

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

REC-1

(See other instructions on reverse side)

1111 2 1 2008

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

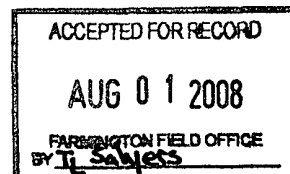
| | | | | | |
|---|--|---|--|---|--|
| 1a. TYPE OF WORK OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> | | 1b. TYPE OF WELL NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR. <input type="checkbox"/> Other _____ | | 5. LEASE DESIGNATION AND SERIAL NO. NMSF-078058 | |
| 2. NAME OF OPERATOR Elm Ridge Exploration Co. LLC | | | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A | |
| 3. ADDRESS AND TELEPHONE NO. Po Box 156 Bloomfield NM 87413 | | | | 7. UNIT AGREEMENT NAME NMMN-86353 | |
| 4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements *) At Surface 1875' FSL x 685' FEL At top prod. Interval reported below At total depth | | | | 8. FARM OR LEASE NAME, WELL NO. Bisti Coal 17 COM 1-T | |
| 14. PERMIT NO. | | | | DATE ISSUED | |
| 15. DATE SPUNDED 6-22-08 | | 16. DATE T.D. REACHED 6-25-08 | | 17. DATE COMPL. (Ready to prod.) 7-28-08 | |
| 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 6,274' GL | | 19. ELEV. CASINGHEAD | | 12. COUNTY OR PARISH San Juan | |
| 13. STATE NM | | 20. TOTAL DEPTH, MD & TVD 1388' MD TVD 1329' MD TVD | | 21. PLUG BACK T.D., MD & TVD 1329' MD TVD | |
| 22. IF MULTIPLE COMPL., HOW MANY* | | 23. INTERVALS DRILLED BY X | | 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 1121' - 1164' Fruitland Coal | |
| 25. WAS DIRECTIONAL SURVEY MADE | | | | 26. TYPE ELECTRIC AND OTHER LOGS RUN CBL LOG, Spectral Density, High Resolution Induction log | |
| 27. WAS WELL CORED | | | | | |
| 28. CASING RECORD (Report all strings set in well) | | | | | |
| CASING SIZE/GRADE | | WEIGHT, LB./FT. | | DEPTH SET (MD) | |
| 8 5/8" J-55 | | 24# | | 143' | |
| 5 1/2" J-55 | | 15.5# | | 1373' | |
| HOLE SIZE | | TOP OF CEMENT, CEMENTING RECORD | | AMOUNT PULLED | |
| 12 1/4 | | 130 sks for surface | | | |
| 7 7/8 | | 300 sks production | | | |
| 29. LINER RECORD | | | | | |
| SIZE | | TOP (MD) | | BOTTOM (MD) | |
| 2 3/8" | | 1202' | | | |
| 30. TUBING RECORD | | | | | |
| SIZE | | DEPTH SET (MD) | | PACKER SET (MD) | |
| 2 3/8" | | 1202' | | | |
| 31. PERFORATION RECORD (Interval, size and number) | | | | | |
| INTERVAL | | SIZE | | NUMBER | |
| 1121' - 1164' Fruitland Coal | | 38 | | 112 holes | |
| 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. | | | | | |
| DEPTH INTERVAL (MD) | | AMOUNT AND KIND OF MATERIAL USED | | | |
| 1121' - 1164' FC | | 3,300 gallon of 7 1/2% HCL, with additives | | | |
| | | 115,661 gallons Delta 13CP 140 foamed 70Q fluid, | | | |
| | | 1,520 sks 20/40 Brady sand coated w/ SWNT | | | |
| | | 619 gals of MSCF N2 | | | |
| 33.* PRODUCTION | | | | | |
| DATE FIRST PRODUCTION 7-28-08 | | PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) flowing | | | L STATUS (Producing or shut in) Shut in |
| DATE OF TEST 7-24-08 | | HOURS TESTED 12 Hours | | CHOKE SIZE 1/2" | |
| PROD'N. FOR TEST PERIOD | | OIL—BBL. | | GAS—MCF. | |
| WATER—BBL. | | GAS—OIL RATIO | | 330 BBL'S of Fluid | |
| FLOW. TUBING PRESS | | CASING PRESS | | CALCULATE | |
| 90 PSI | | 90 PSI | | 24-HOUR RATE | |
| 34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) vented | | | | | |
| TEST WITNESSED BY Tim Duggan | | | | | |
| 35. LIST OF ATTACHMENTS | | | | | |
| 36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records | | | | | |
| SIGNED | | TITLE | | | DATE |
| [Signature] | | Production Assistant | | | 7/29/2008 |

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes 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

ROAD AUG 4 08
OIL CONS. DIV.
DIST. 3

NMOC



| 37. SUMMARY OF POROUS ZONES: (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); | | | | 38. GEOLOGIC MARKERS | | |
|---|------------|--------|-----------------------------|----------------------|-------------|---------------------|
| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS, ETC. | NAME | TOP | |
| | | | | | MEAS. DEPTH | TRUE VERT. DEPTH |
| Nacimiento | Surface | | | | | |
| Ojo Alamo | not logged | | | | | |
| Kirtland | not logged | | | | | |
| Fruitland Coal | 918' | | | | | |
| Pictured Cliffs | 1184' | | | | | |