

PRIMERO OPERATING, INC.

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CATHEAD MESA UNIT #1
Section 8, T4S, R9E
Socorro County, NM

DAILY OPERATIONS REPORT

4/29/02: Perforate Atoka

Drilled out cement to 3890' and RIH to PBTD. Circulate hole w/2% KCl water and POH laying down drill collars. MIRU Schlumberger and run CBL, found PBTD @ 4333' and TOC @ 3040'. Perforate @ 4202' - 4212', 4218' - 4238' w/2 SPF. RDMO Schlumberger. RIH w/ PKR and set @ 4092'.

Estimated cumulative cost \$159,306

4/30/02: Swabbing Atoka

ITP vacuum IFL 3080', well swabbed dry in 3 runs, on the 4th run fluid rose 800', swabbed until 3:00 pm, fluid level in the well stayed @ 3000 - 3200' throughout the day, swabbed 150 barrels, fluid is cut w/some sort of gas but no hydrocarbon odors, filled up all available water storage and SDFN. Sent water sample to BJ, caught one sample in gas canister for BLM.

Estimated cumulative cost \$164,156