Submit 3 Copies To Appropriate District	State of New Mexico	Form C-103
District I	Energy, Minerals and Natural Ro	esources May 27, 2004
1625 N French Dr , Hobbs, NM 88240		WELL API NO.
<u>District II</u> 1301 W Grand Ave, Artesia, NM 88210	OIL CONSERVATION DIV	ISION 30-045- 26743 27643 5. Indicate Type of Lease
District III	1220 South St. Francis I	Or. STATE FEE S
1000 Rio Brazos Rd, Aztec, NM 87410 District IV	Santa Fe, NM 87505	6. State Oil & Gas Lease No.
1220 S St Francis Dr, Santa Fe, NM 87505	, ,	o. State on te das Bease 140.
1	CES AND REPORTS ON WELLS	7. Lease Name or Unit Agreement Name
	ALS TO DRILL OR TO DEEPEN OR PLUG BA ATION FOR PERMIT" (FORM C-101) FOR SUC	TT.
PROPOSALS)		Yager N (302873 Property Code) 8. Well Number 5
	Gas Well 🛛 Other	
2. Name of Operator		9. OGRID Number
Chevron Midcontinent, L.P. (241333	3)	241333
3. Address of Operator15 Smith Road Midland, Texas 797	05 (a/a Alan W. Bahling Br. 4205	10. Pool name or Wildcat
	05 (c/o Alan W. Bohling, Rm 4205	Basin Fruitland Coal (71629)
4. Well Location		
Unit LetterN:_		line and 2315 feet from the _West line
Section 3	·	e 07-W NMPM San Juan County
	11. Elevation (Show whether DR, RKB,	RT, GR, etc.)
	6,564' GR	
Pit or Below-grade Tank Application or		
Pit type: _WorkoverDepth to Ground	vater: _>100'_Distance from nearest fresh wate	r well: _>100' Distance from nearest surface water: _>1000'_
Pit Liner Thickness: 12 mil	Below-Grade Tank: Volume :(~360)	Bbls; Construction MaterialEarth (20'x20'x10')
(12. Check A	ppropriate Box to Indicate Nature	of Notice, Report or Other Data
NOTICE OF INT		SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK	· · · · · · · · · · · · · · · · · · ·	EDIAL WORK ALTERING CASING
TEMPORARILY ABANDON TEMPORARILY ABANDON TEMPORARILY ABANDON TEMPORARIL ABANDON TEMPORARI		MMENCE DRILLING OPNS. □ P AND A □
PULL OR ALTER CASING	MULTIPLE COMPL CAS	ING/CEMENT JOB
OTHER:	OTH	ER: Well Records – CO Well & Run Pre-perfed Liner
		ent details, and give pertinent dates, including estimated date
		apletions: Attach wellbore diagram of proposed completion
or recompletion.	,	The state of the s
Chevron Midcontinent, L.P. respectfu	lly submits this Subsequent Report of wo	rk done to clean-out this open hole completed wellbore and
		ble to produce, exploring additional options. (See attached
Continuation Pages 2-5 & Wellbore I	Diagram)	RCVD JUL20'07
30-Mar-07, BACK RIG ONTO RAMP & RIG	UP RIG & EQUIP	OIL CONS. DIV.
2-Apr-07, CHECK WELL PRESS 150#. HO	OK UP LINE & OPEN WELL TO FLOWBACK	DIST. 3 TANK & BLEED DOWN WELL, ND TREE, NU BOPS, RIG UP RIC
FLOOR & EQUIP, TEST BOP'S TO 250 &	1500#, SCREW INTO HANGER & BACK OU	T HOLD DOWN PINS, PU ON TBG-FREE, PULL HANGER ABOVE
FLOOR & REMOVE SAME, INSTALL PACEQUIP, ND STRIPPER, NU BLOOIE LINE S		OH W/ 2-7/8" TBG LD SAME REC 101 JTS SLM TBG, RD FLOOR &
EQUIF, ND STRIFFER, NO BLOOKE LINE S	FOOL & SINGLE BOFS	
		ELL, INSTALL BLOOIE LINE CROSS, SINGLE BOP, 2 MANUAL
VALVES, 2 HCR VALVES, RU RIG FLOOP VALVES TO 250 & 1500# MU BLOOIE LIN	E ADAPTERS ON VALVES & START HOOKIN	ATOR & FUNCTION ALL BOP'S & VALVES TEST BOP'S & HCF
	T, 10 3-1/2" DC'S & X/O, TOT OF 304', PU 2-′. /8" DRILL PIPE (USING AIR PICKUP SYSTEM	/8" DP TO 1026' RU POWER SWIVEL, CIRC W/ AIR, NO FLUID REC
AT 1020, RD TOWER SWIVEE, GHIT O 2-7	76 DRILLFIFE (USING AIR FICKUF STSTEI	,
(Please see attached Continuation Pages 2-5 $\&$	Wellbore Diagram)	
I hought coutify that the information of		
		my knowledge and belief. I further certify that any pit or below- neral permit or an (attached) alternative OCD-approved plan .
grade tank has been win be constructed of e	social according to NMOCD guidennes □, a gen	teral permit of an (attached) afternative Och-approved pian
SIGNATURE: <u>Clarite Boh</u>	TITLE: _Regulat	ory Agent DATE: _07/17/2007 _
Type or print name:Alan W. Bohli	ng E-mail address: ABohli	ng@chevron.com Telephone No.: 432-687-7158
For State Use Only		
//_//		Oil & Gas Inspector,
APPROVED BY:	lanueva TITLE	District #3 DATE JUL 2 3 2007
Conditions of Approval (if any):		•
		/N.

<u>Yager N # 5</u> API # 30-045-26743

1160' FSL & 2315' FWL UL N, Sec. 3, T-31-N, R-07-W San Juan County, New Mexico

5-Apr-07, RIG UP & CIRC W/ 1200 SCF AIR, STARTED REC 20 BWPH, AIRED FOR 30 MIN AFTER WATER STARTED WATER REC REMAINED THE SAME GIH & TAG AT 3137', PU POWER SWIVEL & MAKE CONNECTION, CIRC W/1200 SCF AIR & 8-10 BWPH W/ 1-1/2 GALS SOAP AT 3137', STARTED MAKING WATER AT 20 BBLS/HR, CIRC & STARTED REC FOAMY WATER, PACKOFF RUBBER STARTED LEAKING CHANGE PACKOFF RUBBER. CIRC W/ 1200 SCF AIR 8-10 BWPH & 2 GALS SOAP WASH TO 3152', UANABLE TO KEEP GOOD CIRC, INCREASE AIR TO 1400 SCF W/ 5-8 BWPH CIRC DROPPED, DECREASE AIR TO 900 SCF/M LOST CIRC. PU F/ 3152'TO 3073' (END OF CSG AT 3090') PIPE DRUG FOR 1ST 15' CIRC W/ 1200 SCF/M AIR 5-8 BWPH W/ 4 GALS SOAP, HAD GOOD AIR RETURNS VERY LITTLE WATER, PUMP 5 BBL SWEEP DID NOT COME AROUND, SHUT OFF MIST PUMP WATER SLOWED DOWN TO ABOUT A PENCIL STREAM, UNABLE TO KEEP GOOD CIRC, GIH TO 3134' CIRC W/ 1200 SCF/M AIR PUMPING 5-8 BWPH W/ 4 GALS SOAP PER 30 BBLS WATER, INCREASE WATER RATE TO 12-15 BWPH, WELL SURGING, UNABLE TO KEEP COIC, POOH W/ 5 JTS TO 2981'.

6-Apr-07, CHECK WELL PRESS 260#, OPEN TO FLOWBACK TANK & BLEED WELL DOWN, TOOK LONGER TO BLEED OFF THAN BEFORE, OPEN TO BLOOIE LINE, POOH W/ 13 STDS DP TO 2159' RIG & CIRC W/ 1600 SCF/M AIR GOOD AIR, CIRC NO FLUID, GIH W/ 7 STDS TO 2601' CIRC W/ 1600 SCF/M AIR, NO FLUID REC, GIH W/ 6 STDS TO 2981' CIRC W/ 1600 SCF/M AIR, NO FLUID REC, PU DP GIH TO 3110' TAG FILL, PU TO 3105' CIRC W/ 1600 SCF/M AIR, REC SMALL AMOUNT FLUID W/ FOAMER POOH W/ 4 JTS TO 2981' CIRC W/ 1600 SCF/M AIR 8-10 BWPH W/ 4 GALS FOAMER IN 20 BBLS, GOT RETURNS OF WHAT WAS BEING PUMPED, RETURNS WERE COMING OUT IN A STREAM & NO MIST, RETURNS DO NOT APPEAR TO HAVE ENOUGH VOLICITY TO CLEAN HOLE, SHUT OFF, SHUT DOWN AIR & FOAM, LEAVE WELL OPEN TO LET GAS REPLACE AIR, SECURE WELL

9-Apr-07, FLOWING WELL PSI = 160#, OWI INSTALLED CHECK VALVE, CICP = 200#, BLEED WELL ON 3" UNDER 100# & OPEN BLOUIE LINES, AS DIRECTED, EOT @2980', STARTED; PUMPING +/- 780 SCF/M AIR W/ 5 BWPH W/ 1 GAL SOAP PER 20 BBLS & COR INHIBITOR, PUMP PRESS STABLIZED AT 160#, FOAMY WATER UP AFTER 1-1/2 HR PUMP TIME, RETURN RATE = 8 BWPH, AT 1200 FLUID RATE LESS THAN 8 BPH W/ WEAK AIR BLOW; AT 1230 SAME RETURNS, PUMP PRESS = 160#, RETURNS TOO LOW TO DRILL OPEN HOLE, STARTED SECOND PUMP, PUMP RATE 1600 SCF/M W/ 375# PUMP PRESS FLUID STILL 5 BWPH W/ 1 GAL SOAP PER 20 BBLS, AIR RETURNS PROBABLY DOUBLE W/ IN 2 MINUTES, FLUID RATE = LESS THAN 8 BPH SAME, AFTER 45 MINUTES SAME, DRYED OUT BLEED OFF, WIH & TAGED 3137', POOH TO 3072', STARTED PUMPING ~780 SCFM W/ 5 BWPHR [NO SOAP JUST CORROSION INH] FOR 1 HOUR RETURNS UP IN 15 MIN, [FLUID LESS 8 BPH, WEAK AIR BLOW], PUMP PRESS 20#, AFTER 1 HOUR SAME RETURNS & PRESS, PUMPED 3 BBLS SWEEP, STARTED 1 GAL SOAP PER 20 BBLS, PUMP PRESS BACKTO 160# SWEEP CAME UP LATE BUT DID COME UP, FLUID RETURNS -8 BWPH WEAK GAS BLOW, WELL UNLOADING, HEADS OF FLUID EVERY +/- 35 MINUTES AFTER HOUR HEADS EVERY +/- 25 MINUTES, STILL UNLOADING AT A STEADY TRICKLE IN BETWEEN HEADS, DRIED OUT & CWI.

10-Apr-07, CICP = 280#, OPEN WELL ON 3", BLEED OFF, OPEN WELL TO BLOUIE LINE & OPEN LINES; VERY SLIGHT BLOW, STARTED PUMPING +/- 780 SCF/M & 5 BWPH W/1 GAL OF SOAP PER 20 BBLS W/ COR INH AFTER 15 MINUTES PUMP PRESS STABLIZED AT 190# HAD INCREASE IN BLOW, NO FLUID, TOOK 2 HOURS TO GET FLUID UP, CHECKED RETURN RATE = 5 BWPH W/SLIGHT INCREASE IN AIR, AFTER 30 MINUTES SAME RETURNS, BROUGHT ON 2ND COMPRESSOR, INCREASE IN AIR & FLUID RETURNS W/ IN 1 MINUTE, PUMP PRESS STABLIZED AT 400#, RETURNS STAYED GOOD, DRYED OUT & BLEED OFF, WIH TO 3132', NO TAG STARTED BOTH WEATHERFORD COMPRESSOR SAME AS BEFORE, CIRC 30 MINUTES, GOOD CIRC, DRIED OUT, BLEED OFF, PU TAG JOINT W/POWER SWIVEL; CIRC W/BOTH COMPRESSOR 1600 SCF/M & 8 BWPH W/1.5 GAL SOAP PER 20 BBLS W/COR INH, GOOD CIRC DRILLED/WASHED F/3137' TO 3314', TAG BTM, DRILLED THRU HARD BRIDGES F/3137' TO 3150' AGAIN F/3176' TO 3192' & 3208' TO 3215' TIGHT SPOT LEDGE AT 3181' & 3212', RECOVERING A LOT OF COAL FINES, CIRC 1600 SCF/M W/8 BWPH, 2 GAL SOAP W/COR INH, PUMPED TOTAL OF 4 SWEEPS; NOTE. WELL MAKING A LOT OF WATER CIRC CLEAN F/BOTTOM, STARTED W/SWEEP, PUMP PRESS UP TO 900# AS SWEEP STARTED UP, DROP WATER RATE BACK TO 5 BPH, SWEEP OUT PUMP PRESS BACK TO 400#, DRIED OUT AS MUCH AS POSSIBLE, WELL UNLOADING A LOT OF WATER, NO GAS TO SPEAK OF, STARTED OUT OF HOLE PULLING W/SWIVEL, LAID DOWN 3 JTS, NO PROBLEM, WHILE PULLING 4 JTS PULLED TIGHT AT 3212', STOP, STARTED BOTH COMPRESSOR, EST CIRC & WORKED 5TH JT OUT, CIRC 15 MINUTES, BLEED OFF, STARTED OUT 5TH JT PULLED TIGHT AFTER 5', STARTED BOTH COMPRESSOR, WORKED 5TH JT OUT, CIRC 15 MINUTES, BLEED OFF, STARTED OUT 5TH JT PULLED TIGHT AFTER 5', STARTED BOTH COMPRESSOR, WORKED 5TH JT OUT [3165'] PULLED 6TH JT HALF OUT WHILE PUMPING, WIH TO 3165', BLEED OFF, LAID DOWN 5 JT, LAID DOWN JTS # 6, 7, & 8 WITHOUT PUMPING, CWI W/BTM OF BIT 3072'.

11-Apr-07, CIANNPSI = 230#, OPEN ON 3" BLEED OFF IN + 15 MINUTES, NOTE BEEN BLEEDING OFF IN +/- 5 MINUTES, THERE IS MORE VOLUME TODAY, ALSO BETTER FLOW AFTER BLEED OFF, OPEN BLOOIE LINES & CLOSED 3", CHANGED OUT POWER SWIVEL, CHECK HYD SYSTEM, WIH & TAGGED AT 3160', PU STARTED BOTH COMPRESSOR CAME ON AT 1600 SCF/M W/8 BWPH [2 GAL SOAP W/ COR INH PER 20 BBLS]AFTER 10 MINUTES STABLIZED DISCHARGE PSI = 400#, GOOD AIR BLOW & TRICKLE OF FLUID, AFTER 30-MINUTES FLUID RATE UP TO 1/2 RETURNS, ROTATED & WASHED JT DOWN TO 3165', FULL FLUID RETURNS UP AFTER 1 HOUR, HEAVY COAL FINES; ATTEMPTED TO GO IN HOLE TAG AT 3180', PU & CIRCULATED W/BOTH COMPRESSOR SAME AS ABOVE, DRILLED & WORKED ON TIGHT SPOT, PUMPED SWEEPS, RECOVERING COAL FINES, NO BIGGER PIECES OF COAL, DRILLED / WASHED F/ 3197' TO 3229' IN 20 MIN, DRILLED / WASHED TO 3260' IN 45 MINUTES, DRILLED TO 3270' IN 45 MINUTES, PICKED UP OFF BTM, NOTE PUMPED TOTAL OF 5 SWEEPS CIRCULATED PUMPED 2 SWEEPS, BOTH SWEEPS OUT, DRIED OUT, BLEED OFF; NOTE RECOVERED COAL FINES, LAID DOWN 1 JT [DRILLED 12' IN ON]; STARTED OUT W/2ND JT PULLING TIGHT, STOPPED & PUMPED W/BOTH COMPRESSOR, SWIVELED JT OUT; STARTED OUT W/3RD JIT -/- PULLED 5' TIGHT, PUMPED W/BOTH COMPRESSOR HAD CIRCULATION, WORKED UP TO 15' OUT ON JT [+/-3214'], UNABLE TO WORK UP MORE, STILL CIRC; WORKED FREE DOWN, SLACKED OFF BACK TO SLIP, CIRC FINAL SWEEP, CIRC CLEAN, CWI, NOTE PULLED 45K OVER & PUMPED 5 SWEEPS:

<u>Yager N # 5</u> <u>API # 30-045-26743</u> 1160' FSL & 2315' FWL

UL N, Sec. 3, T-31-N, R-07-W San Juan County. New Mexico

12-Apr-07, CI ANN PSI = 320#; SURGED WELL PU ON DRILL PIPE FROM 3229' TO 3214' STILL STUCK AT 3214', STARTED CIRCULATING W/BOTH COMPRESSORS AT 8 BWPH [2GAL PER 20 BBLS], WORKED JT OUT + 15' OF NEXT JT BY DRILLING UP NOTE, LAST 15' WASHED UP; CIRCULATED FOR 45 MINUTES; FLUID RECOVERY WAS AMOUNT PUMPED W/GOOD AIR RETURNS [SOME COAL FINES] ON NEXT JT DRILL UP TO WORK THRU TIGHT SPOT AT 3081', THEN WASHED REMAINING PIPE OUT TILL AT 3072', CIRCULATING, CIRCULATING IN CASING FOR 15 MINUTES, DROP DOWN TO 3104', SAME CIRCULATION AS IN CASING, RECOVERING THE FLUID PUMPING, NO EXTRA FLUID; LD JT PULLED STAND, REMOVED STING FLOAT [FLAPPER 3, STARTED RAINING, DECISION MADE TO PULL 1 STAND, CWI DUE TO RAIN & ROAD CONDITION, CWI, NOTE, FAILED TO REPORT YESTERDAY THAT WE TRANSFERED 325 BW OUT OF PIT TO FLOW BACK TANK, WE HAD PUMPED 160 WATER TOTAL, EST ANOTHER + 150 BW IN PIT, TODAY BEFORE RAIN TRANSFERED ANOTHER 75 BW OUT OF PIT, TOTAL OF 400 BW OUT OF PIT WI EST -100 BW STILL IN PIT, TOTAL PUMP SINCE WE STARTED = 180 BBLS, KNOW RECOVERED 220 BW FROM WELL W/ AT LEAST ANOTHER 100 BW IN PIT, EST RECOVERY OF WATER = 320 BBLS SINCE STARTING,

13-Apr-07, NOTE: CI ANN PSI = 240#, BLEED OFF ON 3"; POH W/ 2-7/8" AOH DRILL PIPE & BHA, CHANGED OUT HYD FILTERS & RETURN HOSE ON POWER SWIVEL SYSTEM, PU BAKER 6 -\4" UNDER REAMER W/ BUMPER SUB, 10 DC [3112'], ON 2-7/8" AOH DRILL PIPE, STOPPED W/ BTM OF REAMER AT 3076',

16-Apr-07, NOTE: FLOWING ANN PSI = 180#, BLEED OFF TH RU 3" WIH TO 3100', ESTABLISHED CIRCULATION W/ 1600 SCF/M W/ 12 BWPH & 2 GAL SOAP PER 20 BBLS, TESTED REAMER MAKING 5', PU, OK REAMED F/3100' TO 3172', LOST 2/3 OF FLUID RETURNS BUT STILL HAD GOOD AIR, STILL PUMPING 1600 SCFM WI 12 BWPH & 2 GAL SOAP PER 20 BBLS, PUMPED SWEEP, SWEEP DID NOT COME UP, PU OFF BTM, CIRCULATING 1600 SCF/M AT 8 BWPH W/ 2 GAL SOAP HR FOR 45 MINUTES, LOST FLUID BUT STILL HAD GOOD AIR; INCREASED WATER TO 15 BWPH AFTER 45 MINUTES GOOD RETURNS; REAMED F/ 3172' TO 3204' IN ~3 HOURS W/ GOOD RETURNS, NOTE WORST SECTION 3181' TO 3204', REAMED UP, TOOK 15 MINUTES TO REAMED DOWN, PUMPED TOTAL OF 5 SWEEPS, PU TO 3172', PUMPED SWEEP & CIRCULATED CLEAN POOH TO 3077'

17-Apr-07, CLANN PSI = 240# BLEED OFF ON 3"; WIH TO 3100', ESTABLISHED CIRCULATION AT 1600 SCF/M W/12 BWPH W/ 2 GAL SOAP IN 20 BBLS,

WASHEDI REAMED F/3100' TO 3172', NOTE, INCREASED WATER TO 15 BWPH AT 2-1/2 GAL SOAP PER 20 BBLS AT 1115; RECOVERING HEAVY COAL FINES WASHED/ REAMED F/ 3172' TO 3196' IN 15 MINUTES, REAMED F/ 3196' TO 3204' IN 30 MINUTES, CIRCULATED SWEEP, PU HAD DRAG / STICKY, PU 3172' PUMPED ANOTHER SWEEP, SWEEPS OUT, REAMED BACK TO 3204' IN 1-1/2 HRS INCREASED TO 17 BWPH [PUMPED 2 SWEEPS, RECOVERING COAL FINES & COAL BB SIZE; REAMED FROM 3204' TO 3216' IN 1 HOUR, CIRCULATION NOT AS GOOD, PU TO 3204', CIRCULATED CLEAN & DRIED OUT, POOH TO 3075', CWI, NOTE DRAG F/~3191 TO 3181'

 $\begin{array}{l} \underline{\textbf{18-Apr-07.}}\text{C1 ANN PSI} = 250\%, \text{BLEED OFF ON 3"}; \text{ Wih to 3100'}; \text{ established circulation at 1600 Scf/m W/ 15 BWPH [2 Gal Soap in 20 BBLS], Washed / Reamed f/ 3100' to 3172'; Reamed / Washed f/ 3172' to 3204' in - 1 hour, fluid returns drop 1/2 air returns same [Good], increased to 17 Gal/hr [Soap to 2-1/2 Gal in 20 BBLS], pumped sweep, sweep up scattered in 45 min; note, return fluids gray [Shale Water], no big pieces caught, reamed / Washed to 3204' [17/Apr Depth] in 30 min, returns had heavy coal fines & small pea size coal cutting; reamed/ Washed to 3313', returns would vary from 3/4 fluid W/ good air to full + fluid W/ good air, best returns w/1 rate 1600 Scf/m W/ 15 BWPH [1-1/2 Gal Soap/20 Bbls & 650# Discharge psi recovering middle to heavy coal fines, circulated on btm W/ sweep for 20 min, pu to 3298', pumped sweep & circulated for 25 min, blew dry, note still getting coal fines, swiveled out jt #1 & 2, swiveled out jt #3 pulled tight [5k drag] for ~ 10' [-3250] swiveling out 4th jit W/ same drag middle of it unable to work thru [3216' [W/O compressors, came up 1600 Scf/m 10 BWPH, before circulation to surface swiveled it out [appears that blades open pushed string around ledge or keyseat bleed off, swiveled out jt #5 W/slight drag [3k] at ~ [3281'], swiveled out jt 8 $67,8W/out drag, cwi W/ btm of reamer 3075'; hauled in 160 b 2% kcl· hauled off 320 bw to disposal$

19-Apr-07, CI ANN PSI = 250#, BLEED OFF ON 3" LINE; TRIED BACK POWER SWIVEL, POH W/ 2-7/8" AOH & BHA, LD REAMER NOTE DEEP GOUGES JUST ABOVE TOOL SHOULDER ON TOOL KELLY & HAD 1 CONE VERY LOOSE, WIH W/ BAKER 61/4" REAMER W/ PADDLE BIT ON BTM ON BHA [10 DC 3-1/2"OD] &2-7/8" AOH, PU POWER SWIVEL, SWIVELED IN STOP AT 3100", ESTABLISHED CIRCULATION AT 1600 SCF/M W/ 10 BWHR [1/2 GAL SOAP, 2 GAL SHALE INHIB & CORRISON INHIB /20 BBLS] TOOK 30 MIN, REAMED / WASHED F/ 3100" TO 3143" IN 35 MIN, WHILE WORKING JT JT PSI JUMPED F/ 650# TO 900# PU & CIRCULATED OUT LARGE SLUG OF WATER W/ VERY HEAVY COAL FINES, AFTER SLUG STILL GETTING COAL FINES; GOOD RETURNS REAMED F/ 3143" TO 3172" IN 2 HRS, GOOD CIRCULATION, REAMED F/ 3172" TO 3186" IN 2 HOURS, WHILE REAMING LOST 113 OF FLUID VOLUME, STABLIZED W/ 1600 SCF/M 12 BWPH W/ 1 GAL SOAP & 1 GAL SHALE INHIBATOR & CORRISION INHIB; CIRCULATED FOR 10 MINUTES, CUT FLUID FROM 12 BWPH TO S BWPH FOR 20 MINUTES & BLEW DRY 15 MINUTES,

SWIVELED OUT OF HOLE TO 3075'

Yager N # 5 API # 30-045-26743 1160' FSL & 2315' FWL UL N, Sec. 3, T-31-N, R-07-W San Juan County, New Mexico

20-Apr-07, Cl ann PSI = 260#, Bleed off on 3" Wih & Tag at 3145'; Pu & Established Circulating at 1600 SCF/M at 15 bwph [1 Gal Soap,1 Gal Shale inh, Corrison inh] returns good, washed / Ream thru bridge at 3145'; reamed / Washed to 3186' [Depth 19/Apr], note, returns started fluctuating again, fluid drops to -/- 1/2 returns then comes back, getting fine shale shaving up w/ coal fines reamed f/3186' to 3203', returns still fluctuating, pumping 1600 SCF/M 15 bwph [1 Gal Soap,1 Gal Shale inh & Corrison inh,], getting blackish gray water w/ Small pieces shale, coal & coal fines, pumping sweep every hour; circulating clean pumped sweep, sweep up in 40 minutes & scattered, reamed f/3203' to 3266', pumping 1600 SCF/M 15 bwph [1 Gal Soap, 1 Gal Shale inh, corrison inh /20 bbls] pumping sweeps every 30 minutes, returns improved 1330, circulated clean, swiveled out of hole w/2 jts no drag, had drag on 3 jt [3181'], worked out w/ Out pumping [Max drag 20K over], swiveled out to 3076' btm of reamer [w/out drag] gas vapors at pit, note, 88 jts in hole & 22 jts on rack; hauled in 160 bbls 2% kcl on 19th & 160 bbls 2% on 20th, transfered 160 bw from pit to flow back tank;

23-Apr-07, OPEN WELL PRESS 160# OPEN WELL TO FLOWBACK TANK & BLEED OFF PRESS CHANGE OUT REMOTE GEAR SHIFTER ON RIG GIH F/ 3070' TO 3145' TAGGED FILL POOH W/DP & STAND IN DERRICK LD DC'S & UNDERREAMER,

24-Apr-07, SUSPENDED OPERATIONS FOR DAY DUE TO BAD SNOWY WEATHER.

25-Apr-07, OPERATIONS SUSPENDED FOR CREW REQUIRED TRAINING.

26-Apr-07, OPEN WELL PRESS 160#, BLEED WELL DOWN TO FLOWBACK TANK MU 6-1/4 BIT, BS W/ FLOAT, 10 DC'S & X0 TOT 308', GIH W/ DP OUT OF DERRICK TAG AT 3176', INSTALL SWIVEL, WASH & ROTATE F/ 3176' TO 3313' PUMPING 1600 SCFAIR 12-15 BBLS WATER HR W/ 1 5 GALS INHIBITOR & 1 GAL SOAP PER 10 BBLS, CIRC AT TD, POOH USING SWIVEL TO 3073', MOST DRAG WHILE PULLING OUT WAS 5000#

27-Apr-07, OPEN WELL PRESS 250#, BLEED OFF SLOWLY TO FLOWBACK TANK, GIH PICKING UP PIPE W/ SWIVEL FROM 3073' TO TAGGED AT 3165' WASH & ROTATE FROM 3175' TO 3272' PIPE STARTED TORQING UP & HANGING UP PULLING 5-10000# OVER PIPE WT TO GET FREE, P/U TO 3230' & SLACK OFF WHILE CIRC & ROTATING, TOOK WT AT 3255' & HUNG UP WOULD NOT GO UP OR DOWN HAD TO WORK & PULL 19000# OVER PIPE WT TO GET FREE P/U TO 3230' WHERE PIPE TURNED FREE & CIRC LD 6 JTS W/ SWIVEL WORKING PIPE THROUGH TIGHT SPOTS POOH W/ DP & COLLARS FOUND ALL CENTER TEETH BROKE & 1/3 OF REST OF TEETH BROKE & 1 CONE LOCKED UP MU 6-1/4" SEALED BEARING BIT. TIH W/ DC'S & DP TO 3073'

28-Apr-07, OPEN WELL PRESS 160#, BLEED WELL DOWN TO FLOWBACK TANK GIH F/ 3073' TO 3136', PU POWER SWIVEL ROTATE & WASH F/ 3136' TO 3313' ROTATE & WASH F/ 3136' TO 3313' POOH LD 8 JTS W/I SWIVEL RD SWIVEL POOH STANDING DP IN DERRICK LS DC'S

<u>30-Apr-07</u>, OPEN WELL PRESS 165#, BLEED OFF TO FLOWBACK TANK (NOTE: WELL MAKING 100 MCFD) UNLOAD INNER STRING & MEASURE SAME, RIG UP CSG TOOLS GIH, MU BIT 6-1/4", BIT SUB, 6 JTS 5-1/2" PRE-PERF'D LINER (259 63) HANGER, SETTING TOOL & XO TOT 270 56' RUN 2-3/8" FL4S TBG INSIDE LINER & SPACE OUT, INSTALL LINER HANGER & I JT DP RD CSG TOOLS GIH W/ LINER ON 2-7/8" DP TO 3070' (20' FROM END OF 7"), SHUT DOWN DUE TO WEATHER

1-May-07, OPEN WELL PRESS 285#, BLEED DOWN TO FLOWBACK TANK GIH TAG UP AT 3163', UNABLE TO WORK PAST, PU JT W/I SWIVEL, ATTEMPT TO GET CIRC PUMPING 1600 SCF AIR PER MIN W/ 10 BBLS 3% KCL WATER, 1 GAL SOAP & 1 5 GALS INHIBITOR, UNABLE TO EST CIRC DRILLING LINER DOWN W/NO CIRC FROM 3163' TO 3296.8', STUCK PIPE ATTEMPT TO FREE PIPE UNABLE TO PUMP 15 BBLS DOWN-DP PRESSURED UP TO 750# DRILL PIPE JUMPED A LITTLE, SET LINER WT 4000# PLUS 10000# DRILL PIPE WT, 14000# TO NO HANGER, INCREASED PRESSURE TO 2000 PSI, PRESSURE WENT TO O PSI, ATTEMPT TO PU ON DP STILL STUCK, DROP BALL LET FALL, PUMP DOWN DP CAUGHT PRESSURE INCREASED TO 2500#, BALL SEAT SHEARED (BIT AT 3296.8', BTM OF PRE-PERF'D LINER 3294.94', TOP OF LINER 3032.15') LD 5 JTS USING SWIVEL RIG OFF POWER SWIVEL LD 8 JTS DP REMOVE DP, DC'S & OTHER PIPE OFF PIPE RACKS POOH LD DP LD SETTING TOOL & 2-3/8" FL4S INNER STRING MOVE DP TO SEC SET PIPE RACKS UNLOAD TBG OFF TRAILER ONTO RIG PIPE RACKS,

2-May-07, SHUT DOWN DUE TO BAD WEATHER.

<u>Yager N # 5</u> 76 API # 30-045-25743

1160' FSL & 2315' FWL UL N, Sec. 3, T-31-N, R-07-W San Juan County, New Mexico

3-May-07, MU 6-3/4" BIT, BIT SUB W/ STRING FLOAT, X/O, GIH CHANGE OUT FIRST 8 COLLARS TO SPEACIL CLEARENCE COLLARS, GIH TAG TOP OF LINER AT 3029 58' GO INSIDE LINER TAG UP AT 3248' RIG UP SWIVEL FOR 2-7/8" 8RD ATTEMPT TO EST CIRC, PUMP 1600 SCF/M W/ 10 BBLS 3% KCL WATER & HR, 1 GAL SOAP & 1-1/2 GAL INHIBITOR FOR 1 HR, GOOD AIR BLOW, PUMPED 1600 SCF/M, 6 BBLS WATER HR, 1 GAL SOAP, 1-1/2 GALS INHIBITOR, TWO PENCIL STREAMS FLUID GOOD AIR BLOW, UNABLE TO GET ENOUGH RETURNS RIG DOWN SWIVEL, POOH INTO 7" TO 2991', ATTEMPTING TO EST CIRC AT 2991' PUMPING 1600 SCF/M, 10 BBLS 3% KCL WATER HR, GOOD AIR BLOW W/ TWO STREAMS FLUID ABOUT THE SIZE OF A THUMB, 1-1/2 GALS SOAP, 1-1/2 GAL INHIBITOR FOR 1 HR, PUMP 1000-1100 SCF/M, 10 BBLS 3% KCL WATER, 1-1/2 GAL SOAP, 1-1/2 GAL INHIBITOR, FOR 45 MIN, FLUID DECLINED A SMALL AMOUNT, GOOD AIR BLOW, SHUT DOWN 1 COMPRESSOR PUMP 2 BBL SWEEP, PUMPING APPROX 900 SCF/M, 15 BBLS 3% KCL HR, 1-1/2 GALS INHIBITOR, STARTED GETTING SOME CIRC AFTER 15 MIN IN 15 MORE MIN HAD GOOD CIRC, SHUT DOWN AIR UNITS BLEED OFF TBG

4-May-07, OPEN WELL PRESS 220#, BLEED WELL DOWN TO FLOWBACK TANK, GIH F/ 2991' TO 3248' TAG FILL, PU POWER SWIVEL EST CIRC PUMPING 1600 SCF/M, 15 BBLS 3% KCL HR, 3 GALS SOAP PER 20 BBLS, 1-1/2 GALS INHIBITOR PER 20 BBLS, WASH & ROTATE F/ 3248' TO 3294' PBTD CIRC WELL TO CLEAN UP COAL, WELL CLEANED UP LD 1 JT & RD POWER SWIVEL, POOH TO 2991' LET GAS DISPLACE AIR IN WELLBORE, GAS STARTED COMING OUT END OF BLOOIE LINE, SHUT WELL IN TO LET PRESS BUILD UP TO START COMPRESSOR, AT 1730 PRESS HAD INCREASED TO 80# TAKES AT LEAST 200# TO START COMPRESSOR, PUMPER WILL TRY TO START COMPRESSOR & PUT WELL ON SATURADAY MORNING

7-May-07, RATE THIS MORNING = 56 MCF/D COMPRESSOR SUCTION UNDER 20#, NOTE: ON SAT THE 5TH COMPRESSOR ON BY 1200, FOR + 1-1/2 HOURS RATE = 265 MCFD SUCTION STABLE; AFTER 2 HRS RATE & SUCTION PRESS FELL, SUNDAY MORNING RATE = 56 MCF/D LESS THAN 20# SUCTION PRESS, NOTE FLOWING UP ANNULUS, SHUT DOWN COMPRESSOR, OPEN WELL ON 3" [PUMPING WATER OUT OF PIT] WIH & TAGGED AT 3262', LAID DN TAG JT & PU TAG JT W/ POWER SWIVEL, SHUT DOWN, TRANSFER WATER OUT OF PIT; OPENED BOTH 6" BLOIEE LINES, ESTABLISHED CIRCULATION, STARTED W/ 1600 SCF/M AIR 15 BWPH, 1-1/2 GAL SOAP PER 20 BBLS, 1-1/2 GAL CORRISION INH,] INCREASED TO 3 GAL SOAP AFTER 30 MINUTES, NOTE HEAVY COAL FINE ON INTIAL CIRCULATION WASHED SOFT FILL FROM 3262' TO 3278' PUMP SWEEP, NOTE, AFTER SWEEP RETURNS CLEAN, MADE CONNECTION WASHED TO 3294' CIRCULATED CLEAN, PUMPED AIR LAST – 10 MINUTES, BLEED OFF, LD JT, TIED BACK POWER SWIVEL, POH TO 2991'; WELL FLOWING ON ANNULUS; WELL SLIGHT BLOW OUT BLOIEE LINE, WIH & TAGGED AT 3293', 1' OF FILL, ESTABLISHED CIRCULATION W/ 1600 SCF/M AIR, 3 GAL SOAP/ 20 BW, & 1-1/2 GAL OF CORRISION INH, WASHED 1', CIRC CLEAN; PUMPED AIR FOR 15 MINUTES, BLEED OFF LD TAG JT, TIE BACK POWER SWIVEL, LD TBG, CWI BUT LEFT OPEN TO FLOWBACK TANK ON 3", RELEASED RIG CREW, LEFT WELL OPEN ON 3" TO FLOWBACK UNTIL 1800, GAS VENTING TO FLOWBACK TANK,

8-May-07, NOTE AT 0645 F ANN PSI = 170#, FLOW RATE = +/- 80 MCFPD, BLEED WELL OFF ON 3" TO FLOWBACK TANK, WIH W/ 2.875" TBG, PU POWER SWIVEL ON LAST JOINT, TAGGED AT 3290', ESTABLISHED CIRCULATION W/ 1600 SCF/M AIR, 3 GAL SOAP PER 20 BBLS & 1-1/2 GAL INH PER 20 BBLS; WASHED FROM 3290' TO 3294', CIRCULATED CLEAN W/ 2 SWEEPS, POH W/ 2 875" TBG & BHA, LD BIT & BIT SUB, WIH W/ NOTCHED COLLAR, 2 25" SN ON 2 875" P TBG, WIH TAG AT 3290', PU LEFT BTM OF NOTCH COLLAR AT 3212', RU TO SWAB, HAD WRONG SWAB CUPS [OVERSIZED CUPS IN BOX FOR REGULAR CUPS] CWI

<u>9-Mav-07</u>, FREE FLOWING, F ANN PSI = 170# GAS RATE = 60 MCF/D, NOTE, CHART SHOWS RATE WAS IMPROVING, CWI, OPEN SLOWING ON BLOIEE LINE; BLEED PSI OFF; RU SWAB, MADE FIRST RUN FROM SN, RECOVERED LESS THAN 90' OF SCATTERED FLUID, SECOND RUN FROM SN NO FLUID, RIG DOWN SWAB EQUIPMENT WIH & TAGGED AT 3287', TOTAL OF 7' FILL, LD TAG JT, PU TAG JT W/ POWER SWIVEL, ESTABLISHED CIRCULATION W/ 1600 SCF/M AIR, 3 GAL SOAP PER 20 BBLS, 1 5 GAL CORRISION INH IN 30 MINUTES, WASHED FROM 3287' TO 3294', CIRCULATED CLEAN, BLEW FOR 20 MINUTES, LD TAG JT, RACKED OUT POWER SWIVEL, LD TBG, RU SWAB EQUIPMENT, RUN #1 F/ SN AT 3243' NO FLUID, WAITTED 1 HOUR MADE 2ND RUN FROM SN, NO FLUID, RIG DOWN SWAB EQUIPMENT; LAID DOWN JT# 101, LEAVES 100 JTS IN HOLE, RU TRANSFER PUMP MOVED ~ 220 BBLS FROM PIT TO FLOW BACK TANK, RIG DOWN & LOADED 1 BLOIEE LINE, MOVED PIPE RACKS, ON 8TH KEY HAULED 240 BBLS OFF TO THEIR DISPOSAL, TODAY KEY HAULED 360 BW OFF TO THEIR DISPOSAL,

10-May-07, F ANN PSI = 170#, OPEN ON 3" TO FLOW BACK TANK BLEED WELL DOWN; ND BLOIEE LINES, REMOVED STRIPPER RUBBER, REPLACED HANGER RUBBER SEAL RING, LANDED TBG [3221' EOT/ SN 3220'/ 100 JTS TBG] [NOTE: INSTALL STRING FLOAT ABOVE HANGER] LOADED OUT HOTSHOT TRUCK W/ TBG/ FLUSH JT TBG/ CSG; ND BLOIEE LINE & RACKED OUT ND TOP BOP W/ SPOOL & STRIPPER HEAD; ND RIG BOP, [NOTE: USED BLEED OFF TOOL TO BLEED OFF TBG PSI] REMOVED STRING FLOAT, NU WH, INSTAŁLED PLUNGER LIFT EQUIPMENT ON TOP, TIED IN FLOWLINE, LEFT WELL CLOSED IN RD, RIG UNABLE TO MOVE OFF RIG RAMP BECAUSE FOAM UNITS ARE IN WAY, LEFT WELL CLOSED IN NOTE KEY HAULED OFF 360 BBLTO DISPOSAL

11-May-07, MOVED RIG & EQUIPMENT TO JICARILLA B #2

18-May-07, MIRU & SWABBED WELL ATTEMPTING TO GET WELL TO PRODUCE RECOVERED 13 BW UNABLE TO GET WELL TO PRODUCE SWI

21-May-07, MIRUS & SWABBED WELL ATTEMPTING TO GET WELL TO PRODUCE RECOVERED 15 BW UNABLE TO GET WELL TO PRODUCE REVIEWING OPTIONS TO GET WELL TO PRODUCE AND STAY PRODUCING WELL REMAINS SI