Marathon Oil Co.

Federal IBA Gas Com # 2 1980' FSL & 660' FEL Sec. 19, T-21-S, R-23-E Eddy Co. N.M.

MIRU McVay # 7, spud 12 1/4" hole @ 1000 hrs., 1/21/98. Drilled to 1172', TD @ 0800 hrs., 1/23/98.

Ran 27 jts., 9 5/8", 36#, K-55, STC to 1172'. Shoe @ 1171', collar @ 1129'. Howco mixed and pumped 200 sx. Prem plus thixotropic w/ 12% calseal, ½ p.p.s. flocele, 10 p.p.s. gilsonite, 1% cacl. Tailed in W/ 450 sx. Prem plus lite w/ 5 p.p.s. gilsonite, 1/4 p.p.s. flocele, 2% cacl. Followed by 200 sx PREM plus w/ 2% cacl, plug down @ 1600 hrs, 1/23/98. W.O.C. 4 Hrs, cut csg & weld on 11" 3m csg head. Tested weld to 1750 psi. NU 11" 3m Dual ram, annular and choke manifold. Tested BOPE, floor valves, kill lines and mud lines to 300/3000 psi. Tested annular to 1500 psi.

TIH and tagged cement @ 1125', total W.O.C. time 20 hrs. Tested csg to 1750 psi. Drilled cement and float eq. and resumed drilling formation to 8500', TD @ 0115 hrs 2/9/98, CNL/GR/Cal to surf.

RU Csg. Crews and ran 7" production csg. As follows: Float shoe @ 8500', 2 jts 26#, float collar @ 8417', 26 jts 26#, marker jt @ 7233', 22 jts 26#, ESC tool @ 6241', 25 jts 26 #, 115 jts 23 #, 2 jts 26 #.

Cemented production csg w/ 470 sx Super H, wt. 13.0, yield 1.68, displaced w/ 200 BFW & 170 BM, bumped plug, opened DV and circ'd 63 sx. to pit. Circ w/ rig pump 2.5 hrs. Cemented 2nd stage w/ 470 sx Inter fil "C", wt - 11.9, yield 2.46. Tailed in w/ 100 sx. "C". Did not circ. cement. Est TOC @ 500'.

Set slips, cut csg and installed 11" 3M x 7 1/16" tbg spool. Released rig @ 0300 hrs 2/11/98.