

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 20041a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Bssvt.
Other _____2. Name of Operator **Fairway Resources Operating, LLC**3. Address **538 Silicon Drive, Suite 101, Southlake, TX 76092**3a. Phone No. (include area code)
817/416-1946

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface **1,150' FNL and 2,310' FWL SENENW**At top prod. interval reported below **Same**At total depth **Same**14. Date Spudded
10/30/200615. Date T.D. Reached
11/05/200616. Date Completed **11/18/2006**
☐ D & A ☒ Ready to Prod.17. Elevations (DF, RKB, RT, GL)*
3,581' GL18. Total Depth: MD
TVD **2,504'**19. Plug Back T.D.: MD
TVD **2,460'**20. Depth Bridge Plug Set: MD
TVD21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
CNL/GR/CCL22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☒ No ☐ 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 Sk. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-------------|----------|-------------|----------------------|--|-------------------|-------------|---------------|
| 12 1/4" | 8 5/8" | 32 | Surf | 360' | | 352 sks | | Circulate | |
| 7 7/8" | 5 1/2" | 15.5 | Surf | 2,504' | | 100 sks 35-65 POZ plus 200 sks Class C | | 700' cal | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

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 7/8" | 2,300' | | | | | | | |

25. Producing Intervals

| Formation | Top | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|----------------------|---------------|---------------|----------------------|------------|-----------|--------------|
| A) San Andres | 2,008' | 2,387' | 2,008'-2,387' | .36 | 35 | Open |
| B) | | | | | | |
| C) | | | | | | |
| D) | | | | | | |

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

| Depth Interval | Amount and Type of Material |
|-------------------------|--|
| 2,008' - 2,3887' | 2,000 gallons 15% NEFE HCl acid, frac with 119,364 gals fluid with 8,000# 14/30 Lite Prop 125, 64,000# 20/40 brown sand and 15,000# 16/30 Siber Prop. |
| | |
| | |

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 |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| 11/22/2006 | 12/11/2006 | 24 | → | 70 | 65 | 220 | | | Pumping |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | |
| | | | → | | | | | | |

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 |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| | | | → | | | | | | |
| 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)

mailed 12-15-06

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.)

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 Meas. Depth |
|-----------|-----|--------|------------------------------|---------------------------------|--------------------------|
| | | | | Queen Grayburg San Andres | 862' 1,357' 1,618' |

32. Additional remarks (include plugging procedure):

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) Cindy FloodTitle Office ManagerSignature Cindy FloodDate 12/15/2006

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.



538 Silicon Drive, Suite 101
Southlake, Texas 76092
(817) 416-1946 (817) 416-1949 fax



December 19, 2006

Mr. Bryan Arrant
Oil Conservation Division
1301 West Grand Avenue
Artesia, NM 88210

RE: Midnight Matador #3
Eddy County, New Mexico

Dear Bryan:

Per our telephone conversation, enclosed are the following:

- Deviation report for the Midnight Matador #3
- BLM Completion report for the Midnight Matador #3
- Completion logs for the Midnight Matador #3

If you need further information, please let me know.

Sincerely,

Cindy Flood
Office Manager

/cjf
Enclosures

WELL NAME AND NUMBER Midnight Matador Federal #3
LOCATION Section 35, T 17S, R 27E, 1150 FNL, 2310 FWL, Eddy County
OPERATOR Fairway Resources
DRILLING CONTRACTOR United Drilling, Inc.

DEC 2006
RECEIVED
OCD - ARTESIA

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation test and obtained the following results:

| <u>Degrees @ Depth</u> | <u>Degrees @ Depth</u> | <u>Degrees @ Depth</u> |
|-----------------------------|-----------------------------|-----------------------------|
| <u>1/4 @ 360'</u> | <u> </u> | <u> </u> |
| <u>1/4 @ 1020'</u> | <u> </u> | <u> </u> |
| <u>1/2 @ 1523'</u> | <u> </u> | <u> </u> |
| <u>1/2 @ 2154'</u> | <u> </u> | <u> </u> |
| <u>1/4 @ 2500'</u> | <u> </u> | <u> </u> |
| <u> </u> | <u> </u> | <u> </u> |
| <u> </u> | <u> </u> | <u> </u> |
| <u> </u> | <u> </u> | <u> </u> |

Drilling Contractor- UNITED DRILLING, INC.

By: Luisa Garcia
(Luisa Garcia)

Title: Assistant Office Manger

Subscribed and sworn to before me this 7 day of Nov, 2006.

George A. Aho
Notary Public
Chaves NM
County State

My Commission Expires:

10-8-08