

District Office 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. 30-015-33530 5. Indicate Type of Lease STATE ☒ FEE ☐ State Oil & Gas Lease No.
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WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER _____ b. Type of Completion: NEW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF. ☐ WELL OVER BACK RESVR. ☐ OTHER _____	RECEIVED APR 04 2005																											
2. Name of Operator Preston Exploration, LLC	7. Lease Name or Unit Agreement Name Roughneck Red 29																											
3. Address of Operator 1717 Woodstead Court, Suite 207; The Woodlands, Texas 77380	8. Well No. #1																											
9. Pool name or Wildcat Undesignated Eagle Creek Atoka Morrow East																												
4. Well Location Unit Letter <u>D</u> : <u>1095'</u> Feet From The <u>North</u> Line and <u>1104'</u> Feet From The <u>West</u> Line Section <u>29</u> Township <u>17S</u> Range <u>26E</u> NMPM <u>Eddy</u> County																												
10. Date Spudded 8/22/04	11. Date T.D. Reached 9/17/04	12. Date Compl. (Ready to Prod.) 2/20/05	13. Elevations (DF& RKB, RT, GR, etc.) 3403' GL	14. Elev. Casinghead																								
15. Total Depth 8800'	16. Plug Back T.D. 8039'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By 0-TD	Rotary Tools Cable Tools																								
19. Producing Interval(s), of this completion - Top, Bottom, Name 7907'-7918' & 7954'-7962', Strawn				20. Was Directional Survey Made No																								
21. Type Electric and Other Logs Run Gamma and Density Neutron			22. Was Well Cored No																									
23. CASING RECORD (Report all strings set in well) <table border="1" style="width:100%; border-collapse: collapse; margin-top: 5px;"> <tr> <th>CASING SIZE</th> <th>WEIGHT LB./FT.</th> <th>DEPTH SET</th> <th>HOLE SIZE</th> <th>CEMENTING RECORD</th> <th>AMOUNT PULLED</th> </tr> <tr> <td>13-3/8"</td> <td>54.5/61# J55</td> <td>415'</td> <td>17-1/2"</td> <td>410 sx</td> <td>None</td> </tr> <tr> <td>9-5/8"</td> <td>36# K/J55</td> <td>1425'</td> <td>12-1/4"</td> <td>980 sx</td> <td>None</td> </tr> <tr> <td>5-1/2"</td> <td>17# L80</td> <td>8795'</td> <td>8-1/2"</td> <td>1635 sx</td> <td>None</td> </tr> </table>					CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED	13-3/8"	54.5/61# J55	415'	17-1/2"	410 sx	None	9-5/8"	36# K/J55	1425'	12-1/4"	980 sx	None	5-1/2"	17# L80	8795'	8-1/2"	1635 sx	None
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26. Perforation record (interval, size, and number) 8170'-8176' (36 Holes, 6 SPF) 8131'-8142' (12 Holes, .43 dia) 8105'-8118' (14 Holes, .43 dia) 7954'-7962' (17 Holes, .43 dia) 7907'-7918' (23 Holes, .43 dia)			27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse; margin-top: 5px;"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>8170'-8176'</td> <td>600 gals Acid</td> </tr> <tr> <td>8105'-8118'</td> <td>2500 gals Ferchek SC IC 15% HCL</td> </tr> <tr> <td>7954'-7962'</td> <td>1000 gals 7-1/2% HCL</td> </tr> <tr> <td>7907'-7918'</td> <td>1100 gals 7-1/2% HCL</td> </tr> </table>		DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	8170'-8176'	600 gals Acid	8105'-8118'	2500 gals Ferchek SC IC 15% HCL	7954'-7962'	1000 gals 7-1/2% HCL	7907'-7918'	1100 gals 7-1/2% HCL														
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29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold					Test Witnessed By Dale Moreau																							
30. List Attachments Electric Logs																												
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 <u>Lindsay Truesdell</u>		Printed Name <u>Lindsay Truesdell</u>		Title <u>Consultant</u> Date <u>03/23/2005</u>																								
E-mail Address: <u>lindsay@arkford.com</u>																												

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	T. Canyon	7445	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	7906	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	8208	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	8506	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 850	T. Simpson		T. Gallup	T. Ignacio Otzte
T. Glorieta 2286	T. McKee		Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger		T. Dakota	T.
T. Blinebry	T. Gr. Wash		T. Morrison	T.
T. Tubb 3582	T. Delaware Sand		T. Todilto	T.
T. Drinkard	T. Bone Springs		T. Entrada	T.
T. Abo 4240	T.		T. Wingate	T.
T. Wolfcamp 5633	T.		T. Chinle	T.
T. Penn	T.		T. Permian	T.
T. Cisco (Bough C) 6740	T.		T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from...1422.....to...8780.....

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
1476	3620	2144	Dolomite				
3620	3680	60	Sandstone				
3680	4272	592	Dolomite				
4272	4430	158	Shale				
4430	4700	270	Dolomite				
4700	4850	150	Shale / dolomite				
4850	5500	650	Dolomite w/shale				
5500	5910	410	Limestone				
5910	6000	90	Shale				
6000	6690	690	Limestone w/shale				
6690	6900	210	Sandstone				
6900	7230	330	Shale / limestone				
7230	7480	250	Shale				
7480	7902	422	Limestone				
7902	8040	138	Shale / sandstone/ limestone				
8040	8170	130	Limestone				
8170	8210	40	Sandstone				
8210	8550	340	Shale / limestone / chert				
8550	8720	170	Shale				
8720	8800	80	limestone				