

"TIGHT HOLE"	SFE WI	:	% BPO	<u>Drilling</u>	
SFER. INC.	SFE WI	:	% APO	Rig:	Norton #14
<u>Gaucha Unit No. 2 (D)</u>	SFE NRI	:	% BPO	Spud:	3/04/97
1650' FSL & 1650' FWL	SFE NRI	:	% APO	13-3/8"	@
Sec 29, T-22S, R-34E	SFE ORRI	:	% BPO	9-5/8"	@
Lea Co., NM	SFE ORRI	:	% APO	7"	@
Prospect: Shamrock	SFE WI	:	% BCP	4-1/2"	@
PTD: 13,600'	SFE WI	:	% ACP		
	SFE ACT	:		30107-002	
	SFE AFE	:		297112	
	AFE COMP	:			
	DHC COST	:			

3/04/97

DAY 1 SPUD 6:00pm, 3/04/97. 260' (260'). Drlg. Red Bed. MW 8.4, Vis 38, pH 10. Svys: 90' @ 3/4°; 180' @ 1/2°. Fin RU. Drlg. Svy. Drlg. Svy. Drlg. CTD: \$74,536

3/05/97

Day 2 825' (565'). ND cond, weld on hd. Red Bed/Anhydrite. MW 10.4, Vis 36, pH 7, Chl 26K. Svys: 277' @ 1/2°; 577' @ 1/2°; 657' @ 3/4°; 802' @ 1/2°. Drlg. Svy. Drlg. Svy. Drlg. Svy. Drlg. Svy. Drlg. Svy. Drlg. Svy. Trip. Run 18 jts 13-3/8" 48# STC csg. Cmt w/600 sx Class-C w/6% gel. Tail w/250 sx Class-C w/2% CaCl. PD @ 4:45. Circ 125 sx to pit. WOC. ND conductor, cut off csg. CTD: \$200,138

3/06/97

Day 3 825' (0'). PU BHA. Red Bed. NU, work on rig. PU BHA. CTD \$203,273

3/07/97

Day 4 1317' (495'). Rig Repair. Salt/Anhydrite. MW 9.9, Vis 28, pH 10. Svys: 1034' @ 2°; 1190' @ 2 1/2°. Trip. Test BOPs to 600#. Drlg cmt, tag @ 767'. Drlg. Svy. Drlg. Svy & repair stand pipe. Drlg. CTD: \$217,435

3/08/97

Day 5 1577' (260'). Svy. Salt/Anhydrite. MW 10, Vis 28, pH 10. Svy 1320' @ 2 1/4°; 1500' @ 3 1/4°; 1562' @ 3 1/4°. RR, work on blower on drawworks. Drlg. Svy. Drlg. Svy. Trip to change drlg assembly. Wash 1345-1547'. Drlg. CTD: \$226,872

3/09/97

Day 6 1750' (173'). Drlg. Salt/Anhydrite. MW 10, Vis 28, pH 10. Svys: 1593' @ 3°; 1654' @ 2-3/4°; 1716' @ 3°. Drlg. Svy. Drlg. Svy. Drlg. Svy. CTD: \$236,232

3/10/97

Day 7 1844' (94'). Drlg. Salt/Anhydrite. MW 10, Vis 28, pH 8.5. Svys: 1748' @ 2 1/2°; 1779' @ 3°; 1808' @ 3 1/4°. Drlg. Svy. Drlg. Svy, rig svc. Drlg. Svy. Drlg. Svy. Drlg. POH. LD BHC, exch shock subs. TIH, LD DP. CTD: \$239,990

3/11/97

Day 8 2100' (256'). Drlg. Salt/Anhydrite. MW 9.7, Vis 29, pH 9, Chl 138K. Svys: 1868' @ 1 1/4°; 1900' @ 3°; 1933' @ 3°; 1993' @ 2-3/4°; 2041' @ 2-3/4°. Drlg. Svy. Drlg. Svy. Drlg. Svy. Drlg. Svy. Drlg. Svy. Drlg. Svy. CTD: \$250,727

3/12/97

Day 9 2510' (410'). Drlg. Salt/Anhydrite. MW 9.8, Vis 29, pH 9. Svys: 2117' @ 2-3/4° 2304' @ 2° 2394' @ 3/4°
2179' @ 2 1/2° 2335' @ 1 1/2°
2240' @ 2 1/4° 2365' @ 1 1/2°
Drlg. Svys. Drlg. CTD: \$262,153

3/13/97

Day 10 3000' (490'). Drlg. MW 9.8, Vis 29, pH 8.5. Drlg. Svys: 2522' @ 2° 2739' @ 1 1/2° 2895' @ 1°
2614' @ 1° 2800' @ 1 1/2°
RR - elec repairs. Drlg. CTD: \$278,383

"TIGHT HOLE"	SFE WI	:	% BPO	<u>Drilling</u>
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SFER, INC.	SFE WI	:	% APO	Rig:	Norton #14
<u>Gaucha Unit No. 2 (D)</u>	SFE NRI	:	% BPO	Spud:	3/04/97
1650' FSL & 1650' FWL	SFE NRI	:	% APO	13-3/8"	@
Sec 29, T-22S, R-34E	SFE ORRI	:	% BPO	9-5/8"	@
Lea Co., NM	SFE ORRI	:	% APO	7"	@
Prospect: Shamrock	SFE WI	:	% BCP	4-1/2"	@
PTD: 13,600'	SFE WI	:	% ACP		
	SFE ACT	:			
	SFE AFE	:			
	AFE COMP	:			
	DHC COST	:			

3/14/97

Day 11 3170' (170'). Drlg. Salt/Anhydrite. MW 9.8, Vis 29, pH 10. Svy 3082' @ 1 1/2". Drlg. Rep gas line. Drlg. Svy. Drlg to 3137'. TFB. Wash to btm. Drlg.
CTD: \$284,076

3/15/97

Day 12 3535' (365'). Drlg. Salt/Anhydrite. MW 9.8, Vis 29, pH 10. Svy 3392' @ 1 1/4". Drlg. RS. Drlg. Svy. Drlg.
CTD: \$294,741

3/16/97

Day 13 3570' (13'). Work stuck pipe. Salt/Anhydrite. MW 9.8, Vis 29, pH 10. Svy 3551' @ 1 1/4". Drlg. POH. TIH to 2900'. CDL. RS, TIH, hit bridge @ 3301'. W&R 3300-3562', pmp out of hole to 3407'. Work stuck pipe @ 3407'. Pmp 2 high vis sweeps. Work pipe w/oil over BHA.
CTD: \$298,639

3/17/97

Day 14 3570' (0'). TIH: fish tools. Salt/Anhydrite. MW 9.8, Vis 30, pH 8.5, Chl 128K. Work stuck pipe @ 3436'. RU WL, ran FPI. PU kelly, circ oil out. Work pipe & mix mud. Backoff @ 3295', left in hole 8" DC, IB, (3) 9" DCs, shock sub & bit. Work pipe free. POH. PU jars & bumper sub.
CTD: \$301,114

3/18/97

Day 15 3570' (0'). C&C mud. Anhydrite/Salt. MW 9.8, Vis 30, pH 10, Chl 128K. TI, wash 10', screw into fish. jar up & dwn on fish, did not move either way. RU WL, run spud bar, couldn't get past fish. TI w/shot, knock trash out. Run FPI, back off IBS 3228'. TOH, LD tools. PU bit, trip, on top of fish @ 3228'. C&C mud.
CTD: \$301,939

3/19/97

Day 16 3570' (0'). Wash over 9" DCs. Anhydrite. MW 9.7, Vis 54, pH 9, Chl 128K. C&C mud. TOH, PU wash pipe. TI. Circ over top of fish @ 3328 - 3388'.
CTD: \$307,054

3/20/97

Day 17 3570' (0'). Trip. Anhydrite. MW 10.1, Vis 49, pH 9.5, Chl 115K. Wash over 9" DCs 3328-3428'. Circ. Trip out w/wash pipe.
CTD: \$309,419

3/21/97

Day 18 3570' (0'). TO to PU fish tools. Anhydrite. MW 9.8, Vis 48, pH 9, Chl 115K. Fin TO. LD jars. TI w/bumper sub, jars & screw-in sub. Screw into fish. Jar on fish dwn & up, couldn't move it. RU rot WL, back collars off @ 3400' ±. TO w/fish, rec (2) 9" DCs. TI w/DC, cut drlg line, fin TI. Wash 30' over fish @ 3400'. Wash over fish 3400-3442'.
CTD: \$310,244

3/22/97

Day 19 3588' (18'). Trip to check RMR. Anhydrite. MW 9.6, Vis 42, pH 9, Chl 100K. TO, LD wash pipe, bumper sub & jars. PU new jars, bumper sub & screw-in sub. TI, screw into fish @ 3400'. Jar on fish. TO, LD fishing tools. PU new BHA, TI. W&R 3360-3570'. Drlg - drlg very rough. Circ.
CTD: \$312,661

3/23/97

Day 20 3779' (93'). Drlg. Anhydrite. MW 9.8, Vis 53, pH 9, Chl 100K. TOH. LD stabilizer. PU reamer, TIH. Drlg 3588-3706'. Lost circ after 5' drlg break. Mix 350 bbl LCM sweep. no rets. TOH, LD reamer. Mix mud, hole standing full. TIH. Wash 120' to btm, good rets. Drlg.
CTD: \$323,794

"TIGHT HOLE"	SFE WI	:	% BPO	<u>Drilling</u>	
SFER, INC.	SFE WI	:	% APO	Rig:	Norton #14

<u>Gaucha Unit No. 2 (D)</u>	SFE NRI	:	% BPO	Spud:	3-04 97
1650' FSL & 1650' FWL	SFE NRI	:	% APO	13-3'8"	@
Sec 29, T-22S, R-34E	SFE ORRI	:	% BPO	9-5'8"	@
Lea Co., NM	SFE ORRI	:	% APO	7"	@
Prospect: Shamrock	SFE WI	:	% BCP	4-1/2"	@
PTD: 13,600'	SFE WI	:	% ACP		
	SFE ACT	:		30107-002	
	SFE AFE	:		297112	
	AFE COMP	:			
	DHC COST	:			

3/24/97

Day 21 3783' (4'). Mix mud. MW 8.5, Vis 42, pH 10.5, Chl 2600. Drlg. Work out 4 jts, pmp sweeps, use all mud & water. Ran FPI, showed movement 1800-2100', can torque at top of DCs @ 3003'. Jet steel pits, pmp 2 sweeps. Pmp sweep w/press. Clean pits & mix mud.
CTD: \$340,443

3/25/97

Day 22 3783' (0'). Mix mud. Anhydrite/Dolomite/Salt. MW 8.6, Vis 42, pH 10, Chl 3000. Mix mud in steel pits. Attempt to torque pipe slips, would not hold, wait on slips. Backoff DP @ XO to DCs. Work DP free after shot. POH w/all DP, left BHA in hole. PU bit, DCs & TIH to hit bridge 850-950', POH to csg. Mix mud @ 825, 150 bbl to circ, 340 to circ mud to surf. Mix mud for vol.
CTD: \$367,430

3/26/97

Day 23 3783' (0'). Cond mud. Anhydrite/Salt/Dolomite. MW 9.0, Vis 44, pH 10, Chl 12K. Bid vol in pits. W&R 940-1650'. LD 8 jts, run 3 stds. Wash 1650-2396', 250 bbl loss. Circ. Pull 17 stds ok. Circ @ 825, no loss. TIH to 2396' ok. Wash 2396-3003' TOF. Circ to cond mud & disp hole w/new mud, circ out 12.4 PPG, 10,000 Chl, drop wt to 90#.
CTD: \$391,203

3/27/97

Day 24 3783' (0'). Backoff fish. Anhydrite/Salt/Dolomite. MW 8.9, Vis 68, pH 9, Chl 10K. Circ to cond mud @ 3003'. POH 24 stds, drag 1-4-100K. Circ @ 825. TIH 24 stds, drl 7' fill. Circ mud to raise vis. POH, LD BHC. PU jars, TIH. Jar fish dwn 5' & stop. RU WL, ran spud bar 3616'. Ran FPI, DCs free 3350' w/rest movement to 3380' & stuck @ 3414'.
CTD: \$406,519

3/28/97

Day 25 3783' (0'). Jar on fish. Salt/Anhydrite/Dolomite. MW 8.9, Vis 60, pH 8.5, Chl 9K. Run FPI & backoff @ 3350'. RD WL. POH to rec (12) 8" DCs, LD jars & PU BHC. TIH to 2850'. Wash to 3003', no problems. Wash to TOF @ 3350' w/hole prob @ 3290'. Circ TOF, mud wt 8.9. POH, LD BHC. PU jars, TIH, BHA. CDL. TIH, screw into fish. Jar on fish.
CTD: \$417,529

3/29/97

Day 26 3783' (0'). Mix mud. Salt/Anhydrite/Dolomite. MW 9.0, Vis 40, pH 8.5, Chl 12K. Jar on fish. Work fish up 7 1/2 jts. Jar on fish, stuck @ 3425'. Attempt circ & jar. Jar w/kelly jars, stop. Run FPI, stuck 1100. Wait on tbg & mix mud. RU to run tbg w/crane. TIH 26 jts, tag bridge 820'. Pmp 50 bbl pill, re-rig crane. Pmp 200 bbl w/LCM, mix 160 bbl new mud.
CTD: \$438,674

3/30/97

Day 27 3783' (0'). Plug to Abandon. Salt/Anhydrite/Dolomite. Pmp 640 bbl mud 30# LCM. POH. LD 2-7/8" tbg. Ran FPI stuck 852-870'. WO BJ, jet pits. RU BJ, ran gyro 65', disp N 49° W. Pmp plug #1: 3125-2286', 300 sx CI-H, 12% A-11, 2% CaCl. WOC. Perf drill pipe @ 1900'. Pmp plug #2: 1900-1780', 100 sx CI-C, 2% CaCl.
CTD: \$546,457

3/31/97

Day 28 3783' (0'). Back off DP @ 875'. WO BJ.
Pmp plug #3: 875-635', 150 sx CI-C, 2% CaCl. POH, WOC. TIH, tag plug @ 825'.
Pmp plug #4: 825-625', 125 sx CI-C, 2% CaCl. POH, WOC. TIH, tag plug @ 800'. LD DP, TIH 4 stds.
Pmp plug #5: 400-240', 100 sx CI-C, 2% CaCl. POH, WOC.
Pmp plug #6: 30'- surf, 20 sx CI-C, 2% CaCl.
ND BOPs, rig dwn floor. Prep to rig dwn & move 75' east to Gaucha 2Y.
Final Cost Gaucha #2: \$698,476

"TIGHT HOLE"	SFE WI	: 50	% BPO (300%)	Drilling	
SFER, INC.	SFE WI	: 25	% APO (300%)	Rig:	Norton #14
<u>Gaicho Unit No. 2Y (D)</u>	SFE NRI	: 39.25	% BPO (300%)	Spud:	
1650' FSL & 1725' FWL	SFE NRI	: 20	% APO (300%)	13-3/8"	@
Sec 29, T-22S, R-34E	SFE ORRI	: N/A	% BPO	9-5/8"	@
Lea Co., NM	SFE ORRI	: N/A	% APO	7"	@
Prospect: Gaucho	SFE WI	: N/A	% BCP	4-1/2"	@
PTD: 13,600'	SFE WI	: N/A	% ACP		
	SFE ACT	: 30107-002			
	SFE AFE	: 297112			
	AFE COMP	: \$800,000			
	DHC COST	: \$620,000			

4/01/97

Rig dwn drlg rig, set 40' cond (20"). Drl rat & mouse holes. Ext loc 75' east, build reserve pit. Rig up.

Gaicho Unit #2Y CTD: \$ 31,028
Gaicho Unit #2 Final CTD: \$698,476
100% AFE CTD: \$729,504

4/02/97

MI RU.

Gaicho Unit #2Y CTD: \$ 50,227
Gaicho Unit #2 Final CTD: \$698,476
100% AFE CTD: \$748,703

4/03/97

DAY 1 SPUD 12:00am, 4/04/97. RU & prep to spud. Spud.

Gaicho Unit #2Y CTD: \$ 63,058
Gaicho Unit #2 Final CTD: \$698,476
100% AFE CTD: \$761,534

4/04/97

DAY 1 1080' (1080'). SPUD 12:00AM, 4/04/97. Drlg. Sand. MW 9.8, Vis 42. Svys: 267' @ 3/4°; 717' @ 1/2°; 960' @ 3/4°. Drlg & unplug bit. Drlg. WL svy. Drlg. WL svy. Drlg. Circ. WL svy. Drlg.

Gaicho Unit #2Y CTD: \$ 78,738
Gaicho Unit #2 Final CTD: \$698,476
100% AFE CTD: \$777,214

4/05/97

Day 2 1535' (455'). Drlg. Sand. MW 9.5, Vis 42. Svy 1187' @ 1°. Drlg. Circ. WL svy. Drlg. Lost all press, check surf. Trip for bit, blown jet. Drlg.

Gaicho Unit #2Y CTD: \$ 87,125
Gaicho Unit #2 Final CTD: \$698,476
100% AFE CTD: \$785,601

4/06/97

Day 3 1759' (224'). Circ for csg. Sand/Red Bed/Anhydrite. MW 9.4, Vis 37, pH 9, Chl 10K. 1511' @ 2 1/4°; 1587' @ 3°; 1650' @ 4°. Drlg. Circ. WL svy. Drlg. Circ. WL svy. Drlg. Bit trip, plugged jets, 1669 svy. Drlg. Circ.

Gaicho Unit #2Y CTD: \$ 96,401
Gaicho Unit #2 Final CTD: \$698,476
100% AFE CTD: \$794,877

4/07/97

Day 4 1759' (0'). RU BH. Anhydrite. Svy 1759' @ 4°. Circ for csg. POH, LD reamers. RU csg crew & I.D mach, weld btm jts & shoe. Ran 19 jts 13-3/8", 61#, J-55, ST&C csg (830.03') & 22 jts 13-3/8", 54.5#, J-55 ST&C csg (971.74'), total 41 jts. Guide shoe set @ 1759'. RU BJ, circ, install cmt hd. 1st stage cmt: 1500 sx Class-C, 6% gel, 2% CaCl + 1/4 PPS Gils + 1/4 PPS Cello. Stage 2 cmt: 200 sx Class-C, 2% CaCl. WO cmt. Good circ, 350 sx to surf. PD @ 3:30pm MST, 4/07/97. WOC, clean cellar & FL. Cut cond pipe & csg, weld on 12"x3000 BH.

CTD: \$169,131
Gaicho Unit #2Y CTD: \$169,131
Gaicho Unit #2 Final CTD: \$698,476
100% AFE CTD: \$867,607

"TIGHT HOLE"	SFE WI	: 50	% BPO (300%)	Drilling	
SFER, INC.	SFE WI	: 25	% APO (300%)	Rig:	Norton #14
<u>Gaicho Unit No. 2Y (D)</u>	SFE NRI	: 39.25	% BPO (300%)	Spud:	
1650' FSL & 1725' FWL.	SFE NRI	: 20	% APO (300%)	13-3/8"	@
Sec 29, T-22S, R-34E	SFE ORRI	: N/A	% BPO	9-5/8"	@
Lea Co., NM	SFE ORRI	: N/A	% APO	7"	@
Prospect: Gaicho	SFE WI	: N/A	% BCP	4-1/2"	@
PTD: 13,600'	SFE WI	: N/A	% ACP		
	SFE ACT	: 30107-002			
	SFE AFE	: 297112			
	AFE COMP	: \$800,000			
	DHC COST	: \$620,000			

4/08/97

Day 5 1780' (21'). Drlg. Anhydrite. MW 8.4. Weld on hd, test. NU BOP, clean flowline. Test BOP & csg to 500 PSI. PU BHA, TIH. Drlg plug & cmt. Drl new 1 1/4" hole.

CTD: \$190,769

Gaicho Unit #2Y CTD: \$190,769

Gaicho Unit #2 Final CTD: \$698,476

100% AFE CTD: \$889,245

4/09/97

Day 6 2135' (355'). Drlg. Anhydrite/Sand. MW 8.7, Vis 41, pH 10, Chl 5400. Svys: 1800' @ 4°; 1893' @ 4°; 2030' @ 3°. Drlg. WL. Drlg. WL. Drlg 1941-2067', losing circ. Circ & WL @ 2020'. POH to 1737', fluid loss 100 BPH. Mix 400 bbl LCM & mud to regain circ, add 400 bbl premix mud. TIH, wash 70' to btm. Drlg.

CTD: \$199,742

Gaicho Unit #2Y CTD: \$199,742

Gaicho Unit #2 Final CTD: \$698,476

100% AFE CTD: \$898,218

4/10/97

Day 7 2446' (311'). Work stuck pipe Anhydrite/Red Bed. MW 8.5, Vis 38, pH 9. Svys: 2205' @ 3/4°; 2112' @ 1 1/2°; 2400' @ 1 1/4°. Drlg. WLS. Drlg. Trip to move IBS & PU KSW. Ream 45' to btm. Rep wt ind. Drlg. Run WLS, WL mach would not pull (elec prob), pull out w/cat. Work stuck string.

CTD: \$209,046

Gaicho Unit #2Y CTD: \$209,046

Gaicho Unit #2 Final CTD: \$698,476

100% AFE CTD: \$907,522

4/11/97

Day 8 2760' (314'). Drlg. Red Bed/Shale. MW 8.8, Vis 37, pH 9, Chl 2200. Work stuck string. Work string w/oil on BHA. Spot pipe free. Drlg. Pull 9 stds, pack swivel, run 9 stds. Drlg.

CTD: \$224,979

Gaicho Unit #2Y CTD: \$224,979

Gaicho Unit #2 Final CTD: \$698,476

100% AFE CTD: \$923,455

4/12/97

Day 9 3220' (460'). Drlg. Salt 2539' (Stringer); Dolomite 3000'. MW 9.2, Vis 42, pH 8, Chl 45K. Svy 2890' @ 1-3/4°. Drlg. WL @ 2890'. Drlg. Pull 18 stds, install reamer, run 18 stds. Drlg. RS. Drlg.

CTD: \$233,666

Gaicho Unit #2Y CTD: \$233,666

Gaicho Unit #2 Final CTD: \$698,476

100% AFE CTD: \$932,142

4/13/97

Day 10 3520' (300'). Drlg. Dolomite. MW 9.4, Vis 46, pH 9, Chl 45K. Svy 3336' @ 1 1/4°. Drlg. RS. Drlg. POH, LD IBS & KSW. TIH w/string reamer on top of DCs, change jets in bit. Drlg w/form brk @ 3415'.

CTD: \$242,485

Gaicho Unit #2Y CTD: \$242,485

Gaicho Unit #2 Final CTD: \$698,476

100% AFE CTD: \$940,961

"TIGHT HOLE"	SFE WI	: 50	% BPO (300%)	Drilling	
SFER, INC.	SFE WI	: 25	% APO (300%)	Rig:	Norton #14
<u>Gaicho Unit No. 2Y (D)</u>	SFE NRI	: 39.25	% BPO (300%)	Spud:	
1650' FSL & 1725' FWL.	SFE NRI	: 20	% APO (300%)	13-3/8"	@
Sec 29, T-22S, R-34E	SFE ORRI	: N/A	% BPO	9-5/8"	@
Lea Co., NM	SFE ORRI	: N/A	% APO	7"	@
Prospect: Gaucho	SFE WI	: N/A	% BCP	4-1/2"	@
PTD: 13,600'	SFE WI	: N/A	% ACP		
	SFE ACT	: 30107-002			
	SFE AFE	: 297112			
	AFE COMP	: \$800,000			
	DHC COST	: \$620,000			

4/14/97

Day 11 3684' (164'). TIH. Dolomite. MW 8.5, Vis 50. Drlg. Lost circ & PUH 19 stds w/100K drag. Jet pits, mix mud. RU R&M, ran FPI & backoff DCs @ 1733'. POH, LD string rmr. PU tools. TIH.

CTD: \$254,256

Gaicho Unit #2Y CTD: \$254,256

Gaicho Unit #2 Final CTD: \$698,476

100% AFE CTD: \$952,732

4/15/97

Day 12 3684' (0'). Mix LCM. Dolomite. MW 8.5, Vis 50, pH 9. TIH. Tag fish & workover fish. Washover fish. Circ. POH. LD 2 jts wiper, PU jars & BS. TIH BHA. Cut drlg line. TIH w/DP. PU kelly, screw in fish. POH. LD fish tools. TIH, tag fill @ 1860'. Wash 1860-1984', lost circ, pull up ok.

CTD: \$280,833

Gaicho Unit #2Y CTD: \$280,833

Gaicho Unit #2 Final CTD: \$698,476

100% AFE CTD: \$979,309

4/16/97

Day 13 3684' (0'). Work stuck pipe. Dolomite. MW 9, Vis 64, pH 9, Chl 6000. Mix & pmp 300 bbl LCM mud. Regain circ & work pipe. TIH, tag 1877', drill bridge, loss circ, regain, wash 1984'. Wash 1984-2171'. Circ & mix 400 bbl mud losing 50 BPH, lg vol sand. Wash to 2294' & stuck @ 2309'. Spot diesel & work stuck string.

CTD: \$294,316

Gaicho Unit #2Y CTD: \$294,316

Gaicho Unit #2 Final CTD: \$698,476

100% AFE CTD: \$997,792

4/17/97

Day 14 3684' (0'). Work stuck pipe. Dolomite. MW 8.7, Vis 76, pH 9, Chl 5000. Work stuck pipe. Spot 60 bbl diesel w/pipe free & work string. Run FPI, stuck 1830-62'. Work stuck pipe & PU 1st driving tool & twist pin. Work stuck string. Work stuck string w/driving tool & oil on spot.

CTD: \$316,597

Gaicho Unit #2Y CTD: \$ 316,597

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,015,073

4/18/97

Day 15 3684' (0'). Washover. Dolomite. Work stuck pipe w/oil on spot & driving tool. LD driving tool. Circ. Run FPI & backoff DCs @ 1825'. POH to DCs. Insp 4 DCs & X/O. PU 6 jts, wiper, jars & 2 DCs. TIH. Tag top & fish & WO with metal cuttings in mud. POH. Wait on shoe. CO shoe & TIH.

DC: \$330,488

Gaicho Unit #2Y CTD: \$ 330,488

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,028,964

4/19/97

Day 16 3684' (0'). TIH w/bit. Dolomite. MW 8.6, Vis 148, pH 8, Chl 10K. Washover fish to 2017'. Circ. Spot oil. POH. PU overshot & BS. TIH. Jar fish free. POH to fish. LD tools & top DC. POH fish. LD 2 DCs, jars, BS & run up in hole. LD wiper, load out tools. PU bit & TIH DP.

CTD: \$352,859

Gaicho Unit #2Y CTD: \$ 352,859

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,051,335

"TIGHT HOLE"	SFE WI	: 45.3125	% BPO (300%)	<u>Drilling</u>	
SFER, INC.	SFE WI	: 25	% APO (300%)	Rig:	Norton #14
<u>Gaicho Unit No. 2Y (D)</u>	SFE NRI	: 35.6406	% BPO (300%)	Spud:	4:04'97
1650' FSL & 1725' FWL	SFE NRI	: 20	% APO (300%)	13-3/8"	@ 1,759'
Sec 29, T-22S, R-34E	SFE ORRI	: N/A	% BPO	10-3/4"	@ 3,077'
Lea Co., NM	SFE ORRI	: N/A	% APO	8-5/8"	@
Prospect: Gaucho	SFE WI	: N/A	% BCP	5-1/2"	@
PTD: 13,600'	SFE WI	: N/A	% ACP		
	SFE ACT	: 30107-002			
	SFE AFE	: 297112			
	AFE COMP	: \$800,000			
	DHC COST	: \$620,000			

4/20/97

Day 17 3684' (0'). Cementing. Dolomite. TIH, tag fill @ 2321'. Wash 2321-73'. Circ. LD 9 jts, run 3 stds. Wash 2373-3100'. Circ. POH DP & bit. RU LD mach & csg crew. Ran 57 jts 10-3/4" csg ok & started hanging @ 2520'. Work csg in to 3077', total 69 jts.

CTD: \$420,271

Gaicho Unit #2Y CTD: \$ 420,271

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,118,747

4/21/97

Day 18 3684' (0'). LD DP. Dolomite. MW 8.9, Vis 40, pH 9. Cement 10-3/4" csg. WOC, prep to ND BOP. ND BOP. Cut 10-3/4", cut off 13-3/8" SOW BH, weld 10-3/4" SOW. NU BOPs. Test blind rams & csg to 1000#. PU bit & RU floor. TIH DCs & 1 jt DP. Test pipe rams to 1000 PSI. TIH 26 stds DP to 3072'.

Casing Report: Ran 1 jt 10-3/4" 45.5 K-55 STC (42.45'), 1 jt 10-3/4" 45.5# K-55 STCxbutt (43.10'), 67 jts 10-3/4" 45.5 K-55 Butt (2994.72'), set @ 3077'. Float shoe @ 3077'. Float collar @ 3032'.

Cement Report: 380 sx Class-C 50/50 w/10% gel, 5% salt & 1/4" Celloseal followed by 150 sx Class-C. Circ 200 sx. PD @ 12:45 MST, job complete 1:45am, 4/21/97..

CTD: \$441,933

Gaicho Unit #2Y CTD: \$ 441,993

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,140,469

4/22/97

Day 19 4310' (626'). Drlg. Dolomite. LD 27 jts, RIH 8 stds. PU 2 jts & kelly, break circ. Tag @ 3032'. Drl cmt plug, float & shoe to 3077'. Wash sand 3077-3565', lost complete rets. Circ w/no rets. Wash 3565-3686' w/no rets. Dry drill @ 200 GPM, pmp 15 bbl high vis & paper every 90', pmp 100 bbl FW dwn ann every 2 hrs, est 3900 bbl loss.

CTD: \$450,235

Gaicho Unit #2Y CTD: \$ 450,235

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,148,711

4/23/97

Day 20 5120' (810'). POH for liner. Dolomite. Drlg. RS. Drlg. Pmp sweep, drop totco. POH to run liner.

CTD: \$460,083

Gaicho Unit #2Y CTD: \$ 460,083

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,158,559

4/24/97

Day 21 5120' (0'). Run temp log. Lime. Svy 5120' @ 1°. POH w/DP. RU LD mach. LD (20) 8" DCs. RU csg crew. Run 50 jts 32#, K-55, 8-5/8" liner, set @ 5109'. Shoe set @ 5109'. FC set @ 5062'. RD csg crew & LD mach. Brk circ & TIH s/DP. Set liner on btm & cmt. **BJ Svc** cmt'd w/200 sx Class-C w/.3% FL-52 followed by 255 sx Class-C 50/50 Poz + 10% gel + 5% salt + 1/4 PPS Flocele, followed by 200 sx Class-C cmt. POH w/DP. WOC. CDL. Run temp log.

CTD: \$527,357

Gaicho Unit #2Y CTD: \$ 527,357

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,225,833

"TIGHT HOLE"	SFE WI	: 45.3125	% BPO (300%)	Drilling	
SFER, INC.	SFE WI	: 25	% APO (300%)	Rig:	Norton #14
<u>Gaicho Unit No. 2Y (D)</u>	SFE NRI	: 35.6406	% BPO (300%)	Spud:	4.04.97
1650' FSL & 1725' FWL	SFE NRI	: 20	% APO (300%)	13-3/8"	@ 1,759'
Sec 29, T-22S, R-34E	SFE ORRI	: N/A	% BPO	10-3/4"	@ 3,077'
Lea Co., NM	SFE ORRI	: N/A	% APO	8-5/8"	@ 5,109'
Prospect: Gaicho	SFE WI	: N/A	% BCP	5-1/2"	@
PTD: 13,600'	SFE WI	: N/A	% ACP		
	SFE ACT	: 30107-002			
	SFE AFE	: 297112			
	AFE COMP	: \$800,000			
	DHC COST	: \$620,000			

4/25/97

Day 22 5120' (0'). Drl retainer. Lime. Attempt to load hole w/300 BFW. WO Baker. TIH 10-3/4" cmt ret. RU BJ, set ret, load hole. Pmp 200 sx Thiso & 400 sx Neat. Rev out 10 bbl cmt. POH DP & mech set tool. WOC, PU BHA. TIH 20 stds, tag @ 2740'. LD 6 jts, RIH 2 stds. Drl on ret.

CTD: \$556,917

Gaicho Unit #2Y CTD: \$ 556,917

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,255,393

4/26/97

Day 23 5120' (0'). TIH w/stinger. Lime. Drl ret & 100' cmt. Circ w/30% los. Drl cmt 70'. POH. WO WL. RU WL w/repairs & set 10-3/4" ret @ 2743'. TIH w/stinger on DP, unable to sting into ret. POH w/DP & stinger, WO cent for stinger.

CTD: \$567,050

Gaicho Unit #2Y CTD: \$ 567,050

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,265,526

4/27/97

Day 24 5120' (0'). POH, WOC. Dolomite/Lime. WO tool. RIH cent & stinger. Attempt to pmp below ret. POH w/stinger. TIH w/bit, DCs & DP. Drl ret @ 2743'. TIH to liner & POH. TIH, ret on DP, unable to pmp in. RD BJ, POH. RIH w/bit & DCs, drl ret. POH. TIH w/DP. Spot 100 sx Class-C cmt 2920-2680'. POH, inc 5 bbl to load hole after 5 stds.

CTD: \$590,489

Gaicho Unit #2Y CTD: \$ 590,489

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,288,965

4/28/97

Day 25 5120' (0'). Drl cmt. Lime/Dolomite. POH. WOC. TIH w/bit & CDs, tag @ 2760', LD 9 jts, RIH 3 stds. Drl cmt 2760-2930'. Test liner top 250 PSI, ok. Trip for 7-7/8" bit. Drl on ret junk @ 2930', push to 2992'. RIH to 4995'. LD 9 jts, RIH 3 stds. Drl cmt & junk to landing collar 5060'.

CTD: \$609,636

Gaicho Unit #2Y CTD: \$ 609,636

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,308,112

4/29/97

Day 26 5610' (490'). Drlg. Lime/Sand. Svy 5480' @ 1°. Drl cmt junk & flts. Clean out 5110-5120'. Drl 5120-5130'. Pmp sweep & POH. PU BHA & TIH w/DCs. TIH w/bit #8 TOL 22 stds. W&R 10'. Drlg. RS. Drlg. Svy. Drlg.

CTD: \$622,673

4/29/97 Cost Summary Correction:

Gaicho Unit #2Y CTD: \$ 622,673

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,321,149

4/30/97

Day 27 6730' (1120'). Drlg. Sand/Shale/Lime. Svys: 5947' @ 1°; 6417' @ 1/2°. Drlg. Svy. Drlg. Svy. Drlg.

CTD: \$633,736

Gaicho Unit #2Y CTD: \$ 633,736

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,332,212

"TIGHT HOLE"	SFE WI	: 45.3125	% BPO (300%)	Drilling	
SFER, INC.	SFE WI	: 25	% APO (300%)	Rig:	Norton #14
<u>Gaucha Unit No. 2Y (D)</u>	SFE NRI	: 35.6406	% BPO (300%)	Spud:	4.04.97
1650' FSL & 1725' FWL	SFE NRI	: 20	% APO (300%)	13-3/8"	@ 1.759'
Sec 29, T-22S, R-34E	SFE ORRI	: N/A	% BPO	10-3/4"	@ 3.077'
Lea Co., NM	SFE ORRI	: N/A	% APO	8-5/8"	@ 5.109'
Prospect: Gaucha	SFE WI	: N/A	% BCP	5-1/2"	@ 11.840'
PTD: 13,600'	SFE WI	: N/A	% ACP		
	SFE ACT	: 30107-002			
	SFE AFE	: 297112			
	AFE COMP	: \$800,000			
	DHC COST	: \$620,000			

5/01/97

Day 28 7500' (770'). Drlg. Sand. Svy 7044' @ 3/4°. Drlg. WL - misrun. Drlg. RS. Drlg. WL. Drlg. CTD: \$641,829

Gaucha Unit #2Y CTD: \$ 641,829
 Gaucha Unit #2 Final CTD: \$ 698,476
 100% AFE CTD: \$1,340,305

5/02/97

Day 29 8060' (560'). Drlg. 20% Limestone, 20% Shale, 60% Sandstone. Svy 7545' @ 3/4°. Drlg. Svy. Drlg. RS. Drlg. Svy 8017' - misrun.

CTD: \$649,922
 Gaucha Unit #2Y CTD: \$ 649,922
 Gaucha Unit #2 Final CTD: \$ 698,476
 100% AFE CTD: \$1,348,398

5/03/97

Day 30 8281' (221'). RR. Sand/Lime. Svy 8234' @ 1/2°. Drlg. RS. Drlg. Svy. POH for bit. TIH w/DCs. CDL. RR, dynamic. CTD: \$663,894

Gaucha Unit #2Y CTD: \$ 663,894
 Gaucha Unit #2 Final CTD: \$ 698,476
 100% AFE CTD: \$1,362,370

5/04/97

Day 31 8281' (0'). TIH. Sand. RR. TIH w/no aux brakes. CTD: \$671,987

Gaucha Unit #2Y CTD: \$ 671,987
 Gaucha Unit #2 Final CTD: \$ 698,476
 100% AFE CTD: \$1,370,463

5/05/97

Day 32 8830' (549'). Drlg. Bone Spring @ 8470' Limestone/Sand. MW 8.4, Vis 29, pH 12, Chl 3000. Svy 8730' @ 1/4°. TIH. W&R 60' to btm. Drlg. RS. Drlg. WLS. Drlg. CTD: \$680,953

Gaucha Unit #2Y CTD: \$ 680,953
 Gaucha Unit #2 Final CTD: \$ 698,476
 100% AFE CTD: \$1,379,429

5/06/97

Day 33 9470' (640'). Drlg. 70% Lime, 30% Shale. MW 9.1, add brine wtr. Svy 9200' @ 1/2°. Drlg. RS. Drlg. WLS. Drlg. CTD: \$697,230

Gaucha Unit #2Y CTD: \$ 690,230
 Gaucha Unit #2 Final CTD: \$ 698,476
 100% AFE CTD: \$1,388,706

5/07/97

Day 34 10,080' (610'). Drlg. Lime/Shale. MW 9. Svy 9700' @ 1/4°. Drlg. Svy & RS. Drlg. CTD: \$709,105

Gaucha Unit #2Y CTD: \$ 709,105
 Gaucha Unit #2 Final CTD: \$ 698,476
 100% AFE CTD: \$1,407,581



"TIGHT HOLE"	SFE WI	: 45.3125	% BPO (300%)	Drilling	
SFER, INC.	SFE WI	: 25	% APO (300%)	Rig:	Norton #14
Gaucha Unit No. 2Y (D)	SFE NRI	: 35.6406	% BPO (300%)	Spud:	4:04:97
1650' FSL & 1725' FWL	SFE NRI	: 20	% APO (300%)	13-3/8"	@ 1,759'
Sec 29, T-22S, R-34E	SFE ORRI	: N/A	% BPO	10-3/4"	@ 3,077'
Lea Co., NM	SFE ORRI	: N/A	% APO	8-5/8"	@ 5,109'
Prospect: Gaucho	SFE WI	: N/A	% BCP	5-1.2"	@
PTD: 13,600'	SFE WI	: N/A	% ACP		
	SFE ACT	: 30107-002			
	SFE AFE	: 297112			
	AFE COMP	: \$800,000			
	DHC COST	: \$620,000			

5/08/97

Day 35 10,630' (550'). Drlg. Lime/Shale. MW 9, Vis 29, pH 9, Chl 44K. Svy 10,177' @ 1/4°. Drlg. Svy. Drlg. RS. Drlg. CTD: \$723,606

Gaucha Unit #2Y CTD: \$ 723,606
Gaucha Unit #2 Final CTD: \$ 698,476
100% AFE CTD: \$1,422,082

5/09/97

Day 36 11,170' (540'). Drlg. 60% Sand, 40% Limestone. Svys: 10,675' @ 1/2°; 10,894' @ 1/2°. Drlg. WLS. Drlg. WLS. Drlg. CTD: \$733,768

Gaucha Unit #2Y CTD: \$ 733,768
Gaucha Unit #2 Final CTD: \$ 698,476
100% AFE CTD: \$1,432,244

5/10/97

Day 37 11,680' (510'). Drlg. 20% Sand, 20% Shale, 60% Lime. MW 9, Vis 29, pH 10, Chl 55K. Svy 11,385' @ 1/2°. Drlg. WLS, RS. Drlg. CTD: \$748,598

Gaucha Unit #2Y CTD: \$ 748,598
Gaucha Unit #2 Final CTD: \$ 698,476
100% AFE CTD: \$1,447,074

5/11/97

Day 38 11,840' (160'). TIH. Lime/Shale. MW 9, Vis 29. Svy 11,840' @ 1/4°. Drlg TD 7am. Circ for logs (sweep). Drop Totco. POH for logs. RU Schlumberger & log (11,835'). RR (dyno). TIH inc. CTD: \$777,573

Gaucha Unit #2Y CTD: \$ 777,573
Gaucha Unit #2 Final CTD: \$ 698,476
100% AFE CTD: \$1,476,049

5/12/97

Day 39 11,840' (0'). Run 5 1/2" csg. TIH. Wash to btm 60', 7' fill. Circ for csg. RS. LD DP & DC, RU csg crew. Start running 5 1/2" csg. CTD: \$902,770

Gaucha Unit #2Y CTD: \$ 902,770
Gaucha Unit #2 Final CTD: \$ 698,476
100% AFE CTD: \$1,601,246

5/13/97

Day 40 11,840' (0'). Test BOPs. Fin run'g 289 jts 5 1/2" csg. RU BJ, circ thru csg @ 11,840'. Cmt w/1100 sx 50:50 Poz-H. RD BJ. ND 13-3/8" BOP, set slips, install tbg hd, NU 7-1/16", 10K BOPs. Ran Temp Log, TOC 6800'. NU, test BOPs. CTD: \$938,782

Gaucha Unit #2Y CTD: \$ 938,782
Gaucha Unit #2 Final CTD: \$ 698,476
100% AFE CTD: \$1,637,258

"TIGHT HOLE"	SFE WI	: 45.3125	% BPO (300%)	<u>Drilling</u>	
SFER, INC.	SFE WI	: 25	% APO (300%)	Rig:	Norton #14
<u>Gaucha Unit No. 2Y (D)</u>	SFE NRI	: 35.6406	% BPO (300%)	Spud:	4/04/97
1650' FSL & 1725' FWL	SFE NRI	: 20	% APO (300%)	13-3/8"	@ 1,759'
Sec 29, T-22S, R-34E	SFE ORRI	: N/A	% BPO	10-3/4"	@ 3,077'
Lea Co., NM	SFE ORRI	: N/A	% APO	8-5/8"	@ 5,109'
Prospect: Gaucha	SFE WI	: N/A	% BCP	5-1/2"	@ 11,840'
PTD: 13,600'	SFE WI	: N/A	% ACP		
	SFE ACT	: 30107-002			
	SFE AFE	: 297112			
	AFE COMP	: \$800,000			
	DHC COST	: \$620,000			

5/14/97

Day 41 11,840' (0'). PU 2-7/8" DP. MW 10, Vis 29. Install 7-1/16" BOPs. Test BOPs & choke manif to 10,000 PSI. ann to 5000 PSI, test btm kelly valves to 5000 PSI. Will replace 2nd leaking top kelly valve. RU LD mach, install tbq board. PU BHA & DP.

CTD: **\$979,320**

Gaucha Unit #2Y CTD: \$ 979,320

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,677,796

Casing/Cement Report:

Ran 289 jts 5 1/2", 17#, P-110, LT&C, float shoe set @ 11,840', FC @ 11,754'. Cmt w/50:50 Poz-H w/2% gel + 1% FL-62. Floats held ok, 2100 PSI press diff. Did not bump plug. Disp w/273 bbl brine., good circ. PD @ 5:11 am, 5/13/97.

5/15/97

Day 42 11,930' (90'). Drlg. Shale/Lime. MW 10, pH 10. PU 2-7/8" DP. Change KB & RD PU mach. Drl plug, float, cmt & shoe. Test csg shoe to 13.5 PPG MWE. ok. Press test csg 2500 PSI, ok. Drl 10" new 4-3/4" hole. Drlg.

CTD: \$998,705

Gaucha Unit #2Y CTD: \$ 998,705

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,697,181

5/16/97

Day 43 12,070' (140'). Drlg. 30% Chert, 60% Limestone, 10% Shale. MW 10, pH 10. Drlg. RS. Drlg.

CTD: \$1,008,998

Gaucha Unit #2Y CTD: \$1,008,998

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,707,474

5/17/97

Day 44 12,130' (60'). Drlg. Sand/Lime. MW 10, pH 9.5. Drlg. POH for bit #11. Make up bit, TIH w/BHA. CDL, CO kelly valve, pack swivel. TIH. Repair high clutch. Fin TIH. W&R 50' to btm. Drlg.

CTD: \$1,027,885

Gaucha Unit #2Y CTD: \$1,027,885

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,726,361

5/18/97

Day 45 12,370' (240'). Drlg. Lime/Shale. MW 10, Vis 29, pH 9, CI 150K. Drlg. Check flow. Drlg. RS. Drlg. Check flow. Drlg. BG 32; Conn 39.

CTD: \$1,039,042

Gaucha Unit #2Y CTD: \$1,039,042

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,737,518

5/19/97

Day 46 12,470' (100'). Drlg. Limestone. MW 10, pH 9.5. RR - pumps. Drlg. RR - pmps. Drlg to 12,398'. TFB #11. Drl bridge @ 12,081', RIH, wash to btm w/6' hard fill. Drlg. Install rot hd.

CTD: \$1,059,406

Gaucha Unit #2Y CTD: \$1,059,406

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,757,882

"TIGHT HOLE"	SFE WI	: 45.3125	% BPO (300%)	Drilling	
SFER, INC.	SFE WI	: 25	% APO (300%)	Rig:	Norton #14
<u>Gaucha Unit No. 2Y (D)</u>	SFE NRI	: 35.6406	% BPO (300%)	Spud:	4:04:97
1650' FSL & 1725' FWL	SFE NRI	: 20	% APO (300%)	13-3/8"	@ 1,759'
Sec 29, T-22S, R-34E	SFE ORRI	: N/A	% BPO	10-3/4"	@ 3,077'
Lea Co., NM	SFE ORRI	: N/A	% APO	8-5/8"	@ 5,109'
Prospect: Gaucha	SFE WI	: N/A	% BCP	5-1/2"	@ 11,840'
PTD: 13,600'	SFE WI	: N/A	% ACP		
	SFE ACT	: 30107-002			
	SFE AFE	: 297112			
	AFE COMP	: \$800,000			
	DHC COST	: \$620,000			

5/20/97

Day 47 12,550' (80'). Drlg. Limestone/Shale. MW 10, pH 9. Drlg. Trip for bit #13. Wash & ream thru tight hole @ 12,081' & 12,140'. Drilling w/ fluid loss of est. 25 bbl/hr. Pump sweep & stop loss. 20' flare on btms up.

CTD: \$1,059,406

Gaucha Unit #2Y CTD: \$1,076,745

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,757,882

5/20/97 Corrected CTD: \$1,076,745

Gaucha Unit #2Y CTD: \$1,076,745

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,775,221

5/21/97

Day 48 12,623' (73'). TIH. Lime/Shale. MW 10, pH 9. Drlg 12,512-623'. Circ out sweep. Drop totco. POH for bit. TIH.

CTD: \$1,106,684

Gaucha Unit #2Y CTD: \$1,106,684

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,805,160

5/22/97

Day 49 12,707' (84'). Drlg. Shale/Lime. MW 9.8, pH 9. TIH to 12,580. Wash & ream 50' to btm. Drlg. Modify flowline & flometer. Drlg.

CTD: \$1,119,265

Gaucha Unit #2Y CTD: \$1,119,265

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,817,741

5/23/97

Day 50 12,820' (113'). Drlg. 70% Shale, 20% Sand, 10% Limestone. MW 9.8, pH 9. Drlg to 12,757'. RS. Drlg.

CTD: \$1,132,308

Gaucha Unit #2Y CTD: \$1,132,308

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,830,784

5/24/97

Day 51 12,883' (63'). Raise mud wt. 10% Sand, 60% Lime, 30% Shale. MW 10.2. Drlg. Circ out sweep & btms up. POH for bit, check flow. TIH. W&R 50' to btm. Drl, start mud-up @ 12,864', pmp press dec, drlg brk 12,878-82', 2" flow, 100 PSI, SIDP. Circ on choke while raising mud wt w/20' flare, dec to 2'.

CTD: \$1,149,647

Gaucha Unit #2Y CTD: \$1,149,647

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,848,123

5/25/97

Day 52 12,906' (23'). Drlg. 60% Sand, 20% Shale, 20% Lime. MW 12.8, Vis 46, pH 10, Chl 140K. Circ, drlg break & raise MW to 11.5 PPG, kill flare. Drlg w/good break 12,895-98'. Check flow, strong flow 500" CIDP & 650# CICP. Circ out gas, 50' flare. SI well, raise MW to 12.8. Displ hole w/12.8 mud, kill well. Raise MW in pits to 12.8. Drlg.

CTD: \$1,175,120

Gaucha Unit #2Y CTD: \$1,175,120

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,873,596

"FIGHT HOLE"	SFE WI	: 45.3125	% BPO (300%)	Drilling	
SFER, INC.	SFE WI	: 25	% APO (300%)	Rig:	Norton #14
<u>Gaucha Unit No. 2Y (D)</u>	SFE NRI	: 35.6406	% BPO (300%)	Spud:	4 04'97
1650' FSL & 1725' FWL	SFE NRI	: 20	% APO (300%)	13-3/8"	@ 1,759'
Sec 29, T-22S, R-34E	SFE ORRI	: N/A	% BPO	10-3/4"	@ 3,077'
Lea Co., NM	SFE ORRI	: N/A	% APO	8-5/8"	@ 5,109'
Prospect: Gaucha	SFE WI	: N/A	% BCP	5-1/2"	@ 11,840'
PTD: 13,600'	SFE WI	: N/A	% ACP		
	SFE ACT	: 30107-002			
	SFE AFE	: 297112			
	AFE COMP	: \$800,000			
	DHC COST	: \$620,000			

5/26/97

Day 53 12,968' (62'). Drlg. MW 12.8, Vis 46, pH 10, Chl 141K. Drlg. RS, change out rotating head body, rotating head locked up, change out for original body.

CTD: \$1,200,813

Gaucha Unit #2Y CTD: \$1,200,814

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,899,290

5/27/97

Day 54 13,009' (41'). TIH. 50% Shale, 20% Sand, 30% Lime. MW 12.9, Vis 46, pH 10, Chl 140K. Drlg. Pmp slug, pull 14 stds, check flow at shoe. POH, change out bit & reamer. TIH.

CTD: \$1,226,700

Gaucha Unit #2Y CTD: \$1,226,700

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,925,176

5/28/97

Day 55 13,049' (40'). Drlg. Shale. MW 12.9, Vis 43, pH 10, Chl 139K. Trip for bit #16. Wash 30' to btm, no fill. Drlg. Change rot hd drive. Drlg.

CTD: \$1,242,027

Gaucha Unit #2Y CTD: \$1,242,027

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,940,503

5/29/97

Day 56 13,104' (55'). Drlg. 40% Shale, 50% Sand, 10% Limestone. MW 40, Vis 40, pH 10, Chl 136K. Drlg. RS. Drlg.

CTD: \$1,257,621

Gaucha Unit #2Y CTD: \$1,257,621

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,956,097

5/30/97

Day 57 13,127' (23'). Drlg. 60% Shale, 40% Lime. MW 12.8, Vis 40, pH 10, Chl 136K. Drlg. POOH to shoe. CDL. POOH. TIH to 13,073'. Wash 13,073-118', no fill. Drlg.

CTD: \$1,274,858

Gaucha Unit #2Y CTD: \$1,274,858

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,973,334

5/31/97

Day 58 13,172' (45'). Drlg. 10% Limestone, 10% Sand, 80% Shale. MW 12.8, Vis 39, pH 10, Chl 130K. Drlg 13,124-172'.

CTD: \$1,287,654

Gaucha Unit #2Y CTD: \$1,287,654

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,986,130

6/01/97

Day 59 13,224' (52'). Drlg. 90% shale, 10% Limestone. MW 12.8, Vis 39, pH 10, Chl 131K. Drlg. RS. Drlg.

CTD: \$1,301,412

Gaucha Unit #2Y CTD: \$1,301,412

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$1,999,888

"TIGHT HOLE"	SFE WI	: 45.3125	% BPO (300%)	Drilling	
SFER, INC.	SFE WI	: 25	% APO (300%)	Rig:	Norton #14
<u>Gaicho Unit No. 2Y (D)</u>	SFE NRI	: 35.6406	% BPO (300%)	Spud:	4/04/97
1650' FSL & 1725' FWL	SFE NRI	: 20	% APO (300%)	13-3/8"	@ 1,759'
Sec 29, T-22S, R-34E	SFE ORRI	: N/A	% BPO	10-3/4"	@ 3,077'
Lea Co., NM	SFE ORRI	: N/A	% APO	8-5/8"	@ 5,109'
Prospect: Gaicho	SFE WI	: N/A	% BCP	5-1/2"	@ 11,840'
PTD: 13,600'	SFE WI	: N/A	% ACP		
	SFE ACT	: 30107-002			
	SFE AFE	: 297112			
	AFE COMP	: \$800,000			
	DHC COST	: \$620,000			

6/02/97

Day 60 13,256' (32'). Drlg. 10% Limestone, 30% Sand, 60% Shale. MW 12.8, Vis 39, pH 10, Chl 130K. Drlg to 13,244'. Circ samples & pmp slug. POH. TIH w/bit #18. Drlg.

CTD: \$1,319,279

Gaicho Unit #2Y CTD: \$1,319,279

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,017,755

6/03/97

Day 61 13,312' (56'). Drlg. 70% Shale, 30% Lime. MW 2.8, Vis 39, pH 10, Chl 131K. Drlg.

CTD: \$1,332,872

Gaicho Unit #2Y CTD: \$1,332,872

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,031,348

6/04/97

Day 62 13,340' (28'). Logging. 90% Shale, 10% Lime. MW 12.8, Vis 39, pH 10, Chl 130K. Drlg TD 13,340' @ 1:30pm. Circ for logs & slug. POH, LD reamers. RU Schlumberger, ran DLL f/13,335' (log TD) to 11,840'.

CTD: \$1,345,937

Gaicho Unit #2Y CTD: \$1,345,937

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,044,413

6/05/97

Day 63 13,340' (0'). Run 3 1/2" liner. Shale. MW 12.8, Vis 39. Ran DLL. Ran Neutron & Density logs. Ran FMS & RD Schlumberger. TIH w/bit #18. Wash to btm ok. Circ & pmp slug. POH, LD 26 jts DP & 18 DCs. RU csg crew, run 3 1/2" liner.

\$1,379,247

Gaicho Unit #2Y CTD: \$1,379,247

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,077,723

6/06/97

Day 64 13,340' (0'). WOC. MW 12.8, Vis 39. Run 3 1/2" csg for liner. RD csg crew & LD mach. TIH w/DP, SLM & rabbit. Circ thru liner on btm. Cmt liner w/110 sx Class-H. POH w/DP. TIH w/bit & DCs to 6000'. WOC.

CTD: \$1,442,596

Gaicho Unit #2Y CTD: \$1,442,596

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,141,072

6/07/97

Day 65 13,340' (0'). Disp out mud. MW 12.8, Vis 39. WOC. TIH w/DCs & bit. Wash to TOL @ 11,573' w/10' cmt. POH. PU 5 1/2" RTTS pkr. TIH w/DP & pkr to 11,364'. Set pkr & disp DP w/FW. Bled off DP & test liner. Disp mud.

CTD: \$1,454,484

Gaicho Unit #2Y CTD: \$1,454,484

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,152,960

6/08/97

Day 66 13,340' (0'). Drl cmt. Disp mud w/FW. POH w/2-7/8" DP & pkr. TIH w/3 1/2" DCs. RU LD mach & LD DCs. RU power tongs & PU 60 jts 1.82" DP w/2-7/8" mill. Jet all mud & clean suction. TIH w/2-7/8" DP to 11,573'. Repair kelly hose union. Wash thru liner top ok. TIH, tag cat @ 13,068'. LD 7 jts, run 2 stds. Drl cmt.

CTD: \$1,473,695

Gaicho Unit #2Y CTD: \$1,473,695

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,172,171

6/09/97

Day 67 13,340' (0'). TIH w/mill. Drl cmt to 13,220', lost 400 PSI, twisted off XO. POH w/2-7/8" DP. WO tools, CDL, RS. TIH 120 stds plus 2 singles. Engage fish & pull free @ 40K. POH w/2-7/8" DP, OS & fish. TIH w/2-7/8" mill, 60 jts MT & 2-7/8" DP. CTD: \$1,489,983

Gaucha Unit #2Y CTD: \$1,489,983

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,188,459

6/10/97

Day 68 13,340' (0'). LD DP. TIH w/mill. Drl cmt 13,220-309'. Circ. Disp w/2% KCl. LD DP.

CTD: \$1,508,383

Gaucha Unit #2Y CTD: \$1,508,383

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,206,859

6/11/97

Day 69 13,340' (0'). Rel rig. Complete LD 2-7/8" DP. RU power tongs. LD 60 jts MT DP. RD tongs & LD mach. RD BOPs, RU x-mas tree. Clean & jet pits. Rel rig @ noon, 6/11/97. WO completion. **TEMPORARILY DROP F/REPORT.**

CTD: \$1,520,106

Gaucha Unit #2Y CTD: \$1,520,106

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,218,582

6/11/97

Day 69 13,340' (0'). Rel rig. Complete LD 2-7/8" DP. RU power tongs. LD 60 jts MT DP. RD tongs & LD mach. RD BOPs, RU x-mas tree. Clean & jet pits. Rel rig @ noon, 6/11/97. WO completion. **TEMPORARILY DROP F/REPORT.**

CTD: \$1,520,106

Gaucha Unit #2Y CTD: \$1,520,106

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,218,582

6/13/97

WO drlg rig to move out. Dressed up location w/backhoe, set anchor, RU PU.

CTD: \$1,522,618

Gaucha Unit #2Y CTD: \$1,522,618

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,221,094

6/14/97

RU Computalog w/GR-CBL-CCL tools. TIH, correl on depth, load csg w/KCl wtr, press up to 1000 PSI, pulled Bond Log from TD @ 13,305' to TOL @ 11,574', log 5 1/2" to 11,300'. POOH, RD Computalog. Removed tree, installed BOP, RU Monk Pipe Testing PU WL re-entry guide, 1.781 F-nipple, (1) 10'x2-7/8" tbg sub, Guib UNI VI Lok 5.5# pkr, XL O/O tool w/1.781 F-nipple, 1 jt 2-3/8" tbg, 1.81 bored SN, TIH w/150 jts tbg, testing to 10,000# above slips. Had trouble w/test tools. SDFN. Unload 388 jts of 4.7#, P-110, EUE, Mod tbg.

CTD: \$1,542,195

Gaucha Unit #2Y CTD: \$1,542,195

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,240,671

6/15/97

TIH w/216 jts 2-3/8", P-110 tbg, test to 10,000# above slips, set pkr @ 11,524', rel O/O tool. RU BJ, pmp 500 gal 15% HCl acid to EOT 1/2-3/4 BPM. Rev acid back out tbg, circ 230 bbl 2% KCl pkr fluid. Latch onto pkr, test csg to 2000# for 10 mins, ok. Test tbg hanger to 10,000#, removed BOP, install tree, had Cameron Services man test tree to 10,000#, SDFN.

CTD: \$1,553,895

Gaucha Unit #2Y CTD: \$1,553,895

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,252,371

6/16/97

RU swab, IFL surface, swab tbg to 10,000', rec 37 bbl. RIH w/CCL & 1-11/16" strip gun, correl to Bond Log & OH log, perf the Morrow form, 2 SPF, 12 holes, 13,288.2 - 13,293.7. 2 mins PSI to surf, slight blow, drop guns below perfs, wait 30 mins. FTP=slight blow, POOH w/tools. RIH w/swab, IFL 6200'. Run #2, FL @ 5600'. Made total of 10 runs, last run well flowing on full-open choke, FTP 30. Swab back 25 BW, flow well 2 hrs, FTP 30. 8:00pm SWI for 3 hrs. 11:00pm SITP 1160, open choke, flow well to TT. 6:00am FTP 40 PSI, choke full open, flowback 4 BW. Swab & flowback total 66 bbl.

CTD: \$1,565,628

Gaucha Unit #2Y CTD: \$1,565,628

Gaucha Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,264,104

6/17/97

Well flowing, FTP 180, MCF 348. RU coil tbg, test lines, load coil tbg. RIH, tag TD, PU to 13,295'. Spot 12 bbl 7 1/2% Morrow acid. PUH, close choke, pmp 12.6 bbl 3% KCl flush, SD 15 mins. Max TP 4990; Min TP 3560; Avg TP 4560; Avg Rate 0.1 BPM.

ISIP 3900, 5 min SI 3160, 10 min SI 2780, 15 min SI 2560. POOH w/coil tbg, pmp total 91,000 CF nitrogen. Total fluid pmpd 119.6, total fluid rec 126.0 bbl = 124 water + 2 oil. 5:00pm flowing TP 115, switch to test unit. Flow well 13 hrs, Avg TP 530; Choke 40/64"; Avg MCF 1361; rec 2 BO + 3 BW.

CTD: \$1,586,166

Gaicho Unit #2Y CTD: \$1,586,166

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,284,642

6/18/97

SWI 6/17/97 @ 7:08am: FT 640, choke 40/64", MCF 1245.

6/18/97, 6:30am: TP 5200. SWI 23 hrs. RD PU, clean loc. SDFD.

CTD: \$1,587,452

Gaicho Unit #2Y CTD: \$1,587,452

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,285,928

6/19/97

SI tbg psi 5400.

Ran 4-Pl test dated 6/18/97: AOF = 1.670 MMCF. No liquids. FTP 5250-3490 PSI. This is a gas well.

SWI @ 11:10am. WO pipeline. **DROP FROM REPORT.**

CTD: \$1,589,027

Gaicho Unit #2Y CTD: \$1,589,027

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,287,503

7/11/97

MIRU PU. Blow well dwn, ND WH, NU BOP. Load tbg & csg w/3% KCl w/pkr fluid. Rel pkr & POOH w/tbg. SWI.

CTD: \$1,593,941

Gaicho Unit #2Y CTD: \$1,593,941

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,292,417

7/12/97

MIRU Computalog, RIH w/GR, unable to enter 3 1/2", POOH w/tool. RIH w/CIBP, worked tool thru 200' of tight spot, set CIBP @ 13,200', dumped 40' cmt on top. RIH, test to 10,000# above slips, 59 stds of tbg, no leaks. SWI.

CTD: \$1,605,258

Gaicho Unit #2Y CTD: \$1,605,258

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,303,734

7/13/97

Fin testing tbg in hole, set pkr, ND BOP, NU WH. Test tree & seal assembly to 10,000#, load csg w/5 bbl 3%, test to 1500# for 10 mins, ok. Swab well dwn to 10,000'. SDFD.

CTD: \$1,611,246

Gaicho Unit #2Y CTD: \$1,611,246

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,309,722

7/14/97 Well shut in.

7/15/97

RU WL & 10,000# lub, TIH w/1-11/16" strip gun w/GR/CCL, correl on depth, perf Morrow as follows @ 1 JSPF: 12,874-876' & 12,886-906'. Drop below perms & wait 5 mins, no press. POOH w/guns & stuck @ 11,500' btm of tbg. 10 min tbg press 5000#. Worked to free guns for 1 hr, then parted WL 6' above lub, spliced line & pulled tension. SI BOP on WL lub & SI packoff.

CTD: \$1,613,131

Gaicho Unit #2Y CTD: \$1,613,131

Gaicho Unit #2 Final CTD: \$ 698,476

100% AFE CTD: \$2,311,607

7/16/97

Open pack-off & lub, pull tension on WL - parted again above lub. Spliced line, pulled tension, lifted lub, dropped WL cutter. Wait 30 mins, drop bar. Cut WL 160' below surf. RD Computalog. Put well on line @ 4pm @ 1Mil. 6am TP 5700#, csg 430#, choke 8/64", rate 1.1 Mil, 1 water, 0 oil. Wed - OW to 3 MIL.
CTD: \$1,622,366

Gaucha Unit #2Y CTD: \$1,622,366
Gaucha Unit #2 Final CTD: \$ 698,476
100% AFE CTD: \$2,320,842

7/16/97 Production: 3.0 MMCF/D. FTP 5000#

Gaucha Unit #2Y CTD: \$1,622,366
Gaucha Unit #2 Final CTD: \$ 698,476
100% AFE CTD: \$2,320,842

7/18/97

24 hr prod: 17 BO, 3 BW. 4400 MCF (est). FTP 4100#. Csg press 250#. Choke 21/64". Note: rate = 4580 due to roll-over of time clock; @ 8am gas was est. Equip left in hole:

Kinley drop bar 1 625x26" w/1-3/8" FN 1-11/16"x2' CCL
Kinley sand line cutter 1 750x26 5" w/1" FN 1-11/16"x2' decentralizer
11,365' of 7/16" elec wireline 1-7/16"x3' teardrop
Rope socket 1-11/16"x1.5' firing head
1" FN 1-11/16"x1-1/16"x36' strip
11-7/16"x2' cablehead 1-11/16" bull plug
(3) 1-11/16"x5' tungsten wt bars, 59# each
CTD: \$1,632,947

Gaucha Unit #2Y CTD: \$1,632,947
Gaucha Unit #2 Final CTD: \$ 698,476
100% AFE CTD: \$2,331,423

7/19/97 12 BO, 0 BW, 4343 MCF, Csg 280#, FTP 4100#, Choke 21/64"

7/20/97 10 BO, 0 BW, 4338 MCF, Csg 375#, FTP 3700#, Choke 22/64"

7/21/97 24 BO, 0 BW, 4630 MCF, Csg 390#, FTP 3500#, Choke 21/64".
WO 4-Pt test. **TEMPORARILY DROP FROM REPORT.**

Gaucha Unit #2Y CTD: \$1,632,947
Gaucha Unit #2 Final CTD: \$ 698,476
100% AFE CTD: \$2,331,423

8/04/97

4-Point Test taken on 7/29/97:

	FTP	MCFD
1	6015	1015
2	5450	2106
3	4900	3027
4	4810	3482

SITP 6160#. AOF 6.129. Last report. **DROP FROM REPORT.**

8/27/97

To add cost for wireline & cutting tool. **DROP FROM REPORT.**

CTD: \$1,644,861

Gaucha Unit #2Y CTD: \$1,644,861
Gaucha Unit #2 Final CTD: \$ 698,476
100% AFE CTD: \$2,343,337