APR 1 7 2012

North Hobbs G/SA Unit No. 431 UL I, Sec. 25, T-18-S, R-37-E API No. 30-025-05492 AO PMX-260 Lea Co., NM

9/9/11 – 9/17/11 (Perf, Acid Stimulate, & Complete Well):

MI x RU pulling unit. NU BOP. RIH with 6-1/8" bit x tag at 215'. Drill out cement from 215' to 315'. POOH x test casing to 1300 psi. Tag sand at 998'. Wash out sand from top of RBP (@ 1015'). POOH w/workstring x RBP. RU Gray Wireline x run CBL from top of liner (@ 2945') to surface. Perforate at 300' (4 holes) x RD wireline. RU Halliburton x spot cement down to 391' x squeeze 6 bbls cement into perfs. RD Halliburton x WOC. Pick up power swivel x drill out cement. Fell out of cement at 414' x circulate well clean. Pressure test casing to 1000 psi. RU Gray Wireline x perforate 4456'-68', 4476'-83', 4489'-92', 4530'-46', 4554'-70', 4578'-80', 4585'-90', 4606'-12', & 4616'-20' (2 JSPF, 160 holes). RIH with 4-1/2" treating packers. RU Rising Star x acidize new perfs with 4950 bbls 15% NEFE HCL. RD Rising Star. Circulate well with 130 bbls FW. Pump 60 gal. 6490 scale inhibitor. RIH with 4-1/2" Lok-Set packer on 136 jts. 2-3/8" duoline injection tubing (packer set at 4401'). Test casing to 620 psi x 30 min. x held. Circulate well with 150 bbls 10# packer fluid. RD x MO x clean location. Well is pending tie-in to injection line.

9/22/11: Run MIT x chart for the NMOCD (test witnessed by Mark Whitaker of the OCD's Hobbs office).

10/21/11: Commence injection (3200 BPD @ 1000#).

