MALLON OIL COMPANY AMOCO-FEDERAL #1 WELL Section 27, T 26S, R 29E Eddy County, New Mexico

Daily Report:

11-09-89 Perforate and acidize

Rigged-up Wedge Wireline. Ran cement bond log w/variable density log from PBID @ 4283' (4293' correlated to open hole log) to 2153'. Fair - Good bond indicated from PBTD to 3550' corresponding to calculated fill-up for Class "C" + 5#/sk salt + 0.3% CFR-3. Poor bond indicated from 3550 to 2720' corresponding to 50/50 pozmix lead cement. Perforated w/ 3 1/8" casing carrier gun: 4165-4208', 4134-54', 4106-24', 4092-4102', 4050-60', 4036-40', 4022-34'; 2 SPF, 234 holes, 0.40" diam.. Fluid rising at 150'/hr. throughout perforating runs. PU New Mexico Packer Model "R" double grip 4 1/2" packer and seating nipple and trip in hole. Set packer at 4228' and pressure test retainer and tubing to 2000 psi. Release packer and TOOH to 4197', spotted 3 Bbl 15% Hcl. TOOH to 3945', set packer. Pressured annulus to 500 psi. Halliburton acidized perforations w/2500 gal 15% Hcl w/iron sequestering agent and 150, 1.3 specific gravity perf, balls. First break 1300 psi to 600 psi, raised rate to 4.3 BFM 1740 psi, good reactions to perf. balls throughout job. Flushed acid to perfs with 17 BW. Shut down and surged bals off perfs. Allowed to settle 15 minutes and began pumping brine, 4/8 BPM at 2050 psi, pressure breaks reduced pressure to 1990 at 90 Bbl cum water vol. Reduced rate to 1.1 BPM and injected 10 Bbl at 510 psi. ISIP 370 psi, 5 min 340 psi, 10 min 330 psi, 15 min, 320 psi. SIFN.

Cost: \$10,069 Cum: \$20,865

11-10-89 TIH w/Injection Packer and Tubing SITP - 10 psi Opened tbg. well flowing slowly. Released packer, TIH to 4280' to wipe any remaining perf. sealers off. TOOH w/tbg and Model "R" Elder packer, layed down tbg. PU Elder Model "T" Injection packer (Baker Model AD-1 equivalent) internally and externally coated. TIH w/125 jts (3988.95') 2 3/8", 4.7#/ft, EUE tbg, used, tested and drifted material prepared by Salta Pipe with PVC lining. Salta Representative ran pipe, all connections teflon taped and made-up to Salta Specifications. Installed stripper rubber and bowl, pumped 45 Bbl packer fluid displacing annulus, set pkr w/14,000# tension, set slips and packed off tubing head. Tbg. still flowing slowly w/some acid gas- acid gas circulated while spotting packer fluid. (Packer Fluid Champion Chemical R-2264 mixes at 1 gal/Bbl). SIFN.

Cost: \$12,771 Cum: \$33,636