

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		5. Lease Serial No. NMNM-40448
b. Type of Completion: <input type="checkbox"/> New Well <input type="checkbox"/> Work Over <input checked="" type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr., Other added a horizontal leg		6. If Indian, Allottee or Tribe Name
2. Name of Operator HARVEY YATES COMPANY		7. Unit or CA Agreement Name and No.
3. Address PO BOX 1933, ROSWELL NM 88202-1933	3a. Phone No. (include area code) 505-623-6601	8. Lease Name and Well No. BOLA 7 FEDERAL #3
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface 1,650' FNL & 330' FEL (SENE) Unit H At top prod. interval reported below 863' N & 2523' E Unit B At total depth 850' FNL & 2,170' FWE (NENW) Unit C		9. AFI Well No. 30-025-35535
14. Date Spudded 12/30/2001		10. Field and Pool, or Exploratory YOUNG; BONE SPRINGS North
15. Date T.D. Reached 07/15/2006		11. Sec., T., R., M., on Block and Survey or Area 7-18S-32E
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod.		12. County or Parish LEA COUNTY
17. Elevations (DF, RKB, RT, GL)* 3,783' GR		13. State NM
18. Total Depth: MD 10,950' TVD 8,760'	19. Plug Back T.D.: MD 10,913' TVD	20. Depth Bridge Plug Set: MD 8,240' TVD
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) Gamma Ray		22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17 1/2"	13 3/8 H-40	48#	0'	400'		425 sx		Circulated	(Existing)
12 1/4"	8 5/8 J-55	32#	0'	3,134'		1,350 sx		Circulated	(Existing)
7 7/8"	5 1/2 J-55	17#	0'	9,715'		1,700 sx		Circulated	(Existing)
4 3/4"	3 1/2 P-110	9.3#	8,990'	10,913'		210sx Class H	44.2	8990' top/liner	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 7/8"	8,019'	TAC @ 7,984'						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Bone Spring	6,060	9,555 (tvd)	10463-10902' md	0.41"	82 holes	Producing
B) Bone Spring	"	"	9800-10042' md	0.41"	54 holes	Producing
C) Bone Spring	"	"	9140-9583' md	0.41"	66 holes	Producing
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
10,463.51 - 10,902.82'	Frac 94500 gals Medallion 3500, 8000 gals 15% NEFE, 127500# Carboprop, 3000# Interprop, 25000# SuperDC
9,800.00 - 10,042.00'	Frac w/4000 gals 15% NEFE, 94500 gals Medallion 3500, screened out at 2ppg
9,140.00 - 9,583.94'	Frac 94500 gals Medallion 3500, 4000 gals 15% NEFE, 132500# Carboprop, 45000# Super DC

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
09/09/2006	09/12/2006	24	→	184	114	103			PUMPING
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
n/a	n/a	n/a	→	184	114	103		PRODUCING	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

(See instructions and spaces for additional data on page 2)

ACCEPTED FOR RECORD

SEP 28 2006

WESLEY W. INGRAM
PETROLEUM ENGINEER

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

sold - connection date 9/12/06

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				RUSTLER YATES SEVEN RIVERS BOWERS QUEEN PENROSE GRAYBURG SAN ANDRES DELAWARE BONE SPRINGS, LM BONE SPRING: 1st sand 2nd sand 3rd sand WOLFCAMP	1,015 all in TVD 2,555 2,950 3,420 3,685 3,930 4,235 4,670 4,860 6,060 7,785 8,490 9,230 9,555

32. Additional remarks (include plugging procedure):

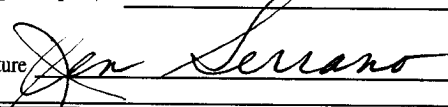
33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geologic Report
 ☐ DST Report
 ☒ Directional Survey
☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
 ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) **JEN SERRANO**Title **Engineering Tech**

Signature

Date **09/19/2006**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.