

Form 3160-5
(August 1999)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS***Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Permian Resources, Inc.

3a. Address

P.O. Box 590, Midland, TX 79702

3b. Phone No. (include area code)

(915) 685-0113

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1650' FNL & 1650' FEL, Unit G
Section 34, T-18S, R-33E

5. Lease Serial No.

NMNMO1177A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Buffalo Federal #13

9. API Well No.

30-025-22651

10. Field and Pool, or Exploratory Area

Corbin Queen S. (oil)

11. County or Parish, State

Lea County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input checked="" type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other <u>Attempting to Plug & Adandon</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

See attached summary of daily activity 4/4/01 through 10/5/01 detailing squeeze cementing holes in casing from 558' to 620' and subsequent problems and attempts following drillout to P&A wellbore per BLM approved procedure dated 4/23/01. Currently cannot get back inside 4-1/2" production casing at 671' GL.

*Revised
mtg
2/27/02
CWE*

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Mike Stewart

Title Engineer

Signature

Date 10/8/01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Office

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Permian Resources, Inc**Buffalo Federal No. 13****S. Corbin Queen (Oil) Pool****Fed Lease No. NMNM 001177A****API No. 30-025-22651****Surface Location**

1650' FNL & 1650' FEL (Unit G)
 Section 34, T18S, R33E
 Lea County, New Mexico

DF 3796'
 GL 3784' (12' DF Correction)

Spud Date 7/4/68 Completion Date 10/18/68
 Originally permitted and drilled by TEXO Oil Company

Existing Wellbore Conditions

12-14" hole 9-5/8" 32 #/ft casing @ 250'

Cmt'd w/ 240 sx. "C"
 TOC @ surface circulated

7-7/8" hole 4-1/2" 9.5 #/ft casing @ 4630'

Cmt'd w/ 200 sx "C" w/ 4% gel.
 Estimated TOC @ 3,450' using 1.88 cu ft/
 sx yield and 8-7/8" actual hole size.

Perforations

Penrose 7/68
 4,503 - 4,511' w/ 1 SPF
 4,520 - 4,528' w/ 1 SPF total 18 1/2" holes

SOF 4,503 - 4,528' w/ 36,000# 20/40 sand
 in 40,782 gals (971 bbls) lease oil

Current Equipment

13 jts. 2-3/8", 4.7 #/ft, J-55 8rd tubing
 134 jts. 2-3/8", 4.7 #/ft NU 10V tubing
 1 2-3/8" Std SN

1 1-1/4" x 16' PR
 1 4' x 3/4" rod sub
 1 2' x 3/4" rod sub
 180 3/4" rods
 2" x 1-1/2" x 12' RWAC DV pump

Last date of pump change 2/15/00

Last date tbg pulled 4/2/98

Well was pumping ± 3 BOPD, 15 BWPD. Well quit pumping.

Daily Report

Note: Dates are day of actual activity

PRI equipment rates: DD WO Rig w/ crew

Rig Supervisor w/ PU

Kill Truck w/ driver

Reverse Unit w/ collars & tools

Cement Unit w/ bulk trailer

Cement

\$ 150.00 per hr

\$ 250.00 per day

\$ 60.00 per hr

\$ 460.00 per day

\$1200.00 per day

\$ 10.00 per sx

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4/4/01 Move in PRI Well Service Unit No. 3. Rig up. PU on rods and POOH w/ 15 triples. SDON.
 DWC \$950 CWC \$905
 PRI Rig #3 \$825
 PRI Sup \$125

4/5/01 POOH w/ remainder of rods and pump. R&R pump. NDWH and PU on tbg. POOH w/ 13
 jts of 2-3/8" 8rd tbg. SD to service rig. Service rig & SDON.
 DWC \$1150 CWC \$2055
 PRI Rig #3 \$900
 PRI Sup \$250

4/6/01 POOH w/ remainder of tbg. Total 147 jts. PU 4-1/2" Baker Loc-set RBP and Model R pkr
 and RIH on 2-3/8" tbg testing tbg to 5000# below slips. Tested 4 stands and tongs broke. RD
 RB testers. Work on tongs. SDOWE.
 DWC \$1975 CWC \$4030
 PRI Rig #3 \$1275
 PRI Sup \$250
 RB testers \$450

4/9/01 RU RB testers and finish testing tbg in hole w/ no failures. Set 4-1/2" Loc-set RBP @ 4248'
 GL (4260' KB). POOH w/ 1 stand and set Model R pkr. RU PRI kill truck and test RBP to
 500#, OK. Release pkr and PUH 20 stands. Set pkr and test to 500#, OK. Release pkr and
 PUH 15 stands to $\pm 2000'$. Set pkr and test to 500#, OK. Release pkr and PUH to 1100'. Set
 pkr and test to 500#. Not enough weight to seal Model R pkr. Release pkr and POOH and
 lay down Model R pkr. PU 4-1/2" AD-1 pkr and RIH to 300'. Set pkr and test. Did not hold.
 Release pkr and RIH to 620'. Set pkr and test to 500#, OK. Release pkr and PUH to 430'.
 Set pkr and test. Did not hold. Release pkr and lower 1 stand to 495'. Set pkr and test
 backside to 500#, OK. Release pkr and lower 1 stand to 558'. Set pkr and test backside to
 500#, OK. Release pkr and lower to 580'. Set pkr and test backside. (Slight leak) Release
 pkr and PUH 1 stand to 558'. Reset pkr and test backside to 500#, OK. RU on tbg and
 pumped down tbg w/ injection rate of 1 BPM @ 900#. Hole in casing appears to be
between 558' and 620'. Released pkr and attempt to lower tbg but hit bridge. POOH w/ pkr
 and found red bed on pkr. Laydown pkr and RIH w/ 2-3/8" tbg open ended. Tag fill @ 520'.
 Circulate and CO fill to 525' but losing circulation w/ red beds in returns. POOH w/ tbg &
 SDON.
 DWC \$3455 CWC \$7485
 PRI Rig #3 \$2100
 PRI Sup \$250
 PRI Kill Trk \$780
 Pkr & RBP Rental \$325

4/10/01 PU 2-3/8" notched collar and RIH on 2-3/8" tbg. Tag top of fill @ 495'. Had 30' of fill
 overnight. RU kill truck and attempt to circulate hole clean. Loosing circulation to HIC. RU
 PRI reverse unit. PU PS and attempt to circulate hole clean w/ BW. CO fill to 630'. POOH
 w/ tbg and SDON.
 DWC \$3440 CWC \$10925
 PRI Rig #3 \$1950
 PRI Sup \$250
 PRI Kill Trk \$780
 PRI Rev Unit \$460

4248
 - 2000
 2248 OK
 1148
 Did not seal.
 620'
 Did not seal

→ Red bed

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Red beds

4/11/01 RIH w/ 2-3/8" notched collar and tbg. Tag fill @ 630'. RU reverse unit and CO fill to 1200'. POOH w/ tbg and lay down notched collar. PU 4-1/2" AD-1 pkr and RIH on tbg to 540'. Set pkr and test backside to 500#, OK. Release pkr and PUH to 430'. Set pkr and test backside to 500#, OK. SDON.

DWC	\$2060	CWC	\$12985
PRI Rig #3	\$990		
PRI Sup	\$250		
PRI Rev Unit	\$460		

4/12/01 Deliver PRI cementer to location and RU. Mixed and pumped 60 sx Class "C" cement down tbg to squeeze HIC and over displaced to pkr w/ 5 Bbls FW. ISTD 750#. SD and WOC 4 hrs. Opened tbg and pump into HIC w/ 1/2 BPM @ 900#. Mixed and pumped an additional 25 sx "C" cement down tbg. Squeezed last 10 sx into HIC w/ 1/4 BPM @ 1200#. Overdisplace pkr w/ 3 Bbls FW. ISTD 1100#. RD cementer and SD WOC for Easter weekend.

DWC	\$4100	CWC	\$17085
PRI Rig #3	\$1800		
PRI Sup	\$250		
PRI Cementer w/ cmt	\$2050		

4/16/01 SITP 0#. Released AD-1 pkr and POOH w/ pkr and tbg. PU 3-3/4" MT bit, BS, 4 DC's and 13 jts 2-3/8" tbg. Tag TOC @ 530'. RU reverse unit and DO cement from 530' to 670'. Fell through from 670' to 677'. Circulated red bed from 677' to 683'. Circ. hole clean for 30 mins. POOH w/ 1 stand tbg and SDON.

DWC	\$2660	CWC	\$19745
PRI Rig #3	\$1950		
PRI Sup	\$250		
PRI Rev Unit	\$460		

4/17/01 PU and RIH w/ 3 jts tbg circulating hole of fill. RIH w/ additional 2 jts tbg circulating red bed fill to 745'. Fell free at 745'. RIH with additional 30 jts tbg and circulate hole clean. POOH w/ tbg and BHA. Hit tight spot at 620' coming out of hole. Had to turn tbg to pass bit through tight spot. Lay down BHA and stand back collars. PU OE SN and RIH on 2-3/8" tbg to 1240'. RU swab and swabbed well down to SN. SD for 1 hr and check for fluid entry.

No fluid entry. SDON.

DWC	\$2360	CWC	\$22105
PRI Rig #3	\$1650		
PRI Sup	\$250		
PRI Rev Unit	\$460		

4/18/01 RIH w/ swab and check for fluid entry over night. No fluid entry. POOH and RD swab. POOH w/ tbg and SN. PU 3-3/4" swedge, BS, 2 DC's and RIH on 18 jts 2-3/8" tbg. Tag tight spot @ 620'. Swedge casing from 620' to 621'. RIH and tag tight spot @ 628'. Work through tight spots to 670'. Unable to get below 670' with swedge. POOH w/ tbg and BHA. Lay down swedge and BS. PU old and worn 3-7/8" bit and RIH w/ DC's and tbg. Tag tight spot @ 605'. RU reverse unit and rotate and circulate down to 670'. Began getting red beds and cement returns. Unable to get below 670'. POOH w/ tbg, DC's and bit. Lay down bit and standback DC's and PU 4' x 2-3/8" dog leg tbg sub and RIH on tbg to bad spot @ 671'. Rotate tbg 1/2 turn at a time and attempt to past through tight spot but unable to go more than 12' below (793') tight spot. On 8th attempt went down to 795'. RU reverse unit and circulated down to 848'. PUH w/ tbg to 600' and SION.

DWC	\$2735	CWC	\$24840
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PRI Rig #3	\$2025
PRI Sup	\$250
PRI Rev Unit	\$460

4/19/01 POOH w/ tbg and lay down 4' dog legged sub. PU 3-3/4" MT bit and RIH on tbg. Unable to work past tight spot @ 671'. POOH w/ tbg and lay down bit. PU 4' dog legged tbg sub and RIH on tbg to 900'. Having problems with reverse unit due to amount of solids in return fluids. Drain tank clean and fill tank and mix salt gel w/ BW. RU reverse unit and circulate to 905' where it plugged off. Possibly outside casing. RD reverse unit and POOH w/ tbg and dog legged sub. 1st 5 stands were dragging 15 points coming out of hole. SDON.

DWC	\$2810	CWC	\$27650
PRI Rig #3	\$2100		
PRI Sup	\$250		
PRI Rev Unit	\$460		

4/20/01 PU 3-3/4" MT bit, bit sub, 4 DC's and tbg and RIH. Tag tight spot @ 671' but unable to work through tight spot. POOH w/ tbg and BHA. Stand back collars and PU 4' dog legged sub and RIH on tbg. Tag tight spot and worked past tight spot. RU reverse unit and circulate hole clean. POOH w/ tbg and sub. Remove 4-1/2" x 2-3/8" tbg head and 4-1/2" casing pack off. SDOWE.

DWC	\$2060	CWC	\$29710
PRI Rig #3	\$1350		
PRI Sup	\$250		
PRI Rev Unit	\$460		

4/23/01 Screw on 4-1/2" pull nipple. Change elevators and latch onto 4-1/2" casing. Remove 4-1/2" casing slips and measure stretch on 4-1/2" casing. Stretch shows casing stuck @ 450'. Work casing. RU reverse unit and pump down casing in attempt to circulate and free casing. Unable to circulate casing or pull free. Replace slips in casing head and set back on slips with 45 pts tension. PU 3-3/4" mill w/ cutrite, BS, 4 DC's and RIH on 2-3/8" tbg to tight spot @ 671'. Unable to work past tight spot. POOH standing back DC's and laying down mill. RIH w/ OE tbg. Unable to work past tight spot. POOH and PU 4' dog legged sub w/ 4th end and RIH on tbg. Tagged tight spot @ 671' and worked tbg thru tight spot and went to 2100'. RU reverse unit. Unable to reverse circulate but can circulate down tbg. POOH w/ tbg to above tight spot @ 671'. RIH w/ tbg and dog legged sub to 2100'. Possibly outside casing Again POOH w/ tbg to above tight spot and try to work back down inside casing w/ no success. Could not get back down below 671'. POOH w/ 1 stand above tight spot and SDON.

DWC	\$2660	CWC	\$32370
PRI Rig #3	\$1950		
PRI Sup	\$250		
PRI Rev Unit	\$460		

Based upon problems encountered in trying to repair casing leak Randy Bruno w/ PRI prepared a BLM Form 3160-5 "Sundry Notice" to plug and abandon the Buffalo Federal #13 well. The Form 3160-5 was faxed to the BLM Roswell Office where it was reviewed, revised and approved both verbally and via facsimile by Mr. David Glass on 4/23/01.

4/24/01 RU reverse unit & circulate hole clean. Unable to get below 671'. POOH w/ tbg and PU on 4-1/2" casing. Remove 4-1/2" slips and get stretch on 4-1/2" casing that shows stuck @ 450' as before. Work casing while pumping down same. Unable to work casing loose. Replace slips and set casing back on slips w/ WH. PU 4' dog legged sub and RIH on tbg to 661'. RU

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reverse unit and mix salt gel in tank. Circulate hole clean down to 671'. Unable to work past tight spot @ 671'. POOH w/ 1 stand above tight spot and SDON.

DWC	\$2585	CWC	\$34955
PRI Rig #3	\$1875		
PRI Sup	\$250		
PRI Rev Unit	\$460		

4/25/01 RD JU stripper and PS. POOH w/ tbg and shoe and laydown DC's. PU short tapered swedge w/ cutrite and RIH on tbg. RU PS and begin milling on casing @ 671'. Work up and down through tight spot trying to get back into casing w/ no success. POOH w/ mill and tbg. PU 5 blade swedge mill and RIH on tbg to 671'. RU PS and mill to get back into casing w/ no success. POOH w/ mill and PU 4' dog legged sub. RIH w/ sub on tbg. RU reverse unit and circulate down to 677'. Circulate hole clean. POOH w/ tbg and sub. SD to work on reverse unit pump gear box. SDON.

DWC	\$2810	CWC	\$37765
PRI Rig #3	\$2100		
PRI Sup	\$250		
PRI Rev Unit	\$460		

4/26/01 PU mill and RIH on tbg to tight spot. Circulated and worked mill 8' past tight spot. POOH and lay down mill. PU impression block and RIH on tbg. POOH w/ impression block no image. PU swedge mill, BS and RIH on tbg. Tag tight spot @ 673'. RU PS and circulate and rotate down to 746'. Pump quit on reverse unit. POOH w/ tbg & swedge. Break down pump and repair. SDON

DWC	\$2810	CWC	\$40575
PRI Rig #3	\$2100		
PRI Sup	\$250		
PRI Rev Unit	\$460		

4/27/01 PU 3-3/4" bit, bit sub and RIH on tbg to 760'. RU reverse unit and circulate down to 790'. Circulate hole clean & POOH w/ tbg and bit. PU impression block and RIH on tbg to 760'. Did not hit any obstruction @ 671'. Speculate going beside casing and hitting red beds @ 760'. POOH w/ impression block no image. PU 4' dog legged sub and RIH on tbg to 671'. Work and rotate tbg trying to kick inside casing @ 671' w/ no success. POOH w/ tbg and sub. PU different 4' sub with different bend and RIH on tbg to 671'. Work and rotate tbg for 2 hrs trying to get inside casing @ 671' w/ no success. POOH w/ tbg and sub. SDOWE.

DWC	\$2660	CWC	\$43235
PRI Rig #3	\$1950		
PRI Sup	\$250		
PRI Rev Unit	\$460		

4/30/01 PU 4' dog legged sub and RIH on tbg to 678'. Unable to work inside casing. POOH w/ tbg and sub. PU 33' x 1-1/2" tbg w/ 45° angle on end and RIH on 2-3/8" tbg to 671'. Try to work inside of casing. RU reverse unit and circulate down to 810' outside casing. POOH and bend 1-1/2" tbg more severe and RIH on 2-3/8" tbg to 671'. Work tbg but unable to get back inside casing. POOH w/ tbg and jt of 1-1/2" tbg. Lay down jt of 1-1/2" tbg and PU 25' jt of 2-3/8" tbg w/ 45° angle cut on bottom and bend bottom of tbg. RIH w/ 25' dog legged jt and tbg to 671'. Work and rotate tbg trying to kick back inside casing w/ no success. POOH w/ tbg and re-bent bottom jt. RIH to 671' and try to rotate back into casing w/ no success. POOH, re-bend bottom jt and repeat w/ no success. POOH w/ 1 stand and SDON.

DWC	\$2810	CWC	\$46045
PRI Rig #3	\$2100		

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PRI Sup \$250
 PRI Rev Unit \$460

- 5/1/01 POOH w/ tbg and 25' jt dog legged tbg. PU 4' dog legged sub w/ different angle on bottom and RIH on tbg to bad spot @ 671'. Unable to kick inside casing. POOH w/ tbg and sub. PU 33' x 1-1/2" jt w/ angle bottom and RIH on 2-3/8" tbg to bad spot @ 671'. RU PS and circulate hole trying to work into casing w/ no success. POOH w/ 1-1/2" jt and PU 4' dog legged sub and RIH on tbg. Unable to kick inside casing @ 671' but able to circulate down to 810'. POOH w/ tbg and 4' sub. PU 33' x 1-1/2" jt tbg and RIH on tbg. Again unable to kick inside casing @ 671' but able to circulate down outside of casing to 810'. PUH w/ tbg to 600' and SDON.

DWC	\$2585	CWC	\$45820
PRI Rig #3	\$1875		
PRI Sup	\$250		
PRI Rev Unit	\$460		

- 5/2/01 RU for rods and RIH w/ 600' of rods at a time inside tbg and POOH laying down all rods. POOH w/ tbg and found 33' jt of 1-1/2" tbg lost in hole probably outside casing below 671'. Lay down all tbg in hole and in derrick. RIH w/ tbg to 730' and circulate hole clean with mud. POOH laying down tbg. NUWH. RD and clean up reverse unit. RD PRI Rig #3 and clean location. Must move PRI Rig #3 to Conoco Dean Unit to repair several wells. Made decision to evaluate geological prospect of any other pay horizons in light of expense to return well to production. Also evaluate condition of wellbore with office personnel to formulate plan to work past split casing at 671'.

DWC	\$2810	CWC	\$48630
PRI Rig #3	\$2100		
PRI Sup	\$250		
PRI Rev Unit	\$460		

- 6/28/01 Received "Notice of Incident of Noncompliance", BLM Form 3160-9, dated 6/21/01 advising PRI that we had failed to comply with conditions of approval to commence plugging operations within 30 days from approval. Advised corrective action to be completed by 7/24/01.

- 7/9/01 PRI filed "Sundry Notice", Form 3060-5, requesting 8 (eight) month extension to evaluate re-entry and deepening the Buffalo Federal No. 13.

- 7/11/01 Received approved "Sundry Notice", from David Glass, BLM Roswell, allowing for a 30-day extension, rather than the requested 8 month extension to P&A or re-enter and deepen the Buffalo Federal No. 13.

- 8/17/01 PRI requested extension until October 1, 2001 to P&A Buffalo Unit No. 13. Request was approved by BLM, David Glass verbally on 8/17/01.

- 9/25/01 MIRU PRI Rig #3. NDWH and PU 2-3/8" tbg off float and RIH to 650'. Tag and work tbg from 650' to 730'. Unable to work below 730'. POOH w/ tbg and SDON.

DWC	\$725	CWC	\$49230
PRI Rig #3	\$600		
PRI Sup	\$125		

Notified BLM Hobbs Office via CRR Mail by sending "Sundry Notice", Form 3160-5, advising BLM that PRI had moved in and rigged up to P&A Buffalo Federal No. 13.

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9/26/01 Service rig and pickups. PU 4' x 2-3/8" dog legged tbg sub w/ bent end and RIH on tbg to 650'. Worked and rotated tbg w/ tongs across interval 650' to 730' until 3 PM trying to get kicked back into casing w/ no success. RU reverse unit. POOH w/ tbg and sub. PU flat bottom mill (12-3/4" L x 3-11/16" OD x 2-3/8" IF box), stabilizer x-over (8' x 3-3/8" OD x 2-3/8" IF Pin x 2-3/8" EUE Box) and RIH on tbg. Tag casing @ 730'. RU PS and start milling on casing w/ very little weight for 2-1/2 hrs. Milled a total of 1". POOH w/ 2 stands and SDON.

DWC	\$3160	CWC	\$52390
PRI Rig #3	\$1950		
PRI Sup	\$250		
PRI Rev Unit	\$460		
Mill & Tools	\$500		

9/27/01 RIH w/ tbg to tag casing @ 730'. RU PS and return to milling casing with minimal weight for 3 hrs. POOH w/ tbg and BHA. Inspect mill, appears to be wearing on bottom outside lip. Run back in hole with existing mill, stabilizer but add 4- 3-1/2" DC's to BHA and RIH on tbg. Continue milling for additional 4 hrs. Made a total of 3" with less than 1 pt weight on mill. POOH w/ tbg and BHA. Inspect mill and found all cutrite on outside of mill gone. Outside edge of mill is also worn round. Bottom of mill looks OK. SDON.

DWC	\$2735	CWC	\$55125
PRI Rig #3	\$2025		
PRI Sup	\$250		
PRI Rev Unit	\$460		

9/28/01 Replace mill w/ similar flat bottom mill w/ 3" of cutrite on outside. RIH w/ mill, stabilizer, DC's and tbg. Tag casing and begin milling with minimal weight trying to cut window inside of casing. Milled for a total of 8 hrs and made 6". Total 12" in 2-1/2 days of milling. POOH w/ tbg and BHA. Mill is intact on bottom w/ some wear on outside and majority of wear on outside bottom edge. SDOWE.

DWC	\$2510	CWC	\$57635
PRI Rig #3	\$1800		
PRI Sup	\$250		
PRI Rev Unit	\$460		

10/1/01 PU 5 blade mill (20" overall L x 10" body L x 3-15/16" OD x 3-3/8" OD top w/ med cutrite on bottom), x-over, stabilizer, 4 DC's and RIH on tbg to 731'. RU reverse unit and mill for 1-1/2 hrs w/ 2 to 4 points weight. POOH w/ tbg and BHA. Inspect mill and found groove cut 4" from bottom w/ outside edge worn round and cutrite worn 1/2" from edge. PU new flat bottom mill (10" OA L x 5" BL x 3-13/16" OD) and RIH on x-over, stabilizer, DC's and tbg to 731'. Mill on csg until 12:30 PM when mill fell through. Worked tbg up and down but did not tagging any casing. POOH w/ tbg & BHA. Lay down BHA and stand back DC's. PU 4' x 2-3/8" dog legged tbg sub w/ 45° bottom angle and RIH on tbg. Rotate and work tbg from 671' down to 805' trying to kick inside casing. RD PS and JU stripper. POOH w/ tbg. SDON.

DWC	\$3260	CWC	\$60895
PRI Rig #3	\$2100		
PRI Sup	\$250		
PRI Rev Unit	\$460		
Mills & tools	\$450		

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- 10/2/01 Noe Sandoval, PRI Unit #3 supervisor, contacted A. Cortez w/ BLM Hobbs to confirm that PRI was attempting to P&A well but having problems. Mr. Cortez advised Noe that Roswell office was unaware of PRI's activities and fines were being considered. M. Stewart w/ PRI contacted Mr. Cortez and updated him as to the problems we are having with the well and that PRI had furnished to BLM Hobbs office "Sundry Notice" of RU to P&A. Mr. Cortez advised PRI to submit Sundry Notice to BLM, Roswell advising of current status of well and operations.

PU and RIH w/ 4' dog legged sub on 2-3/8" tbg. Worked and rotated tbg from 600' to 805' attempting to kick back inside casing w/ no success. POOH w/ tbg and dog legged sub. PU flat bottomed mill, 4 - 3-1/2" DC's, x-over and RIH on tbg to 805'. RU PS and mill on casing with minimal weight. Made 1-1/2'. RD PS and POOH w/ tbg and BHA. Inspect mill and found some wear on outside and $\pm 1/2$ " on bottom. Remainder of mill, OK. SDON.

DWC	\$2660	CWC	\$63555
PRI Rig #3	\$1950		
PRI Sup	\$250		
PRI Rev Unit	\$460		

- 10/3/01 MS w/ PRI contacted Mr. Armando Lopez w/ BLM Roswell and advised of the severe problems having with well. Mr. Lopez requested PRI file Sundry Notice on work done to date and keep in contact w/ Mr. Cortez concerning operations.

PU 4.00" OD swedge, x-over, 4- DC's and RIH on tbg. Tag casing @ 803'. RU PS and rotate and mill down to 809'. Made 6' in 3-1/2 hrs. At 1:00 PM POOH w/ tbg and BHA. PU and RIH w/ 25' - 2-3/8" jt of tbg w/ 45° cut on bottom and dog legged bend on end 3' of tbg and 2-3/8" tbg work string. Rotate tbg from 650' down trying to kick into casing with no success. POOH w/ tbg and dog legged jt. Reduce bend in dog legged joint and RIH on tbg. Again try to rotate tbg w/ dog legged jt back into casing w/ no success. POOH w/ tbg and dog legged jt. PU flat bottom mill, BHA and tbg and RIH. Tagged casing @ 809'. RU PS and begin milling @ 3:30 PM. Mill down to 812'. Circulate hole clean and POOH w/ tbg and BHA. SDON.

DWC	\$2910	CWC	\$66465
PRI Rig #3	\$1950		
PRI Sup	\$250		
PRI Rev Unit	\$460		
Mills & tools	\$250		

- 10/4/01 PU 25' dog legged jt of tbg and RIH on 2-3/8" ws. Tag casing @ 809'. RU PS and circulate and rotate tbg trying to kick back into casing. Unable to get deeper than 818'. POOH w/ tbg and dog legged jt. Changed bend on dog legged jt and RIH on tbg to 671'. Rotate and try to kick back inside casing from 671' to 809' with no success. POOH w/ tbg. SD to attend safety meeting in yard.

DWC	\$1255	CWC	\$67720
PRI Rig #3	\$900		
PRI Sup	\$125		
PRI Rev Unit	\$230		

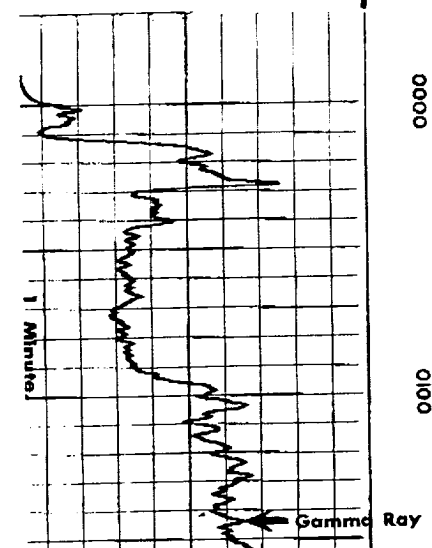
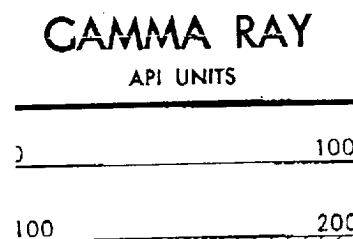
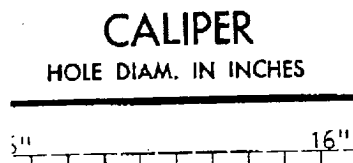
- 10/5/01 PU 4.0" swedge w/ cutrite, x-over, 2 DC's and 24 jts 2-3/8" tbg. Tag fill @ 801'. RU PS and begin milling and circulating w/ 3 points on mill. Casing appeared to be moving back and forth w/ mill. Trying to align casing w/ mill and kick inside of casing. Mill for 2 1/2 hrs down to 810'. POOH w/ mill. PU and RIH w/ 25' straight jt of tbg w/ 45° shoe and work string. Did not feel bad spot @ 671' going in hole. RIH to 812', circulate and rotate tbg but

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unable to kick back inside casing. POOH w/ tbg and 25' straight jt. Put slight bend in end of 25' jt of tbg and RIH on work string to 671'. Tried to rotate tbg w/ pipe wrench but unable. When utilize tbg tongs to rotate the tbg jumps and kicks off outside of casing. Made 5 attempts to try to rotate and kick back into casing w/ dog legged jt of tbg. Not able to get down past 812' with tbg. RU PS and try to rotate down past 812' w/ no success. SDOWE.

DWC	\$2910	CWC	\$70630
PRI Rig #3	\$1950		
PRI Sup	\$250		
PRI Rev Unit	\$460		

COUNTY LEA		COMPANY ROY H. SMITH DRILLING COMPANY	
FIELD or LOCATION SOUTH BIN		WELL BUFFALO FED. #8	
WELL BUFFALO FED. #8		COUNTY LEA SOUTH COBBLIN	
COMPANY ROY H. SMITH DRILLING CO.		STATE NEW MEXICO	
Location: 1980' FROM N/L 660' FROM E/L		Other Services: LL	
Sec. 34 Twp. 18S Rge. 33E		Elev.: K.B. 3780 D.F. 3781 G.L. 3780	
Permanent Datum: GL		Elev.: 3780	
Log Measured From: KB		12 Ft. Above Perm. Datum	
Drilling Measured From: KB			
Date	9-16-66		
Run No.	ONE		
Type Log	GG-GR		
Depth—Driller	4555		
Depth—Logger	4529		
Bottom logged interval	4528		
Bottom logged interval	0		
Fluid in hole	SALT GEL, STARCH		
Salinity, PPM Cl.	10.0		
Density	SURFACE		
Level	105		
Max rec. temp., deg. F.	3 HOURS		
Operating rig time	SCHAEFFER		
Recorded by	MR. MOORHEAD & MR. KELTON		
Witnessed by			
BORE-HOLE RECORD		CASING RECORD	
Run No.	Bit	From	To
1	7/8	CASING	TD
		Size	Wgt.
		8 5/8	
		From	To
		SURFACE	266

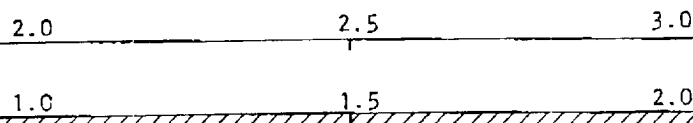


CORRECTION

#8
SEE OFFSET TO
BUFFALO #13
(NO OH LOGS ON #13
AVAILABLE)

BULK DENSITY

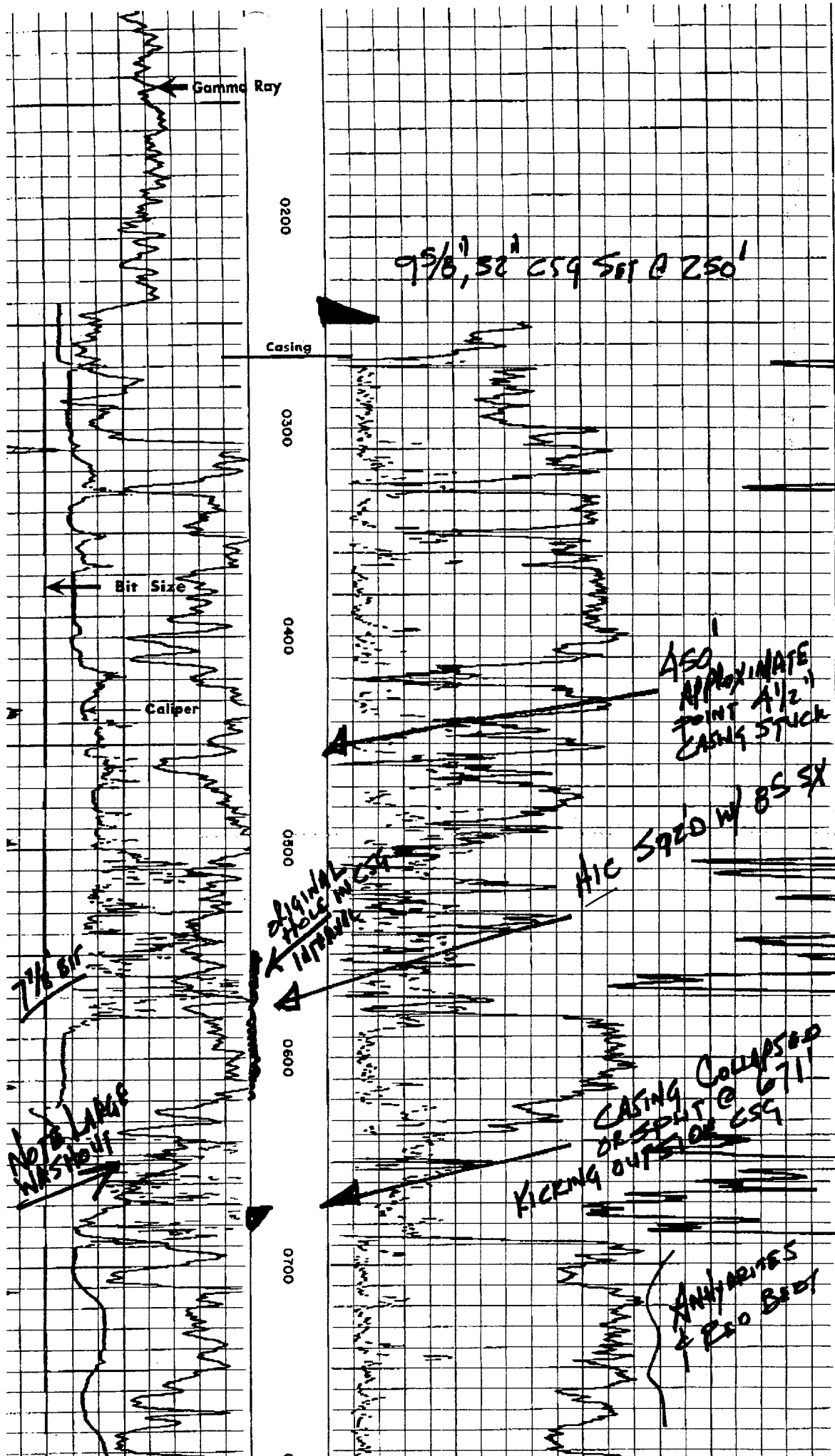
GRAMS/CC.

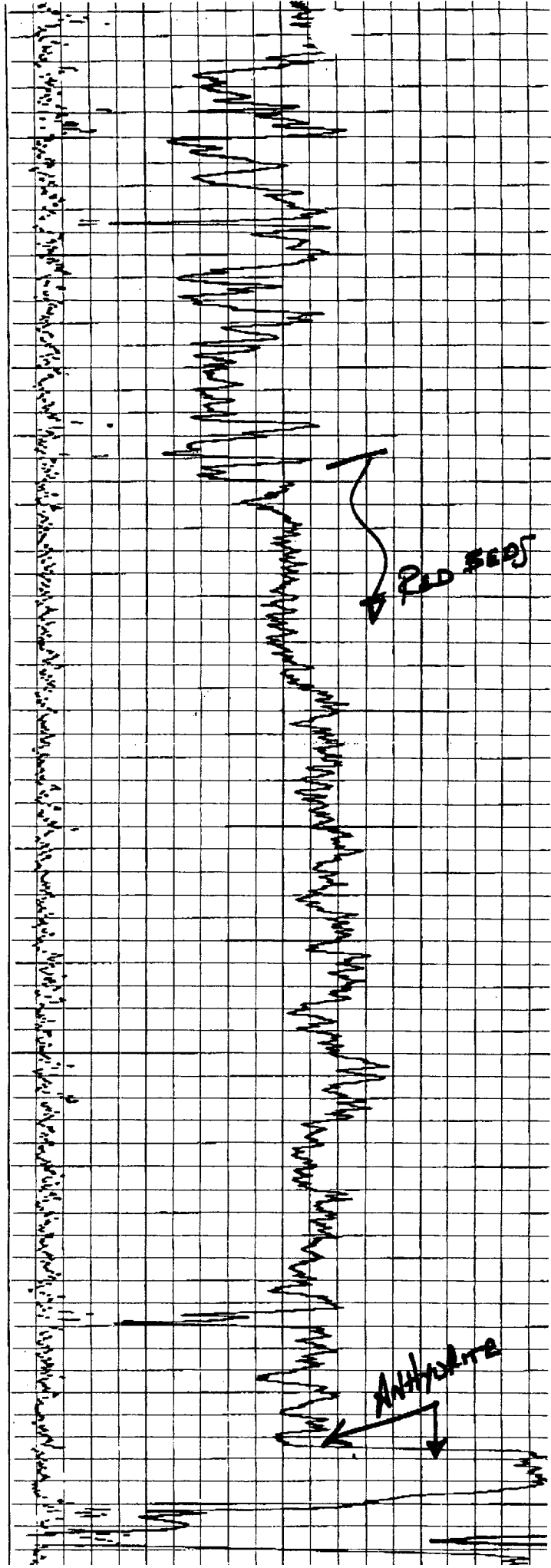
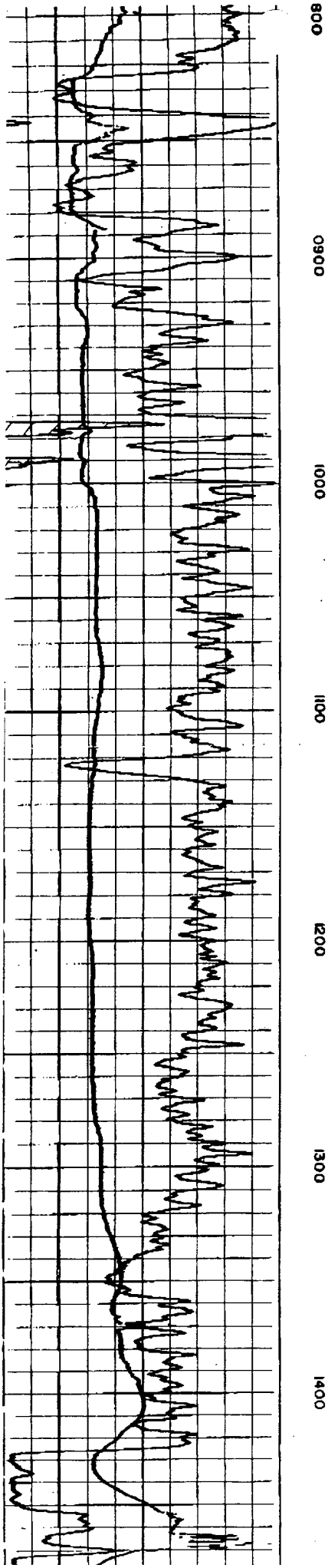
**ANALOGY OH LOG**

DF #8 = 3791'

DF #13 = 3796'

#13 STRUCTURALLY SHOULD BE
ABOUT SAME #8





T-1450
B-1600

Casing parted & shifted 671'