<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240

District II
1301 W Grand Avenue, Artesia, NM 88210

Date: 3/16/09

Phone: (505) 327-4892

State of New Mexico Energy, Minerals & Natural Resources

Form C-104 Revised June 10, 2003

| <u>District III</u><br>1000 Rio Brazos<br><u>District IV</u><br>1220 S. St. Fran |                     |   |                    | 7505                         | 122                             | O Sou                     | th St.                          | on Divisio<br>Francis D<br>M 87505 |            |                   |  | Submit                                   |  | opriate District O  5 Co            | pies          |  |
|--|---------------------|---|--------------------|------------------------------|---------------------------------|---------------------------|---------------------------------|------------------------------------|------------|-------------------|--|--|--|-------------------------------------|---------------|--|
|  | I.                  |   |                    | EST FO                       | R ALI                           | OWA                       | BLE                             | AND AU                             | THO        | RIZA              | <b>FION</b>                                | ТОТ                                      |  |                                     | <i>)</i> [( ] |  |
| <sup>1</sup> Operator n<br>M&G Drillin   |                     |   | <sup>2</sup> OGRID |                              |                                 |                           | Number<br>141852                |                                    |            |                   |  |  |  |                                     |               |  |
| C/O Walsh  | ain St. ,           | Farmin  | igton NM 87        |                              | for Filing Code/ Effective Date |                           |                                 |                                    |            |                   |  |  |  |                                     |               |  |
| <sup>4</sup> API Numb  | er                  | -   | 5 Pool             | Name                         |                                 | <del></del>               |                                 | New Well 3                         |            |                   |  | <sup>6</sup> Pool Code                   |  |                                     |               |  |
| 30 - 045 - 32728 BLANCO MESA VERDE   |                     |   |                    |                              |                                 |                           |                                 |                                    |            |                   |  | ,  | 72319                                  |                                     |               |  |
| <sup>77</sup> Property Code<br>33348   |                     |   |                    | perty Nan<br>HAM 10          | ne                              |                           |                                 |                                    |            |                   | <sup>9</sup> Well Number<br>#7             |  |  |                                     |               |  |
|  | rface               | Locati  |                    |                              |                                 |                           |                                 |                                    |            |                   |  |  |  | 11 7                                |               |  |
| UL or lot<br>no. B   | Section 10          | n Tov   | vnship<br>N        | Range<br>8W                  | Lot Idn                         | Feet fr<br>790'           | om the                          | North/Sout                         | th line    | Feet fro          | m the                                      | East/W<br>EAS                            | ∕est line<br>Γ                         | County<br>San Juan, NM              | 1             |  |
| 11 <b>B</b> o  | JL                  | Hole I  |                    | l                            | <u> </u>                        | 1                         |                                 |                                    |            | 1230              | 1  |  |  | Dan Juan, 1414                      |               |  |
| UL or lot Section 10   |                     | on Township 27N   |                    | Range Lot Id                 |                                 | Feet from the             |                                 | North/South line<br>NORTH          |            | 1                 |  | East/W<br>EAS                            | Vest line                              | County<br>San Juan, NN              | 1             |  |
| 12 Lse Code F Producing Code   |                     | Code  | 1ethod             | 1                            | I<br>onnection<br>ate           | <sup>15</sup> C-129 Per   |                                 | mit Number 16 (                    |            | C-129 Effective D |  | Date                                     | <sup>17</sup> C-1                      | 29 Expiration Dat                   | <u> </u>      |  |
| III. Oil   | and C               |   | anspo              | rters                        |                                 | <u> </u>                  |                                 |                                    | _1         |                   |  |  |  | <u> </u>                            |               |  |
| <sup>18</sup> Transporter<br>OGRID   |                     |   | <sup>19</sup> Tr   | nnsporter Name<br>nd Address |                                 |                           | 20                              | <sup>20</sup> POD                  |            | O/G               |  | 22 POD ULSTR Location<br>and Description |  |                                     |               |  |
| 151618   |                     | Enterprise Field Services, LLC PO Box 4990 Farmington, NM 87499 |                    |                              |                                 |                           |                                 | G                                  |            |                   | B- SEC. 10, T27N, R8W 790' FNL & 1930' FEL |  |  |                                     |               |  |
|  |                     |   |                    |                              |                                 |                           |                                 |                                    |            |                   |  |  |  |                                     |               |  |
| 009018   |                     | Western Refining 23733 N. Scottsdale Road, Scottsdale,          |                    |                              |                                 |                           |                                 | О                                  |            |                   | B- SEC. 10, T27N, R8W 790' FNL & 1930' FEL |  |  |                                     |               |  |
|  | 11:3                |   |                    |                              |                                 |                           |                                 |                                    |            |                   |  |  | rog in                                 |                                     |               |  |
|  |                     |   |                    |                              |                                 |                           |                                 |                                    |            |                   |  |  |  | CONS. DIV.                          |               |  |
|  |                     |   |                    |                              |                                 |                           |                                 |                                    |            |                   | DIST. 3                                    |  |  |                                     |               |  |
| IV. Pro  |                     |   |                    |                              |                                 |                           |                                 |                                    |            |                   |  |  |  |                                     |               |  |
| 23 POD   | Juucce              | ı yyan  |                    | D ULSTR                      | Location                        | and D                     | _                               | on<br>CC. 10, T27N,                | . R8W      | 790' FNL          | & 1930                                     | ' FEL                                    |  |                                     |               |  |
| V. Wel   | l Com               | pletio  | n Data             | <u> </u>                     |                                 |                           |                                 |                                    |            | 770 1112          |  |  |  |                                     |               |  |
| <sup>25</sup> Spud Date<br>11/29/08  |                     | <sup>26</sup> Ready<br>3/13                                     |                    | , i                          |                                 | <sup>27</sup> TD<br>6650' |                                 | <sup>28</sup> PBTD<br>6640'        |            | l l               |  | orations<br>4589' MV                     |  | <sup>30</sup> DHC, MC<br>DHC - 4145 |               |  |
| 31 F   | e <sup>32</sup> Ca  |   |                    | ng & Tubing Size             |                                 |                           | 33 ]                            | Set                                |            |                   | <sup>34</sup> Sacks Cement                 |  |  |                                     |               |  |
| 12-1/4"  |                     |   | 9-5/8"             |                              |                                 |                           |                                 | 230'                               |            |                   |  |  | 150 sx (180 cuft)                      |                                     |               |  |
| 8  |                     | 7"  |                    |                              |                                 |                           | 2543'                           |                                    |            |                   |  |  | 230 sx (496 cuft)<br>150 sx (179 cuft) |                                     |               |  |
| (  | 6-1/4"              |   |                    | 4-1/2"                       |                                 |                           |                                 | 6648'                              |            |                   |  |  |  | 440 sx (633 cuft)                   |               |  |
|  |                     |   |                    | 2-3                          | 3/8" Tubi                       | ng                        |                                 |                                    | 6576'      |                   |  |  |  |                                     |               |  |
| V1. W  |                     |   |                    | D                            | 17                              | Test Da                   | -4-                             | 18 75                              |            |                   | 30 00                                      | ha D                                     |  | <sup>40</sup> Csg. Pressure         |               |  |
| 35 Date New Oil  |                     | ,   |                    | 3/09                         |                                 |                           |                                 | <sup>38</sup> Test Leng<br>1 hr    |            |                   |  | og. Pressure                             |  | 560 psi                             |               |  |
| 41 Choke Size  |                     | <sup>42</sup> Oil<br>1 BOPD                                     |                    |                              | 43 Water<br>20 BWPD             |                           | <sup>44</sup> Gas<br>3,700 MCFD |                                    | F <b>D</b> | <sup>45</sup> AOF |  | <sup>46</sup> Test Method<br>F           |  |                                     |               |  |
| <sup>47</sup> I hereby cobeen complete to Signature:                             | ed with<br>the best | and that of my  | t the int          | formation dge and be         | given abo                       |                           |                                 | 3/31/09<br>Approved b              | ру:<br>_/  | Shar              | LH   | VATIOI                                   | o divisi                               | on<br>31-09                         |               |  |
| Printed name: Paul C. Thompson, P.E.  Title: ENGINEER / AGENT                    |                     |   |                    |                              |                                 |                           |                                 | Approval Date: MAR 3 1 2009        |            |                   |  |  |  |                                     |               |  |
| E-mail Addi  |                     |   |                    | net                          |                                 |                           |                                 |                                    |            | MAK 3             | - L &                                      |  |  |                                     |               |  |
| ווויינון Audi ⊢כון וויינון   | cos. pa             | ıuı <i>w</i> wa.  | ioneng.            | iict                         |                                 |                           |                                 | 11                                 |            |                   |  |  |  |                                     |               |  |