

1256

District I - (505) 397-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Form C-142
Date 06/99

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE

SEP 27 1999

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address EnerQuest Resources, LLC P. O. Box 11150, Midland, TX 79702							OGRID Number 160620	
Contact Party Robert W. Floyd							Phone 915 685-3116	
Property Name Laney "A"					Well Number 2		API Number 30 025 34612	
UL 0	Section 30	Township 18S	Range 39E	Feet From The 853	North/South Line south	Feet From The 1980	East/West Line east	County Lea

II. Date/Time Information

Spud Date 5-20-99	Spud Time 6:00 pm	Date Completed 6-05-99	Pool East Hobbs (San Andres)
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III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of Texas)
County of Midland) ss.

Robert W. Floyd being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature Robert W. Floyd Title President Date 9-02-99

SUBSCRIBED AND SWORN TO before me this 2nd day of September

Sheryl D. Neatherlin
Notary Public

My Commission expires: 5/5/2001

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>Mark P. Speer</u>	Title <u>P.E. Speer</u>	Date <u>SEP 28 1999</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: SEP 28 1999

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2006632702

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.

30-025-34612

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

OIL
WELL ☒

GAS
WELL ☐

OTHER

2. Name of Operator

EnerQuest Resources, LLC

3. Address of Operator

P. O. Box 11150, Midland, TX 79702

7. Lease Name or Unit Agreement Name

Laney "A"

8. Well No.

2

9. Pool name or Wildcat

East Hobbs (San Andres)

4. Well Location

Unit Letter 0 : 853 Feet From The south Line and 1980 Feet From The east Line

Section 30 Township 18S Range 39E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

3606' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☒

PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☒

OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

5-20-99: MIRU CapStar Drilling Rig #8. Spud 12 1/4" hole @ 6:00 pm MST.

5-22-99: TD surface hole @ 1,925'. Ran 44 joints of new 8 5/8" 24# J-55 ST&C casing. Ran 1931.93' overall, set @ 1925' KB elev. Float equipment consisted of notched Tx Pattern Guide Shoe, Insert float & 8 centralizers. Rig up Halliburton to cement. Cement casing w/580 sks Halliburton Light Premium Plus + 0.25 lb/sk flocele. Tail in w/245 sks Premium Plus + 2% CaCl2 + 0.25 lb/sk flocele. Plug down @ 1:00 pm MST. Circ 122 sks cement to pit. WOC total of 12 hrs. Cut off 8 5/8" casing & weld on casing head. NUBOP & pressure test to 1000 psi ok.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Christopher P. Renaud

TITLE Vice President

DATE 5-24-99

TYPE OR PRINT NAME Christopher P. Renaud

TELEPHONE NO. 915 6853116

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

ORIGINAL COPY OF
CERTIFICATE

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-105
Revised 1-1-89

WELL API NO. 30-025-34612
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>		7. Lease Name or Unit Agreement Name Laney "A"	
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <input type="checkbox"/> OTHER <input type="checkbox"/>		8. Well No. 2	
2. Name of Operator EnerQuest Resources, LLC		9. Pool name or Wildcat East Hobbs (San Andres)	
3. Address of Operator P. O. Box 11150, Midland, TX 79702			
4. Well Location Unit Letter <u>0</u> : <u>853</u> Feet From The <u>south</u> Line and <u>1980</u> Feet From The <u>east</u> Line Section <u>30</u> Township <u>18S</u> Range <u>39E</u> NMPM <u>Lea</u> County			
10. Date Spudded 5-20-99	11. Date T.D. Reached 5-27-99	12. Date Compl. (Ready to Prod.) 6-05-99	13. Elevations (DF& RKB, RT, GR, etc.) 3606' GR
14. Elev. Casinghead 3606'			
15. Total Depth 4615'	16. Plug Back T.D. 4610'	17. If Multiple Compl. How Many Zones? NA	18. Intervals Drilled By Rotary Tools <input checked="" type="checkbox"/> Cable Tools <input type="checkbox"/>
19. Producing Interval(s), of this completion - Top, Bottom, Name 4499' - 4603' San Andres			20. Was Directional Survey Made Yes
21. Type Electric and Other Logs Run GR-CNL-LDT-DLL-MSFL			22. Was Well Cored No

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24	1925	12 1/4"	825 sks "C"	0
5 1/2"	15.50	4615	7 7/8"	485 sks "C"	0

24. LINER RECORD				25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET
					2 7/8	4520

26. Perforation record (interval, size, and number) 4499-4603, 0.5", 52 perforations	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	4499-4603	2250 gals 15% NEFE HCL

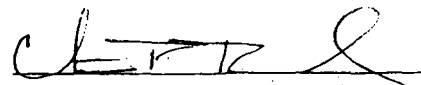
28. PRODUCTION							
Date First Production 6-06-99		Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping, 1 1/2" Insert				Well Status (Prod. or Shut-in) Prod	
Date of Test 6-15-99	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl. 22	Gas - MCF 9	Water - Bbl. 184	Gas - Oil Ratio 409
Flow Tubing Press. NA	Casing Pressure 17 psi	Calculated 24-Hour Rate	Oil - Bbl. 22	Gas - MCF 9	Water - Bbl. 184	Oil Gravity - API - (Corr.) 31	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold to GPM	Test Witnessed By Jerry Guy, Hobbs, NM
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30. List Attachments Deviation Survey Record, GR-CNL-LDT-DLL-MSFL logs

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature



Printed
Name

Christopher P. Renaudie Vice President

Date 6-17-99

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy 1841	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates 3006	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers 3472	T. Devonian	T. Menefee	T. Madison
T. Queen 3712	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg 4260	T. Montoya	T. Mancos	T. McCracken
T. San Andres 4434	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinbry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T.	T. Wingate	T.
T. Wolfcamp	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from 4434 to 4615
 No. 2, from to
 No. 3, from to
 No. 4, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from to feet
 No. 2, from to feet
 No. 3, from to feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
Surf	1841	1841	Red Beds				
1841	3006	1165	Anhy & Salt				
3006	3106	100	Sd, Sh, Anhy & Salt				
3106	3472	366	Anhy, Salt & Dol				
3472	3964	492	Sd, Anhy & Sh				
3964	4260	296	Anhy, Sd				
4260	4405	145	Anhy, Dol & Sh				
4405	4434	29	Sandy Dol				
4434	4615	181	Dol				

PROPERTY	PROPERTY NAME	DECK	EFFECTIVE DATE	OWNER	OWNER NAME	D.D.I.	PREPAYMENT LEASE WELL	COST CTR.	AFIL CODE
NMLAN -A02	LANEY "A"#2	1	06/01/99	LAR7900	CAROLYN LARSON 8895 ROBIN HOOD DRIVE LA JOLLA CA 92037	0.00273888	NMLAN -A02	0	N
				LON2700	LONE STAR OIL & GAS A TEXAS CORPORATION P O BOX 2735 MIDLAND TX 79702	0.00809986	NMLAN -A02	0	N
				OLI6100	VIRGINIA G. OLINCY TRUST 10960 WILSHIRE BLVD. #1111 LOS ANGELES CA 90024	0.03286625	NMLAN -A02	0	N
				PAR5100	MATTHEW J. PARSLEY MIDLAND TX	0.08308382	NMLAN -A02	0	N
				SMI8200	ARMAND SMITH, JR. MIDLAND TX	0.08308419	NMLAN -A02	0	N
				STI6100	MARIE URFER STINNETT 5108 FOREST VIEW DRIVE SAN JOSE CA 95129	0.00547776	NMLAN -A02	0	N
				TOD2500	TODD PERKINS OIL AND GAS, INC. P O BOX 1109 INGRAM TX 78025-1109	0.05203369	NMLAN -A02	0	N
				URF2700	JAMES F. URFER 65 EUCALYPTUS KNOLL MILLS VALLEY CA 94941	0.00547776	NMLAN -A02	0	N
				VAN9110	JAMES F. VAN VRANKEN 120 ENCHANTED DRIVE GEORGETOWN TX 78628	0.00273888	NMLAN -A02	0	N
				VAN9120	ROBERT G. VAN VRANKEN, JR. ROUTE 6, BOX 124 TAHLEQUAH OK 74464	0.00273888	NMLAN -A02	0	N
				WHI7910	WHITE STAR ROYALTY CO., L.L.C. P O BOX 18693 OKLAHOMA CITY OK 73154-0693	0.04005635	NMLAN -A02	0	N
*** DECK TOTAL 24 OWNERS						1.00000000			

ENERQUEST RESOURCES, LLC

DAILY DRILLING REPORT

Well Name: Laney "A" No. 2

Operator: EnerQuest Resources, LLC

Location: 853' FSL & 1980' FEL
Sec. 30, T-18-S, R-39-E,
Lea County, NM

Projected TD: 4,650'

Elevation: 3,606' GL
3,615' KB

Contractor: CapStar Drilling
Rig No. 8

1999

05-13: Complete location construction. Wait on drilling rig. Anticipate spud date on or about 5-19-99.

DWC: \$5,550

CWC: \$5,550

05-19: Plastic line reserve pits & commence filling w/water. Will MIRURT 5-20-99.

DWC: \$1,740

CWC: \$7,290

05-20: MIRU CapStar Rig #8. Anticipate spudding well afternoon of 5-20.

05-21: Drlg @ 1,024' in red bed @ 113'/hr. WOB 45M. Rotary RPM 85. Dev 1/2 deg @ 480', 3/4 deg @ 979'. Mud: Native Fresh, Wt. 8.8, Vis 30. Bit No. 1: 12 1/4", Varel S27C, Jets 3-13, in @ 0', has made 1,024' in 9 hrs. MIRU 14 hrs, Drlg 9 hrs, Survey 1 hr. REMARKS: Spud 12 1/4" hole @ 7:00 pm CST 05-20-99.

DWC: \$9,060

CWC: \$16,350

05-22: Circ @ surf hole TD of 1,925' in anhy, made 901' in 23 hrs. WOB 45M. Rotary RPM 85. Dev 1 1/4 deg @ 1,474'. Mud: Native Fresh, Wt. 9.2, Vis 33, pH 8. Bit No. 1, in @ 0', out @ 1,925', made 1,925' in 32 hrs. Drlg 23 hrs, Survey 1/2 hr, Circ 1/2 hr. REMARKS: Prep to TOH to run 8 5/8" surf csg.

DWC: \$8,480

CWC: \$24,830

05-23: Drlg @ 2,035' in anhy, made 110' in 2 hrs. WOB 20/45M. Rotary RPM 75. Dev 3/4 deg @ 1,925'. Mud Wt. 10.1, Vis 29, pH 9. Bit No. 2: 7 7/8" Varel Type ETD37, in @ 1,925', has made 110' in 2 hrs. Drlg 2 hrs, Circ 1/2 hr, Trip 6 hrs, Run Csg 3 1/2 hrs, Cmt 1 1/2 hrs, WOC 3 hrs, Cut Off & Weld On Head & NU BOP 5 1/2 hrs, Test BOP 1 hr, Drlg Cmt & Plug 1 hr. REMARKS: TD 12 1/4" surf hole @ 1925' & circ 1 hr. TOH. TIH w/44 joints of new 8 5/8" 24# J-55 ST&C csg, 1931.93' overall, set @ 1925' KB. Float equip consisted of Tx Pattern notched guide shoe, insert float & 6 centralizers. Rig up Halliburton. Cmt w/580 sks Halliburton Light Premium Plus + 0.25 lb/sk flocele. Tail in w/245 sks Premium Plus + 2% CaCl2 + 0.25 lb/sk flocele. Plug down @ 2:00 pm CST 5-22-99. Circ 122 sks to pit.

DWC: \$20,910

CWC: \$45,740

05-24: Drlg @ 3,218' in anhy & salt, made 1,183' in 22 1/2 hrs. WOB 20/45M. Rotary RPM 75. Dev 1 deg @ 2410', 1 3/4 deg @ 2907', 1 1/2 deg @ 3156'. Mud Wt. 10.1, Vis 29, pH 10. Bit No. 2 has made 1,293' in 24 1/2 hrs. Drlg 22 1/2 hrs, Survey 1 1/2 hrs. REMARKS: Commenced mud logging @ 2,900'.

DWC: \$11,345

CWC: \$57,085

Page 2

EnerQuest Resources, LLC

Laney "A" No. 2

853' FSL & 1980' FEL

Sec. 30, T-18-S, R-39-E

Lea County, NM

DAILY DRILLING REPORT

1999

05-25: Drlg @ 3,806' in anhy, made 588' in 23 1/2 hrs. WOB 15/45M. Rotary RPM 65. Dev 1 1/4 deg @ 3,650'. Mud Wt. 10, Vis 29, pH 10. Bit No. 2 has made 1,881' in 48 hrs. Drlg 23 1/2 hrs, Survey 1/2 hr.

DWC: \$5,660

CWC: \$62,745

05-26: Drlg @ 4,225' in anhy & dol, made 419' in 23 1/2 hrs. WOB 15/43M. Rotary RPM 65. Dev 3/4 deg @ 4147'. Mud Wt. 10, Vis 29, pH 10. Bit No. 2 has made 2,300' in 71 1/2 hrs. Drlg 23 1/2 hrs, Survey 1/2 hr.

DWC: \$4,200

CWC: \$66,945

05-27: LDDP & DC to run OH logs @ 4,615' TD in dol, made 390' in 19 1/2 hrs. WOB 45M. Rotary RPM 60. Mud Wt. 10, Vis 30, WL 10, pH 10. Bit No. 2 in @ 1925', out @ 4615', made 2690' in 91 hrs. Drlg 19 1/2 hrs, Circ 2 1/2 hrs, TOH 2 hrs. REMARKS: Mud Log Structure Picks - T/San Andres @ 4432' (-817'), T/P1 @ 4441' (-826'), T/P2 @ 4481' (-866'). Structural position & sample shows are as expected. Prep to run OH logs & then run 5 1/2" production csg.

DWC: \$7,900

CWC: \$74,845

05-28: Final report @ 4,615' TD. LDDP & DC 3 hrs, Logging 5 hrs, Run Csg 4 hrs, Cmt 2 hrs, WOC & NDBOP & Set Slips 3 hrs, Cut Off Csg 1 hr. REMARKS: RIH w/ new 5 1/2" 15.50 lb/ft LT&C Csg as follows: 5 1/2" float shoe, 1 - 40.93' shoe joint, 5 1/2" float collar, 113 joints 5 1/2" casing. Ran total of 114 joints 5 1/2" csg, 4631.08' overall, set @ 4615' KB elev. Bottom 4 joints casing have been "rough coated". Centralized bottom 10 joints casing. Rig up Halliburton to cmt. Circ 1 hr. Precede cmt w/20 bbl fresh wtr spacer, 500 gals "Superflush 102", & 20 bbl fresh wtr spacer. Cmt w/185 sks Halliburton Light Premium Plus + 5 lb/sk salt + 0.25 lb/sk flocele. Tail in w/300 sks Premium Plus 50/50 Pozmix "A" + 2% Gel + 5 lb/sk salt + 0.6% Halad 322 + 0.25 lb/sk flocele. Had full returns thru job. Bumped plug @ 8:30 pm CST 5-27-99. Floats held ok. Release CapStar. Rig No. 8 @ 1:00 am CST 5-28-99. FINAL DRILLING REPORT.

DWC: \$30,440

CWC: \$105,285

ENERQUEST RESOURCES, LLC

DAILY COMPLETION REPORT

Well Name: Laney "A" No. 2

Operator: EnerQuest Resources, LLC

Location: 853' FSL & 1,980' FEL
Sec. 30, T-18-S, R-39-E
Lea County, NM

PBTD: 4,610'

Elevation: 3,606' GL
3,615' KB

Contractor: Pool Company
Hobbs, NM

1999

05-28: Move out CapStar Rig #8. Set safety anchors. Fill in cellar & level location.
DWC: \$1,150 CWC: \$106,435

05-29: Deliver & set used Lufkin C228D-173-100 pumping unit. Will commence completion operations on 06-01-99.
DWC: \$16,390 CWC: \$122,825

06-01: MIRUSU & set pipe racks. Unload & tally 150 joints of used "yellow band" 2 7/8" 6.5# J-55 tubing. NU tubing head & NUBOP. Set test tank. TIH w/used 4 3/4" bit, bit sub, 6 - 3 1/2" drill collars, xover sub, & 2 7/8" tubing. Tag up @ 4575' KB (by tbq tally). Rig up reverse equipment. Drill out float collar & 35' of shoe joint to 4,610'. Circ hole clean while displacing w/ 2% KCl water. Close BOP & pressure test casing to 1500 psi ok. Lay down reverse equipment & TOH. LDDC. Rig up wireline company & run GR-CBL-CCL from PBTD of 4610' - 3000'. Secure well & SDON due to darkness. Prep to perf in am.
DWC: \$15,900 CWC: \$138,725

06-02: Perf following intervals w/ 1 SPF using 4" hollow carrier csg gun: 4600-4603, 4590-4594, 4580-4584, 4564-4570, 4554-4559, 4542-4546, 4528-4534, 4509-4515, 4499-4504. Total of 52 perforations. Rig down wireline. RIH w/ Baker 5 1/2" PPI tools. Set & test tools & tubing @ 4345' to 3000# ok. Unset tools & pump thru ICV valve ok. Use mechanical collar locator to get on depth to CCL log. Hook up Dowell to perform PPI acid job on all perfs using 15% NEFE HCL @ 50 gals/ft of perf as follows:

<u>Interval</u>	<u>Breakdown Pressure</u>	<u>Treating Pressure</u>	<u>Rate</u>
4600-03	1600 psi	800 psi	0.7 BPM
4590-94	1260 psi	800 psi	0.7 BPM
4580-84	1490 psi	900 psi	0.6 BPM
4564-70	1425 psi	900 psi	0.6 BPM
4554-59	1410 psi	900 psi	0.6 BPM
4542-46	950 psi	850 psi	0.8 BPM
4528-34	1180 psi	980 psi	0.7 BPM
4509-15	1280 psi	950 psi	0.7 BPM
4499-04	1300 psi	1000 psi	0.6 BPM

Acidized w/total of 2,250 gals 15% NEFE HCL. Rig down Dowell. Move tools to 4440'. Pump 10 bbls 2% KCl wtr down csg. Fish ICV valve & then dart. Set tools @ 4440'. Rig up to swab to test tank. 120 BLWTR. IFL @ 1500' FS. Made total of 3 swab runs. Blew acid gas for 45 minutes after run #2 from

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Page 2
EnerQuest Resources, LLC
Laney "A" No. 2
853' FSL & 1980' FEL
Sec. 30, T-18-S, R-39-E
Lea Co., NM

DAILY COMPLETION REPORT

1999

06-02: seating nipple. FFL @ 3200' FS. Recovered 19 BLW w/slight oil show. 101 BLWTR. Secure well & SDON @ 8:30 pm CST. Prep to swab well in am.
DWC: \$8,070 CWC: \$146,795

06-03: 11 1/2 hr SITP 100 psi. Bleed off press & rig up swab. IFL @ 2700' FS. Swabbed well total of 10 hrs, recovered 113 bbls fluid, 12 bbls in excess of acid load volume. FFL 3800' FS. Oil cut is **ROUGHLY** estimated @ 7% @ end of day & slowly improving. Fluid is highly emulsified oil/spent acid water w/heavy fines precipitate. Unable to get accurate shake out of oil sample and unable to accurately Kolor Kut test tank due to emulsion. Added emulsion breaker chemical to test tank and will try to accurately gauge tank in am. Prep to resume swab testing in am.
DWC: \$1,950 CWC: \$148,745

06-04: 14 hr SITP 40 psi. Bleed off pressure & rig up swab. IFL 2700' FS. Run No. 1 had good show of free oil on top (approx 200'). Swabbed well total of 10 hrs, 34 total runs. Recovered 132 bbls of total fluid. FFL 3600' FS. Oil cut varied throughout day from 5% - 15%. Fluid began cleaning up towards later part of day. Took sample to Halliburton for analysis @ 11:30 am CST. Results as follows:

Sample Temp	87 deg F
Resistivity	0.1427
Specific GR	1.035
pH	5.89
Calcium	4,750 mpl
Magnesium	2,700 mpl
Chloride	30,250 mpl
Sulfates	800 mpl
Bicarbonates	118 mpl
Soluble Iron	Small
Sodium	9,491 mpl
TDS	48,109

Halliburton lab tech concluded that this water is still primarily spent acid water, with some drilling fluid & formation water. This conclusion was reached mainly due to the low pH & high chloride count. Decision made to place well on pump test on 6-05-99.

DWC: \$2,325 CWC: \$151,070

06-05: 14 hr SITP 40 psi. Make 1 swab run. IFL @ 2700' FS. Pulled 1300' fluid & had approx 300' free oil on top. Rest of run averaged about 7% oil cut. Rig down swab. Open bypass on PPI & allow to equalize. Unset tools & TOH. Run production string tbg as follows:

- 1 - 2 7/8" BPMA @ 4519.62'
- 1 - 2 7/8" x 4' perf sub
- 1 - 2 7/8" SN @ 4483.33'
- 4 joints 2 7/8" tbg
- 1 - 2 7/8" x 5 1/2" TAC @ 4358.99'
- 140 jts 2 7/8" tbg

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06-05: (Cont.) NDBOP & set TAC. Rig up to run rod string as follows:

- 1 - 1 1/4" x 10' gas anchor
- 1 - 2 1/2" x 1 1/2" x 16' pump
- 1 - 7/8" x 2' sub
- 8 - 7/8" Grade "D" rods
- 120- 3/4" Grade "D" rods
- 50 - 7/8" Grade "D" rods
- 1 - 7/8" x 8' sub
- 1 - 7/8" x 6' sub
- 1 - 1 1/4" x 22' polish rod w/ 1 1/2" x 14' liner.

Space out pump & hang well on production to tank battery. Commence pump testing @ 6:00 pm CST 6-05-99. 46 BLWTR from backside above packer.

DWC: \$9,995 CWC: \$161,065

06-06: 15 hr pump test. 1 BO & 100 BW & Gas TSTM.

06-07: 24 hr pump test. 3 BO & 157 BW. Sent wtr sample to Halliburton lab for analysis. Results as follows:

Sample Temp:	74 Deg F	Resistivity	0.347
Spec Gr:	1.015	pH	6.60
Calcium	700 mpl	Magnesium	480 mpl
Chlorides	11,750 mpl	Sulfates	671 mpl
Bicarb	665 mpl	Sol Iron	0 mpl
Sodium	6482 mpl	TDS	20,748 mpl

Although chlorides are still high, this water sample appears to be approaching the normal properties for our produced San Andres water.

06-08: 24 hr pump test. 5 BO & 165 BW.

06-09: 24 hr pump test. 9 BO & 170 BW & 7 MCF. Fluid sample at bleeder is 8% oil & gas improving. Definite improvement daily. Will continue pump testing

06-10: 24 hr pump test. 11 BO & 187 BW & 8 MCF.

06-11: 24 hr pump test. 15 BO & 185 BW & 8 MCF.

06-12: 24 hr pump test. 17 BO & 175 BW & 8 MCF.

06-13: 24 hr pump test. 19 BO & 180 BW & 9 MCF.

06-14: 24 hr pump test. 20 BO & 182 BW & 8 MCF. Shoot fluid level. 125 jts to fluid. FL 3,892' FS. FAP 591'. Will shoot FL again on 6-18-99.

06-15: 24 hr pump test. 22 BO & 184 BW & 9 MCF.

06-16: 23 1/2 hr pump test. 21 BO & 183 BW & 9 MCF.

06-17: 24 hr pump test. 19 BO & 184 BW & 11 MCF.

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- 06-18: 24 hr pump test. 20 BO & 183 BW & 10 MCF. Shoot fluid level. 136 jts to fluid. FL 4234' FS. 249' FAP.
- 06-19: 24 hr pump test. 18 BO & 185 BW & 13 MCF.
- 06-20: 24 hr pump test. 18 BO & 187 BW & 16 MCF.
- 06-21: 24 hr pump test. 20 BO & 186 BW & 17 MCF.
- 06-22: 24 hr pump test. 18 BO & 182 BW & 16 MCF.
- 06-23: 24 hr pump test. 19 BO & 178 BW & 16 MCF.
- 06-24: 24 hr pump test. 22 BO & 180 BW & 17 MCF. Drop from daily report. Will continue pump test for 2-3 weeks to evaluate for further remedial work.
- 08-01: MIRUSU. Will pull rods, pump & tubing. Plan on running packer to 4575' to isolate P-4 perforations 4580 - 4603. Will pump test P-4.
DWC: \$220 CWC: \$220
- 08-02: Remove horse head. Unseat pump & TOH w/ rods & pump. Rig up to pull tbg. Release anchor & strap out of hole w/ tubing string. RIH w/ 5 1/2" Lok-Set Pkr, SN, & 148 jts 2 7/8" tbg. Tag PBTD @ 4609'. Pull 1 joint & set Lok-Set Pkr @ 4575'. Total of 147 jts tbg in hole. Flange up wellhead & prep to run rods. RIH w/ 2 1/2" x 1 1/2" x 16' pump, 2' x 7/8" sub, 8 - 7/8" rods, 120 - 3/4" rods, 54 - 7/8" rods, 6' x 7/8" sub & polish rod. Space out pump & hang well on. Rig down pulling unit & start well pumping @ 6:00 pm CST.
DWC: \$1,515 CWC: \$1,735
- 08-03: 17 hr pump test. Est 15 BO & 151 BW.
- 08-04: 24 hr pump test. Est 31 BO & 206 BW.
- 08-05: 24 hr pump test. Est 18 BO & 165 BW.
- 08-06: 24 hr pump test. Est 20 BO & 168 BW.
- 08-07: 24 hr pump test. Est 16 BO & 146 BW.
- 08-08: 24 hr pump test. Est 19 BO & 139 BW.
- 08-09: 24 hr pump test. Est 17 BO & 140 BW.
- 08-10: No report. Well meter not functioning properly.
- 08-11: 24 hr pump test. Est 18 BO & 134 BW.
- 08-12: 24 hr pump test. Est 17 BO & 131 BW.
- 08-13: 22 1/2 hr pump test. Est 18 BO & 129 BW.

