

STATE: NEW MEXICO
COUNTY: CHAVES
API: 30-005-63751
FIELD: PECOS SLOPE WEST
WELL CLASS: DG
MCKAY OIL CORP

1-68-22E
N2 SW SE
840 FSL 1980 FEL SEC
STATUS: GAS

8 LL&E B FEDERAL

SPUD: 08/07/2005 COMP: 11/29/2005 ELEV: 4247 GR
ID: 4408 (08/25/2005) FM/TO: ABO /SH/ PBTD: 4317 DTD: 4408
CONTR: NOT REPORTED (VERTICAL)
PROJ DEPTH/FM: 4300 ABO /SH/ (9T APPD PMT: 05/16/2005) LEASE TYPE: FEDERAL
TARGET ORJ: GAS

DTD: 4408; 4317 PB COMPDATE: 11/29/2005; # 01 IPF GAS: 125 MCFD 20/64 CK FTP 488
PROD ZONE: PERF (ABO /SH/) 2889-2907; NO CORES REPORTED, NO DST REPORTED

LOCATION DATA: MERCATOR COORD ZONE 01; COORDS: X = 397466.8 Y = 1028009.5; L&L
Surf: 33.81993 -104.871;

CASING: 8 5/8 IN @ 983 W/803 SACK, S 1/2 IN @ 4408 W/450 SACK; TUBING: 2 3/8 IN @ 2853;
PROD TEST(S): # 01 PERF (ABO /SH/) 4326-4336 4342-4352 4358-4382 W/ 2 PF; BRIDGE PLUG

(OVER)

© Copyright 2006 IHS Energy & its affiliated & subsidiary companies. Reproduction Prohibited

01/04/2006
CARD# 0001-NM

MCKAY OIL CORP

API: 30-005-63751, 1-68-22E

8 LL&E B FEDERAL

(CONTINUED)

4317 FT 4326-4382;
PRODUCING INTERVALS DATA: # 01 PERF (ABO /SH/) 2889-2907; GAS: 125 MCFD FTP 488;
20/64 CK
OPER ADD: BOX 2014, ROSWELL, NM 88202, (505)823-4735;

© Copyright 2006 IHS Energy & its affiliated & subsidiary companies. Reproduction Prohibited

01/04/2006
CARD# 0001-NM

1351-410-1041

9-8-05 4406' Day 32

Logs to be reviewed by Roy after recv from L. Reddy. Perf level recommendations to be reviewed and set.

W/O Completion
(Tim Collier)

9-8-05 4406' Day 33

Perf level recommendations pending review of lower log analysis.

W/O Completion
(Tim Collier)

9-12-05 4406' Day 37

Lines completed 100%

(Jim Robinson)

9-13-05 4406' Day 38

Lines completed 100%. Separator and Meter connected to well.

(Jim Robinson)

9-14-05 4406' Day 39

Separator and Meter connection complete.

(Jim Robinson)

9-15-05 4406' Day 40

W/O Completion

Moving separator to location and make connections.

(Jim Robinson)

9-16-05 4406' Day 41

W/O Completion

Moving pulling unit out there today. Plan to perf in the morning.

(Tim Collier)

9-17-05 4406' Day 42

RU, run wire line. Run log.

(Tim Collier)

9-18-05 4406' Day 43

No activity.

(Tim Collier)

9-19-05 4406' Day 44

No activity.

(Tim Collier)

9-20-05 4406' Day 45

BOP ready to install.

(Tim Collier)

9-21-05 4406' Day 46

BOP installation complete.

(Tim Collier)

9-22-05 4406' Day 47

Drilling plug in cement.

(Tim Collier)

W. B. FEDERAL #2

9-25-05	4406'	Day 50	<p>Perforated well. Correlated to SW/S CBI log dated 9/17/05.</p> <p>Perf Intervals @ 4326-4336 2spf, 4342-4352 2spf, 4358-4382 2spf. 68 total shots.</p> <p>Performed by Schlumberger.</p> <p>(Tim Collier)</p>
9-26-05	4406'	Day 51	<p>Run in w/tubing and packer. Shut in well.</p> <p>(Bobby Rollins)</p>
9-27-05	4406'	Day 52	<p>Set packer @ 4260'. Swab dry and made hourly run. Total fluid recovered 26 bbl. Shut in well.</p> <p>(Bobby Rollins)</p>
9-28-05	4406'	Day 53	<p>Run in w/tubing and packer. Set packer at 4385'. Spot acid, pull packer up to 4259'. Run acid. Total fluid to recover- 101bbls. Started swabbing, recovered 30 bbls. Tubing would not let go down, leave open to pit. Shut down.</p> <p>Hughes Services, Inc. Treated well as follows:</p> <p><u>Well Data:</u> Tubing -150jts of 2-3/8", Packer set @ 4259'. Casing- 5 1/2", Wt-15.5, Set fm Surface to 4406'. Treating pressure: min-1200, max-2200, avg-1900. Inj. Rate-3.0, rate on flush-3.0, avg inj rate-3.0, ISDP-1200. Final shut-in pressure-880 in 15 min. 5 min-1010 psi, 10 min-970 psi.</p> <p><u>Treatment Data:</u> Pad type-2% kcl, Treating Fluid Volume-2500gals 15% Hcl. 12-1/2gals-Iron Trol, 5gals-Anel, 5gals-Corrosion Inhibitor, 2-1/2gals-PAS 300, 50bbls-Fresh Water, 1500lbs-Kcl, 12-ea Ball Sealers, 1ea-Ball Injector.</p> <p>(Bobby Rollins)</p>
9-29-05	4406'	Day 54	<p>Open BOP, lay down singles to blockage. Pick up singles back in. Pull tubing in stands and run back in w/perf sub and packer. Set packer at 4340'. Had no flow tubing or casing.</p> <p>(Bobby Rollins)</p>
9-30-05	4406'	Day 55	<p>Attempting to swab well. Swab will not pass 600'.</p> <p>(Tim Collier)</p>
10-1-05	4406'	Day 56	<p>No activity.</p>
10-2-05	4406'	Day 57	<p>No activity.</p>
10-3-05	4406'	Day 58	<p>Lay down singles to find blockage. Run back in. Still not able to swab. Stand tubing in derrick. Shut in well.</p>
10-4-05	4406'	Day 59	<p>Replace 2-3/8" tubing with 2-7/8".</p>
10-5-05	4406'	Day 60	<p>Run 150jts of 2-7/8" tubing. Set packer @ 4286'. Shut in well.</p> <p>(Bobby Rollins)</p>
10-6-05	4406'	Day 61	<p>Swabbing unit.</p> <p>(Bobby Rollins)</p>

Recovered 4406' fluid. No pressure on lifting.

Run	Tag Fluid	Depth	% FLUID
1	Surface-1000	4 BBL	
2	500	2000	8 BBL
3	500	2000	3 BBL
4	800	2000	8 BBL
5	800	2000	8 BBL
6	1000	2000	8 BBL
7	1000	2500	10 BBL
8	1000	2500	10 BBL
9	1000	2500	10 BBL

10-8-05 4406' Day 63
No activity

10-9-05 4406' Day 64

10-10-05 4406' Day 65
Made 2 swab runs, fluid level @ surface. Mechanical problems w/pulling unit. Will continue swabbing when unit is available.

Run	Tag Fluid	Depth	% FLUID
1	Surface 2000	8 BBL	
2	500	2000	8 BBL
3	500	2000	8 BBL
4	500	2000	8 BBL
5	1000	2500	10 BBL
6	1000	2500	10 BBL
7	1200	3000	10 BBL
8	2000	3000	12 BBL
9	2500	3500	12 BBL
10	2500	3500	12 BBL

10-11-05 4406' Day 66
Pulling unit down, waiting on parts to complete repairs. Anticipate pulling unit to be in working condition by late afternoon this date. Total fluid recovered-35 BBL.

Run	Tag Fluid	Depth	FLUID
1	Surface	1000	4 BBL
2	500	1000	2 BBL
3	500	1000	2 BBL
4	1000	1500	4 BBL
5	1000	1500	4 BBL
6	1000	1500	4 BBL
7	1500	2000	6 BBL
8	1500	2000	6 BBL
9	1500	2000	6 BBL
10	1500	2000	6 BBL
11	1500	2000	6 BBL
12	1500	2000	2 BBL
13	1700	2200	2 BBL

(Bobby Rollins)

STANDARD OPERATING PROCEDURE

10-12-05

Day 67

Fluid level @ 800'. Swabbed down to 1500'. No testing or casing pressure.
Make regular swab runs to reduce fluid level.
(Bobby Rollins)

Swab Summary: 28 runs dried up perfs, 77 BBL recovery. 1 hr. test fluid to 3000'. 3' swab flame, dies at end of run. Final swab dry, shut in for night @ 5:45pm. Well bore: packer set @ 4353'. Testing perfs: 4358'-4382'.

10-13-05

4406'

Day 68

Tubing Pressure: 80#. Casing Pressure: 0#. Fluid level to surface. Continue making hourly swab runs to dry up.
(Bobby Rollins)

10-14-05

4263'

Day 69

Tubing pressure-0#, Casing pressure-0#, Pull tubing on Inexco 10-13, Run 2-3/8" tubing and run in with packer @ approx. 4100'.

Swabbing Info for 10-14-05:

Run	Tag Fluid	Depth	Fluid Recovered
1	Surface	8' flare	4 BBL
2	500	1000	2 BBL
3	1500	2000	4 BBL
4	1500	2500	4 BBL
5	2500	3000	2 BBL
6	2500	3500	4 BBL
7	3500	4300	6 BBL
8	3500	4300	5 BBL
9	3000	4300	3 BBL
10	N/A	4300/10' flare	Dry

In the afternoon, set CIBP @ 4317'.

(Bobby Rollins)

10-15-05

4406'

Day 70

Pressure: 100# on tubing. Casing Pressure: 0#. Initial 9' flame. Swab dry, rig down swab unit, pull 2-7/8" tubing. Schlumberger on location to perf.

(Bobby Rollins)

LL&E FIDELITY #1

10-17-05 4406'

Day 72

Run in with packer and 2-7/8" tubing. Spot acid @ 4394'. Pull up and set packer @ 4257'. Acidize: 1500gal 10% non-ionic, 3gal clay stabilizer, 3gal corrosion inhibitor. 2600# pressure, begin to take fluid 2400# rate 2.8-3.0, 2200# rate 2.8-3.0 = 3 ball action events. Surged back @ 1400#. 1st set of balls hit, finished 3BBL 2600#. Instant shut-in @ 1460#.

5 min-1250#

10 min - 1160#

15 min - 1120#

Completed acidization @ 4:15pm.

Total fluid from treatment: 99 BBL

Perf Levels: 4290' - 4315'

Rig up to swab. Swabbed well dry. Recovered 60 BBL. Had 3' flame. Shut in.

Swabbing Info for 10-17-05:

Run	Tag Fluid	Depth	Fluid Recovered
1	Surface	500	3 BBL
2	500	1000	2 BBL
3	750	1000	1 BBL
4	1000	1500	4 BBL
5	1000	2500	4 BBL
6	2500	2500	3 BBL
7	500	2500	3 BBL
8	2500	3000	3 BBL
9	1000	4000	6 BBL
10	1000	4000	6 BBL
11	3500	4000	3 BBL
12	3800	4000	2 BBL
13	N/A	4000	DRY

(Bobby Rollins)

10-18-05

4406'

Day 73

160# pressure, fluid level @ 1000' and 3' flame when opened. Flame died off after a few minutes.

Continue swabbing.

Sinker bar lost. Pull tubing and removed sinker bar. Shut in.

(Bobby Rollins)

10-19-05

4406'

Day 74

Continuing to pull tubing out of hole.

(Bobby Rollins)

10-20-05

4406'

Day 75

Morning Report:

Checked psi upon arrival at location, tubing pressure-100#, casing pressure-0#. Flared 4' for a few minutes. Fluid level was at surface. Swabbed well dry. Waited 1 hr, well remained dry. Total fluid recovered for day-33BBL. Total fluid recovery for job 115 BBL. Shut in well.

Treatment to be scheduled soon

Current operation this AM: 100# tubing, 0# on casing. 4' flame for a few minutes. Fluid level @ 1000'. Started swabbing.

Afternoon Report:

PSI pressure 100#, Flared 5' open flame. Fluid level 1000'. Made 11 swab runs and dried up well. Waited 1 hr, well remained dry. Total fluid recovered for day 47BBL. Shut in well at 4:00pm

(Bobby Rollins)

Run	Tag Fluid	Depth	Fluid Recovered
1	500	500	3 BBL
2	250	500	2 BBL
3	500	1000	3 BBL
4	900	1000	1 BBL
5	1000	1500	3 BBL
6	500	1500	2 BBL
7	1400	1500	1 BBL
8	1000	2000	6 BBL
9	2000	2500	3 BBL
10	2500	3000	3 BBL
11	3000	3500	3 BBL
12	3700	4300	2 BBL
13	4000	4300	1 BBL
14	N/A	4300	DRY
15	N/A	4300	DRY

10-24-05

4406' Day 79

Tubing pressure @ 8am-100#. Casing pressure-0#. 10' flare, died down within a few minutes. Tagged fluid @ 500'. Made 11 runs by 11:30am and recovered 24 bbl. Continued swabbing and monitoring fluid hourly. Recovered 24 BBL total. Swabbed completely dry. 6' flame after swabbed dry.

Run	Tag Fluid	Depth	Fluid Recovered
1	500	1000	2 BBL
2	500	1500	2 BBL
3	250	1500	1 BBL
4	500	2000	2 BBL
5	250	2500	1 BBL
6	1500	3000	7 BBL
7	500	3500	3 BBL
8	1000	4300	6 BBL
9	0	4300	0 BBL
10	0	4300	DRY
11	0	4300	DRY

(Bobby Rollins)

10-25-05

4406' Day 80

Shut in.

(Bobby Rollins)

10-26-05

4406' Day 81

Run Tag Fluid Depth Fluid Recovered

Tubing pressure-40#, Casing-0#. First swab run hit fluid level @ 1000'. 5' flare died off within minutes. Continue hourly swabbing.

(Bobby Rollins)

Replaced sinker bar. 40# shut in pressure @ 9.20 am.

Seat nipple depth-4300'. Recovered 10 total BBL.

Run	Tag Fluid	Depth	Fluid Recovered
1	100	1000	1 BBL
2	0	1000	
3	500	1500	3 BBL
4	500	1500	3 BBL
5	500	2000	3 BBL

(Roy Vargas) Unit #408

10-28-05 4406' Day 83
Schlumberger **Perfed 4242' - 4249'** @ 2spf. Total 14-shots - .45, 90 deg phase.
Set CIBP top of plug @ 4285'. Rig down, TIH with 4,245' of 2-7/8" tubing.
Hughes on location and will begin **acidizing w/1000gal 10% HCL**.
(Tim Collier) Unit #408

10-29-05 4406' Day 84
0# pressure, 500' fluid level. Pull tubing to find bad joint, replace and run back in.
Repair sand line. Start swabbing. Swabbed till dark. Recovered 50 BBL. Shut it.

Run	Tag Fluid	Depth	Fluid Recovered
1	500	1500	
2	1000	2000	
3	1000	2000	
4	1500	2000	
5	1500	2500	
6	2000	3000	
7	2000	3000	
8	2000	3500	
9	3000	3500	
10	3500	4162	
11	3500	4162	
12	3500	4162	
13	3500	4162	

(Bobby Rollins) Unit #131 50 BBL TOTAL FOR 13 runs

LOG OPERATIONS

10-31-05 4406' Day 86
40# pressure. 1000' fluid level. Recovered 61 BBL total. Swabbed dry, no flame.

Run	Tag Fluid	Depth	Fluid Recovered
1	1000	1500	4 BBL
2	1000	2000	5 BBL
3	1500	2500	5 BBL
4	1500	3000	5 BBL
5	1500	3000	5 BBL
6	500	3000	3 BBL
7	1000	3500	6 BBL
8	500	3500	3 BBL
9	500	3500	3 BBL
10	1000	4000	6 BBL
11	1500	4300 (S/N)	8 BBL
12	1000	4300	6 BBL
13	500	4300	3 BBL
14	200	4300	1 BBL
15	200	4300	1 BBL
16	N/A	N/A	0 BBL
17	N/A	N/A	0 BBL

(Bobby Rollins) Unit #131

11-1-05 4406' Day 87
Set plugs and pressure test on 11/2/05.
(Tim Collier)

11-02-05 4406' Day 88
Perf zone: 2889' - 2907', 2spf - total of 36 shots.
Set plug @ 4230'. Plug tested @ 2200'. Run 2 3/8" tubing.
(Tim Collier) Unit #131

11-03-05 4406' Day 89
Run 2 3/8" tubing, tagged plug. Lay 2 3/8" tubing down to set seat nipple @ 2853'. Set frac tank. Scheduled to frac on 11/4 (after Miller B Fed #3).
(Tim Collier)

11-04-05 4406' Day 90
Frac'd well. Triple entry. **Treated w/1000gal 10% HCL acid**, break down @ 3200. ISIP-820. **Ran 25.45 ballsealers** w/two good breaks. Started frac: 123,000 - 1630 sand, 5,000 - resin coated sand. Avg treatment - 17 PBM. Avg test press- 1496. ISIP-1450
5 min-1359, 10 min-1339, 15 min-1319. **Approx. 498 BBL to recover.** Frac gradient - .72, Finished gradient - .88.
Remove wellhead and casing flange. Install frac head. Rig down pulling unit #131. Move off location. Take unit to yard for service. Got back to location, rig up, flow back line and open to pit at 5pm. 1250psi on an 18/64 choke. Monitored well till relief came. Shut down.
(Tim Collier) Unit #131

11-05-05 4406' Day 91
Well monitored. Left flowing to pit with c02 and water, no flame.
(Bobby Rollins) Unit #131