

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-21573
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name NMNM87887 NMNM101371
8. Well Number 2
9. OGRID Number 301260
10. Pool name or Wildcat Avalon

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other ☐

2. Name of Operator
Vernon E. Faulconer, Inc.

3. Address of Operator
P.O. Box 7995 Tyler, Texas 75703

4. Well Location
Unit Letter G : 2310 feet from the N line and 1980 feet from the East line
Section 21 Township 215 Range 26E NMPM SWNE County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3271' KB 3255' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

See Attached Procedure.

* 25 SX. plug @ 8,350'
* Perf cs9 @ 6,000' Place 100' of cnt. in? out of cs9 5,900'-6,000'
* Perf cs9 @ 4,400' Place 100' of cnt. in? out of cs9 4,300'-4,400'
* Perf cs9 @ 2,550' Place 100' of cnt. in? out of cs9 2,450'-2,550' - TAG
* Perf cs9 @ 2,150' Place 100' of cnt. inside/outside of cs9 2,050'-2,150' - TAG
* Perf cs9 @ 325' Place 100' of cnt in? out of cs9 225'-325' - TAG
* Perf cs9 @ 60' Place 60' of cnt in? out of cs9 0'-60' - TAG

* Plugs in addition to plugs in Attached Procedure

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Shannan Johnson TITLE Production Analyst DATE 5/16/06

Type or print name Shannan Johnson E-mail address: sjohnson@vefinc.com Telephone No. (903) 581-4382

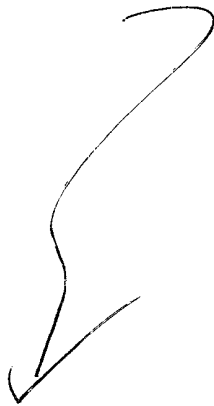
For State Use Only

APPROVED BY: [Signature] TITLE JUN 02 2006

Conditions of Approval (if any):

need
upper
tops

PLEASE Delaware Sand



NC TOPS PER LBS

WC - 8290
PENN - 9070
CAN - 9351
STRAWN - 9688
ADKA - 10090
MOR. LS - 10442
MOR CI - 10650

Capitan 515'
Delaware 2250'
Bone Spring 4400'
3rd Sand 7912'

DHG-2450
Avg. n/ Penn Gas 15% 605 71000
" STRAWN Gas 78% 4470 71081
" " " 79% 5170 70920

VERNON E. FAULCONER, INC.

"Ocotillo Hills #2"

"Plug & Abandon"

May 19, 2006

Page 1

1. MIRU WO RIG
2. NIPPLE DOWN X-MAS TREE, NIPPLE UP BOP'S
3. PICK UP ON TUBING AND LWT BY PASS VALVE ON PACKER OPEN. RELEASE BAKER MODEL R PACKER AND LET ELEMENTS RELAX. POOH WITH TUBING.
4. RU ELECTRIC LINE AND RIH AND SET CIBP @ 10,500', DUMP 20' OF CMT ON PLUG.
5. SET A CEMENT RETAINER AT 9350, RD ELECTRIC LINE UNIT.
6. RIH W/ TUBING TO 9350 AND DISPLACE WELL WITH 9 #/GAL. MUD. MIX AND SPOT 35 SX CEMENT TO WITHIN A BARRELL OF THE END OF TUBING. STING INTO RETAINER. ESTABLISH AN INJECTION RATE AND PUMP ALL BUT 1 BARRELL OF CEMENT AWAY, PULL OUT OF RETAINER AND LEAVE THE REMAINING CEMENT ON TOP OF RETAINER.
7. POOH TO 2550' LAYING DOWN TUBING.
8. ~~MIX AND SPOT A 15 SX BALANCED CEMENT PLUG @ 2550'. POOH LAYING DOWN TUBING TO 1000'.~~
9. ~~MIX AND SPOT A 15 SX BALANCED CEMENT PLUG @ 1000'. POOH LAYING DOWN ALL TUBING.~~
10. NIPPLE DOWN BOP'S.
11. ~~PICK UP ONE JOINT OF TUBING AND MIX AND PUMP A 10 SX TOP PLUG~~
12. CUT OFF BRADEN HEAD AND WELD A STEEL PLATE ACROSS ALL CASINGS.
12. INSTALL a steel marker not less than four inches (4") in diameter set in cement and extending at least four feet (4') above mean ground level. The operator name, lease name and well number and location, including unit letter, section, township and range, shall be welded, stamped or otherwise permanently engraved into the metal of the marker.
13. RDMO WO RIG.
14. REMOVE ALL SURFACE EQUIPMENT AND CLEAN OFF LOCATION.

SURFACE CASING
Setting: 16" 65# CSA @ 275'
Cement: 408 sx cmt (Filled annulus to surface w/ 9 yds ready mix cmt)
Interval Hole Size: 0-280 14-3/4" ream;; " w / 20" pilot bit @ 275'

Well Name: Ocotillo Hills #2
Field Name: Avalon (Canyon; Strawn, Morrow)
Location: Eddy County, NM
Legal Description: 2310' FNL, 1980' FEL, Sect 21, T-21S, R-26E
Elevation: 3255
Date: 5/16/2006 NTS
Drawn By: M. Fisher KB: 3271

12/13/2005 Resqueeze leak w/75 sacks + 100 sacks, no squeeze, overdisplace
12/19/2005 Re-squeeze with 360 sacks, displace to 1,144', 100' above hole
Did not pressure test

Original Casing Leak: Found 1228'-1291'
Stg 1: 300 sxs, got sqz, drill out, test to 850# (sqz blew out);
Stg 2 300 sxs, no sqz;
Stg 3: 300 sxs, no sqz.
Stg 4: 100 sxs, got sqz, drill out
Note: Not pressure or negative tested after 7/6/01 drill out

INTERMEDIATE CASING
Setting: 8-5/8" 24# K-55 ST&C @ 2500'
Cement: 850 sx cmt; (Fillup 8-5/8" ann w /1" tbg from 1190' w/ 530 sx cmt)
Interval Hole Size: 12-1/4" & 11"

TOC @ 8200' (temp survey)

12', 8' and 6' pup joints
296 jts of 4.7 ppf 2-3/8" N-80 EUE 8rd above packer
16 jts of same tubing below packer

Baker Model R packer @ 9,277'

8/91 - TEST OF UPPER PENN - CANYON
Perfs: (7/91) 9355'-60'; 9364'-9378'; 9390'-9420' w/4" HSC gun (4 JSPF, 90 deg)
Stimulation: (8/91) 20,000 SCF N2 pad / 3108 gals 15%
Test Results: 302 MCF, 2 BO, 2 BW, 50# FTP (9/10/91)

1-25/32" seating @ 9,774'
EOT @ 9,775'

05/98 - TEST OF STRAWN
Perfs: 9776'-90' (4 JSPF, 90 deg phase)
Stimulation: (5/26/98) Acidize w/750 gals 7.5% Ne-Fe (HCL), treated @ 3000#; On 5/27/98 Frac w / 112 bbls linear gel (2% KCL-methanol) pad / 202 bbls lin gel w.25 ppg 20/40 carbo prop, flush w/58 bbls linear gel / 330M scf N2, 74 tons CO2 / 51,640# carbo prop.
Test Results: (5/29/98) 225 MCFD, 2 BCPD, 12 BWPD, 250# FTP (open ck).(5/30/98)

Est TOC 8200' by Operator 4-20-99

Ref	515
DELAWARE	2250
BONE	4400
WC	8290
PE/W	9070
strawn	9688
ATOKA	10090
MOR LS	10492
MOR M	10650

Old Packer
Remnants of Otis RH Packer @ 10,805'
Set orig @10,830' (6/26/76). Top 1/3 of pkr sept'd when attemp'tg to release on/off tool 7/24/91. NM form C-103 (1/18/00), indicates it is open thru the bore. However on 12/19/99 a Guib perm packer that had been set above it was milled up (likely partially plugged).

Old Packer
Model D pkr Remnants @ 11,070' (milled up on 6/10/76)

PRODUCTION CASING
Setting: 5-1/2", 17 & 20# N-80 LT&C @ 11,148'
Cement: Cement w/700 sxs Class H
Interval Hole Size: 7-7/8" Hole (2500' to TD)

TD: 11,140' (Driller)
11,148' (Logger)

8/75-TEST OF UPPER MORROW
Perfs: (8/18/75) 10,850', 52', 54', 56', 58', 60' (6 holes); 10,885', 87', 89', 91', 93', 95', (6 holes);

8/75 TEST OF LOWER MORROW
Perfs: (8/18/75) 10,955', 57', 59', 61', 63', 65', 6 holes.
Re-perf (6/76) 10,955'-65'

Original PBTD: 11095.7' (tagged 8/15/75 with tubing)

AFE- 30-015-21573

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: OCOTILLO HILLS #2

Field: Avalon

Date:

Co. Consultant: Don Reidle

10-05-05 Travel to lse. Go to Smith 10 PU swab cups & oil savers. Swab unit on loc. RU unit, RIH to fish PL & BHS. POOH w/ PL. PL had no fl. Pads had rusty dust. RIH, latch BHS. POOH. BHS no fl also rust colored dust. RIH 1 swab cup. POOH, no fl rusty dirt on cup. Call office. Call for wtr trk to pmp KCL wtr dwn tbg. Meet Great Basin to pmp wtr. Pmp 8 bbls 7% KCL wtr dwn tbg. Left well SL.

CTD: \$ 2,450.00

TCTD: \$ 2,450.00

10-06-05 Travel to lse. RU swab, TP 0#. RIH, 1 cup hvy ld, FL 8800'. Swab'd well as follows:

Run #1: TF @ 8800', PF 9500', rec 600' dirty fl, 100% wtr, CP 0#, TP 0#.

Run #2: TF @ 9500', PF SN, rec 300' dirty fl, 100% wtr, CP 0#, TP 0#.

Run #3: TF @ SN, PF SN, rec 50' dirty fl, 100% wtr, CP 0#, TP 0#.

Ck RS, chng oil saver rubber(3). Milk well.

Run #4: TF @ SN, PF SN, no fl rec, 100% wtr, CP 0#, TP 0#.

Call office, rel rig. Rec 8 bbls fl today, rec 8 bbls fl to date.

CTD: \$ 1,050.00

TCTD: \$ 1,050.00

10-07-05 Meet Pro Wireline on loc. RIH w/blr & wire TEL. Tag @ 10,793' GL WLM. KB 16' = 10,809'. EOT 10,759' GL WLM. KB 16' = 10,775', POOH. FL 7,900' WLM. Ck blr, salt crystals & fl. Call for swab trk, not available till Monday.

CTD: \$ 4,349.17

TCTD: \$ 5,399.17

10-08-05 MI Aries Well Service. RU to swab, swab'd as follows:

Run #1: TF 8000', PF 9100', rec 900' dark fl, no sd, wtr, CP 0#, TP 0#.

Run #2: TF 8700', PF 10,000', rec 1,100' dark fl, no sd, wtr, CP 0#, TP 0#.

Run #3: TF 8200', PF 10,000', rec 900' dark fl, no sd, wtr, CP 0#, TP 0#.

Run #4: TF 9580', PF SN, no fl rec, no sd or wtr, CP 0#, TP 0#.

Cups tore up. Chng cups.

Run #5: TF 10,400', PF SN, no fl rec, no sd or wtr, CP 0#, TP 0#.

Cups tore up. Chng cups.

Run #6: TF 10,400', PF SN, no fl rec, no sd or wtr, CP 0#, TP 0#.

Cups bad. Chng cups.

Run #7: TF 10,391', PF 10,391, no fl rec, no sd or wtr, CP 0#, TP 0#.

Cups bad. Chng cups.

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: OCOTILLO HILLS #2

Field: Avalon

Date:

Co. Consultant: Don Reidle

10-08-05 Run #8: TF 10,200', PF 10,000', no fl rec, no sd or wtr, CP 0#, Tp 0#.
(Cont'd) Cups bad. SI well. Rec 8½ bbls fl today, rec 11½ bbls fl to date. Leave rig on loc.

CTD: \$ 2,407.50

TCTD: \$ 7,806.67

11-01-05 MI RU DMC swab unit. TP 220#. Try to bring up PL. RIH w/JDC to fish PL, latch PL & POOH. RIH w/JDC to fish BHS, latch BHS & POOH. PL was @ 10,000', BHS was @ 10,800'. About 1" sq pc of swab rubber inside JDC. RIH w/1 HLC to 10,000', FL 7000' scat. POOH, ck cup. Cup rip to shreds on 1 side, call office. Take swab rubber goods to Smith 10 & unld.

CTD: \$ 1,505.00

TCTD: \$ 9,311.67

12-06-05 MIRU Key Well Service. RD PL equip. Loosen & rem bolts @ well flange. Rem donut frm well. Install BOP & TIW vlv. HU csg to flw line. Vent to tk, close BOP. Secure well. SDFN.

CTD: \$ 1,950.00

TCTD: \$ 11,261.67

12-07-05 Travel to lse. Start rig, RU floor. All line froze up. Wk pkr, turn ¼ @ pkr – 6246'. Pkr loose. POOH w/ 2-3/8" N80 tbg. OOH w/ pkr, LD. POOH w/ remain'g tbg. OOH w/ 174 stds, didn't find anything wrong w/ tbg by visual inspection of outside of tbg. Inspect swab line. Cut off 250', re-pour RS (line up to PU tbg frm yd, take to lse). SDFN.

CTD: \$ 4,050.00

TCTD: \$ 15,311.67

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: **OCOTILLO HILLS #2**

Field: **Avalon**

Date:

Co. Consultant: **Don Reidle**

12-08-05 Travel to lse, start rig. RIH w/ 40 jts tbg. POOH, LD jts on ground to inspect inside of pipe. Tally tbg. RIH w/ pkr. Bull plug, perf nipple, SN 44 jts 2-3/8" EUE tbg. Set pkr @ 2606' w/ 4 paint comp. RU to swab. Ck in yd for PL equip for Vasquez #1(none). Also get 2-3/8" tbg moved frm yd to lse. Ice move in air line, plug same. Thaw'd out, swab well. Install drift on sucker rod, ck 40 jts on ground. 24th jt frm btm wouldn't drift, 5' frm collar. Shine light, looks very rough. Swab'd well as follows:

Run #1: TF @ 300', PF 1300', rec 1000' dirty fl, 100% wtr.

Run #2: TF @ 300', PF 1300', rec 1000' dirty fl, 100% wtr.

Run #3: TF @ 300', PF 1300', rec 1000' dirty fl, 100% wtr.

Run #4: TF @ 300', PF 1300', rec 1000' dirty fl, 100% wtr.

Run #5: TF @ 300', PF 1300', rec 1000' dirty fl, 100% wtr.

Run #6: TF @ 300', PF 1300', rec 1000' dirty fl, 100% wtr.

Run #7: TF @ 300', PF 1300', rec 1000' dirty fl, 100% wtr.

Run #8: TF @ 300', PF 1300', rec 1000' dirty fl, 100% wtr.

Run #9: TF @ 300', PF 1300', rec 1000' dirty fl, 100% wtr.

Rec 27 bbls fl today, rec 38½ bbls fl to date. SDFN.

CTD: \$ **4,275.00**

TCTD: \$ **19,586.67**

12-09-05 Travel to lse. Start rig, call Great Basin chng 30 bbls to 70 bbls 2% KCL. Dig out surf pipe csg. Ck on vlv, open. PU swab. RIH FL 300' frm surf. MIRU Great Basin pmp trk. HU to 5½" csg. Pmp 2% KCL. Pmp froze up, ice. Thaw out w/ torch. Pmp 2% KCL dn csg, intermittently. Csg open. Pmp total 70 bbl, no return @ surf. Pmp rate 1½ BPM, press 40#. Secure well & SDFN.

CTD: \$ **4,975.00**

TCTD: \$ **24,561.67**

12-10-05 Travel to lse. Start rig, rel pkr. POOH w/ 2600' N80 2-3/8" EUE tbg. OOH, tally tbg. RIHW BP, 2-3/8" N 80 EUE tbg. IH @ 8522', set BP. Pak off w/ 15,000# comp – 15,000# tension rel frm BP. POOH w/ 2-3/8" N 80 EUE tbg. OOH w/ 2-3/8" N 80 EUE tbg. PU arrowset pkr. RIH set @ 2456'. Pack off w/ 10,000# wt dwn tbg wt compression. Pack off 15,000# up, tension. Secure well, SDFN.

CTD: \$ **4,135.00**

TCTD: \$ **28,696.67**

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: OCOTILLO HILLS #2

Field: Avalon

Date:

Co. Consultant: Don Reidle

12-12-05 Travel to lse, spot pmp & pit(G&L tk). HU frm pmp to tbg. HU pit to pmp. Fill pit w/ 2% KCL wtr, ld w/ 10 bbl. Press to 500#, held. Press to 750#, didn't hold. Reset pkr dwn hole @ 5472'. Press test to 1000# didn't hold. Rel pkr, pull up hole to 1367', set pkr. Pmp 23 bbls, didn't hold. Pull up to 1181', set pkr. Pmp 3 bbls, press to 500#. Call office, rel pkr, POOH. Call for cmt trk, none available. Call office. Call for RBP & cmt ret. RIHW RBP. Set @ 1346' KB. Dmp 2sks sd, POOH. RIHW cmt retainer, set @ 1162' KB. St out of retainer, st into retainer. Pmp into inj rate 2½ BPM x 200#, possible friction.

CTD: \$ 9,150.00

TCTD: \$ 37,846.67

12-13-05 Travel to lse. RU Triple N to pmp cmt to rep hole. Pmp FW 1 BPM @ 300#(4 bbl total). RU pmp cmt 75 sks 3%. Pmp 250#-300#, pmp 6 bbl behind cmt dwn tbg static. Pmp 6 BW @ 100# x 1 BM rate. SD on vac for 1 min then static. Mix & pmp cmt 75 sks 3%. Press 100# (stop flush 6 bbl to hole well flw'g bk wtr). SI tbg wait on cmt. Bulk cmt arrive on loc, unld into pmp trk. Pmp 6 BW @ 100# x 1 BPM. SD vac 1 min. Start mix & pmp cmt 100 sks @ 100#, 1 BPM. Pmp flush 6 bbl to hole. Secure well, SDFN.

CTD: \$ 14,195.00

TCTD: \$ 52,041.67

12-14-05 Travel to lse, wait on orders. HU to get inj rate. Pmp 3 bbls, press to 700# & held. Slight bleed off, rem press install vlv & press guage @ WH. Press to 700# in 5 min 620#, in 10 min 605#, 15 min 600#. Wait on orders. Press to 1050#, in 5 min 1000#, 10 min 950#, 15 min 910#. Wait on orders. In 1 hr 650#. Try to press to 1500#. Blew tbg up hole. Possible unstring out of retainer. Call office. POOH w/ tbg & set'g tool. Call for shoe w/ cutrite to mill out retainer. 4¾" x 4" ID shoe. RIHW shoe, (6) 3-1/8" DC, 2-3/8" N 80 EUE tbg to cmt retainer @ 1181'. Tag @ 1027'. Mill old cmt on rust. Mill to 1106'. Pull 2 stds, circ hole. SD, drn wtr hoses. Secure well.

CTD: \$ 6,925.00

TCTD: \$ 58,966.67

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: OCOTILLO HILLS #2

Field: Avalon

Date:

Co. Consultant: Don Reidle

12-15-05 Travel to lse. Start equip to mill out cmt retainer. PU rig froze, 22° temp, thaw out. Broke circ @ 8:30 on retainer @ 9:00. Mill to PU cir hole, POOH. Std bk DC rem shoe wait on order. RIHW same shoe to mill up retainer, (tag) mill. Cmt retainer mill up/dwn 10' chase dwn hole 15' circ ceased. Press to 250# indication retainer in shoe, POOH. Didn't have retainer drn pmp put diesel in lines to keep from freezing. Secure well, SDFD.

CTD: \$ 5,400.00

TCTD: \$ 64,366.67

12-16-05 Travel to lse. PU spare & DC. RIH to tag retainer @ 1202'. St into retainer unable to latch fish POOH. Tally tbg IH. RIHW shoe & DC 2-3/8" N 80 EUE. Tbg to wk over fish retainer. Tag @ 1208' KB. PU 1 jt made total to 1249' Try to pinch retainer up into finger. POOH dry drill to make core to drive up retainer. Didn't have retainer. Call office for orders. Close BOP, press csg to 750#, 1 hr dwn to 620#. RIHW taper top, DC 2-3/8" N 80 EUE tbg. Tag fish, latch retainer, POOH. Std bk DC, LD cmt retainer. Secure well, SDFD.

CTD: \$ 6,700.00

TCTD: \$ 71,066.67

12-17-05 Travel to lse. PU (bit - \$ 697.03 4-5/8", scrapper \$584.00 - 5 1/2"). RIH to cln cmt w/ 6 DC & 2-3/8" N 80 EUE tbg. Tally IH. Cln out to sd top @ RBP. Tag sd press to 500#. Lost press to 0#. Get rate 3 1/2 bbl x 100# press csg on vac. Call Paul. Wait on orders. Call BJ Services to set up cmt job. Possible man AM. POOH tbg, DC DHI. Have pkr on loc, can squeeze under. RIHW pkr, set @ 1198' KB. RU to swab. Swab'd well as follows:
Run #1: TF @ 150', PF SN @ 1198', rec 1000' fl, 100% wtr.
Run #2: TF @ 150', PF SN, rec 1000' fl, 100% wtr.
Run #3: TF @ 200', PF SN, rec 1000' fl, 100% wtr.
Run #4: TF @ 200', PF SN, rec 1000' fl, 100% wtr.
Run #5: TF @ 200', PF SN, rec 1000' fl, 100% wtr.
Run #6: TF @ 200', PF SN, rec 1000' fl, 100% wtr.
Run #7: TF @ 200', PF SN, rec 1000' fl, 100% wtr.
Run #8: TF @ 200', PF SN, rec 1000' fl, 100% wtr.
Run #9: TF @ 200', PF SN, rec 1000' fl, 100% wtr.

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: **OCOTILLO HILLS #2**

Field: **Avalon**

Date:

Co. Consultant: **Don Reidle**

12-17-05
(Cont'd)

Run #10: TF @ 200', PF SN, rec 1000' fl, 100% wtr.
Run #11: TF @ 200', PF SN, rec 1000' fl, 100% wtr.
Run #12: TF @ 200', PF SN, rec 1000' fl, 100% wtr.
Run #13: TF @ 200', PF SN, rec 1000' fl, 100% wtr.
Fl stop @ 200' surf swab frm SN rec 14 bbls. Call Paul. Pull 3jts frm well, reset pkr @ 1104' w/ 5000# set dwn 25,000#. Pack off up pull into. Rec 32 bbls fl today, rec 70½ bbls fl to date. Secure well, SDFN.

CTD: \$ 6,801.00

TCTD: \$ 77,867.67

12-19-05

Travel to lse. Start rig, spot BJ Cementers on lse. Call for ld FW. RU wtr trk. Press line to 3500#. Pmp 10 bbl dwn tbg, 4.7 bbls @ 324#. Pmp cmt 5.6 BPM @ 436#, 96 bbl 360 sks. Displace @ 3 BPM @ 82#. 5 bbl spot @ 1144'. 100' above hole. 40' below pkr. Unset pkr, POOH. LD pkr.

CTD: \$ 16,588.00

TCTD: \$ 94,455.67

12-20-05

Travel to loc & start equip. RIHW bit scrapper, 6 DC, 2-3/8" N 80 EUE tbg. Tag @ 1113' KB. Break circ, drl to 1124'. Returns are lost, circ mat'l. Call BJ & Paul @ office for orders. Said to drl ahead. Dril to 1155', some cmt LCM in returns very mushy. Call office, said to cont drl'g. Lost circ @ 1170' had no press. Lost 33 bbls fl, 10 min. Call office, PU on tbg WOO. Cont to wash dwn to RBP. Returns @ 1186'. Cmt returns @ 1217', drl to 1249', drl to 1280' no returns. Drl to 1309', no returns. Dr lot 1340', no returns. PU, LD pwr swivel. RU swab, swab'd as follows:

Run #1: TF @ 200', PF 1100', rec 700' clr fl, 100% wtr, CP 0#, TP 0#.

Run #2: TF @ 300', PF 1100', rec 700' clr fl, 100% wtr, CP 0#, TP 0#.

Run #3: TF @ 300', PF 1100', rec 700' clr fl, 100% wtr, CP 0#, TP 0#.

Run #4: TF @ 300', PF 1100', rec 700' clr fl, 100% wtr, CP 0#, TP 0#.

Run #5: TF @ 300', PF 1100', rec 700' clr fl, 100% wtr, CP 0#, TP 0#.

Run #6: TF @ 300', PF 1100', rec 700' clr fl, 100% wtr, CP 0#, TP 0#.

Run #7: TF @ 300', PF 1100', rec 700' clr fl, 100% wtr, CP 0#, TP 0#.

Neg swab test. Unable to lower below 300' frm surf, POOH. Std bk DC, tally tbg. RIHW RBP tool, try to wash sd frm RBP. Try to latch, unable. Rec 5.8 bbls fl today, rec 76.3 bbls fl to date. SDFD.

CTD: \$ 7,244.00

TCTD: \$ 101,699.67

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: **OCOTILLO HILLS #2**

Field: **Avalon**

Date:

Co. Consultant: **Don Reidle**

12-21-05 Travel to loc, start equip. PU 1 jt attempt to latch RBP. Beat dwn latch RBP, rel same. POOH very slow RBP hang'g up. OOH, LD RBP. Call for band. Lay to be run frm 2600' to surf. RIHW SN. RU swab ck FL. FL 200' $\pm$. POOH w/ 2-3/8" tbg. JSI on loc to run bond log. Bond log shows est 20' cmt. OOH w/ tools, call Paul. Wait on Orders. Secure well. Call for equip to rep csg & bids.

CTD: \$ 7,756.00

TCTD: \$ 109,455.67

12-22-05 Travel to lse, start rig. RU Precision Computer Log. TIH w/ loggin tools. OOH w/ log separator, says good pipe. Hole @ 1272'. Will have it fax & email to office. JSI Chem Cut \$ 4152.00 each cut, Free Point \$ 765.00, CSG Jacks(Scott Tate 432-661-8872) cost \$2000.00 per day + \$1.00/mile. Will be available Wednesday. G&L Speay w/ grapple \$2540.00, CSG Patch OD 6-13/16 x 5-5/8" ID x 25-5/8" long \$ 5231.00, shoe 7-3/8" OD x 5-5/8" ID \$1972.00, top bush'g \$448.00. Bull Rogers CSG crew (505)393-9342 or 505-397-2302. Didn't reach CSG Co. Secure well, SDFD.

CTD: \$ 7,369.00

TCTD: \$ 116,824.67

12-27-05 Travel to loc, start equip. Talley 2-3/8" N80 EUE tbg IH to latch RBP @ 8522'. Didn't latch RBP, POOH. OOH, RIH w/ 6 DC. LD DC. RIH w/ 2-3/8" EUE tbg & latch'g tool. PU, std bk 2 stds, off fill tag @ 8504'. Need to sub up to press wtr to rem fill. Pmp wouldn't start, hard. Will have fixed by morning.

CTD: \$ 6,120.00

TCTD: \$ 122,944.67

12-28-05 Travel to lse, start equip. Key Well rig wouldn't start. Start rig & PU tbg. TF @ 8504'. Wash & pmp debris was a bridge, fell through wnt to BP. Latch plug, can't rel. Pull to 70,000#, beat dwn (have pkr Mon on loc) to rel RBP. Press to 2000# to try to wk trash frm tool & RBP. Call office, talk to Marc. Call Randy, leave word. Call JSI to bk off tbg. Cost \$1842.00 + tax. JSI arrived on loc to bk off tbg. RU JSI, RIH. Put 9 turns to right, wk tbg. Put 7 turns to left. Shot to bk off tbg. RD JSI, shot @ 8476' - collar. POOH w/ 2-3/8" N 80 EUE tbg. Fish'g tools on hand on loc. Secure well, SDFN.

CTD: \$ 7,892.00

TCTD: \$ 130,836.67

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: OCOTILLO HILLS #2

Field: Avalon

Date:

Co. Consultant: Don Reidle

12-29-05 Travel to lse, start rig. PU dwn hole tools. RIHW OS 2.71", bmpr sub 4.20", oil jars 9.30", 6 DC 179.08', accalator 8.38' (total tools 204.17). 2-3/8" EUE N 80 tbg. PU 6 DC off ground. RBP @ 8522' KB. Fish @ 8476' WLM GL @ 8486' KB WLM. Latch fish, wk jars @ 55,000# 15 min no results. Wk jars @ 70,000# 15 min no results. Beat dwn w/ bmpr jars, wk jars @ 75,000# 10 min no results. Wk jars @ 80,000# 50 min no results. SD to cool off jars, call Randy. RU hose to tbg, try to circ pmp 10 bbls. Press to 450#, pmp add'l 30 bbl. Gain no press, total 40 bbl. Wk jars to 80,000# try to ret RBP. Cont wk'g jars, beat dwn. Also turn pipe try to rel wk'g jars @ 80,000# pull. Unable to loose. Try to get off grapple, unable to get loose. Call Randy. Set off jars. Pull into 80,000#. PU to 80,000#. Secure well, SDFN.

CTD: \$ 5,050.00

TCTD: \$ 135,886.67

12-30-05 Travel to lse. Call Randy, WO orders. Cont wk'g pipe to 80,000#. Set off jars. Call & SI for bk off shots. Wk tbg until E-line arrive. Beat dwn also in neutral position, try to rel grapple. Cont set off jars @ 80,000#. Cont wk'g pipe to 80,000# to set off jars. SI on loc, spot E-line trk. RU shot to bk off collar @ ret tool. PU to open bmpr sub & 3000# turn to left 7 rnds. Shoot get bk all rnds. POOH, RU shot to bk off @ OS grapple. PU tbg to neutral wt, turn to right 9 turns shot turn 1 more turn, didn't unscrew grapple. POOH w/ electric line. Shot w/ 80 grains. Wk pipe to try to rel grapple. Set off jars, pull to 80,000#. Secure well, SDFN.

CTD: \$ 14,572.00

TCTD: \$ 150,458.67

12-31-05 Travel to lse. JSI on loc. RU to shoot 200 grain shot, call Randy. Start rig wk. Tbg set off jars @ 80,000# pull, didn't come loose. Pmp dwn tbg. Ld'd w/ 3 bbls, pmp'd 12 bbls. RIHW shot, 200 grain. Fuel shot grapple unscrew'd frm fish. Pull up on tools, grapple still hung on collar. Unscrew, PU, POOH. 1 jt LD rem @ line top works. PU 1 more jt, LD. Call Randy. Call G&L Wendel Monday to get recommendation to rem RBP @ 8500' w/ hole in csg @ 1250' OOH. Ck bowls ok. Grapple broken @ top, 3 sml pcs. Rem grapple & cntrl head LD tools, jars, accelerator etc. Secure well, SDFD.

CTD: \$ 8,092.00

TCTD: \$ 158,550.67

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: OCOTILLO HILLS #2

Field: Avalon

Date:

Co. Consultant: Don Reidle

01-03-06 Travel to lse. Unld WP on loc. Start rig. Turn bales over to latch elev. PU shoe & WP, 2 jts. Chng elev to run jars & DC. RIHW N80 EUE tbg 2-3/8". TF w/ 267 jts. Start mill over, made 6" in 1hr & 15 min. Mill'd 4 hrs, made 20". Mill'd 5 hrs, made 21". Pmp wtr to try to clr mill shavings. LD pwr swivel. POOH w/ tbg, 32 stds. Secure well, close BOP. SDFN.

CTD: \$ 10,790.00

TCTD: \$ 169,340.67

01-04-06 Travel to lse. Start rig & equip. POOH w/ tbg, DC & WP. OOH, chng shoe on WP. Old shoe had worn ridges (gauges) inside. RIHW WP, jars, DC, 2-3/8" EUE tbg. Tag fill 10" hi wash dwn to where we left it LN to mill on RBP. Bk to RBP where we left LN. Pmp wtr 1 BPM dwn tbg, up csg. Start to circ to put 400# dwn tbg. Lost circ to pit. Cont mill over. RBP made 8" new hole today total 29". PU off btm, POOH w/ 5 stds. Secure well, SDFN.

CTD: \$ 10,050.00

TCTD: \$ 179,390.67

01-05-06 Crew ready to start. Rem TIW, open 2-3/8" tbg rams. Ran (10) 2-3/8" tbg. Turn'd w/ tongs to go over top 2-3/8" jt on top of RBP. Chng elev, PU, MU pwr swivel. Rotate mill (rotary shoe) on RBP @ 8500'. G&L pmp'g wtr via 2-3/8" tbg. Rotate rotary shoe on RBP 2". Rotate rotary shoe on RBP 2". Rotate rotary shoe on RBP 2", tk empty. Wtr tk broken, rep trk. PU 1 jt. Rotate rotary shoe on RBP 3". Bk on RBP. Rotate rotary shoe on RBP 2". Rotate rotary shoe on RBP 1". Rotate rotary shoe on RBP 4". Rotate rotary shoe on RBP 1". Stop pmp, LD pwr swivel, chng elev, POOH. 22 jts cut, MU & close TIW, close 2-3/8" rams. Frm 8AM wnt dwn 22".

CTD: \$ 10,146.00

TCTD: \$ 189,536.67

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: OCOTILLO HILLS #2

Field: Avalon

Date:

Co. Consultant: Don Reidle

01-06-06 Put pull'g unit bk on thread lines and start POH. POH, up to BHA. OOH, LD 2 jts 4½" OD WP & R shoe. MU & run 4-11/16" OD OS w/ 3-1/16" grapple for 2-3/8" EUE 8rd collar look'g up. Bmpr sub, fresh oil jars, (6) 3-1/8" OD DC's, accelerators jars, XO TD 2-3/8" EUE. TIH, tie PU bk 4 lines. 267 jts 2-3/8". Latch on fish, st wt 38,000#, pull 5,000# over. Set dwn put in LHT w/ 36,000# & PU 10,000# over. PU 15,000# over. Jars trip'g @ 5,000# over. PU 20,000# over & pull loose. CK TD, no chng. Start POH. POH up to BHA. LD accelerator, stand bk 6 DC's, LD oil jars, bmpr jars, OS w/ 1 jt 2-3/8", top conn off run'g tool 6-3/8" long. 2-3/8" jt split below collar frm bk off "st shot". Call for total length of run'g tools. 1¾" fish'g neck look'g up 4" long. Call Breaux Bridge. Ck total length of R shoe, ID in top sub, ok. To go over total RBP call Breaux Bridge. Bull dog bailer on loc. Break out conn to rep R shoe, bmpr sub, XO (2) VEF ck vlvs. CWI & SDFN.

CTD: \$ 9,228.20

TCTD: \$ 198,764.87

01-07-06 MU R shoe, top sub, XO to 2-3/8" EUE, (2) ck vlvs, 4' lift sub & PU. B sub Failed to stroke out. Tied it to BOP & failed to stroke out @ 5,000# pull. Rem B sub, ran R shoe, top sub, XO, (2) ck vlv, 4' 2-3/8" EUE lift sub. 16 stds 2-3/8", (2) ck vlvs, bull dog bailer, drn sub, 6' lift sub. TIH, "Clean out run". TIHW 258 jts + 16 = 274 jts. PU 275th jt & tag RBP. Stoke bailer, ok. LD snl & PU swivel, 275th jt, rotate shoe & stroke RD bailer. Stroke & rotate, bailer stuck on up stroke. Pull up 20', call Breaux Bridge. Set 10,000# on bailer & pushed pull rod back dwn, stroke & rotate. Bailer stuck closed. PU & break out jt #275 w/ pwr swivel & LD. POH up to BHA. Bailer & 16 jts below full of fl w/ very fine metal cut'gs 3/8" or shorter. Apx 1 cup full in ck vlv on top R shoe. Unable to break ck vlvs apart or off new N-80 lift sub or btm of bailer. Break & turn a rnd or 2 & lock up. Blind rams close. SD PU. Call Breaux Bridge rpt. Note: 2-3/8" tbg wet btm 5th std, apx 300' to FL.

CTD: \$ 5,383.00

TCTD: \$ 204,147.87

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: **OCOTILLO HILLS #2**

Field: **Avalon**

Date:

Co. Consultant: **Don Reidle**

01-09-06 MU 4-11/16" OD OS "short catch" w/ grapple for 1-3/4" fish'g neck, B sub, oil jars, (6) DC's 3-1/8" OD, accelerator jars, XO & start in w/ 2-3/8" EUE. TIH w/ 269 jts, latch on fish, PU 10,000# over, set bk dwn 10,000#. Let jars trip pull 10,000# & pull 20,000# over & jar, NC. Pull 30,000# over & jar, NC. Pull 35,000# over, 70,000# total pull loose 1st lick. PU 20' had 5-7,000# drag then free. Set bk dwn rough, stop in same place. Have something, not all? Call Breaux Bridge. LD 269th jt & SPOH. POH w/ 268 jts & BHA. Rec remainder of retrieving tool. Blaking plug or adaptor. 72" pkr mandrel w/ only spring frm underneath outer shell on it. Call Breaux Bridge. Call Kenco Oil Tools, call GL – didn't have grapple for 2.607" ID, break out bull dog conn, some lock up. SI well. SD unit FD. GL located grapple in Hobbs, be on loc @ 7AM.

CTD: \$ 8,701.20

TCTD: \$ 212,849.07

01-10-02 MU C spear w/ 2-5/8" grapple, XO, B sub, oil jars, (6) DC's, accelerator jars & XO. Start run'g 2-3/8" EUE 8rd. TIHW 268 jts tie bk & PU 269th jt set dwn in pkr shell. PU 5,000# over, set bk dwn 7,000# on fish. Pull 10,000# over, jar loose 1st lick, set bk dwn. Failed to get bite "No change in btm" call Breaux Bridge. LD top single start POH. POH up to BHA 268 jts. Out w/ C spear, nothing rec call Breaux Bridge. MU & ran 4" OD taper'd tap 3 1/2" @ btm & 4" OD 9" up, XO same st & TIH. TIHW 2-3/8" dbl's PU snl, set dwn 5,000# w/ 36" put in RHT. PU set 10,000# on fish w/ RHT. Set 5,000# more, 15,000# on pkr shel, rel torque. LD snl & POH. POH w/ 146 jts. Close 2-3/8" rams. MU & close TIW. SDFN.

CTD: \$ 8,078.50

TCTD: \$ 220,927.57

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: **OCOTILLO HILLS #2**

Field: **Avalon**

Date:

Co. Consultant: **Don Reidle**

01-11-06 Open, rem TIW, open BOP. Start POH. POH w/ last 122 jts. Out w/ BHA, nothing rec, call Breaux Bridge. Run in 10 jts w/ known bad jt. Pull out & LD 8 jts drift'd ok w/ 1.929" drift, 7 bad jts on ground out of well. Call Randy. PU new R shoe 4½" OD w/ 4¾" crown, 3¾" ID, top sub, B sub, (2) ck vlv, 4' lift sub, ran 10 jts 2-3/8". PU bull dog bailer w/ drn sub in top, 6' lift sub, (2) ck vlvs on btm. Fail'd to ld, LD bailer & chng out swab hose w/ fresh dressed one. Make bailer bk up, ck ok. MU in 2-3/8" tbg. Start TIH. TIHW 272 jts, PU & ran 2 sngls - #273 & #274. PU jt # 275 w/ pwr swivel & tag up on fish @ 8500'. Start rotating shoe & stroking DHTP. Good bite w/ shoe. Unable to stroke DHTP & rotate. Start rotating 5 min & stroke DHTP 5 or 6 times. Rotate 5 min, then stroke 5 or 6 times w/ out rotating. Rotate 5 min, then stroke 5 or 6 times w/ out rotating. Dwn hole 7". Rotate 5 min, then stroke 5 or 6 times w/ out rotating. Break out & LD pwr swivel & jt # 275. MU TIW & close. Pull 2 jts in air. Close BOP, set 10,000# on slips & SDFN.

CTD: \$ 8,432.45

TCTD: \$ 229,360.02

01-12-06 Open BOP. PU 2-3/8" off slips and run 2 jts bk in well. PU pwr swivel w. jt # 275. Tag fish & start stroking bailer. Start rotating shoe. Rotate 5 min, stop rotation, stroke bull dog bailer 5 or 6 times. Rotating 13,000# below start'g marks. Possible more wt. Call Breaux Bridge. Call talk to Randy. Set dwn 15,000# on fish w/ out rotating. PU slow, 1 jts LD pwr swivel w/ jt #275. POH. POH up to BHA, out w/ R shoe. Rec sml amt hair like metal shaving. Shoe used up "No large particles rec'd". Empty out ck vlvs. Close blind rams. SD PU FD.

CTD: \$ 5,851.52

TCTD: \$ 235,211.54

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: **OCOTILLO HILLS #2**

Field: **Avalon**

Date:

Co. Consultant: **Don Reidle**

01-13-06 Break bull dog apart, cln. Lay RBP components out in line to ck ID & length of different pcs. Call Breaux Bridge, decision made to run 2 1/2" catch grapple on C spear B sub, oil jars, (6) DC's, accelerator jars, XO. SIH w/ 2-3/8" tbg. TIH w. 268 jts in well. PU (1) snl # 269, set dwn in pkr. Set 12,000# on pkr. Pick bk up to 35,000# st wt. Put ID LHT w/ 36" & PU 10,000# over. Jars failed to wk, set bk dwn & pull 15,000# over. Jars trip'd, set bk to lead jard, 3' hi. Pull 15,000# over & jars trip'd. Pkr came up hole, pull jt out. Call Breaux Bridge. 4,000# to 9,000# drag. POH 5,000# to 15,000# drag. Free after 5 jts. Up to BHA. Call Breaux Bridge about DC's. Break out accelerator jars & pull std bk (6) DC's. Pull out oil jars & B sub, C spear * Arrow set 1X w/ out btm pcs of mandrel. Call Breaux Bridge. Call Kenco, G.L. @ Andrews & Odessa. Call Bull Dog Bailers @ Hobbs, NM. Well SI. Call Breaux Bridge. SD PU. G.L. fit'g cable in 4-3/8" OD pipe w/ cut Lip guide to run on B sub.

CTD: \$ 7,719.96

TCTD: \$ 242,931.50

01-14-06 Travel to lse. Ck shoe to fish, will not work. Had top of mandrel I PU frm Kenco yd. Call Wendall w/ G&L Tool Co. Get w/ Randy. Will run w/ short catch OS. RIH w/ short catch OS 3-3/8" grapple. Bmpr jars 4.70', 2-3/8" tbg. OS 3-11/16" x 3-3/8" grapple x 2' long. Tally tbg on ground. Rabbit all tbg frm ground. RIH tag fish, push dwn to 10,776.21' KB. Turn latch, wk OS PU 9,000# over natural wt. Turn & wk OS, make sure over fish if possible. PU 9,000# over, POOH. OOH w/ fish. Break dwn OS. Had sOme sml metal shaving, very slight. Call in for orders. Secure well, SDFN.

CTD: \$ 6,500.00

TCTD: \$ 249,431.50

01-16-06 Travel to lse, start rig. PU OS w/ 3-3/8" grapple, x-o, (2) ck vlvs, 15 stds 2-3/8" EUE N 80 tbg, bailer, left sub, 1 jts tbg, drn sub, 2-3/8" N 80 tbg. All VEF ck vlvs gauld'd (4). Also bailer wouldn't wk, grease stem rem "o" ring seals frm bbl redress w/ new "o" rings. Cln bbl w. diesel oil "o" rings seals put bailer bk together. Use bucket of wtr, ck pmp action (good). Tag fill, try to wk bailer. Tools are stuck in hole. Try to turn w/ pwr swivel, unable to turn. Call office WOO. Keep wk'g, Tbg. 248 jts TIH @ 10,756.12, 20' tool, 10' KB, EOT @ 10,786.12'. Wk tbg to get loose, still stuck. Call E-line ck on availability of bk off also a part sub to bk off below bailer. Talk w/ Wendall w/ G&L Tool Co. Wait on orders. Secure well, SDFN.

CTD: \$ 5,450.00

TCTD: \$ 254,881.50

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: **OCOTILLO HILLS #2**

Field: **Avalon**

Date:

Co. Consultant: **Don Reidle**

01-17-06 Travel to lse. Meet JSI E-line on lse. RU to bk off tbg. Start rig, torque up tbg. RIHW 80 shot to bk off tbg @ 9772'. 1 jt above drn sub fired but didn't bk off, POOH. E-line redress shot. RIH to reshoot. Tighten on tbg st. PU tighten 1 collar on sub. PU to tighten 2nd sub. Tbg. Part'd in collar, wait on side door OS. RIHW side door OS. PU 30,000#, POOH w/ E-line cut off 30' line on surf. RIHW OS, 2-19/32" grapple, latch fish PU. Tighten st. RIHW S shot to bk off tbg. BK off tbg @ 9772', POOH. LD OS tbg frm ground. Std tbg in derrick, LD crook'd tbg.

CTD: \$ 9,620.00

TCTD: \$ 264,501.50

01-18-06 Travel to lse. Start rig, POOH LD crooked jts. Call E-line(JSI) inform about crooked pipe. Call Double R Pipe & Supply to look @ bad pipe. OOH box look'g up. Talk w/ Russ w/ Double R Pipe get 35 jts tbg delivered to lse @ \$3.60/ft traded bad tbg in @ \$.40/ft. RIHW port sub, x-over, bmpr sub, oil jars, (6) DC's, accelerator, XO, 2-3/8" N 80 tbg. Tighten every jt going IH. Tally tbg. Screw into fish. Set off jars 2 times, POOH. Wt indicates we have all of tbg, bailer & OS. OOH w/ 96 jts, close BOP. Secure well, SDFN.

CTD: \$ 17,972.00

TCTD: \$ 282,473.50

01-19-06 Travel to lse, start rig. POOH w/ 2-3/8" N 80 tbg, bailer & DC all tools. OOH ck OS grapple full & pack'd w/ fine sd, iron sulfate in mud. Also 1 ck vlv full & 1 ck vlv w/ pc of slip in it, call Randy. LD DC's & 30 jts frm derrick. Call to get pkr frm Kenco in Artesia, NM(pkr at btm of hole @ 10,830' tag fill solid w/ OS @ 10,786' - 44' fill over pkr). Tally tbg. Pour new RS. RIHW SN w/ collar on btm 16 jts, 497.50' pkr. 2-3/8" N 80 EUE tbg. Drift on sd line IH. Tbg will not drift, POOH to bad tbg. Secure well, SDFD to windy.

CTD: \$ 6,510.00

TCTD: \$ 288,983.50

01-20-06 Travel to lse. Tally & drift tbg IH w/ drift on sd line. Tbg very difficult to drift well used on this well. RIHW 2 stds at a time. IH w/ 182 jts drift'd tbg (5682'). LO 18 jts will not drift. Secure well, SDFN.

CTD: \$ 4,435.00

TCTD: \$ 293,418.50

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: **OCOTILLO HILLS #2**

Field: **Avalon**

Date:

Co. Consultant: **Don Reidle**

01-21-06 Travel to loc. RIHW 2-3/8" N 80 EUE tbg drift & tally tbg. Drift on sd line IH. RD floor & BOP IH as follows:

KB	13.00'
Pup jts 12, 8, 6	26.40'
296 jts N 80 EUE tbg	9231.13'
Baker Model R pkr	6.90'
16 jts N 80 EUE tbg	496.40'
SN	1.10'
EOT	9774.93'

Set pkr w/ 12,000# comp @ 9277'. NU WH w/ PL equip. RU to swab. RIHW depth to measure sd line. Sd line on spool @ btm of spool mess'd up. Needs to be respooled by Key. Unable to swab.

CTD:	\$	3,835.00
TCTD:	\$	297,253.50

01-23-06 Swab'd well as follows:

Run #1: TF @ 2500', PF 4000', rec 5.9 bbls fl, CP 0#, TP 0#.
Run #2: TF @ 2500', PF 4000', rec 5.9 bbls fl, CP 0#, TP 0#.
Run #3: TF @ 2500', PF 4000', rec 5.9 bbls fl, CP 0#, TP 0#.
Run #4: TF @ 2500', PF 4000', rec 5.9 bbls fl, CP 0#, TP 0#.
Run #5: TF @ 2500', PF 4000', rec 5.9 bbls fl, CP 0#, TP 0#.
Run #6: TF @ 2500', PF 4000', rec 5.9 bbls fl, CP 0#, TP 0#.
Rec 35.4 bbls fl today, rec 111.7 bbls fl to date.

CTD:	\$	2,319.00
TCTD:	\$	299,572.50

01-24-06 Swab'd well as follows:

Run #1: TF @ 2500', PF 4000', rec 5.9 bbls blk fl, CP 0#, TP 0#.
Run #2: TF @ 3000', PF 4500', rec 5.9 bbls blk fl, CP 0#, TP 0#.
Run #3: TF @ 3000', PF 4500', rec 5.9 bbls blk fl, CP 0#, TP 0#.
Run #4: TF @ 3000', PF 4500', rec 5.9 bbls blk fl, CP 0#, TP 0#.
Run #5: TF @ 3500', PF 5000', rec 5.9 bbls blk fl, CP 0#, TP 0#.
Run #6: TF @ 4500', PF 6000', rec 6.2 bbls blk fl, CP 0#, TP 0#.
Rec 35.7 bbls fl today, rec 147.4 bbls fl to date.

CTD:	\$	2,319.00
TCTD:	\$	301,891.50

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: **OCOTILLO HILLS #2**

Field: **Avalon**

Date:

Co. Consultant: **Don Reidle**

01-25-06

Swab'd well as follows:

Run #1: TF @ 3000', PF 4500', rec 3.6 bbls blk fl, CP 0#, TP 0#.
Run #2: TF @ 3200', PF 4700', rec 3.6 bbls blk fl, CP 0#, TP 0#.
Run #3: TF @ 3500', PF 4700', rec 3.6 bbls blk fl, CP 0#, TP 0#.
Run #4: TF @ 3500', PF 4700', rec 3.8 bbls blk fl, CP 0#, TP 0#.
Run #5: TF @ 3500', PF 4700', rec 3.8 bbls blk fl, CP 0#, TP 0#.
Run #6: TF @ 3500', PF 4700', rec 3.8 bbls blk fl, CP 0#, TP 0#.
Run #7: TF @ 4500', PF 6000', rec 3.6 bbls blk fl, CP 0#, TP 0#.
Run #8: TF @ 4500', PF 6000', rec 3.6 bbls blk fl, CP 0#, TP 0#.
Run #9: TF @ 4500', PF 6000', rec 3.6 bbls blk fl, CP 0#, TP 0#.
Run #10: TF @ 4500', PF 6000', rec 3.6 bbls blk fl, CP 0#, TP 0#.
Rec 36.6 bbls fl today, rec 184 bbls fl to date.

CTD: \$ 2,319.00

TCTD: \$ 304,210.50

01-26-06

Swab'd well as follows:

Run #1: TF @ 4200', PF 6000', rec 6.75 bbls blk fl, CP 0#, TP 0#.
Run #2: TF @ 4200', PF 6000', rec 6.75 bbls blk fl, CP 0#, TP 0#.
Run #3: TF @ 4500', PF 6000', rec 6.75 bbls blk fl, CP 0#, TP 0#.
Run #4: TF @ 4500', PF 6000', rec 6.75 bbls blk fl, CP 0#, TP 0#.
Run #5: TF @ 4500', PF 6000', rec 6.75 bbls blk fl, CP 0#, TP 0#.
Run #6: TF @ 4500', PF 6000', rec 6.75 bbls blk fl, CP 0#, TP 0#.
Run #7: TF @ 5000', PF 6500', rec 6.75 bbls blk fl, CP 0#, TP 0#.
Run #8: TF @ 5000', PF 6500', rec 5.8 bbls blk fl, CP 0#, TP 0#.
Run #9: TF @ 5000', PF 6500', rec 1.45 bbls blk fl, CP 0#, TP 0#.
Run #10: TF @ 5300', PF 6800', rec 4.35 bbls blk fl, CP 0#, TP 0#.
Rec 52.1 bbls fl today, rec 236.1 bbls fl to date.

CTD: \$ 2,319.00

TCTD: \$ 306,529.50

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: **OCOTILLO HILLS #2**

Field: **Avalon**

Date:

Co. Consultant: **Don Reidle**

01-27-06

Swab'd well as follows:

Run #1: TF @ 4600', PF 6000', rec 5.9 bbls blk fl, CP 0#, TP 0#.

Run #2: TF @ 4600', PF 6000', rec 5.9 bbls blk fl, CP 0#, TP 0#.

Run #3: TF @ 4600', PF 6000', rec 5.9 bbls blk fl, CP 0#, TP 0#.

Run #4: TF @ 5000', PF 6500', rec 5.9 bbls blk fl, CP 0#, TP 0#.

Run #5: TF @ 5000', PF 6500', rec 5.9 bbls blk fl, CP 0#, TP 0#.

Run #6: TF @ 5400', PF 6900', rec 5.9 bbls blk fl, CP 0#, TP 0#.

Run #7: TF @ 5400', PF 6900', rec 0.6 bbls blk fl, CP 0#, TP 0#.

Swabs throttle was broke. They pulled swab out & brought 5.8 bbls fl w/ scatter'd gas infl. SD for wkend. Left tbg open to tk. Rec 36 bbls fl today, rec 272.1 bbls fl to date.

CTD: \$ 1,934.62

TCTD: \$ 308,464.12

01-30-06

Swab'd well as follows:

Run #1: TF @ 4000', PF 6000', rec 4 bbls blk fl, CP 0#, TP 0#.

Run #2: TF @ 4000', PF 6000', rec 4 bbls blk fl, CP 0#, TP 0#.

Run #3: TF @ 4000', PF 6000', rec 4 bbls drk fl, CP 0#, TP 0#.

Run #4: TF @ 4000', PF 6000', rec 4 bbls drk fl, CP 0#, TP 0#.

Run #5: TF @ 4000', PF 6000', rec 4 bbls light brn fl, CP 0#, TP 0#.

Run #6: TF @ 4000', PF 6000', rec 4 bbls light brn fl, CP 0#, TP 0#.

Run #7: TF @ 5000', PF 6500', rec 4 bbls light brn fl, CP 0#, TP 0#.

Run #8: TF @ 5000', PF 6500', rec 4 bbls light brn fl, CP 0#, TP 0#.

Run #9: TF @ 5000', PF 6500', rec 4 bbls light brn fl, CP 0#, TP 0#.

Run #10: TF @ 5000', PF 6500', rec 4 bbls light brn fl, CP 0#, TP 0#.

Witness last 4 swab runs, each run brought 4 bbls fl & gas mixed in fl, stronger w/ each run. On the 2nd to last run gas came after swab and brought some fl, but on the last run there was a vac on tbg after run fl is also clearing up w/ a trace of oil. Rec 40 bbls fl today, rec 312.1 bbls fl to date.

CTD: \$ 2,319.63

TCTD: \$ 310,783.75

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: **OCOTILLO HILLS #2**

Field: **Avalon**

Date:

Co. Consultant: **Don Reidle**

01-31-06

Swab'd well as follows:

Run #1: TF @ 5000', PF 6500', rec 4.9 bbls drk fl, CP 0#, TP 0#.

Run #2: TF @ 5000', PF 6500', rec 4.9 bbls drk fl, CP 0#, TP 0#.

Run #3: TF @ 5000', PF 6500', rec 4.9 bbls drk fl, CP 0#, TP 0#.

Run #4: TF @ 5000', PF 7500', rec 4.9 bbls drk fl, CP 0#, TP 0#.

Run #5: TF @ 5000', PF 7500', rec 4.9 bbls drk fl, CP 0#, TP 0#.

Swab bring'g up over 4 bbls per run w/ gas mixed w/ fl.

Run #6: TF @ 5000', PF 7500', rec 4.9 bbls drk fl, CP 0#, TP 0#.

Run #7: TF @ 5000', PF 7500', rec 4.9 bbls drk fl, CP 0#, TP 0#.

Swab runs were the same as before except w/ stronger gas in fl & a slight blw after the last 2 runs. No press on gauge after 5 min, SI.

Run #8: TF @ 5000', PF 7500', rec 4.9 bbls drk fl, CP 0#, TP 0#.

Run #9: TF @ 5000', PF 7500', rec 4.9 bbls drk fl, CP 0#, TP light blw.

Run #10: TF @ 5000', PF 7500', rec 4.9 bbls drk fl, CP 0#, TP 0#.

Rec 49 bbls fl today, rec 361.1 bbls fl to date.

CTD: \$ 2,319.63

TCTD: \$ 313,103.38

02-01-06

Swab'd well as follows:

Run #1: TF @ 5000', PF 7000', rec 5.5 bbls drk fl, CP 0#, TP 0#.

Run #2: TF @ 5000', PF 7000', rec 5.5 bbls drk fl, CP 0#, TP 0#.

Run #3: TF @ 5000', PF 7000', rec 5.5 bbls drk fl, CP 0#, TP 0#.

Run #4: TF @ 6000', PF 7500', rec 5.5 bbls drk fl, CP 0#, TP 0#.

Run #5: TF @ 6000', PF 7500', rec 5.5 bbls drk fl, CP 0#, TP 0#.

Run #6: TF @ 6000', PF 7500', rec 5.5 bbls drk fl, CP 0#, TP 12#.

Run #7: TF @ 6200', PF 8000', rec 5.5 bbls drk fl, CP 0#, TP 70#.

Run #8: TF @ 6200', PF 8000', rec 5.5 bbls drk fl, CP 0#, TP 0#.

Run #9: TF @ 6200', PF 8000', rec 5.5 bbls drk fl, CP 0#, TP 160#.

Wnt to loc. There was gas mix'd w/ fl on each run. On the last 4 runs the 1st had 12# of tbg after swab, 2nd wnt up to 70# & the 3rd had 0. The last run btm'd out a 160# gauge before swab made it to the top & blew @ 20# for about 10 min when it died out. Rec 49.5 bbls fl today, rec 410.6 bbls fl to date.

CTD: \$ 2,129.28

TCTD: \$ 315,232.66

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: **OCOTILLO HILLS #2**

Field: **Avalon**

Date:

Co. Consultant: **Don Reidle**

02-02-06

Swab'd well as follows:

Run #1: TF @ 5500', PF 7500', rec 3.9 bbls brn fl, CP 0#, TP 10#.

Run #2: TF @ 5500', PF 7500', rec 3.9 bbls brn fl, CP 0#, TP 10#.

Run #3: TF @ 5500', PF 7500', rec 3.9 bbls brn fl, CP 0#, TP 20#.

Run #4: TF @ 6000', PF 7500', rec 3.9 bbls brn fl, CP 0#, TP 20#.

Run #5: TF @ 6000', PF 7500', rec 3.9 bbls brn fl, CP 0#, TP 40#.

Run #6: TF @ 6000', PF 8500', rec 5.8 bbls light brn fl, CP 0#, TP 40#.

Crew to ld pipe for Challenger yd. Swab brought fl w/ gas & some fl after swab.

Crew PU 2nd ld of pipe.

Run #7: TF @ 6000', PF 8500', rec 5.8 bbls light brn fl, CP 0#, TP 50#.

Run #8: TF @ 6000', PF 8500', rec 5.8 bbls light brn fl, CP 0#, TP 50#.

Run #9: TF @ 6000', PF 8500', rec 5.8 bbls light brn fl, CP 0#, TP 50#.

Run #10: TF @ 6000', PF 8500', rec 5.8 bbls light brn fl, CP 0#, TP 50#.

Swab brought gas & fl like before on last run. Rec 48.5 bbls fl today, rec 459.1 bbls fl to date.

CTD: \$ 3,070.79

TCTD: \$ 318,303.45

02-03-06

Swab'd well as follows:

Run #1: TF @ 6300', PF 8000', rec 6 bbls clr fl, CP 0#, TP 0#.

Run #2: TF @ 6300', PF 8000', rec 4 bbls clr fl, CP 0#, TP 0#.

Little gas as swab was going IH. Noticed cable fray'g & pull'd out for repair.

Hands said would have to rep cable.

CTD: \$ 1,159.81

TCTD: \$ 319,463.26

Vernon E. Faulconer, Inc

WORKOVER REPORT

Well Name: **OCOTILLO HILLS #2**

Field: **Avalon**

Date:

Co. Consultant: **Don Reidle**

02-07-06

Swab'd well as follows:

Run #1: TF @ 6000', PF 7500', rec 5 bbls drk fl, CP 0#, TP 0#.

Run #2: TF @ 6000', PF 7500', rec 5 bbls drk fl, CP 0#, TP 0#.

Run #3: TF @ 6000', PF 7500', rec 5 bbls brn fl, CP 0#, TP 0#.

Watch 3 swab runs, some gas w/ fl & around 5 bbls each run. No press fl after run.

Run #4: TF @ 6300', PF 7800', rec 5 bbls brn fl, CP 0#, TP 0#.

Run #5: TF @ 6300', PF 7800', rec 5 bbls lighter fl, CP 0#, TP 0#.

Run #6: TF @ 6300', PF 7800', rec 5 bbls lighter fl, CP 0#, TP 0#.

Run #7: TF @ 6500', PF 8000', rec 5 bbls lighter fl, CP 0#, TP 0#.

Run #8: TF @ 6500', PF 8000', rec 5 bbls clr fl, CP 0#, TP 0#.

Watch 2 swab runs. 1st run had about 10# press behind run & some fl after swab. 5 bbls the 2nd kicked good gas & gauge went to 130 while swab'd, after run SI well T-70 brought 2.9 bbls fl.

Run #9: TF @ 6500', PF 8000', rec 5 bbls clr fl, CP 0#, TP 0#.

Run #10: TF @ 6500', PF 8000', rec 2.9 bbls clr fl, CP 0#, TP 0#.

CTD: \$ 2,319.63

TCTD: \$ 321,782.89

*******FINAL REPORT*******

LB/DR: dsg/mam

Orig: BB File

cc: RF/BS

VERNON E. FAULCONER, INC.

"Ocotillo Hills #2"

"Plug & Abandon"

May 17, 2006

Page 1

1. MIRU WO RIG
2. NIPPLE DOWN X-MAS TREE, NIPPLE UP BOP'S
3. PICK UP ON TUBING AND LWT BY PASS VALVE ON PACKER OPEN. RELEASE BAKER MODEL R PACKER AND LET ELEMENTS RELAX. POOH WITH TUBING.
4. RU ELECTRIC LINE AND RIH AND SET CIBP @ 10,500', DUMP 20' OF CMT ON PLUG. SET CIBP @ 9700', DUMP 20' OF CMT ON PLUG, SET CIBP @ 9200'.
5. RIH W/ TUBING TO 9150 AND DISPLACE WELL WITH 9 #/GAL. MUD.
6. MIX AND SPOT A 15 SX BALANCED CEMENT PLUG @ 9150', POOH TO 2550' LAYING DOWN TUBING.
7. MIX AND SPOT A 15 SX BALANCED CEMENT PLUG @ 2550'. POOH LAYING DOWN TUBING TO 1000'.
8. MIX AND SPOT A 15 SX BALANCED CEMENT PLUG @ 1000'. POOH LAYING DOWN ALL TUBING.
9. NIPPLE DOWN BOP'S.
10. PICK UP ONE JOINT OF TUBING AND MIX AND PUMP A 10 SX TOP PLUG.
11. CUT OFF BRADEN HEAD AND WELD A STEEL PLATE ACROSS ALL CASINGS.
12. INSTALL a steel marker not less than four inches (4") in diameter set in cement and extending at least four feet (4') above mean ground level. The operator name, lease name and well number and location, including unit letter, section, township and range, shall be welded, stamped or otherwise permanently engraved into the metal of the marker.
13. RDMO WO RIG.
14. REMOVE ALL SURFACE EQUIPMENT AND CLEAN OFF LOCATION.

Approval	Date	Yes
RS		
PHJ		