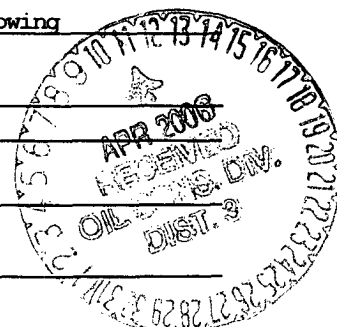


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

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. NMSE 080917			
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				3a. Phone No. (include area code) 505.325.6800		8. Lease Name and Well No. Hart Canyon 5 #1S			
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface 1190' FNL, 1240' FWL SW/NW At top prod. interval reported below At total depth						9. API Well No. 30-045-33521			
14. Date Spudded 02/27/06						10. Field and Pool, or Exploratory Basin Fruitland Coal			
15. Date T.D. Reached 03/04/06						11. Sec., T., R., M., or Block and Survey or Area E - Sec.05, T30N, R10W NM			
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 04/10/06						12. County or Parish San Juan			
17. Elevations (DF, RKB, RT, GL)* 6166' GL						13. State NM			
18. Total Depth: MD TVD 3029'		19. Plug Back T.D.: MD TVD 2989'		20. Depth Bridge Plug Set: MD TVD					
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) Triple Litho Density - CNL - Induction						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 Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.25	8.625	24		318'		225 sks			265 cu.ft. - circ.
7.875	5.50	15.5		3025'		470 sks			1409 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	2745'								
25. Producing Intervals									
Formation	Top	Bottom	Perforated Interval		Size	No. Holes	Perf. Status		
A) Lower Fruitland Coal	2695'	2761'			0.43	60	6 JSPP		
B)									
C) Upper Fruitland Coal	2586'	2639'			0.43	72	4 JSPP		
D)									
26. Perforation Record									
27. Acid, Fracture, Treatment, Cement Squeeze, Etc.									
Depth Interval		Amount and Type of Material							
2695' - 2761'		54,792 gals 70Q slickwater foam & 5,000# 40/70 sand & 45,000# 20/40 sand							
2586' - 2639'		73,063 gals 70Q slickwater foam & 5,000# 40/70 sand & 80,000# 20/40 sand							
		before frac, test casing to 4000 psi - ok							
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
	04/10/06	2	→						flowing
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr.	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	
	185	200	→		720				
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	
			→						

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



28a. 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	surface
				Ojo Alamo	1355'
				Kirtland	1560'
				Fruitland	2457'
				Fruitland Coal	2584'
				Fruitland Coal Base	2808'
				Pictured Cliffs	2809'

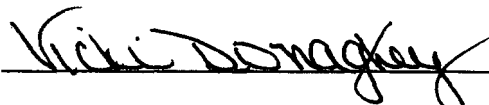
32. Additional remarks (include plugging procedure):

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 Donaghey Title Regulatory Analyst

Signature  Date 04/11/06

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.