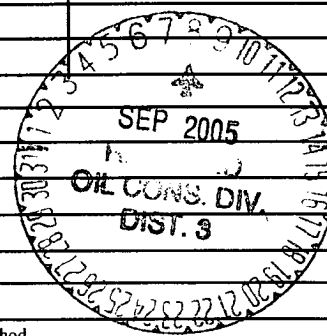


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

| | | | | | | | | | |
|---|----------------------|---|---------------------|--|----------------------|------------------------------|-------------------|-------------------|---------------------|
| 1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry Other | | 2005 AUG 29 PM 1:51 | | 5. Lease Serial No. NMM 6894 | | | | | |
| b. Type of Completion: <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. | | RECEIVED | | 6. If Indian, Allottee or Tribe Name | | | | | |
| 2. Name of Operator Energex Resources Corporation | | 070 FARMINGTON NM | | 7. Unit or CA Agreement Name and No. | | | | | |
| 3. Address 2198 Bloomfield Highway, Farmington, NM 87401 | | 3a. Phone No. (include area code) 505.325.6800 | | 8. Lease Name and Well No. Federal 32-8-26 #1S | | | | | |
| 4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface 1020' FNL, 1250' FEL SE/SE At top prod. interval reported below At total depth | | | | 9. API Well No. 30-045-32573 | | | | | |
| 14. Date Spudded 10/16/04 | | 15. Date T.D. Reached 10/24/05 | | 10. Field and Pool, or Exploratory Basin Fruitland Coal | | | | | |
| 16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 06/08/05 | | 17. Elevations (DF, RKB, RT, GL)* 6637' GL | | 11. Sec., T., R., M., or Block and Survey or Area P- Sec. 26, T32N, R08W NMM | | | | | |
| 18. Total Depth: MD 3538' TVD | | 19. Plug Back T.D.: MD 3538' TVD | | 12. County or Parish San Juan | | | | | |
| 21. Type Electric & Other Mechanical Logs Run (Submit copy of each) none | | 22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit copy) | | 13. State NM | | | | | |
| 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 |
| 12.25 | 9.625 | 32.3 | | 250' | | 130 sks. | | | 153 cu.ft. - circ. |
| 8.75 | 7.00 | 23 | | 3294' | | 625 sks. | | | 1161 cu.ft. - circ. |
| 6.25 | 5.50 | 15.5 | 3174' | 3536' | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| 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" | 3371' | 3285' | | | | | | | |
| 25. Producing Intervals | | | | | | 26. Perforation Record | | | |
| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status | | | |
| A) Fruitland Coal | 3336' | 3525' | | 0.49 | 192 | 4 JSPF | | | |
| B) | | | | | | | | | |
| C) | | | | | | | | | |
| D) | | | | | | | | | |
| 27. Acid, Fracture, Treatment, Cement Squeeze, Etc. | | | | | | | | | |
| Depth Interval | | Amount and Type of Material | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| 28. Production - Interval A | | | | | | | | | |
| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity | Gas Gravity | Production Method |
| | 06/09/05 | 3 | → | | | | | | |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. | Oil BBL | Gas MCF | Water BBL | Gas: Oil Ratio | Well Status | |
| | 400 | 900 | → | | 615 | | | | |
| 28a. Production-Interval B | | | | | | | | | |
| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity | Gas Gravity | Production Method |
| | | | → | | | | | | |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. | Oil BBL | Gas MCF | Water BBL | Gas: Oil Ratio | Well Status | |
| | | | → | | | | | | |



ACCEPTED FOR RECORD

SEP 05 2005

FARMINGTON FIELD OFFICE
BY: [Signature]

28b. Production - Interval C

| Date First Produced | Test Date | Hours Tested | Test Production → | Oil BBL | Gas MCF | Water BBL | Oil Gravity | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-------------------|---------|---------|-----------|----------------|-------------|-------------------|
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. → | 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 | Gas Gravity | Production Method |
|---------------------|----------------------|--------------|-------------------|---------|---------|-----------|----------------|-------------|-------------------|
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. → | 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 |
| | | | | Nacimiento | Est. 763 |
| | | | | Ojo Alamo | Est. 2303 |
| | | | | Kirtland Shale | Est. 2373 |
| | | | | Fruitland | Est. 3113 |
| | | | | Fruitland Coal | 3236 |
| | | | | Fruitland Coal Base | 3524 |
| | | | | Pictured Cliffs | |

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) Vicki DonagheyTitle Regulatory AnalystSignature Vicki DonagheyDate 08/25/05

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.