TTACHMENT 3160-5 XY USA INC. OW B 33 FEDERAL #1 EC 33 T178 R31E DDY COUNTY, NM

IG OUT CELLAR, SET ANCHORS, CUTOFF 11-3/4 PLATE, 8-5/8 & -1/2 CASING @ SURFACE. WELD ON STARTING HEAD, NU TBG SPOOL, NU OP & TEST. MIRU PU 1/8/98, RIH W/ 4-3/4 BIT DO CMT FROM SURF-TAG @ 579', DO CMT TO 700', TAG @ 1841', DO CMT TO 1940', 'AG @ 3771', DO CMT TO 3800', TEST GB PERFS TO 1000#, LOST 500# N 1min. RIH W/ CR & SET @ 3610'. EIR @ 1.5 BPM @ 1900#, CMT QZ GB PERFS 3688-3726' W/ 100sx CL C W/ 2% CaCl2, STAGE SQZ TO INAL PRESSURE @ 3900#, POOH. RIH & SPOT 50sx CL C CMT W/ .4% D-31 FROM 1971-1500', SQZ CMT INTO PERF @ 1950' @ 1000#, WOC. LM NOTIFIED OF CEMENTING. RIH & TAG CMT @ 1432', DO TO 1970', 'AG @ 3601', TEST CSG TO 1000#, OK. DO CMT TO 3728', TAG @ 795', DO CMT TO 3821', TEST CSG TO 500#, LEAKED OFF 100# IN Omin, CLOSE 8-5/8, RETEST TO 500#, LEAKED 20# IN 15min. RIH & 'AG @ 3821', DO CMT TO 3980', TAG @ 4934', DO CMT TO 5115', TEST SG TO 500#, LEAK 20# IN 15min. RIH & TAG @ 7959', DO FRAC BALLS: : CMT TO 7995' & TAG CIBP, TEST CSG TO 500#, PRESSURE EQUALIZED, OST 30# IN 30min. RIH & DO CMT TO 8005', TAG @ 10227', DO CMT O 10366', BIT STARTED TORQUEING, DRILL & WORK BIT TO 10385', TOPPED DRILLING, POOH. RIH W/ CAL, LOG TO 10385', LOG INDICATES O CASING FROM 10331-10385', SUSPECT OUTSIDE OF CASING, CAL HAD NTERVAL OF HOLE LARGER IN 5-1/2 & CSG STUB S/B @ 10371', POOH. IH TO 10292' & ATTEMPT TO WASH BACK INTO CASING, REAM & MILL TO 0372', REC CMT, SHALE & METAL, POOH.

T IS PROPOSED TO SIDETRACK & DRILL 4-3/4 HOLE TO A NEW TD @ 1830' TO THE MORROW FORMATION, ONLY THE ATOKA FORMATION WILL BE SETED @ THIS TIME. 2-7/8 CSG WILL BE SET @ 11830' & WILL BE SEMENTED WITH 100sx SUPER C MODIFIED CMT W/ 61/15 C/POZ + 8#/sx GLSONITE + .5% FL-52 + .5% FL-25 FOLLOWED BY 50sx CL C W/ .5% 'L-25, EST TOC @ 7800'.

OUE TO THE NON-STANDARD LOCATION & A WELL PRODUCING FROM THE NORROW FORMATION IN THE SAME SPACING UNIT, THIS WELL WILL NOT BE 'ESTED IN THE MORROW @ THIS TIME.

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