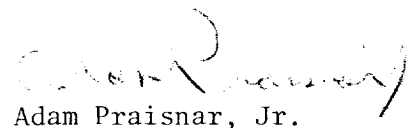


U. S. Operating, Inc.
U. S. Superior State
Comm. Well No. 1
Section 16,T24S,R34E
Lea County, New Mexico.

- May 18,1981 Perforated Morrow 14,742' to 14,754' with 2 shots per foot. Swab tested 10 barrels of 8.5 lb/gallon water per hour with 2'-3' flare of gas.Cement Squeezed with 110 sacks to 7200.psi.
- June 18,1981 Tested Squeeze to 8000. psi, held O.K.
- June 22,1981 Perforated Morrow 14,964' to 14,968' and 14,974' to 14980' with 2 shots per foot. Acidized with 2000 gallons. Tested 300 barrels of water per day. Tracer survey indicated perforations 14,742' to 14,754' producing the water.
- July 25,1981 Set Pengo cement retainer at 14,925' and acidized interval 14,964' to 14,980' with 2000 gallons, Swabbed dry.
- Aug. 8 1981 Cement squeezed perforations 14,742' to 14,754' with 100 sacks under Baker cement retainer set at 14,733'
- Aug. 10,1981 Perforated Morrow 14,682' to 14,684';14,710' to 14,715'; 14,718' to 14,722' and 14,726' to 14,728 with 2 shots per foot. Acidized with 3500 gallons of acid, tested slight show of gas with coil tubing unit. Fracture treated with bauxite, tested wet.
- Nov 17,1981 Perforated Morrow 14,363' to 14,365';14,367' to 14,369';14,395' to 14,418' and 14,453' to 14,460' with 2 shots per foot. Set Otis Permatrieve packer at 14,300'. Acidized with 5000 gallons of acid. Tested wet with a 2' flare.
- Dec 6,1981 Perforated Atoka 13,394' to 13,411' with 2 shots per foot. Acidized with 5000 gallons of acid. Tested ½ barrel of water per hour with 2' flare swabbing.
- Dec 16,1981 Perforated Permo-Penn 12,888' to 12,896' and 12,973' to 12,978' with 2 shots per foot. Acidized with 3000 gallons. Tested 1 barrel of oil per hour, 2 barrels of water per hour and 4' flare of gas swabbing to pit. After 3 days of swabbing no fluid entry.
- Jan 7,1982 Erected dry hole marker.


Adam Praisnar, Jr.