

160-4
April 2004UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT, NM 88210FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other

b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr. .
Other _____

2. Name of Operator **Preston Exploration, LLC**

3. Address **1717 Woodstead Court, Suite 207
The Woodlands, Texas 77380**

3a. Phone No. (include area code)
281-367-8697

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface **2130' FNL & 1880' FWL**
At top prod. interval reported below **Same as surface**
At total depth **Same as surface**

5. Lease Serial No.
NM 13627-A

6. If Indian, Allottee or Tribe Name
N/A

7. Unit or CA Agreement Name and No.
N/A

8. Lease Name and Well No.
Palms 20 Federal Com #1

9. AFI Well No.
30-015-33582

10. Field and Pool, or Exploratory
Lake; Wolfcamp, East (Gas)

11. Sec., T., R., M., on Block and Survey or Area **Sec 20, T19S, R27E**

12. County or Parish
Eddy

13. State
NM

14. Date Spudded
09/23/2004

15. Date T.D. Reached
10/28/2004

16. Date Completed
☐ D & A ☒ Ready to Prod. **02/04/2005**

17. Elevations (DF, RKB, RT, GL)*
3370' GL

18. Total Depth: MD **10,300'**
TVD

19. Plug Back T.D.: MD **10,204'**
TVD

20. Depth Bridge Plug Set: MD **9,821'**
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Gamma Ray, Density Neutron, Laterlog, Sonic

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☒ No ☐ 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 Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17-1/2"	13-3/8 J	54.5/61	0'	500'		450 sks C		Surface	None
12-1/4"	95/8 L/N	43.5/47	0'	2602'		1050 sks C		Surface	None
8-1/2"	5-1/2 L	20#	0'	10302'		1200 sks H		6000'	None

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	7721'	7728'						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Wolfcamp	7818'	7926'	7818' - 7825'	.43	15	Open, Producing
B)			7859' - 7863'	.43	9	Open, Producing
C)			7904' - 7914'	.43	21	Open, Producing
D)			7921' - 7926'	.43	11	Open, Producing

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
7818' - 7926'	2600 gals 15% HCL Acid
9909' - 9960'	1700 gals Morrow Acid
9979' - 9981'	1000 gals Acid Job
10035' - 10039'	500 gals Clay Safe H

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
02/04/2005	02/04/2005	24	→	7	87	12	N/A	.69	Flow Up Tbg
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
16/64	SI 1750	0	→	7	87	12	12430	Flowing	

28a. Production - Interval B

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	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

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

ACCEPTED FOR RECORD

MAR 11 2005

LES BABYAK
PETROLEUM ENGINEER

Production - Interval 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 →	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 Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

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
Morrow Sand	10035	10039	Sandstone, 500 gal acid, slight show gas, zone abandoned non-economic	San Andres	1207
Morrow Sand	9951	9956	Sandstone, acidized and swabbed well.	Glorietta	2832
	9938	9943	Squeezed three times before getting a good cement job, re-perfed zone swabbed and recovered water, Chlorides 33,000-28,000 ppm, zone abandoned - wet non-commercial.	1st Bone Spring	4924
	9909	9913		2nd Bone Spring	5920
				3rd Bone Spring	7176
				Wolfcamp	7564
				Penn Shale	7971
Wolfcamp	7818	7825	Limestone; perfed and acidized with 2600 gals of 15% HCL Flowing gas and a trace of oil.	Canyon Dolomite	8150
	7859	7863		Strawn	8890
	7904	7914		Atoka	9034
	7921	7926		Atoka Clastics	9440
				Morrow	9862
				Barnett	10124

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) Lindsay Truesdell

Title Consultant

Signature

Lindsay Truesdell

Date 02/18/2005

Title 18 USC Section 1001 and Title 43 USC 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.