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For State Use Only 6

Conditions of Approval, if any:

APPROVED BY

TIGHT HOLE-PLEASE DO NOT RELEASE ANY INFORMATION ON THIS WELL

Lea CR State #5

3,630' FSL and 990' FEL, Section 2, T16S, R32E

Wolfcamp

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

05/22/06 Well Repair Purpose: P&A well.

MIRU pulling unit. No press on well. ND wellhead. NU BOP. MI & rack 301 jts 2 7/8" I 6.5# EUE8rd rental tbg. Dn 3 hrs for pulling unit repairs. PU & RIH w/2 7/8" SN, 108 jts 7/8" N80 4.7# EUE8rd tbg. Are not displacing fluid. SI & SDFN.

Current Operation This AM: RIH w/ tbg.

05/23/06 Well Repair Purpose: P&A well.

Road crew to location. No press on well. RIH w/187 jts 2 7/8" N80 6.5# EUE 8rd tbg (29 total). Tag plug @ 9,349'.Displacing fluid while tripping in hole. MIRU pump truck. Pur tbg w/130 bbls fresh wtr, to assure that well would circulate, well circulating w/2 bbls pumped, good circulation. Circulate well w/220 bbls 10# brine w/12.5# gel/bbl per OCD requirements. Circulated gel to surface. RDMO pump truck. POOH & LD 67 jts tbg, EO 7,218'. Will pump bottom plug & perf squeeze holes tomorrow A.M. NOTE: Confirming w/OCD representative E.L. Gonzales 505-370-3177.

Current Operation This AM: Pump bottom btm plug.

05/24/06 Well Repair Purpose: P&A well.

Road crew to location. Spot 38 sx (8 bbl) H cmt plug from 7,218'-6,872'. POOH. MIRU JSI. RIH w/perf gun, shoot 4 squeeze holes @ 5,727'. POOH. RIH w/2 7/8" x 5 1/2" pkr 2 7/8" tbg, set pkr @ 5,616'. Pump dn tbg to establish inj rate, have flow up annulus. Hav hole in csg above pkr. Pull up w/pkr to find hole. Find hole @ 5,435'. Contacted OCD re E.L. Gonzales @505-370-3177 & got permission to set retainer above hole & pump squeeze. Set pkr @ 5,426', established inj rate of 2.5 bpm@ 200#, circulating up Braden head. POOH w/pkr & tbg. SI & SDFN.

Current Operation This AM: Pump cmt plugs.

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Lea CR State #5

3,630' FSL and 990' FEL, Section 2, T16S, R32E Wolfcamp Lea County, New Mexico ** ALL COSTS ARE FIELD ESTIMATES **

05/25/06 Well Repair Purpose: P&A well.

Road crew to location. RIH w/cmt retainer on 2 7/8" tbg, pump thru retainer w/30 bbls gemud. Set retainer @ 5,426'. (Squeeze holes @ 5,727, hole in csg @ 5,435'). Test tbg to 500#. Load annulus w/gelled mud, press to 500#, hold & monitor. Pump dn tbg w/50 sx bbls) C cmt @ 2.5 bpm & 200#, followed by 30 bbls gelled mud. Sting out of retainer. POOH w/tbg. RIH w/perf gun. Shoot 4 squeeze holes @ 3,067'. POOH. RDMO JSI. RIF w/pkr, set @ 2,967'. Pump into squeeze holes @ 2.5 bpm & 200#. POOH w/pkr. RIH w/cmt retainer, set @ 2,967'. Pump dn tbg w/25 sx (6 bbls) C cmt, followed w/16 bbls gemud. Sting out of retainer. POOH to 1,450'. Spot 25 sx (6 bbls) cmt plug from 1,450' to 1,212'. POOH to 529', spot 55sx cmt plug from 529' to surface. POOH w/tbg. ND BOP. RDMO Rising Star cmt services. RDMO pulling unit. Cut off head. Install dry hole mark Final Report. Current Operation This AM: Well P&A'd.