

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS.

While drilling the 7-7/8" production hole, circulation was lost at 8941' in the Wolfcamp with 8.6 ppg mud (Note: 8-5/8" csg set at 4500'). Several LCM pills were spotted but failed to establish returns. The 7-7/8" hole was dry drilled to 9003'. Over the next 8 days, 14 cement plugs were set (2000 sx). None of the cement plugs successfully healed the lost circulation zone. A string of 7" flush joint casing was set at 9388' and cemented with 200 sx Class H. The float equipment failed, resulting in a wet shoe and communication with the lost circulation zone from 8941' to 9050'. The shoe was squeezed successfully with 200 sx Class H cement. The squeeze was drilled out and full returns regained. The estimated TOC was calculated to be 6900' off the electric caliper log plus 15%. The well was drilled to TD 10910' with full returns. A 4-1/2" liner was set from 9189' to 10910' and cemented with 250 sx of Class H cement.