

**U. T. LANDS RAILROAD COMMISSION OF TEXAS**  
Oil and Gas Division

Type or print only

MAY 27 2008

**Form W-2**  
Rev. 4/1/83  
483-046

**Oil & Gas**

WL: 3872

API No. 42-003 40455

<b>Oil Well Potential Test, Completion or Recompletion Report, and Log</b>				7. RRC District No. 8
				8. RRC Lease No.
1. FIELD NAME (as per RRC Records or Wildcat) Shafter Lake (San Andres)		2. LEASE NAME University "B"		9. Well No. 1622
3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report) Hannathon Petroleum, LLC			RRC Operator No. 354954	10. County of well site Andrews
4. ADDRESS P.O. Box 3550 Midland, TX 79702				11. Purpose of filling Initial Potential <input checked="" type="checkbox"/> Retest <input type="checkbox"/> Reclass <input type="checkbox"/> Well record only (explain in Remarks) <input type="checkbox"/>
5. If Operator has changed within last 60 days, name former operator				
6a. Location (Section, Block, and Survey) SW/4 Sec 16 Blk 14 ULS		6b. Distance and direction to nearest town in this county. 10 NW of Andrews		
12. If workover or reclass, give former field (with reservoir) & gas ID or oil lease no. FIELD & RESERVOIR		GAS ID or OIL LEASE #	Oil - O Gas - G	WELL NO. 1622
13. Type of electric or other log run Neutron Density, Dual Laterol, Spectral GR			14. Completion or recompletion date 05-05-08	

**SECTION I: POTENTIAL TEST DATA IMPORTANT: Test should be for 24 hours unless otherwise specified in field rules.**

15. Date of test 05-21-2008	16. No. of hours tested 24	17. Production method (Flowing, Gas Lift, Jetting, Pumping— Size & Type of pump) 1 1/2" Rod Pump			18. Choke size
19. Production during Test Period	Oil - BBLS 56	Gas - MCF 24	Water - BBLS 90	Gas - Oil Ratio 428	Flowing Tubing Pressure PSI
20. Calculated 24-Hour Rate	Oil - BBLS	Gas - MCF	Water - BBLS	Oil Gravity—API—60° 30.7	Casing Pressure 45 PSI
21. Was swab used during this test? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		22. Oil produced prior to test (New & Reworked wells) 649			23. Injection Gas—Oil Ratio

REMARKS:

**INSTRUCTIONS:** File an original and one copy of the completed Form W-2 in the appropriate RRC District Office within 30 days after completing a well and within 10 days after a potential test. If an operator does not properly report the results of a potential test within the 10-day period, the effective date of the allowable assigned to the well will not extend back more than 10 days before the W-2 was received in the District Office. (Statewide Rules 16 and 51) To report a completion or recompletion, fill in both sides of this form. To report a retest, fill in only the front side.

**WELL TESTER'S CERTIFICATION**  
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test by observation of (a) meter readings or (b) the top and bottom gauges of each tank into which production was run during the test. I further certify that the potential test data shown above is true, correct, and complete, to the best of my knowledge.

Signature: Well Tester \_\_\_\_\_ Name of Company \_\_\_\_\_ RRC Representative \_\_\_\_\_

**OPERATOR'S CERTIFICATION**  
I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Justin Kuethe \_\_\_\_\_ Field Operations Manager \_\_\_\_\_

Typed or printed name of operator's representative \_\_\_\_\_ Title of Person \_\_\_\_\_

432-620-0909 \_\_\_\_\_ 05 / 23 / 08 \_\_\_\_\_

Telephone: Area Code Number Date: mo. day year \_\_\_\_\_ Signature \_\_\_\_\_

SECTION II DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

24. Type of Completion: New Well  Deepening  Plug Back  Other

25. Permit to Drill, Plug Back or Deepen DATE 04-07-08 PERMIT NO. 658065

26. Notice of Intention to Drill this well was filed in Name of Hannathon Petroleum, LLC

27. Number of producing wells on this lease in this field (reservoir) including this well 4

28. Total number of acres in this lease 160.57

29. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced 4-09-08 Completed 4-17-08

30. Distance to nearest well, Same Lease & Reservoir 1,061'

Rule 37 Exception

Water Injection Permit

Salt Water Disposal Permit

Other

31. Location of well, relative to nearest lease boundaries of lease on which this well is located 467 Feet From North Line and 467 Feet from East Line of the University "B" Lease

32. Elevation (DF, RKB, RT, GR, ETC.) KB 3,212' GL 3,201'

33. Was directional survey made other than inclination (Form W-12)?  Yes  No

34. Top of Pay 4,525

35. Total Depth 4,782'

36. P. B. Depth 4,722'

37. Surface Casing Determined by: Field  Rules  Recommendation of T.D.W.R.  Railroad Commission (Special)

Dt. of Letter 3/26/08

38. Is well multiple completion? NO

39. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No. FIELD & RESERVOIR

40. Intervals Drilled by: Rotary Tools  Cable Tools

41. Name of Drilling Contractor Shafter Lake (San Andres)

Ringo Drilling

42. Is Cementing Affidavit Attached?  Yes  No

43. CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
8 5/8"	24	1680		C 770 sks	12 1/4"	Surf.	1415.8
5 1/2"	15.5	4,782		C913 sks	7 7/8"	Surf	1535

44. LINER RECORD

Size	TOP	Bottom	Sacks Cement	Screen

45. TUBING RECORD

Size	Depth Set	Packer Set	From	To
2 7/8"	4,431'		4,525	4,711

46. Producing Interval (this completion) Indicate depth of perforation or open hole

47. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

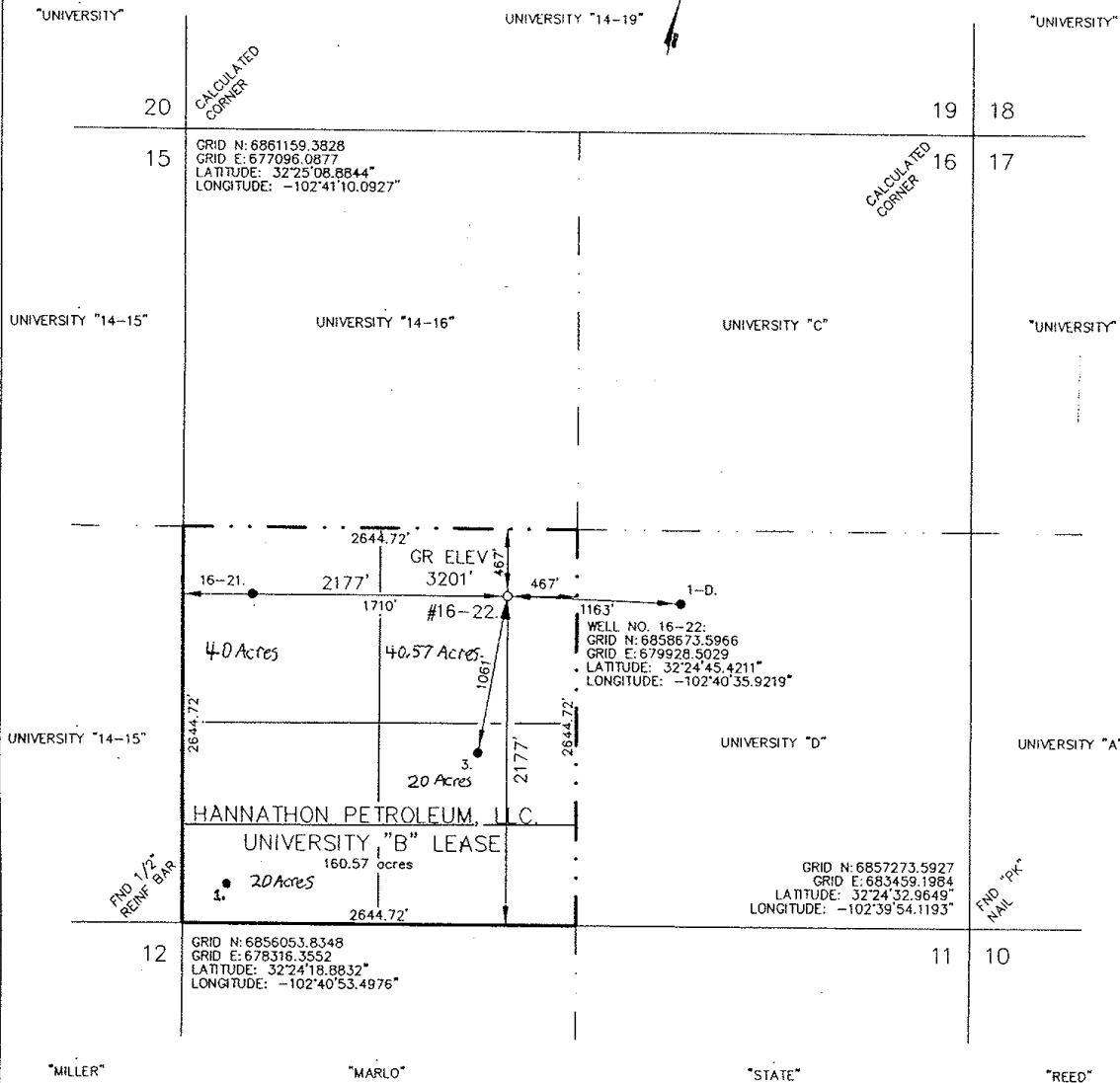
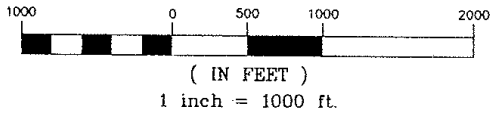
Depth Interval	Amount and Kind of Material Used
4,637-4,711	2000 gal 15% NEFE Frac w/ 60,000 lb 12/20 Brady Sand
4,525-4,619	2000 gal 15% NEFE Frac / 60,000 lb 12/20 Brady Sand

48. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)

Formations	Depth	Formations	Depth
Yates	3,040		
San Andres	4,525		

REMARKS

GRAPHIC SCALE



NOTE:

COURSES, DISTANCES AND COORDINATES SHOWN HEREON ARE LAMBERT GRID AND CONFORM TO THE "TEXAS COORDINATE SYSTEM", TEXAS NORTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983. ALL DISTANCES AND COORDINATES ARE SHOWN IN GRID FEET.

THE UNDERSIGNED DOES HEREBY CERTIFY THAT THIS LOCATION WAS THIS DAY MADE ON THE GROUND BY ME OR UNDER MY SUPERVISION AND THAT THIS PLAT IS A CORRECT REPRESENTATION THEREOF.

DATED THIS 19TH DAY OF MARCH, 2008

*Max A. Schumann, Jr.*  
 MAX A. SCHUMANN, JR.  
 RPLS 137



LOCATION PLAT

HANNATHON PETROLEUM, L.L.C.

WELL NO. 16-22  
 UNIVERSITY "B" LEASE

2177 FEET FROM THE SOUTH AND  
 2177 FEET FROM THE WEST LINES

SECTION 16, BLOCK 14,  
 UNIVERSITY LAND SURVEY,

ANDREWS COUNTY, TEXAS

SCHUMANN ENGINEERING CO., INC.

REGISTERED PROFESSIONAL LAND SURVEYORS  
 LICENSED STATE LAND SURVEYORS

REGISTERED PROFESSIONAL CIVIL ENGINEERS  
 TEXAS and NEW MEXICO

Civil Engineering ~ Land Surveying

408 N. PECOS STREET - P. O. BOX 504  
 MIDLAND, TEXAS 79702-0504

Office (432) 684-5548  
 Fax (432) 684-6973

QUAD: SHAFTER LAKE  
 SCALE: 1" = 1000'

PROJECT: 71147HP  
 JOB NO: 71,147

Cementing: Fill in shaded areas  
 Operator: Fill in other items

RAILROAD COMMISSION OF TEXAS  
 Oil and Gas Division

1. Operator's Name (As shown on Form P-5, Organization Report) <b>Hannathon Petroleum, LLC</b>	2. RRC Operator No. 354954	3. RRC District No. 8 8	4. County of Well Site <b>Andrews</b>
5. Field Name (Wildcat or exactly as shown on RRC records) <b>Shafter Lake (San Andres)</b>	6. API No. 42-003-40455	7. Drilling Permit No. 658065	
8. Lease Name <b>University B</b>	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No. <b>16 - 22</b>

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date	4/11/2008					
13. ●Drilling hole size	12 1/4					
●Est. % wash or hole enlargement	50%					
14. Size of casing (in. O.D.)	8 5/8					
15. Top of liner (ft.)						
16. Setting depth (ft.)	1680					
17. Number of centralizers used	11					
18. Hrs. waiting on cement before drill-out	12					
1st Slurry	19. API cement used: No. of sacks	370				
	Class	Poz/C				
	Additives	Remarks				
2nd Slurry	No. of sacks	400				
	Class	Poz/C				
	Additives	Remarks				
3rd Slurry	No. of sacks					
	Class					
	Additives					
1st	20. Slurry pumped: Volume (cu. ft.)	792				
	Height (ft.)	1918				
2nd	Volume (cu. ft.)	624				
	Height (ft.)	1512				
3rd	Volume (cu. ft.)					
	Height (ft.)					
Total	Volume (cu. ft.)	1415.8	0		0	0
	Height (ft.)	3430	0		0	0
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?		Yes				
1st 35/65 Poz/C + 6% D20 + 5% D044 + 0.125pps D130		Circulated 178 sks				
2nd 15/85 Poz/C + 2% S1 + 2% D020 + 0.125 pps D130						
3rd 0						
4th 0						

Operator: Fill in other items

RAILROAD COMMISSION OF TEXAS  
Oil and Gas Division

1. Operator's Name (As shown on Form P-5, Organization Report) <b>Hannathon Petroleum, LLC</b>	2. RRC Operator No. <b>354954</b>	3. RRC District No. <b>8</b>	4. County of Well Site <b>Andrews</b>
5. Field Name (Wildcat or exactly as shown on RRC records) <b>Shafter Lake (San Andres)</b>		6. API No. <b>42-003-40455</b>	7. Drilling Permit No. <b>658065</b>
8. Lease Name <b>University B</b>	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No. <b>1622</b>

CASING CEMENTING DATA:	SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
			Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date			4/17/2008			
13. ●Drilling hole size			7 7/8			
●Est. % wash or hole enlargement			15%			
14. Size of casing (in. O.D.)			5 1/2			
15. Top of liner (ft.)						
16. Setting depth (ft.)			4,782'			
17. Number of centralizers used			30			
18. Hrs. waiting on cement before drill-out						
19. Cement used: No. of sacks			378			
	Class		50/50 P/20			
	Additive		Remarks			
2nd Slurry			335			
	Class		50/50 P/20			
	Additive		Remarks			
3rd Slurry						
	Class					
	Additive					
20. Slurry pumped: Volume (cu. ft.)			813			
	Height (ft.)		3110'			
1st	Volume (cu. ft.)		723			
	Height (ft.)		2772'			
3rd	Volume (cu. ft.)					
	Height (ft.)					
Total	Volume (cu. ft.)		1535			
	Height (ft.)		5801'			
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?			Yes			
1st 5% D44(bwov) + 6% D20 + 0.125 pps D130 + 0.2% D46 + 4 pps D24						
2nd 2% D20 + 5% D44 (bwov) + 0.125pps D130 + >2% D46 + 4 pps D24						
Circulated to surface: 62.0 BBL 160 Sacks						

OVER →

**RAILROAD COMMISSION OF TEXAS  
OIL AND GAS DIVISION**

Form W-12  
(1-1-71)

<b>INCLINATION REPORT</b> <small>(One Copy Must Be Filled With Each Completion Report.)</small>		6. RRC District <b>8</b>
		7. RRC Lease Number (Oil completions only)
1. FIELD NAME (as per RRC Records or Wildcat) <b>Shafter Lake (San Andres)</b>	2. LEASE NAME <b>UNIVERSITY "B"</b>	8. Well Number <b>#16-22</b>
3. OPERATOR <b>HANNATHON PETROLEUM, LLC</b>		9. RRC Identification Number (Gas completions only)
4. ADDRESS <b>P. O. BOX 3550, MIDLAND, TEXAS 79702</b>		10. County <b>ANDREWS</b>
5. LOCATION (Section, Block, and Survey) <b>SECTION 16, BLOCK 14, U L SURVEY</b>		

**RECORD OF INCLINATION**

11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle X100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
540	540	1	1.75	9.42	9.42
971	431	1/2	0.87	3.76	13.19
1564	593	1	1.75	10.35	23.54
1680	116	1	1.75	2.02	25.56
2175	495	1 1/2	2.62	12.96	38.52
2484	309	1 1/2	2.62	8.09	46.61
2827	343	1	1.75	5.99	52.59
3327	500	1/4	0.44	2.18	54.78
3890	563	1/4	0.44	2.46	57.23
4356	466	1	1.75	8.13	65.37
4782	426	1	1.75	7.44	72.80
	0		0.00	0.00	0.00
	0		0.00	0.00	0.00
	0		0.00	0.00	0.00
	0		0.00	0.00	0.00
	0		0.00	0.00	0.00

If additional space is needed, use the reverse side of this form.

17. Is any information shown on the reverse side of this form?     yes     no
18. Accumulative total displacement of well bore at total depth of    4782 feet =    72.8 feet.
- \*19. Inclination measurements were made in     Tubing     Casing     Open Hole     Drill Pipe
20. Distance from surface location of well to the nearest lease line    467' feet.
21. Minimum distance to lease line as prescribed by filed rules    467' feet.
22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever?    No
- (If the answer to the above question is "yes", attach written explanation of the circumstances.)

<p><b>INCLINATION DATA CERTIFICATION</b></p> <p>I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form.</p> <p><i>Molly Bradshaw</i> Signature of Authorized Representative</p> <p><b>MOLLY BRADSHAW</b> Name of Person and Title (type or print)</p> <p><b>RINGO DRILLING I, L.P.</b> Name of Company</p> <p>Telephone: <b>325-695-5600</b></p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form.</p> <p><i>Justin Kuethe</i> Signature of Authorized Representative</p> <p><b>Justin Kuethe Field Ops Manager</b> Name of Person and Title (type or print)</p> <p><b>Hannathon Petroleum, LLC</b> Operator</p> <p>Telephone: <b>432-620-0909</b></p>
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*Railroad Commission Use Only:*

Approved By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

\* Designates items certified by company that conducted the inclination surveys.