

Johnson, Roy

From: John Lapaglia [johnl@lcc.net]
Sent: Wednesday, April 24, 2002 7:06 AM
To: Louis Abercia; Ralph Abercia; **John Bonney**; Steven McKenzie; Bill Morris; Mike Noullett; Ken Thomet; Robbie Walters
Cc: David Lillywhite; Richard H Bate; **Ron Briggs**; Roy Johnson; Philip Kunsberg; Glen Runnels; Dick Tribe
Subject: Sonoma # 1 Completion

STATUS REPORT

Dear ORRI, WI & Board Members,

After having loaded the casing and tubing with 5000 gallons of diesel, we were in the process of pulling the tubing to prepare for the perforations by **Warrior Wireline**.

We had 22 joints of pipe yet to pull, when the rig lost a high pressure hydraulic hose to the drum, and all operations ceased. This all occurred at about 11 a.m. Tuesday morning.

The Great Basin rig crew was unable to locate a replacement hose in Tucumcarri, and then proceeded to Hobbs, New Mexico to have the hose repaired. Hobbs, New Mexico is about 180 miles from Tucumcarri, New Mexico so the whole day was lost.

The rig crew is on site this morning installing the replacement hose and will be ready to commence rig operations by 9 a.m. New Mexico time. **Warrior Wireline** has arrived on site, and as soon as the remaining 22 joints of tubing has been removed from the well bore, they will set up and shoot the formation as planned.

Will issue another status report as soon as we have some information to pass on.

Lapaglia

5/22/2002

Johnson, Roy

From: John Lapaglia [johnl@lcc.net]
Sent: Wednesday, April 24, 2002 4:54 PM
To: Robbie Walters; Jack Nieporte; Bill Morris; John Bonney; Ralph Abercia; Louis Abercia
Cc: Dick Tribe; Ken Thomet; Glen Runnels; Steven McKenzie; David Matthews; David Lillywhite; Philip Kunsberg; Roy Johnson; Ron Briggs; Richard H Bate
Subject: Sonoma # 1 Completion

STATUS REPORT

Wednesday, April 24, 3:30 p.m. CST
Cost of well as of this date, \$455,230.00
Est cost of AFE for second completion attempt, \$62,804.00

Well was reentered with the perforation gun at about 10:am New Mexico time on April 24th, 2002
After first 40 shots, gas came to surface in about 30 seconds and about 400 feet of fluid entered the tubing.
After the second 40 shots, another 150 feet of fluid entered the tubing, no further gas show
Packer and tubing was placed into the well bore just above the first set of perforations.
Swabbing unit had contact with fluid 50 feet from surface.
The first swab run was lowered to about 1000 feet, and 100 % diesel fuel was returned to the frac tank.
The second swab run was lowered to 1000 feet and 100 % diesel fuel was returned to frac tank.
The Third Swab run went beyond 1000 feet, as the pusher was unable to determine when he hit fluid, which was diesel, then the swabbing cups hit water, and at that point was unable to pull the fluid to surface. After about thirty minutes, the swab cups were at surface and both diesel and water was returned to frac tank.
The forth Swab run was lowered to 500 feet, more water and some sand, no additional diesel, gas or oil was present.
Shut down for the evening, will commence swabbing Thursday morning.

Lapaglia

5/22/2002

Johnson, Roy

From: John Lapaglia [johnl@lcc.net]
Sent: Thursday, April 25, 2002 9:01 AM
To: John Bonney; Louis Abercia; Ralph Abercia; Roy Johnson; Steven McKenzie; Bill Morris; Mike Noullett; Robbie Walters
Cc: Richard H Bate; John Bonney; Ron Briggs; Philip Kunsberg; David Lillywhite; Dick Tribe
Subject: Sonoma # 1 Completion
STATUS REPORT

Dear ORRI, WI & Board Members,

Field Superintendent Jim Kuglar arrives on location @ 7 a.m. this morning, and today is Thursday, April 25th, 2002. There is 160 LBS of casing pressure on the gauge, and the crew is preparing to place a diesel torch at the end of the tubing to see if the gas will burn. We will attempt to catch a sample of oil if possible from the well head valve. We have ordered the stainless steel cylinders to catch a gas sample tomorrow morning.

7:30 a.m.

Torch was placed, and well head opened, and the gas did not burn, indicating a strong presence of nitrogen gas. No oil was caught from the well head valve.

9:00 a.m.

First swab run takes place, extremely gassy and the flow from the end of the tubing into the workover pit was strong and either condensate or oil is coming with the gas. The gas after each swab run appears to be stronger than last evening. When we stopped last evening, water level was at 1700 at 10 a.m. this morning. After four swabs, it appears to be staying at 2300 feet from surface.

Will issue a status report this afternoon.

5/22/2002

Johnson, Roy

From: John Lapaglia [johnl@lcc.net]
Sent: Friday, April 26, 2002 1:07 PM
To: Mike Noullett
Cc: Roy Johnson; Ken Thomet; Steven McKenzie; ~~Robbie~~ Walters
Subject: Sonoma # 1 Completion

Mike,

Please advise Bryan that our PE John Martin, will have **Warrior Wireline** shoot the zone @ 6850-6864 tomorrow morning at 8 a.m., 2 shots per foot with 40 inch penetration. We will place the **cast iron** bridge plug this afternoon to close off the present zone. We will complete with only diesel fuel in the casing so as to not **contaminate** the formation.

We will keep you guys apprised of our findings.

Lapaglia

5/22/2002

Johnson, Roy

From: John Lapaglia [johnl@lcc.net]
Sent: Monday, April 29, 2002 8:34 AM
To: Robbie Walters; Bill Morris; Steven McKenzie; John Bonney; Ralph Abercia; Louis Abercia
Cc: Ken Thomet; Glen Runnels; Mike Noullett; David Lillywhite; Roy Johnson
Subject: Sonoma # 1 Completion

STATUS REPORT

Gentlemen,

Since your last report, we have placed a cast iron bridge plug on the formation giving us only water, and moved up perforated @ 6850-6864.

On Saturday, April 27th, We shot one hole per foot and then did a breakdown of the formation with 3000 gallons of diesel. The formation did take the 3000 gallons of diesel @ 3900 lbs.

By Sunday evening, April 28th, we had recovered all but 20 barrels of the diesel. The formation would swab dry, but did not have hydrocarbon shows.

On Monday morning, April 29th, we had 40 lbs of pressure on the annulus. During the night we had about 2500 feet of fluid enter the tubing. The first swab run gave us only water.

Our second and third swab was 100 % salt water. I gave instructions to swab until 1 p.m. CST, and then if no hydrocarbon shows occur, shut the well in and release the rig. We have two more formations with hydrocarbon shows above the formation which we will also review as well, for further possible completion attempt. This delay will also give us the additional opportunity to observe what the Sonoma # 1 will do in the coming days in this formation, which again, had excellent logs to indicate the presence of hydrocarbons.

Sonoma Energy and Ibis Petroleum will then spend the next few weeks attempting to analysis what has occurred with this channel, which seismic and well logs clearly had indicated the presence of hydrocarbons.

Sonoma Energy will now commence raising additional drilling funds to drill and complete the Sonoma # 4 well, which is located on a 500 foot high with a 130 foot pinch-out about 25 miles from Sonoma # 1 well. The Sonoma # 2 gas well is located about two miles from the Sonoma # 4 well.

Lapaglia