HONDO FEDERAL GAS COM #1 ACID STIMULATION

<u>RECOMMENDED PROCEDURE</u>

1. RU service company and pump the following acid stimulation treatment:

3000 gallons 20 % HCL with corrosion inhibitor, surfactant, and fines suspension agent With 120 7/8 inch nylon core ball sealers spaced out in the acid. Apply and monitor pressure to the annulus while performing the treatment. Attempt to get a rate of 6-8 BPM during treatment to get good ball action and diversion of the acid.

2. Open well to production and attempt to flow back spent acid. Have a swab rig on location to get back spent acid as quickly as possible. Clean up well and return to production. Report results of flow to Altura's Houston office.