STEP-RATE TEST SHUGART "B" WELL NO. 1 Tamano (Bone Spring) Field Eddy County, New Mexico Page No. 2

12. Run Step-Rate Test as follows:

TIME, (MIN)	RATE (BPM)
60	0.025
60	0.050
60	0.100
60	0.250
60	0.500
60	0.750

Note: 1. Rates must be stabilized before proceeding to next step.

- Two stabilized rates must be obtained prior to exceeding 1,600 psi at the surface.....
- 13. Shut well in with bomb in hole for 72 hour fall-off test. RD service company.
- 14. POOH with bomb. RU reverse unit.
- 15. EIR w/fresh water. Run 21 day injectivity test. Do not exceed a surface pressure greater than 0.2 psi/ft mulitplied by the depth to the top perforation. Record surface injection rate and pressure every 30 minutes.
- 16. MIRU PU. Release packer and POOH.
- 17. RIH with 2-3/8" perforated mud anchor, seating nipple, 7 joints of 2-3/8" tubing, 2-3/8" x 5-1/2" TAC and 223 joints of 2-3/8". 4.6#, J-55, EU tubing. Land seating nipple at 8,120' and set TAC.
- 18. NU BOP and NU wellhead. Install rod BOP.
- 19. RIH with a 2" x 1-1/4" x 24' x 26' x 28' RHBC pump with a 1" x 6' gas anchor on a combination, 1" fiberglass rods and 7'8" steel rod string.
- 20. Remove rod BOP, space out pump and hang well on. RDMO PU.

21. Start well pumping to facilities.

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