

C W TRAINER

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Mr. Jeff Albers
State Land Office
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Santa Fe, New Mexico 87504-1148

February 2, 2006

SUBJECT: Update on Grama Ridge "8" State #1
API #30-025-30046
Unit Letter H, Sec. 8, T-22-S, R-34-E.

Dear Mr. Albers:

- 09/21/05: Perforated the Morrow zone as follows:
12,452'; 420-1/2'; 559'; 584'; 602'; 612'; 701'; 715'; 728'; 732'; 924';
929'; 13,034'; 037'; 047-1/2'; 059'; 121'; 208'; 360'; 514-1/2'; 20 points
20 holes.
- 01/05/06: Ran a 4 point test by ARC Pressure Data, Inc. showing AOF of 299
MCF/day.
- 02/02/06: Currently waiting on a pulling unit to acidize the Morrow perforations.

Yours truly,


C. W. Trainer

Xc: NMOCD C-103
C-122
ARC 4-Point Test

