DUGAN PRODUCTION CORP. Oscar the Grouch #1 Page 2

Rigged up Hinson Services and Southwest Surveys. Ran GR-CCL from PBTD 1773 - 1000' (Chacra-Pictured Cliffs) Swabbed well down to 1300'. Southwest Surveys perforated Chacra intervals 1604-1611 and 1622-1625. Total 10 perforations, 1 SPF, Bi-wire Glass jets.

Hinson Services swabbed well dry. Waited 30 min. No indication of natural gas; no indication of fluid entry. Shut well in. Will acidize 10-30-81.

- Rigged up Hinson Services. Opened well. No pressure.

 Allied Services acidized well using 250 gal. 15% hydrochloric
 acid. Breakdown 1900#; pumped acid at 2½BPM 650#. Displaced
 with 10 bbl water. Pumped water at 4 BPM 750#. Finish at 3 BPM 650#. Instant shut-in pressure 350#. Swabbed well down. NO
 indication of gas. No indication of fluid entry. Shut well in.
- 10-31-81 MI & RU Hinson Service Co. swabbing unit. 600' fluid in hole.

 Swabbed well down. Making swab run every 15 minutes for one hr.

 Getting 50' fluid per run. S.D.O.N.
- 11-2-81 600' fluid in hole. Made 3 swab runs. Swabbed well down. Waited 15 minutes. Had 50' wtr. last run. Shut well in and moved swabbing unit.