

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

| | | | |
|---|--|---|--|
| 1a. TYPE OF WORK OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____ | | 5. LEASE DESIGNATION AND SERIAL NO. NMSF 078064 | |
| 1b. TYPE OF WELL NEW WELL <input type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR. <input type="checkbox"/> Other _____ | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A | |
| 2. NAME OF OPERATOR Elm Ridge Exploration Co. LLC | | 7. UNIT AGREEMENT NAME N/A | |
| 3. ADDRESS AND TELEPHONE NO. Po Box 156 Bloomfield NM 87413 | | 8. FARM OR LEASE NAME, WELL NO. Pete Morrow 1-T | |
| 4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)* At Surface 1505' FSL X 1420' FEL At top prod. Interval reported below At total depth | | 9. API WELL NO. 30-045-32694 | |
| 14. PERMIT NO. DATE ISSUED | | 10. FIELD AND POOL OR WILDCAT Basin Fruitland Coal | |
| 15. DATE SPUNDED 02-08-06 | | 11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA J Sec. 1 - T25N - R12W | |
| 16. DATE T.D. REACHED 02-10-06 | | 12. COUNTY OR PARISH San Juan | |
| 17. DATE COMPL. (Ready to prod.) 07-07-06 | | 13. STATE NM | |
| 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 6278' GL | | 19. ELEV. CASINGHEAD | |
| 20. TOTAL DEPTH, MD & TVD 1375' MD TVD 1309 MD TVD | | 21. PLUG BACK T.D., MD & TVD 1309 MD TVD | |
| 22. IF MULTIPLE COMPL., HOW MANY* | | 23. INTERVALS DRILLED BY ROTARY TOOLS <input checked="" type="checkbox"/> CABLE TOOLS _____ | |
| 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 1174' - 1188' Basin Fruitland Coal | | | |
| 25. WAS DIRECTIONAL SURVEY MADE | | | |
| 26. TYPE ELECTRIC AND OTHER LOGS RUN | | | |
| 27. WAS WELL CORED | | | |

| 23. CASING RECORD (Report all strings set in well) | | | | | |
|--|-----------------|----------------|-----------|---------------------------------|---------------|
| CASING SIZE/GRADE | WEIGHT, LB./FT. | DEPTH SET (MD) | HOLE SIZE | TOP OF CEMENT, CEMENTING RECORD | AMOUNT PULLED |
| 8 5/8" | 24# | 141' | 12 1/4" | surface used 115 sks | 10 bbls |
| 5 1/2" | 15.5# | 1364' | 7 7/8" | production used 265 sks | 20 bbls |
| | | | | | |
| | | | | | |

| 29. LINER RECORD | | | | 30. TUBING RECORD | | | |
|------------------|----------|-------------|---------------|-------------------|--------|----------------|-----------------|
| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
| | | | | | 2 3/8" | 1181' | |
| | | | | | | | |

| 31. PERFORATION RECORD (Interval, size and number) | | | 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. | |
|--|------|--------|--|--|
| INTERVAL | SIZE | NUMBER | DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED |
| 174' - 1188' Basin Fruitland Coal | .38 | 120 | 1174' - 1188' | 64960 gals N2 70Q Delta 140 Foam Frac FL |
| | | | | 79000#s of 20/40 Brady Sand |
| | | | | Coated w/ Sandwedge |

| 33.* PRODUCTION | | | | | | | |
|---|-------------------------------|--|-----------------------------------|------------------------|-----------------------|---|----------------------|
| DATE FIRST PRODUCTION 8-4-06 | | PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) flowing | | | | L STATUS (Producing or shut in) producing | |
| DATE OF TEST 8-9-06 | HOURS TESTED 24 | CHOKE SIZE 1/4" | PROD'N. FOF TEST PERIOD | OIL—BBLs. 15 | GAS—MCF. 15 | WATER—BBL. 15 | GAS-OIL RATIO |
| FLOW. TUBING PRESS 13 PSI | CASING PRESS 13 PSI | CALCULATE 24-HOUR RATE | OIL—BBL. | GAS—MCF. 15 | WATER—BBL. | OIL GRAVITY-API (CORR) | |
| 34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold | | | | | | TEST WITNESSED BY Tim Duggan | |

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Shaula Okilly TITLE Production Assistant DATE 9/5/2006

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

Rec'd
9-5-06

| 37. SUMMARY OF POROUS ZONES: (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); | | | | 38. GEOLOGIC MARKERS | | |
|---|-----|--------|-----------------------------|----------------------|-------------|------------------|
| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS, ETC. | NAME | TOP | |
| | | | | | MEAS. DEPTH | TRUE VERT. DEPTH |
| | | | | Nacimientto | Surface | |
| | | | | Ojo Alamo | Not Logged | |
| | | | | Kirtland-Fruitland | 309' | |
| | | | | Fruitland Coal | 897' | |
| | | | | Pictured Cliffs | 1195' | |
| | | | | Lewis Shale | 1376' | |
| | | | | Huerfanito Bentonite | 1446' | |
| | | | | Cliff House | 1959' | |
| | | | | Menefee | 2624' | |
| | | | | Point Lookout | 3655' | |
| | | | | Mancos | 3860' | |
| | | | | Gallup | 4700' | |