

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

MAR 03 2009

Lease Serial No.
NMNM97826

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other
b. Type of Completion. ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr., ☐ Other

Bureau of Land Management
Farmington Field Office

Allottee or Tribe Name

7. Unit or CA Agreement Name and No
N/A

2. Name of Operator
Pro NM Energy, Inc.

8. Lease Name and Well No.
Bisti Max 24F #1E

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

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

9. AFI Well No
30-045-34692

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

700' FSL; 1950' FWL (SESW)

At surface

10. Field and Pool or Exploratory
Basin Dakota

11. Sec, T., R., M., on Block and
Survey or Area Section 24-T25N-R11W

12. County or Parish San Juan County
13. State NM

At top prod. interval reported below
At total depth Same as above

14. Date Spudded 12/13/2008
15. Date T.D. Reached 12/22/2008

16. Date Completed 02/18/2009
☐ D & A ☒ Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
6560' GL

18. Total Depth MD 6198'
TVD

19. Plug Back T.D. MD 6176'
TVD

20. Depth Bridge Plug Set MD N/A
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
CBL/CCL/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 Cement Depth | No. of Sks. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|-------------|-------------|----------|-------------|--------------------|------------------------------|-------------------|-------------|---------------|
| 12-1/4" | 8-5/8" J-55 | 24# | Surface | 320' | | 240 sx Type V | | Surface | |
| 7-7/8" | 5-1/2" J-55 | 17# | 320' | 6192' | 4455' | 250sx 65/35 poz (1st stage) | | 4458' | |
| | | | | | | & 150sx Type V | | | |
| | | | | | | 400sx 65/35 poz (2nd stage) | | 1055' | |
| | | | | | | & 100sx Type V | | | |

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" | 6101' | | | | | | | |

25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No Holes | Perf Status |
|-----------------|-------|--------|---------------------|------|----------|-----------------|
| A) Basin Dakota | 5966' | 6062' | 6036-6062' | | 4 JSPF | Open |
| B) | | | 5966-5993' | | 4 JSPF | Open |
| C) Gallup | 4945' | 5965' | 5094-5109' | | 4 JSPF | Cement Squeezed |
| D) | | | 5073-5089' | | 4 JSPF | Cement Squeezed |

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

| Depth Interval | Amount and Type of Material |
|----------------|---|
| 6036-6062' | Acidized with 1300 gallons 15% HCL followed with 1000 gallons 15% HCL |
| 5966-5993' | Acidized with 1000 gallons 15% HCL |
| 5073-5109' | Cement Squeeze Report Attached |

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 |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|----------------------|-------------|----------------------|
| ASAP | | | → | | | | | | ROAD MAR 5 2009 |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| | | | → | | | | | | oil 6003.304. 103748 |

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)

MAR 04 2009

* Production volumes will be reported on a first delivery Sunday after the well is turned to sales.

FARMINGTON FIELD OFFICE
TY

28b. 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.)

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 |
| Pictured Cliffs | 1434' | | | | |
| Mesa Verde | 2243' | | | | |
| Gallup | 4945' | | | | |
| Dakota | 5966' | | | | |

32. Additional remarks (include plugging procedure)

Attached documents include the Basin Dakota frac reports and the report of the cement squeeze of the Gallup test perforations. Also attached is the certified deviation survey.

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. See # 32.

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. ShawTitle Agent for Pro NM Energy, Inc.Signature Carla S. ShawDate 02/24/2009

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)

PRO NEW MEXICO ENERGY, INC.

**BISTI MAX 24F # 1E
API 30-045-34692**

**SUPPLEMENTAL INFORMATION TO FORM 3160-4
WELL COMPLETION REPORT
FRAC REPORTS**

1/28/09

Pump Nitrogen foam frac across the lower Dakota. Pumped treatment as follows.
Pumped 7686 gallons pad w/ 25,000 SCFM nitrogen pad at 3850 psi
Pumped 3409 gallons 1 ppg w/ 18,900 SCFM nitrogen at 3980 psi.
Pumped 5642 gallons 2 ppg w/ 18,000 SCFM nitrogen at 3840 psi.
Pumped 6390 gallons 3 ppg w/ 18,100 SCFM nitrogen at 3910 psi.
Pumped 3254 gallons 4 ppg w/ 15,990 SCFM nitrogen at 4162 psi.
Flush w/ 1461 gallons water before screening out.

Pumped a total of 91,000 lbs of 20-40 Ottawa frac sand with 75,100 lbs. through the perforations.

2/2/09

Pumped water base fracture treatment on Upper Dakota as follows:

Pump 13,900 gal crosslinked gel pad at 30 BPM rate
Pump 7600 gal crosslinked gel w/ 1 ppg 20-40 Ottawa Sand
Pump 9640 gal crosslinked gel w/ 2 ppg 20-40 Ottawa Sand
Pump 10,175 gal crosslinked gel w/ 3 ppg 20-40 Ottawa Sand
Pump 10,100 gal crosslinked gel w/ 4 ppg 20-40 Ottawa Sand
Flush w/ 5738 gal water.

ISIP = 1797 psi

5 min = 1647 psi

10 min = 1617 psi

15 min = 1593 psi

Pumped all frac sand: 84,700 lbs. w/ 83,200 lbs. through perforations.

PRO NM ENERGY, INC.

BISTI MAX 24F # 1E

API # 30-045-34692

**SUPPLEMENTAL INFORMATION TO FORM 3160-4
WELL COMPLETION REPORT
CEMENT SQUEEZE GALLUP TEST PERFORATIONS**

2/6/09

The Gallup test perforations of 5073'-5089' and 5094'-5109' were cement squeezed with 50 sacks Pozmix Standard 50/50 cement (12 BBls at 13.5#, 1.28 yield, 5.65 gal/sk) to 1200 psi. After drilling out the cement in the casing, the squeezed perforations tested good to 1000 psi.

Cement squeeze the DV tool with 50 sacks Standard Type V cement (10.5 BBls at 15.4#, 1.22 yield, 5.5 gal/sk). 5.8 BBls to load casing, 8.5 BBls displacement. Caught cement after 5.8 BBls displacement. Shut in well with 2980 psi.