

**DAILY OPERATIONS SUMMARY  
PENROC "9" STATE NO.1  
SEC.9, T-10-S, R-34-E  
LEA COUNTY, NEW MEXICO**

Jan. 18, 1999

Moved in Reeco WS. Some of Star Tool equip including B.O.P. RU and installed BOP. Released packer and pulled and laid down 283 joints of 2 7/8" production string and rental packer. TIH with Rotary wireline 5 1/2" CIBP w/ CL. Tagged at 9031' (apparently frac sand build up to where the FC was). Correlated with previous cased hole collar log and set CIBP at 8636'. RD Rotary. Shut in well. SDFN.

EDC: \$3000

Cum. Re-work Cost: \$3000

January 19, 2000

All day mobilizing. Star delivered rest of their equipment. Knight delivered drill pipe and tubing. Set water tanks and loaded it. Installed automatic driller. Put rig on six lines. Should start picking up whipstock and work string some time early Thursday a.m. SDFN.

EDC: \$7000

Cum: Rework Cost: \$10,000

January 20, 2000

Crews arrived on location. Poured new rope socket. Made up down hole tools (whip stock etc.) TIH at 10:15 a.m. Talled and picked up 219 jts of 2 7/8" AOH DP. Broke clutch band on the rig at 4:20 p.m. Fought repairs and replacement all night. Suspended operations until 7 a.m. Sat.

EDC: \$5000

Cum: Rework Cost: \$15000

January 22, 2000

PU 13 jts. Of AOH DP. RU Gyro Data Wireline. Ran wire line to orientate whipstock. Surveyed every 200'. Set whip stock 8632' -163 degrees. POH with wireline. RU power swivel. Started milling w/ 1st pilot mill (4 5/8") at 8616'. Milled to 8617.5'. RD power swivel (5 :30 p.m.). TOH w/ pilot mill. Removed pilot mill and orientation tool. PU window mill #1. TIH w/ DP. RU power swivel. Re-cut from 8616-8616.5'. Milled 8616.5 to 8619.5' ( 7 a.m.)

EDC: \$26,000

Cum: Rework cost: \$41,000

January 23, 2000 (Monday a.m. report)

Milled with mill #1 to 8624.5'. RD PS. TOH. Mill <1/8" out of gauge. TIH w/ mill#2 (4 5/8" full nose, plus 4 5/8" smooth OD string mill (water melon!). On bottom at 6:15 p.m. Started milling at 8615.6'. Re-ream back to 8624.5' ( 1 a.m.) Milled/reamed 8624.5'-8629'. Mixed 2.5 gal poly sweep. Circ hole clean (cement, formation and some metal cuttings). LD PS and TOH.

EDC: \$6000

Cum: Rework Cost: