

Submit To Appropriate District Office
State Lease - 6 copies
Fee Lease - 5 copies
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-105
Revised June 10, 2003

WELL API NO.
30-015-33153

5. Indicate Type of Lease

STATE ☒ FEE ☐

State Oil & Gas Lease No. NM NM-111245

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:

OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER ☐

b. Type of Completion:

NEW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF.
WELL OVER BACK RESVR. ☐ OTHER

2. Name of Operator

Preston Exploration, LLC

3. Address of Operator

P.O. Box 7520, The Woodlands, Texas 77387

4. Well Location

Unit Letter G : 1650 Feet From The North Line and 1750 Feet From The East Line

Section 2 Township 20S Range 35E NMPM Eddy County

10. Date Spudded
3/27/04

11. Date T.D. Reached
4/24/04

12. Date Compl. (Ready to Prod.)
9/4/04

13. Elevations (DF& RKB, RT, GR, etc.)
3433' GR, 3452.5 RKB

14. Elev. Casinghead
3433'

15. Total Depth
9727'

16. Plug Back T.D.
9530'

17. If Multiple Compl. How Many
Zones? N/A

18. Intervals
Drilled By

Rotary Tools
0 - TD

Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name

9440'-9520' Morrow

20. Was Directional Survey Made

No

21. Type Electric and Other Logs Run

SG, DSN, SD, DLL, MG

22. Was Well Cored

No

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8	J55 61/68#	350'	17 1/2	390 sx	None
9 5/8	P-110 47#	1425'	12 1/4	550 sx	None
5 1/2	N-80 & P110 17#	9739'	8 1/2	1100 sx	None

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 3/8	9692'	9350'

26. Perforation record (interval, size, and number)

9634'-9682' (38 holes, .42 dia)

9587'-9601' (84 holes, .45 dia)

9533'-9522' (114 holes, .45 dia)

9440'-9520' (34 holes, .42 dia)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED

9634'-9682' 1500 gal Acetic acid, 26Klbs proppant

9440'-9520' 2700 gal Acetic acid, 36Klbs proppant

28. PRODUCTION

Date First Production
9/7/04

Production Method (Flowing, gas lift, pumping - Size and type pump)
Flowing

Well Status (Prod. or Shut-in)
Producing

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
9/17/04	24	12		2	1623	8	816,000

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
2660	100		2	1623	8	53.2

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

Test Witnessed By

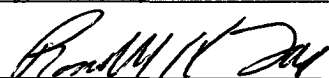
Dale Moreau, Consultant

30. List Attachments

Electric Logs

31 I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature



Printed

Name Randell K. Ford

Title Consultant

Date 10/04/2004

E-mail Address Randell@rkford.com

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon 7808	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn 8162	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka 9012	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss 9404	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg 583	T. Montoya	T. Mancos	T. McCracken
T. San Andres 1076	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta 2502	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T.	T. Wingate	T.
T. Wolfcamp 6794	T.	T. Chinle	T.
T. Penn 7438	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
 No. 2, from.....to.....
 No. 3, from.....to.....
 No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
1424	2490	1066	Dolomite	8350	9430	1080	Limestone with Shale Inter-bedded
2490	2536	46	Sandstone	9430	9672	242	Sandstone with Shale and Limestone
2536	3212	676	Dolomite				Inter-bedded
3212	4166	954	Dolomite, Sandstone, Chert, Limestone	9672	9728	56	Shale
4166	4626	460	Dolomite, Sandstone, Limestone, Shale				
4626	5668	1042	Limestone				
5668	6560	892	Limestone, Dolomite, Sandstone, Shale				
6560	6800	240	Sandstone, Shale and Limestone Inter-bedded				
6800	6900	100	Limestone				
6900	7080	180	Shale				
7080	7150	70	Sandstone				
7150	7420	270	Shale, sand & Limestone Inter-bedded				
7420	7807	387	Shale				
7807	7876	69	Limestone				
7876	8350	474	Shale with Limestone and Sand Inter-bedded				

CEMENTARY 2 STATE #1

SEC. 2, T-20-S, R-25-E EDDY COUNTY, NEW MEXICO
(Give Unit, Section, Township and Range)

LEASE & WELL

OPERATOR

PRESTON EXPLORATION, LLC 1717 WOODSTEAD COURT, SUITE 207
THE WOODLANDS, TEXAS 77380

DRILLING CONTRACTOR

NABORS DRILLING USA, LP

The Undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above-described well and that he has conducted deviation tests and obtained the following results:

DEGREES @ DEPTH	DEGREES @ DEPTH	DEGREES @ DEPTH	DEGREES @ DEPTH
1/4 622	2 1/4 5669		
3/4 927	3/4 6073		
3/4 1204	1 1/4 6572		
1/4 1668	1 7071		
2 2165	1 7539		
1 3/4 2375	1/4 8030		
1 1/4 2625	1/2 8523		
1 1/4 2937	1 9012		
1 3281	1 9683		
2 1/2 3621			
3 3991			
3 4243			
2 1/2 4613			
2 1/2 4832			
2 5180			

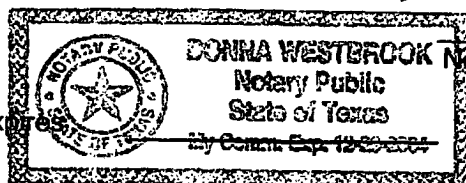
Drilling Contractor

Nabors Drilling USA, LP

By

Troy Blair-District Drilling Superintendent

Subscribed and sworn to before me this 24 day of June, 2004



My Commission Expires

MIDLAND

County TEXAS