Form 3 to 0-4 (April 2004) ECEIVED

UNITED STATES DEPARTMENT OF THE INTERIGNOD-HOBBS

FORM APPROVED

| 9 4 | ^ (| n said | | | | OF LAND MA | | | ,,,,,,,, | | | | | | 1004-0137 | |
|--|--|-----------------|----------------|--------------------|---|-------------|--|----------------|-----------------------|--|--|---|--|------------------------------|-----------------------|--|
| JUN 02 2010 HOBBSOCE HOB | | | | | | | | | | 1 | Expires March 31, 2007 5. Lease Serial No NM-4315 | | | | | |
| | | | | | | | | | | | | | | | Tribe Name | |
| | Type of Well X Oil Well Gas Well Dry Other Type of Completion. New Well Work Over Deepen X Plug Back Diff Resvr. Other Plug back and RC to Bone Spring | | | | | | | | | r. | If Indian, Allottee or Tribe Name Unit or CA Agreement Name and No | | | | | |
| | | | | | | | | | | | | 8 Lease Name and Well No Pipeline A 8 Federal No. 2 | | | | |
| | Address 3a Phone No. (include area code) 600 N. Marienfeld St., Ste. 600: Midland, TX 79701 432-571-7800 | | | | | | | | | | 9. | API Well No. | О. | 1 | | |
| 600 N. Marienfeld St., Ste. 600; Midland, TX 79701 432-571-7800 Location of Well (Report Location clearly and in accordance with Federal requirements)* | | | | | | | | | | 10 1 | Field and Po | ool, or Exp | | | | |
| At surface 660 FSL & 660 FEL | | | | | | | | | | 11. 3 | Quail Ridge; Bone Spring 5046 | | | | | |
| At to | At top prod. interval reported below | | | | | | | | | | | 8-19S-34E 12. County or Parish 13. State | | | | |
| At to | tal depth | | | | | | | | | | | | _ea | <u> </u> | NM / | |
| | Spudded 4.24.02 | 15 | 5. Date | T.D Reache | D Reached 16 Date Completed 1 D & A X Ready | | | | | | 10.26.09 to Prod. | | 17. Elevations (DF, RKB, RT, GL)* 3805' KB | | | |
| 18 Total | Depth | | 13700 |)' 19 Plug | g Back TD | 1 | 0045' | | 20 | Depth | Bridge F | Plug Set | 10 | 0045' | | |
| 21. Type | 21. Type Electric & Other Mechanical Logs Run (Submit copy of each) 22. Was well cored? Was DST run? | | | | | | | | | | | X No Yes (Submit analysis) X No Yes (Submit report) | | | | |
| Logs | run on init | tial comp | letion | | | | | | | Direct | tional Sur | vey | X No | Yes | (Submit copy) | |
| 23. Casın | ng and Liner I | Record (| Report | all strings s | et in well) | | | | | 0.01 | | | | | | |
| Hole Size | Hole Size Size/Grade | | Wt. (#/ft.) | | op (MD) Bottom (MD) | | Stage Cementer Depth | | | | | Slurry Vol (BBL) | · i Cemen | | nt Top* Amount Pulled | |
| 17½" | | | 48 0' 32 0' | | 448' | | | | | 80 sx CIC Lt, 200 sx CI C | | | | | 0' | |
| | 11" 85%" 7%" 5½" | | 32 17 | | 0' 4010' 0' 13712' | | | | | 1630 sx IntC, 250 sx CIC 300 sx IntH, 500 sx SupH | | | | | 550' | |
| | | | | | | | | | | · | | | | | | |
| | | | | | | | | | | | | | | | | |
| | ng Record | 0 m) In | | 2 4 A FD | r · | 0 | T Towner | (C-+ () (D) | I De et | D | ь (A Л) | T 6 | I Danish | Cat (MD) | Dealess Donth (MD) | |
| Size 21/8" | Size Depth Set 21/8" 9547 | | MD) Packer De | | | Size | | Depth Set (MD) | | Packer Depth (MD) | | Size | Deptn | Set (MD) | Packer Depth (MD) | |
| 25 Produ | ucing Interval | ls | | | | | 26 Perfo | oration Record | l | | | | | | | |
| , | Formation | | | Тор | Bottom | | | terval | | | | No. Holes | | Perf Status | | |
| N) B) | Bone Sp | ring | | 9460' | 9473' | | <u> </u> | 90' 73' | 0' 4" guns 4" guns | | | 48 | | Behind CIBP @ 10045' Open | | |
| C) | | | | | | 3,003,770 | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | Fracture, Tre Interval | eatment, Ce | ment S | squeeze, etc | | | | Amount and | Type of | Materia | al | | | | | |
| 10075- | -10090' | 1500 gal | 15% [| NeFe Bone | Spring bl | end w/ 70 b | all seale | rs | | | | | | | | |
| 9460- | 9460-9473' 1300 gal 15% NeFe Bone Spring blend w/ 60 ball sealers | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| 28 Produ | ıction - Interv | al A - | | | | | | | - | | | r | | | | |
| Date First | Test Date | Hours | | Test Production | Oil BBL | Gas MCF | Water | Oil Gravity | Corr. API | | Gravity | Production | Arr | DAL | | |
| roduced | i | | | | 4.4 | | BBL | | btu 1 1 6 5 | | | | 1711 | epte | <u>v</u> , | |
| 10.26.09 Choke | | | Press. 24 Hr. | | 14 63 Oil BBL Gas MCF | | 222 34.4 Water Gas/Oıl Ratio | | | 1.165 Fu | | Flumping | | atus | | |
| Size | 1 - | | Rate | | | | BBL Gas/Off Rank | | - | | | 1 1 | MAY | ^{atus} 5 | 2010 | |
| wo | sı 38 | | 0 | <u> </u> | | | | 4,50 | 00 | Prod | ucing | 1 1 | /s/ (| Chris | Walls | |
| | ection - Interv | | 1~ | | O.I. DDV | C YCE | IW/at-: | Oil Gravity | Town ADY | T _{Go:} C | | I BIH | | | 1 1 | |
| Date First Produced | Test Date | Hours Tested | | Production | Oil BBL | Gas MCF | Water BBL | On Gravity (| Joir. API | Gas Gr | avity | Troduction' | CARLSBA | AD FIELD | ANAGEMENT O OFFICE | |
| Choke Size | Tbg Press Flwg | Csg. F | Press. 2 | 4 Hr Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ra | tio | Well S | Status | 1/ | | PETRO | JLEUM EIKHWE | |

^{* (}See instructions and spaces for additional data on page 2)

| 28b. | Produ | action - Inter | val C | | | | | | | | | | |
|---|---|---|--|--------------------|-----------------------|--|-----------------------------|-------------------------|--|-------------------------------|--------------------|--|--|
| Date First Produced | | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method | | | |
| Choke Size | | Tbg Press Flwg SI | Csg Press | 24 Hr Rate | Oıl BBL | Gas MCF | Water BBL | Gas/O1l Ratio | Well Status | | | | |
| 28c. | Produ | iction - Inter | val D | <u> </u> | | <u>.l</u> • ·· · · · · · · · · · · · · · · · · · | | • | | | | | |
| Date First Produced | | Test Date | Hours Tested | Test Production | Oıl BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method | | | |
| Choke Size | | Tbg Press Flwg SI | Csg Press | 24 Hr Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oıl Ratıo | Well Status | | | | |
| 29. | - | Disposition of Gas (Sold, used for fuel, vented, etc.) Sold | | | | | | | | | | | |
| 30. | Summary of Porous Zones (Include Aquifers): Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, | | | | | | | | | | | | |
| | | ding depth in | | | | | | in pressures and | | | | | |
| | Forma | tion | Тор | Bottom | | Descrip | tions, Conte | ents, etc. | | Name | Top Meas. Depth | | |
| | | | ss (include pl | t a 25 sx C | lass H cmt | | | | Delaware 59 Bone Spring 78 FBSS 92 SBSS 97 TBSS 105 Wolfcamp 108 Cisco 118 Canyon 120 Strawn 121 Atoka 124 Upper Morrow 129 Middle Morrow 131 Lower Morrow 134 Mississippian 135 | | | | |
| 33. | Ele X Su | ectrical/Mec | ms have been hanical Logs for plugging | (1 full set re | q'd.) verification | □ G □ C | eologic Rep ore Analysis | oort DS | | Directional Survey | tructione)* | | |
| 34. | | | at the forego | | | ion is compl | | | | | u ucuons J* | | |
| Name (please print) Natalie Signature 1 2 at a Lie Lu | | | | | e Krueger | ^ | | | Regulatory April 18, 2010 | | | | |
| Title 18 U | S.C S | ection 1001 a | nd Title 43 U | S C Section | 1212, make it | a crime for a | ny person kn | owingly and willful | ly to make to an | y department or agency of the | United | | |

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.