Case 2768

EXHIBIT NUMBER 1

Well History Report

| ERNEST A. HANSON & HAROLD KERSEY - #1 H. & K. Federal | |
|---|---|
| Field Well - Red Lake Eddy Cou | Field (Grayburg - San Andres) nty, New Mexico |
| Location: | 2310' FNL & 330' FWL Sec. 14, T. 17 S., R. 28 E., N.M.P.M. Eddy County, New Mexico |
| Elevation: | 3718' D.F. |
| Drilling Contractor: | Kersey & Company Artesia, New Mexico |
| Type Drilling Rig: | Cable Tool |
| Commencement: | October 11, 1962 |
| Completed: | January 15, 1962 |
| Casing Program: | 10-3/4" @ 232' w/pulled 8-5/8" @ 499' w/50 sx. 5-1/2" @ 2096' w/100 sx. |
| Total Depth: | 2179' sand |
| P. B. Total Depth: | 2096' dolomite |
| Perforations : | 2 jets per foot at 1674-1688' (Queen Fm.), 2020-2024' and 2030-2034' (Grayburg Fm.) |
| Treatment: | HOWCO 5-1/2" straddle packers were set at 1667' and 1697' on 3", N-80 tubing. Grayburg perforations were treated with 13,900 gals. lease oil and 20,000 lbs. 20-40 sand. Queen perforations were treated with 17,000 gals. lease oil and 20,000 lbs. 20-40 sand. |
| Logs: | Gamma Ray - Density (Schlumberger) |
| Drilling Shows: | 190-195' Water 950-962' Trace of gas 1015-1025' Trace of gas & soum of oil 1680-1700' Gas & oil stain. 1 hr. test; no free oil 1740-1750' Gas & oil stain. 1 hr. test; no free oil 2036-2047' Oil stain. 1 hr. test; no free oil 2186-2198' Gas & salt water; approx. 600' IWIH |

Exhibit Number 1 - Cont'd.

Queen Fa. and Gravburg Fa. flowing 24 hrs. through Production Tests: 2-3/8" tubing on a 1/4" choke: 10 B0 and 54,400 CFGPD. 24 hour SIP 540 lbs. Queen Fm. flowing 24 hours through 5-1/2" casing annulus and 2-3/8" tubing on 1/2" choke: 54,400 CFGPD with a trace of oil. 24 hour SIP 540 lbs. Gravburg Fm. swabbing through 2-3/8" tubing : 10 BOPD. 24 hour SIP 315 1bs.* *Gas depletes to trace after initial flow. Flowed 54,400 CFGPD (Queen Fm.) Initial Production: Swabbed 10 BOPD (Grayburg Fm.) **Oil Purchaser:** McWood Corporation Abilene, Texas Gas Purchaser: Phillips Petroleum Co Bartlesville, Oklahome Well Status: Producing oil and gas well. Geological Fm. Tops: Yates Fn. 6541 Seven Rivers Fm. 818' Queen Fm. 1464 ' Penrose sd. 1594' 1872' Grayburg Fn. Metex sd. 20201

> Premier sd. San Andres Fm.

1. A Harry F. Schram, Geologist

2173'

Ernest A. Hanson

2213' (estimated)