CONOCO INC.

San Juan 28-7 Unit #157 API #30-039-20429

820' FNL & 1700' FEL, UNIT LETTER "B" Sec. 11, T27N-R07W

4/12/99 MIRU spot all equipment. Blow well down. NDWH & NUBOP. Pick up 1 jt and tag. POOH with 130 jts of 2 3/8"

4/13/99 Continue to POOH with 2 3/8" tubing. Total tubing, 243 jts, SN and 1 jt mud anchor. Tally all tubing. Tagged fill @ 7660'. Total tubing 7640' with KB added in. Rigged up Blue Jet, set Hallib 4 1/2" Fas Drill Plug @ 5700'. Tested casing and plug to 3000 psi. - OK. RIH and ran GR/ CBL log from 5709' to 4700', with 1000 psi on casing while running log. Had good cement up to 4700'. Did not find cement top. Perf Point Lookout / Menefee using 3 1/8" HSC select fire with 11 gram charge with .32" hole size. Perf @ 5247- 50- 53- 56- 62- 64- 5403- 07- 11- 15- 19- 24- 29- 33- 37- 41- 61- 63- 65- 97- 99- 5517- 20- 23- 26- 29- 44- 46- 48. Total holes 29. Pumped in @ 3 bpm 0 psi. NU frac valve and frac Y.

4/14/99 Rig up BJ to acidize Point Lookout / Menefee (MV). Acidized with 500 gals of 15% HCL acid with 44 ball sealers. Pumped acid @ 6.5 BPM @ 100 psi. Good ball action. Well did not ball off. Max pressure 1400 psi. Max rate 6.5 BPM. ISIP - 800 psi. Rig up Blue Jet, RIH with wireline junk basket, retrieved 35 balls with 24 hits. Rig up frac valve and frac Y. Prep well to frac.

Rig up BJ to frac. Fraced Point Lookout/ Menefee (MV) with 71,240# of 20/40 AZ sand and 16,240# of 20/40 SDC sand. Total treating fluid pumped 1139 bbls of 15# X-link Gel. Max sand conc 3# / gal. Avg rate 42.5 BPM @ 1550 psi avg pressure. Max pressure 1900 psi. ISIP - 0 psi. Rig up Blue Jet, set Hallib 4 1/2" Fas Drill Plug @ 5010'. Tested Csg and Plug to 3000 psi. - OK. RIH and Perf Cliffhouse (MV) with 11 gram charge with .32" hole size. Perf @ 4838- 40- 42- 44- 46- 48- 50- 52- 54- 56- 79- 81- 83- 85- 87- 89- 91- 93- 95- 4911- 13- 15- 19- 21- 25- 27- 29- 31. TOTAL HOLES 28. Rigged up BJ to acidize Cliffhouse (MV). Acidized with 500 gals of 15% HCL Acid with 42 ball sealers. Avg rate 5 1/2 BPM @ 1480 psi avg pressure. Good ball action, well balled off. Max pressure 2750 psi. ISIP - 0 psi. Run wireline junk basket. Retrieved 36 balls with 25 hits. Rigged up BJ to frac Cliffhouse (MV). Fraced with 58,630# of 20/40 AZ sand and 16,440# of 20/40 SDC sand. Avg inj rate 41 BPM @ 1750 psi avg pressure. Total treating fluid pumped 804 bbls of 15# X-Link gel. Max pressure 2000 psi. Max sand conc 3#/ Gal. ISIP- 700 psi. ND frac valve & frac Y. RIH with 2 3/8" tubing and Baker Metal Muncher Mill, to 3930'. Spot drill gas compressors.

4/16/99 Dig blow pit. Rig up Drill Gas Compressors, and Blowie Line. (HELD SAFETY MEETING ON PROPER AND SAFE OPERATION OF DRILL GAS COMPRESSORS.) Started 2 drill gas compressors and unloaded well @ 3533'. Continue to RIH with 2 3/8" tubing with Baker Metal Muncher Mill. Tagged sand @ 4914' unload well and cleaned sand to 4945'. Circulated clean, laid down 8 jts. Tubing @ 4695'. Note: Ran 2 drill gas compressors 4 hrs each.

4/19/99 120 psi on tubing and 0 psi on casing. Blow down tubing. RIH with 6 jts, Tagged sand @ 4940'. Started 2 drill gas compressors and cleaned sand to Hallib 4 1/2" Fas Drill Plug @ 5010'. Drilled up Hallib Fas Drill Plug @ 5010'. Circulated wellbore clean. POOH with 8 jts. Tbg @ 4756'. NOTE: Ran 2 drill gas compressors approx 8 hrs each.

4/20/99 Tbg - 500 psi and Csg - 500 psi. Blow down. RIH with 29 jts. tagged fill @ 5631'. Picked up power swivel and started 2 drill gas compressors. Cleaned sand to 5662'. Circulated clean, and pulled up to 5131'. Started flowing up the 2 3/8" tubing thru 1/2" choke nipple. Will drywatch thru the night.

Dry watched and flowed well thru the night, to allow well to clean up. Flowed well up the tubing thru 1/2" choke nipple. Removed choke nipple and had pieces of a frac ball, in choke nipple. Cleaned choke nipple, and unloaded well. Tested MV up 2 3/8" tubing, thru 1/2" choke nipple. With 2 3/8" tubing @ 5131' flowed well thru 1/2" choke nipple. Tbg - 92 psi. and Csg - 420 psi. MCFPD = 607 with 2 -oil and 18 - water. Test witnessed by Genaro Maez with Key Well Service. Continue to RIH with 2 3/8" tubing with Baker Metal Muncher Mill, tagged sand @ 5647' and cleaned sand to Hallib Fas Drill Plug @ 5700'. Drilled up Hallib Fas Drill Plug @ 5700'. Circulated well clean @ 5755'. Pull tubing to 5131', and flowed well thru the night.

Dry watched well thru the night. Flowed well up the 2 3/8" tubing with 1/2" choke nipple. RIH with 2 3/8" tubing and tagged fill @ 7613', tried to start drill gas compressors, compressors would not start. Called mechanic. Finally got 2 drill gas compressors started, and cleaned fill to PBTD @ 7673'. Circulate clean and POOH with 123 jts of 2 3/8" tubing.

4/23/99 400 - psi on tubing and casing. Bleed well down. POOH with 122 jts of 2 3/8" tubing with 3 7/8" Baker Metal Muncher Mill. RIH with Mule Shoe Collar, SN and 40 jts of 2 3/8" tubing. (HAD TO SHUT DOWN, EXCESSIVE HIGH WINDS.)

4/26/99 Tbg - 400 psi. Csg - 400 psi. RIH with 205 jts. Tagged fill @ 7643'. Started 2 drill gas compressors, and cleaned fill to PBTD @ 7673'. Circulated clean. Pull up and land 2 3/8" tubing @ 7611' with KB added in. Total tubing 243 jts. NDBOP & NUWH. Unload well using drill gas compressors. Rig down. FINAL REPORT.