DAILY REPORT T. H. McElvain Oil & Gas

Workover

New Mexico "AC" State #1 Sec. 22-T17S-R35E

Lea County, New Mexico

9-24-92

SITP--250# Casing--0. Blow down gas and go in hole with swab. Initial fluid level at 4600' FS. First swab run had approx. 600' free oil on top of 1000' recovery, with 5% oil cut at end of run. Swab tubing down to SN and recovered 400' fluid. Total recovery today was 96 bbls water (mostly acid water) and 13 bbls oil. Swabbing from seating nipple every hour with 800' recovery and 20% oil cut. Take water sample to Western for Analysis. SION. Daily Cost-----\$2200 Acc. Cost-----\$64,000

9-25-92

SITP--220#. Casing--0. Blow down and start swabbing. initial FL 3007 FS. First run had approx 800' free oil on top of 1200' recovery with and cut at the end of the run. Swab back total of 73 bbls fluid with 12 bbls oil. Swabbing from seating nipple on last 3 swab runs. Cutting 5-10% oil. Slight blow of gas with each run. Water sample had 84,000 ppm chlorides. SION. Acc. Cost-----\$66,100 Daily Cost----\$2100

9-26-92 and 9-27-92

Shut down for weekend.

9-28-92

Shut in tubing pressure-250#. Initial FL @ 1800' FS. First run was 4 bbls oil on top and 25% oil cut at end of run. Swabbed back total of 68 bbls water and 4 bbls oil. Left swabbed down to SN. SION.

DAily Cost-----\$2000

Acc. Cost-----\$68,100

9-29-92

SITP--180#. Initial FL @ 4800' FS. First run had 2 bbls oil and 5% oil cut at end of run. Fluid level dropped with each run. Swab back total of 48 bbls water and 2 bbls oil. Very slight gas blow with each run. Last 2 runs were from seating nipple at had 2-5% oil cut. Unseat packer, lay down 100 jts. tubing while coming out of hole. Will rig down tomorrow AM. SION. Daily Cost----\$1800 Acc. Cost----\$69,900

10-21-92 SITP 55 psi. Bled off pressure and made swab run. FL 4800'. 200' of oil on top and 2% oil on bottom. Released rig.