

| Submit To Appropriate District Office<br>State Lease - 6 copies<br>Fee Lease - 5 copies<br><b>District I</b><br>1625 N. French Dr., Hobbs, NM 88240<br><b>District II</b><br>1301 W. Grand Avenue, Artesia, NM 88210<br><b>District III</b><br>1000 Rio Brazos Rd., Aztec, NM 87410<br><b>District IV</b><br>1220 S. St. Francis Dr., Santa Fe, NM 87505                                                                                                                                                                                 | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><br><b>Oil Conservation Division</b><br><b>1220 South St. Francis Dr.</b><br><b>Santa Fe, NM 87505</b> | <b>Form C-105</b><br>Revised June 10, 2003<br><br><b>WELL API NO.</b><br><div style="text-align: center;">015-33720</div> <b>5. Indicate Type of Lease</b><br>STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/><br><b>State Oil &amp; Gas Lease No.</b><br><div style="text-align: center;">-</div> |                |                               |            |                                    |  |                                         |  |                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------------|------------|------------------------------------|--|-----------------------------------------|--|--------------------------------------|
| <b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |
| <b>1a. Type of Well:</b><br>OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input checked="" type="checkbox"/> OTHER _____<br><br><b>b. Type of Completion:</b><br>NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/><br>WELL OVER BACK RESVR. <input type="checkbox"/> OTHER _____                                                                                                             |                                                                                                                                                                                       | <b>7. Lease Name or Unit Agreement Name</b><br><br>Mesa "11" Grande                                                                                                                                                                                                                                                      |                |                               |            |                                    |  |                                         |  |                                      |
| <b>2. Name of Operator</b><br>Kaiser-Francis Oil Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                       | <b>8. Well No.</b><br><div style="text-align: center;">2</div>                                                                                                                                                                                                                                                           |                |                               |            |                                    |  |                                         |  |                                      |
| <b>3. Address of Operator</b><br>P. O. Box 21468, Tulsa, OK 74121-1468                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                       | <b>9. Pool name or Wildcat</b><br>Happy Valley (Strawn)                                                                                                                                                                                                                                                                  |                |                               |            |                                    |  |                                         |  |                                      |
| <b>4. Well Location</b><br>Unit Letter <u>L</u> : <u>2661</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>West</u> Line<br>Section <u>11</u> Township <u>22S</u> Range <u>26E</u> NMPM <u>Eddy</u> County                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |
| <b>10. Date Spudded</b><br>1/13/05                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>11. Date T.D. Reached</b><br>2/20/05                                                                                                                                               | <b>12. Date Compl. (Ready to Prod.)</b><br>6/20/05                                                                                                                                                                                                                                                                       |                |                               |            |                                    |  |                                         |  |                                      |
| <b>13. Elevations (DF&amp; RKB, RT, GR, etc.)</b><br>3175 GR                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                       | <b>14. Elev. Casinghead</b><br>-                                                                                                                                                                                                                                                                                         |                |                               |            |                                    |  |                                         |  |                                      |
| <b>15. Total Depth</b><br>11500                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>16. Plug Back T.D.</b><br>7763                                                                                                                                                     | <b>17. If Multiple Compl. How Many Zones?</b><br>-                                                                                                                                                                                                                                                                       |                |                               |            |                                    |  |                                         |  |                                      |
| <b>18. Intervals Drilled By</b><br>Rotary Tools <input checked="" type="checkbox"/> Cable Tools _____                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       | <b>19. Producing Interval(s), of this completion - Top, Bottom, Name</b><br>9956'-10306' Strawn                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |
| <b>20. Was Directional Survey Made</b><br>No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                       | <b>21. Type Electric and Other Logs Run</b><br>DSN-SD, DL-MG                                                                                                                                                                                                                                                             |                |                               |            |                                    |  |                                         |  |                                      |
| <b>22. Was Well Cored</b><br>No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |
| <b>23. CASING RECORD (Report all strings set in well)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |
| CASING SIZE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | WEIGHT LB./FT.                                                                                                                                                                        | DEPTH SET                                                                                                                                                                                                                                                                                                                |                |                               |            |                                    |  |                                         |  |                                      |
| 13 3/8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 48                                                                                                                                                                                    | 410                                                                                                                                                                                                                                                                                                                      |                |                               |            |                                    |  |                                         |  |                                      |
| 9 5/8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 36                                                                                                                                                                                    | 2318                                                                                                                                                                                                                                                                                                                     |                |                               |            |                                    |  |                                         |  |                                      |
| 5 1/2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 17                                                                                                                                                                                    | 11500                                                                                                                                                                                                                                                                                                                    |                |                               |            |                                    |  |                                         |  |                                      |
| DV Tool                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                       | 8723                                                                                                                                                                                                                                                                                                                     |                |                               |            |                                    |  |                                         |  |                                      |
| <b>24. LINER RECORD</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |
| SIZE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | TOP                                                                                                                                                                                   | BOTTOM                                                                                                                                                                                                                                                                                                                   |                |                               |            |                                    |  |                                         |  |                                      |
| 2 7/8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 7763                                                                                                                                                                                  | 9990                                                                                                                                                                                                                                                                                                                     |                |                               |            |                                    |  |                                         |  |                                      |
| <b>25. TUBING RECORD</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |
| SIZE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | DEPTH SET                                                                                                                                                                             | PACKER SET                                                                                                                                                                                                                                                                                                               |                |                               |            |                                    |  |                                         |  |                                      |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | -                                                                                                                                                                                     | None                                                                                                                                                                                                                                                                                                                     |                |                               |            |                                    |  |                                         |  |                                      |
| <b>26. Perforation record (interval, size, and number)</b><br>9956' - 10306' o.a.<br>(19 gm. - 21 holes)                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |
| <b>27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.</b><br><table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">DEPTH INTERVAL</th> <th style="text-align: left;">AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>9956-10306</td> <td>180 bbls gelled 20% NEFE + 5000 g.</td> </tr> <tr> <td></td> <td>7 1/2% NEFE + 3000 g. 15% HCL + 7500 g.</td> </tr> <tr> <td></td> <td>20% gelled acid. Sqz'd off w/7500 g.</td> </tr> </table>                                                   |                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                          | DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED | 9956-10306 | 180 bbls gelled 20% NEFE + 5000 g. |  | 7 1/2% NEFE + 3000 g. 15% HCL + 7500 g. |  | 20% gelled acid. Sqz'd off w/7500 g. |
| DEPTH INTERVAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | AMOUNT AND KIND MATERIAL USED                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |
| 9956-10306                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 180 bbls gelled 20% NEFE + 5000 g.                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 7 1/2% NEFE + 3000 g. 15% HCL + 7500 g.                                                                                                                                               |                                                                                                                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 20% gelled acid. Sqz'd off w/7500 g.                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |
| <b>28. PRODUCTION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |
| <b>Date First Production</b><br>None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Production Method (Flowing, gas lift, pumping - Size and type pump)</b><br>shut-in                                                                                                 | <b>Well Status (Prod. or Shut-in)</b><br>shut-in                                                                                                                                                                                                                                                                         |                |                               |            |                                    |  |                                         |  |                                      |
| <b>Date of Test</b><br>None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Hours Tested</b><br>None                                                                                                                                                           | <b>Choke Size</b><br>None                                                                                                                                                                                                                                                                                                |                |                               |            |                                    |  |                                         |  |                                      |
| <b>Prod'n For Test Period</b><br>None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Oil - Bbl</b><br>None                                                                                                                                                              | <b>Gas - MCF</b><br>None                                                                                                                                                                                                                                                                                                 |                |                               |            |                                    |  |                                         |  |                                      |
| <b>Water - Bbl.</b><br>None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Gas - Oil Ratio</b><br>None                                                                                                                                                        | <b>Flow Tubing Press.</b><br>None                                                                                                                                                                                                                                                                                        |                |                               |            |                                    |  |                                         |  |                                      |
| <b>Casing Pressure</b><br>None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Calculated 24-Hour Rate</b><br>None                                                                                                                                                | <b>Oil - Bbl.</b><br>None                                                                                                                                                                                                                                                                                                |                |                               |            |                                    |  |                                         |  |                                      |
| <b>Gas - MCF</b><br>None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Water - Bbl.</b><br>None                                                                                                                                                           | <b>Oil Gravity - API - (Corr.)</b><br>None                                                                                                                                                                                                                                                                               |                |                               |            |                                    |  |                                         |  |                                      |
| <b>29. Disposition of Gas (Sold, used for fuel, vented, etc.)</b><br>Test Witnessed By _____                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |
| <b>30. List Attachments</b><br>Inclination report & logs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |
| <b>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</b><br><div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="width: 40%;"> <b>Signature</b><br/> <br/> <b>Printed Name</b><br/>         Charlotte Van Valkenburg       </div> <div style="width: 40%;"> <b>Title</b><br/>         Technical Coordinator       </div> <div style="width: 20%;"> <b>Date</b><br/>         12/15/05       </div> </div> |                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |
| <b>E-mail Address</b><br>Charlottv@KFOC.net                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                          |                |                               |            |                                    |  |                                         |  |                                      |

# 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        |       | T. Ojo Alamo            | T. Penn. "B"     |
| T. Salt                 | T. Strawn        | 9906  | T. Kirtland-Fruitland   | T. Penn. "C"     |
| B. Salt                 | T. Atoka         | 10300 | T. Pictured Cliffs      | T. Penn. "D"     |
| T. Yates                | T. Miss          | 11500 | 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             | T. McKee         |       | Base Greenhorn          | T. Granite       |
| T. Paddock              | T. Ellenburger   |       | T. Dakota               | T.               |
| T. Blinbry              | T. Gr. Wash      |       | T. Morrison             | T.               |
| T. Tubb                 | T. Delaware Sand | 2355  | T. Todilto              | T.               |
| T. Drinkard             | T. Bone Springs  | 4960  | T. Entrada              | T.               |
| T. Abo                  | T. Morrow        | 11036 | T. Wingate              | T.               |
| T. Wolfcamp             | T. 2nd Bone Spr. | 6200  | T. Chinle               | T.               |
| T. Penn                 | T.               |       | T. Permian              | T.               |
| T. Cisco (Bough C)      | T.               |       | T. Penn "A"             | T.               |

## OIL OR GAS SANDS OR ZONES

No. 1, from.....n/a.....to.....  
 No. 2, from.....to.....  
 No. 3, 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.....n/a.....to.....feet.....  
 No. 2, from.....to.....feet.....  
 No. 3, from.....to.....feet.....

## LITHOLOGY RECORD (Attach additional sheet if necessary)

| From  | To | Thickness<br>In Feet | Lithology             | From | To | Thickness<br>In Feet | Lithology |
|-------|----|----------------------|-----------------------|------|----|----------------------|-----------|
| 2355  |    |                      | Delaware              |      |    |                      |           |
| 4960  |    |                      | Bone Springs          |      |    |                      |           |
| 6200  |    |                      | 2nd Bone Springs Carb |      |    |                      |           |
| 8548  |    |                      | Wolfcamp              |      |    |                      |           |
| 9906  |    |                      | Strawn                |      |    |                      |           |
| 10300 |    |                      | Atoka                 |      |    |                      |           |
| 11036 |    |                      | Morrow Sands          |      |    |                      |           |
| 11500 |    |                      | Mississippi           |      |    |                      |           |



GREY WOLF

## INCLINATION REPORT

DATE: 03/31/05

WELL NAME AND NUMBER Mesa Grande #2-11

LOCATION: Sec 11, T22S, R26E EddyCo., NM

OPERATOR: Kaiser-Francis Oil Company

DRILLING CONTRACTOR: Grey Wolf Drilling

RECEIVED

DEC 27 2005

OCU-ANTHIA

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

| DEGREE | DEPTH | DEGREE | DEPTH | DEGREE | DEPTH | DEGREE | DEPTH |
|--------|-------|--------|-------|--------|-------|--------|-------|
| 0.25   | 396   | 0.50   | 4253  | 1.00   | 6488  | 2.00   | 8014  |
| 1.50   | 1300  | 0.50   | 4412  | 0.50   | 6748  | 1.00   | 8110  |
| 1.00   | 1640  | 0.50   | 4561  | 0.50   | 6936  | 1.00   | 8142  |
| 1.00   | 2067  | 1.00   | 4731  | 1.00   | 7163  | 1.50   | 8270  |
| 1.00   | 2487  | 0.50   | 4975  | 3.00   | 7383  | 1.00   | 8400  |
| 0.50   | 3074  | 0.50   | 5157  | 3.00   | 7409  | 1.50   | 8542  |
| 1.00   | 3233  | 0.50   | 5306  | 3.00   | 7472  | 1.00   | 8686  |
| 1.00   | 3392  | 1.00   | 5466  | 2.50   | 7510  | 0.50   | 8815  |
| 0.50   | 3711  | 0.50   | 5633  | 2.00   | 7540  | 0.50   | 8847  |
| 1.00   | 3743  | 0.50   | 5794  | 2.00   | 7605  | 1.00   | 9009  |
| 1.00   | 3900  | 0.50   | 5944  | 2.00   | 7790  | 1.50   | 9171  |
| 0.50   | 4061  | 0.50   | 6110  | 1.50   | 7886  | 0.50   | 9395  |

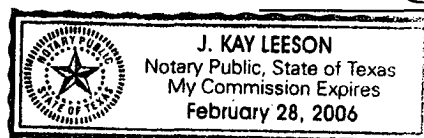
Drilling Contractor:  
Grey Wolf Drilling Company, LP

By: Sherry Coskrey  
Sherry Coskrey, Office Manager

Subscribed and sworn to before me on this 3RD day of MAY, 2005.

My Commission Expires:

Grey Wolf Drilling Company L.P.  
6 Desta Drive, Ste 5850  
Midland, Texas 79705-5516  
tel (432) 684-6828  
fax (432) 684-6841





# INCLINATION REPORT

DATE: 03/31/05

WELL NAME AND NUMBER Mesa Grande #2-11  
LOCATION: Sec 11, T22S, R26E EddyCo., NM  
OPERATOR: Kaiser-Francis Oil Company  
DRILLING CONTRACTOR: Grey Wolf Drilling

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

[illegible]

**Drilling Contractor:**  
**Grey Wolf Drilling Company, LP**

By: Sherry Coskrey  
Sherry Coskrey, Office Manager

Subscribed and sworn to before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

My Commission Expires:

**Grey Wolf Drilling Company L.P.**  
6 Desta Drive, Ste 5850  
Midland, Texas 79705-5516  
tel (432) 684-6828  
fax (432) 684-6841