

## OCD-ARTESIA

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED  
OMB NO 1004-0137  
Expires March 31, 2007

|                                                                                                                                                                                                                                                  |  |                                                                         |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------|--|
| 1a Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other                                                                                       |  | 5. Lease Serial No<br>NMNM98122                                         |  |
| b Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr.<br>Other                           |  | 6. If Indian, Allottee or Tribe Name<br>N/A                             |  |
| 2 Name of Operator <b>CHEVRON USA INCORPORATED (AGENT: COG OPERATING LLC)</b>                                                                                                                                                                    |  | 7 Unit or CA Agreement Name and No<br>NMNM71030C                        |  |
| 3 Address <b>550 W. TEXAS AVE. SUITE 100<br/>MIDLAND TX, 79701</b>                                                                                                                                                                               |  | 8 Lease Name and Well No<br>SKELLY UNIT 725                             |  |
| 3a. Phone No. (include area code)<br>432-818-2319                                                                                                                                                                                                |  | 9 AFI Well No<br>30-015-38378                                           |  |
| 4 Location of Well (Report location clearly and in accordance with Federal requirements)<br>At surface <b>Lot 1, 2585' FSL &amp; 1290' FEL</b><br>At top prod. interval reported below<br>At total depth <b>Lot 1, 2993' FSL &amp; 1669' FEL</b> |  | 10 Field and Pool, or Exploratory<br>MAR LOCO; GLOR-YESO                |  |
| 11 Date Spudded<br>07/02/2011                                                                                                                                                                                                                    |  | 12 Sec. T, R, M, on Block and<br>Survey or Area <b>Sec 21 T17S R31E</b> |  |
| 13 Date T.D. Reached<br>07/12/2011                                                                                                                                                                                                               |  | 14 County or Parish<br>EDDY                                             |  |
| 15 Date Completed<br>09/26/2011<br><input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod                                                                                                                              |  | 16 State<br>NM                                                          |  |
| 17 Elevations (DF, RKB, RT, GL)*<br>3816 GL                                                                                                                                                                                                      |  |                                                                         |  |

|                                                                                                                                      |                                                      |                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 18. Total Depth MD <b>6735</b><br>TVD <b>6697</b>                                                                                    | 19. Plug Back T.D. MD <b>6678</b><br>TVD <b>6640</b> | 20. Depth Bridge Plug Set. MD<br>TVD                                                                                                                                                                                                                                                                                   |
| 21. Type Electric & Other Mechanical Logs Run (Submit copy of each)<br><b>COMPENSATED NEUT HNGS; HI-RES LAT ARRAY MICRO CFL/HNGS</b> |                                                      | 22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)<br>Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report)<br>Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 Cementer Depth | No of Sks & Type of Cement | Slurry Vol (BBL) | Cement Top | Amount Pulled |
| 17.5                                                         | 13.375     | 48        | 0        | 440         |                      | 930                        |                  |            |               |
| 11                                                           | 8.625      | 32        | 0        | 1819        |                      | 600                        |                  |            |               |
| 7.875                                                        | 5.5        | 17        | 0        | 6725        |                      | 1100                       |                  |            |               |
| Accepted for record<br>NMOCB<br>10/11/2012                   |            |           |          |             |                      |                            |                  |            |               |

| 24. Tubing Record       |                |                   |                     |                |                   |              |                |                   |  |
|-------------------------|----------------|-------------------|---------------------|----------------|-------------------|--------------|----------------|-------------------|--|
| Size                    | Depth Set (MD) | Packer Depth (MD) | Size                | Depth Set (MD) | Packer Depth (MD) | Size         | Depth Set (MD) | Packer Depth (MD) |  |
| 2.875                   | 6250           |                   |                     |                |                   |              |                |                   |  |
| 25. Producing Intervals |                |                   |                     |                |                   |              |                |                   |  |
| Formation               | Top            | Bottom            | Perforated Interval | Size           | No. Holes         | Perf. Status |                |                   |  |
| A) YESO                 | 4990           | 6400              | 4990 - 5140         | .34            | 26                | OPEN         |                |                   |  |
| B)                      |                |                   | 5660 - 5860         | .34            | 26                | OPEN         |                |                   |  |
| C)                      |                |                   | 5930 - 6130         | .34            | 26                | OPEN         |                |                   |  |
| D)                      |                |                   | 6200 - 6400         | .34            | 26                | OPEN         |                |                   |  |

| 27. Acid, Fracture, Treatment, Cement Squeeze, etc |                                                                         |  |  |  |  |  |  |  |  |
|----------------------------------------------------|-------------------------------------------------------------------------|--|--|--|--|--|--|--|--|
| Depth Interval                                     | Amount and Type of Material                                             |  |  |  |  |  |  |  |  |
| 4990 - 5140                                        | Acidized w/3000 gals 15% HCL                                            |  |  |  |  |  |  |  |  |
| 4990 - 5140                                        | Frac w/ 102,731 gals gel, 116,931# 16/30 Ottawa sand, 19,108# 16/30 CRC |  |  |  |  |  |  |  |  |
| 5660 - 5860                                        | Acidized w/2500 gals 15% HCL                                            |  |  |  |  |  |  |  |  |
| 5660 - 5860                                        | Frac w/116,036 gals gel, 147,667# 16/30 Ottawa sand, 34,800# 16/30 CRC  |  |  |  |  |  |  |  |  |

| 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     |
| 12/31/2011                   | 12/31/2011        | 24           | →               | 24      | 95      | 242       | 37.1                 |             | Electric Pumping Unit |
| Choke Size                   | Tbg Press Flwg SI | Csg Press    | 24 Hr Rate      | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio        | Well Status |                       |
| N/A                          | SI 70             | 70           | →               | 24      | 95      | 242       | 3958                 |             |                       |
| 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     |
|                              |                   |              | →               |         |         |           |                      |             | JAN 21 2012           |
| 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)

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED  
OMB NO 1004-0137  
Expires March 31, 2007

|                                                                                                                                                                                                                                                   |                                                                         |                                                                                                                                                                                                                                                                                                                       |                     |                |                      |                            |                      |                   |                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------|----------------------|----------------------------|----------------------|-------------------|-----------------------|
| 1a Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other                                                                                        |                                                                         | 5 Lease Serial No.<br><b>NMNM198122</b>                                                                                                                                                                                                                                                                               |                     |                |                      |                            |                      |                   |                       |
| b Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr.<br>Other                            |                                                                         | 6 If Indian, Allottee or Tribe Name<br><b>N/A</b>                                                                                                                                                                                                                                                                     |                     |                |                      |                            |                      |                   |                       |
| 2 Name of Operator: <b>CHEVRON USA INCORPORATED (AGENT: COG OPERATING LLC)</b>                                                                                                                                                                    |                                                                         | 7 Unit or CA Agreement Name and No<br><b>NMNM171030C</b>                                                                                                                                                                                                                                                              |                     |                |                      |                            |                      |                   |                       |
| 3 Address <b>550 W. TEXAS AVE, SUITE 100<br/>MIDLAND TX, 79701</b>                                                                                                                                                                                |                                                                         | 8 Lease Name and Well No<br><b>SKELLY UNIT 725</b>                                                                                                                                                                                                                                                                    |                     |                |                      |                            |                      |                   |                       |
| 3a Phone No. (include area code)<br><b>432-818-2319</b>                                                                                                                                                                                           |                                                                         | 9 API Well No<br><b>30-015-38378</b>                                                                                                                                                                                                                                                                                  |                     |                |                      |                            |                      |                   |                       |
| 4 Location of Well (Report location clearly and in accordance with Federal requirements)*<br>At surface <b>Lot 1, 2585' FSL &amp; 1290' FEL</b><br>At top prod. interval reported below<br>At total depth <b>Lot G, 2993' FSL &amp; 1669' FEL</b> |                                                                         | 10 Field and Pool, or Exploratory<br><b>MAR LOCO GLOR-YESO</b>                                                                                                                                                                                                                                                        |                     |                |                      |                            |                      |                   |                       |
| 11 Sec., T., R., M., on Block and Survey or Area<br><b>Sec 21 T17S R31E</b>                                                                                                                                                                       |                                                                         | 12 County or Parish<br><b>EDDY</b>                                                                                                                                                                                                                                                                                    |                     |                |                      |                            |                      |                   |                       |
| 13 State<br><b>NM</b>                                                                                                                                                                                                                             |                                                                         | 17 Elevations (DF, RKB, RT, GL)*<br><b>3816 GL</b>                                                                                                                                                                                                                                                                    |                     |                |                      |                            |                      |                   |                       |
| 14 Date Spudded<br><b>07/02/2011</b>                                                                                                                                                                                                              | 15 Date T.D. Reached<br><b>07/12/2011</b>                               | 16 Date Completed<br><input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod<br><b>09/26/2011</b>                                                                                                                                                                                            |                     |                |                      |                            |                      |                   |                       |
| 18 Total Depth MD <b>6735</b><br>TVD <b>6697</b>                                                                                                                                                                                                  | 19 Plug Back T.D. MD <b>6678</b><br>TVD <b>6640</b>                     | 20 Depth Bridge Plug Set MD<br>TVD                                                                                                                                                                                                                                                                                    |                     |                |                      |                            |                      |                   |                       |
| 21 Type Electric & Other Mechanical Logs Run (Submit copy of each)<br><b>COMPENSATED NEUTRINGS; HI-RES LAT ARRAY MICRO CFL/INGS</b>                                                                                                               |                                                                         | 22 Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)<br>Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report)<br>Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 Cementer Depth | No of Sks & Type of Cement | Slurry Vol (BBL)     | Cement Top*       | Amount Pulled         |
| 17.5                                                                                                                                                                                                                                              | 13.375                                                                  | 48                                                                                                                                                                                                                                                                                                                    | 0                   | 440            |                      | 930                        |                      | 0                 |                       |
| 11                                                                                                                                                                                                                                                | 8.625                                                                   | 32                                                                                                                                                                                                                                                                                                                    | 0                   | 1819           |                      | 600                        |                      | 0                 |                       |
| 7.875                                                                                                                                                                                                                                             | 5.5                                                                     | 17                                                                                                                                                                                                                                                                                                                    | 0                   | 6725           |                      | 1100                       |                      | 0                 |                       |
| 24 Tubing Record                                                                                                                                                                                                                                  |                                                                         |                                                                                                                                                                                                                                                                                                                       |                     |                |                      |                            |                      |                   |                       |
| Size                                                                                                                                                                                                                                              | Depth Set (MD)                                                          | Packer Depth (MD)                                                                                                                                                                                                                                                                                                     | Size                | Depth Set (MD) | Packer Depth (MD)    | Size                       | Depth Set (MD)       | Packer Depth (MD) |                       |
| 2.875                                                                                                                                                                                                                                             | 6250                                                                    |                                                                                                                                                                                                                                                                                                                       |                     |                |                      |                            |                      |                   |                       |
| 25 Producing Intervals                                                                                                                                                                                                                            |                                                                         |                                                                                                                                                                                                                                                                                                                       |                     |                |                      |                            |                      |                   |                       |
| Formation                                                                                                                                                                                                                                         | Top                                                                     | Bottom                                                                                                                                                                                                                                                                                                                | Perforated Interval | Size           | No Holes             | Perf Status                |                      |                   |                       |
| A) YESO                                                                                                                                                                                                                                           | 4990                                                                    | 6400                                                                                                                                                                                                                                                                                                                  | 4990 - 5140         | .34            | 26                   | OPEN                       |                      |                   |                       |
| B)                                                                                                                                                                                                                                                |                                                                         |                                                                                                                                                                                                                                                                                                                       | 5660 - 5860         | .34            | 26                   | OPEN                       |                      |                   |                       |
| C)                                                                                                                                                                                                                                                |                                                                         |                                                                                                                                                                                                                                                                                                                       | 5930 - 6130         | .34            | 26                   | OPEN                       |                      |                   |                       |
| D)                                                                                                                                                                                                                                                |                                                                         |                                                                                                                                                                                                                                                                                                                       | 6200 - 6400         | .34            | 26                   | OPEN                       |                      |                   |                       |
| 27 Acid, Fracture, Treatment, Cement Squeeze, etc                                                                                                                                                                                                 |                                                                         |                                                                                                                                                                                                                                                                                                                       |                     |                |                      |                            |                      |                   |                       |
| Depth Interval                                                                                                                                                                                                                                    | Amount and Type of Material                                             |                                                                                                                                                                                                                                                                                                                       |                     |                |                      |                            |                      |                   |                       |
| 4990 - 5140                                                                                                                                                                                                                                       | Acidized w/3000 gals 15% HCL                                            |                                                                                                                                                                                                                                                                                                                       |                     |                |                      |                            |                      |                   |                       |
| 4990 - 5140                                                                                                                                                                                                                                       | Frac w/ 102,731 gals gel, 116,931# 16/30 Ottawa sand, 19,108# 16/30 CRC |                                                                                                                                                                                                                                                                                                                       |                     |                |                      |                            |                      |                   |                       |
| 5660 - 5860                                                                                                                                                                                                                                       | Acidized w/2500 gals 15% HCL                                            |                                                                                                                                                                                                                                                                                                                       |                     |                |                      |                            |                      |                   |                       |
| 5660 - 5860                                                                                                                                                                                                                                       | Frac w/116,036 gals gel, 147,667# 16/30 Ottawa sand, 34,800# 16/30 CRC  |                                                                                                                                                                                                                                                                                                                       |                     |                |                      |                            |                      |                   |                       |
| 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     |
| 12/31/2011                                                                                                                                                                                                                                        | 12/31/2011                                                              | 24                                                                                                                                                                                                                                                                                                                    | →                   | 24             | 95                   | 242                        | 37.1                 | 6                 | Electric Pumping Unit |
| Choke Size                                                                                                                                                                                                                                        | Tbg Press Flwg SI                                                       | Csg Press                                                                                                                                                                                                                                                                                                             | 24 Hr Rate          | Oil BBL        | Gas MCF              | Water BBL                  | Gas/Oil Ratio        | Well Status       |                       |
| N/A                                                                                                                                                                                                                                               | 70                                                                      | 70                                                                                                                                                                                                                                                                                                                    | →                   | 24             | 95                   | 242                        | 3958                 | POW               |                       |
| 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     |
|                                                                                                                                                                                                                                                   |                                                                         |                                                                                                                                                                                                                                                                                                                       | →                   |                |                      |                            |                      |                   | N/A                   |
| Choke Size                                                                                                                                                                                                                                        | Tbg Press Flwg SI                                                       | Csg Press                                                                                                                                                                                                                                                                                                             | 24 Hr Rate          | Oil BBL        | Gas MCF              | Water BBL                  | Gas/Oil Ratio        | Well Status       |                       |
|                                                                                                                                                                                                                                                   |                                                                         |                                                                                                                                                                                                                                                                                                                       | →                   |                |                      |                            |                      | N/A               |                       |

\*See instructions and spaces for additional data on page 2)

Accepted for record

NMOCD 09/19/2012

RECEIVED

JAN 17 2012

NMOCD ARTESIA

## 28b. Production - Interval C

| Date First Produced | Test Date                 | Hours Tested | Test Production<br>→ | Oil BBL | Gas MCF | Water BBL | Oil Gravity<br>Corr. API | Gas Gravity | Production Method |
|---------------------|---------------------------|--------------|----------------------|---------|---------|-----------|--------------------------|-------------|-------------------|
|                     |                           |              | →                    |         |         |           |                          |             | N/A               |
| Choke Size          | Tbg. Press<br>Flwg.<br>SI | Csg. Press   | 24 Hr.<br>Rate<br>→  | Oil BBL | Gas MCF | Water BBL | Gas/Oil<br>Ratio         | Well Status |                   |
|                     |                           |              | →                    |         |         |           |                          |             | N/A               |

## 28c. Production - Interval D

| Date First Produced | Test Date                 | Hours Tested | Test Production<br>→ | Oil BBL | Gas MCF | Water BBL | Oil Gravity<br>Corr. API | Gas Gravity | Production Method |
|---------------------|---------------------------|--------------|----------------------|---------|---------|-----------|--------------------------|-------------|-------------------|
|                     |                           |              | →                    |         |         |           |                          |             | N/A               |
| Choke Size          | Tbg. Press<br>Flwg.<br>SI | Csg. Press   | 24 Hr.<br>Rate<br>→  | Oil BBL | Gas MCF | Water BBL | Gas/Oil<br>Ratio         | Well Status |                   |
|                     |                           |              | →                    |         |         |           |                          |             | N/A               |

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

Sold

## 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<br>Meas. Depth |
|------------|------|--------|------------------------------|------------|--------------------|
| YATES      | 1824 |        | DOLOMITE & SAND              | YATES      | 1824               |
| SAN ANDRES | 3378 |        | DOLOMITE & LIMESTONE         | SAN ANDRES | 3378               |
| GLORIETA   | 4870 |        | DOLOMITE & ANHYDRITE         | GLORIETA   | 4870               |
| YESO       | 4966 |        | SAND & DOLOMITE              | YESO       | 4966               |
| TUBB       | 6672 |        | DOLOMITE & SANDSTONE         | TUBB       | 6672               |

## 32. Additional remarks (include plugging procedure):

## 27. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE ETC. CONT...

5930 - 6130 Acidize w/2500 gals 15% HCL acid.

5930 - 6130 Frac w/113,350 gals gel, 143,614# 16/30 Ottawa sand, 31,356# 16/30 CRC

6200 - 6400 Acidize w/2500 gals 15% HCL acid.

6200 - 6400 Frac w/113,043 gals gel, 144,477# 16/30 Ottawa sand, 30,674# 16/30 CRC

## 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:

## 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) Netha AaronTitle PREPARER

Signature

Date 01/12/2012

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.