

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
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. 30-015-34880
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V0-5979
7. Lease Name or Unit Agreement Name: OXY Big Spender State
8. Well Number 1
9. OGRID Number 192463
10. Pool name or Wildcat Malaga Morrow, West

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator OXY USA WTP Limited Partnership	
3. Address of Operator P.O. Box 50250 Midland, TX 79710-0250	
4. Well Location Unit Letter <u>D</u> : <u>660</u> feet from the <u>north</u> line and <u>700</u> feet from the <u>west</u> line Section <u>16</u> Township <u>24S</u> Range <u>28E</u> NMPM County <u>Eddy</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3044'	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> 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 COMPLETION ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND 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 Attachment

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 David Stewart TITLE Sr. Regulatory Analyst DATE 1/25/07

Type or print name David Stewart

E-mail address: david_stewart@oxy.com
Telephone No. 432-685-5717

For State Use Only

Accepted for record - NMOCD

APPROVED BY _____ TITLE _____ DATE 1/31/07

Conditions of Approval, if any:

OXY BIG SPENDER STATE 0001

Date: 12/16/2006

DRILL 8 3/4" PRODUCTION HOLE FROM 3,394' TO 3,426' USING 60K AV. WOB, 60 ROTARY RPM, 353 GPM @ 1,000# PUMP PRESSURE.
WLS @ 3,377' = 0.25 DEG. & SERVICE RIG
UNPLUG FLOW LINE

DRILL 8 3/4" PRODUCTION HOLE FROM 3,426" TO 3,875' USING 60K AV. WOB, 60 ROTARY RPM, 353 GPM @ 1,000# PUMP PRESSURE.
WLS @ 3,826' = 0.50

DRILL 8 3/4" PRODUCTION HOLE FROM 3,875' TO 4,383' USING 60K AV. WOB, 60 ROTARY RPM, 353 GPM @ 1,000# PUMP PRESSURE.
WLS @ 4,334' = 0.75 DEG.

DRILL 8 3/4" PRODUCTION HOLE FROM 4,383' TO 4,479' USING 60K AV. WOB, 60 ROTARY RPM, 353 GPM @ 1,000# PUMP PRESSURE.

Date: 12/17/2006

DRILL 8 3/4" PRODUCTION HOLE FROM 4,479' TO 4,703' USING 60K AV. WOB, 60 ROTARY RPM, 349 GPM @ 1,000# PUMP PRESSURE.
SERVICE RIG

DRILL 8 3/4" PRODUCTION HOLE FROM 4,703" TO 4,895' USING 60K AV. WOB, 60 ROTARY RPM, 349 GPM @ 1,000# PUMP PRESSURE.
WLS @ 4,846' = 0.25 DEG.

DRILL 8 3/4" PRODUCTION HOLE FROM 4,895' TO 5,304' USING 60K AV. WOB, 60 ROTARY RPM, 349 GPM @ 1,000# PUMP PRESSURE.

Date: 12/18/2006

DRILL 8 3/4" PRODUCTION HOLE FROM 5,304' TO 5,405' USING 60K AV. WOB, 60 ROTARY RPM, 349 GPM @ 1,000# PUMP PRESSURE.
WLS @ 5,354' = 0.50 DEG. & SERVICE RIG

DRILL 8 3/4" PRODUCTION HOLE FROM 5,405' TO 5,883' USING 60K AV. WOB, 60 ROTARY RPM, 349 GPM @ 1,000# PUMP PRESSURE.
WLS @ 5,834' = 0.50 DEG.

DRILL 8 3/4" PRODUCTION HOLE FROM 5,883' TO 6,000' USING 60K AV. WOB, 60 ROTARY RPM, 349 GPM @ 1,000# PUMP PRESSURE.

Date: 12/19/2006

DRILL 8 3/4" PRODUCTION HOLE FROM 6,000' TO 6,137' USING 60K AV. WOB, 60 ROTARY RPM, 349 GPM @ 1,000# PUMP PRESSURE.
SERVICE RIG

DRILL 8 3/4" PRODUCTION HOLE FROM 6,137' TO 6,313' USING 60K AV. WOB, 60 ROTARY RPM, 349 GPM @ 1,000# PUMP PRESSURE.
RIG REPAIR ON FLOWLINE - 2" MUD LOGGER SAMPLE CATCHER LINE FELL OFF

DRILL 8 3/4" PRODUCTION HOLE FROM 6,313' TO 6,392' USING 60K AV. WOB, 60 ROTARY RPM, 349 GPM @ 1,000# PUMP PRESSURE.
WLS @ 6,343' = 1.00 DEG.

DRILL 8 3/4" PRODUCTION HOLE FROM 6,392' TO 6,658' USING 60K AV. WOB, 60 ROTARY RPM, 349 GPM @ 1,000# PUMP PRESSURE.

Date: 12/20/2006

DRILL 8 3/4" PRODUCTION HOLE FROM 6,658' TO 6,871' USING 60K AV. WOB, 60 ROTARY RPM, 349 GPM @ 1,000# PUMP PRESSURE.
WLS @ 6,822' = 1.00 DEG. - CHECKED FOR SUSPECTED WATER FLOW WHILE RUNNING WLS - WHEN PUMPS ARE DOWN WELL IS FLOWING AT A RATE OF 8.57 BBLs. / HR. - NO FLOW WHEN DRILLING

DRILL 8 3/4" PRODUCTION HOLE FROM 6,871' TO 7,272' USING 60K AV. WOB, 60 ROTARY RPM, 349 GPM @ 1,000# PUMP PRESSURE.

Date: 12/21/2006

DRILL 8 3/4" PRODUCTION HOLE FROM 7,272' TO 7,333' USING 60K AV. WOB, 60 ROTARY RPM, 349 GPM @ 1,000# PUMP PRESSURE.
WLS @ 7,284' = 0.25 DEG - CHECKED FOR WATER FLOW WHILE RUNNING WLS - NO WATER FLOW

SERVICE RIG

INSTALL ROTATING HEAD RUBBER & ROTATING HEAD DRIVE BUSHINGS

DRILL 8 3/4" PRODUCTION HOLE FROM 7,333' TO 7,746' USING 60K AV. WOB, 60 ROTARY RPM, 349 GPM @ 1,025# PUMP PRESSURE.

Date: 12/22/2006

DRILL 8 3/4" PRODUCTION HOLE FROM 7,746' TO 7,801' USING 60K AV. WOB, 60 ROTARY RPM, 349 GPM @ 1,025# PUMP PRESSURE.
DROP TOTCO @ 7,752' = 1.25 DEG.

TOH FOR NEW BIT

TIH WITH BIT # 4, BHA & 4 1/2" DP TO 7,741'

WASH & REAM 60' TO BOTTOM FROM 7,741' TO 7,801'

DRILL 8 3/4" PRODUCTION HOLE FROM 7,801' TO 8,140' USING 60K AV. WOB, 60 ROTARY RPM, 341 GPM @ 1,000# PUMP PRESSURE.

Date: 12/23/2006

DRILL 8 3/4" PRODUCTION HOLE FROM 8,140' TO 8,201' USING 60K AV. WOB, 60 ROTARY RPM, 341 GPM @ 1,000# PUMP PRESSURE.
WLS @ 8,152' = 1.00 DEG. & SERVICE RIG

DRILL 8 3/4" PRODUCTION HOLE FROM 8,201' TO 8,698' USING 60K AV. WOB, 60 ROTARY RPM, 341 GPM @ 1,000# PUMP PRESSURE.
WLS @ 8,649' = 1.00 DEG.

Date: 12/24/2006

DRILL 8 3/4" PRODUCTION HOLE FROM 8,698' TO 8,852' USING 60K AV. WOB, 60 ROTARY RPM, 341 GPM @ 1,000# PUMP PRESSURE.
SERVICE RIG

DRILL 8 3/4" PRODUCTION HOLE FROM 8,852' TO 9,193' USING 60K AV. WOB, 60 ROTARY RPM, 341 GPM @ 1,050# PUMP PRESSURE.
WLS @ 9,144' = 1.25 DEG.

TOH TO 2,520' - 100' UP INSIDE 9 5/8" CASING SHOE

Date: 12/25/2006

TOH TO 2,520' - 100' UP INSIDE THE 9 5/8" CASING SHOE

CLOSE & LOCK BOP PIPE RAMS - CHECK & CLOSE ALL VALVES ON CHOKE MANIFOLD - INSTALL TIW SAFETY VALVE IN DRILL STRING - DRAIN UP & WINTERIZE ALL PUMPS & HOSES - SHUT RIG DOWN FOR THE CHRISTMAS HOLIDAY

SHUT DOWN FOR THE CHRISTMAS HOLIDAY

Date: 12/26/2006

SHUT DOWN FOR THE CHRISTMAS HOLIDAY

Date: 12/27/2006

SHUT DOWN FOR THE CHRISTMAS HOLIDAY

OPENED HCR VALVE - CHECK FOR PRESSURE - 100# SI PRESSURE - BLED PRESSURE THRU CHOKE MANIFOLD TO 0# IN 15 SECS. - NO FLOW - OPEN TIW VALVE IN 4 1/2" DP - SMALL FLOW OF DRILLING FLUID DOWN TO NO FLOW IN 1 MIN. - UNLOCKED & OPENED BOP PIPE RAMS - NO FLOW

HOOK UP WATER LINES

HANG BLOCKS & CUT 122' OF DRILLING LINE

TIH FROM 2,520' TO 9,163'

WASH & REAM 30' TO BOTTOM FROM 9,163' TO 9,193' - NO FILL

DRILL 8 3/4" PRODUCTION HOLE FROM 9,193' TO 9,562' USING 60K AV. WOB, 60 ROTARY RPM, 341 GPM @ 1,050# PUMP PRESSURE.

Date: 12/28/2006

DRILL 8 3/4" PRODUCTION HOLE FROM 9,562' TO 9,596' USING 60K AV. WOB, 60 ROTARY RPM, 341 GPM @ 1,050# PUMP PRESSURE.

WLS @ 9,547' = 1.25 DEG & SERVICE RIG

DRILL 8 3/4" PRODUCTION HOLE FROM 9,596' TO 9,808' TD OF 8 3/4" HOLE USING 60K AV. WOB, 60 ROTARY RPM, 341 GPM @ 1,200# PUMP PRESSURE - STARCHED UP MUD SYSTEM FOR OPEN HOLE LOGS.

PUMP 30 BBL. VISCOUS SWEEP & CIRCULATE FOR OPEN HOLE LOGS

DROP TOTCO @ 9,764' = 0.75 DEG. & TOH (SLM) FOR OPEN HOLE LOGS - LD ALL REAMERS & BIT - SLM = 9,811.05'

RU BAKER ATLAS LOGGING TRUCK - SAFETY MEETING

RUNNING OPEN HOLE LOGS WITH BAKER ATLAS - LOGGER'S TD = 9,815'

Date: 12/29/2006

RUN OPEN HOLE LOGS WITH BAKER ATLAS

RD BAKER ATLAS

TIH WITH BIT # 4, BIT SUB, DC'S & DP TO 9,808' TD

CIRCULATE & CONDITION MUD PRIOR TO TOH LD DRILL STRING TO RUN 7" CASING - RU BULL ROGERS LD MACHINE

POOH LD 4 1/2" DP - BREAK KELLY

POOH LD 30 - 6 1/2" DC'S, BIT SUB & BIT # 4

RU BULL ROGERS CASING CREW - SAFETY MEETING

RUN 7" 26# HCP-110 8RD LT&C PRODUCTION CASING

Date: 12/30/2006

RAN 229 JTS. 7" 26# HCP-110 8RD LT&C NEW CASING (TOTAL PIPE = 9,819.14') SET @ 9,808' (BOTTOM OF 7" WEATHERFORD FLOAT SHOE) - TOP OF 7" WEATHERFORD FLOAT COLLAR @ 9,761' - 7" WEATHERFORD DV TOOL @ 4,999' TO 5,001' - ALL ITEMS TORQUED TO 6,930# OPTIMUM.

RU HALLIBURTON, SAFETY MEETING & CIRCULATE TO CLEAR 7" CASING

HALLIBURTON CEMENTED 7" PRODUCTION CASING AS FOLLOWS: TESTED LINES TO 250# & 3,000# FOR 10 MINS. EACH - OK - (1ST STAGE) 1,000 GALS. SUPER FLUSH 102 (LEAD) 460 SX INTERFILL "H" CEMENT + 0.1% HR-7 PER SX (TAIL) 165 SX SUPER "H" CEMENT + 0.5% HALAD- 344 + 0.4% CFR- 3 + 5# GILSONITE + 1# SALT + 0.3% HR-7 PER SX - PLUG DOWN @ 14:08 12/29/06 W/ 373 BBLs. MUD DISPLACEMENT - BUMPED PLUG W/ 1,650# - FLOATS HELD OK - BLED BACK 2.00 BBLs. - DROP BOMB & OPEN DV TOOL W/ 600# - CIRCULATED 96 BBLs OR 201 SX CEMENT TO SURFACE FROM 1ST STAGE - CIRC. & WOC 4 HRS. - (2ND STAGE) 1,000 GALS. SUPER FLUSH 102 (LEAD) 380 SX INTERFILL "H" CEMENT + 1/8# POLY-E-FLAKE PER SX (TAIL) 200 SX PREMIUM PLUS NEAT CEMENT - PLUG DOWN @ 19:35 12/29/06 WITH 191 BBLs MUD DISPLACEMENT & CLOSED DV TOOL WITH 2,600# - HELD OK - BLED BACK 1.00 BBL. - SAW SUPER FLUSH, THEN CEMENT COLORED WATER, THEN LOST 100% RETURNS IN LAST 10 BBLs. OF DISPLACEMENT.

ND & PU BOP, SET 7" CASING SLIPS IN 220,000#, CUT OFF 7" CASING, NU 11" 5M X 11" 5M CASING SPOOL & TEST TO 5,000# - OK

MAN WELDING NU CREW NU BOP & CHOKE MANIFOLD - CHANGE PIPE RAMS FROM 4 1/2" TO 3 1/2"

MAN WELDING TESTER TESTING BOP & CHOKE MANIFOLD TO 250# LOW & 5,000# HIGH

Date: 12/31/2006

MAN WELDING TESTER TESTED BOP AS FOLLOWS - ALL TESTS LOW (250#) & HIGH (5,000#) 10 MINS. EACH WITH 11" C22 TEST PLUG SET IN WELLHEAD & CASING VALVE OPEN FOR ALL TESTS:

TEST # 1 - BLIND RAMS, ADJUSTABLE CHOKE, HYDRAULIC CHOKE, OUTSIDE PANIC LINE VALVE & OUTSIDE KILL LINE VALVE

TEST # 2 - BLIND RAMS, OUTSIDE CHOKE MANIFOLD VALVE, OUTSIDE CHOKE MANIFOLD VALVE, INSIDE PANIC LINE VALVE & INSIDE KILL LINE VALVE

TEST # 3 - BLIND RAMS, INSIDE CHOKE MANIFOLD VALVE, INSIDE CHOKE MANIFOLD VALVE, INSIDE PANIC LINE VALVE & INSIDE KILL LINE VALVE

TEST # 4 - PIPE RAMS, OUTSIDE CHOKE LINE VALVE & INSIDE KILL LINE VALVE

TEST # 5 - PIPE RAMS, INSIDE CHOKE LINE VALVE & CHECK VALVE

TEST # 6 - ANNULAR BOP, INSIDE CHOKE LINE VALVE & INSIDE KILL LINE VALVE - 3,500# HIGH TEST - 250# LOW TEST

TEST # 7 - UPPER KELLY COCK VALVE

TEST # 8 - VALVE TO MUD PUMP & VALVE TO MUD PUMP

TEST # 9 - STAND PIPE VALVE & MUD LINES TO PUMP 2,500# HIGH TEST - 250# LOW TEST

SMITH-NUNEZ FURNISHED TEST CHARTS WITH 5,000# HIGH TEST & 250# LOW TEST ON THE INSIDE BOP, LOWER KELLY COCK & FLOOR TIW VALVE.

RU BULL ROGERS LD MACHINE - SAFETY MEETING - PU & TIH W/ BIT # 5, BIT SUB, BHA, 4 3/4" DC'S & 3 1/2" DP - TAGGED UP AT 4965'

TEST 7" CASING TO 2,500# WITH RIG PUMP - OK

DRILL CEMENT, PLUG & DV TOOL FROM 4,965' TO 5,002'

TEST 7" CASING & DV TOOL TO 2,500# WITH RIG PUMP - OK

TIH PU 3 1/2" DP - TAGGED UP AT 9,696'

RD LD MACHINE

DRILL CEMENT STRINGERS & JUNK FROM DV TOOL FROM 9,696' TO 9,751'

Date: 01/01/2007

DRILL CEMENT & FLOAT EQUIPMENT FROM 9,751' TO 9,781'

SERVICE RIG, INSTALL ROTATING HEAD RUBBER & INSTALL NEW STAND PIPE PRESSURE GAUGE

DRILL CEMENT & FLOAT SHOE FROM 9,781' TO 9,808'

DRILL 6 1/8" PRODUCTION HOLE FROM 9,808' TO 9,818' USING 25K AV. WOB, 42 ROTARY RPM, 244 GPM @ 1,350# PUMP PRESSURE

FIT FROM 9,808' TO 9,818' TO 13.5 #/GAL. EMW W/ 9.1 #/GAL. AMW W/ 2,246# PRESSURE APPLIED W/ RIG PUMP FOR 10 MINS. - OK - NO LEAK OFF

DRILL 6 1/8" PRODUCTION HOLE FROM 9,818' TO 10,028' USING 30K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,400# PUMP PRESSURE - DISPLACED WELL W/ 10 # BRINE WATER @ 9,905'

WLS @ 9,979' = 0.75 DEG.

DRILL 6 1/8" PRODUCTION HOLE FROM 10,028' TO 10,052' USING 30K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,450# PUMP PRESSURE

Date: 01/02/2007

DRILL 6 1/8" PRODUCTION HOLE FROM 10,052' TO 10,150' USING 30K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,450# PUMP PRESSURE

SERVICE RIG

DRILL 6 1/8" PRODUCTION HOLE FROM 10,150' TO 10,393' USING 30K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,600# PUMP PRESSURE

Date: 01/03/2007

DRILL 6 1/8" PRODUCTION HOLE FROM 10,393' TO 10,485' USING 30K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,600# PUMP PRESSURE

SERVICE RIG

DRILL 6 1/8" PRODUCTION HOLE FROM 10,485' TO 10,517' USING 30K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,550# PUMP PRESSURE

WLS @ 10,469' = 1.00 DEG. & SERVICE RIG

DRILL 6 1/8" PRODUCTION HOLE FROM 10,517' TO 10,668' USING 30K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,450# PUMP PRESSURE

Date: 01/04/2007

DRILL 6 1/8" PRODUCTION HOLE FROM 10,668' TO 10,731' USING 30K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,450# PUMP PRESSURE

SERVICE RIG

DRILL 6 1/8" PRODUCTION HOLE FROM 10,731' TO 10,897' USING 30K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,650# PUMP PRESSURE

Date: 01/05/2007

DRILL 6 1/8" PRODUCTION HOLE FROM 10,897' TO 10,940' USING 34K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,650# PUMP PRESSURE

DROP TOTCO @ 10,899' = 1.00 DEG - STAND BACK KELLY

TOH WITH BIT # 5

TIH WITH BIT # 6 TO 10,900'

WASH & REAM 40' TO BOTTOM FROM 10,900' TO 10,940'

DRILL 6 1/8" PRODUCTION HOLE FROM 10,940' TO 11,051' USING 27K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,750# PUMP PRESSURE

Date: 01/06/2007

DRILL 6 1/8" PRODUCTION HOLE FROM 11,051' TO 11,130' USING 27K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,750# PUMP PRESSURE

SERVICE RIG & BOP DRILL

DRILL 6 1/8" PRODUCTION HOLE FROM 11,130' TO 11,340' USING 29K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,750# PUMP PRESSURE

Date: 01/07/2007

DRILL 6 1/8" PRODUCTION HOLE FROM 11,340' TO 11,437' USING 29K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,750# PUMP PRESSURE

WLS @ 11,389' = 1.75 DEG. - SERVICE RIG - INSTALL NEW ROTATING HEAD RUBBER

DRILL 6 1/8" PRODUCTION HOLE FROM 11,437' TO 11,667' USING 29K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,750# PUMP PRESSURE

Date: 01/08/2007

DRILL 6 1/8" PRODUCTION HOLE FROM 11,667' TO 11,735' USING 29K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,750# PUMP PRESSURE

BOP DRILL & CHECK FOR FLOW - NO FLOW

DRILL 6 1/8" PRODUCTION HOLE FROM 11,735' TO 11,775' USING 29K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,750# PUMP PRESSURE

SERVICE RIG

DRILL 6 1/8" PRODUCTION HOLE FROM 11,775' TO 11,864' USING 33K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,750# PUMP PRESSURE

DROP TOTCO @ 11,816' = 2.00 DEG. & TOH FOR BIT

Date: 01/09/2007

TIH WITH BIT # 7

CUT DRILLING LINE

TIH WITH BIT # 7 TO 11,824'

WASH & REAM 40' TO BOTTOM FROM 11,824' TO 11,864'

DRILL 6 1/8" PRODUCTION HOLE FROM 11,864' TO 12,093' USING 30K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,850# PUMP PRESSURE

Date: 01/10/2007

DRILL 6 1/8" PRODUCTION HOLE FROM 12,093' TO 12,180' USING 30K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,400# PUMP PRESSURE - STARTED MUD UP AT 12,124' (07:00) - MUDDING UP BY 12,184' (11:51)

SERVICE RIG & WORK ON # 2 PUMP

DRILL 6 1/8" PRODUCTION HOLE FROM 12,180' TO 12,299' USING 33K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,300# PUMP PRESSURE

DROP TOTCO @ 12,275' = 1.50 DEG.

SLUG DP & TOH FOR BIT @ 12,299'

TIH WITH BIT # 8

Date: 01/11/2007

TIH WITH BIT # 8 TO 12,233'

WASH & REAM 66' TO BOTTOM FROM 12,233' TO 12,299'

DRILL 6 1/8" PRODUCTION HOLE FROM 12,299' TO 12,326' USING 27K AV. WOB, 49 ROTARY RPM, 249 GPM @ 1,300# PUMP PRESSURE

SERVICE RIG

DRILL 6 1/8" PRODUCTION HOLE FROM 12,326' TO 12,442' USING 29K AV. WOB, 53 ROTARY RPM, 249 GPM @ 1,350# PUMP PRESSURE

Date: 01/12/2007

DRILL 6 1/8" PRODUCTION HOLE FROM 12,442' TO 12,478' USING 29K AV. WOB, 53 ROTARY RPM, 249 GPM @ 1,350# PUMP PRESSURE

SERVICE RIG

DRILL 6 1/8" PRODUCTION HOLE FROM 12,478' TO 12,603' USING 33K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,450# PUMP PRESSURE

Date: 01/13/2007

DRILL 6 1/8" PRODUCTION HOLE FROM 12,603' TO 12,623' USING 35K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,450# PUMP PRESSURE

DROP TOTCO @ 12,574' = 4.50 DEG. & SLUG DP

TOH WITH BIT # 8

TIH WITH BIT # 9 TO 12,582'

WASH & REAM 41' TO BOTTOM FROM 12,582' TO 12,623'

DRILL 6 1/8" PRODUCTION HOLE FROM 12,623' TO 12,661' USING 27K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,600# PUMP PRESSURE

CHANGE OUT ROTATING HEAD RUBBER

DRILL 6 1/8" PRODUCTION HOLE FROM 12,661' TO 12,707' USING 27K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,600# PUMP PRESSURE

Date: 01/14/2007

DRILL 6 1/8" PRODUCTION HOLE FROM 12,707' TO 12,900' TD OF 6 1/8" HOLE USING 30K AV. WOB, 55 ROTARY RPM, 249 GPM @ 1,700# PUMP PRESSURE

CIRCULATING UP SAMPLES @ 12,900' TD FOR MUD LOGGER & FOR OPEN HOLE LOGS

Date: 01/15/2007

CIRCULATE & CONDITION MUD @ 12,900' TD & FOR OPEN HOLE LOGS - RAISED MUD WT. TO 10.5 + #/GAL. - WAITING ON BAKER ATLAS LOGGING TRUCK DUE TO ICY ROADS & DOT HOURS

DROP TOTCO @ 12,900' = 3.75 DEG. & SLUG DP

TOH (SLM) FOR OPEN HOLE LOGS - SLM = 12,902.05'

RU BAKER ATLAS & RUN OPEN HOLE LOGS - LOGGER'S TD = 12,902' - RD BAKER ATLAS

TIH W/ BIT # 9, BIT SUB, 38 - 4 3/4" DC'S & 3 1/2" DP

Date: 01/16/2007

CIRCULATE & CONDITION MUD

DROP RABBIT, SLUG DP & TOH STANDING BACK 124 STANDS 3 1/2" DP

RU BULL ROGERS LD MACHINE, SAFETY MEETING & POOH LD 4 3/4" DC'S - BREAK KELLY & RD KELLY SPINNER

RU BULL ROGERS CASING CREW, SAFETY MEETING & RUN 4 1/2" LINER & LINER HANGER (SEE REMARKS, CASING REPORT & RAW DATA USED TO FILL OUT CASING REPORT FOR OTHER DETAILS) - RD CASING CREW & LD MACHINE

TIH WITH 4 1/2" LINER & LINER HANGER ON 3 1/2" DP TO 12,900'

RU BAKER CEMENT HEAD - RU HALLIBURTON - SAFETY MEETING - CIRCULATE BOTTOMS UP PRIOR TO CEMENTING 4 1/2" LINER

Remarks: NOTIFIED NMOCD LEFT MESSAGE ON ANSWERING MACHINE ABOUT RUNNING & CEMENTING 4 1/2" LINER AT 20:15 ON 1/15/07. RAN 84 JTS. 4 1/2" 13.50# HCP-110 8RD LT&C NEW CASING LINER WITH A 4 1/2" BAKER P-110 COMB. LANDING & FLOAT COLLAR ON TOP OF BOTTOM JOINT & A 4 1/2" BAKER P-110 V-SET FLOAT SHOE ON BOTTOM OF BOTTOM JOINT - LINER IS HUNG ON A 5" BAKER HYFLO "3" LINER HANGER & ZXP PACKER - TOTAL PIPE = 3,629.52' WITH TOP OF LINER HANGER @ 9,270.48' (537.52' OVERLAP) & BOTTOM OF 4 1/2" LINER @ 12,900'.

Remarks: NOTIFIED NMOCD - LEFT MESSAGE ON ANSWERING MACHINE ABOUT RUNNING & CEMENTING 4 1/2" LINER AT 20:15 ON 1/15/07. RU HALLIBURTON - TESTED LINES TO 250# (LOW TEST) & 7,000# (HIGH TEST) - HALLIBURTON CEMENTED 4 1/2" PRODUCTION LINER WITH 1,000 GALS. SUPER FLUSH 102 & 325 SX SUPER "H" CEMENT + 0.5% HALAD-344, + 0.4% CFR-3 + 5# GILSONITE + 1# SALT + 0.2% HR-7 PER SX - DISPLACED CEMENT WITH 60 BBLs. FRESH WATER & 63 BBLs. MUD - PLUG DOWN AT 8:20 AM (MST) 1/16/07 - BUMPED PLUG WITH 2,280#, BLED BACK 1.5 BBL. MUD - FLOATS HELD OK. CEMENT CALCULATIONS BASED ON 25% EXCESS OF BAKER ATLAS COMPENSATED Z-DENSIOLOG OPEN HOLE CALIPER DATED 1/14/07. PULLED 10 STANDS DP & REVERSED OUT - SAW BOTH 10 BBL. FRESH WATER SPACERS & 24 BBLs. SUPER FLUSH 102 PREFLUSH - NO CEMENT.

Date: 01/17/2007

CIRCULATE BOTTOMS UP PRIOR TO CEMENTING 4 1/2" PRODUCTION LINER - SET BAKER LINER HANGER

HALLIBURTON CEMENT 4 1/2" PRODUCTION LINER (SEE REMARKS, CEMENT REPORT & RAW DATA FOR FILLING OUT CEMENT REPORT FOR OTHER DETAILS)

SET BAKER LINER HANGER PACKER & POOH STANDING BACK 10 STANDS 3 1/2" DP

HALLIBURTON REVERSED OUT WITH 170 BBLs. MUD - SAW BOTH 10 BBL. FRESH WATER SPACERS & THE 24 BBLs. OF SUPER FLUSH 102
PREFLUSH - NO CEMENT

RU BULL ROGERS LD MACHINE - POOH LD 3 1/2" DP & BAKER LINER HANGER SETTING TOOL

TIH WITH 36 STANDS 3 1/2" DP OUT OF DERRICK

POOH LD 3 1/2" DP - RD LD MACHINE

ND BOP - CHANGE PIPE RAMS FROM 3 1/2" TO 4 1/2" & LD BOP

ND & REMOVE 11" 5M X 11" 5M WELL HEAD SPOOL & INSTALL A 7 1/16" 10M X 11" 5M TUBING HEAD WITH BLIND FLANGE TO SECURE THE WELL -
TEST TUBING HEAD TO 5,000# - OK

JET & CLEAN PITS - LD KELLY & KELLY DRIVE BUSHINGS - LOAD OUT ALL SMITH - NUNEZ RENTAL ITEMS - RELEASED MCVAY RIG # 8 TO GO TO THE
WINCHESTER "5" STATE # 1 @ 5:00 AM (MST) 1/17/2007

RD MCVAY RIG # 8