

Conoco Inc.
Daily Drilling Report

| | | | | |
|--|--------------------------------|----------------------------|-------------------------|-------------------|
| Well Name: STATE "KL" 36 NO. 29 | | Date: 7/23/2000 | | Day No: 17 |
| Supervisor: Larry G Nelson | Progress: 20.0 | Depths/Days | AFE #: 8792 | |
| Engineer: David DelaO | Drill Hrs: 1.2 | MD: 7,920 | AFE \$: 313,500 | |
| Rig Phone #: 915 661-2675 | Cum Rot Hrs: 270.60 | TVD: 7,920 | Daily | Cum |
| Rig Name: CAPSTAR 9 | 24 Hr ROP: 16.67 | Proposed TD: 7,920 | Drilling: 38,292 | 176,955 |
| Current Formation: DOLOMITE | Grnd Lvl Elev: 3,504.00 | Spud Days: 17 | Trouble: 0 | 0 |
| Objective Formation: STRAWN | KB to GL: 11.00 | AFE Days: 20 | Lost Time: 0 | 9,907 |
| Spud Date: 7/6/2000 | | Days Remaining: 4.0 | Additional: 0 | 0 |
| Next Well: SEMU #139 | | Total: | 38,292 | 186,862 |

| | | | | |
|-----------------------------|-----------------------|-----------------|-----------------|-----------------------|
| Last Survey: | Last Casing: | LOT/FIT: | MAASP: | Next Casing: |
| Date: TMD INC AZM | Size @ TMD TVD | Type EMW | WT MAASP | Size @ TMD TVD |
| 7/23/2000 7,920 1.250 0,000 | 8.625 1,525 1,525 | | | 5.500 7,920 7,920 |

Current Operation: Logging Open Hole with Schlumberger CUTTING SIDEWALL CORES
Planned Operation: Finish logging and plug out well
Days w/o OSHA Rec: Accident Type: NONE RP Description:
Days w/o LTA: 156
Safety Mgs: DAY = TRIPPING EVE = H2S & TRIPPING. MOR = LOGGING OPEN HOLE

| | | | |
|-------------------------|------------------------------|----------------------------------|---------------------------------------|
| Pit Drill: | Trip Drill: 7/20/2000 | Fire & Abandon Drill: | BOP Test: |
| Type: Low Solids | Depth: 7,920 (ft) | Mud Data | Daily Cost: 19 Cum Cost: 6,917 |

| | | | | | | | | | | | | | | | | | | | | |
|-----------|------------|-----------|-----------|------------|------------|-------------|-----------------------|-----------------|------------------|-------------|------------|------------|------------|-----------|-----------|-----------|-----------|------------|-----------|--|
| WT | Vis | PV | YP | 10s | 30m | Gels | ← Water Loss → | APIW/LCK | HTHPW/LCK | Sand | Slk | Oil | Wtr | pH | Pm | Pf | Mf | MBT | Cl | |
| 10.00 | 30 | | | | | | 10.0 / 1.0 | | | | | | | | | | | | | |

| | | | | |
|------------------------------|------------------------------------|--------------------------------|--|----------------|
| BHA No. 3 | BHA / Hole Conditions | | | Bit No. |
| BHA Wt. Below Jars | Torque | Hrs on Jars | | |
| String Wt. Up 167,000 | String Wt. Dn. 160,000 | String Wt. Rot. 163,000 | | |
| Bha Length: 890.06 | Drill Pipe Length: 7,029.94 | Minimum ID: 2.250 | | |

BHA Item Descriptions
 -BIT, -JB, -DC, -HW

| Bits | | | | | | | | | | | | | |
|-------------|---------|----------|------|-------|-------|-----------|--------------|----------|-----------|--------------------|---------|----------|---------|
| Bit | Size | Manuf. | Type | Class | IADC | Serial No | Jets or TFA | Depth In | Depth Out | I-O-D-L-B-G-O-R | | | |
| 3 | 7.875 | SMITH | F47H | N | 627Y | LY1319 | 13/13/13/111 | 5,249 | 7,920 | 2-1-LT-H-I-I-CT-TD | | | |
| Bit | WOB | RPM | GPM | Press | P Bit | % @ Bit | HSI | Hrs | 24Hr Flge | 24Hr ROP | Cum Hrs | Cum Flge | Cum ROP |
| 3 | 50 / 50 | 65 / 6.0 | 266 | 1,100 | 431 | 39.18 | 1.273 | 1.25 | 20.0 | 16.00 | 137.00 | 2,671.0 | 18.50 |

| Survey Data | | | | | | | | | | Planned Vertical Section Azimuth: | |
|--------------------|-------|---------|----------|--------|---------|---------|------|-----------|--|-----------------------------------|--|
| MD | Inc | Azimuth | TVD | V.Sect | N/S Cum | E/W Cum | DLS | Tool Type | | TOT | |
| 7,920.00 | 1.250 | 0.000 | 7,918.82 | 126.02 | 126.02 | 0.00 | 0.00 | | | 0.00 | |

| Pump / Hydraulic Data | | | | | | | | Total GPM | |
|------------------------------|--------------|----------|-------------|------------|-----|-----------|--------|-------------------------|--|
| No. | Make of Pump | Depth | Stroke (in) | Liner (in) | SPM | GPM (gpm) | Press. | Kill SPM/Pressure/Depth | |
| 1 | Ideco | 7,920.00 | 15,000 | 5,500 | 50 | 262.27 | 1,100 | | |

| Mud Volumes | | | Annular Velocities | | | Bottoms Up | | |
|--------------------|---------|----------------|---------------------------|-------|------------|-------------------|-------|---------|
| String: | 51.6 | Total: 3,181.6 | DP in OH: | 150.8 | DC1: 318.7 | Strokes | 413 | Minutes |
| Annular: | 140.0 | Lost in Hole: | DP in Csg: | 116.4 | DC2: 196.0 | Drill String: | 1,121 | 8.26 |
| Pits: | 2,990.0 | | | | | Annular: | | 22.42 |

| Operation Summary | | | | | | | | | |
|--------------------------|-------|------|-------|------|-------|-----------|-------|---|--|
| From | To | Hrs | Phase | Type | Class | Operation | Depth | Activity | |
| 06:00 | 07:15 | 1.3 | 05 | P | P2 | 02A | 7,920 | DRILLING, ROTARY F77900' TO 7920' | |
| 07:15 | 10:15 | 3.0 | 05 | P | P2 | 05 | 7,920 | CIRCULATE & CONDITION FOR TRIP OUT OF HOLE AND FOR LOGGING OPERATIONS | |
| 10:15 | 19:30 | 9.3 | 05 | P | P2 | 06A | 7,920 | OUT OF HOLE FOR OPEN HOLE LOGGING | |
| 19:30 | 06:00 | 10.5 | 05 | P | P3 | 11A | 7,920 | LOGGING, OPEN HOLE / RUN # 1 PLATFORM EXPRESS/ RUN # 2 CUT 26 SIDEWALL CORES AND RECOVERED 26 CORES / NEXT RUN # 3 RUNNING FMI TOOL | |

24 Hr Summary: DRILL FROM 7900' TO 7920' / CIRC. DROP TOTCO AND TOOH/ HOLD SAFETY MEETING WITH SCHLUMBERGER AND RIG CREWS / TIH W RUN #1/ LOG ON BOTTOM AT 21:30 TD = 7921'(Platform Express) .Run #2 Sidewall cores

| Mud Gas / Circulating System | | | | | | |
|-------------------------------------|-------------------|--------------------|----|------------------|--------------------|--------------------|
| Avg. Conn: | Avg. Trip: | Avg. Bkgrd: | 25 | Shaker No | Shaker Type | Screen Size |
| Max. Conn: | Max. Trip: | Max. Bkgrd: | 30 | | | |

| Personnel | | | | | | Total | 20 | 160.00 |
|---------------------|--------|-------|---------------------------|--------|-------|-------|----|--------|
| Company | Number | Hours | Company | Number | Hours | | | |
| Capstar | 7 | 56.00 | BULL DOG FORKLIFT SERVICE | 1 | 6.00 | | | |
| Conoco | 1 | 12.00 | PRADONS TRUCKING | 4 | 15.00 | | | |
| Advance Mud Logging | | | BANTA FOR HOBBS RENTAL | 2 | 4.00 | | | |
| Schlumberger | 5 | 66.00 | | | | | | |

Remarks / Comments
 Drill to TD of 7920', reached TD at 07:15 07/22/2000, circ for trip out of hole. Started out of hole at 10:15 AM . 07/22/2000 . Out of hole at 19:30 hrs. . Held safety meeting with Schlumberger and rig crew on logging , rig up loggers and go in hole with log run # 1 (platform express) (First tool on bottom at 21:30 and loggers TD was 7921') run # 2 (cut 26 side wall cores and recovered 26 cores) run # 3 FMI LOGGING FROM TD = 7921' TO 7650' at report time we were still logging. MUD USED = 2 sxs of paper no water was hauld / WELL IS A DRY HOLE WILL SET 7 PLUG'S
 Approved by Bill Pritchard with NMOCD 07/23/2000. For David. Delaio with CONOCO to comence plugging operations.