

**FASKEN OIL AND RANCH, LTD.
MARALO "34" FEDERAL NO. 3**

Location: 2150' FNL & 660 FEL, Section 34, T-20-S, R-27-E, Eddy County, New Mexico
Elevation: 3261' GL

Spudded @ 6:15 p.m. CST 4-12-99.

Drilled 17-1/2" hole to 404' with no returns. Fluid level 50' from surface while drilling. Set 13-3/8" 48.0#/ft H-40 ST&C casing @ 404' and cemented with 20 bbls. gelled water, 440 sx Class "C" w/ 2% CaCl₂ (sw 14.8 ppg, yield 1.34 cuft/sk). Plug down at 8:00 am 4-13-99, had no returns while cementing with fluid level 23' FS.

Cemented 17-1/2" x 13-3/8" annulus via 1" pipe with Class "C" cement w/ 4% CaCl₂ (sw 15.6 ppg, yield 1.2 cuft/sk) as follows:

RIW with 1" and tagged at 135'.

Stage No. 1- 50 sx, WOC 1-1/2 hrs, tagged @ 168'.

Stage No. 2- 50 sx, WOC 2 hrs, tagged @ 140'.

Stage No. 3- 25 sx, WOC 1-1/2 hrs, tagged @ 108'.

Stage No. 4- 25 sx, WOC 1-1/2 hrs, tagged @ 54'.

Stage No. 5- 84 sx, WOC 1-1/2 hrs, tagged 45'.

Stage No. 6- 25 sx, WOC 1-1/2 hrs, tagged 45'.

Stage No. 7- 100 sx w/ 2 yds. pea gravel, WOC 1-1/2 hrs, tagged @ 45'.

Dumped 4 yds. pea gravel and tagged @ 40'.

Stage No. 8- 25 sx, WOC 4 hrs, tagged @ 45'.

Stage No. 9- Poured 3 yds. pea gravel and 4 yds ready mix cement down 17-1/2" x 13-3/8" annulus and raised TOC to surface. Mr. Duncan Whitlock with the BLM witnessed all 1" cementing operations.

Drilled 12-1/4" hole to 2290'. Lost complete returns at 1412'. Regained 20%-40% returns by 2290'.

Set 9-5/8" 36.0#/ft J-55 LT&C casing @ 2273'. Cemented with 20 bbl gelled water followed by 200 sx Class "H" with 10% A-10B, 1% CaCl₂, 10#/sx Gilsonite and 1/4#/sx Cello Flake (s.w. 14.6 ppg, yield 1.52 ft³/sx), 600 sx Class "C" with 4% gel and 2% CaCl₂ (s.w. 13.51 ppg, yield 1.74 ft³/sx) and 200 sx Class "C" with 2% CaCl₂ (s.w. 14.80 ppg, yield 1.34 ft³/sx). Plug down at 4:15 am CDT 4-18-99. Circulated 343 sx excess cement.

Drilled 8-3/4" hole to TD of 11,100'. Mudded up at 9600'. Maximum mud weight 10.5 ppg at TD.

DST No. 1 (10,746' – 10,865')

Opened tool @ 10:35 pm CDT 5-8-99 with weak blow.

5"- 110 psig on 1/4" choke, closed tool. GTS 5" after closing tool. Tool closed 60".

Reopened tool @ 11:35 pm on 1/4" choke with weak blow.

2"	70 psig	123 mcf
5"	190 psig	298 mcf
10"	375 psig	570 mcf
20"	500 psig	754 mcf
30"	560 psig	842 mcf
45"	650 psig	975 mcf
60"	750 psig	1122 mcf
75"	750 psig	1122 mcf
90"	760 psig	1136 mcf
120"	760 psig	1136 mcf
150"	750 psig	1122 mcf
180"	725 psig	1084 mcf, closed tool. Tool closed for 6 hrs.

