SIGNED

## UNITED STATES DEPARTMENT OF THE INTERIOR

SUBMIT IN DUPLICATE\* FORM APPROVED (See other in- OMB NO. 1004-0137

structions on reverse side)

Expires: February 28, 1995

LEASE DESIGNATION AND SERIAL NO.

|   | BU   | REAU O   | <u>F LAN</u>                            | <u>D MANA</u>  | <u>GEMENT</u>  |   |                               |   | NMNM99733  | (S. VAR SON  |
|---|--|--|---|--|--|---|-------------------------------|---|--|--|
| WELL C  | OMPLE  | TION C   | R RE                                    | COMP   | LETION   | REPORT  | AND LO                        | G*  | 6. IPANDIAN, ALLOTTE   | E OR TRIBE NAME  |
| 1a. TYPE OF WORK  | ζ  |  |   |  |  |   | •                             |   | 7. UNIT AGREEMENT N  | AME  |
|   |  | OIL  |   | GAS<br>WELL  | X DRY  | Othe  | - RECEI                       | IVED_   |  |  |
| 1b. TYPE OF WELL  | ,  |  |   |  | _  | 070   | FARMIN                        | IOTO  | C Alka   | Sept. 1  |
|   |  |  |   | _  |  |   | A Palaceti                    | 13101   | 8. FARM OR LEASE NAM   | ME, WELL NO. 7 / / OF C  |
| NEW X   | WORK<br>OVER   | DEEPEN   | 7                                       | PLUG<br>BACK   | DIFF<br>RESVR.   | Other   | -                             |   | FEDERAL 21-6   | 3-34 #4  |
| WELL  |  | <u>.                                    </u>           |   | BACK   | KESVK.   |   |                               |   | 9. API WELL NO.  |  |
|   |  | o/o Ni   | ika Enc                                 | ray Onci   | rotina IIC   |   |                               | ,   | 30-043-21027   |  |
| SG INTERES.  ADDRESS AND TELE   |  | C/O IVI  | Ka Elle                                 | irgy Oper  | rating, LLC  | <del></del>   |                               |   | 10. FIELD AND POOL OR  | WILDCAT  |
|   |  | 00 04  | 200                                     | (076   | N 050 070  | 4   |                               |   | Basin Fruitland  |  |
| PO Box 2677,  |  |  |   |  | <u>)) 259-270:</u>   | <u> </u>  |                               |   |  |  |
| LOCATION OF WELL  | (Report locations  | clearly and in ac                                      | cordance wi                             | th any State requ  | irements.*)  |   |                               |   | II. SEC., T., R., M., OR BI<br>OR AREA   | LOCK AND SURVEY  |
| At Surface  | בו הפפים   | EI MES   | El Coc                                  | 24 T21A  | I DEW  |   |                               |   | OK AKLA  |  |
| Unit I: 1580' F   | SL, 900 F  | EL (NES  | E) Sec                                  | : 34-1211\   | 1-KOVV   |   |                               |   |  | 20144  |
| t top prod. Interval report   | ted below  |  |   | *  |  |   |                               |   | Sec 34-T21N-F  | (DVV   |
|   |  |  |   |  |  |   |                               |   |  |  |
| at total depth  |  |  |   | 14. PERMIT NO  | Э.   | DATE ISSU   | ED                            |   | 12. COUNTY OR PARISH   | 13. STATE  |
| Same  |  |  | ļ                                       | 1  |  | 6/22/0  | 6                             |   | Sandoval   | NM .   |
|   | 16. DATE T.D. RE   | ACHED  | 17. DA                                  | TE COMPL. (Re:   | ady to prod.)  | 18. ELEVATION   |                               | GR, ETC.)                                     |  | 19. ELEV. CASINGHEAD   |
|   | 6/28/06  |  | 8/8/                                    |  |  | 6800' (   |                               | ,,  |  |  |
| 0. TOTAL DEPTH, MD  |  | 21. PLUG, BAG  |   |  | 22. IF MULTIP  |   | 23. INTERVAL                  | LS ROT  | ARY TOOLS  | CABLE TOOLS  |
|   |  |  |   |  | HOW MAN  |   | DRILLED B                     |   |  |  |
| мр (  | 930' TVD   | 1 ,  | MD                                      | 873' TV  | VD   | 1   | >                             |   | 0-930'   |  |
| 4. PRODUCING INTER  |  |  |   |  |  |   |                               |   |  | 25. WAS DIRECTIONAL  |
|   |  |  | ,                                       |  | •  |   |                               |   |  | SURVEY MADE  |
| ruitland Coal   | 690'-703'  |  |   |  |  |   |                               |   |  | Yes  |
| 6. TYPE ELECTRIC AN   |  |  |   |  |  |   | <del></del>                   |   |  | 27. WAS WELL CORED   |
| GR/Density; C   |  |  | D /873                                  | 1 to Surfe   | ace  |   |                               |   |  | No.  |
| o. v.bonony, O  |  | . J  | 2 (3/3                                  | •  |  |   |                               |   |  |  |
| 3.  |  |  |   |  |  | RD (Report all strir  |                               |   |  | · · · · · · · · · · · · · · · · · · ·  |
| CASING SIZE/O   | GRADE  | WEIGHT,  | LB./FT.                                 |  | SET (MD)   | HOLE SIZE   |                               |   | EMENTING RECORD  | AMOUNT PULLED  |
| 8- <i>5/8" J-55</i>   |  | 24#  |   |  |  | 12-1/4"   |                               |   | B/cem to surf  |  |
| 4-1/2" J-55   |  | 10.5#  | <u> </u>                                | 912  | 2' KB  | 7-7/8"  | 200 sx;                       | circ 15                                       | B/cem to surf  | I  |
|   |  |  |   |  |  |   | Ĭ                             |   |  |  |
|   |  |  |   |  |  | i   | 1                             |   |  |  |
|   |  |  |   |  |  |   | 1                             |   |  | <del></del>  |
|   |  | LIN  | ER RECO                                 |  | O A CIVIO CEL APRIZ  | ca Lagrery (4D)   | 30.                           |   | TUBING RECORD  | 7  |
|   | 700.4  | - T  |   | M(MD) I  |  | * SCREEN (MD)   | SIZE                          |   | DEPTH SET (MD)   |  |
| 9.<br>SIZE  | TOP (M   | 1D)  | вотто                                   | ····(····2)  | SACKS CEMENT   |   |                               | +   | LONG TEN   | PACKER SET (MD)  |
|   | TOP (M   | 1D)  | BOLIO                                   |  | SACKS CEMENT   |   | 2-3/8"                        | +   | ';SN @ 750'  | PACKER SET (MD)  |
| SIZE  |  |  |   |  | SACKS CEMENT   |   |                               | +   | ';SN @ 750'  | PACKER SET (MD)  |
| SIZE  I. PERFORATION REC  |  |  | er)                                     |  |  | 32.   | 2-3/8"<br>ACID, SHO           | 785<br>T, FRAC                                | TURE, CEMENT SQUI  | EEZE, ETC.   |
| SIZE  I. PERFORATION REC  |  |  | er)                                     | SIZE   | NUMBER   |   | 2-3/8"<br>ACID, SHO           | 785<br>T, FRAC                                |  | EEZE, ETC.   |
| SIZE  I. PERFORATION REC  NTERVAL  lew Perfs:   | CORD (Interval,  | size and number  | er)                                     | SIZE   | NUMBER   | 32.<br>DEPTH INTI   | 2-3/8"<br>ACID, SHO           | 785   | TURE, CEMENT SQUI  | EEZE, ETC.<br>MATERIAL USED  |
| SIZE  PERFORATION REC NTERVAL lew Perfs:  | CORD (Interval,  | size and number  | er)                                     | SIZE   |  | 32.   | 2-3/8"<br>ACID, SHO           | 785   | TURE, CEMENT SQUI  | EEZE, ETC.   |
| SIZE  I. PERFORATION REC  NTERVAL  Iew Perfs:   | CORD (Interval,  | size and number  | er)                                     | SIZE   | NUMBER   | 32.<br>DEPTH INTI   | 2-3/8"<br>ACID, SHO           | 785<br>T, FRAC                                | FURE, CEMENT SQUI<br>MOUNT AND KIND OF N<br>al acid; Pumped 25,  | EEZE, ETC.<br>MATERIAL USED  |
| SIZE  PERFORATION REC NTERVAL ew Perfs:   | CORD (Interval,  | size and number  | er)                                     | SIZE   | NUMBER<br>' csg gun  | 32.<br>DEPTH INTI   | 2-3/8"<br>ACID, SHO           | 785<br>T, FRAC<br>1000 g<br>+476 g            | FURE, CEMENT SQUI<br>MOUNT AND KIND OF N<br>al acid; Pumped 25,  | EEZE, ETC. MATERIAL USED  355 gal SilverStim LT  525 sx 20/40 Brady Sand   |
| SIZE  1. PERFORATION REC NTERVAL New Perfs:   | CORD (Interval,  | size and number  | er)                                     | SIZE<br>3-1/8"   | NUMBER<br>' csg gun  | 32.<br>DEPTH INTI   | 2-3/8"<br>ACID, SHO           | 785<br>T, FRAC<br>1000 g<br>+476 g            | TURE, CEMENT SQUI<br>MOUNT AND KIND OF N<br>al acid; Pumped 25,<br>al Linear Gel Flush;  | EEZE, ETC. MATERIAL USED  355 gal SilverStim LT  525 sx 20/40 Brady Sand   |
| SIZE  I. PERFORATION REC NTERVAL lew Perfs: 690'-703' (13')   | CORD (Interval,  | size and number  | r)                                      | SIZE<br>3-1/8"<br>Total 52   | NUMBER<br>' csg gun<br>holes   | 32.<br>DEPTH INTI   | 2-3/8"<br>ACID, SHO           | 785<br>T, FRAC<br>1000 g<br>+476 g            | TURE, CEMENT SQUI<br>MOUNT AND KIND OF N<br>al acid; Pumped 25,<br>al Linear Gel Flush;  | EEZE, ETC. MATERIAL USED  355 gal SilverStim LT  525 sx 20/40 Brady Sand   |
| SIZE  I. PERFORATION REC NTERVAL lew Perfs: S90'-703' (13')   | CORD (Interval,  | size and number  | :r)                                     | SIZE  3-1/8"  Total 52   | NUMBER ' csg gun holes   | 32.<br>DEPTH INTI<br>690'-703'                                    | 2-3/8"<br>ACID, SHO           | 785<br>T, FRAC<br>1000 g<br>+476 g            | TURE, CEMENT SQUI<br>MOUNT AND KIND OF N<br>al acid; Pumped 25,<br>al Linear Gel Flush;<br>BH concentration of                                       | EEZE, ETC.  MATERIAL USED  355 gal SilverStim LT  525 sx 20/40 Brady Sand  5.3#/gal  |
| I. PERFORATION REC<br>NTERVAL<br>lew Perfs:<br>890'-703' (13')  | CORD (Interval,  | size and number  | :r)                                     | SIZE  3-1/8"  Total 52   | NUMBER<br>' csg gun<br>holes   | 32.<br>DEPTH INTI<br>690'-703'                                    | 2-3/8"<br>ACID, SHO           | 785<br>T, FRAC<br>1000 g<br>+476 g            | TURE, CEMENT SQUI<br>MOUNT AND KIND OF M<br>al acid; Pumped 25,<br>al Linear Gel Flush;<br>BH concentration of<br>WELL STAT                          | EEZE, ETC. MATERIAL USED  355 gal SilverStim LT  525 sx 20/40 Brady Sand  5.3#/gal   |
| SIZE  I. PERFORATION REC NTERVAL lew Perfs: S90'-703' (13')  3.* ATE FIRST PRODUCTION   | CORD (Interval,  | size and number  | r)<br>I<br>N METHOD                     | SIZE  3-1/8"  Total 52  PRODUCTIO  (Flowing, gas lii                                       | NUMBER ' csg gun holes ON ft, pumping-size ar                              | 32.  DEPTH INTI  690'-703'  | 2-3/8" ACID, SHO ERVAL (MD)   | 785<br>T, FRAC<br>1000 g<br>+476 g            | TURE, CEMENT SQUI<br>MOUNT AND KIND OF M<br>al acid; Pumped 25,<br>al Linear Gel Flush;<br>BH concentration of<br>WELL STAT<br>Shut in               | EEZE, ETC. MATERIAL USED  355 gal SilverStim LT  525 sx 20/40 Brady Sand  5.3#/gal  TUS (Producing or shut-in)                             |
| SIZE  DEPERFORATION RECONTERVAL  SERVICE PERFORMAN  SERVICE PROPERTY (13')  SERVICE PROPERTY | CORD (Interval,  | size and number  | :r)                                     | SIZE  3-1/8"  Total 52  PRODUCTIO  (Flowing, gas lift                                      | NUMBER ' csg gun holes  DN ft, pumpingsize ar                              | 32.<br>DEPTH INTI<br>690'-703'                                    | 2-3/8"<br>ACID, SHO           | 785<br>T, FRAC<br>1000 g<br>+476 g            | TURE, CEMENT SQUI<br>MOUNT AND KIND OF M<br>al acid; Pumped 25,<br>al Linear Gel Flush;<br>BH concentration of<br>WELL STAT                          | EEZE, ETC. MATERIAL USED  355 gal SilverStim LT  525 sx 20/40 Brady Sand  5.3#/gal   |
| SIZE  1. PERFORATION REC NTERVAL New Perfs: 690'-703' (13') 3.* ATE FIRST PRODUCTION  | CORD (Interval,  | size and number  | r)<br>I<br>N METHOD                     | SIZE  3-1/8"  Total 52  PRODUCTIO  (Flowing, gas lift                                      | NUMBER ' csg gun holes ON ft, pumping-size ar                              | 32.  DEPTH INTI  690'-703'  | 2-3/8" ACID, SHO ERVAL (MD)   | 785<br>T, FRAC<br>1000 g<br>+476 g            | TURE, CEMENT SQUI<br>MOUNT AND KIND OF M<br>al acid; Pumped 25,<br>al Linear Gel Flush;<br>BH concentration of<br>WELL STAT<br>Shut in               | EEZE, ETC. MATERIAL USED  355 gal SilverStim LT  525 sx 20/40 Brady Sand  5.3#/gal  TUS (Producing or shut-in)                             |
| SIZE  I. PERFORATION RECONTERVAL New Perfs: 690'-703' (13')  3.* ATE FIRST PRODUCTION ATE OF TEST   | CORD (Interval,  | production   | N METHOD                                | SIZE  3-1/8"  Total 52  PRODUCTIO  (Flowing, gas lift  E SIZE PR                           | NUMBER Cosg gun holes N ft, pumpingsize ar ROD'N. FOR EST PERIOD           | 32.  DEPTH INTI  690'-703'  and type of pump)  OIL-BBLS.          | ACID, SHO ERVAL (MD)  GASMCF. | 785<br>T, FRAC<br>1000 g.<br>+476 g.<br>w/max | TURE, CEMENT SQUI<br>MOUNT AND KIND OF M<br>al acid; Pumped 25,<br>al Linear Gel Flush;<br>BH concentration of<br>WELL STAT<br>Shut in<br>WATER-BBL. | EEZE, ETC. MATERIAL USED  355 gal SilverStim LT  525 sx 20/40 Brady Sand  5.3#/gal  FUS (Producing or shut-in)  WO Pipeline  GAS-OIL RATIO |
| I. PERFORATION RECONTERVAL. New Perfs: 690'-703' (13') 3.* ATE FIRST PRODUCTION   | CORD (Interval,  | size and number  | N METHOD  CHOKE                         | SIZE  3-1/8"  Total 52  PRODUCTIO  O (Flowing, gas lift  E SIZE PR  TE                     | NUMBER ' csg gun holes  DN ft, pumpingsize ar                              | 32.  DEPTH INTI  690'-703'  | ACID, SHO ERVAL (MD)  GASMCF. | 785<br>T, FRAC<br>1000 g<br>+476 g            | TURE, CEMENT SQUI<br>MOUNT AND KIND OF M<br>al acid; Pumped 25,<br>al Linear Gel Flush;<br>BH concentration of<br>WELL STAT<br>Shut in<br>WATER-BBL. | EEZE, ETC. MATERIAL USED  355 gal SilverStim LT  525 sx 20/40 Brady Sand  5.3#/gal  TUS (Producing or shut-in)                             |
| I. PERFORATION RECONTERVAL. New Perfs: 690'-703' (13') 3.* ATE FIRST PRODUCTION   | CORD (Interval,  | production   | N METHOD  CHOKE                         | SIZE  3-1/8"  Total 52  PRODUCTIO  (Flowing, gas lift  E SIZE PR                           | NUMBER Cosg gun holes N ft, pumpingsize ar ROD'N. FOR EST PERIOD           | 32.  DEPTH INTI  690'-703'  and type of pump)  OIL-BBLS.          | ACID, SHO ERVAL (MD)  GASMCF. | 785<br>T, FRAC<br>1000 g.<br>+476 g.<br>w/max | TURE, CEMENT SQUI<br>MOUNT AND KIND OF M<br>al acid; Pumped 25,<br>al Linear Gel Flush;<br>BH concentration of<br>WELL STAT<br>Shut in<br>WATER-BBL. | EEZE, ETC. MATERIAL USED  355 gal SilverStim LT  525 sx 20/40 Brady Sand  5.3#/gal  FUS (Producing or shut-in)  WO Pipeline  GAS-OIL RATIO |
| i. PERFORATION REC<br>NTERVAL<br>New Perfs:<br>690'-703' (13')<br>3.*<br>DATE FIRST PRODUCTION<br>DATE OF TEST  | ON HOU   | PRODUCTION RS TESTED                                   | N METHOD  CHOKE  CALCU 24-HOU           | SIZE  3-1/8"  Total 52  PRODUCTIO  O (Flowing, gas lift  E SIZE PR  TE                     | NUMBER Cosg gun holes N ft, pumpingsize ar ROD'N. FOR EST PERIOD           | 32.  DEPTH INTI  690'-703'  and type of pump)  OIL-BBLS.          | ACID, SHO ERVAL (MD)  GASMCF. | 785<br>T, FRAC<br>1000 g.<br>+476 g.<br>w/max | TURE, CEMENT SQUI MOUNT AND KIND OF M al acid; Pumped 25, al Linear Gel Flush; BH concentration of  WELL STAT  Shut in  WATER-BBL.  OIL GRAVI        | EEZE, ETC. MATERIAL USED  355 gal SilverStim LT  525 sx 20/40 Brady Sand  5.3#/gal  FUS (Producing or shut-in)  WO Pipeline  GAS-OIL RATIO |
| SIZE  1. PERFORATION RECONTERVAL New Perfs: 690'-703' (13') 3.* ATE FIRST PRODUCTION THE OF TEST  LOW. TUBING PRESS.  | ON HOU   | PRODUCTION RS TESTED  NG PRESSURE                      | N METHOD  CHOKE  CALCUL 24-HOU          | SIZE  3-1/8"  Total 52  PRODUCTIO  O (Flowing, gas lift  E SIZE PR  TE  ILATED  OR RATE    | NUMBER Cosg gun holes N ft, pumpingsize ar ROD'N. FOR EST PERIOD           | 32.  DEPTH INTI  690'-703'  and type of pump)  OIL-BBLS.          | ACID, SHO ERVAL (MD)  GASMCF. | 785<br>T, FRAC<br>1000 g.<br>+476 g.<br>w/max | TURE, CEMENT SQUI<br>MOUNT AND KIND OF M<br>al acid; Pumped 25,<br>al Linear Gel Flush;<br>BH concentration of<br>WELL STAT<br>Shut in<br>WATER-BBL. | EEZE, ETC. MATERIAL USED  355 gal SilverStim LT  525 sx 20/40 Brady Sand  5.3#/gal  FUS (Producing or shut-in)  WO Pipeline  GAS-OIL RATIO |
| SIZE  1. PERFORATION REC NTERVAL New Perfs: 690'-703' (13')  3.* DATE FIRST PRODUCTION DATE OF TEST  LOW. TUBING PRESS.  4. DISPOSITION OF GAS NIII be sold as  | ON HOU   | PRODUCTION RS TESTED  NG PRESSURE                      | N METHOD  CHOKE  CALCUL 24-HOU          | SIZE  3-1/8"  Total 52  PRODUCTIO  O (Flowing, gas lift  E SIZE PR  TE  ILATED  OR RATE    | NUMBER Cosg gun holes N ft, pumpingsize ar ROD'N. FOR EST PERIOD           | 32.  DEPTH INTI  690'-703'  and type of pump)  OIL-BBLS.          | ACID, SHO ERVAL (MD)  GASMCF. | 785<br>T, FRAC<br>1000 g.<br>+476 g.<br>w/max | TURE, CEMENT SQUI MOUNT AND KIND OF M al acid; Pumped 25, al Linear Gel Flush; BH concentration of  WELL STAT  Shut in  WATER-BBL.  OIL GRAVI        | EEZE, ETC. MATERIAL USED  355 gal SilverStim LT  525 sx 20/40 Brady Sand  5.3#/gal  FUS (Producing or shut-in)  WO Pipeline  GAS-OIL RATIO |
| SIZE  1. PERFORATION RECONTERVAL New Perfs: 690'-703' (13')  3.* ATE FIRST PRODUCTION ATE OF TEST  LOW. TUBING PRESS.   | CORD (Interval, 4 Sp.  ON  CASI  S (Sold, used for fr. SOON as C | PRODUCTION RS TESTED  NG PRESSURE  Tuel, vented, etc.) | N METHOD  CHOKE  CALCU 24-HOU  d to pip | SIZE  3-1/8"  Total 52  PRODUCTIO  (Flowing, gas lift)  E SIZE PR TE  PRATE  PRATE  Deline | NUMBER Cosg gun holes N ft, pumping-size ar ROD'N. FOR EST PERIOD OIL-BBL. | 32.  DEPTH INTI  690'-703'  and type of pump)  OIL-BBLS.  GAS-MCF | ACID, SHO ERVAL (MD)  GASMCF. | 785<br>T, FRAC<br>1000 g.<br>+476 g.<br>w/max | TURE, CEMENT SQUI MOUNT AND KIND OF M al acid; Pumped 25, al Linear Gel Flush; BH concentration of  WELL STAT Shut in WATER-BBL.  OIL GRAVE          | EEZE, ETC. MATERIAL USED  355 gal SilverStim LT  525 sx 20/40 Brady Sand  5.3#/gal  FUS (Producing or shut-in)  WO Pipeline  GAS-OIL RATIO |

\*(See Instructions and Spaces for Additional Data on Reverse Side)

TITLE Agent for SG Interests I Ltd

| POBMATION   TOP   BUTTON   DISTANTION   NAME   TOP   TOP | drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries); | ryal tested, cushion u | zones of potosity a<br>ised, time tool open | nd contents trereot; corea intervats, and all<br>, flowing and shut-in pressures, and | rederal 21-6-54 #4 38. GEOLOGIC MARKERS | MARKERS     |                     |
|--|---|------------------------|---|---|---|-------------|---------------------|
| 349 Tole tonite NDE  NDE  NAME NAME NAME NAME NAME NAME NAME NA  | FORMATION   | TOP                    | BOTTOM                                      | DESCRIPTION, CONTENTS, ETC.   |   | TOI         |                     |
| 349' 706' NDE  | Ojo Alamo   | 206'                   |   | No cores were taken; no DST's were run.   | NAME                                    | MEAS. DEPTH | TRUE<br>VERT. DEPTH |
| ntonite NDE  | Kirtland Shale  | 349'                   |   |   |   |             |                     |
| NDE  | PC Sandstone  | ,90                    |   |   |   |             |                     |
|  | Huerfanito Bentonite  | NDE                    |   |   |   |             |                     |
|  |   |                        |   |   |   |             |                     |
|  |   |                        | i<br>i<br>i<br>i                            |   |   |             |                     |
|  |   |                        |   |   |   |             |                     |
|  |   |                        |   |   |   |             |                     |
|  | •   |                        |   |   |   |             |                     |
|  |   |                        |   |   |   |             |                     |
|  |   |                        |   |   |   |             | ·.                  |
|  |   |                        |   |   |   |             |                     |
|  |   |                        |   |   |   |             |                     |
|  |   |                        |   |   |   |             |                     |
|  |   |                        |   |   |   |             |                     |
|  |   |                        |   |   |   |             |                     |
|  |   |                        |   |   |   |             |                     |
|  |   |                        |   |   |   |             |                     |