

State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division Hobbs District Office

BRADENHEAD TEST REPORT

|                                                    |           |            |            |                                     |          |           |          |            |
|----------------------------------------------------|-----------|------------|------------|-------------------------------------|----------|-----------|----------|------------|
| Operator Name<br><i>Resolute Natural Resources</i> |           |            |            | API Number<br><i>30025052150000</i> |          |           |          |            |
| Property Name<br><i>Denton North Walfcamp</i>      |           |            |            | Well No.<br><i>7</i>                |          |           |          |            |
| 7. Surface Location                                |           |            |            |                                     |          |           |          |            |
| UL - Lot                                           | Section   | Township   | Range      | Feet from                           | N/S Line | Feet From | E/W Line | County     |
|                                                    | <i>36</i> | <i>14S</i> | <i>37E</i> | <i>✓</i>                            |          |           |          | <i>Lea</i> |

Well Status

|             |         |                               |                          |
|-------------|---------|-------------------------------|--------------------------|
| Well Status | SHUT-IN | PRODUCING<br><i>Injection</i> | DATE<br><i>4-23-2014</i> |
|-------------|---------|-------------------------------|--------------------------|

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH

OBSERVED DATA

If bradenhead flowed water, check all of the descriptions that apply:

|                      | (A)Surf-Interm | (B)Interm(1)-Interm(2) | (C)Interm-Prod | (D)Prod Casing | (E)Tubing |
|----------------------|----------------|------------------------|----------------|----------------|-----------|
| Pressure             | <i>0</i>       |                        |                | <i>10</i>      | <i>0</i>  |
| Flow Characteristics |                |                        |                |                |           |
| Puff                 | Y / N          | Y / N                  | Y / N          | <i>Y / N</i>   |           |
| Steady Flow          | Y / N          | Y / N                  | Y / N          | <i>Y / N</i>   |           |
| Surges               | Y / N          | Y / N                  | Y / N          | <i>Y / N</i>   |           |
| Down to nothing      | Y / N          | Y / N                  | Y / N          | <i>Y / N</i>   |           |
| Gas or Oil           | Y / N          | Y / N                  | Y / N          | <i>Y / N</i>   |           |
| Water                | Y / N          | Y / N                  | Y / N          | <i>Y / N</i>   |           |

If bradenhead flowed water, check all of the descriptions that apply:

|       |       |       |        |       |
|-------|-------|-------|--------|-------|
| CLEAR | FRESH | SALTY | SULFUR | BLACK |
|-------|-------|-------|--------|-------|

Remarks:

> Well Failed 5/6/2013  
Operator has not submitted Plan of Action "NOI" on Well.  
2nd Notice of Violation 7/8/2014  
JAD/DCD BS 7/8/2014

|                                   |          |                           |  |
|-----------------------------------|----------|---------------------------|--|
| Signature: <i>St. Smith</i>       |          | OIL CONSERVATION DIVISION |  |
| Printed name: <i>Steven Smith</i> |          | Entered into RBDMS        |  |
| Title:                            |          | Re-test                   |  |
| E-mail Address:                   |          |                           |  |
| Date: <i>4-23-14</i>              | Phone:   |                           |  |
|                                   | Witness: |                           |  |

JUL 10 2014