND	CLIFF HOUSE	652
				POINT LOOKOUT	2540
				MANCOS	2670
				DAKOTA	4726
				MORRISON	4912
				TODILTO	5730
				ENTRADA	5808
				CHINLE	5954

32. Additional remarks (include plugging procedure):
This well was drilled as a disposal well in the Entrada formation, intended to handle produced water from HPOC's Ojo Encino Field - Entrada Pool.

On 12/18/2012, HPOC received a message from Brandon Powell of NM OCD stating that the OCD geologist had reviewed the log tops provided by HPOC and their geologist verified these tops. OCD has reviewed the bond log and HPOC does not need to do any remedial work in the well.

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 #206206 Verified by the BLM Well Information System.
For HPOC,LLC, sent to the Farmington
Committed to AFMSS for processing by TROY SALYERS on 05/07/2013 (13TLS0197SE)

Name *(please print)* BUTCH BUTLER Title MANAGER

Signature (Electronic Submission) Date 05/05/2013

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 fradulent statements or representations as to any matter within its jurisdiction.

**** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ****

Additional data for transaction #206206 that would not fit on the form

32. Additional remarks, continued

On 12/19/2012, received email from BLM engineer Troy Salyers stating that based on the bond log and top of cement, no remediation work was required prior to completing this well. ✓

HPOC

Ojo Encino 31 Federal SWD #1 Wellbore Diagram

Unit B (NW/NE) Section 31 T20N-R5W, McKinley County, NM
NM|NM 113426
API #: 30-031-21112

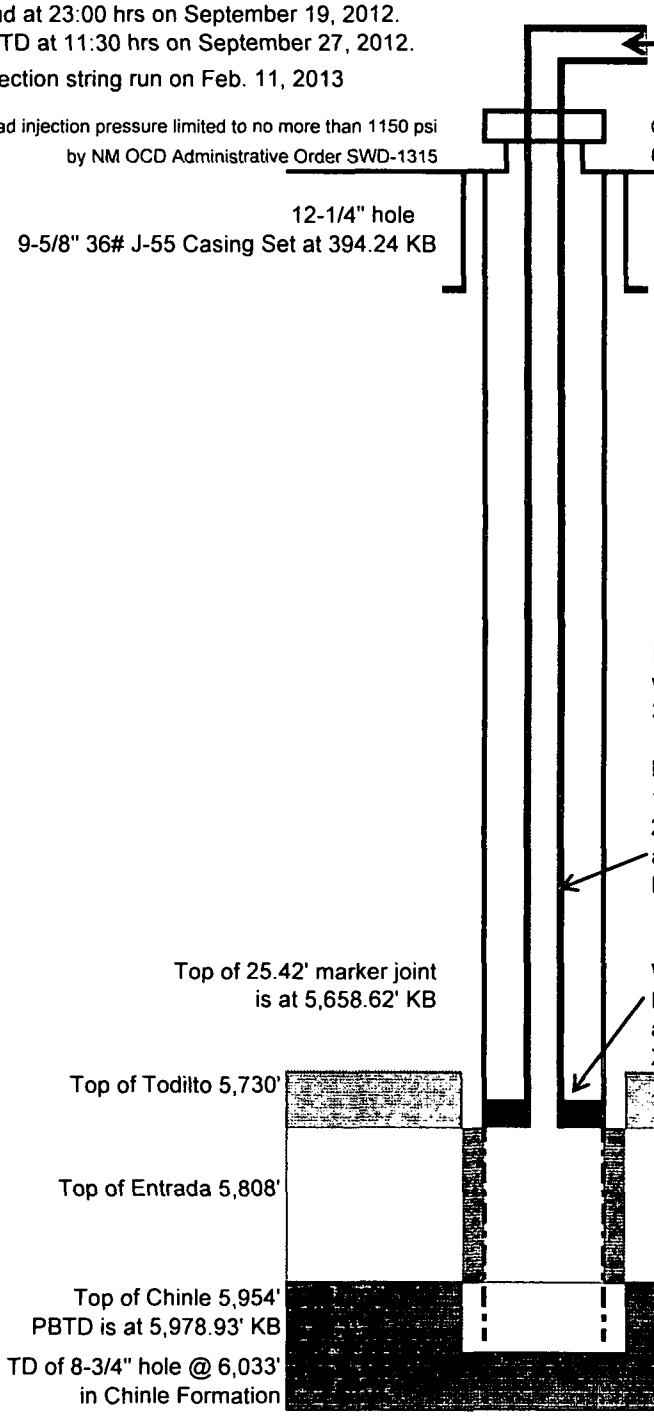
Well spud at 23:00 hrs on September 19, 2012.
Reached TD at 11:30 hrs on September 27, 2012.
Injection string run on Feb. 11, 2013

Inject produced Entrada water from Ojo Encino Field

Wellhead injection pressure limited to no more than 1150 psi by NM OCD Administrative Order SWD-1315

Casing Head-9-5/8" x 11"(C-22)
6719' GL & Top of casinghead flange, 6731' KB
All depths relative to KB

12-1/4" hole
9-5/8" 36# J-55 Casing Set at 394.24 KB



Injection string 4-1/2", 11.60#, J-55, R-3 New API LTC Casing with Premium Ent 1505 Internal Plastic Coating. RIH with 7" X 4-3/4" threaded latch seal bore assembly, 1 jt of 4-1/2" IPC csg, 4-1/2" x 3.828" QN Profile Nipple (top @5717"), 134 jts of 4-1/2" IPC csg, 1 ea 8', 1 ea 4', 4-1/2" IPC csg subs and 1 full jt of 4-1/2" IPC csg. Total string has 136 jts of 4-1/2", 11.6#, IPC csg & 2 ea 4-1/2" csg subs. Spaced out & engaged Pack-off assembly with PBR (20 right hand turns to disengage). Landed Injection string with 38K on mandrel, 24K on Pack-off.

Top of 25.42' marker joint is at 5,658.62' KB

Weatherford 7" X 4-1/2", nickel coated packer with Polished Bore Receptacle (PBR). Set packer at 5762' KB, center element at 5765'. Below packer, XO to 4-1/2" LTC, 5' 4-1/2" pup jt, 4-1/2" X 3.77" QN Profile (top @ 5772'), 4-1/2" wireline re-entry guide.

Top of Todilto 5,730'

Top of Entrada 5,808'

Perf 12/27/12 5810' to 5850', 3-1/8" wireline conveyed guns, 6 SPF, 0.43" EHD, 21.5 gram charge size, EPD 37".
Perf 12/20/20 5854' to 5954', 4-1/2" tubing conveyed guns, 5 SPF, 0.4" EHD, 39 gram charge size, EPD 64".

Top of Chinle 5,954'
PBTD is at 5,978.93' KB

TD of 8-3/4" hole @ 6,033' in Chinle Formation

7" 23# J-55 Casing set at 6,023.5' KB