

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other		5. Lease Serial No. NM 65441
2. Name of Operator Pure Resources, L. P.		6. If Indian, Allottee or Tribe Name NA
3a. Address 500 W. Illinois, Midland, Texas 79701	3b. Phone No. (include area code) 432 498-8662	7. If Unit or CA/Agreement, Name and/or No. 33690
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1310' FSL & 1310' FWL UL M, Sec. 24, T-26-S, R-34-E		8. Well Name and No. Madera "24" Federal #1
		9. API Well No. 30-025-36666
		10. Field and Pool, or Exploratory Area Wildcat (Morrow)
		11. County or Parish, State Lea County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation
☐ Final Abandonment Notice	☐ Casing - Repair	☐ New Construction	☐ Recomplete
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal
			☐ Water Shut-Off
			☐ Well Integrity
			☒ Other 2nd Intermediate
			Casing/Cement
			Sundry

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

2nd Intermediate Casing

On 10/29/2004, RIH w/ 405 Jts 7-5/8" 39# P-110 casing and set @ 13,400' w/950sx Interfill H cmt. w/ 1/4# Flocele per sk, 5lb Gillsomite, .3% HR-5 mixed @ 13.65 GPS (Yld: 2.469 ft3/sk, Wt: 11.9 PPG) Lead, followed by 200sx Interfill H cmt. w/5% Halad, .3% HR-5 mixed @ 5.18 GPS (Yld: 1.182 ft3/sk, Wt: 15.6 PPG) Tail. Cmt. did not circulate. Safety mtg. w/NU crew. RUNU crew, ND BOP, set slips in tension 480,000#. NU "C" Section, test to 4000-OK. NU BOP, weld flowline, change rams, test BOP 250 low, 10,000 high. Ran Temperature Survey, Tag @ 13,328', TOC @ 5,421'. Notified Pat w/BLM. Was told to proceed w/test & to notify if any problems & fax in. Held Safety mtgs. with both day & night rig crews. On 10/31/2004, Test BOP, Safety mtg., change balls & floor equip. to 3-1/2" tools, PU BHA & DP. On 11/01/2004, RD L/D machine, service rig & top drive, install rotating head. Drlg cmt & FC. Tag cmt @ 13,348' to 13,364'. Circ btms up. test csg to 5000psi. Drlg cmt & FS 13,364'-13,410' - 1 hr drlg. Fit test 16.7 EMW 4660psi. Pumped 5 Bbl-recovered 5 Bbl-OK. Present operations, drilling ahead.

(SEE ATTACHED WELL HISTORY REPORT & CASING DETAIL SHEET)

ACCEPTED FOR RECORD

NOV 15 2004

14. I hereby certify that the foregoing is true and correct.
Name (Printed/Typed)

Alan W. Bohling

Title Regulatory Agent

Signature

Alan W. Bohling

Date

11/09/2004

GARY GOURLEY
PETROLEUM ENGINEER

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

GWW

Pure Resources, Inc.

Well History

MADERA "24" FED #1 - 51.03% WI From 1/1/1920 through 11/8/2004

Well Name MADERA "24" FED #1 - 51.03% WI

Lease Well 511641-0001

State: NM

County: LEA

Activity Date 9/21/2004

Type of Report: DRILLING

INITIAL REPORT

Description REPAIR TOP DRIVE

Times	Hours	Remarks
	1.50	PRESUD & SAFETY MTG.
	0.50	RU PU MACHINE.
	12.00	PU DP, DC'S & HVYWT DP. STAND IN DERRICK.
	2.50	MAKEUP BHA, BIT, BIT SUB, SHOCKSUB, BLADES. TAG @ 108'.
	2.50	TROUBLESHOOT PUMP PRESSURE. GAUGES PLUGGED CALCIUM CHLORIDE WATER.
	5.00	TOP DRIVE QUIT AGAIN. WAIT ON TECH TO FIX TOP DRIVE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$531,426	\$531,426	\$3,155,775	1040326	0	0		

Activity Date 9/22/2004

Type of Report: DRILLING

INITIAL REPORT

Description RIG REPAIRS.

Times	Hours	Remarks
	7.00	RIG REPAIR - TOP DRIVE.
	2.00	REPLACE BROKE CABLES ON STABILIZATION FOR CONDUCTION PIPE.
	1.00	REPAIR DEPTH TRACKING ON CROWN BROKEN ON RIG MOVE.
	1.00	DRLG F/ 108' - 126'.
	1.00	REPLACE DEPTH SENSOR ON CROWN & CALIBRATE.
	1.00	DRLG F/ 126' - 132'.
	2.00	WORK ON CROWN SENSOR AGAIN & CALIBRATE & PUMP PRESSURE.
	7.00	DRLG F/ 132' - 239'.
	1.00	RIG REPAIR - BOLTS FELL OUT BRACE KELLY HOSE - REPLACE BOLTS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$17,203	\$548,629	\$3,155,775	1040326	239	131		

Activity Date 9/23/2004

Type of Report: DRILLING

PROGRESS REPORT

Description RIG REPAIRS TO PUMP.

Times	Hours	Remarks
	1.50	RIG REPAIRS.
	0.50	DRLG F/ 239' - 270'.
	1.50	RIG REPAIRS.
	0.50	DRLG F/ 270' - 355'.
	1.00	SURVEY NO GOOD - CLOCK STOPPED.
	1.50	DRLG F/ 355' - 395'.
	0.50	SURVEY @ 395' - 3/4 DEG.
	7.00	DRLG F/ 395' - 585'.
	0.50	SERVICE RIG.
	1.50	COULD NOT BREAK XO SUB OFF TOP DRIVE.
	3.50	DRLG F/ 585' - 737'.
	1.00	SURVEY @ 737' - 3/4 DEG.
	1.50	DRLG F/ 737' - 786'.
	2.00	RIG REPAIRS TO PUMPS - CIRC W/ #2 PUMP.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$123,157	\$671,786	\$3,155,775	1040326	786	547		

Activity Date 9/24/2004

Type of Report: DRILLING

PROGRESS REPORT

Description RU CSG CREW.

Times	Hours	Remarks
	1.50	REPAIRS TO PUMPS.
	5.00	DRLG F/ 786' - 961'.
	0.50	REPAIR #1 PUMP. CIRC W/ #3 PUMP.
	2.50	DRLG F/ 961' - 1000'.
	0.50	REPAIR #1 PUMP. CIRC W/ #3 PUMP.
	6.00	DRLG F/ 1000' - 1112'.
	0.50	CIRC.
	0.50	SURVEY 2-1/4 DEG @ 1109'.
	1.50	CIRC TO RUN CSG.
	3.50	TOOH & LD BHA.
	2.00	RU PICKUP MACHINE & CSG CREW & CHG BAILS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$62,665	\$734,451	\$3,155,775	1040326	1112	326	

Activity Date 9/25/2004

Type of Report: DRILLING

PROGRESS REPORT

Description NU BOP.

Times	Hours	Remarks
	1.00	FINISH RU CSG TOOLS. STABBING BOARD, CSG TOOLS ON FLOOR.
	0.50	SAFETY MTG W/ CSG CREW & PU MACHINE & RIG CREW.
	1.50	RU CSG TOOLS.
	2.50	RUN 25 JTS ST&C J-55 CSG 54.5#.
	1.50	CIRC CSG.
	1.50	CMT CSG PLUG DOWN 2:15 PM.
	7.50	WOC.
	4.00	CUT OFF CONDUCTOR & 13-3/8" . WELD ON HEAD.
	4.00	NU BOP.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$43,529	\$777,980	\$3,155,775	1040326	1112		

Activity Date 9/26/2004

Type of Report: DRILLING

PROGRESS REPORT

Description NU BOP & CHOKE MANIFOLD.

Times	Hours	Remarks
	24.00	NU BOP & CHOKE MANIFOLD.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$30,079	\$808,059	\$3,155,775	1040326	1112		

Activity Date 9/27/2004

Type of Report: DRILLING

PROGRESS REPORT

Description PU BHA.

Times	Hours	Remarks
	7.50	NU BOP, HOOK UP ACC LINES & FLOWLINE. FUNCTION TEST ALL RAMS & ANNULAR, TIGHTEN LEAKS.
	1.00	TEST BOP TO 500 PSI W/ RIG PUMP. TEST ALL RAMS, 2 SETS 5" & 1 VARIABLE BLINDS & CHOKE, ANNULAR TO 500 PSI.
	1.00	SAFETY MTG W/ LD MACHINE CREW.
	1.50	SET WEAR BUSHING & RU LD MACHINE.
	12.00	PU DP & STD IN DERRICK.
	0.50	RD LD MACHINE.
	1.00	STRAP BHA & PU BHA.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$30,079	\$838,138	\$3,155,775	1040326	1112		

Activity Date 9/28/2004

Type of Report: DRILLING

PROGRESS REPORT

Description PUMP REPAIRS.

Times	Hours	Remarks
	5.00	PU BHA & TIH. TAG CMT @ 1025'.
	2.00	DRLG CMT & PLUG F/ 1025' - 1045'.
	17.00	CLEAN RUBBER FROM CMT PLUG OUT OF PUMPS. ONLY SMALL AMOUNT OF PLUG WENT OVER SHAKER. SHALE & SETTLING PITS WERE FULL OF CUTTINGS. PUMPS WERE PICKING UP LARGE PIECES OF RUBBER & ROCKS. TWO PUMPS HAVE SUCTION SCREENS & #1 PUMP DOES NOT HAVE A SCREEN. NOTE: DRILLER'S SIDE TRACTION MOTOR NOT WORKING. THIS WAS FOUND WHILE DRLG CMT PLUG.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$24,218	\$862,356	\$3,155,775	1040326	1112			

Activity Date 9/29/2004

Type of Report: DRILLING

PROGRESS REPORT

Description RUL WLS.

Times	Hours	Remarks
	3.50	PUMP REPAIRS.
	3.50	DRLG CMT TO 1060'.
	0.50	SAFETY MTG W/ ALL CREWS ON LOC PRIOR TO RIG REPAIRS.
	3.00	CHG OUT TRACTION MOTOR ON DRAWWORKS.
	2.00	DRLG CMT TO 1060'.
	0.50	TEST CSG 500#.
	1.50	FINISH DRLG CMT.
	9.00	DRLG F/ 1112' - 1313'.
	0.50	WL SURVEY @ 1310' - 1-3/4 DEG.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$14,760	\$877,116	\$3,155,775	1040326	1313	201		

Activity Date 9/30/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	8.00	DRLG 1313' - 1723'. B. WT 35K-50K, RPM 80.
	0.50	SERVICE RIG.
	0.50	WLS @ 1719' - 1-1/4 DEG.
	6.50	DRLG F/ 1723' - 2100', BWT 25K-60K, 70-80 RPM.
	0.50	WLS @ 2095' - 1-1/2 DEG.
	6.00	DRLG F/ 2100' - 2480', BWT 20K - 55K, 70-80 RPM, 2000 PSI @ 84 SPM.
	0.50	WLS @ 2475 - 1-1/4 DEG.
	1.50	DRLG F/ 2480' - 2580'.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$35,245	\$912,361	\$3,155,775	1040326	2580	1267		

Activity Date 10/1/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	3.50	DRLG F/ 2580' - 2785'.
	0.50	REPAIRS TO FLOWLINE.
	3.50	DRLG 2785' - 2952'.
	0.50	SERVICE RIG.
	0.50	WLS @ 2945' 1-1/4 DEG.
	8.50	DRLG 2952' - 3426'.
	1.00	WLS @ 3400' 3/4 DEG.
	6.00	DRLG 3426' - 3711'. LITHOLOGY: ANHY/SALT/DOLO.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$15,652	\$928,013	\$3,155,775	1040326	3711	1131		

Activity Date 10/2/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	3.50	DRLG F/ 3711' - 3734'.
	0.50	SERVICE RIG.
	5.50	DRLG F/ 3734' - 3807'.
	0.50	SERVICE TOP DRIVE (OIL LEAK).
	3.50	DRLG 3807' - 3901'.
	0.50	WLS @ 3890' - 3/4 DEG.
	10.00	DRLG 3901' - 4115'. FORMATION - ANHY/SALT.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$17,551	\$945,564	\$3,155,775	1040326	4115	404		

Activity Date 10/3/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	12.00	DRLG F/ 4115' - 4372'.
	1.00	WLS @ 4368' - 1/2 DEG.
	11.00	DRLG F/ 4372' - 4657'. FORMATION - ANHY/SALT/DOLO.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$27,039	\$972,603	\$3,155,775	1040326	4657	542		

Activity Date 10/4/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	7.00	DRLG F/ 4657' - 4847'.
	0.50	SERVICE RIG.
	1.00	WLS @ 4840' - 1/2 DEG.
	15.50	DRLG F/ 4847' - 5223'. FORMATION - ANHY/LIME.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$15,553	\$988,156	\$3,155,775	1040326	5223	566		

Activity Date 10/5/2004
Description LD BHA.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	1.50	RU & RUN FLUID CALIPER.
	11.00	DRLG F/ 5223' - 5430'.
	2.00	PUMP SWEEP & CIRC BTMS UP.
	0.50	DROP TOTCO.
	3.50	TOH TO RUN 9-5/8" CSG (SLM).
	0.50	SAFETY MTG PRIOR TO RU LD MACHINE.
	5.00	LD BHA. FORMATION: ANHY / DOLO.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$25,831	\$1,013,987	\$3,155,775	1040326	5430	207		

Activity Date 10/6/2004
Description ND BOP.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	1.00	LD BHA & PULL WEAR BUSHING.
	0.50	SAFETY MTG W/ LD CREW & CSG CREW.
	2.50	RU CSG CREW & CHG OUT BAILS.
	5.50	RUN 123 JTS 40# 9-5/8" LT&C CSG.
	1.50	CIRC CSG.
	0.50	SAFETY MTG W/ CEMENTING CREW.
	3.50	HOOKUP CEMENT CSG.
	0.50	SAFETY MTG W/ NIPPLEUP CREW & WELL HEAD.
	8.50	ND BOP - COULD NOT SET SLIPS. CMT SET UP BY 24:00 & COULD NOT CENTER PIPE TO GET SLIPS INTO BOWL. SET BOP DOWN. SLACK OFF CSG. PU BOP TO CUT OFF 9-5/8" CSG & TO WELD ON NEW HEAD TO 9-5/8" CSG.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$74,265	\$1,088,252	\$3,155,775	1040326	5430			

Activity Date 10/7/2004

Type of Report: DRILLING

PROGRESS REPORT

Description NU BOP'S.

Times	Hours	Remarks
	12.00	WELLHEAD PROBLEMS, COULDN'T GET SLIPS & PACKOFF TEST ON WELLHEAD DUE TO CEMENT SETUP TOO QUICK. CONT. ND & UP, CHG RAMS & BOP. ADD THIRD CHOKE MANIFOLD. W/O NEW WELLHEAD TO BE BUILT & DELIVERED. JETTED PITS.
	0.50	SAFETY MTG W/ RIG CREW & NU CREW.
	7.00	CUT OFF 9-5/8" CSG. REMOVE SPACER SPOOLS & CUT OFF 13-3/8" WH. WELD ON NEW 11" 5000 WH - TEST TO 800 PSI.
	4.50	NU BOP'S.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$45,955	\$1,134,207	\$3,155,775	1040326	5430			

Activity Date 10/8/2004

Type of Report: DRILLING

PROGRESS REPORT

Description PU DC'S.

Times	Hours	Remarks
	10.00	NU BOP'S & HOOKUP FLOWLINE VALVE & FLOWLINE.
	10.00	TEST BOP & MUDLINES & ACCUM.
	0.50	INSTALL WEAR BUSHING.
	0.50	SAFETY MTG - PU MACHINE.
	1.00	RU PU MACHINE.
	2.00	PU BHA & DC'S. TEST BOP RAMS & VALVES 250 PSI & 5000 PSI. ANNULAR 250 & 2500 PSI, MUD LINES 3000 PSI.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$196,686	\$1,330,893	\$3,155,775	1040326	5430			

Activity Date 10/9/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG CMT.

Times	Hours	Remarks
	3.50	PU DC'S & 18 JTS DP.
	1.00	RD P/U MACHINE.
	13.50	REPAIRS TO UPPER KELLY VALVE. WOULD NOT TEST - REPLACE IT. NABORS DROPPED TOP DRIVE PIN IN HOLE. W/O NABORS TO FISH PIN OUT OF CSG & FINISH TOP DRIVE REPAIRS. RETRIEVE PIN W/ MAGNET. RESTART DAYWORK @ 24:00 HRS.
	4.00	TIH.
	1.00	DRLG CMT & PLUG 5382-5414'.
	0.50	TEST CSG 3000 PSI.
	0.50	DRLG CMT 5414' - 5430'.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$50,361	\$1,381,254	\$3,155,775	1040326	5430			

Activity Date 10/10/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	5.50	DRLG F/ 5430' - 5666'.
	0.50	SERVICE RIG & TOP DRIVE.
	5.50	DRLG F/ 5666' - 5950'.
	1.00	SURVEY @ 5917', 3/4 DEG & WASH TO BTM.
	10.00	DRLG F/ 5950' - 6425'.
	0.50	SURVEY @ 6390' - 1/2 DEG.
	1.00	DRLG F/ 6425' - 6460'. NOTE: HAD SLIGHT FILL AFTER FIRST SURVEY. HAD PUMPED 40 BBL 80 VIS SWEEP. PUMPED ANOTHER 40 BBL SWEEP AFTER SURVEY. NO PROBLEMS ON CONNECTIONS. NO FILL ON LAST SURVEY. FORMATION: DELAWARE/100% SANDSTONE @ 6400'.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$15,448	\$1,396,702	\$3,155,775	1040326	6460	1030		

Activity Date 10/11/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	9.50	DRLG F/ 6460' - 6897'.
	0.50	SURVEY @ 6863' - 3/4 DEG.
	0.50	SERVICE RIG & TOP DRIVE.
	10.50	DRLG F/ 6897' - 7372'.
	1.00	SURVEY @ 7341' - 3/4 DEG.
	2.00	DRLG F/ 7372' - 7480'. FORMATION: DELAWARE/10% LS / 20% SHALE / 70% SS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$15,939	\$1,412,641	\$3,155,775	1040326	7480	1020		

Activity Date 10/12/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	11.00	DRLG F/ 7480' - 7849'.
	0.50	SERVICE RIG & TOP DRIVE.
	1.00	SURVEY: 1/4 DEG @ 7814'.
	11.50	DRLG F/ 7849' - 8220'. FORMATION: DELAWARE. LITHOLOGY: 50% SHALE/40% SS/10% LS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$31,820	\$1,444,461	\$3,155,775	1040326	8220	740		

Activity Date 10/13/2004

Type of Report: DRILLING

PROGRESS REPORT

Description RUNNING SURVEY.

Times	Hours	Remarks
	4.50	DRLG 8220' - 8325'.
	1.00	SURVEY @ 8290' - 1/2 DEG.
	0.50	SERVICE RIG & TOP DRIVE.
	17.00	DRLG 8325' - 8805'.
	1.00	SURVEY @ 8773' - 1 DEG. FORMATION/LITHOLOGY: BRUSHY CANYON / 20% LS / 20% SS / 20% SHALE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$32,275	\$1,476,736	\$3,155,775	1040326	8805	585		

Activity Date 10/14/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	3.50	DRLG F/ 8805' - 8901'.
	1.00	SERVICE RIG & TOP DRIVE.
	15.50	DRLG 8901' - 9285'.
	1.00	SURVEY @ 9250' - 3/4 DEG.
	3.00	DRLG 9285' - 9380'. LITHOLOGY: 40% SS / 30% LIME / 30% SHALE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$17,267	\$1,494,003	\$3,155,775	1040326	9380	575		

Activity Date 10/15/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	11.50	DRLG 9380' - 9761'.
	0.50	SERVICE RIG & TOP DRIVE.
	2.00	DEV SURVEY @ 9750' - 1-3/4 DEG - 1 MISS RUN.
	0.50	DRLG 9761' - 9783'.
	0.50	REPAIR @ GENERATOR.
	9.00	DRLG 9783' - 10,000'. PRE-TOUR SAFETY MTG / ONGOING OPERATIONS, HOUSE KEEPING, TOOL MAINTENANCE, INCIDENT REPORTING. LITHOLOGY: 30% CHERT, 70% LIME.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$15,458	\$1,509,461	\$3,155,775	1040326	10000	620		

Activity Date 10/16/2004

Type of Report: DRILLING

PROGRESS REPORT

Description CUT DRLG LINE.

Times	Hours	Remarks
	0.50	DRLG F/ 10,000' - 10,005'.
	0.50	CIRC PUMP SLUG.
	2.00	TOOH - HOLE NOT TAKING RIGHT FLUID & FLOWING.
	3.00	TIH.
	3.00	CIRC & RAISE MUD WT.
	7.00	TOOH F/ 10,005' - 0'.
	4.50	CHG BIT & TIH F/ 0' - 5400'.
	3.50	SLIP & CUT 240' DRLG LINE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$18,801	\$1,528,262	\$3,155,775	1040326	10005	5		

Activity Date 10/17/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	3.50	TIH 5400' - 9885'.
	1.50	WASH & REAM TO BTM 9885' - 10,005'.
	15.50	DRLG F/ 10,005' - 10,280'.
	3.00	SURVEY TOOL WOULDN'T GO PAST 9400'. HUNG UP. WORKED LOOSE. PULL OUT. CIRC & RESTRING WL. RERUN SURVEY.
	0.50	DRLG F/ 10,280' - 10,290'. SAFETY MTG. FORMATION: BONE SPRINGS. LITHOLOGY: 30% CHERT / 70% LS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$23,066	\$1,551,328	\$3,155,775	1040326	10290	285		

Activity Date 10/18/2004

Type of Report: DRILLING

PROGRESS REPORT

Description REPAIR TOP DRIVE.

Times	Hours	Remarks
	2.00	DRLG F/ 10,290' - 10,330'.
	6.50	TOP DRIVE BROKE DOWN. CIRC & ROTATE W/ ROTARY TABLE.
	3.00	TOOH TO CSG SHOE TO REPAIR TOP DRIVE SERVICE LOOP.
	12.50	REPLACE TOP DRIVE LOOP. FORMATION: BONE SPRINGS. LITHOLOGY: 40% CHERT, 60% LS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$15,681	\$1,567,009	\$3,155,775	1040326	10330	40		

Activity Date 10/19/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	9.50	REPLACE TOP DRIVE SERVICE LOOP.
	3.50	TIH & WASH 90' TO BTM.
	11.00	SAFETY MTG. DRLG F/ 10,330' - 10,519'.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$26,992	\$1,594,001	\$3,155,775	1040326	10519	189		

Activity Date 10/20/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	9.50	DRLG F/ 10,519' - 10,707'.
	0.50	SERVICE RIG & TOP DRIVE.
	4.00	DRLG F/ 10,707' - 10,803'.
	1.00	SURVEY @ 10,729' - 1-1/2 DEG.
	9.00	DRLG F/ 10,803' - 11,048'. SAFETY MTGS W/ DAY & NIGHT TOURS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$16,114	\$1,610,115	\$3,155,775	1040326	11048	529		

Activity Date 10/21/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	13.00	DRLG F/ 11,048' - 11,376'.
	1.00	SURVEY @ 11,229' - 3/4 DEG.
	10.00	DRLG F/ 11,376' - 11,590'. SAFETY MTG W/ DAY & NIGHT CREWS. FORMATION: BONE SPRINGS. LITHOLOGY: 30% SHALE / 70% LIME.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$17,850	\$1,627,965	\$3,155,775	1040326	11590	542		

Activity Date 10/22/2004

Type of Report: DRILLING

PROGRESS REPORT

Description TOOH.

Times	Hours	Remarks
	7.00	DRLG F/ 11,590' - 11,759'.
	1.00	SURVEY @ 11,725' - 3/4 DEG.
	0.50	SERVICE RIG & TOP DRIVE.
	7.50	DRLG F/ 11,759' - 11,968'. BIT TORQUED UP.
	3.00	EXCESS DRAG. PUMP SWEEP AROUND.
	5.00	PUMP SLUG. TOOH. COMMENTS: BIT TORQUED UP. HAD EXCESSIVE DRAG TRYING TO LEAVE BTM. 75,000 DRAG VERY HIGH TORQUE. KEPT STALLING OUT ROTARY 50-60 FT OFF BTM. PUMP SWEEP AROUND. SAFETY MTGS W/ BOTH DAY & NIGHT CREWS. FORMATION: BONE SPRINGS. LITHOLOGY: 100% LIMESTONE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$20,530	\$1,648,495	\$3,155,775	1040326	11968	378		

Activity Date 10/23/2004

Type of Report: DRILLING

PROGRESS REPORT

Description TIH W/ BIT #5.

Times	Hours	Remarks
	3.00	TOOH & LD BHA.
	2.00	W/O MAGNET & JUNK BASKET.
	6.00	PU MAGNET & JUNK BASKET & TIH.
	2.00	WASH TO BTM. CIRC BTMS UP.
	0.50	WORK OVER FISH & WORK JUNK BASKET.
	7.00	PUMP SLUG & TOOH W/ MAGNET. RECOVERED BOTH CONES.
	4.30	PU BHA & TIH. SAFETY MTG W/ BOTH CREWS. FORMATION: BONE SPRINGS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$25,805	\$1,674,300	\$3,155,775	1040326	11968			

Activity Date 10/24/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	1.00	TIH TO 11,855'.
	2.50	WASH & REAM 11,855' - 11,968'.
	3.00	DRLG F/ 11,968' - 12,046'.
	0.50	SERVICE RIG, TOP DRIVE & CROWN.
	9.00	DRLG F/ 12,046' - 12,237'.
	1.00	WL SURVEY @ 12,203' - 1-1/2 DEG.
	7.00	DRLG 12,237' - 12,380'. SAFETY MTG W/ BOTH CREWS. LITHOLOGY: 70% LS, 30% SHALE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$21,762	\$1,696,062	\$3,155,775	1040326	12380	412		

Activity Date 10/25/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	7.00	DRLG F/ 12,380' - 12,525'.
	0.50	SERVICE RIG & TOP DRIVE.
	9.00	DRLG F/ 12,525' - 12,750'.
	1.00	WL SURVEY @ 12,686' - 2 DEG.
	6.50	DRLG F/ 12,750' - 12,931'. SAFETY MTG W/ BOTH CREWS. LITHOLOGY: 80% SHALE, 20% LS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$15,458	\$1,711,520	\$3,155,775	1040326	12931	551		

Activity Date 10/26/2004

Type of Report: DRILLING

PROGRESS REPORT

Description SHORT TRIP.

Times	Hours	Remarks
	10.00	DRLG F/ 12,931' - 13,196'.
	0.50	SERVICE RIG & TOP DRIVE.
	8.50	DRLG F/ 13,196' - 13,400'.
	2.50	PUMP HI-VIS SWEEP, CIRC SAMPLES.
	2.50	30 STD WIPER TRIP. SAFETY MTGS W/ BOTH CREWS. LITHOLOGY: 80% SHALE, 20% LS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$29,033	\$1,740,553	\$3,155,775	1040326	13400	469		

Activity Date 10/27/2004

Type of Report: DRILLING

PROGRESS REPORT

Description TIH.

Times	Hours	Remarks
	2.50	NO FILL - PUMP SWEEP. CIRC BTMS UP.
	0.50	DROP TOTCO, PUMP SLUG.
	0.50	TOH SLM FOR LOGS.
	1.00	REPAIR OIL LEAK ON DRAWWORKS.
	4.50	TOH SLM F/ LOGS.
	3.00	RIG REPAIR. TROUBLESHOOT TRACTION MOTOR. REPLACE FIBER OPT.
	2.50	TOH. LD BIT 6 PT & IBS.
	8.50	RUN PEX-HRLA-BHC-CNL-GR LOGS - TD TO 5400'.
	1.00	TIH. SAFETY MTG W/ BOTH CREWS. LITHOLOGY: 80% SHALE, 20% LS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$70,748	\$1,811,301	\$3,155,775	1040326	13400			

Activity Date 10/28/2004

Type of Report: DRILLING

PROGRESS REPORT

Description RUN 7-5/8" UFJ CSG.

Times	Hours	Remarks
	2.00	TIH W/ DP.
	1.50	CDL.
	3.00	TIH W/ BP.
	2.50	PUMP HI-VIS SWEEP. CIRC OUT.
	0.50	DROP TOTCO - PUMP SLUG.
	9.50	LD DP.
	1.50	PULL WEAR BUSHING. REMOVE ELEVATORS & BAILS. INSTALL 20' BAILS.
	1.50	RU CSG CREW.
	0.50	SAFETY MTG W/ ALL PERSONNEL.
	1.50	RUN 7-5/8" 39# ULTRA FLUSH JT P-110 CSG. SAFETY MTGS W/ BOTH CREWS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$3,665	\$1,814,966	\$3,155,775	1040326	13400			

Activity Date 10/29/2004

Type of Report: DRILLING

PROGRESS REPORT

Description CIRC TO CMT.

Times	Hours	Remarks
	15.50	RUN 7-5/8" ULTRA FLUSH JT P-110 CSG.
	3.50	CIRC CSG - RU HALLIBURTON.
	0.50	SM W/ CEMENTERS.
	4.50	WELL FLOWING - CIRC & COND HOLE. SAFETY MTG W/ BOTH CREWS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$26,951	\$1,841,917	\$3,155,775	1040326	13400			

Activity Date 10/30/2004

Type of Report: DRILLING

PROGRESS REPORT

Description TEST BOP.

Times	Hours	Remarks
	4.50	CMT 7-5/8" CSG. LEAD 2/ 950 SXS, TAIL W/ 200 SXS. RD.
	0.50	SM W/ NU CREW. RU NIPPLE UP CREW, ND BOP, SET SLIPS IN TENSION 480,000. NIPPLE UP "C" SECTION. TEST 4000 - OK.
	16.00	NU BOP. WELD FLOWLINE, CHG RAMS.
	3.00	TEST BOP 250 LOW, 10,000 HIGH. RAN TEMP SURVEY TAG @ 13,528'. TOC @ 5421'. NOTIFIED BLM - SPOKE W/ PAT. WAS TOLD TO PROCEED W/ TEST & TO NOTIFY OF ANY PROBLEMS & FAX IN. SAFETY MTGS W/ BOTH RIG CREWS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$584,112	\$2,426,029	\$3,155,775	1040326	13400			

Activity Date 10/31/2004

Type of Report: DRILLING

PROGRESS REPORT

Description PICKING UP DP.

Times	Hours	Remarks
	4.00	TEST BOP.
	0.50	SAFETY MTG.
	4.00	CHG BAILS & FLOOR EQUIPMENT TO 3-1/2" TOOLS.
	0.50	SAFETY MTG L/D MACHINE & ROUSTABOUTS.
	16.00	PU BHA & DP. TIME CHG. SAFETY MTGS W/ BOTH RIG CREWS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$39,188	\$2,465,217	\$3,155,775	1040326	13400			

Activity Date 11/1/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	3.00	PU DP.
	1.00	RD L/D MACHINE.
	0.50	SERVICE RIG & TOP DRIVE.
	1.00	INSTALL ROTATING HEAD.
	2.50	DRLG CMT & FC. TAG CMT @ 13,348' TO 13,364'.
	2.00	CIRC BTMS UP.
	1.00	TEST CSG 5000 PSI.
	3.50	DRLG CMT & FS 13,364' - 13,410' - 1 HR DRLG.
	1.00	FIT TEST 16.7 EMW 4660 PSI. PUMPED 5 BBL - RECOVERED 5 BBL - OK.
	8.50	DRLG F/ 13,410' - 13,510'. SURVEY. SAFETY MTGS W/ BOTH RIG CREWS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$23,617	\$2,488,834	\$3,155,775	1040326	13510	110		

Activity Date 11/2/2004

Type of Report: DRILLING

PROGRESS REPORT

Description WORKING ON PUMPS @ CSG SHOE.

Times	Hours	Remarks
	10.50	DRLG F/ 13,510' - 13,653'.
	0.50	WORK ON PUMPS.
	0.50	SERVICE RIG.
	1.00	DRLG F/ 13,653' - 13,679'.
	0.50	WORK ON PUMPS.
	0.50	DRLG F/ 13,679' - 13,682'.
	5.5	PULL TO CSG SHOE - WORK ON PUMPS. TIH.
	1.50	DRLG F/ 13,682' - 13,705'.
	0.50	BOP DRILL.
	3.00	PULL TO CSG SHOE. WORK ON PUMPS. SAFETY MTGS W/ BOTH CREWS. 20% LIME, 80% SHALE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$39,898	\$2,528,732	\$3,155,775	1040326	13705	195		

Activity Date 11/3/2004

Type of Report: DRILLING

PROGRESS REPORT

Description WIRELINE SURVEY

Times	Hours	Remarks
	20.5	PUMP REPAIRS - TIH.
	2.50	DRLG F/ 13,705' - 13,755'.
	1.00	WIRELINE SURVEY. SAFETY MTGS W/ BOTH CREWS. WOLFCAMP - 90% SHALE, 10% LIME. 10-12' FLARE TRIP GAS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$37,639	\$2,566,371	\$3,155,775	1040326	13755	50		

Activity Date 11/4/2004

Type of Report: DRILLING

PROGRESS REPORT

Description TOO H FOR BIT.

Times	Hours	Remarks
	1.00	SURVEY @ 13,705' - 2 DEG.
	9.00	DRLG F/ 13,755' - 13,912'.
	0.50	CHG ROTATING HEAD RUBBER.
	9.50	DRLG F/ 13,912' - 13,970'.
	3.00	CIRC BTMS UP - BUILD SLUG. BAR BIN PLUGGED UP.
	1.00	TOOH FOR BIT. SAFETY MTGS W/ BOTH CREWS. WOLFCAMP - 20% LIME, 80% SHALE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$34,566	\$2,600,937	\$3,155,775	1040326	13970	215		

Activity Date 11/5/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	2.00	PIPE NOT DRY - NOT TAKING RIGHT FLUID. CIRC. BUILD NEW SLUG & PUMP SAME.
	6.00	TOOH.
	4.00	INSPECT BHA, MU BIT & TIH FILLING EVERY 40 STDS DP.
	1.50	RIG REPAIRS ON DRUM CLUTCH VALVE.
	4.00	TIH & WASH TO BTM.
	6.50	DRLG F/ 13,970' - 14,000'. SAFETY MTGS W/ BOTH CREWS. WOLFCAMP - 100% SHALE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$54,535	\$2,655,472	\$3,155,775	1040326	14000	30		

Activity Date 11/6/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	2.50	DRLG F/ 14,000' - 14,007'.
	0.50	SERVICE RIG.
	6.00	DRLG F/ 14,007' - 14,024'.
	0.50	RIG REPAIRS.
	14.50	DRLG F/ 14,024' - 14,058'. SAFETY MTGS W/ BOTH CREWS. WOLFCAMP - 10% LIME, 90% SHALE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$22,526	\$2,677,998	\$3,155,775	1040326	14058	58		

Activity Date 11/7/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	17.00	DRLG F/ 14,058' - 14,102'.
	0.50	SERVICE RIG.
	6.5	DRLG F/ 14,102' - 14,119'. SAFETY MTGS W/ BOTH CREWS. WOLFCAMP - 100% SHALE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$28,853	\$2,706,851	\$3,155,775	1040326	14119	61		

Activity Date 11/8/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	9.00	DRLG F/ 14,119' - 14,142'.
	0.50	SERVICE RIG.
	14.5	DRLG F/ 14,142' - 14,164'. SAFETY MTGS W/ BOTH CREWS. WOLFCAMP - 100% SHALE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$17,200	\$2,724,051	\$3,155,775	1040326	14164	45		

TUBING BREAKDOWN AS OF
ROD BREAKDOWN AS OF
FAILURES AS OF

