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***See Instruction on Reverse Side**

FASKEN OIL AND RANCH, LTD.
MARALO "34" FEDERAL NO. 4

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Location: 660' FNL & 1550' FWL, Sec. 34, T20S, R27E, Eddy County, New Mexico

NOTE: Spudded well at 1:15 am CDT 4-4-2001.

Drilled 17-1/2" hole to 427' with full returns. Set 13-3/8" 48.0#/ft H-40 ST&C casing at 406'. Cemented casing with 440 sx Class "C" with 2% CaCl₂ (s.w. 14.8 ppg, yield 1.34 ft³/sx). Plug down at 11:10 pm CDT 4-4-01. Circulated 45 sx excess cement.

Drilled 12-1/4" hole to 2297'. Lost complete returns at 1250'. Regained full returns by 1380'. Set 9-5/8" 36.0#/ft J-55 LT&C casing at 2290'. Cemented casing with 600 sx Class "C" with 4% gel, 2% CaCl₂ and 1/4 # celloflake (s.w. 13.5 ppg, yield 1.74 ft³/sx) and 200 sx Class "C" with 2% CaCl₂ (s.w. 14.8 ppg, yield 1.32 ft³/sx). Plug down at 8:40 pm CDT 4-8-01. Circulated 329 sx excess cement.

Drilled 8-3/4" hole to 11,100'. Set 5-1/2" 17.0# N-80 LT&C casing at 11,114' with DV tools at 8503' and 5015'. Cement in three stages as follows:

1st Stage: 10 bfw, 500 gallons Mud Clean II, 10 bfw, 700 sx Super "C" Modified (CSE) with 1.1% FL-25 and 0.3% CD-32 (s.w. 14.0 ppg, yield 1.33 ft³/sx). Plug down at 9:15 pm CDT 5-7-01. Circulated 126 sx cement.

2nd Stage: 10 bfw, 650 sx BJ Lite "C" with 6% gel, 0.3% FL-25 and 0.4% FL-62 (s.w. 12.6 ppg, yield 1.89 ft³/sx) plus 100 sx Class "H" neat (s.w. 15.6 ppg, yield 1.18 ft³/sx). Plug down at 4:50 am CDT 5-8-01. Circulated approximately 10 bbl of preflush water.

3rd Stage: 100 bbls. of 3% KCl water containing 10 gallons corrosion inhibitor plus 775 sx Super "C" Modified (CSE) with 1.1% FL-25 and 0.3% CD-32, 0.3% SMS and 5% salt (s.w. 14.2 ppg, yield 1.33 ft³/sx). Plug down at 12:15 pm CDT 5-8-01. Lost complete returns after pumping 60 bbl displacement. Top of cement in 5-1/2" x 9-5/8" annulus at 1600' per temperature survey.