| <del></del>   | <del></del>                    |                               | <del></del>                                | <del>,</del>                                  |
|---|--------------------------------|-------------------------------|--|---|
| UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT  |                                |                               | 5. Lease<br>NMSF-079304                    |   |
| SUNDRY NOTICES AND REPORTS ON WELLS   |                                |                               | 6. If Indian, Allottee or Tribe Name       |   |
| (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals) |                                |                               | 7. Unit Agreement l                        | Name  |
| 1. Oil Well [ ] Gas Well [ ] Other [ ]  |                                |                               | 8. Well Name and N                         | No.   |
| GAS WELL  2. Name of Operator:  |                                |                               | SANCHEZ 8                                  |   |
| Caulkins Oil Company  |                                |                               | 30-039-29418-0081                          |   |
| 3. Address of Operator: (505) 334-4323  |                                |                               | 10. Field and Pool, Exploratory Area       |   |
| 1409 W. Aztec Blvd. Ste B7, Aztec, NM 87410 4. Location of Well (Footage, Sec., Twp., Rge.)   |                                |                               | BASIN DAKOTA  11. Country or Parish, State |   |
| 1600' F/N 1600' F/W SEC. 24-26N-6W  |                                |                               |  |   |
| 12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF N  |                                |                               | Rio Arriba Co., New Mexico                 |   |
|   | OF SUBMISSION                  | TYPE OF ACTION                | WITCE, REFU                                | AI, OR OTHER DATA                             |
| Notice of   | <del></del>                    | [ ] Abandonment               | <del></del>                                | [ ] Change of Plans                           |
| [X] Subsequent Report  [ ] Final Abandonment Notice   |                                | [ ]Recompletion               |  | [ ] New Construction                          |
|   |                                | [ ] Plugging Back             |  | [ ] Non-Routine Fracturing                    |
|   |                                | [ ] Casing Repair             |  | [X] Water Shut-Off                            |
|   |                                | [ ] Altering Casing [ ] Other |  | [ ] Conversion to Injection [ ] Dispose Water |
| 17. Describe Prop   | posed or Completed Operations: |                               |  | [ ] Dispose Water                             |
| 11-7-05   | Rigged up.                     |                               |  |   |
| T. I. H. with 4 3/4" bit on 2 3/8' tubing.  |                                |                               |  |   |
|   | Tagged cement at 3495'.        |                               |  |   |
| Drilled out stage tool at 3523'.  |                                |                               |  |   |
|   |                                |                               |  |   |
|   |                                | FEB 20                        | ne S                                       | 36 JAN  |
|   | Tagged cement at 5505'.        | R OF PECEIVA                  |  | T. B  |
| 11-8-05   | Drilled out stage tool at 55   | 38'. SOLCONS. DIST. 3         | DAY, 3                                     |   |
| ,   | Continued in hole              | E 2006. 8                     |  |   |
|   | Tagged cement at 7501'.        | EDO                           | مر فراع أبه                                | Herola  |
| Cleaned out to TD at 7540'.   |                                |                               |  | 3 5   |
|   | Pressure4 tested casing to     | 4000#, held OK.               |  |   |
| 11-9-05   |                                |                               |  |   |
|   | Rigged down and moved.         |                               |  |   |
|   | Migged down and moved.         | (continued on page 2)         |  |   |
|   |                                | (continued on page 2)         |  |   |
| NOTE: The   | format is issued in lieu of U  | S. BLM Form 3160-5            |  |   |
| 18. I HEREBY CERTIFY THE FOREGOING IS TRUE AND CORRECT  ACCEPTED FOR RECO   |                                |                               |  |   |
| SIGNED: CHARLES E. VERQUER TITLE: Consultant DATE: January 23, 2006 FEB 0 1 2006  |                                |                               |  |   |
|   | CHARDES E. VERQUER             | <del></del>                   |  | FARMINGTON PIEUD OFFICE                       |
| APPROVED BY: TITLE: DATE: BY  |                                |                               |  |   |
| CONDITION   | S OF APPROVAL, IF ANY          |                               |  |   |
|   |                                |                               |  | MMOCD   |

Caulkins Oil Company BLM Sundry Notice Sanchez 8 January 23, 2006 Page 2

11-17-05

Rigged up Bluejet.

Perforated Dakota zone, 7257' - 7447'.

12-9-05

Rigged up BJ Services.

Frac'd Dakota zone with 181,000# 20/40 sand and 17,315 mscf N2 foam.

12-23-05

Rigged up.

T. I. H. wth new 2 3/8" tubing.

Tagged sand at 7440'.

Cleaned out with air package to 7546'.

Landed tubing on doughnut at 7403'.

Rigged down and moved.