

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. 30-015-33763		5. Indicate Type of Lease STATE ☐ FEE ☒	
		State Oil & Gas Lease No.			
WELL COMPLETION OR RECOMPLETION REPORT AND LOG					
1a. Type of Well: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER _____			7. Lease Name or Unit Agreement Name Cemetery 2		
b. Type of Completion: NEW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF. WELL OVER BACK RESVR. ☐ OTHER _____			RECEIVED MAR 17 2006 OOO-ARTESIA		
2. Name of Operator Preston Exploration, LLC			8. Well No. #2		
3. Address of Operator P.O. Box 7520 The Woodlands, Texas 77387-7520			9. Pool name or Wildcat Cemetery, Morrow		
4. Well Location Unit Letter <u>O</u> : <u>660'</u> Feet From The <u>South</u> Line and <u>1750'</u> Feet From The <u>East</u> Line Section <u>2</u> Township <u>20-S</u> Range <u>25-E</u> NMPM <u>Eddy</u> County _____					
10. Date Spudded 7/6/2005		11. Date T.D. Reached 8/20/2005		12. Date Compl. (Ready to Prod.) 11/07/2005	
				13. Elevations (DF& RKB, RT, GR, etc.) 3,385' GL	
15. Total Depth 9,820'		16. Plug Back T.D. 9,531'		17. If Multiple Compl. How Many Zones? N/A	
				18. Intervals Rotary Tools Drilled By 0-TD	
19. Producing Interval(s), of this completion - Top, Bottom, Name 9423' - 9523'; Upper Morrow				20. Was Directional Survey Made No	
21. Type Electric and Other Logs Run Density Neutron, Dual Laterolog, Sonic Log, Gamma Ray				22. Was Well Cored No	
23. CASING RECORD (Report all strings set in well)					
CASING SIZE		WEIGHT LB./FT.		DEPTH SET	
13-3/8"		68# & 61#		380'	
9-5/8"		40#		1430'	
5-1/2"		17#		9820'	
24. LINER RECORD					
SIZE		TOP		BOTTOM	
25. TUBING RECORD					
SIZE		DEPTH SET		PACKER SET	
2-3/8"		9308'		8309'	
26. Perforation record (interval, size, and number)					
9629' - 9660', .43 EHD, 51 Shots					
9546' - 9600', .42 EHD, 23 Shots					
9423' - 9523', .42 EHD, 92 Shots					
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.					
DEPTH INTERVAL		AMOUNT AND KIND MATERIAL USED			
9629' - 9660'		2400 gal HCl Acid 7-1/2%			
9423' - 9523'		75671# Proppant High Strength 20/40 S140 Frac			
28. PRODUCTION					
Date First Production 11/07/2005		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing			Well Status (Prod. or Shut-in) Producing
Date of Test 11/06/2005		Hours Tested 24 hrs	Choke Size 18/64	Prod'n For Test Period 0	Oil - Bbl 971
Flow Tubing Press. 725#		Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl. 0	Gas - MCF 971
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold					Test Witnessed By
30. List Attachments C104, Inclination Report					
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 Lindsay Truesdell		Printed Name Lindsay Truesdell		Title Consultant	
E-mail Address lindsay@rkford.com				Date January 11, 2006	

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 780	T. Canyon 7780	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn 8152	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka 8998	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss 9162	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	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta 2536	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinberry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs 4276	T. Entrada	T.
T. Abo	T. Morrow 9395	T. Wingate	T.
T. Wolfcamp 6774	T.	T. Chinle	T.
T. Penn 7470	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....
 No. 2, 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
1420	2541		Dolomite with interspersed chert.				
2541	2700		Sandstone and interbedded limestone.				
2700	4142		Dolomite with interbedded chert.				
4142	6778		Limestone with interbedded shale, sandstone, chert.				
6778	7780		Limestone with interbedded shale, shale, trace sandstone and chert.				
7780	9040		Limestone, shale.				
9040	9398		Shale, Limestone, Chert.				
9398	9670		Sandstone, Shale, Limestone interbedded.				
9670	9820		Shale.				