

N.M. Oil Cons. DIV-Dist. 2

1301 W. Grand Avenue

Artesia, NM 88210

Form 3160-4
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

Month - Year
MAY 3 2007FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007Lease Serial No.
NM-36194

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other		6. If Indian, Allottee or Tribe Name	
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resv., Other _____		7. Unit or CA Agreement Name and No.	
2. Name of Operator McKay Oil Corporation		8. Lease Name and Well No. South Four Mile Draw C Fed	
3. Address PO Box 2014 Roswell, NM 88202-2014		9. API Well No. 1H	
3a. Phone No. (include area code) 505-623-4735		10. Field and Pool, or Exploratory West Pecos ABO Slope	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface Surface Location: 660' FNL & 890' FWL At top prod. interval reported below At total depth Bottom Hole Location: 2637' FNL & 1017' FWL		11. Sec., T., R., M., on Block and Survey or Area SEC22, T6S, R22E	
14. Date Spudded 07/14/2006		15. Date T.D. Reached 08/28/2006	
16. Date Completed 08/29/2006 ☐ D & A ☒ Ready to Prod.		17. Elevations (DF, RKB, RT, GL)* 4326' GL	
18. Total Depth: MD TVD 4532'		19. Plug Back T.D.: MD TVD	
20. Depth Bridge Plug Set: MD TVD		21. Type Electric & Other Mechanical Logs Run (Submit copy of each) Cement, CNL (mailed directly to Schlumberger)	
22. 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 Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/4"	8 5/8"	24#		1063'		575sks Cls C w/6% CaCl2			
7 7/8"	5 1/2"	17#		3167'					
Liner	3 1/2"		1734'	4251'		105sks 50/50 2+1%FL52A			

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 - 1/16"	3449'	n/a						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Abo	3550'	3800'	3550' - 3800'		2spf	open
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material
Zone A 3550' - 3800'	Acidize w/25,000 gal FAW-4 Frac w/56,296 gal 70% C02 w/30# Linear Gel + 311,385 lbs 12/20 Brown Sand

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
09/02/2006	08/29/1006	4	→	0	582	0	n/a		Flowing
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
24/64	SI	92	→	0	3492	0	n/a		Producing

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	
	SI		→						

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

ACCEPTED FOR RECORD

MAY 3 2007

GARY GOURLEY
PETROLEUM ENGINEER

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
Yeso	1077'				
Tubb	2573'				
Abo	2801'				

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) Carol ShanksTitle Production AnalystSignature Carol ShanksDate 10/25/2006

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.

Crescent Directional Drilling

Survey Report

Company: Conquest Energy Services of N.M.	Local Co-ordinate Reference: Well Federal # 1H	
Project: Chaves County, New Mexico	TVD Reference: RKB + 12" @ 4338.0ft (Rig Unknown)	
Site: South Four Mile Draw C	MD Reference: RKB + 12" @ 4338.0ft (Rig Unknown)	
Well: Federal # 1H	North Reference: Grid	
Wellbore: Sidetrack	Survey Calculation Method: Minimum Curvature	
Design: Sidetrack	Database: EDM 2003.14 Single User Db	

Project	Chaves County, New Mexico		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site South Four Mile Draw C

Site Position:	From:	Lat/Long	Northing:	1,013,902.30 ft	Latitude:	33° 47' 11.570 N
			Easting:	384,330.80 ft	Longitude:	104° 42' 50.510 W
Position Uncertainty:		0.0 ft	Slot Radius:	"	Grid Convergence:	-0.21 °

Well Federal # 1H

Well Position	+N/-S	0.0 ft	Northing:	1,013,902.30 ft	Latitude:	33° 47' 11.570 N
	+E/-W	0.0 ft	Easting:	384,330.80 ft	Longitude:	104° 42' 50.510 W
Position Uncertainty		0.0 ft	Wellhead Elevation:	0.0 ft	Ground Level:	4,326.0 ft

Wellbore Sidetrack

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	2006-10-02	8.79	61.54	49,903

Design Sidetrack

Audit Notes:

Version:	1.0	Phase:	ACTUAL	Tie On Depth:	3,108.0
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Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	180.00

Survey Program Date 2006-10-02

From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
1,180.0	3,108.0	Original Hole (Wellbore #1)	MWD	MWD - Standard
3,182.0	3,841.0	Sidetrack Surveys (Sidetrack)	MWD	MWD - Standard

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
1,180.0	1.80	112.30	1,179.8	-7.0	17.1	7.0	0.15	0.15	0.00
1,672.0	0.40	178.90	1,671.7	-11.7	24.3	11.7	0.34	-0.28	13.54
2,042.0	0.70	175.40	2,041.7	-15.2	24.5	15.2	0.08	0.08	-0.95
2,086.0	0.40	193.10	2,085.7	-15.6	24.5	15.6	0.78	-0.68	40.23
2,118.0	0.70	180.30	2,117.7	-15.9	24.5	15.9	1.01	0.94	-40.00
2,148.0	0.40	176.90	2,147.7	-16.2	24.5	16.2	1.01	-1.00	-11.33
2,163.0	0.70	163.20	2,162.7	-16.4	24.5	16.4	2.17	2.00	-91.33
2,180.0	0.70	149.50	2,179.7	-16.6	24.6	16.6	0.98	0.00	-80.59
2,211.0	2.70	178.20	2,210.7	-17.5	24.7	17.5	6.82	6.45	92.58
2,242.0	6.90	182.60	2,241.6	-20.0	24.7	20.0	13.59	13.55	14.19
2,274.0	11.30	182.60	2,273.1	-25.1	24.4	25.1	13.75	13.75	0.00

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Design: Sidetrack	Database: EDM 2003.14 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
2,305.0	15.50	182.40	2,303.3	-32.3	24.1	32.3	13.55	13.55	-0.65
2,337.0	18.40	182.80	2,333.9	-41.6	23.7	41.6	9.07	9.06	1.25
2,367.0	21.10	183.70	2,362.1	-51.7	23.1	51.7	9.06	9.00	3.00
2,399.0	23.60	183.20	2,391.7	-63.9	22.4	63.9	7.83	7.81	-1.56
2,430.0	26.20	182.60	2,419.8	-76.9	21.7	76.9	8.43	8.39	-1.94
2,461.0	28.70	182.10	2,447.4	-91.2	21.2	91.2	8.10	8.06	-1.61
2,491.0	30.90	182.00	2,473.4	-106.1	20.6	106.1	7.34	7.33	-0.33
2,523.0	32.80	181.50	2,500.6	-123.0	20.1	123.0	5.99	5.94	-1.56
2,554.0	34.80	181.50	2,526.3	-140.2	19.7	140.2	6.45	6.45	0.00
2,586.0	37.10	182.30	2,552.2	-159.0	19.0	159.0	7.34	7.19	2.50
2,610.0	38.90	183.40	2,571.1	-173.7	18.3	173.7	8.01	7.50	4.58
2,642.0	41.10	183.30	2,595.7	-194.3	17.1	194.3	6.88	6.87	-0.31
2,673.0	43.50	183.30	2,618.6	-215.1	15.9	215.1	7.74	7.74	0.00
2,704.0	46.20	183.00	2,640.6	-236.9	14.7	236.9	8.74	8.71	-0.97
2,736.0	48.80	182.40	2,662.2	-260.5	13.6	260.5	8.24	8.12	-1.87
2,767.0	52.00	182.30	2,681.9	-284.3	12.6	284.3	10.33	10.32	-0.32
2,798.0	54.90	182.30	2,700.4	-309.2	11.6	309.2	9.35	9.35	0.00
2,830.0	57.00	182.30	2,718.3	-335.7	10.5	335.7	6.56	6.56	0.00
2,861.0	59.60	183.10	2,734.6	-362.0	9.3	362.0	8.67	8.39	2.58
2,892.0	62.40	183.90	2,749.6	-389.1	7.6	389.1	9.31	9.03	2.58
2,923.0	65.10	185.00	2,763.3	-416.8	5.5	416.8	9.27	8.71	3.55
2,953.0	67.70	185.50	2,775.3	-444.2	3.0	444.2	8.80	8.67	1.67
2,984.0	70.40	185.40	2,786.4	-473.0	0.2	473.0	8.71	8.71	-0.32
3,015.0	72.80	185.60	2,796.2	-502.3	-2.6	502.3	7.77	7.74	0.65
3,046.0	75.40	185.30	2,804.7	-532.0	-5.4	532.0	8.44	8.39	-0.97
3,077.0	78.00	184.90	2,811.8	-562.0	-8.1	562.0	8.48	8.39	-1.29
3,108.0	80.80	184.50	2,817.5	-592.4	-10.6	592.4	9.12	9.03	-1.29
3,182.0	85.10	183.20	2,826.6	-665.6	-15.5	665.6	6.07	5.81	-1.76
3,221.0	87.50	177.90	2,829.1	-704.5	-15.9	704.5	14.89	6.15	-13.59
3,266.0	93.10	172.90	2,828.9	-749.4	-12.3	749.4	16.68	12.44	-11.11
3,296.0	94.20	172.30	2,827.0	-779.0	-8.5	779.0	4.17	3.67	-2.00
3,327.0	94.10	173.10	2,824.7	-809.7	-4.5	809.7	2.59	-0.32	2.58
3,358.0	90.80	172.90	2,823.4	-840.5	-0.7	840.5	10.66	-10.65	-0.65
3,390.0	88.10	170.40	2,823.7	-872.1	3.9	872.1	11.50	-8.44	-7.81
3,421.0	89.10	169.80	2,824.5	-902.6	9.2	902.6	3.76	3.23	-1.94
3,453.0	91.10	169.60	2,824.4	-934.1	14.9	934.1	6.28	6.25	-0.62
3,485.0	88.40	170.70	2,824.6	-965.6	20.4	965.6	9.11	-8.44	3.44
3,516.0	87.60	171.10	2,825.6	-996.2	25.3	996.2	2.88	-2.58	1.29
3,547.0	89.50	172.50	2,826.4	-1,026.9	29.7	1,026.9	7.61	6.13	4.52
3,578.0	90.20	172.90	2,826.5	-1,057.7	33.7	1,057.7	2.60	2.26	1.29
3,608.0	90.50	174.60	2,826.3	-1,087.5	36.9	1,087.5	5.75	1.00	5.67
3,640.0	90.70	175.30	2,826.0	-1,119.3	39.8	1,119.3	2.27	0.62	2.19
3,669.0	91.40	174.60	2,825.5	-1,148.2	42.3	1,148.2	3.41	2.41	-2.41
3,701.0	91.80	176.20	2,824.6	-1,180.1	44.9	1,180.1	5.15	1.25	5.00
3,732.0	93.40	175.80	2,823.2	-1,211.0	47.0	1,211.0	5.32	5.16	-1.29
3,763.0	93.80	176.00	2,821.2	-1,241.9	49.3	1,241.9	1.44	1.29	0.65
3,793.0	92.90	175.80	2,819.5	-1,271.7	51.4	1,271.7	3.07	-3.00	-0.67
3,841.0	91.10	174.40	2,817.8	-1,319.5	55.5	1,319.5	4.75	-3.75	-2.92

Checked By:

Carol Shanks

Approved By:

CD

Date:

10/25/07

Susan Anderson