

# Gruy Petroleum Management

Palmillo State Com #4

1980' FSL & 660' FWL

Sec. 32 18S-29E, Eddy County New Mexico

API No: 30-015-31497

1/30/01

TD: 444'; FTG: 444'; PO: Weld on WH.  
Drl 40'-288'. WL surv 246' 1/2 deg. Drl 288'-444'. Circ @ csg pt. Drop Totco & TOH.  
Run 10 jts 13.375 ,H 40, 48 #, st&c ,CSA 444', 4 centralizers,top 60', bottom 434'  
wash last jt to bottom and circ prior to cementing. Cmt W/ 325 SX'S Premium Plus W/  
4 % gel, 2 % CACL2, 1/4 #SX floeple. Tail in w/ 150 SX'S PremiumPlus w/ 2 % CACL2,  
Plug dn.. 23:30, 01/29/01,circ 143 sx's to surface. WOC 24 hrs, jet pits & weld on head.  
TD: 475'; FTG: 31'; PO: Drig. Weld on head & NU. Test bop 750 psi. PU bit & BHA.  
TIH w/ bit # 2. Drill cement & shoe. Drill 444'-475'. TD: 1280'; FTG: 805'; PO: Drig.  
Drill 475'-726'. WLS, 684',1/2 deg. Drill 726'-849'. LD dn. 5 jts DP, PU 5 DC's. Drill  
849'-1122'. WLS, 1080',1.25 deg. Drill 1122'-1280'. TD: 2014'; FTG: 734'; PO: Drig.  
Drill 1280'-2014'. WLS, 1911', 1 deg. TD: 2511'; FTG: 497'; PO: Drig. Drig 2014'-2353'.  
Surv @ 2311' 3/4 deg. Drl 2353'-2511'. TD: 2885'; FTG: 374'; PO: TIH.  
Drig 2511'-2758'. Surv @ 2716' 1 deg. Drl 2758'-2885'. TOH w/bit #2, TIH w/bit #3.  
TD: 3200'; FTG: 315'; PO: Running csg. Ream 40' to bottom. Drig f/ 2885'-3200'.  
Circ. TOH (strap out). RU LD machine & BHA. RU csg crew run 8 5/8" csg.

2/6/01

TD: 3200'; FTG: "0"; PO: TIH. Run 78 Jts. 8 5/8" csg, ST&C, J55, 32.00#. Casing set @ 3200'  
RU Haliburton, cmt with Lead : 1075 sx, Interfill "C", 1/4 # Floeple. Tail : 200sx ,  
Premium Plus, 2% Calcium Chloride. Circulated 127sx to reserve pit , Plug down @  
11:30 AM MST. ND, set slips, cut off 8 5/8". NU B-section & BOP. Test BOPs , 300psi Low,  
5000Psi High, ( All Tested). PU BHA. TD: 3671'; FTG: 471'; PO: Drig.  
Change circulating lines to outside reserve pit. TIH. PU 2 DC's, 4 jts. DP. WOC 24 hrs Drill float  
collar & cement. Drig formation F/3200' to 3458'. Survey @ 3416' 1/4. Drig F/3458' to  
3671'. TD: 4202'; FTG: 531'; PO: Drig. Drig F / 3671'-3678'. Arrange drill pipe on racks,  
removed bad pipe. Drig. F / 3678'-4202'. Survey @ 3824' 1/2 deg. TD: 4665'; FTG: 463'; PO: Drig  
Drig F/4202'-4665'. WLS 4230' 1.2 deg. TD: 5010'; FTG: 345'; PO: Trip for bit. Drig F/4665'-4710'.  
WLS 4668' 1/2 deg. Totco & trip for bit. TD: 5457'; FTG: 447'; PO: Drl 20' hr. PU 2-6 1/2" DC.  
TIH. W&R 68' to btm. Drl 5010'-5457'. TD: 5920'; FTG: 463'; PO: Drl 20' hr. TD: 6385'; FTG: 465';  
MW: 9.8; MV: 29; PO: Drig. WLS 5944' 1/2 deg. TD: 6831'; FTG: 446'; MW: 9.8; MV: 29; PO: Drig.  
WLS 6831' 1/2 deg. TD: 7205'; FTG: 374'; MW: 9.8; MV: 29; PO: Drig. WLS 6820' 1/4 deg.  
TD: 7556'; FTG: 351'; MW: 9.8; MV: 29; PO: Drig. WLS 7226' 1 deg. TOH for bit #6.  
TD: 7765'; FTG: 209'; MW: 9.8; MV: 29; PO: Drig. TD: 8130'; FTG: 365'; MW: 9.8; MV: 29; PO: Drig.  
TD: 8455'; FTG: 325'; MW: 9.8; MV: 29; PO: Drig. TD: 8755'; FTG: 299'; MW: 9.9; MV: 29; PO: Drig.  
WLS 8413' 1/2". TD: 9060'; FTG: 305'; MW: 9.9; MV: 29; PO: Drig. WLS 8789' 1/2".  
TD: 9285'; FTG: 225'; MW: 9.9; MV: 28; PO: Drig. Trip 39' std's for wash out, LD 10 jts DP, 5 jts  
above & below wash out. TD: 9620'; FTG: 335'; MW: 9.9; MV: 28; PO: Drig. TD: 9741'; FTG: 121';  
MW: 9.9; MV: 28; PO: Drig. Pmp soft line , TOH 79 std's for wash out DP, POOH to DC's ru inspectors.  
Inspect DC's, 1 cracked box, replace DC, & rnr's and bit. TIH DC's and one row DP. Cut drilling  
line. TIH w/ bit # 7. Drill 9673-9741' TD: 10078'; FTG: 337'; MW: 9.9; MV: 28; PO: Drig.  
TD: 10268'; FTG: 190'; MW: 9.9; MV: 29; PO: Drig. Trip for wash out 83 std's. Drill 10078'-10174',  
add starch for 19.2 wt. WLS,10132',1deg. Drill 10174-10268'. TOH for Wash out. TD: 10268'; FTG: 0';  
MW: 9.9; MV: 29; PO: LD DP. Trip 83 std's for wash out in DP. LD DP. Repair high drum clutch.  
LD DP. TIH w/DC. Wait on DP inspectors. TD: 10268'; FTG: 0'; MW: 9.9; MV: 29; PO: LD DP.  
Wait on DP inspectors. TIH w/ BHA. Inspect DP, reject 159 jt's due to Rockwell  
hardness test, PU, 29 jt's inspected 20 # DP and 35 jt's inspected 16.6 # DP, inspect  
remainder 20 # DP. Wait on 196 jt's brand new 16.6 # DP from Snyder TX. Unload and  
remove protectors from new 16.6 # DP. PU new 16.6 3 DP Note: 217 jt's 4.5, 16.6 # DP delivered.  
TD: 10268'; FTG: 142'; MW: 10; MV: 31; PO: Drig. PU DP. Install rotating hd. TD: 10720'; FTG: 310';  
MW: 10; MV: 32; PO: Drig. WLS 10516' 1/2 deg. TD: 11046'; FTG: 326'; MW: 10; MV: 31; PO: Drig.  
WLS 10919' 3/4 deg. TD: 11340'; FTG: 294'; MW: 10; MV: 31; PO: Drig. TD: 11476'; FTG: 135'; MW: 10;  
MV: 31; PO: Drig. Loggers @ 11475'. Run Baker Atlas, Compensated Z Densilog,comp. Neutron,  
and Gama Ray log,Dual lateral, Micro Laterolog, and Run Schlumberger RFT log. TIH.  
TD: 11476'; FTG: 0'; MW: 10; MV: 39; PO: Run DST. TIH. Circ off gas 60 std's off bottom. TIH. C&C hole &  
wait on orders trip for DST. TD: 11,475'; FTG: 0'; MT: BW; MW: 10; MV: 31; PO: Lay down DST tools  
TIH wth DST tools. Run DST, Final flow 1850 psi on 16/64 choke, psi still increasing.  
Open circ. Tool and circ and condition hole. Chain out of hole and lay down DST tools.  
TD: 11,475'; FTG: 0'; MT: BW; MW: 10; MV: 31; PO: Circ and clean Load out Drill Stem Test tools.  
TIH. Cut drilling line. TIH. Wash and ream and circulate and condition mud, clean sloughing shales.  
Pull 10 stds. Wait 1 hour. TIH and wash and ream 5 stds to bottom and circulate and clean sloughing shale.  
TD: 11,475'; FTG: 0'; MT: BW; MW: 10.3; MV: 140; PO: Circ & clean Circulate and condition hole and mud, and  
clean up sloughing shale.