AZTEC OIL & GAS COMPANY

1100 WALL TOWERS WEST MIDLAND, TEXAS 79701 915/682-8641

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DAILY DRILLING REPORT

D. C. C.

ECC \$101,119

#1 PALMILLO-STATE COMM. # /- 5 - 3 2 - 18-29

LOCATION: 1731' FNL, 2310' FEL, Sec. 32, T-18-S, R-29-E, Eddy County, New Mexico. ELEVATION: 3432.9' G.L. 10-7-77 Depth 377'; WOC. Spudded 17 1/2" hole 12:30 p.m., 10-6-77. Drilled 17 1/2" hole to 377'. Ran 9 jts of 13 3/8" H-40 48# ST&C csg, set @ 377' w/425 sx Class "C" cmt, 2% C.C. P.D. @ 10 p.m., 10-6-77. Circulated 30 sx cmt. ECC \$20,574. (AFE #7439 ~ \$591,500.) Drilling @ 1425' anhydrite. Drilling w/9.8# brine. 3/4° @ 867', 1 1/2° @ 1174'. ECC \$37,955.
Drilling @ 1845' lime. Brine 10.0#. 1 1/4° @ 1445'. 10-8-77 10-9-77 ECC \$44,358. 10-10-77 Drilling @ 2245' lime. Brine 10.0#, pH 9.0. 1 1/2° @ 1975'. ECC \$50,138. (AFE #7439 - \$591,500.) 10-11-77 Drilling @ 2585' lime. Drilling w/10# brine, pH 9. 3/4° @ 2443'. ECC \$55,009. (AFE #7439 - \$591,500.) Drilling @ 2925' lime. MW 10#, pH 9. 3/4° @ 2443'. ECC 10-12-77 \$59,847. (AFE #7439 - \$591,500.) liole depth 3300'. Working stuck pipe, bit @ 1530°. Drill 11" hole to 3300, circ. & condition to run 8-5/8" csg. Start out of L0-13-77 nole sutck pipe. Mud 9.8; Vis 34; survey 0 2928 - 10. ECC \$66,028 10-14-77 Depth 3300', WOC after run 8-5/8" csg, drill 11" hole to 3300', worked stuck drill string loose, went back to btm w/drill bit cond hole to run csg, ran 74 jts of 8-5/8" O.D. csg - 24#, K-55 & S-80-8rd LT&C, new. Set & cmt on btm @ 3300 w/850 sx class "C" cmt + 2% Ladense (extender) + 6 lbs/sk salt + ½ lb/sk celloflake, plus 200 sx class "C" cmt + 6 lbs/sk salt, ran 8 centerlizers near btm, good circ while cmtg, got no cmt returns, plug down @ 10:15 P.M. CDST, wait 6 hrs ran temp survey, top of cmt behind 8-5/8" csg @ 200', nipple up for drill out.