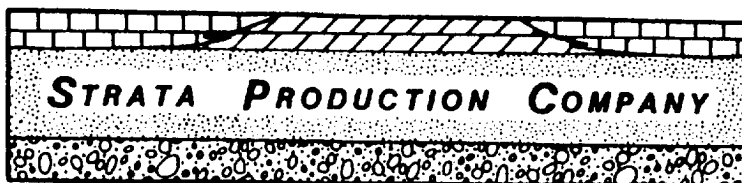


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" EXHIBIT A "

CHAPARRAL STATE # 2  
660' FN & WL-LEASE VB 0158  
SEC. 32, T19S, R29E  
EDDY COUNTY, NM GL 3309'

05-17-89 Dug out C & P, RU WH. MIRU Mack Chase compl rig. Install deadmen, set DC's & tbgs. on pipe rack. RU Completion Services rvs unit. D/P @ sfc. (750' plug), clean out to 950', D/P @ 950' (200' plug), clean out to 1450', Drlg on plug @ 1450' at close of report. Circ. solid green oil btw plugs.

05-18-89 TIH w/ 4-3/4", 2 DC's & tbgs. Tag TOP @ 2921', not able to drl further, circ metal cttgs. TOH w/ 4-3/4" assbly, TIH w/ 6-1/8" concave mill & 10 DC's. Tag TOP @ 2921' milled 8", fell into top of 7" csg stub. PU 30 jts tbgs, cleaned out to 3300', Tag TOP @ 3300'. TOH w/ mill assbly, TIH w/ 6" bit w/ 10 DC's. SDON.

05-19-89 Compl TIH w/ bit & DC's, tag metal @ 3471'. Drld to 3496', fell thru plug, PU tbgs & clean out to 6974'. Tag TOP @ 6974', circ metal & cmt. SOH bit trip. SDON.

05-20-89 TOH w/ 6" bit, TIH w/ tight spot @ 3300'. Comm drlg on metal @ 7004'. Circ metal & trash until bit gone. TOH for bit. SDON.

05-21-89 TIH w/ 6-1/8" concave mill, drlg @ 7015'. Pmpg 500#, w/ 8 pts on DC's, mld all afternoon. TD 7018'. SDON.

05-22-89 TOH for new mill. TIH w/ mill & DC's. Tag bad spot @ 7018', drlg metal, cmt & rock. Circ small bits of wood, wireline, rubber, tin & copper wire. Mlld all day until dull. TOH for new mill. TD 7024'. SDON.

05-23-89 TIH w/new 6-1/8" mill. Mlld to 7041'. Still circ wireline, nails, wood, cmt, rock and tin. SOH w/ dull mill. Rig transmission blew. SD WOR.

05-24-89 Mack Chase rig down for transmission repair. New trans arrvd from Hobbs, NM @ 10:35 AM. Mack Chase mechanic crew worked on installation until dark. Rig running OK, will start drlg in AM. SDON.

05-25-89 TIH w/ new 6-1/8" mill, 10 DC's. Tag TOP @ 7041'. Mlld to 7125', still circ metal & cmt w/ fewer pieces of wireline, rock & tin. Making hole @ 2 - 3'/hr. SDON.