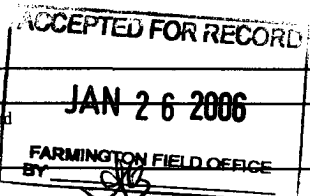


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other						5. Lease Serial No. NMSF 078200			
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. Other						6. If Indian, Allottee or Tribe Name			
2. Name of Operator Energex Resources Corporation						7. Unit or CA Agreement Name and No.			
3. Address 2198 Bloomfield Highway, Farmington, NM 87401						8. Lease Name and Well No. Florence AD #7S			
3a. Phone No. (include area code) 505.325.6800						9. API Well No. 30-045-32679			
4. Location of Well (Report location clearly and in accordance with Federal requirements) At surface 1650' FSL, 1050' FEL NE/SE At top prod. interval reported below At total depth						10. Field and Pool, or Exploratory Basin Fruitland Coal			
11. Sec., T., R., M., or Block and Survey or Area I-Sec. 24, T30N, R10W NMEM						12. County or Parish San Juan			
13. State NM						17. Elevations (DF, RKB, RT, GL)* 6290' GL			
14. Date Spudded 12/03/05		15. Date T.D. Reached 12/08/05		16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 01/13/06					
18. Total Depth: MD TVD 3118'		19. Plug Back T.D.: MD TVD 3072'		20. Depth Bridge Plug Set: MD TVD					
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) GR-SP-Density						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
12.25"	8.625"	24#		333'		425 sks.			502 cu.ft.- circ.
7.875"	5.50"	15.5#		3118'		510 sks.			1123 cu.ft.-circ.
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"	2898'								
25. Producing Intervals					26. Perforation Record				
Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status			
A) Fruitland Coal	2710'	2905'		0.43	124	4 JSPF			
B)									
C)									
D)									
27. Acid, Fracture, Treatment, Cement Squeeze, Etc.									
Depth Interval		Amount and Type of Material							
2710' - 2905'		256,948 gals 70Q slickwater foam & 150,000# 40/70 sand & 185,000# 20/40 sand							
28. Production - Interval A									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
	01/13/06	2	→						flowing
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. 340	24 Hr. →	Oil BBL	Gas MCF 100	Water BBL	Gas: Oil Ratio	Well Status	
28a. Production-Interval B									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. →	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	



28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. →	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	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. →	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

29. Disposition of Gas (*Sold, 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 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
				Nacimiento	
				Ojo Alamo	1609'
				Kirtland	1820'
				Fruitland	2508'
				Fruitland Coal	2639'
				Fruitland Coal Base	2906'
				Pictured Cliffs	2912'
				Lewis	
				Chacra	
				Cliffhouse	
				Point Lookout	
				Mancos	
				Gallup	

32. Additional remarks (include plugging procedure):

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) Vicki DonagheyTitle Regulatory AnalystSignature Vicki DonagheyDate 01/16/06

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.