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| Submit To Appropriate District Office<br>Two Copies<br>District I<br>1625 N. French Dr., Hobbs, NM 88240<br>District II<br>811 S. First St., Artesia, NM 88210<br>District III<br>1000 Rio Brazos Rd., Aztec, NM 87410<br>District IV<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><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 August 1, 2011 |
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HOBBS OGD

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| 1. WELL API NO.<br>30-025-40852  |
| 2. Type of Lease<br><input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN |
| 3. State Oil & Gas Lease No.   |

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

|  |  |
|--|--|
| 4. Reason for filing:<br><input checked="" type="checkbox"/> <b>COMPLETION REPORT</b> (Fill in boxes #1 through #31 for State and Fee wells only)<br><input checked="" type="checkbox"/> <b>C-144 CLOSURE ATTACHMENT</b> (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC) | 5. Lease Name or Unit Agreement Name<br>Klein 16 State |
|  | 6. Well Number:<br>2H                                  |

7. Type of Completion:  
 NEW WELL  WORKOVER  DEEPENING  PLUGBACK  DIFFERENT RESERVOIR  OTHER

|   |                   |
|---|-------------------|
| 8. Name of Operator<br>Marshall & Winston, Inc. | 9. OGRID<br>14187 |
|---|-------------------|

|   |   |
|---|---|
| 10. Address of Operator<br>P. O. Box 50880, Midland, Texas 79710-0880 | 11. Pool name or Wildcat<br>Scharb; Bone Spring |
|---|---|

| 12. Location | Unit Ltr | Section | Township | Range | Lot | Feet from the | N/S Line | Feet from the | E/W Line | County |
|--------------|----------|---------|----------|-------|-----|---------------|----------|---------------|----------|--------|
| Surface:     | A        | 16      | 19S      | 35E   |     | 660           | North    | 250           | East     | Lea    |
| BH:          | D        | 16      | 19S      | 35E   |     | 730.4         | North    | 333.51        | West     | Lea    |

|                              |                                   |                                   |   |   |
|------------------------------|-----------------------------------|-----------------------------------|---|---|
| 13. Date Spudded<br>12/04/12 | 14. Date T.D. Reached<br>12/30/12 | 15. Date Rig Released<br>01/03/13 | 16. Date Completed (Ready to Produce)<br>02/01/13 | 17. Elevations (DF and RKB, RT, GR, etc.)<br>3787' GR |
|------------------------------|-----------------------------------|-----------------------------------|---|---|

|   |   |   |  |
|---|---|---|--|
| 18. Total Measured Depth of Well<br>13,940' | 19. Plug Back Measured Depth<br>13,645' | 20. Was Directional Survey Made?<br>Yes | 21. Type Electric and Other Logs Run<br>Micro-CFL/GR, CN/GR, Caliper |
|---|---|---|--|

22. Producing Interval(s), of this completion - Top, Bottom, Name  
9675-13,630' Bone Spring

23. CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|----------------|-----------|-----------|------------------|---------------|
| 13 3/8"     | 54.5#          | 1800'     | 17 1/2"   | 1485 sx Cl. C    |               |
| 9 5/8"      | 40#            | 3822'     | 12 1/4"   | 1650 sx Cl. C    |               |
| 5 1/2"      | 17#            | 13,771'   | 7 7/8"    | 2931 sx Poz H    |               |

24. LINER RECORD      25. TUBING RECORD

| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | SIZE   | DEPTH SET | PACKER SET |
|------|-----|--------|--------------|--------|--------|-----------|------------|
|      |     |        |              |        | 2 7/8" | 6000'     |            |

|   |   |
|---|---|
| 26. Perforation record (interval, size, and number)<br>9675 - 13,630' (.38", 219 shots) | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.<br>DEPTH INTERVAL      AMOUNT AND KIND MATERIAL USED<br>9675-13,630'      A/24,488 gal 7 1/2% HCL Acid.<br>F/902,237 gal 18# Gel + 844,650#<br>20/40 Prem Sd + 299,655# 16/30 SLG |
|---|---|

28. PRODUCTION

|                                   |  |   |                        |                  |                     |                             |                 |
|-----------------------------------|--|---|------------------------|------------------|---------------------|-----------------------------|-----------------|
| Date First Production<br>02/01/13 | Production Method (Flowing, gas lift, pumping - Size and type pump)<br>Pumping | Well Status (Prod. or Shut-in)<br>Producing |                        |                  |                     |                             |                 |
| Date of Test<br>02/17/13          | Hours Tested<br>24   | Choke Size                                  | Prod'n For Test Period | Oil - Bbl<br>118 | Gas - MCF<br>105    | Water - Bbl.<br>412         | Gas - Oil Ratio |
| Flow Tubing Press.<br>150#        | Casing Pressure<br>40#   | Calculated 24-Hour Rate                     | Oil - Bbl.<br>118      | Gas - MCF<br>105 | Water - Bbl.<br>412 | Oil Gravity - API - (Corr.) |                 |

|  |   |
|--|---|
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.)<br>Sold | 30. Test Witnessed By<br>Pumper - Travis Flemmons |
|--|---|

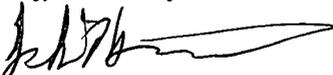
31. List Attachments  
C-104, C-144 CLEZ, Surveys & Logs (Revised plat f/ BHL will be mailed as soon as we receive it.)

32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.

33. If an on-site burial was used at the well, report the exact location of the on-site burial:

Latitude      Longitude      NAD 1927 1983

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature  Printed Name Gabe Herrera Title Engineer Date 02/27/13

E-mail Address gherrera@mar-win.com

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# 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 and not later than 60 days after completion of closure. When submitted as a completion report, this 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 11, 12 and 26-31 shall be reported for each zone.

## INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeastern New Mexico |      |  | Northwestern New Mexico |      |  |                    |  |                  |
|-------------------------|------|--|-------------------------|------|--|--------------------|--|------------------|
| T. Anhy                 | 1821 |  | T. Canyon               |      |  | T. Ojo Alamo       |  | T. Penn A"       |
| T. Salt                 | 1934 |  | T. Strawn               |      |  | T. Kirtland        |  | T. Penn. "B"     |
| B. Salt                 | 3222 |  | T. Atoka                |      |  | T. Fruitland       |  | T. Penn. "C"     |
| T. Yates                | 3532 |  | T. Miss                 |      |  | T. Pictured Cliffs |  | T. Penn. "D"     |
| T. 7 Rivers             | 3868 |  | T. Devonian             |      |  | T. Cliff House     |  | T. Leadville     |
| T. Queen                | 4611 |  | T. Silurian             |      |  | T. Menefee         |  | T. Madison       |
| T. Grayburg             |      |  | T. Montoya              |      |  | T. Point Lookout   |  | T. Elbert        |
| T. San Andres           |      |  | T. Simpson              |      |  | T. Mancos          |  | T. McCracken     |
| T. Glorieta             |      |  | T. McKee                |      |  | T. Gallup          |  | T. Ignacio Otzte |
| T. Paddock              |      |  | T. Ellenburger          |      |  | Base Greenhorn     |  | T. Granite       |
| T. Blinebry             |      |  | T. Gr. Wash             |      |  | T. Dakota          |  |                  |
| T. Tubb                 |      |  | T. Delaware Sand        | 5899 |  | T. Morrison        |  |                  |
| T. Drinkard             |      |  | T. Bone Springs         | 7785 |  | T. Todilto         |  |                  |
| T. Abo                  |      |  | T.                      |      |  | T. Entrada         |  |                  |
| T. Wolfcamp             |      |  | T.                      |      |  | T. Wingate         |  |                  |
| T. Penn                 |      |  | T.                      |      |  | T. Chinle          |  |                  |
| T. Cisco (Bough C)      |      |  | T.                      |      |  | T. Permian         |  |                  |

### OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... 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 |
|------|------|-------------------|----------------------------------|------|----|-------------------|-----------|
| 0    | 1820 | 1820              | Redbeds                          |      |    |                   |           |
| 1821 | 3531 | 1710              | Anhydrite, Salt, Shale           |      |    |                   |           |
| 3532 | 5898 | 2366              | Dolomite, Anhydrite, Shale, Sand |      |    |                   |           |
| 5899 | 8851 | 2952              | Sand, Shale, Limestone           |      |    |                   |           |