Conditions of approval, if any:

RU Computalog. GIH w/ gauge ring to 11,000'. POOH, PU chemical cutter. GIH & cut tbg at 11000'. POOH. RD Computalog. RU tst. Tst tbg OOH to 8000 psi, lost 6 jts w/ bad threads. 1 jts w/ hole in threads. Stood back 290 jts 8825.05'. LD 39 jts. Elevators sticking to upset on tbg. 75 psi on csg. Open well. Blow dn well. Change out elevator. Finish LD tbg. 71 and a cut off. 361 total recovery, plus cut off. GIH w/ gauge ring & junk basket +10 11,000'. Run tie in strip. POOH. GIH w/ 7" CIBP. Run strip. Set at 9500'. POOH. Start loading csg. PU bailer. Fill w/ cmt. Dump 20' of cmt on plug in two runs. Load csg w/ 200 bbls. Pressure up to 2000 psi, held 5 min ok. PU perf gun. GIH, perf 2nd Bone Springs 8798—8805', 8785-8791, 8756-8770 and 8744-8748. PU arrow 1x pkr, GIH & set at 8708'. OHSBC inspected rig & contractors. RD Computalog. PU latch tool. GIH w/ 15 stands. Blow well dn. GIH w/ tbg. RU PetroPlex while GIH at 8700'. Pkr not set. U 24 jts tag at 9500'. Caught pkr. Blew plug out of pkr at 8440' w/ 1200 psi. POOH w/ tbg. Lay pkr and on & off. Tool dn. PU double grip. HD pkr 7'x2-7/8". GIH w/ 284 jts + 8660'. Set pkr. Pressure up to 750 psi on csg. Held ok. Tst lines to 4000 psi. ok. Started dn hole perf broke at 4100 psi. csg increased to 1900 psi. bled csg dn to 740 psi. Pmp job csg pressure increased w/ acid on for motion. Dropped 100 balls, ISIP 2490. Mad press 4100. Avg 3260 psi. Total load 122.7 bbls. Avg rate 4.4 BPM. Total acid 2000 gals. 15% NEFE. Flowed well back after 30 min. Recovered approx 11 bbls.

No pressure on BOP. RU tst. PU 7" x 2-7/8" arrowset pkr. (10k). GIH w/ setting tool, SN, 283 jts, of 2-7/8" tbg. ND BOP. Set pkr at 8646'. Tst tbg in hole to 8000 psi. tst ok. No leaks. RD tst. NU tree. Pmp into formation at 2400' psi (8 bbls). No leaks or pressure increase on csg. Pressure up on csg. Held 750' psi. ok. Well ready to frac. Release PU crew. Cleaned out and set last frac tnk. T&W filled tst tnk w/ fresh wtr.

RU Schlumberger. Frac well. Communication between the & the annuals while on 7# sand. SD. Flowed well back to tak. Pmp 40 bbls dn csg while flowing well back. 702 bbls on open vlv in 2 hr 30 min. Check pressure on csg annulus 10.50 psi w/ well SI. Reduced to 250 psi, while flowing back. Installed choke & set on 32/64". Flowing well back at 400 psi w/ pressure falling slightly. Lost 50 psi in 1 hr, rate approx 65 bbls/ hr. ban steel line from choke to FL (removed hose). Left well flowing overnight.

7 AM - well flowing 100-140 psi. Made 646 bbls overnight. Total recovered 1348 at 5:50 AM. Cut at WH 30-40% light yellow oil. LD 14 stands in doubles out of derrick. 2 hr gauge 40 bbls. Approx 20 bbls/hr. 4:50 PM - well going but not moving fluid. MIRU PU.

7:00 AM - well flowing. Stand by.

8:40 AM - 2-1/2 hr check. 23 oil 13 wtr. TP - 0-125 psi.

1:20 PM – well gassing. No fluid. PU swab cups. GIH to swab FL at 3000' gas cut pulled from 5000'. Rec 10 bbls. 2nd run flat 1500 gas cut. Pulled from 4500'. Rec 7 bbls. 3rd run flat 200 gas cut pulled from 2200'. Rec 7 bbls. Well flowing 100 psi. Tbg press 4/14" – 3/4"' full open choke 357 total/ 223 oil/ 134+ wtr.

5:30 PM - RD swab lubricator. Open well to tnk. Equalize tnk. TOP 70 - 120 psi.

RD Lucky. RU Reeco to start swabbing. Well flowed then died. 1st run gas cut. Fluid from below surface to 8100'. Pulled from 8500'. 2nd run fluid scattered. FL at 6200'. Pulled from 8500'. 3rd run FL 8300'. Pulled from 8500'. 4th run fluid scattered pulled from 8500'. Made 4 bbls. 5th run fluid scattered pulled from 8550'. Recov 5 bbls. 6th run. 7th run, 8th run – no recovery. 9th run wait 1 hr. Fl at scattered. Recovered 7 bbls. 10th run FL at 7900'. Recov 4 bbls. 11th run FL at 7400' scattered recovered 3 bbls. 12th run FL at 8200'. Pulled from 8550'. Recovered 2 bbls. SWIFN at 5:30 PM. Total recovery – 90 bbls (swabbed & flowed) color cut 50 wtr. 40 oil. 12 runs total left well open to tnk.

TP 840, CP 570, Intermediate 540. Open Tbg & Csg to frac tank. Blow dn well. Recovered unknown quantity of fluid. Kill well. ND WH. NU BOP. Work to open pkr bypass. Would not open. Come off on-off tool & equalize backside. Latch on to pkr and work loose. TOOH w pkr dragging and hanging on csg collars. Stuck pkr 65 1/2 jts out. Pmp wtr dn backside and work pkr up and dn. Came free. Pull a total of 128 jts w/ pkr dragging 2-4 pts all the way. Rig slips broke. SD for repairs.

Finish POOH w/ tst pkr. PU 3 1/2 OD MHMA w /purge vlv and TIH, SN, 10 Jts, 7" TAC, and 281 jts 2 7/8 tbg. Did not tag. LD one joint. (btm of MHMA at least 32' off btm). Land tbg. Strip off BOP & adapter spool, set TAC w 20 pts tension. Strip on 10K to 6" 900 adapter, screw on B1 Bonnet. Flange up WH. PU 2 1/2 X 1 1/4 X 24' BHD pmp w 10' GAC extension & 16' Stanley Filter and TIH on 1 3/4 rod. Close rod stripper. Secure well. Break bundles & Prep all new 3/4 N-97 rods for running.

No pressure on well. TIH w 225 3/4 N-97 rods w FHT cplg. TIH w 127 7/8 N-97 rods w FHT cplg and molded rod guides and snowballs. Install 1 1/2 X 30' PR, 1 3/4 liner, rod rotator, clamp and stuffing bx. Space out. Hang rods on beam. Could not install door in carrier bar. Not enough room for 1 1/2 PR. Remove horse head. LD 1 1/2 PR, liner, clamp, stuffing bx, and rod rotator. PU 1 1/4 X 22' PR, 1 1/4 X 1 1/2 X 16' liner, clamp, rod rotator, and stuffing bx. PU Horses head. Space out. HWO. RDMO.

Hook up WH. Hook up electrical. On Production 7-31-05 @ 4 PM.