

Gruy Petroleum Management Co.

Aid 24P State #23

1860' FSL & 1650' FWL

Sec. 24 17S-28E, Eddy County, New Mexico

API No. 30-015-31552

2/16/01 TD: 650'; FTG: 650'; MW: 8.3; MV: 28; PO: Circ hole.
Spudded 11:30 02/15/01. MIRU. Spud & drl w/12 1/4" bit, 243'. Tight hole cond hole 243'-650'. C&C hole.

2/17/01 TD: 650'; FTG: 0'; MW: 8.3; MV: 28; PO: Circ hole.
Run 14 jts 8 5/8" J-55 set @ 639'. RD csg crew. RU cmt'r. 380 sx no circ. Wait on 1" pipe to tag cmt. Tagged @ 230'. Pmp 170 sx cmt, circ cmt to surf. WOC 14 hrs. ND, NU BOP & chk line. TIH w/DC's. Brk circ. Drl out plug, tag cmt 586'. TD: 1332'; FTG: 662'; MW: 9.8; MV: 29; PO: drlg. TD: 1783'; FTG: 451'; MW: 9.8; MV: 28; PO: drlg. TOH for hole in pipe #31. TIH to start drlg. TD: 2181'; FTG: 396'; MW: 9.8; MV: 29; PO: drlg. TD: 2486'; FTG: 305'; MW: 9.8; MV: 28; PO: drlg. TD: 2865'; FTG: 379'; MW: 9.7; MV: 28; PO: drlg. TD: 3219'; FTG: 354'; MW: 9.9; MV: 30; PO: drlg. TD: 3600'; FTG: 381'; MW: 9.8; MV: 29; PO: drlg. TD: 3810'; FTG: 35'; MW: 9.8; MV: 29; PO: drlg. TIH w/DST tool. Tst 15-60-60-180. TOH. SW 24 DP-19 DC. RD tst tool TIH circ to drl Curve brk in 30 min @ 1442'. 1189' wtr cut brine wtr. 1st open flow fr/btm of bucket open flow 7 oz close 10 oz. 2nd open fr/btm of bucket open flow 7oz closed 6 oz hyd 1954' 1st flow 77-308 SI 1442'. 2nd flow 310-657 SI 1440' final hyd 1959'. TD: 4154'; FTG: 344'; MW: 10; MV: 29; PO: drlg.

2/28/01 TD: 4280'; FTG: 107'; MW: 9.9; MV: 29; PO: drlg.
Circ btm up. LD DP & DC. RU logger & tag btm 4272'. ND & RU csg crew. Run 5 1/2" J-55 csg @ 4237'-27'. Brk circ & circ pipe. TD: 4280'; FTG: 0'; MW: 9.9; MV: 29; PO: Completed. Cmt well & RD cmt'r. Lead: 485 sx 36/65 P/C + 6% D-20 + 5% D-44 + 0.1 PPs D-130. Circ btm up. LD DP & DC. Tail: 260 sx 50/50 P/C + 2% D-20 + 5% D-44 + 0.1 PPS D-130. Rig released 8:00 A.M. 2-28-01