THRESHOLD DEVELORMENT COMPANY CONOCO "7" STATE WELL NO. 3 EDDY COUNTY, NEW MEXICO Page 2

14) Flowed and swabbed 60 BLW, recovered 20% oil at end of day 5-7-81.

- 15) Perforated Grayburg 2202-2204' total 3 holes, 2206-2209' total 4 holes, 2213-2216' total 4 holes, 2235-2239' total 5 holes 5-13-81.
- 16) Set RBP at 2275' and packer at 2150'.
- 17) Acidized with 2000 gals. 15% NE acid using 50 ball sealers.
- 18) Opened well and flowed back 10 bbls. acid water and swabbed 10 bbls. gas-cut water.
- 19) Swabbed and tested, recovered 20 bbls. fluid plus 10 BO per day.
- 20) Perforated Grayburg 2142-2144' total 5 holes, 2148-2152' total 9 holes, 2170-2172' total 5 holes 5-16-81.
- 21) Reset RBP at 2186' and packer at 2113'.
- 22) Acidized with 1000 gals. 15% NE acid using 30 ball sealers.
- 23) Flowed and swabbed total 10 BF, 70% oil.
- 24) Pulled RBP, packer and tubing.
- 25) Set CIBP at 3423' with 3 sacks cement and CIBP at 2700' with 3 sacks cement. PBTD 2700' 5-20-81.
- 26) Ran 2-3/8" tubing with S.N. at 2114'. Released completion unit.

AMENDED