

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
NMSF78897A

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.
Gracia Federal 181 # 1S

9. AFI Well No.
30-045-33468 0051

10. Field and Pool or Exploratory
Basin Fruitland Coal

11. Sec., T., R., M., on Block and
Survey or Area
Section 18-T26N-R11W

12. County or Parish

13. State

San Juan County

NM

1a. Type of Well Oil Well Gas Well Dry Other
b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resrv.

Other: _____

2. Name of Operator
Pro NM Energy, Inc.

3. Address 460 St. Michael's Drve, Bldg 300, Suite 402
Santa Fe, NM 87505

3a. Phone No. (include area code)
505/988-4171

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
730' FNL; 1495' FEL
At surface

At top prod. interval reported below Same

At total depth Same *Reg Rel 3/17/07*

14. Date Spudded
03/02/2007

15. Date T.D. Reached
03/06/2007

16. Date Completed 01/30/2008
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
6100' GL; 6105' KB

18. Total Depth: MD 1473'
TVD

19. Plug Back T.D.: MD 1428'
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Platform Xpress, Array Induct, Triple Lith Density, Compensated Neutron/GR CCL/CBL/GR

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 Skc & Type of Cement	Slurry Vol (BBL)	Cement Top*	Amount Pulled
9-7/8"	7" J-55	20#	Surface	141'		75 sx Type 5		Surface	
6-1/4"	4-1/2" J-55	10.5#	141'	1468'		150 sx Type 5 & 100 sx Type 5		Surface	<i>DT to 3900' 30' OK 1/5/08 per Carla G</i>

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	1386'							

25 Producing Intervals

Formation	Top	Bottom	Perforation Interval	Size	No. Holes	Perf. Status
A) Fruitland Coal	1132'	1360'	1339' - 1355'	4"	4 JSPF	Open
B)			1291' - 1302'	4"	4 JSPF	Open
C)			1280' - 1283'	4"	4 JSPF	Open
D)			1208' - 1218'	4"	4 JSPF	Open

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

Depth Interval	Amount and Type of Material
1339-1355 (Stage 1)	200 gallons 7-1/2% HCL followed with 750 gallons 12-3 mud acid (Stage 1)
1291-1302 (Stage 2)	1000 gallons 7-1/2% HCL (Flush with 41 BBIs water) (Stage 2)
1280-1283 (Stage 2)	Frac with 85,000# 20-40 Proppant, pumped 37 BPM with an average treating pressure of 1269 psi. (Stage 1)
1208-1218 (Stage 2)	Frac with 111,389# 20-40 Proppant, pumped 38 BPM with an average treating pressure of 1337 psi (Stage 2)

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
	1/30/08	12	→	0	45	62			Flowing
Choke Size	Tbg. Press. Flwg SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→	0	90	124			Waiting to turn well to sales

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 SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

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

OPERATOR NMOCK

FARMINGTON FIELD OFFICE

RD 7/31/08

27. 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 (Solid, used for fuel, vented, etc.)

Vented

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
Fruiland	1132'				
Basal Fruiland	1339'	1360'			
Pictured Cliffs	1360'	1473'			
Total Depth	1473'				

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) Carla S. Shaw Title Agent for Pro NM Energy, Inc.
Signature *Carla S. Shaw* Date 03/26/2008

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.

(Continued on page 3)

(Form 3160-4, page 2)