

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMBNO. 1004-0137  
Expires: March 31, 2007

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG

|                                                                                                                                                                                                                                                                                                                        |  |                                                                                   |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------|--|
| 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>NMNM98122</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. Resrv.,<br>Other _____                                                                                        |  | 6. If Indian, Allottee or Tribe Name                                              |  |
| 2. Name of Operator <b>Chevron USA Inc (COG Operating, LLC as Agent)</b>                                                                                                                                                                                                                                               |  | 7. Unit or CA Agreement Name and No.                                              |  |
| 3. Address <b>550 W. Texas Ave., Ste. 1300 (Agent Address)<br/>Midland, TX 79707</b>                                                                                                                                                                                                                                   |  | 8. Lease Name and Well No.<br><b>Skelly Unit 718</b>                              |  |
| 3a. Phone No. (include area code)<br><b>432-221-0300</b>                                                                                                                                                                                                                                                               |  | 9. AFI Well No.<br><b>30-015-37882</b>                                            |  |
| 4. Location of Well (Report location clearly and in accordance with Federal requirements)*<br><br>At surface <b>1650 FSL &amp; 1056 FWL</b><br><br>At top prod. interval reported below<br><br>At total depth                                                                                                          |  | 10. Field and Pool, or Exploratory<br><b>Fren; Glorieta-Yeso</b>                  |  |
| 14. Date Spudded<br><b>08/30/2010</b>                                                                                                                                                                                                                                                                                  |  | 15. Date T.D. Reached<br><b>09/07/2010</b>                                        |  |
| 16. Date Completed <b>10/12/2010</b><br><input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod.                                                                                                                                                                                              |  | 17. Elevations (DF, RKB, RT, GL)*<br><b>3779' GR</b>                              |  |
| 18. Total Depth: MD <b>6735</b><br>TVD                                                                                                                                                                                                                                                                                 |  | 19. Plug Back T.D.: MD <b>6591</b><br>TVD                                         |  |
| 20. Depth Bridge Plug Set: MD<br>TVD                                                                                                                                                                                                                                                                                   |  | 21. Type Electric & Other Mechanical Logs Run (Submit copy of each)<br><b>CNL</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 checked="" type="checkbox"/> No <input 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        | 472         |                      | 500                          |                   | 0           |               |
| 11        | 8.625      | 32          | 0        | 1808        |                      | 550                          |                   | 0           |               |
| 7.875     | 5.5        | 17          | 0        | 6721        |                      | 1050                         |                   | 0           |               |
|           |            |             |          |             |                      |                              |                   |             |               |
|           |            |             |          |             |                      |                              |                   |             |               |
|           |            |             |          |             |                      |                              |                   |             |               |

RECEIVED

NOV 09 2010

NMOCD ARTESIA

## 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 | 6099           |                   |      |                |                   |      |                |                   |

## 25. Producing Intervals

| Formation   | Top  | Bottom | Perforated Interval | Size | No. Holes | Perf. Status |
|-------------|------|--------|---------------------|------|-----------|--------------|
| A) Yeso     | 4860 | 6290   | 4860-5010           |      | 22        | Open         |
| B) Paddock  | 4860 | 5010   | 5550-5750           |      | 26        | Open         |
| C) Blinebry | 5550 | 6290   | 5820-6020           |      | 26        | Open         |
| D)          |      |        | 6090-6290           |      | 26        | Open         |

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

| Depth Interval | Amount and Type of Material                                                                          |
|----------------|------------------------------------------------------------------------------------------------------|
| 4860-5010      | Acid w/ 3000 gals acid, Frac w/ 95,456 gals gel, 104,608# 16/30 Ottawa sand, 22,030# 16/30 Super LC  |
| 5550-5750      | Acid w/ 2500 gals acid, Frac w/ 110,929 gals gel, 143,906# 16/30 Ottawa sand, 28,324# 16/30 Super LC |
| 5820-6020      | Acid w/ 2500 gals acid, Frac w/ 114,629 gals gel, 146,526# 16/30 Ottawa sand, 29,701# 16/30 Super LC |
| 6090-6290      | Acid w/ 2500 gals acid, Frac w/ 118,552 gals gel, 150,624# 16/30 Ottawa sand, 29,145# 16/30 Super LC |

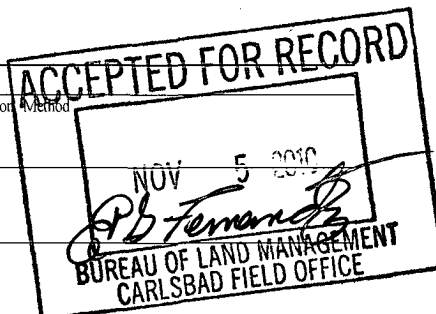
## 28. Production - Interval A

| Date First Produced | Test Date            | Hours Tested   | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method     |
|---------------------|----------------------|----------------|-----------------|---------|---------|-----------|-----------------------|-------------|-----------------------|
| 10/19/2010          | 10/22/2010           | 24             | →               | 223     | 188     | 230       | 37.0                  |             | Electric Pumping Unit |
| Choke Size          | Tbg. Press. Flwg. SI | Csg. Press. SI | 24 Hr. Rate     | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio         | Well Status |                       |
|                     | 70                   | 70             | →               | 223     | 188     | 230       | 843                   | 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 |
|---------------------|----------------------|----------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
|                     |                      |                | →               |         |         |           |                       |             |                   |
| Choke Size          | Tbg. Press. Flwg. SI | Csg. Press. SI | 24 Hr. Rate     | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio         | Well Status |                   |
|                     |                      |                | →               |         |         |           |                       |             |                   |

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



## 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 |
|---------------------|----------------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| 10/19/2010          | 10/21/2010           | 24           | →               | 223     | 188     | 230       |                       |             |                   |
| 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 |
|------------|------|--------|------------------------------|------------|-----------------|
| Yates      | 1591 |        | Dolomite & Sand              | Yates      | 1591            |
| Queen      | 2525 |        | Sand                         | Queen      | 2525            |
| San Andres | 3305 |        | Dolomite & Sand              | San Andres | 3305            |
| Glorieta   | 4796 |        | Sand & Dolomite              | Glorieta   | 4796            |
| Yeso       | 4852 |        | Dolomite & Anhydrite         | Yeso       | 4852            |
| Tubb       | 6419 |        |                              | Tubb       | 6419            |

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

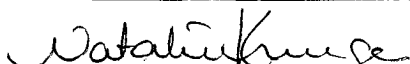
## 33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☐ 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) Natalie KruegerTitle Regulatory Analyst

Signature

Date 10/22/2010

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1242, 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.