

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE TO NM Oil Cons. Division
1625 N. French St.
Hobbs, NM 88240
NMLC-030132B
5. LEASE DESIGNATION AND SERIAL NO.
NMLC-030132B

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

| | | | |
|---|--|--|-----------------------------|
| 1a. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other _____ | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME | |
| b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____ | | 7. UNIT AGREEMENT NAME | |
| 2. NAME OF OPERATOR Melrose Operating Co. | | 8. FARM OR LEASE NAME, WELL NO. Closson B Federal #39 | |
| 3. ADDRESS AND TELEPHONE NO. PO Box 5061, Midland, TX 79704 915/685-1761 | | 9. API WELL NO. 30-025-35208 | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 2310' FNL, 2310' FEL At top prod. interval reported below At total depth | | 10. FIELD AND POOL, OR WILDCAT Jalmat (TN-YT-7R) | |
| 14. PERMIT NO. | | DATE ISSUED 10/19/00 | 12. COUNTY OR PARISH Lea |
| 15. DATE SPUDDED 01/08/01 | | 16. DATE T.D. REACHED 01/14/01 | 13. STATE NM |
| 17. DATE COMPL. (Ready to prod.) 02/08/01 | | 18. ELEVATIONS (DF, RKB, RT, GE, ETC.) 3553' GR | |
| 19. ELEV. CASINGHEAD | | 20. TOTAL DEPTH, MD & TVD 3850 | |
| 21. PLUG, BACK T.D., MD & TVD 3845 | | 22. IF MULTIPLE COMPL., HOW MANY* | |
| 23. INTERVALS DRILLED BY | | ROTARY TOOLS Rotary | |
| 24. PRODUCING INTERVAL(S), OF THIS COMPLETION-TOP, BOTTOM, NAME (MD AND TVD)* 3504 - 3790 | | 25. WAS DIRECTIONAL SURVEY MADE Yes | |
| 26. TYPE ELECTRIC AND OTHER LOGS RUN LDT-CNL-GR, DLL-GR | | 27. WAS WELL CORED No | |

| 28. CASING RECORD (Report all strings set in well) | | | | | |
|--|-----------------|----------------|-----------|---------------------------------|---------------|
| CASING SIZE/GRADE | WEIGHT, LB./FT. | DEPTH SET (MD) | HOLE SIZE | TOP OF CEMENT, CEMENTING RECORD | AMOUNT PULLED |
| 8-5/8 | 23# J-55 | 1505 | 12-1/4 | 795 sx Cl P, Circ | None |
| 4-1/2 | 10.5# J-55 | 3850 | 7-7/8 | 765 HLP + 190 sx P+, Circ | None |
| | | | | | |
| | | | | | |

| 29. LINER RECORD | | | | 30. TUBING RECORD | | | |
|------------------|----------|-------------|---------------|-------------------|--------|----------------|-----------------|
| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
| | | | | | 2-3/8" | 3800 | |
| | | | | | | | |

| | |
|---|---|
| 31. PERFORATION RECORD (Interval, size and number) 3504 - 3790 (2 spf, 3" guns) | 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. DEPTH INTERVAL (MD) 3504-3790 AMOUNT AND KIND OF MATERIAL USED 15000 gal 15% NEFE 60000 gal AmBorMax 1025 gel + 162120# 16/30 Brady sd |
|---|---|

| | | | | | | | |
|--|--------------------|---|-----------------------------|----------------|------------------|--|-----------------------|
| 33. * | | PRODUCTION | | | | WELL STATUS (Producing or shut-in) Prod | |
| DATE FIRST PRODUCTION 02/03/01 | | PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pmp 2x1-1/16x12 TX stripper | | | | | |
| DATE OF TEST 02/08/01 | HOURS TESTED 24 | CHOKE SIZE | PROD'N FOR TEST PERIOD → | OIL—BBL. 7 | GAS—MCF. 40 | WATER—BBL. 62 | GAS-OIL RATIO 5714 |
| FLOW. TUBING PRESS. | CASING PRESSURE | CALCULATED 24-HOUR RATE → | OIL—BBL. 7 | GAS—MCF. 40 | WATER—BBL. 62 | OIL GRAVITY-API (CORR.) | |
| 34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold | | | | | | TEST WITNESSED BY Tony Beilman | |

35. LIST OF ATTACHMENTS
Logs, Deviation Survey

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Bonnie Stewart TITLE Agent DATE 06/06/01

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes 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.

37. SUMMARY OF POROUS ZONES: (See all important zones of porosity and contents of cored intervals; and all drill-stem tests, including depth intervals tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS, ETC. |
|--------------|------|--------|-----------------------------|
| Anhydrite | 0 | 1635 | Redbed, Salt |
| Salt | 1635 | 3431 | Anhy, Salt |
| Yates | 3431 | 3648 | Anhy, Lime |
| Seven Rivers | 3648 | 3670 | Dolo, Lime |

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| 38. GEOLOGICAL MARKERS | | | 38. GEOLOGICAL MARKERS | | |
|------------------------|-------------|------------------|------------------------|-------------|------------------|
| NAME | TOP | | NAME | TOP | |
| | MEAS. DEPTH | TRUE VERT. DEPTH | | MEAS. DEPTH | TRUE VERT. DEPTH |
| Anhy | 1635 | | | | |
| Salt | 3431 | | | | |
| Yates | 3648 | | | | |
| Seven Rivers | 3760 | | | | |