

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

AUG 2006

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other ☐ 2006 AUG 2 2 00 PM 10 35

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

2. Name of Operator **Energex Resources Corporation**

3. Address **2198 Bloomfield Highway, 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 **1350' FSL, 1975' FEL NW/SE**
At top prod. interval reported below **1682' FSL, 1316' FEL**
At total depth **(1911') FSL, 758' FEL**

14. Date Spudded **06/22/06**

15. Date T.D. Reached **07/18/06**

16. Date Completed ☐ D & A ☒ Ready to Prod. **07/19/06**

17. Elevations (DF, RKB, RT, GL)* **7167' GL**

8. Lease Name and Well No. **Carracas 23A #10**

9. API Well No. **30-039-27549**

10. Field and Pool, or Exploratory Basin **Fruitland Coal**

11. Sec., T., R., M., or Block and Survey or Area **J - Sec. 23, T32N, R05W NMPM**

12. County or Parish **Rio Arriba**

13. State **NM**

18. Total Depth: MD **3779 4826'** TVD **4826 3782'**

19. Plug Back T.D.: MD **3779 4826'** TVD **4826 3782'**

20. Depth Bridge Plug Set: MD **TVD**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Mud logs

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 |
|-----------|------------|------------|----------|-------------|----------------------|------------------------------|-------------------|-------------|-------------------|
| 12.25" | 9.625" | 32.3# | | 234' | | 110 sks | | | 130 cu.ft.-circ. |
| 8.75" | 7" | 23# | | 4294' | | 550 sks | | | 1006 cu.ft.-circ. |
| 6.25" | 4.5" | 11.6# | 4276' | 4826' | | 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" | 4277' | | | | | | | |

25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|-------------------|----------|----------|---------------------|------|-----------|--------------|
| A) Fruitland Coal | 3789'TVD | 3802'TVD | 4220' - 4785' MD | 0.50 | 3136 | 6 jspf |
| B) | | | | | | Open hole |
| C) | | | | | | |
| D) | | | | | | |

26. Perforation Record

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

| Depth Interval | Amount and Type of Material |
|----------------|-----------------------------|
| | none |
| | |
| | |
| | |

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 |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|----------------|-------------|-------------------|
| | 07/20/06 | 3 | → | | | | | | flowing |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. | Oil BBL | Gas MCF | Water BBL | Gas: Oil Ratio | Well Status | |
| | 0 | 200 | → | | 250 | | | | |

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 | |
| | | | → | | | | | | |

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

ACCEPTED FOR RECORD

AUG 03 2006

FARMINGTON FIELD OFFICE

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 | |
| | | | | Ojo Alamo | Est. 3132' TVD |
| | | | | Kirtland | Est. 3257 TVD |
| | | | | Fruitland | Est. 3692' TVD |
| | | | | Fruitland Coal | |
| | | | | Fruitland Coal Base | |
| | | | | Pictured Cliffs | Est. 3842' TVD |
| | | | | (not penetrated) | |

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 Date 08/01/06

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.