*See Instructions on Reverse Side

PAROMING FURT

MALLON OIL COMPANY

JICARILLA 522 #1
Section 33, T30N, R2W
790' FNL & 1850' FWL
Rio Arriba County, New Mexico

DAILY REPORT

- 10/01/88 Spud well at 4:30 PM on 9/30/88. Drilled 140' of 12 1/4" surface hole. Ran 3 jts. (117.10 ft.) of 8 5/8" 24.0#/ft J-55 new casing (Maverick) and landed at 130 ft. RKB. Rigged up Cementers, Inc. Cemented surface with 190 sx (224 ft3) of Class B cement with 2% CaCl2. Good circulation throughout job. Circulated cement to the surface. Plug down at 9:15 PM on 9/30/88. Wait on cement 10 hours.
- 10/02/88 Drilling ahead to 1463'. Lost 100 bbls. of mud at 1450'. Pull 5 stands. Mix 150 bbl. pill of 12% LCM. Regained circulation. Trip to bottom. Drill 13 ft. Lost circulation (100 bbls.). Pulled 7 stands of pipe. Mix 350 bbl. pill of 15% LCM. Lost 75 bbls. of fluid, then regained circulation. Lost circulation again, but hole would stay full. Build volume in pits. Mix 200 bbls. of 25% LCM. Pumped away 50 bbls. of fluid. Regained full circulation. Trip in hole to 1 joint off bottom. Full returns. Wash kelly down. Lost returns on bottom. Pump away 175 bbls. No returns. Pull 4 stands. Build volume. Mix 30% LCM for system. Pump 175 bbls. away at 1/2 pump output. No returns. Pull 3 more stands. Regain full returns after pumping 125 bbls. Circulate and build volume. Total mud lost 800 bbls.
- 10/03/88 Drilling ahead at 2060'. Trip to bottom. Started drilling. Full returns.