

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

AUG 31 2011

FORM APPROVED  
OMB NO. 1004-0137  
Expires July 31, 2010WELL COMPLETION OR RECOMPLETION REPORT AND LOG  
Farmington Field Office  
Bureau of Land Management

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

Energex Resources Corporation

3. Address

2010 Afton Place, Farmington, NM 87401

3a. Phone No. (include area code)

505-325-6800

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*

At surface 1030' ENL, 580' FEL (A) NE/NE Sec. 15-T32N-R05WAt top prod. interval reported below 1008' ENL 1528' FEL (B) Sec. 15-T32N-R05WAt total depth 918' ENL, 119' FWL (D) Sec. 15-T32N-R05W

14. Date Spudded

6/14/11

15. Date T.D. Reached

7/6/11

16. Date Completed

☐ D & A☒ Ready to Prod.8/30/11

18. Total Depth: MD

8200'

TVD

4021'

19. Plug Back T.D.: MD

8100'

TVD

4019'

20. Depth Bridge Plug Set: MD

TVD

21. Type Electric &amp; Other Mechanical Logs Run (Submit copy of each)

none22. 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   |
|-----------|------------|------------|----------|-------------|----------------------|------------------------------|------------------|-------------|-----------------|
| 13.50"    | 9.625"     | 32.3#      |          | 241'        |                      | 250 sks                      |                  | surface     | 29 bbls - circ. |
| 8.75"     | 7.0"       | 23#        |          | 4551'       |                      | 650 sks                      |                  | surface     | 40 bbls - circ. |
| 6.25"     | 4.50"      | 11.6#      | 4372'    | 8100'       |                      | 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) |
|--------|----------------|-------------------|------|----------------|-------------------|------|----------------|-------------------|
| 2.375" | 4352'          |                   |      |                |                   |      |                |                   |

25. Producing Intervals

26. Perforation Record

| Formation               | Top      | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|-------------------------|----------|--------|---------------------|------|-----------|--------------|
| A) Basin Fruitland Coal | 4432' MD |        | 4550'-8098'         | .50" | 21,288    | 6 spf        |
| B)                      |          |        |                     |      |           |              |
| C)                      |          |        |                     |      |           |              |
| D)                      |          |        |                     |      |           |              |

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

| Depth Interval | Amount and Type of Material |
|----------------|-----------------------------|
| 8090'-4490'    | 2,167 gal., 15% HCL         |
| 6887'-3287'    | 2,167 gal., 15% HCL         |
| 5656'-2056'    | 2,167 gal., 15% HCL         |

28. Production - Interval A

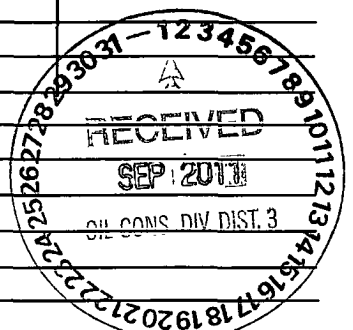
| Date First Produced | Test Date         | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr API | Gas Gravity | Production Method |
|---------------------|-------------------|--------------|-----------------|---------|---------|-----------|----------------------|-------------|-------------------|
|                     | 8/27/11           | 2            | →               | 0       | 750     | 25        |                      |             | Flowing           |
| Choke Size          | Tbg. Press. Flwg. | Csg. Press.  | 24 Hr.          | Oil BBL | Gas MCF | Water BBL | Gas: Oil Ratio       | Well Status |                   |
| 1/2"                | SI 1250           | SI 1250      | →               |         |         |           |                      |             |                   |

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. | Csg. Press.  | 24 Hr.          | Oil BBL | Gas MCF | Water BBL | Gas: Oil Ratio       | Well Status |                   |
|                     | SI                |              | →               |         |         |           |                      |             |                   |

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

NMCCD

FARMINGTON FIELD OFFICE  
BY SCV

ACCEPTED FOR RECORD

SEP 01 2011

## 28b. Production - Interval C

| Date First Produced | Test Date               | Hours Tested | Test Production<br>→ | Oil BBL | Gas MCF | Water BBL | Oil Gravity<br>Corr. API | Gas Gravity | Production Method |
|---------------------|-------------------------|--------------|----------------------|---------|---------|-----------|--------------------------|-------------|-------------------|
| Choke Size          | Tbg. Press.<br>Flwg. SI | Csg. Press   | 24 Hr.<br>→          | Oil BBL | Gas MCF | Water BBL | Gas: Oil Ratio           | Well Status |                   |

## 28c. Production-Interval D

| Date First Produced | Test Date               | Hours Tested | Test Production<br>→ | Oil BBL | Gas MCF | Water BBL | Oil Gravity<br>Corr. API | Gas Gravity | Production Method |
|---------------------|-------------------------|--------------|----------------------|---------|---------|-----------|--------------------------|-------------|-------------------|
| Choke Size          | Tbg. Press.<br>Flwg. SI | Csg. Press.  | 24 Hr.<br>→          | Oil BBL | Gas MCF | Water BBL | Gas: Oil Ratio           | Well Status |                   |

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

to be 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 |
|           |     |        |                              | San Jose Fm             | surface     |
|           |     |        |                              | Nacimiento Fm. (est)    | 2021'       |
|           |     |        |                              | Ojo Alamo Ss            | 3273'       |
|           |     |        |                              | Kirtland Sh.            | 3434'       |
|           |     |        |                              | Fruitland Fm.           | 3927'       |
|           |     |        |                              | Fruitland Coal (target) | 4432'       |

32. Additional remarks (include plugging procedure):

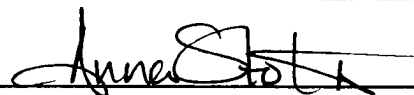
33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☐ 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) Anna StottsTitle Regulatory Analyst

Signature

Date 8/31/11

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.