CUASTAL MANAGEMENT CORPORATION DRILLING/WORKOVER REPORT

<u>St. Mary Project</u> Parkway Delaware Unit #507 Drill & Complete AFE #96064 Capital \$ 308,775

04/07/97 Spud well @ 11:15 CDT 04-06-97. Started losing vol @ 297'. Moved in all needed pipe & WH equip. Current Depth: 325'.

DWC - \$ 55,000 CWC - \$ 55,000

04/08/97 Present Operation - NU BOPE. Current Depth: 354'. Footage drld: 29'. Ran 8 jts 13 3/8", H-40 ST&C new csg, total of 359'. Shoe @ 354' KB. Ran TX pattern notched guide shoe and insert float 1 jt above guide shoe. Ran 3 centralizers 1 jt, 3 jts and 6 jts from btm. BJ cmt'd w/ 390 sx Cl "C" w/ 2% CaCl2 & 1/4#/sx Celloflake. Pumped 30 bbls frac gel wtr ahead of cmt. Had full returns. Circ 21 sx cmt to pit. CIP - 12:00 CST. Notified BLM prior to spud and prior to running csg. Inspector arrived after cmt job completed. Pumped 49.5 bbl displacement. Did not bump wooden plug. Float held.

> DWC - \$ 26,200 CWC - \$ 81,700

04/09/97 Present Operation - Drilling. Current Depth: 400'. Footage drld: 36'. Tested all BOPE & chk to 3000# OK. Using safety test, inc adjustable chk wouldn't work. Outside 4" valve wouldn't work or test dart valve wouldn't test, no floor TIW valve. Patterson to replace or get. Tested kelly hose to 2000# OK.

> DWC - \$ 9,750 CWC - \$ 91,450

- 04/10/97 Present Operation Drilling. Current Depth: 1266'. Footage drid 866'. 1 degree @ 677', 2 degree @ 1075', miss run @ 1253'. Backed off on weight after survey @ 1075'. Penetration dropped off from 28'/hr to 10-12'/hr @ 1170' and cont to present. Wanted to cut another 175' and take another survey @ 1250'. Clock stopped on last survey and won't run. Went to borrow another clock from nearby rig. #1 pump's rod bearing went out almost immediately after we started on new hole. Will change out pump at csg point. Drlg w/ duplex. DWC \$ 6,950 CWC \$ 98,400
- 04/11/97 Present Operation Nippling. Current Depth: 1366'. Footage drld: 100'. Ran guide shoe, 1 jt, insert, 31 jts, 9 5/8" 36# K-55. BJ cmt'd w/ 350 sx "C" w/ 4% gel & 2% CaCl2 followed by 150 sx "C" w/ 2% CaCl2. Had full returns. Circ 90 sx to pit. Bumped plug w/ 1100 psi. CIP 01:00 CST. 04-11-97. Ran 10 cent 1-20' above shoe then every other jt. DWC \$ 45,200 CWC \$ 143,600 ****corrected costs***
- 04/12/97 Present Operation Drilling. Addition to 4-11 report. BLM rep witnessed cmt job and the circ of cmt to pit. Requested & got approval from Davis Glass -BLM/Roswell to set 9 5/8" at 1366'.

DWC - \$ 19,200 CWC - \$ 162,800