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DAILY DRILLING REPORT

Prospect/Area Eagle Creek

Operator: Jack J. Grynberg County: Eddy State: New Mexico

Well Name: Federal "GR" Well No.: 1

Location: 1650 FWL 2310 FSL Section: 28 Twp: 17 S Rge: 25 E
(NE SW)

Elevations: 3570 Grd: _____ DF: _____ KB: 3577

Well Type: Wildcat: _____ Development: _____ Other: Field Extension

Objective Zone(s): San Andres Depth: 1450+

Contractor: Osbourn Drilling Co.

Spud: 8:00 p.m. 4/2/74 Completed: 5/12/74 Status: _____

| DATE | DEPTH | PROGRESS |
|---------|-------|--|
| 4/2/74 | 0' | Rigging up rotary tools. |
| 4/3/74 | 78' | Making rig repairs. Spudded 14 3/4" hole at 8 p.m. 4/2/74. |
| 4/4/74 | 222' | Cementing surface casing. Ran 6 joints- 10 3/4", 32.75 # H-40 casing. Set at 222' KB with 140 sx Class "C" plus 2% CaCl. Did not circulate. Found top of cement at 75' with 1". Completed cementing thru 1" with 150 sx. |
| 4/5/74 | 222' | Waiting on cement. |
| 4/6/74 | 913' | Drilling 9 7/8" hole. Sample Top: San Andres 703' |
| 4/7/74 | 1124' | Preparing to run 7" intermediate casing. |
| 4/8/74 | 1124' | Going in hole with 6 1/2" bit. Ran 35 joints, 7", 20# casing. Set at 1123 KB. Cemented with 200 sx. Halliburton light cement with 5# gilsonite and 1/4# floseal per sx, plus 2% CaCl and 100 sx Class "C" plus 2% CaCl. Good circ. thruout, no cement returns. PD at 5:30 p.m. on 4/7/74. Found cement top with 1" at 170'. Completed cementing thru 1" with 100 sx Class "H" plus 4% CaCl. |
| 4/9/74 | 1255' | Drilling. Lost 5 hrs. due to washed out kelly. |
| 4/10/74 | 1430' | Logging. Dev. 1 1/4" at TD. Pipe strap at TD = 1428.5. Reached TD at 10:32 p.m. on 4/9/74. Circulated 1 hr. Came out to log. Started logging at 2:30 a.m. on 4/11/74. |
| 4/11/74 | 1428' | WOC. Ran logs as follows: SNP/GR/Cal, DLL, DIL, MLL/ML. Tripped in with pipe to circ. Came out laying down. Left collar and bit in hole. Recovered collar and bit. Layed down drill pipe. Ran 4 1/2" 9.5# casing. Set at 1428'KB. Cemented with 175 sx 50-50 pcs. with 6% salt, 2% gel, and 0.5% CFR2. Good circ. throughout with cement to surface. PD at 11:30 p.m. on 4/10/74. NOTE: Logs indicated 7" casing set at 1076'KB instead of 1123'. This was due to an inadvertent error in tallying the casing when it was run. |
| 4/12/74 | 1428' | Moving off rotary tools. FINAL DRILLING REPORT!! Will resume report when completion operations are commenced. |
| 4/23/74 | 1428' | Moved in completion rig. Ran correlation log and collar locator. Log TD = 1358' KB. Ran 45 jts. 2 3/8" tubing to 1372.5. Could not swab because of paraffin. Displaced fresh wtr. with KCl water and spotted 250 gal. acid on btm. Perf. w/ Schl. Hyper. jets at: 1249, 51, 53, 57, 95, 97, 94. 1301, 03, 06, 11, 13, 15, 17, 19, 21, 23, 1335, 37, 39, 57, 59, 64. |