

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised May 08, 2003

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-36657
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Berry Hobbs Unit 17 Prop. 33604
8. Well Number 1
9. OGRID Number 230313
10. Pool name or Wildcat Wildcat (Mississippian)

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
Stanolind Operating Corp.

3. Address of Operator
P.O. Box 1311, Midland, Texas 79702

4. Well Location
Unit Letter J : 2490 feet from the South line and 1850 feet from the East line
Section 17 Township 16S Range 36E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. 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 ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

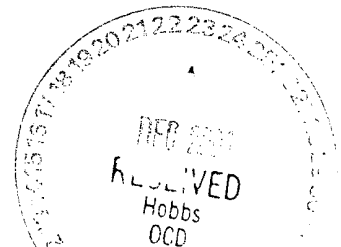
SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☒

OTHER: Attempted completion ☐

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Stanolind Operating Corp. respectfully submits the attached revised report detailing the attempted Chester completion that was unsuccessful. This report supersedes and replaced our prior report dated 08/04/04. The Chester interval 12,527-41' was perforated, broken down with acid (after three attempts), and flow tested uneconomic rates. The Chester was subsequently plugged back.



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

SIGNATURE Barbara Watson TITLE Regulatory Compliance DATE 12-09-04

Type or print name Barbara Watson

Telephone No. 432/688-4256

(This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE FEB 10 2005

Conditions of approval, if any:

STANDARD
BERRY HOBBS UNIT 17-1
SEC 17 T16S R36E UNIT (4)

SPUD 5/4/04

KB 3949'
GL 3929'

13 3/8" @ 473'

240SX LEAD, 170SX TAIL (415SX)
CIRC 29 SX

9 5/8" 36" 440" @ 4919'

1170SX LEAD, 250SX TAIL (1420SX)
CIRC 5X

TOC
± 6250'

LAY TEMP FLT
FLOW TESTED CHESTER
8/13-8/25/04
LOW RATES - UNECONOMIC

TD 12740'

7/2/04 PERF CHESTER (MISS) 12,527-41' 4SPF

ATTEMPT 3 SPOT ACID JOBS + BREAK DOWNS W/
NO SUCCESS

7/14/04 RE PERF CHESTER (MISS) 12,526-40'

4 SPF W/ 6' 5" 14 GUN. SPOT 500g 15% BRZ
ACID 12526-41' W/ 1500g 15% + BS

5 1/2" 17" @ 12,745'

375SX LEAD, 844SX TAIL (1219SX)

TOC CBL @ ± 6250'

Stanolind Operating Corp.
Daily Production Report
Berry Hobbs Unit 17 Well No. 1

DATE	actual OIL (BOPD)	actual GAS (MFCPD)	actual WTR P (BWPD)	Flow Rate (MFCPD)	Cumulative Production (MFCPD)	Choke Size (# / 64ths)	FTP (psig)	Static (psig)	DIFF (psig)	Temp (psig)	Comments
06/29/04											Ran Comp Neutron/GR/CL logs 12548-7000'. CB Log 12548-5875.TOC @6160'
06/30/04											RU Pool WS, PU Bit, Csg Scraper & DC.
07/01/04											RIH w/389 Jts. 2 7/8" tbg. tagged top of fill @12,619'.
07/02/04											Circ hole clean,Baker Atlas perf Chester Lime form 12,527-12541'. PU pkr.
07/03/04											SI
07/04/04											SI
07/05/04											SI
07/06/04											SITP 1100 psi SICIP 1200 psi Opened on 10/64" ck,incr to 12/64",rec gas+ 5 bbls wtr, well died. RIH w/pkr to 12,407', Serv Co unable to acid, left pkr hanging @12,407'.
07/07/04											SITP 880# SICP 660# Opened on 12/64" Ck in 30", well died. RU mandrel, tag FL@5400'.
											RU Cudd PS,pumped 500 gals 15% NeFe,let soak 30". Rev acid to pit. RIH w/7 jts tbg to 12,539', pumped 500 gals 15%NeFe + 69.3 bbls 2%KCL wtr. Acid on spot. PU 5 jts.Set pkr,press on tbg/csg to breakdown Chester Perfs 12,527-12541'. Inc press to 6500#.
											Form would not break down, made 6 attempts to break down, increased to 7200#. Pkr/tbg failed, communicating tbg w/ann. Unseat pkr. Rev spot acid.POOH w/240 jts tbg.
07/08/04											SITP 100# SICP 1200# RU ck on 10/62", well died in 20". POOH w/tbg. LD pkr, no failed tbg. Pkr rubber loose. RU Testers,RIH w/new pkr., SN & 374 jts tbg. tested to 8000#. Found 1 failed collar 30 jts above SN. Left pkr swining@12,374'.
07/09/04											SITP 900# SICP 1100# Opened on 10.64"Ck in 20" well died. Lowered tbg. PBTD@12624'. RU Cudd, loaded tbg w/12 bbls wtr.+ 500 gals15% NeFe,acid on spot.PU to 12,374',rev acid.Set pkr,press on tbg/csg to 800#. Attempt to breakdown Chester perfs.Inc TP to 6500#.
											Form would not break dwn, circ hole w/re-spot acid.Circ w/260 bbls KCL wtr. Lowered tbg to 12539',pumped 500 gals 15%NeFe+69.2 bbls KCL.Acid on spot. PU to 12,374', rev acid. w/14 bbls.Set pkr,press on tbg /csg to 800#. Try to breakdown perfs, incr tbg press to 5200#, made 4 trys, incr TP to 7000#, bled back to 6000# in 10", would not break down.
											Inc TP to 7100#, pkr/tbg failes, communicated tbg w/annulus. Unseat pkr, lowered tbg 3jts. Rev. spot acid. POOJ w/3 jts. EOT @12,374'. CWI
07/10/04											SI
07/11/04											SI
07/12/04											SITP 1600# SICP 0 #. Open on 12/64", well died in 20". Load csg W/10 bbls 2%, press up. to 600#, held ok. RU & load w/12 Bbls 2%, press up to 2000#, held, inc press to 3000# & 4000#, dropped press in 10". RU swab,swabbed 10 runs, rec 58 bbls 2% w/gas on 4th run FL @800'FS on 10th run, well kicked off flowing on 10/64" Ck.FTP 450#.Opened to 12/64"ck fluid inc, FTP dec to 200#. In 1 hr, FTP dec to 100#, well flowing gas & KCL. Opened to 48/64" ck, FTP dec to 50#, flowing gas & KCL. Try to swab, unable due to well flowing.
											Recov. 58 bbls 2% KCL w/swab, 5 bbls 2% flowing.
07/13/04											SITP 900# SICP 800#. Opened on 10/64" chk, flowed 45", rec all gas. Inc to 12/64", flowed 45",rec gas.Well died. Pkr seal damaged due to attempted breakdown on 7/9/04.Unseat pkr. POOH w/tbg.
07/14/04											SITP 900# SICP 800#. Opened on 10/64" ck, flowed 45",rec gas.Opened 12/64" chk, flowed 45" well died. POOH w/tbg. RU Baker, found IFL @2700'.Ran CCL log, confirm Confirm prior perfs.Re-perf Chester 12516-12540'.RIH w/pkr& tbg.
07/15/04											SITP 300# SICP 600#. Opened on 10/64", flowed 40",rec gas, well died. Found PBTD

Stanolind Operating Corp.
Daily Production Report
Berry Hobbs Unit 17 Well No. 1

DATE	actual OIL (BOPD)	actual GAS (MFCPD)	actual WTR P (BWPD)	Flow Rate (MFCPD)	Cumulative Production (MFCPD)	Choke Size (# / 64ths)	FTP (psig)	Static (psig)	DIFF (psig)	Temp (psig)	Comments
											12,624' PU to 12,550', pumped 500 gals 15% acid+69 bbls 2%. POOH w/6 jts tbg to
											12,354'.rev acid. Set pkr @12,354',press to 1500# on tbg/csg to break down perfs. Inc tbg
											press to 600-#.bled back to 5000# for 4.5". IncTP to 6620# @3/10th BPM, inc rate to 1BPM
											TP@7230#. Pumped 1500 gasl 15%, acdz Chester perfs, AIR 1.5BPM@7150#, Max Rate
											1.5 BPM, Max Press 7340#. Min.ball action. ISIP 6900#. 5" SIP 6400#, 10" 5732#. RD.
07/16/04											SITP 1900# SICP 1500#, opened on 10/64" ck, rec 2 bbls 2%. RU swabbed, IFL #Surf. Made
											8 runs, rec 50 bbls 2% KCL, well kicked off, flowing w/500# FTP on 32/64" ck for 1 Hr.
											FTP dec to 200#, flowing gas W/CKL& spent acid. Dec ck to 12/64", FTP inc to 350#, start
											flowing gas only, Inc to 32/64", FTP dec from 350# to 100# in 1hr rec gas w/slight water.
											Dec to 12/64" @5, FTP inc to 325#, well dried up flowing onl gas.
07/17/04											SI
07/18/04											SI
07/19/04											STP 3880# SICP 150#. Jarrell Serv.checked SIBHP & fluid gradient. Surf Pres 3951psig.
											2000'FS, 4193psig @0.1290 psig/ft. Final @12,533' FS, 5943psig w/0.4657psig/ft.
											FL Calculated @11,374' FSL, opened well on 10/64" ck, FTP dec 200# every 30" for 5 Hrs.
											FR calcautes to 1489 MCFPD, 2850# FTP on 10/64" ck. SG-.67. City of Lovington will not
											allow flares or ventig of gas.
07/20/04											SITP 3820# ISCP 150#. SI pending gas connection.
07/21/04											SI
07/22/04											SI
07/23/04											SI
07/24/04											SI
07/25/04											SI
07/26/04											SI
07/27/04											SI
07/28/04											SI
07/29/04											SI
07/30/04											SI
07/31/04											SI
08/01/04											SI
08/02/04											SI
08/03/04											SI
08/04/04											SI
08/05/04											SI
08/06/04											WO ROW for 3" PL across SW/4 NW/4 Sec. 16,T16S,R35E
08/07/04											SI
08/08/04											SI
08/09/04											SI
08/10/04											SI
08/11/04											Dynegy set temporary meter adjacent to Salbar 16
08/12/04											Set 2 ph separator, 250 bbls test tank, tied tree tbg into separator
08/13/04				237.0		4/48"	4850.0				Lay 3" temp flowline to sales meter, opened to sales line @6PM

Stanolind Operating Corp.
Daily Production Report
Berry Hobbs Unit 17 Well No. 1

	actual - OIL	actual - GAS	actual - WTR P	Flow Rate	Cumulative Production	Choke Size	FTP	Static	DIFF	Temp	Comments
DATE	(BOPD)	(MFCPD)	(BWPD)	(MFCPD)	(MFCPD)	(# / 64ths)	(psig)	(psig)	(psig)	(psig)	
08/14/04											
08/15/04		265		241.0		48/48"	50.0				
08/16/04		204				48/48"	50.0				
08/17/04		155				48/48"	50.0				
08/18/04		128				48/48"	50.0				
08/19/04		148				48/48"	50.0				
08/20/04		137				48/48"	50.0				
08/21/04		120				48/48"	50.0				
08/22/04		102				48/48"	50.0				
08/23/04		101				48/48"	50.0				
08/24/04		98				48/48"	50.0				
08/25/04		68				48/48"	50.0				
08/26/04											SI for BHP buildup until Monday 8/30/04

8/25/2004, Wednesday

Day # 38

Well flowed 68 MCFPD, 50# FTP, 48/48 Ck

JSI ran flowing gradient stops to determine flowing BHP and liquid levels. Shut well in at approximately 12 PM for BHP buildup until Monday 8/30/04. Will pull BHP bomb on Monday AM and evaluate build-up for wellbore damage and possible fracture stimulation. Plan on MIRU WSU 8/31 or 9/1 depending upon availability.

Well Test Eqpt

Well Testing

\$ 100 / day standby rate.

Daily Cost

Cum Cost:

8/17/2004, Tuesday		Day #	30		
Well flowed 155 MCFPD, 50# FTP, 48/48 Ck					
Well Test Eqpt	Well Testing	\$ 300			
				Daily Cost	\$300
				Cum Cost:	\$147,499
8/18/2004, Wednesday		Day #	31		
Well flowed 128 MCFPD, 50# FTP, 48/48 Ck					
Well Test Eqpt	Well Testing	\$ 300			
				Daily Cost	\$2,100
				Cum Cost:	\$149,599
8/19/2004, Thursday		Day #	32		
Well flowed 148 MCFPD, 50# FTP, 48/48 Ck					
Well Test Eqpt	Well Testing	\$ 300			
				Daily Cost	
				Cum Cost:	
8/20/2004, Friday		Day #	33		
Well flowed 137 MCFPD, 50# FTP, 48/48 Ck					
Well Test Eqpt	Well Testing	\$ 300			
				Daily Cost	
				Cum Cost:	
8/21/2004, Saturday		Day #	34		
Well flowed 120 MCFPD, 50# FTP, 48/48 Ck					
Well Test Eqpt	Well Testing	\$ 300			
				Daily Cost	
				Cum Cost:	
8/22/2004, Sunday		Day #	35		
Well flowed 102 MCFPD, 50# FTP, 48/48 Ck					
Well Test Eqpt	Well Testing	\$ 300			
				Daily Cost	
				Cum Cost:	
8/23/2004, Monday		Day #	36		
Well flowed 101 MCFPD, 50# FTP, 48/48 Ck					
Well Test Eqpt	Well Testing	\$ 300			
				Daily Cost	
				Cum Cost:	
8/24/2004, Tuesday		Day #	37		
Well flowed 98 MCFPD, 50# FTP, 48/48 Ck					
Well Test Eqpt	Well Testing	\$ 300			
				Daily Cost	
				Cum Cost:	

8/13/2004, Friday**Day # 26**

Lay 3" temporary poly gas line from test unit to Dynegy sales meter. Purged gas line and commenced gas sales as follows:

Time	TP	Choke	Rate MCFPD
6 PM	4850#	Shut-in	Opened well on 4/48ths choke.
7PM	4200#	4/48	237
8PM	3900#	4/48	268
9PM	3800#	6/48	241
10PM	3700#	6/48	209
11PM	3600#	6/48	210
12AM	3500#	6/48	243

Labor / Roustabout	Fas-Line Poly Pipe	\$ 686
Poly Line Rental	Fas-Line Poly Pipe	658
Well Test Eqpt	Well Testing	450
Company Field Sup	PRI Kilo Montoya	350

Daily Cost	\$2,144
Cum Cost:	\$146,149

8/14/2004, Saturday**Day # 27**

Continue to flow test Chester interval as follows:

Time	TP	Choke	Rate MCFPD
1AM	3350#	6/48	211
2AM	3150#	6/48	244
3AM	3000#	6/48	212
4AM	2850#	6/48	212
5AM	2700#	7/48	212
6AM	2600#	7/48	245
7AM	2450#	7/48	212
8AM	2400#	7/48	192
9AM	2300#	7/48	192 1 Bbl Oil
10AM	2250#	7/48	222
11AM	2200#	7/48	192
12PM	2100#	10/48	222
1PM	1700#	12/48	769 1 Bbl Oil
2PM	1400#	13/48	741
3PM	1000#	14/48	701
4PM	750#	16/48	675
5PM	500#	18/48	666
6PM	100#	48/48	375
7PM	50#	48/48	247
8PM	50#	48/48	241 Released tester, will flow well wide open into sales line.

Well Test Eqpt	Well Testing	\$ 450
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Daily Cost	\$450
Cum Cost:	\$146,599

8/15/2004, Sunday**Day # 28**

Well flowed 265 MCFPD, 50# FTP, 48/48 Ck

Well Test Eqpt	Well Testing	\$ 300
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Daily Cost	\$300
Cum Cost:	\$146,899

8/16/2004, Monday**Day # 29**

Well flowed 204 MCFPD, 50# FTP, 48/48 Ck

Well Test Eqpt	Well Testing	\$ 300
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Daily Cost	\$300
Cum Cost:	\$147,199

7/21/2004, Wednesday

Day # 19

Well SI pending gas connection to sales and setting of production facilities.

Daily Cost

Cum Cost: \$142,565

7/22/2004, Thursday

Day # 20

Well SI pending gas connection to sales and setting of production facilities. Received long term purchase proposal from Dynegy.

Greater than 100 MCFPD; Liq 85% / Res 85% POP

20 to 100 MCFPD; Liq 83% / Res 83% POP

Less than 20 MCFPD; Liq 65% / Res 65% POP

5 year term.

Awaiting Dynegy's proposed connection point and associated cost.

Awaiting purchase proposal from Duke (GPM)

Daily Cost

Cum Cost: \$142,565

7/26/2004, Monday

Day # 21

Well SI pending gas connection to sales and setting of production facilities.

Install gate and lock on cattle guard entering lease off Donna Rd. Lock Combo is 0113.

Location / Labor Weldon's Roustabout \$ 414

Daily Cost \$414

Cum Cost: \$142,979

8/5/2004, Thursday

Day # 22

Well SI pending gas connection to sales and setting of production facilities. Received short term purchase proposal from Dynegy.

Greater than 20 MCFPD; Liq 83% / Res 83% POP

Less than 20 MCFPD; Liq 65% / Res 65% POP

90 day term, MTM thereafter

Meter point adjacent to Chesapeake's Salbar 16 State #1.

This will be a temporary connection utilized to test productivity of well in compliance w/ City of Lovington regulations. PRI will be responsible for securing ROW and laying flow-line to connection point.

Still awaiting purchase proposal from Duke (GPM) but will proceed with temporary connection to Dynegy.

Daily Cost

Cum Cost: \$142,979

8/6/2004, Friday

Day # 23

WP working on securing 3" pipeline ROW across SW/4 NW/4 Section 16, T16S, R35E for gas flowing.

Daily Cost

Cum Cost: \$142,979

8/11/2004, Wednesday

Day # 24

Dynegy completed setting temporary 3" meter run adjacent to Salbar 16 well. WO PL ROW to lay temporary 3" flowline.

Daily Cost

Cum Cost: \$142,979

8/12/2004, Thursday

Day # 25

Set 6500 psi, 2 phase Well Testing's stack-pac test unit at location. Set 250 bbl test tank. Tied x-mas tree tubing into separator. Loaded excess tubing & 3 jts 5-1/2" casing and hauled to yard.

Location / Labor Big Time Roustabout \$ 226

Well Test Eqpt Well Testing 450

Company Field Sup PRI Kilo Montoya 350

Daily Cost \$1,026

Cum Cost: \$144,005

7/16/2004, Friday**Day # 16**

7 AM 14 hr SITP 1,900 psi, SICP 1,500 psi (left on well during acid job). RU choke on tbq and open on 10/64ths to pit for 5 mins recovered 2 bbls 2% KCL wtr. ND BOP & NU X-mas tree. RU swab and swab well to pit. IFL @ surface. Made 8 swab runs and recovered 50 bbls 2% KCL wtr. Well kicked off flowing after 8th run @ 1 PM w/ 500# FTP on 32/64ths choke. At 1:30 PM FTP dropped to 200#, flowing gas w/ KCL wtr and spent acid wtr. Decreased choke to 12/64ths and FTP inc. to 350#. After dec. choke size fluid decreased and well flowing gas only. At 4 PM inc. choke to 32/64ths and FTP decreases from 350# to 100# in 1 hr w/ recovery being gas w/ slight mist of water. At 5 PM decrease choke to 12/64ths and FTP increased to 325#. Well dried up flowing only gas. CWI & SDOWE @ 6 PM.

Swab recovery 50 bbls 2% KCL wtr

Well flowed 22 bbls 2% KCL wtr & spent acid

Total load recovered 72 bbls fluid.

Rig	Pool Well Service	\$ 1,975
Packer Rental / Man	Whitaker Oil Tools	276
Company Field Sup	PRI Kilo Montoya	350

Daily Cost \$2,601**Cum Cost: \$138,415****7/19/2004, Monday****Day # 17**

7 AM 61 hr SITP 3,880 psi (gauge on tree), SICP 150 psi. WO JSI slickline. RU JSI @ 10 AM and RIH w/ gauges to check SIBHP and fluid gradient. SI pressure gradient showed following:

Surface 3,951 psig

2,000' FS 4,193 psig, 0.1290 psig/ft

4,000' FS 4,451 psig, 0.1290 psig/ft

6,000' FS 4,704 psig, 0.1265 psig/ft

8,000' FS 4,976 psig, 0.1360 psig/ft

10,000' FS 5,230 psig, 0.1270 psig/ft

12,000' FS 5,695 psig, 0.2325 psig/ft

12,350' FS 5,858 psig, 0.4657 psig/ft

12,533' FS 5,943 psig, 0.4657 psig/ft (mid pt perfs)

FL calculated @ 11,374' FS

RD JSI slickline. Opened well @12:30 PM on 10/64ths choke to pit and recording following pressures & recoveries:

12:30 PM 3,925# SITP

1:00 PM 3,720# FTP on 10/64ths choke, flowing dry gas, 6.83 psi/min drop

1:30 PM 3,650# FTP on 10/64ths choke, flowing dry gas, 2.33 psi/min drop

2:00 PM 3,450# FTP on 10/64ths choke, flowing dry gas, 6.67 psi/min drop

2:30 PM 3,200# FTP on 10/64ths choke, flowing dry gas, 8.33 psi/min drop

3:00 PM 3,100# FTP on 10/64ths choke, flowing dry gas, 3.33 psi/min drop

3:30 PM 3,050# FTP on 10/64ths choke, flowing dry gas, 1.67 psi/min drop

4:00 PM 2,950# FTP on 10/64ths choke, flowing dry gas, 3.33 psi/min drop

4:30 PM 2,900# FTP on 10/64ths choke, flowing dry gas, 1.67 psi/min drop

5:00 PM 2,850# FTP on 10/64ths choke, flowing dry gas, 1.67 psi/min drop

Last 30" flow rate calculates @ 1,489 MCFPD, 2,850# FTP, 10/64ths chk, SG=.67

Advised by Bob Shirley w/ City of Lovington that gas must not be vented but flaired or sold.

CWI & SDON @ 5 PM.

Rig	Pool Well Service	\$ 1,562
BHP Survey	JSI Wireline	845
Company Field Sup	PRI Kilo Montoya	350

Daily Cost \$2,757**Cum Cost: \$141,172****7/20/2004, Tuesday****Day # 18**

7:30 AM 14.5 hr SITP 3,720 psi (gauge on tree), SICP 150 psi. RD Pool WSU. Clean loaction and break FL to pit. Road WSU to Andrews yard. Well SI pending gas connection to sales and setting of production facilites.

Rig	Pool Well Service	\$ 1,043
Company Field Sup	PRI Kilo Montoya	350

Daily Cost \$1,393**Cum Cost: \$142,565**

7/13/2004, Tuesday**Day # 13**

8 AM 13.5 hr SITP 900 psi, SICP 800 psi. RU choke on tbg and open on 10/64ths to pit for 45 mins recovered all gas. RU choke on csg and open on 12/64ths to pit for 45 mins recovered all gas. Well dead. Appears that packer seal was damaged by virtue of attempted breakdown 7/9/04 allowing tbg & csg to communicate and equalize. Fluid flowed yesterday may have been from backside. Unseated pkr & POOH w/ 374 jts 2-7/8" tbg. LD packer & RIH w/ SN and 60 jts 2-7/8" tbg. CWI & SDON @ 4 PM.

Rig	Pool Well Service	\$ 1,663
Company Field Sup	PRI Kilo Montoya	350

Daily Cost \$2,013**Cum Cost: \$120,645****7/14/2004, Wednesday****Day # 14**

8 AM 16 hr SITP 900 psi, SICP 800 psi. RU choke on tbg and open on 10/64ths to pit for 45 mins recovered all gas. RU choke on csg and open on 12/64ths to pit for 45 mins recovered all gas. Well dead. POOH w/ 60 jts kill string. RU Baker Atlas wireline. Install full lubricator and RIH w/ 3-1/2" "slick" Predator 32 gram expendable casing gun w/ 90 deg phasing, 4 SPF & 6' of "StimGun" propellant centered on 14' of perforating gun. Found IFL @ 2700' FS. Run CCL log across bottom section of hole and confirm presence of prior perforations. Re-perforate Chester Lime interval correlating to OH interval 12,526' to 12,540'. No change in FL noted by wireline after well perforated. RD Baker Atlas. PU Whitaker 5-1/2" x 2-7/8", 10K, Arrow-set IX packer w/ manual collar locator and RIH on 2-7/8" std SN + 373 jts of 2-7/8" tubing. Close BOP rams and put valve w/ tap BP and gauge in tubing. CWI & SDON @ 7 PM.

Rig	Pool Well Service	\$ 1,893
Perforating	Baker Atlas	5,896
Company Field Sup	PRI Kilo Montoya	350

Daily Cost \$8,139**Cum Cost: \$128,784****7/15/2004, Thursday****Day # 15**

7 AM 12 hr SITP 300 psi, SICP 600 psi. RU choke on csg and open on 10/64ths to pit for 40 mins recovered gas and well died. Lowered tbg to tag PBTD to confirm tbg tally. Found PBTD @ 12,624' by tbg tally, OK. PUH w/ tbg 56' to 12,550'. RU Cudd on tbg and pumped 2% KCL wtr to circulate hole. Caught circulation w/ 52 bbls pumped. Pumped a total of 210 bbls 2% KCL wtr. Switched to acid and pumped 500 gals (12 bbls) 15% anti-sludge NEFE spot acid followed by 69 bbls 2% KCL wtr. Acid on spot. POOH w/ 6 jts tbg; EOT @ 12,354'. RU on tbg x csg annulus and reverse acid w/ 10 bbls. Set Arrowset IX packer @ 12,354'. Pressure up tbg x csg annulus to 1,500 psi. RU on tbg and break Chester perforations 12,527' to 12,541' down w/ 500 gals spot acid. Increase TP to 6,000# w/ no break letting bled back to 5,000# in 4.5 mins. Increased TP to 6,620# pumping into formation @ 3/10ths BPM. Increase TP to 6,944# pumping into formation @ 8/10ths BPM. Increase rate to 1 BPM, TP @ 7,230# w/ all spot acid into formation. SD & unseated pkr. Pumped additional 1,500 gals (36 bbls) 15% anti-sludge NEFE w/ 60 1.2 sg RCNB's (5 balls every 3 bbls). Displaced acid to within 5 bbls of the EOT. Re-set pkr and load backside w/ 1650 psi. Acidize Chester formation w/ additional 1,500 gals 15% w/ AIR 1.5 BPM @ 7,250#. Max rate 1.5 BPM, max press 7,340#. Minimal ball action. ISIP @ 3:50 PM 6,900#, 5" SIP 6,400#, 10" SIP 6,062#, 15" SIP 5,732#. RD Cudd @ 4:30 PM. CWI & SDON @ 5 PM.

Rig	Pool Well Service	\$ 1,810
Acid Stimulation	Cudd Pumping Service	2,860
2% KCL Water / Transport	Majority Services	1,001
Packer Rental / Man	Whitaker Oil Tools	1,009
Company Field Sup	PRI Kilo Montoya	350

Daily Cost \$7,030**Cum Cost: \$135,814**

7/9/2004, Friday**Day # 11**

8 AM 13 hr SITP 900 psi, SICP 1,100 psi. RU choke on csg and open on 10/64ths to pit for 20 mins recovered gas and well died. Lowered tbg to tag PBTD to confirm tbg tally. Found PBTD @ 12,624' by tbg tally, OK. PUH w/ tbg to 12,539'. RU Cudd on tbg and loaded tbg w/ 12 bbls 2% KCL wtr. Switched to acid and pumped 500 gals (12 bbls) 15% anti-sludge NEFE spot acid followed by 66.4 bbls 2% KCL wtr. Acid on spot. POOH w/ 5 jts tbg; EOT @ 12,374'. RU on tbg x csg annulus and reverse acid w/ 27 bbls (caught circ w/ 18 bbls pumped). Set packer w/ 50K compression. Pressure up tbg x csg annulus to 800 psi. RU on tbg and attempt to break Chester perforations 12,527' to 12,541' down w/ 500 gals spot acid. Increase TP to 6000# w/ no break letting bled back to 5000# in 5 mins. Made several times with no breakdown. Increased TP to 6500#. TP would bled back to 5500# beginning in 6 mins and increasing to 12 mins in 4 attempts but formation would not break down. After pressuring TP up from 5000# and then 6500# for over 2.5 hrs bled off pressure and made decision to circulate hole and re-spot acid. Released pkr and circulated hole w/ 260 bbls 2% KCL wtr. Lowered tbg to 12,539'. RU Cudd on tbg and loaded tbg w/ 1 bbls 2% KCL wtr. Switched to acid and pumped 500 gals (12 bbls) 15% anti-sludge NEFE spot acid followed by 69.2 bbls 2% KCL wtr. Acid on spot. POOH w/ 5 jts tbg; EOT @ 12,374'. RU on tbg x csg annulus and reverse acid w/ 14 bbls (caught circ w/ 7 bbls pumped). Set packer w/ 50K compression. Pressure up tbg x csg annulus to 800 psi. RU on tbg and attempt to break Chester perforations 12,527' to 12,541' down w/ 500 gals spot acid. Increased TP to 6000# w/ no break, bled back to 5200# in 10 mins. Made 4 attempts with no breakdown. Increased TP to 7000#. TP would bled back to 6000# in 10 mins in 4 attempts but formation would not break down. After pressuring TP up to 6000# and then 7000# for over 1 hr increased TP to 7100# and pkr or failed communicating tbg w/ annulus. Bled pressure off. Unseated pkr and lowered tbg 3 jts. RU on tbg x csg annulus and reversed spot acid to pit (broke circulation @ 20 bbls). RD Cudd @ 6 PM. POOH w/ 3 jts of tbg, EOT @ 12,374'. CWI & SDON @ 10:30 PM.

Rig	Pool Well Service	\$ 2,745
Acid Stimulation	Cudd Pumping Service	3,860
2% KCL Water / Transport	TFH	1,509
2% KCL Water / Transport	Majority Services	753
Packer Rental / Man	Whitaker Oil Tools	1,162
Company Field Sup	PRI Kilo Montoya	350

Daily Cost \$10,109**Cum Cost: \$115,615****7/12/2004, Monday****Day # 12**

8:30 AM 58 hr SITP 1600 psi, SICP 0 psi. RU choke on tbg and open on 10/64ths to pit for 20 mins recovered all gas. Well dead. Call for kill truck. RU kill truck and load csg w/ 10 bbls 2% KCL wtr and pressure up to 600 psi, held ok. RU on tbg and load w/ 1/2 bbl 2% KCL wtr. Pressure up on tbg to 1000 psi, held for 10 mins, inc pressure to 2000 psi, held, inc pressure to 3000 psi, dropped 200 psi in 10 mins, inc pressure to 4000 psi, dropped 220 psi in 15 mins, pressure back up to 4000 psi, dropped 200 psi in 15 mins. RD kill truck & RU swab. Swabbed well. Made 10 swab runs and recovered 58 bbls 2% KCL wtr w/ gas after last 4 runs. After 10th run w/ FL @ 800' FS well kicked of flowing @ 4 PM on 10/64ths choke, FTP 450 psi. From 4 PM to 5 PM FTP dropped to 300 psi recovering gas and slight spray of KCL wtr. At 5 PM opened choke to 12/64ths, fluid inceased and FTP decreased to 200 psi. At 6 PM FTP had decreased to 100 psi well flowing gas and KCL wtr. At 6:15 PM opened choke to 48/64ths, FTP decreased to 50 psi flowing gas & KCL wtr. Attempted to run swab but unable to get in hole due to gas flow. CWI & SDON @ 6:30 PM.

Load recovered 58 bbls 2% KCL wtr via swab & est 5 bbls 2% KCL wtr via flow.

Rig	Pool Well Service	\$ 2,057
Kill Truck	TFH	562
Swab Cups	PRI	48
Company Field Sup	PRI Kilo Montoya	350

Daily Cost \$3,017**Cum Cost: \$118,632**

7/7/2004, Wednesday**Day # 9**

8 AM 18 hr SITP 880 psi, SICP 660 psi. RU choke on tbg and open on 12/64ths to pit for 30 mins recovered gas and well died. RU swab line and RIH w/ mandrel and tag FL @ 5,400' FS (calculated BHP = 4008 psi. RD swab line and RU Cudd Pumping Services. RU on tbg and start pumping 2% KCL water down tbg. Well circulated after 34 bbls. Pumped a total of 46 bbls of 2% KCL water. Pumped 500 gals (12 bbls) 15% NEFE pickle acid followed by 59.5 bbls 2% KCL water. Let pickle acid soak for 30 mins. RU on tbg x csg annulus and reverse pickle acid to pit w/ 80 bbls 2% KCL water. RIH w/ additional 7 jts tbg (EOT @ 12,539'). RU on tbg and pump 500 gals (12 bbls) 15% anti-sludge NEFE spot acid followed by 69.3 bbls 2% KCL wtr. Acid on spot. POOH w/ 5 jts tbg; EOT @ 12,374'. RU on tbg x csg annulus and reverse acid w/ 11.9 bbls (caught circ w/ 5.9 bbls pumped). Set packer w/ 50K compression. Pressure up tbg x csg annulus to 800 psi. RU on tbg and attempt to break Chester perforations 12,527' to 12,541' down w/ 500 gals spot acid. Increase TP to 6000# w/ no break letting bled back to 5000#. Made several times with no breakdown. Increased TP to 6500#. TP would bled back to 5500# beginning in 8 mins and reducing to 5 mins in 6 attempts but formation would not break down. After pressuring TP up from 5000# and then 6500# for over 2 hrs increased TP to 7200# and pkr or tbg failed communicating tbg w/ annulus. Displaced a total of 10 bbls into formation. Bled pressure off. Unseated pkr and lowered tbg 2 jts. Ru on tbg x csg annulus and reversed spot acid to pit (broke circulation @ 4 bbls). RD Cudd @ 6 PM. POOH w/ 240 jts of tbg, leaving 140 jts kill string in well. SDON @ 8:30 PM.

Rig	Pool Well Service	\$ 2,487
Acid Stimulation	Cudd Pumping Service	6,891
2% KCL Water / Transport	Majority Services	1,650
Disposal (Drilling Pit)	Majority Services	315
Company Field Sup	PRI Kilo Montoya	350
Company Field Engineer	Mike Stewart	350

Daily Cost \$12,043**Cum Cost: \$100,748****7/8/2004, Thursday****Day # 10**

8 AM 11.5 hr SITP 100 psi, SICP 1,200 psi. RU choke on csg and open on 10/64ths to pit for 20 mins recovered gas and well died. POOH w/ 140 jts tbg, SN & pkr. LD pkr. Found no visable tbg failures. Top packer rubber came loose and appeared to have failed. RU Dave's tbg testers. PU 5-1/2" x 17 #/ft x 10K HD replacement pkr, 2-7/8" std SN and RIH on 374 jts of 2-7/8", 6.5 #/ft, L-80 tbg testing to 8000# above slips. Found slight collar failure 300 jts above SN. Left pkr swinging w/ EOT @ 12,374'. SION @ 7 PM.

Rig	Pool Well Service	\$ 2,240
Tbg Tester	Dave's Tubing Tester	2,168
Company Field Sup	PRI Kilo Montoya	350

Daily Cost \$4,758**Cum Cost: \$105,506**

7/1/2004, Thursday**Day # 6**

Off load and rack 389 jts of 2-7/8", 6.5 #/ft, L-80, 8rd, EUE new tubing on sills. PU new 2-7/8" tbg off sills and run 4-3/4" MT bit, BS, x-over, 5-1/2" casing scrapper, 4 - 3-1/2" DC's in hole on 2-7/8" tubing. Tally tubing in hole. Found top of fill in 5-1/2" casing @ 12,619' KB. PU off bottom and SDON.

Rig	Pool Well Service	\$ 2,322
Forklift / Trucking	TFH Forklift & Sills	834
Tubing	Master Tubulars	63,984
Company Field Sup	PRI Kilo Montoya	350

Daily Cost \$67,490**Cum Cost: \$76,713****7/2/2004, Friday****Day # 7**

Spot & RU reverse unit. NU JU stripper. PU power swivel and circulate fill in 5-1/2" casing from 12,619' to top of plug landed on float collar @ 12,630' w/ reverse unit. Circulate hole clean for 1 hrs. Displace hole and circulate clean w/ 260 bbls 2% KCL water. RD & release reverse unit. POOH w/ 377 jts tbg & BHA. Lay down DC's, scrapper, x-over, BS & bit. RU Baker Atlas wireline & RIH w/ 4" EHC Predator charges 4 SPF 90 deg.phased guns w/ WH pack-off. Perforate Chester Lime interval correlating to OH interval 12,527' to 12,541'. No change in FL noted by wireline after well perforated. RD Baker Atlas. PU Whitaker 5-1/2" x 2-7/8", 10K, HD compression packer (similar to RTTS) w/ by-pass and RIH on 2-7/8" std SN + 100 jts (50 stands) of 2-7/8" tubing. Close BOP rams and put valve w/ tap BP and gauge in tubing. SDFWE.

Rig	Pool Well Service	\$ 2,487
Reverse Unit Rental	Lucky Tool Rental	1,350
Perforating	Baker Atlas	3,935
KCL Water	Majority Services	502
Company Field Sup	PRI Kilo Montoya	350

Daily Cost \$8,624**Cum Cost: \$85,337****7/6/2004, Tuesday****Day # 8**

8 AM 84 hr SITP 1100 psi, SICP 1200 psi. RU choke on tbg and open on 10/64ths to pit for 1 hr increased to 12/64ths for 30 mins recovered gas and 5 bbls of 2% KCL water. Well dead. Continue to RIH w/ pkr & 2-7/8" tubing. Ran a total of 375 jts 2-7/8" tubing and left packer swinging @ 12,407'. Acid stimulation companies unable to do acid job this afternoon. Scheduled job for early AM. SION @ 2 PM

Rig	Pool Well Service	\$ 1,480
Packer Rental / Man	Whitaker Oil Tools	1,162
Valves, Ftgs & Choke	Redman Supplies	551
Company Field Sup	PRI Kilo Montoya	175

Daily Cost \$3,368**Cum Cost: \$88,705**

Stanolind Operating
DAILY OPERATIONS REPORT
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Berry Hobbs Unit 17 # 0001

Zone: 1 Field: Wildcat (Mississippian) Pool
 Lea Co., NM

Property # 302536657
 AFE #

Initial Completion

6/26/2004, Saturday		Day #	1		
Weldons' roustabout service build 2" LP risers from surface csg x intermediate csg annulus and intermediate csg x production casing annulus to above GL. Roadrunner back fill cellar w/ pea gravel and level location w/ backhoe. Hobbs Anchor set and test 4 anchors.					
Labor / Roustabout	Weldon's	\$255			
Location / Dirt Work	Hobbs Anchors	\$737			
Location / Dirt Work	Roadrunner Trucking	\$425			
			Daily Cost	\$1,417	
			Cum Cost:	\$1,417	
6/27/2004, Sunday		Day #	2		
SDFWE. No activity.					
			Daily Cost		
			Cum Cost:	\$1,417	
6/28/2004, Monday		Day #	3		
No activity. Waiting on Baker Atlas wireline.					
			Daily Cost		
			Cum Cost:	\$1,417	
6/29/2004, Tuesday		Day #	4		
MIRU Baker Atlas wireline w/ mast/crane unit. Run cased hole Compensated Neutron / GR / CL log from PBTD @ 12,548' to 7,000'. Run 3' x 5' spaced Cement Bond / VDL / GR from 12,548' to 5,875'. Found TOC behind 5-1/2" production casing @ 6,160'. Good cement bonding from PBTD up through all zones of interest.					
Casedhole Logging	Baker Atlas	\$ 4,968			
Company Field Sup	PRI Kilo Montoya	\$ 350			
			Daily Cost	\$5,318	
			Cum Cost:	\$6,735	
6/30/2004, Wednesday		Day #	5		
MIRU Pool Well Service WSU. NU BOP. PU 4-3/4" MT bit, BS, 5-1/2" csg scrapper & 4 - 3-1/2" DC's and SDON.					
Rig	Pool Well Service	\$ 1,363			
Rental Eqpt Surface - BOP	Lucky's Rental Tool	375 (\$250/ 5 days, \$25/add day, \$100 trucking)			
Rental Eqpt Downhole	PRI Bit, BS & Scrapper	400 (\$150 bit, \$250 scrapper)			
Company Field Sup	PRI Kilo Montoya	350			
			Daily Cost	\$2,488	
			Cum Cost:	\$9,223	