

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO 1004-0137
Expires November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

MAR 16 2009

Lease Serial No.
NMNM 05791

1a. Type of Well <input type="checkbox"/> Oil <input checked="" type="checkbox"/> Gas <input type="checkbox"/> Dry Other		Bureau of Land Management Farmington Field Office		Indian, Allottee or Tribe Name					
b. Type of Completion: <input checked="" type="checkbox"/> New <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resrv.		Other		7 Unit or CA Agreement Name and No					
2 Name of Operator M&G Drilling Company c/o Walsh Engineering				8 Lease Name and Well No Graham #10 #9					
3. Address 7415 E. Main St. Farmington, NM 87402		3a Phone No (include area code) (505) 327-4892		9 API Well No 30-045-32729					
4 Location of Well (Report locations clearly and in accordance with Federal requirements)* At surface 1010' FSL and 700' FEL, Section 10, T27N, R8W At top prod interval reported below At total depth				10 Field and Pool, or Exploratory Blanco Mesa Verde					
14 Date Spudded 12/06/08				15 Date T D Reached 12/11/08					
16 Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod 03/05/09				17 Elevations (DF, RKB, RT, GL)* 5975' GL 5991.5' KB					
18. Total Depth MD 6750' TVD 6750'		19. Plug Back T.D.: MD 6740' TVD 6740'		20 Depth Bridge Plug Set MD TVD					
21 Type Electric & Other Mechanical Logs Run (Submit copy of each) Compensated Density/Neutron, Induction, CBL/GR/CCI				22 Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit copy) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit)					
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
12-1/4"	9-5/8" J	36#	0	236'		150 (180 cuft)	32	Surface	Circ 15 bbls
8-3/4"	7", J	20#	0	2649'		Lead 250 (540 cuft)	96		
						Tail 150 (179 cuft)	32	Surface	Circ 22 bbls
6-1/4"	4-1/2", J	10.5#	0	6750'		440 sx (633 cuft)	113	2012' CBL	
24. Tubing Record									
Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Set (MD)	
2-3/8"	6637								
25 Producing Intervals						26. Perforation Record			
Formation		Top	Bottom	Perforated Interval		Size	No Holes	Perf Status	
A) Blanco Mesa Verde		3866	4335	3866 - 4335		0.34"	29	Open	
B)		4465	4695	4465 - 4695		0.34"	35	Open	
C)									
D)									
27. Acid, Fracture, Treatment, Cement Squeeze, Etc.									
Depth Interval		Amount and type of Material							
3866 - 4335		750 gal 15% HCl, 653 bbls slick water, 1,230,884 SCF nitrogen w/ 66,000# 20/40 BASF							
4465 - 4695		750 gal 15% HCl, 653 bbls slick water, 1,230,884 SCF nitrogen w/ 66,000# 20/40 BASF							
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
03/05/09			→						Flowing
Choke Size	Tbg Press Flwg SI	Csg Press 500 #	24 Hr Rate →	Oil BBL 5	Gas MCF 2,400	Water BBL 50	Oil Gravity Corr API	Well Status	ROVD MAR 17'09 OIL CONS. DIV.
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
			→						DIST. 3
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Well Status	MAR 15 2009 FARMINGTON FIELD OFFICE

(See instructions and spaces for additional data on reverse side)

NMOCD 8

FARMINGTON FIELD OFFICE

MAR 15 2009

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 (*Sold, 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
Ojo Alamo	1295'				
Kirtland	1425'				
Fruitland	1945'				
Pictured Cliffs	2210'				
Chacra	3150'				
Cliff House	3865'				
Menefee	3885'				
Point Lookout	4464'				
Greenhorn	6408'				
Graneros	6472'				
Dakota	6586'				

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

- 1 Electrical/Mechanical Logs (1 full set req'd) 2 Geologic Report 3. DST Report 4 Directional Survey
5. Sundry Notice for plugging and cement verification 5 Core Analysis 7 Oil

36 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*) Paul C. Thompson, P.E. Title AgentSignature *Paul C. Thompson* Date 3/6/2009

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.