



OCD-ARTESIA

OCT 05 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

NOT 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						5 Lease Serial No																																																															
b Type of Completion ☐ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff Resvr. Other _____						6 If Indian, Allottee or Tribe Name																																																															
2 Name of Operator V-F Petroleum Inc.						7 Unit or CA Agreement Name and No																																																															
3 Address P.O. Box 1889, Midland, Texas 79702				3a Phone No (include area code) 432-683-3344		8 Lease Name and Well No Denali 33 Federal #2																																																															
4 Location of Well (Report location clearly and in accordance with Federal requirements)* At surface Unit E 1,580' FNL, 760' FWL Section 33, T-17-S, R-31-E At top prod interval reported below Unit E 1,580' FNL, 760' FWL Section 33, T-17-S, R-31-E At total depth Unit E 1,580' FNL, 760' FWL Section 33, T-17-S, R-31-E						9 AFI Well No 30-015-32164																																																															
14 Date Spudded 03/12/2002						15 Date T D Reached 04/25/2002																																																															
16 Date Completed 09/20/2007 ☐ D & A ☒ Ready to Prod						10 Field and Pool, or Exploratory Shugart North Bone Spring																																																															
18. Total Depth MD 11,950' TVD						19 Plug Back T D MD 8,360' TVD																																																															
20 Depth Bridge Plug Set MD 8,360' TVD CEMENT						11 Sec. T, R, M, on Block and Survey or Area																																																															
21 Type Electric & Other Mechanical Logs Run (Submit copy of each) DLL/GR/Cal CDL/CN/GR						12 County or Parish Eddy																																																															
22 Was well cored? ☒ No ☐ Yes (Submit analysis) Was DST run? ☒ No ☐ Yes (Submit report) Directional Survey? ☒ No ☐ Yes (Submit copy)						13 State NM																																																															
23 Casing and Liner Record (Report all strings set in well)																																																																					
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*(See instructions and spaces for additional data on page 2)

ACCEPTED FOR RECORD

OCT - 3 2007

JERRY FANT
PETROLEUM GEOLOGIST

28b 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.)

SOLD

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
ATOKA MORROW DST	11,140'	11,152'	SAND - WATER SAND - OIL AND GAS OP 120" GTS 17" AT 220 MCF REC 465' WCM + 305' WATER (CHL 45,000 PPM) + 305' WATER (CHL 34,000 PPM) IF = 374 - 467#/30" ISIP - 703#/60" FF - 375# - 587#/90" FSIP - 739#/180"	SAN ANDRES BONE SPRING 2nd BS LM 2nd BS Sd 3rd BS Lm 3rd BS Sd Wolfcamp Atoka Sh Morrow Chester	3,745'
	11,723'	11,758'			5,165'
	11,628'	11,754'			6,580'

32. Additional remarks (include plugging procedure):

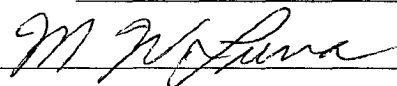
33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☐ 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) M.W. LUNATitle DRILLING SUPERINTENDENT

Signature

Date 09/24/2007

Title 18 U.S.C Section 1001 and Title 43 U.S.C 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.

Service Contract Receipt

Schlumberger

SCHLUMBERGER TECHNOLOGY CORPORATION

SC Number

2202045938

LEFT DISTRICT	Date	9/5/2007	Time	1:30:00 PM
ARRIVE LOCATION	Date	9/5/2007	Time	2:30:00 PM
JOB START	Date	9/5/2007	Time	3:30:00 PM
JOB COMPLETION	Date	9/6/2007	Time	3:30:00 PM
LEAVE LOCATION	Date	9/6/2007	Time	4:30:00 PM
ARRIVED DISTRICT	Date	9/6/2007	Time	5:30:00 PM

Invoice Mailing Address:

VF PETROLEUM

MIDLAND, TX
US

Service Instructions

SPOT CMT PLUG & DO ANNULAR CMT JOB.

CK ALL WELL DATA W/ CO-REP.

Service Description

Cementing - Cem Tie Back Casing

Customer PO

Contract

AFE

Rig

WORKOVER

Well

DENALI '33' FEDERAL 2

State/Province

NM

County/Parish/Block

Eddy

Legal Location

Field

SHUGART NO

Customer or Authorized Representative

Mabrey, Chris

THE ESTIMATED CHARGES AND DATA SHOWN BELOW ARE SUBJECT TO CORRECTION BY SCHLUMBERGER.

Item	Description	Quantity	Unit	Unit Price	Disc	Amount
Services						
102476000	Service Supervisor/Field Engineer	2	HR	196.50	65.0%	137.55
102476001	Equipment Operator/Service Technician	4	HR	160.50	65.0%	224.70
102872115	Pump, Liner/Sqz/Plug 11001-11500	1	EA	18,600.00	65.0%	6,510.00
107264001	Regulatory Conformance Charge	2	EA	725.00	65.0%	507.50
48019000	Bulk Unit, Cement Add Hr	8	HR	230.00	65.0%	644.00
48020000	Pump, Cement Add Hr	2	HR	1,210.00	65.0%	847.00
48601000	Cement Plug Container	1	JOB	1,113.00	65.0%	389.55
48601002	Cement Plug Container Add Day	1	DAY	223.50	65.0%	78.23
49100000	Cement Blending Charge	783	CF	4.86	65.0%	1,331.88
49102000	Transportation, Cement Ton-mile	976	MI	3.58	65.0%	1,222.93
59200002	Transportation, Mileage Heavy Vehicles	66	MI	9.53	65.0%	220.14
59200005	Transportation, Mileage Light Vehicles	132	MI	5.51	65.0%	254.56
59697004	CemCAT« Monitoring System	1	JOB	1,880.00	65.0%	658.00
Services Subtotal:						37,217.26
Discount:						24,191.22
Estimated Total (USD):						13,026.04
Products						
102946000	Fuel Surcharge (no discount), per truck	3	EA	325.00	0.0%	975.00
56702054	Plug, Cementing Top Plastic 5.5 in	1	EA	200.50	65.0%	70.18
D013	Retarder	160	LB	5.73	65.0%	320.88
D013	Retarder	10	LB	5.73	65.0%	20.06
D044	Granulated Sodium Chloride	575	LB	0.66	65.0%	132.83
D046	Antifoam Agent, All Purpose	107	LB	10.37	65.0%	388.36
D049	Cement, TXI LITEWEIGHT <i>CASING CEMENTING</i>	712	CF	43.80	65.0%	10,914.96
D065	TIC« Dispersant	53	LB	16.05	65.0%	297.73
D167	UNIFLAC«-S	107	LB	93.40	65.0%	3,497.83
D801	Retarder, MID Temp Liquid	5	GA	59.80	65.0%	104.65
D909	Cement, Class H <i>PLUG</i>	51	CF	42.15	65.0%	752.38

Service Contract Receipt

Schlumberger

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VF PETROLEUM

MIDLAND, TX
US

Customer PO	Contract	AFE	Rig
			WORKOVER
Well	State/Province	County/Parish/Block	Legal Location
DENALI '33' FEDERAL 2	NM	Eddy	
Field	Customer or Authorized Representative		
SHUGART NO	Mabrey, Chris		

THE ESTIMATED CHARGES AND DATA SHOWN BELOW ARE SUBJECT TO CORRECTION BY SCHLUMBERGER.

Item	Description	Quantity	Unit	Unit Price	Disc	Amount
Products Subtotal:						48,117.39
Discount:						30,642.55
Estimated Total (USD):						17,474.84
Total (Before Discount):		85,334.65				
Discount:		54,833.77				
Special Discount:				Estimated Discounted Total (USD):		
				30,500.88		

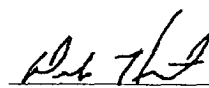
THE ESTIMATED CHARGES AND DATA SHOWN ABOVE ARE SUBJECT TO CORRECTION BY SCHLUMBERGER.

THE SERVICES, EQUIPMENT, MATERIALS AND /OR PRODUCTS PROVIDED BY THIS SERVICE CONTRACT RECEIPT HAVE BEEN PERFORMED OR RECEIVED AS SET FORTH ABOVE.

Signature of Customer or Authorized Representative:


Thu Sep 06 15:34:13 2007
Mabrey, Chris

Signature of Schlumberger Representative:


Thu Sep 06 15:34:27 2007
Hurst, Derek

CONTRACT
SCHLUMBERGER TECHNOLOGY CORPORATION

Schlumberger

Invoice Mailing Address: VF PETROLEUM MIDLAND, TX US		ARRIVE LOCATION	Date 2007-Sep-05	Time 2:30 PM
		Service Instructions SPOT CMT PLUG & DO ANNULAR CMT JOB. CK ALL WELL DATA W/ CO-REP.		
Customer PO	Contract	Service Description Cementing - Cem Tie Back Casing		
Well DENALI '33' FEDERAL 2	State/Province NM	AFE	Rig WORKOVER	
Well Master: 0630366460	API / UWI: 30015321640000	County/Parish/Block Eddy	Legal Location	
Field SHUGART NO	Customer or Authorized Representative Mabrey, Chris			

**PLEASE READ CAREFULLY - THIS SERVICE ORDER CONTRACT MUST BE
COMPLETED BEFORE SCHLUMBERGER CAN PROVIDE GOODS OR SERVICES.**

THIS IS A CONTRACT FOR GOODS AND SERVICES TO BE PROVIDED PURSUANT TO THE MASTER SERVICE AGREEMENT BETWEEN CUSTOMER AND SCHLUMBERGER. IN THE ABSENCE OF A MASTER SERVICE AGREEMENT, CUSTOMER AND SCHLUMBERGER AGREE THE GOODS AND SERVICES ARE PROVIDED PURSUANT TO THIS CONTRACT, INCLUDING THE TERMS AND CONDITIONS ON THE BACK OF (OR ATTACHED TO) THIS CONTRACT, WHICH CONTAIN WARRANTY EXCLUSIONS AND INDEMNITY & HOLD HARMLESS PROVISIONS REQUIRING CUSTOMER AND SCHLUMBERGER TO BE RESPONSIBLE FOR THE NEGLIGENCE, STRICT LIABILITY OR FAULT OF THE OTHER.

I authorize work to begin as set forth in this Contract and represent that I have the authority of the customer to accept and sign this Contract.

Signature of Customer or Authorized Representative:


 Thu Sep 06 15:35:12 2007

 Mabrey, Chris

Signature of Schlumberger Representative:


 Thu Sep 06 15:35:24 2007

 Hurst, Derek

Cementing Services Pricing

Units	UOM	Description	Unit Price	Disc. %	Extended Price
MATERIALS AND EQUIPMENT:					
1	EA.	PUMP CHARGE 11100 FT 1ST 4HRS	18,600.00	65	6,510.00
6	HRS.	ADDITIONAL HRS. ON PUMP	1,210.00	65	2,541.00
1	EA.	CEMENTING HEAD	1,113.00	65	389.55
1	EA.	CEMENT SILO (5 DAYS)	1,220.00	65	427.00
70	MI.	MILEAGE ON 1 CEMENT SILO	9.53	65	233.49
6	HRS.	CEMENT BULK UNITS TIME ON LOCATION	230.00	65	483.00
70	EA.	ROUNDTRIP MILEAGE (CARS/TRUCKS)	5.51	65	135.00
1	EA.	CemCAT/PRISM/TREATMENT DATA SERV	1,880.00	65	658.00
50	SKS.	CLASS H CEMENT	42.15	65	737.63
710	CU.FT.	D49 TXI LIGHTWEIGHT (75#/CF)	43.80	65	10,884.30
569	LBS.	D44 SALT	0.66	65	131.44
170	LBS.	D13 CEMENT RETARDER	5.73	65	340.94
107	LBS.	D46 ANTIFOAMER	10.37	65	388.36
107	LBS.	D167 UNIFLAC	93.40	65	3,497.83
54	LBS.	D65 TIC DISPERSANT	16.05	65	303.35
70	MILES	MILEAGE ON 1 UNITS	9.53	65	233.49
1033	T.M.	HAULING 29.5 TONS	3.58	65	1,294.35
768	CU.FT.	SERVICE CHG.	4.86	65	1,306.37
1		TOP PLUG (PLASTIC)	179.00	65	62.65
3		Regulatory Conformance Charge	725.00	65	761.25
1		FUEL SURCHARGE P/UNIT	325.00	0	325.00
SUBTOTAL (PRICEBOOK)					\$ 89,807.75
EFFECTIVE DISCOUNT					64.76 % 58,163.79
<u>DISCOUNTED TOTAL PRICE</u>					\$ 31,643.96

- * Bulk units are charged at \$230 per unit per hour on location.
- * Overtime on crew members will be charged after the 1st 8hrs on location at \$196.5 per hour supervisor, and \$160.5 per hour per equipment operator.
- * Sales price is based upon a 65% discount on primary cementing, 0% discount on remedial cement and 65% discount on add. Hrs. & equip
- * There will be a derrick charge of \$1134 per job if plug container is above 10 feet from rig fl
- * There will be a circulating equipment charge of \$2990 per job if circulating equipment is re



Page 1 of 6

Well			Field	Job Start		Customer	Job Number
Denali 33 Fed 2 2			Shugart	Sep/06/2007		VF Petroleum	2202045938
Date	Time 24-hr clock	Treating Pressure PSI	Flow Rate B/M	Density LB/G	Volume BBL	Message	
09/06/2007	10:11:17					Remark	
09/06/2007	10:11:17	453	3.9	8.32	24.1		
09/06/2007	10:11:25	458	3.9	8.32	24.6		
09/06/2007	10:11:55	462	3.9	8.32	26.6		
09/06/2007	10:12:25	462	3.9	8.32	28.6		
09/06/2007	10:12:55	458	3.9	8.32	30.5		
09/06/2007	10:13:25	467	3.9	8.32	32.5		
09/06/2007	10:13:55	467	3.9	8.32	34.4		
09/06/2007	10:14:25	467	3.9	8.32	36.4		
09/06/2007	10:14:55	462	3.9	8.32	38.4		
09/06/2007	10:15:25	352	0.0	8.32	39.5		
09/06/2007	10:15:55	330	0.0	8.32	39.5		
09/06/2007	10:16:25	316	0.0	8.32	39.5		
09/06/2007	10:16:55	311	0.0	8.32	39.5		
09/06/2007	10:17:25	316	0.0	8.32	39.5		
09/06/2007	10:17:55	316	0.0	8.32	39.5		
09/06/2007	10:18:25	316	0.0	8.32	39.5		
09/06/2007	10:18:55	316	0.0	8.32	39.5		
09/06/2007	10:19:25	316	0.0	8.32	39.5		
09/06/2007	10:19:55	316	0.0	8.32	39.5		
09/06/2007	10:20:25	316	0.0	8.32	39.5		
09/06/2007	10:20:55	316	0.0	8.32	39.5		
09/06/2007	10:21:25	316	0.0	8.32	39.5		
09/06/2007	10:21:55	316	0.0	8.32	39.5		
09/06/2007	10:22:25	316	0.0	8.32	39.5		
09/06/2007	10:22:55	316	0.0	8.32	39.5		
09/06/2007	10:23:25	316	0.0	8.32	39.5		
09/06/2007	10:23:55	316	0.0	8.32	39.5		
09/06/2007	10:24:25	316	0.0	8.32	39.5		
09/06/2007	10:24:55	320	0.0	8.32	39.5		
09/06/2007	10:25:25	316	0.0	8.32	39.5		
09/06/2007	10:25:55	316	0.0	8.32	39.5		
09/06/2007	10:26:25	316	0.0	8.32	39.5		
09/06/2007	10:26:55	316	0.0	8.32	39.5		
09/06/2007	10:27:25	320	0.0	8.32	39.5		
09/06/2007	10:27:55	316	0.0	8.32	39.5		
09/06/2007	10:28:18					End Wash	
09/06/2007	10:28:18	320	0.0	8.32	39.5		
09/06/2007	10:28:20					Shutdown	
09/06/2007	10:28:20	320	0.0	8.32	39.5		
09/06/2007	14:04:25	320	0.0	8.32	0.0		
09/06/2007	14:04:55	513	5.0	8.31	0.8		
09/06/2007	14:05:04					Start Pumping Spacer	
09/06/2007	14:05:04	536	6.6	8.30	1.7		
09/06/2007	14:05:25	861	6.5	8.37	4.0		
09/06/2007	14:05:55	755	6.6	8.28	7.3		
09/06/2007	14:06:25	751	6.6	8.20	10.6		
09/06/2007	14:06:28					End Spacer	
09/06/2007	14:06:28	755	6.6	8.35	10.9		
09/06/2007	14:06:31					Start Cement Slurry	
09/06/2007	14:06:31	742	6.6	8.56	11.3		
09/06/2007	14:06:55	710	6.6	10.29	1.0		
09/06/2007	14:07:25	975	6.6	13.68	4.3		
09/06/2007	14:07:55	902	6.6	13.95	7.6		
09/06/2007	14:08:25	769	6.6	12.30	10.9		

Well			Field		Job Start		Customer		Job Number	
Denali 33 Fed 2 2			Shugart		Sep/06/2007		VF Petroleum		2202045938	
Date	Time 24-hr clock	Treating Pressure PSI	Flow Rate B/M	Density LB/G	Volume BBL	Message				
09/06/2007	14:08:55	577	5.2	12.92	13.8					
09/06/2007	14:09:25	787	6.6	13.33	17.0					
09/06/2007	14:09:55	755	6.6	13.19	20.3					
09/06/2007	14:10:25	723	6.6	13.30	23.6					
09/06/2007	14:10:55	668	6.6	12.73	26.9					
09/06/2007	14:11:25	618	6.6	12.79	30.2					
09/06/2007	14:11:55	613	6.6	13.26	33.5					
09/06/2007	14:12:25	586	6.6	13.23	36.8					
09/06/2007	14:12:55	558	6.6	13.28	40.1					
09/06/2007	14:13:25	522	6.6	13.41	43.4					
09/06/2007	14:13:55	471	6.6	13.20	46.7					
09/06/2007	14:14:25	439	6.6	13.19	50.0					
09/06/2007	14:14:55	412	6.6	13.42	53.3					
09/06/2007	14:15:25	380	6.6	13.49	56.6					
09/06/2007	14:15:55	343	6.6	13.28	59.9					
09/06/2007	14:16:25	357	6.6	13.23	63.2					
09/06/2007	14:16:55	325	6.6	13.19	66.5					
09/06/2007	14:17:25	298	6.6	13.21	69.8					
09/06/2007	14:17:55	261	6.6	13.15	73.1					
09/06/2007	14:18:25	526	6.6	13.13	76.4					
09/06/2007	14:18:55	247	6.6	13.63	79.7					
09/06/2007	14:19:25	119	6.6	13.36	83.0					
09/06/2007	14:19:55	233	6.6	13.11	86.3					
09/06/2007	14:20:25	247	6.6	13.09	89.6					
09/06/2007	14:20:55	233	6.6	13.16	92.9					
09/06/2007	14:21:25	238	6.6	13.20	96.2					
09/06/2007	14:21:55	243	6.6	13.14	99.5					
09/06/2007	14:22:25	261	6.6	13.24	102.8					
09/06/2007	14:22:55	284	6.6	13.33	106.0					
09/06/2007	14:23:25	247	6.6	13.23	109.3					
09/06/2007	14:23:55	302	6.6	13.19	112.6					
09/06/2007	14:24:25	293	6.6	13.19	115.9					
09/06/2007	14:24:55	229	6.6	13.20	119.2					
09/06/2007	14:25:25	197	6.6	12.61	122.5					
09/06/2007	14:25:55	261	6.6	12.91	125.8					
09/06/2007	14:26:25	293	6.6	13.32	129.1					
09/06/2007	14:26:55	229	6.6	13.35	132.4					
09/06/2007	14:27:25	275	6.6	13.31	135.7					
09/06/2007	14:27:55	298	6.6	13.28	139.0					
09/06/2007	14:28:25	284	6.6	13.26	142.3					
09/06/2007	14:28:55	279	6.6	13.18	145.6					
09/06/2007	14:29:25	261	6.6	13.30	148.9					
09/06/2007	14:29:55	293	6.6	13.32	152.2					
09/06/2007	14:30:25	270	6.6	13.28	155.5					
09/06/2007	14:30:55	325	6.6	13.30	158.8					
09/06/2007	14:31:25	302	6.6	13.29	162.1					
09/06/2007	14:31:55	302	6.6	13.25	165.4					
09/06/2007	14:32:25	284	6.6	12.89	168.7					
09/06/2007	14:32:41					End Cement Slurry				
09/06/2007	14:32:41	9	0.1	20.53	176.1					
09/06/2007	14:32:43					Wash Pump To Pit				
09/06/2007	14:32:43	9	0.0	20.32	0.0					
09/06/2007	14:32:55	5	0.0	11.76	0.0					
09/06/2007	14:33:25	9	0.0	10.04	0.0					
09/06/2007	14:33:55	5	0.0	10.27	0.0					

Well			Field		Job Start		Customer		Job Number	
Denali 33 Fed 2 2			Shugart		Sep/06/2007		VF Petroleum		2202045938	
Date	Time 24-hr clock	Treating Pressure PSI	Flow Rate B/M	Density LB/G	Volume BBL	Message				
09/06/2007	14:34:25	179	6.0	11.18	0.5					
09/06/2007	14 34:55	288	6.6	8.71	3.8					
09/06/2007	14.35.25	307	6.6	8.40	7.1					
09/06/2007	14:35:55	270	6.6	8.33	10.4					
09/06/2007	14:36:25	275	6.6	8.35	13.6					
09/06/2007	14:36:55	320	6.6	8.36	16.9					
09/06/2007	14:37:25	5	2.3	8.15	20.1					
09/06/2007	14:37:55	0	0.0	8.18	20.2					
09/06/2007	14:38:25	-5	0.0	8.02	20.2					
09/06/2007	14:38:55	96	6.5	8.33	21.8					
09/06/2007	14:39:25	73	6.6	8.33	25.1					
09/06/2007	14:39:48					Drop Top Plug				
09/06/2007	14:39:48	92	6.6	8.33	27.6					
09/06/2007	14 39:49					Start Displacement				
09/06/2007	14:39:49	96	6.6	8.33	27.7					
09/06/2007	14.39.55	82	6.6	8.33	0.5					
09/06/2007	14:40:25	82	6.6	8.33	11.2					
09/06/2007	14:40:55	96	6.6	8.33	14.5					
09/06/2007	14:41:25	73	6.6	8.33	17.8					
09/06/2007	14:41:55	124	6.6	8.33	21.1					
09/06/2007	14:42:25	105	6.6	8.33	24.4					
09/06/2007	14:42:55	96	6.6	8.33	27.7					
09/06/2007	14:43:25	73	6.6	8.33	31.0					
09/06/2007	14:43:55	78	6.6	8.33	34.3					
09/06/2007	14:44:25	101	6.6	8.33	37.6					
09/06/2007	14:44:55	60	6.6	8.33	40.9					
09/06/2007	14:45:25	64	6.6	8.33	44.2					
09/06/2007	14:45:55	73	6.6	8.33	47.5					
09/06/2007	14:46:25	96	6.6	8.33	50.8					
09/06/2007	14:46:55	69	6.6	8.33	52.5					
09/06/2007	14:47:25	82	6.6	8.33	55.8					
09/06/2007	14:47:55	73	6.6	8.25	59.1					
09/06/2007	14:48:25	73	6.6	8.07	62.4					
09/06/2007	14:48:55	105	6.6	8.12	65.7					
09/06/2007	14:49:25	82	6.6	8.11	69.0					
09/06/2007	14:49:55	82	6.6	8.26	72.3					
09/06/2007	14:50:25	60	6.6	8.28	75.6					
09/06/2007	14:50:55	64	6.6	8.27	78.9					
09/06/2007	14:51:25	101	6.6	8.26	82.2					
09/06/2007	14:51:55	55	6.6	8.24	85.5					
09/06/2007	14.52.25	114	6.6	8.23	88.8					
09/06/2007	14:52:55	60	6.6	8.19	92.1					
09/06/2007	14:53:25	82	6.6	8.17	95.4					
09/06/2007	14:53:55	142	6.6	8.16	98.7					
09/06/2007	14:54:25	124	6.6	8.17	102.0					
09/06/2007	14:54:55	119	6.6	8.15	105.3					
09/06/2007	14:55:25	69	6.6	8.31	108.6					
09/06/2007	14:55:55	124	6.6	8.32	111.9					
09/06/2007	14:56:25	96	6.6	8.33	115.2					
09/06/2007	14:56:55	92	6.6	8.33	118.5					
09/06/2007	14:57:25	87	6.6	8.33	121.8					
09/06/2007	14:57:55	211	6.6	8.33	125.1					
09/06/2007	14:58:00					Rate & Psi				
09/06/2007	14:58:00	330	6.6	8.33	125.6					
09/06/2007	14:58:25	385	6.6	8.33	128.4					

Well			Field	Job Start	Customer	Job Number
Denali 33 Fed 2 2			Shugart	Sep/06/2007	VF Petroleum	2202045938
Date	Time 24-hr clock	Treating Pressure PSI	Flow Rate B/M	Density LB/G	Volume BBL	Message
09/06/2007	14:58:55	439	6.6	8.33	131.7	
09/06/2007	14:59:25	504	6.6	8.33	135.0	
09/06/2007	14 59:55	545	6.6	8.33	138.3	
09/06/2007	15:00:25	609	6.6	8.33	141.6	
09/06/2007	15 00:55	659	6.6	8.33	142.5	
09/06/2007	15:01:25	719	6.6	8.33	145.8	
09/06/2007	15:01:55	760	6.6	8.33	149.1	
09/06/2007	15:02:25	833	6.6	8.33	152.4	
09/06/2007	15:02:55	865	6.6	8.33	155.7	
09/06/2007	15:03:25	938	6.6	8.33	159.0	
09/06/2007	15:03:45					Rate & Psi
09/06/2007	15:03:45	961	6.6	8.33	161.2	
09/06/2007	15:03:55	970	6.6	8.33	162.3	
09/06/2007	15:04:25	1030	6.6	8.33	165.6	
09/06/2007	15:04:55	1080	6.6	8.33	168.9	
09/06/2007	15:05:25	1140	6.6	8.33	172.2	
09/06/2007	15:05:55	1176	6.6	8.33	175.5	
09/06/2007	15:06:25	1245	6.6	8.33	178.8	
09/06/2007	15:06:55	1259	6.6	8.33	182.1	
09/06/2007	15:07:13					Slow Rate
09/06/2007	15:07:13	893	1.2	8.33	182.3	
09/06/2007	15:07:25	938	2.2	8.33	182.7	
09/06/2007	15:07:55	925	2.2	8.31	183.8	
09/06/2007	15:08:25	952	2.2	8.31	184.9	
09/06/2007	15:08:55	961	2.1	8.31	185.9	
09/06/2007	15:09:25	1002	2.2	8.31	187.0	
09/06/2007	15:09:55	984	2.1	8.31	188.1	
09/06/2007	15:10:25	1025	2.1	8.31	189.2	
09/06/2007	15:10:55	1025	2.1	8.31	190.2	
09/06/2007	15:11:25	1067	2.1	8.31	191.3	
09/06/2007	15:11:47					Shut Down
09/06/2007	15:11:47	966	0.0	8.31	191.6	
09/06/2007	15:11:48					Shut In Well
09/06/2007	15:11:48	966	0.0	8.31	191.6	
09/06/2007	15:11:55	966	0.0	8.31	191.6	
09/06/2007	15:12:25	966	0.0	8.31	191.6	
09/06/2007	15:12:55	966	0.0	8.31	191.6	
09/06/2007	15:13:25	966	0.0	8.32	191.6	
09/06/2007	15:13:55	9	0.0	8.32	191.6	
09/06/2007	15:14:25	9	0.0	8.32	191.6	
09/06/2007	15:14:55	9	0.0	8.32	191.6	
09/06/2007	15:15:25	9	0.0	8.32	191.6	
09/06/2007	15:15:55	14	0.0	8.32	191.6	
09/06/2007	15:16:25	14	0.0	8.32	191.6	
09/06/2007	15:16:39					Bleed Lines
09/06/2007	15:16:39	14	0.0	8.32	191.6	

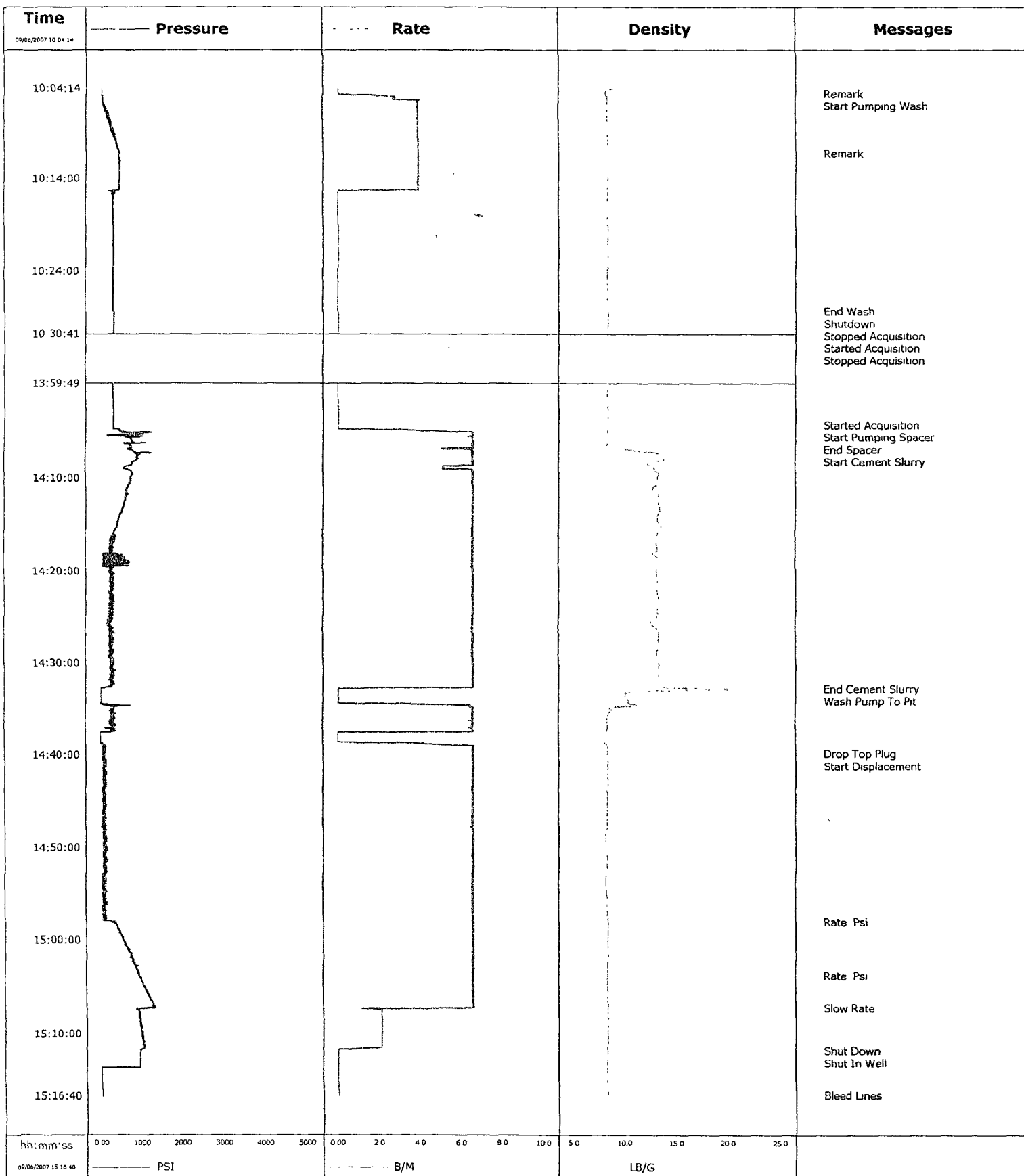
Well Denali 33 Fed 2 2	Field Shugart	Job Start Sep/06/2007	Customer VF Petroleum	Job Number 2202045938
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Post Job Summary

Average Pump Rates, bbl/min					Volume of Fluid Injected, bbl			
Slurry 6.0	N2	Mud	Maximum Rate 6.6	Total Slurry 178.0	Mud	Spacer 30.0	N2	
Treating Pressure Summary, psi					Breakdown Fluid			
Maximum 1320	Final 1002	Average 876	Bump Plug to	Breakdown	Type	Volume	Density	
Avg. N2 Percent	Designed Slurry Volume 178.0 bbl	Displacement 192.0 bbl	Mix Water Temp 85 degF	Cement Circulated to Surface? ☐	Volume			
				Washed Thru Perfs ☐	To			
Customer or Authorized Representative Chris Mabrey			Schlumberger Supervisor Derek Hurst		Circulation Lost ☐	Job Completed ☒		

Well Denali 33 Fed 2
Field
Engineer Derek Hurst
Country United States

Client VF Petroleum
SIR No. 2202045938
Job Type 5.5 Production Casing
Job Date 09-06-2007



SERVICE CONTRACT RECEIPT
SCHLUMBERGER TECHNOLOGY CORPORATION

Schlumberger

SC Number: 11853903
Service Date: 09/05/2007

Invoice Mailing Address V-F PETROLEUM, INC. PO BOX 1889 MIDLAND TX 79702 US	Customer: V-F PETROLEUM, INC. Name/Lease: DENALI 33 FEDERAL Field: SHUGART NO Well County: Eddy Run No: 1 State/Prov.: NM Well No: 2	Cust P.O. #: 0 3rd Pty Invoice: 0 Contract Num: 0 AFE Number: 0 UWI Number: 30015321640000
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THE ESTIMATED CHARGES AND DATA SHOWN BELOW ARE SUBJECT TO CORRECTION BY SCHLUMBERGER.

Description	Quantity	UOM	Unit Price	Discount	Amount
61110105M SET-M - ND Service Charge Maxis PS					
6XFLATCHL Service Flat Charge - Land	1	EA	\$1,520.00	70.00%	456.00
6XSERCHGD Service Depth Charge	11112	FT	\$0.34	70.00%	1,133.42
Book Price: 5,298.08 Discount: 3,708.66			Estimated Sub Total:		\$1,589.42
61040100 BP - Bridge Plug					
6XDEPCHG Depth Charge	11112	FT	\$0.43	70.00%	1,433.45
6XBP7 5"-7" Bridge Plug	1	EA	\$2,275.00	70.00%	682.50
6XSLOBRN Slow Burn Power Charge	1	EA	\$1,110.00	70.00%	333.00
Book Price: 8,163.16 Discount: 5,714.21			Estimated Sub Total:		\$2,448.95
61110200MC WHE-MISC Misc Pressure Related Charges					
6XWHCON Flat Charge -Wellhead Connection/Trip	1	EA	\$545.00	30.00%	381.50
Book Price: 545.00 Discount: 163.50			Estimated Sub Total:		\$381.50
61110200PO PACK-OFF Pack Off Cased Hole					
6XPRES0-1 Flat Charge per Day, P<1KPsi	1	DAY	\$450.00	30.00%	315.00
Book Price: 450.00 Discount: 135.00			Estimated Sub Total:		\$315.00
Estimated Grand Total:					\$4,734.87

Comments:

The estimated charges and data shown above are subject to correction by Schlumberger. The estimated charges shown above are EXCLUSIVE of tax and the final invoice WILL INCLUDE all applicable taxes.

THE SERVICES, EQUIPMENT, MATERIALS AND/OR PRODUCTS COVERED BY THIS SERVICE CONTRACT RECEIPT HAVE BEEN PERFORMED OR RECEIVED AS SET FORTH ABOVE

Signature of Customer or Authorized Representative:


Wed Sep 05 12:46:11 2007
Chris Mabrey

Signature of Schlumberger Representative:


Wed Sep 05 12:46:21 2007
SOLIS JONATHON

Schlumberger

Schlumberger

INVOICE

ORIGINAL

Invoice 9091819957		Invoice Date 09/10/2007		Service Date 09/06/2007		Service Contract No. 11873756	
Bill To: V-F PETROLEUM, INC. PO Box 1889 MIDLAND TX 79702 USA				Remit To: SCHLUMBERGER TECHNOLOGY CORPORATION P.O.Box 201193 Houston, TX 77216-1193 Wire Transfer and ACH Payments To: Citibank NA, New York, NY 10043 Acct# 4069-2574 ABA/Routing #021000089 Tax Registration Number: 22-1692661			
Host Identification		Master Agreement		Contract Term			
Terms 30 Days Net		UWI Number 30015321640000		Service Description WT Production Svcs		Source of Pricing Pricing Agreement	
Customer PO 0		Contract 0		Customer AFE 0		Price Reference US Land Sept 2006	
Well Name/Number DENALI '33' FEDERAL 2		Well Operator V-F PETROLEUM, INC		State NM		County/Parish/Block/Borough Eddy	
Field Name SHUGART NO		Offshore Zone		Customer or Authorized Representative WAYNE LUNA		Legal Location SEC:33 T:17S R:31E	
Rig							

Material	Description	QTY	UOM	List Price	Disc	Net Price	Net Amount
61110105M	SET-M - ND Service Charge Maxis PS	1.00	EA				
6XFLATCHL	Service Flat Charge - Land	1.00	EA	1,520.00		570.26	570.26
6XSERCHGD	Service Depth Charge	8,500.00	FT	0.34		0.13	1,084.25
Gross Price							4,410.00
Discount/Surcharge							-2,755.49
Tax Sub-Total							115.80
Net Sub-Total							1,770.31
61HW35HJ234BRDX6	HSD-WL-DP 3.5in,34B HJ2,RDX,6sp/	1.00	JOB				
6XDEPCHG	Depth Charge	8,500.00	FT	0.33		0.12	1,052.36
6XCARLEN	Perforating Carrier Length Charge	1.00	FT	224.00		84.04	84.04
6XELECDT	Perforating Electric Detonation	1.00	EA	194.00		72.78	72.78
6XSHOTCHG	Charge Per Shot	6.00	EA	91.00		34.14	204.85
6XSWITCH	Selective Switch Charge	1.00	EA	155.00		58.15	58.15
Gross Price							3,924.00
Discount/Surcharge							-2,451.82
Tax Sub-Total							103.06
Net Sub-Total							1,575.24
61110200PO	PACK-OFF Pack Off Cased Hole	1.00	EA				
6XPRES0-1	Flat Charge per Day, P<1KPsi	1.00	DAY	450.00		168.83	168.83
Gross Price							450.00
Discount/Surcharge							-281.17
Tax Sub-Total							11.82
Net Sub-Total							180.65
61110200MC	WHE-MISC Misc Pressure Related Charges	1.00	EA				
6XWHCON	Flat Charge -Wellhead Connection/Trip	1.00	EA	545.00		204.47	204.47
Gross Price							545.00

Plant: 6180 Roswell District

Tel: (505) 622-9080

Customer: 10006737 SO#: 1613242

10-Sep-07 15:58

Page 1 of 2

Invoice #:

9091819957

CONTRACT
SCHLUMBERGER TECHNOLOGY CORPORATION

Schlumberger

CrewType: LPM

Date: 09/06/2007 Service Contract Number: 11873756

Customer P.O. Number:

0

Customer #:

0010006737

AFE Number:

0

Third Party Invoice:

0

Contract Number:

0

SAP SO #:

1613242

Services Equipment and/or Products Requested:

PERFORATE 6 SQUEEZE HOLES AT 8500'.

Pricing Zone: Land

Price Book: Sept 2006 US Land Wireline

Sales Engineer: LUNA DAVID

Customer Furnished Leased/Well Information:

Customer..... V-F PETROLEUM INC.

Well Master Number..... 0630366460

Name/Lease..... DENALI '33' FEDERAL

Rig Name..... BASIC PU

Field..... SHUGART NO

Well Number..... 2

State/Province..... NM

Run Number..... 1

Location..... 1580' FNL & 760' FWL SEC 33 T 17S R 31E

County..... Eddy

Said well is said to be in good condition and drilled to a depth of 11660 ft

Original hole said to be sidetracked at 0 ft

PLEASE READ CAREFULLY - THIS SERVICE ORDER CONTRACT MUST BE COMPLETED BEFORE SCHLUMBERGER CAN PROVIDE GOODS OR SERVICES.

THIS IS A CONTRACT FOR GOODS AND SERVICES TO BE PROVIDED PURSUANT TO THE MASTER SERVICE AGREEMENT BETWEEN CUSTOMER AND SCHLUMBERGER. IN THE ABSENCE OF A MASTER SERVICE AGREEMENT, CUSTOMER AND SCHLUMBERGER AGREE THE GOODS AND SERVICES ARE PROVIDED PURSUANT TO THIS CONTRACT, INCLUDING THE TERMS AND CONDITIONS ON THE BACK OF (OR ATTACHED TO) THIS CONTRACT, WHICH CONTAIN WARRANTY EXCLUSIONS AND INDEMNITY & HOLD HARMLESS PROVISIONS REQUIRING CUSTOMER AND SCHLUMBERGER TO BE RESPONSIBLE FOR THE NEGLIGENCE, STRICT LIABILITY OR FAULT OF THE OTHER.

Invoice Mailing Address:

V-F PETROLEUM INC.

PO BOX 1889

MIDLAND

79702

TX

US

Tool Protection:

☐ Yes

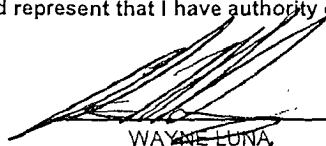
☐ No

☒ Unavailable

Customer Initial

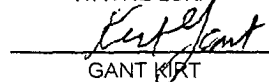
I authorize work to begin as set forth in this Contract and represent that I have authority of the customer to accept and sign this Contract.

Signature of Customer or Authorized Representative:


WAYNE LUNA

Date: 9-6-07

Signature of Schlumberger Representative:


GANT KIRT

Date: 9-6-07

Invoice 9091814759	Invoice Date 08/29/2007	Service Date 08/28/2007	Service Contract No. 11578717
Bill To: V-F PETROLEUM, INC. PO Box 1889 MIDLAND TX 79702 USA		Remit To: SCHLUMBERGER TECHNOLOGY CORPORATION P.O.Box 201193 Houston, TX 77216-1193	
		Wire Transfer and ACH Payments To: Citibank NA, New York, NY 10043 Acct# 4069-2574 ABA/Routing #021000089	
		Tax Registration Number: 22-1692661	
Host Identification	Master Agreement	Contract Term	
Terms 30 Days Net	UWI Number 30015321640000	Service Description WT Production Svcs	Source of Pricing Pricing Agreement
Customer PO 0	Contract 0	Customer AFE 0	Price Reference US Land Sept 2006
Well Name/Number DENALI '33' FEDERAL 2	Well Operator V-F PETROLEUM, INC	State NM	County/Parish/Block/Borough Eddy
Field Name SHUGART NO	Offshore Zone	Customer or Authorized Representative WAYNE LUNA	Legal Location SEC:33 T:17S R 31E
Material	Description	QTY	UOM
		List Price	Disc.
		Net Price	Net Amount
61110105M	SET-M - ND Service Charge Maxis PS	1.00	EA
6XFLATCHL	Service Flat Charge - Land	1.00	EA
6XSERCHGD	Service Depth Charge	11,654.00	FT
	Gross Price		5,482.36
	Discount/Surcharge		-3,837.65
	Tax Sub-Total		115.13
	Net Sub-Total		1,759.84
61040400C1	JB-C1 - Junk Basket Combo (1st descent)	1.00	JOB
6XDEPCHG	Depth Charge	11,654.00	FT
6XFLATCH	Flat Charge	1.00	EA
	Gross Price		4,136.20
	Discount/Surcharge		-2,895.34
	Tax Sub-Total		86.85
	Net Sub-Total		1,327.71
61040100	BP - Bridge Plug	1.00	JOB
6XDEPCHG	Depth Charge	11,624.00	FT
6XBP7	5"-7" Bridge Plug	1.00	EA
6XSLOBRN	Slow Burn Power Charge	1.00	EA
	Gross Price		8,383.32
	Discount/Surcharge		-5,868.32
	Tax Sub-Total		176.06
	Net Sub-Total		2,691.06
61040300C1	CDB-C1 Dump Bailer Combo (1st descent)	1.00	JOB
6XDEPCHG	Depth Charge	11,647.00	FT
6XFLATCH	Flat Charge	1.00	EA
	Gross Price		5,648.21

Invoice #:

9091814759

Schlumberger
CONTRACT

SCHLUMBERGER TECHNOLOGY CORPORATION

Schlumberger

CrewType: LPM

Date: 08/28/2007 Service Contract Number: 11578717

Customer P.O. Number:

0

Customer #:

0010006737

AFE Number:

0

Third Party Invoice:

0

Contract Number:

0

SAP SO #:

1608359

Services Equipment and/or Products Requested:

RUN JUNK BASKET / GAUGE RING, SET CIBP @ 11647 , DUMP 35' OF CEMENT ON PLUG, PERFORATE 4 SQUEEZE HOLES AT

Pricing Zone: Land

Price Book: Sept 2006 US Land Wireline

Sales Engineer: LUNA DAVID

Customer Furnished Leased/Well Information:

Customer..... V-F PETROLEUM INC.

Well Master Number..... 0630366460

Name/Lease..... DENALI '33' FEDERAL

Rig Name..... BASIC PU

Field..... SHUGART NO

Well Number..... 2

State/Province..... NM

Run Number..... 1

Location..... 1580' FNL & 760' FWL SEC 33 T 17S R 31E

County..... Eddy

Said well is said to be in good condition and drilled to a depth of..... 11660 ft

Original hole said to be sidetracked at..... 0 ft

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Invoice Mailing Address:

V-F PETROLEUM INC.

PO BOX 1889

MIDLAND

79702

TX

US

Tool Protection:

☐ Yes

☐ No

☒ Unavailable

Customer Initial

I authorize work to begin as set forth in this Contract and represent that I have authority of the customer to accept and sign this Contract.

Signature of Customer or Authorized Representative:

Wayne Luna

Tue Aug
28
19 21:41
2007

WAYNE LUNA

Signature of Schlumberger Representative:

Gant Kirt

Tue Aug
28
19 21:19
2007

GANT KIRT

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