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| Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 | | State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 | | Form C-105 Revised June 10, 2003 | |
| | | WELL API NO. 30-045-33727 | | 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> | |
| | | | | State Oil & Gas Lease No. | |
| WELL COMPLETION OR RECOMPLETION REPORT AND LOG | | | | | |
| 1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> WELL OVER BACK RESVR. <input type="checkbox"/> OTHER _____ | | | | 7. Lease Name or Unit Agreement Name Red River <div style="text-align: right; border: 1px solid black; padding: 2px;">SEP 2006</div> | |
| 2. Name of Operator McKay Oil & Gas, LLC | | | | 8. Well No. 1 | |
| 3. Address of Operator PO Box 14738 Albuquerque, NM 87191 | | | | 9. Pool name or Wildcat Basin Fruitland Coal | |
| 4. Well Location Unit Letter P : 1185 Feet From The South Line and 890 Feet From The East Line Section 2 Township 30N Range 12W NMPM San Juan County | | | | | |
| 10. Date Spudded 07-24-06 | 11. Date T.D. Reached 07-29-06 | 12. Date Compl. (Ready to Prod.) 08-26-06 | 13. Elevations (DF& RKB, RT, GR, etc.) 5719' GR | 14. Elev. Casinghead 5719' GR | |
| 15. Total Depth 2280' | 16. Plug Back T.D. 2260' | 17. If Multiple Compl. How Many Zones? _____ | 18. Intervals Drilled By _____ | Rotary Tools <input checked="" type="checkbox"/> | Cable Tools _____ |
| 19. Producing Interval(s), of this completion - Top, Bottom, Name 2031-2052 Fruitland Coal | | | | 20. Was Directional Survey Made Yes | |
| 21. Type Electric and Other Logs Run Cement Bond, Gamma Ray, Casing Collar - Reservoir Saturation | | | | 22. Was Well Cored No | |
| 23. CASING RECORD (Report all strings set in well) | | | | | |
| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
| 7" | 20# J-55 | 133' KB | 8 3/4 | 65 SX (76.7 Cu.Ft) Type 5 | |
| 4 1/2" | 10.5# J-55 | 2266 KB | 6 1/4 | 265 SX (490 Cu.Ft) Type 5 | |
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| | | | | | |
| | | | | | |
| 24. LINER RECORD | | | 25. TUBING RECORD | | |
| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | SIZE |
| | | | | | 2 3/8 |
| | | | | | 2152' |
| | | | | | |
| 26. Perforation record (interval, size, and number) 2031-2052 for a total of 84 0.38" holes | | | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED 2031-2052 1200 Bbls and 126,280# 20/40 sand | | |
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| 28. PRODUCTION | | | | | |
| Date First Production 08-26-06 | | Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing | | Well Status (Prod. or Shut-in) Shut-in | |
| Date of Test 08-26-06 | Hours Tested 24 | Choke Size None | Prod'n For Test Period _____ | Oil - Bbl 0 | Gas - MCF 185 |
| | | | | | |
| | | | | | |
| | | | | | |
| Flow Tubing Press. 25 | Casing Pressure 250 | Calculated 24-Hour Rate _____ | Oil - Bbl 0 | Gas - MCF 185 | Water - Bbl. 12 |
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| | | | | | |
| | | | | | |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.) Vented | | | | | Test Witnessed By Andy Birdsell |
| 30. List Attachments | | | | | |
| 31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief <div style="display: flex; justify-content: space-between;"> <div> Signature <i>William J. Mayhew</i> Printed Name WILLIAM J. MAYHEW E-mail Address PUGH TOWN 2 @ AOL </div> <div> Title GEN. MGR. Date 8-30-06 </div> </div> | | | | | |

8/28

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeastern New Mexico | | Northwestern New Mexico | |
|-------------------------|------------------|----------------------------|------------------|
| T. Anhy | T. Canyon | T. Ojo Alamo | T. Penn. "B" |
| T. Salt | T. Strawn | T. Kirtland-Fruitland 1710 | T. Penn. "C" |
| B. Salt | T. Atoka | T. Pictured Cliffs 2070 | T. Penn. "D" |
| T. Yates | T. Miss | T. Cliff House | T. Leadville |
| T. 7 Rivers | T. Devonian | T. Menefee | T. Madison |
| T. Queen | T. Silurian | T. Point Lookout | T. Elbert |
| T. Grayburg | T. Montoya | T. Mancos | T. McCracken |
| T. San Andres | T. Simpson | T. Gallup | T. Ignacio Otzte |
| T. Glorieta | T. McKee | Base Greenhorn | T. Granite |
| T. Paddock | T. Ellenburger | T. Dakota | T. |
| T. Blinebry | T. Gr. Wash | T. Morrison | T. |
| T. Tubb | T. Delaware Sand | T. Todilto | T. |
| T. Drinkard | T. Bone Springs | T. Entrada | T. |
| T. Abo | T. | T. Wingate | T. |
| T. Wolfcamp | T. | T. Chinle | T. |
| T. Penn | T. | T. Permian | T. |
| T. Cisco (Bough C) | T. | T. Penn "A" | T. |

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....

No. 2, from.....to.....

No. 3, from.....to.....

No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To | Thickness In Feet | Lithology |
|------|----|----------------------|-----------|
| | | | |

| From | To | Thickness In Feet | Lithology |
|------|----|----------------------|-----------|
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