Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an

MMOGD

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

5. Lease Serial No.

NMNM107671

6. If Indian, Allottee or Tribe Name

abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side 1. Type of Well 6789101112 8. Well Name and No. Oil Well X Gas Well Other Diamondback 24 Fed 2. Name of Operator Com #1 Nearburg Producing Company API Well No. 36-626.35 3b. Phone No. (include area code): 3a. Address Rusk: Bone Spring, East 432,4686-8235 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Ĝém; Morrow 710 FLS and 1980 FEL. Sec 24, 19S, 32E 11. County or Parish, State CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF ACTION TYPE OF SUBMISSION Production (Start/Resume) Water Shut-Off Notice of Intent Acidize Deepen Well Integrity Alter Casing Fracture Treat Reclamation Subsequent Report New Construction Casing Repair Recomplete Other Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal 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 recomplete 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 final site is ready for final inspection.) See attached for details on plugback to Lusk; Bone Spring, East ACCEPTED FOR RECORD JUN 2 8 2005 GARY GOURLEY PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Sarah Jordan	Title	Production Analyst		
Jaaan	Date	6/20/05		
THIS SPACE FOR FEDERAL OR STATE OFFICE USE				
Approved by	Titl	e	Date	/_
Conditions of approval, if any, are attached. Approval of this notice does not warrant certify that the applicant holds legal or equitable title to those rights in the subject lea which would entitle the applicant to conduct operations thereon.	or Offi	ice		VI

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.

Diamondback 24 Federal Com. #1

710' FSL & 1980' FEL, Section 24, T19S, R32E

Morrow

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

MIRU pulling unit. Blow dn well. Load tbg w/34 bbls 7% KCL wtr. ND wellhead. NU BOP. Release pkr. POOH & LD 172 jts 2 3/8" L80 4.7# EUE8rd tbg. SI & SDFN.

Current Operation This AM: Set CIBP.

DC Intangible: \$5,203 AFE Intangible: \$122,003 DC Tangible: \$0 AFE Tangible: \$241,998 TC Intangible: \$5,203 BAL Intangible: \$116,800 TC Tangible: \$0 BAL Tangible: \$241,998

Daily Costs Intangible:

\$450 Supervision

\$30 Phone

\$500 Contract Labor

\$600 Pump/ Vacuum Truck

\$1,050 Rental - Misc

\$2,100 Pulling/ Swabbing Unit

\$473 10% Contingencies

Road crew to location. POOH & LD rest of tbg w/pkr (419 jts 2 3/8" L80 4.7# EUE 8rd tbg total). MI & rack 360 jts 3 1/2" 9.3# frac tbg. MIRU JSI. RIH w/gauge ring/junk basket/GR/CCL. Log from 13,340' to 12,600' & 11,100' to 10,300'. Correlate on depth. POOH. RIH w/5 1/2" CIBP/CCL. Correlate on depth. Set CIBP @ 13,300'. POOH. Made 2 dump bailer runs & dumped 35' cmt on top of CIBP. New PBTD @ 13,265'. RDMO JSI. RU to run tbg tomorrow A.M. SI & SDFN.

Current Operation This AM: TIH w/ frac string.

AFE Intangible: \$122,003 DC Intangible: \$6,193 AFE Tangible: \$241,998 DC Tangible: \$0 TC Intangible: \$11,396 BAL Intangible: \$110,607 BAL Tangible: \$241,998 TC Tangible: \$0

Daily Costs Intangible:

\$450 Supervision

\$30 Phone

\$2,500 Transportation Tbg

\$2,650 Pulling/ Swabbing Unit

\$563 10% Contingencies

12/08/04 Road crew to location. MIRU Hydrostatic tbg testers. Hydrostatically TIH to 6,000# above slips w/1 - 2 3/8" x 5 1/2" 13-20# AS-1 10K pkr w/re-entry guide, 1 - 2 3/8" x 5 1/2" T2 O/O tool w/1.81" "F" frac hardened profile, 302 jts 3 1/2" P110 9.3# PH-6 frac tbg. SI & SDFN.

Current Operation This AM: Pickle Tbg

DC Intangible: \$16,236 AFE Intangible: \$122,003 DC Tangible: \$0 AFE Tangible: \$241,998 TC Intangible: \$27,632 BAL Intangible: \$94,371 TC Tangible: BAL Tangible: \$0 \$241,998

Daily Costs Intangible:

\$450 Supervision

\$30 Phone

\$500 Contract Labor

\$10,500 Wireline Services

\$3,280 Pulling/ Swabbing Unit

\$1,476 10% Contingencies

Diamondback 24 Federal Com. #1

710' FSL & 1980' FEL, Section 24, T19S, R32E

Morrow

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

12/09/04

Road crew to location. RIH w/52 jts 3 1/2" P110 9.3# PH-6 tbg (354 total) to 11,100'. MIRU Lobo pump truck. Pickle dn tbg w/400 gals (10 bbls) xylene,900 gals (21 bbls) 15% pickle acid, push acid to bottom of tbg w/31 bbls wtr, reverse acid & xylene back out tbg to frac tank w/224 bbls 4% KCL wtr loadedw/0.5 gpt BJ Clay Master 5C & pkr fluid. POOH w/tbg due to incorrect pkr size. SI & SDFN.

Current Operation This AM: RIH w/ pkr.

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_	DC Intangible:	\$7,653	AF	E Intangible:	\$122,003
	DC Tangible:	\$ 0	A	FE Tangible:	\$241,998
	TC Intangible:	\$35,285	BA	L Intangible:	\$86,718
	TC Tangible:	\$0	В	AL Tangible:	\$241,998
Daily C	osts Intangible:		Daily Co	osts Tangible:	
\$450	Supervision		\$0	Description	
\$30	Phone	•	\$0	Description	
\$500	Contract Labor	•	\$0	Description	
\$3,100	Special Service	es	\$0	Description	
\$2,877	Tubular Testing	g			
\$696	10% Continger	ncies	\$0	Description	

12/10/04 Road crew to location. FOOH w/tbg & pkr. LD pkr. PU & RIH w/1 - 2 7/8" x 4' N80 tbg sub w/re-entry guide, 1 - 2 7/8" x 5 1/2" Baker Model M 10Kpkr, 1 - 2 7/8" x 4 1/2" L10 O/O tool w/2.25" "F" profile, 1 - 2 7/8" 8rd x 3 1/2" PH6 x-over, 349 jts 3 1/2" P110 9.3# PH6 frac tbg. Set pkr in 16K comp@ 10,938' w/re-entry guide @ 10,948'. ND BOP. NU 3 1/2" x 15K frac stack. MIRU pump truck. Load annulus w/1 bbl 4% KCL

wtr. Test to 2,000#.OK. RDMO pump truck. RU to swab. SI & SDFN.

Current Operation This AM: Perf.

Pump/ Vacuum Truck

10% Contingencies

Pulling/ Swabbing Unit

\$600

\$595

\$2,870

- ,	DC Intangible:	\$6,545	Al	FE Intangible:	\$122,003
	DC Tangible:	\$3,932	A	AFE Tangible:	\$241,998
	TC Intangible:	\$41,830	BA	AL Intangible:	\$80,173
	TC Tangible:	\$3,932	В	AL Tangible:	\$238,066
Daily Co	osts Intangible:		Daily Co	osts Tangible:	
\$450	Supervision		\$3,932	Downhole Ed	quipment
\$30	Phone				
\$500	Contract Labor	•			
\$1,500	Fuel, Power an	d Water			

Diamondback 24 Federal Com. #1

710' FSL & 1980' FEL, Section 24, T19S, R32E

Morrow

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

12/11/04 RIH w/swab. IFL @ surface. Made 7 runs & rec'd 26 bbls wtr. FFL @ 3,000'. MIRU JSI. RIH w/2" Titan perforating gun loaded 4 JSPF, 90 degree phasing/GR/CCL. Log from 11,230' to 10,880' (found pkr @ 10,948' w/re-entry guide @ 10,955' by EL, 7' deeper than tally). Correlate on depth. Perforate from 11,024'-11,044'; 4 JSPF; 80 holes. Tbg on slight vac. POOH. RDMO JSI. RIH w/swab. Have 70 bbls load to recover. IFL @ 4,000'.Made 8 runs & rec'd 45 bbls wtr w/no show of oil or gas. FFL @ 8,847'. Left open to tank on 20/64" choke. Will swab & acidize on Monday A.M. SDFW.

Current Operation This AM: Swab and Acidize.

DC Intangible:	\$13,299	AFE Intangible:	\$122,003
DC Tangible:	\$0	AFE Tangible:	\$241,998
TC Intangible:	\$55,129	BAL Intangible:	\$66,874
TC Tangible:	\$3,932	BAL Tangible:	\$238,066

Daily Costs Intangible:

\$450 Supervision

\$30 Phone

\$60 Rental - Misc

\$8,770 Wireline Services

\$2,780 Pulling/ Swabbing Unit

\$1,209 10% Contingencies

Road crew to location. IFL @ 8,247'. Made 4 runs & rec'd 20 bbls wtr w/20-30% oil cut on 1st run. MIRU BJ Services & Lobo pump truck. Conduct safety meeting. Test lines to 8,000#. Acidize dn 3 1/2" tbg w/4,000 gals (95 bbls) 20% HCL acid, flush w/98 bbls 4% KCL wtr loaded w/0.5 gpt BJ ClayMaster 5C. Tbg loaded @ 92 bbls acid pumped, broke @ 6,890#. Dropped 120 ball sealers in clusters of 20 thru acid volume. Pumped @ avg rate of 4.4bpm w/avg press of 5,300#, max 6,890#. SD. ISDP 4,950#, 5 min 4,756#, 10 min 4,672#, 15 min 4,606#. RDMO BJ & pump truck. Opened to fracw/4,300#. Blew dn quickly. Have 217 bbls load to recover. RIH w/swab. IFL @ surface. Made 12 runs & rec'd 77 bbls wtr. Have 140 bbls load left to recover. Left open to frac tank on 20/64" choke w/no gas blow.

DC Intangible: \$16,674 AFE Intangible: \$122,003
DC Tangible: \$0 AFE Tangible: \$241,998
TC Intangible: \$71,803 BAL Intangible: \$50,200
TC Tangible: \$3,932 BAL Tangible: \$238,066

Daily Costs Intangible:

Current Operation This AM: Swab.

\$450 Supervision

\$30 Phone

\$900 Pump/ Vacuum Truck

\$2,780 Pulling/ Swabbing Unit

\$10,998 Stimulation

\$1,516 10% Contingencies

Diamondback 24 Federal Com. #1

710' FSL & 1980' FEL, Section 24, T19S, R32E

Morrow

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

Road crew to location. No blow on tbg. RIH w/swab. IFL @ 6,963'. Made 7 runs & rec'd 30 bbls wtr w/no show of oil & dried up tbg. Made 3 additional runs after 1 hr dn between each, had 300-500' of fluid entry after 1 hr dn. Rec'd 3 additional bbls wtr w/1-2% oil cut on last run. Rec'd 33 bbls wtr today. Have rec'd 110 bbls in 2 days. Have 107 bbls load left to recover. Left open to frac tank on 20/64" choke. SDFN. Current Operation This AM: Swab.

DC Intangible: \$3,454 AFE Intangible: \$122,003 AFE Tangible: \$241,998 DC Tangible: \$0 BAL Intangible: TC Intangible: \$75,257 \$46,746 TC Tangible: \$3,932 BAL Tangible: \$238,066

Daily Costs Intangible:

\$450 Supervision

\$30 Phone

\$60 Rental - Misc

\$2,600 Pulling/ Swabbing Unit

\$314 10% Contingencies

12/15/04 Road crew to location. Tbg open to tank w/no gas blow. RIH w/swab. IFL @ 10,000'. Made 2 runs & rec'd 1 bbl wtr on 1st run w/20% oil cut in sample,2nd run was dry. SI well. RDMO pulling unit. Final Report.

Current Operation This AM: Well SI.

DC Intangible: \$1,227 AFE Intangible: \$122,003 DC Tangible: \$0 AFE Tangible: \$241,998 TC Intangible: \$76,484 BAL Intangible: \$45,519 TC Tangible: \$3,932 BAL Tangible: \$238,066

Daily Costs Intangible:

\$450 Supervision

\$30 Phone

\$35 Rental - Misc

\$600 Pulling/ Swabbing Unit

\$112 10% Contingencies

12/16/04 SITP 150#.

Current Operation This AM: SI.

12/17/04 SITP 150#.

Current Operation This AM: SI.

12/18/04 SITP 160#.

Current Operation This AM: SI.

12/19/04 SITP 160#.

Current Operation This AM: SI.

12/20/04 SITP 160#.

Current Operation This AM: SI.

12/21/04 SITP 160#.

Current Operation This AM: SI.

Diamondback 24 Federal Com. #1

710' FSL & 1980' FEL, Section 24, T19S, R32E

Morrow

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

12/22/04 SITP 170#.

Current Operation This AM: SI.

12/23/04 SITP 180#.

Current Operation This AM: SI.

12/24/04 SITP 190#.

Current Operation This AM: SI.

12/25/04 SITP 200#.

Current Operation This AM: SI.

12/26/04 SITP 220#.

Current Operation This AM: SI.

12/26/04 - 01/03/05 SITP 220#.

Current Operation This AM: SI.

MIRU Lucky Well Service pulling unit. Blow tbg pressure dn. ND frac stack wellhead. NU BOP. RU Lobo pump truck to tbg & pump 47 Bbls 7%KCL wtr w/ 1/2 gpt ClayMaster to load tbg to balance well to release pkr. Release 5 1/2" Baker Model M 10K pkr. Let well equalize pressures. POOH & LD 22 jts- 3 1/2" P110 9.3# PH-6 frac tbg. POOH standing back 326 jts- 3 1/2" P110 9.3# PH-6 frac tbg, 2 7/8" 8rd x 3 1/2" PH-6 x-over,2 7/8" x 4 1/2" L-10 O/O tool w/ 2.25" "F" profile, 2 7/8" x 5 1/2" Baker Model M 10K pkr, 2 7/8" x 4' N-80 6.5# EUE 8rd tbg sub w/ WL re-entry guide. Close BOP blinds. SI well. Will RIH w/ CIBP in the AM to isolate Wolfcamp perfs. SDFN.

Current Operation This AM: Set CIBP.

DC intangible:	\$8,380	AFE Intangible:	\$236,939
DC Tangible:	\$0	AFE Tangible:	\$186,348
TC Intangible:	\$8,380	BAL Intangible:	\$228,559
TC Tangible:	\$0	BAL Tangible:	\$186,348

Daily Costs Intangible:

\$450 Supervision

\$40 Phone

\$850 Contract Labor

\$2,360 Pump/ Vacuum Truck

\$1,400 Rental - Misc

\$3,280 Pulling/ Swabbing Unit

Diamondback 24 Federal Com. #1

710' FSL & 1980' FEL, Section 24, T19S, R32E

Morrow

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

04/05/05

MIRU JSI electric line truck. Open BOP blinds. RIH w/ JB/GR/CCL and 4.32" gauge ring to 11,000'. Log from 11,010' up to 10,000'. Corrected 19'to get on depth w/ Schlumberger "Platform Express Triple Detector Litho-Density Compensated Neutron / GR run one dated 1-Oct-2001. POOH w/gauge ring. RIH w/ 5 1/2" Csg CIBP & set @ 11,000'. Cement dump bail 35' cement on top of CIBP making 2 dump runs. FL found @ 2180' FS when POOH w/ bailer. RDMO JSI electric line truck. RU Lobo pump truck to pump 54 Bbls 4% KCL wtr w/ 1/2 gpt ClayMaster dn csg to load & test plug to 1000#. Held O.K. Bleed dn pressure. Left blind closed on BOP & well shut in. The wind was blowing too hard to continue to RIH w/ 3 1/2" tbg. SDFN. Will RIH w/ 3 1/2" tbg in the AM & pickle tbg. PBTD @ 11,000' (CIBP w/ 35' cmt).

Current Operation This AM: RIH w/ tbg.

AFE Intangible: \$236,939 DC Intangible: \$13,695 AFE Tangible: \$186,348 DC Tangible: **\$**0 \$214,864 \$22,075 BAL Intangible: TC Intangible: BAL Tangible: \$186,348 TC Tangible: \$0

Daily Costs Intangible:

\$450 Supervision

\$40 Phone

\$850 Pump/ Vacuum Truck

\$9,575 Wireline Services

\$2,780 Pulling/ Swabbing Unit

04/06/05

Had some gas pressure on csg. Hooked up line to frac tank & opened csg to blow gas pressure dn. Started flowing oil w/ gas to frac tank. Blew dn to 0#in 10 minutes. Open BOP blinds. RIH w/ 2 7/8" x 4' N-80 EUE 8rd tbg sub w/ WLEG, 2 7/8" 8rd x 3 1/2" PH-6 x-over, 20 jts- 3 1/2" P110 9.3# PH-6frac tbg. Well started blowing oil again up csg. Close BOP blind & let blow to frac tank for 15 minutes before blowing dn to 0#. Flowed back 21 Bbls Oil to frac tank. The wind started blowing too hard to continue RIH w/ 3 1/2" tbg. Waited til 12:00 (noon) to see if wind would slow dn, but it didn't. Put TIW valve in tbg. Close BOP rams & shut in well. SDFN. Will continue RIH w/ 3 1/2" tbg & pickle in the AM. PBTD @ 11,000' (CIBP w/ 35' cmt)- 10,965'.

Current Operation This AM: RIH w/ tbg.

DC Intangible: \$3,235 AFE Intangible: \$236,939 DC Tangible: AFE Tangible: \$186,348 \$0 BAL Intangible: \$211,629 TC Intangible: \$25,310 BAL Tangible: \$186,348 TC Tangible: \$0

Daily Costs Intangible:

\$450 Supervision

\$40 Phone

\$350 Pump/ Vacuum Truck

\$500 Rental - Misc

\$1,895 Pulling/ Swabbing Unit

Diamondback 24 Federal Com. #1

710' FSL & 1980' FEL, Section 24, T19S, R32E

Morrow

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

04/07/05

Open BOP rams. RIH w/ 307 jts- 3 1/2" P110 9.3# PH-6 frac tbg. Close BOP rams. Put TIW valve on tbg. RU Lobo pump truck to tbg & pump400 gals (9.5 Bbls) Xylene followed by 900 gals (21.4 Bbls) 15% HCL acid. Pump 68 Bbls 4% KCL wtr w/ 1/2 gpt ClayMaster to get acid to btm of tbg. Reverse acid & xylene back out tbg to frac tank by pumping 242 Bbls 4% KCL wtr w/ 1/2 gpt ClayMaster. RD Lobo pump truck. POOH w/ 327 jts- 3 1/2" P110 9.3# PH-6 frac tbg, 2 7/8" 8rd x 3 1/2" PH-6 x-over, 2 7/8" x 4' N-80 6.5# EUE 8rd tbg sub w/ WLEG. Close BOP blinds. Will RIH & perforate w/ 3 3/8" csg guns in the AM. PBTD @ 11,000' (CIBP w/ 35' cmt - 10965').

Current Operation This AM: Perf.

DC Intangible:	\$12,065	AFE Intangible:	\$236,939
DC Tangible:	\$0	AFE Tangible:	\$186,348
TC Intangible:	\$37,375	BAL Intangible:	\$199,564
TC Tangible:	\$ 0	BAL Tangible:	\$186,348

Daily Costs Intangible:

\$450 Supervision

\$40 Phone

\$3,500 Fuel, Power and Water

\$500 Pump/ Vacuum Truck

\$3,575 Pulling/ Swabbing Unit

\$4,000 Stimulation

04/08/05

Open BOP blinds. MIRU JSI electric line truck to RIH w/ CCL & 3 3/8" premium csg guns w/ 4 spf, 120 degree phasing under a 5000# lubricator. Correlate to Schlumberger "Platform Express Triple Detector Litho-Density Compensated Neutron/ GR run one log dated 1-OCT-2001. Corrected10' deep. Perforated from 10,350'- 10,366' making 64 holes. POOH w/ shot guns. FL found @ 1280' FS before shooting & 1460' FS after shooting. RDMO JSI electric line truck. MIRU Hydrostatic Tubing testers to test 3 1/2" P110 9.3# PH-6 tbg to 9000# above slips. PU & RIH w/ 2 7/8" x 4' N-806.5# EUE 8rd tbg sub w/ WLEG, 2 3/8" x 2 7/8" x-over, 2 3/8" x 5 1/2" Arrowset 1X 10K pkr, 2 3/8" x 4 1/2" On/Off tool w/ 1.81" "F" frac hardened profile nipple, 3 1/2" PH-6 (box) x 2 3/8" EUE 8rd (pin) x-over, 327 jts- 3 1/2" P110 9.3# PH-6 frac tbg. Found 1 jt that had a bad pin. Replaced w/another of same length. RDMO Hydrostatic Tbg testers. PU 3 1/2" frac stack wellhead. Set packer @ 10,246' in 14K compression. Btm of BHA @10,258'. NU WH. Close tbg valves & shut in csg. Will swab tbg in the AM. SDFN. Perfs @ 10,350'- 10,366'; 4 JSPF; 64 holes. PBTD @ 10,965' (CIBP). Current Operation This AM: Swab well.

	DC Intangible:	\$12,309	AFE Intangible: \$236,939
	DC Tangible:	\$3,961	AFE Tangible: \$186,348
	TC Intangible:	\$49,684	BAL Intangible: \$187,255
	TC Tangible:	\$3,961	BAL Tangible: \$182,387
Daily C	osts Intangible:		Daily Costs Tangible:
\$450	Supervision		\$3,961 Downhole Equipment
\$40	Phone		
\$350	Pump/ Vacuun	n Truck	
\$5,254	Wireline Servi	ces	
\$3,240	Pulling/ Swabb	ing Unit	
\$2,975	Tubular - Testi	ng	

Diamondback 24 Federal Com. #1

710' FSL & 1980' FEL, Section 24, T19S, R32E Morrow

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

04/09/05

RU to swab 3 1/2" P110 9.3# PH-6 tbg. IFL found @ surface. Made 14 swab runs pulling FL dn to 10,100' FS. Brought back 90 Bbls of wtr w/ no oil. The 12th, 13th & 14th run samples caught had 1% oil cut, but not an accumable amount to gauge in frac tank. No gas pressure on tbg. Wait 1 hr and made another run pulling from 10,100' FS. Brought back 2 Bbls fluid w/ oil cut @ 20% in sample caught w/ no gas pressure on tbg. Close tbg valves. SDFW. Will RU BJ Services to pump acid job w/ ball sealers Monday AM. Had Lobo pump truck load & test pkr to 1000# w/ 1 Bbl. 4% KCL wtr. Held OK. Perfs @ 10,350'- 10,366'. PBTD @ 11,000' (CIBP w/ 35' cmt - 10,965').

Current Operation This AM: RU BJ to perform acid job.

DC Intangible:	\$3,640	AFE Intangible:	\$236,939
DC Tangible:	\$0	AFE Tangible:	\$186,348
TC Intangible:	\$53,324	BAL Intangible:	\$183,615
TC Tangible:	\$3,961	BAL Tangible:	\$182,387

Daily Costs Intangible:

\$450 Supervision

\$40 Phone

\$8,655

Stimulation

\$300 Pump/ Vacuum Truck

\$2,850 Pulling/ Swabbing Unit

04/11/05

Had 100# tbg pressure w/ well shut in. Opened to frac tank & blew tbg pressure dn in 10 minutes. MIRU BJ Services pump trucks to tbg to pump3000 gals 20% HCL @ 4 bpm dropping 100 ball sealers then flushing to top perf. Had Lobo pump truck hooked up to csg to hold 1000# on backside. BJ tested lines to 7000#. Start pumping 1000 gals 20% HCL acid @ 4 bpm then dropped 25 balls. Pumped 500 gals 20% HCL acid @ 4 bpm then dropped another 25 balls. Pumped 500 gals 20% HCL acid @ 4 bpm then dropped another 25 balls. Pumped 500 gals 20% HCL acid @ 4 bpm then dropped the last set of 25 balls. Pumped 500 gals 20% HCL acid then switched to 4% KCL wtr w/ 1/2 gpt ClayMaster to flush to top perf. Had some ball action after tbg filled & tbg pressure climbed to 5580#. Pumped 96 Bbls total before catching tbg psi. Broke back to 4965#. Pumping 4.3 bpm on flush. Csg pressure started climbing & had to bleed off several times to keep csg pressure under 1000#. Possible On/Off tool leaking slightly. Csg would gain 5-6# a second. ISDP @ 4410#. 5 min- 3995#, 10 min-2633#, 15 min-2204#. Have total of 163.5 Bbls to recover. Pumped 72 Bbls acid & 91.5 Bbls 4% KCL wtr for flush. RDMO BJ Services & Lobo pump truck. Opened tbg to frac tank on 12/64" choke & flow well back for 5 hrs. Tbg pressure stabilized @ 44#. Flowed back total of 79 Bbls wtr to 4:30 PM. Csg pressure climbing @ 30# an hour rate. Left tbg flowing to frac tank on a12/64" choke overnight. Bled csg pressure dn & shut in csg overnight. Will check flowback in the AM. Perfs @ 10,350'- 10,366'. PBTD @ 10,965'. Current Operation This AM: Flow back to tank.

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	DC Intangible:	\$15,035	AF	E Intangible:	\$236,939
	DC Tangible:	\$2,000	Α	FE Tangible:	\$186,348
	TC Intangible:	\$68,359	BA	L Intangible:	\$168,580
	TC Tangible:	\$5,961	B	AL Tangible:	\$180,387
Daily C	Costs Intangible:		Daily Co	sts Tangible:	
\$450	Supervision		\$2,000	Wellhead Eq	uipment
\$40	Phone				
\$2,500	Pump/ Vacuum	n Truck			
\$500	Rental - Misc				
\$2,890	Pulling/ Swabl	oing Unit			

Diamondback 24 Federal Com. #1

710' FSL & 1980' FEL, Section 24, T19S, R32E Morrow

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

04/12/05

Well flowing to frac tank on 12/64" choke w/ 240# tbg pressure. Csg pressure 0#. Start flowing well back yesterday @ 11:30 AM. Gauge frac tank @8:30 AM this morning making total of 185 Bbls in 21 hrs (95 Bbls wtr & 90 Bbls Oil). Sample caught showed 100% oil. Left flowing @ 12/64" choke. At 10:00 AM tbg pressure 200#. Made 10 Bbls Oil & 0 Bbls wtr. Sample caught showed 100% oil. At 11:00 AM tbg pressure 200#. Made 2 Bbls Oil & 14 Bbls wtr. Sample caught showed 100% oil. Increase choke to 14/64".At 12:00 AM tbg pressure 200#. Made 6 Bbls Oil & 4 Bbls wtr. Sample caught showed 100% oil. Increase choke to 16/64". At 1:15 AM tbg pressure 190#. Made 4 Bbls Oil & 0 Bbls wtr. Sample caught showed 100% oil. Choke on 16/64". At 2:15 AM tbg pressure 178#. Made 6 Bbls Oil & 0 Bbls wtr. Sample caught showed 100% oil. Choke on 16/64". At 3:15 AM tbg pressure 170#. Made 4 Bbls Oil & 0 Bbls wtr. Sample caught showed 100% oil. Decrease choke to 14/64". At 4:15 AM tbg pressure 170#. Made 2 Bbls Oil & 0 Bbls wtr. Sample caught showed 100% oil. Choke on 14/64". At 5:15 AM tbg pressure 170#. Made 5 Bbls Oil & 0 Bbls wtr. Sample caught showed 100% oil. Left choke on 14/64". Had Two-State bring another frac tank to location. RDMO Lucky pulling unit. Release all equipment. Will check flowback in the AM. Perfs @ 10,350'- 10,366'. PBTD @ 11,000' (CIBP w/ 35' cmt - 10,965').

Current Operation This AM: Flow back.

DC Intangible:	\$2,440	AFE Intangible:	\$236,939
DC Tangible:	\$0	AFE Tangible:	\$186,348
TC Intangible:	\$70,799	BAL Intangible:	\$166,140
TC Tangible:	\$5,961	BAL Tangible:	\$180,387

Daily Costs Intangible:

\$450 Supervision

\$40 Phone

\$500 Rental - Misc

\$1,450 Pulling/ Swabbing Unit

04/13/05

Well flowing to frac tank. Tbg pressure @ 130# @ 8:15 AM. Made 39 Bbls Oil & 0 Wtr since 5:15 PM yesterday (15 hrs). Road rig & crew back to location from Simms 35 #3. MIRU Lucky Services pulling unit. Set catwalk & pipe racks. Had Banta roustabouts unhook stack pack & get ready to move. Checked well again @ 3:00 PM. Tbg pressure @ 120#. Made 15 Bbls Oil & 0 Wtr in 6 hrs - 45 minutes. Will have JSI set 1.81" plug in profile, unlatch from O/O tool & LD 3 1/2" P110 9.3# PH-6 frac tbg in the AM. Perfs @ 10,350'-10,366'. PBTD @ 11,000' (CIBP w/ 35' cmt - 10,965').

Current Operation This AM: Set plug in pkr.

DC Intangible:	\$2,430	AFE Intangible:	\$236,939
DC Tangible:	\$0	AFE Tangible:	\$186,348
TC Intangible:	\$73,229	BAL Intangible:	\$163,710
TC Tangible:	\$5,961	BAL Tangible:	\$180,387

Daily Costs Intangible:

\$450 Supervision

\$40 Phone

\$600 Contract Labor

\$1,340 Pulling/ Swabbing Unit

Diamondback 24 Federal Com. #1

710' FSL & 1980' FEL, Section 24, T19S, R32E

Morrow

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

04/14/05

MIRU JSI slickline truck to RIH w/ 1.81" blanking plug & set in profile nipple @ 10,241'. Bled tbg pressure dn to frac tank. ND WH & NU BOP. Unlatch from O/O tool. Let well fluids equalize to frac tank. POOH & LD on pipe racks 327 jts- 3 1/2" P110 9.3# PH-6 frac tbg, 2 3/8" O/O latch. Found a packing element in O/O tool had missing rubber & broken o-rings. Put new packing elements in latch. Change BOP rams to 2 3/8". Close BOP blinds. Shut in well. Had Two-State forklift move 3 1/2" tbg off pipe racks and put 2 3/8" on pipe racks to tally. Put the 3 1/2" tbg back on racks on location to be left there till needed elsewhere. Had Banta roustabout gang break-out & load stack pack & take to Artesia yard. Had B&R backhoe build tank pad for another 500 Bbl production tank & redress dyke. Had TRM vac truck move 230 Bbls oil from frac tank to production tank & get ready to sell. Hauled off wtr in frac tank. SDFN. Perfs @ 10,350'- 10,366'. PBTD @ 11,000' (CIBP w/ 35' cmt - 10,965').

Current Operation This AM: RIH w/ tbg.

AFE Intangible: \$236,939 DC Intangible: \$8,900 AFE Tangible: \$186,348 DC Tangible: \$0 \$154,810 BAL Intangible: TC Intangible: \$82,129 \$180,387 BAL Tangible: TC Tangible: \$5,961

Daily Costs Intangible:

\$450 Supervision

\$40 Phone

\$1,900 Contract Labor

\$400 Pump/ Vacuum Truck

\$2,200 Rental - Misc

\$1,035 Wireline Services

\$2,875 Pulling/ Swabbing Unit

04/15/05

Open BOP. Blew dn trapped gas on csg. RIH w/ 2 3/8" On/Off shuck (latch), 322 jts- 2 3/8" N-80 4.7# EUE 8rd tbg. RU Pool pump truck to circulate250 Bbls 4% KCL wtr w/ 1/2 gpt ClayMaster & double inhibited pkr fluid dn csg & out tbg to frac tank @ 3 bpm. Pumped 120 bbls before catching circulation. RD Pool pump truck. Had Lobo bring pkr fluid on two transports to location. RIH w/ 2 3/8" x 10' x 8' x 6' x 4' N-80 4.7# EUE 8rd tbg subs,1 jt- 2 3/8" N-80 4.7# EUE 8rd tbg (landing jt). ND BOP & NU WH. Left 16K compression on pkr. RU to swab 2 3/8" tbg. FL @ surface. Made 4 swab runs pulling FL dn to 4460' FS. RD swab line. RU JSI slickline truck to RIH & pull prong on plug. FL @ 4460'. Had blow on tbg after POOH w/ prong. RIH & latch into plug. Pull plug. Pulled out of fluid @ 2260' FS. Waited for fluid to surface, but shut well in after not arriving. Will swab well in the AM. SDFN. Perfs @ 10,350'- 10,366'. PBTD @ 11,000' (CIBP w/ 35' cmt - 10,965'). Current Operation This AM: Swab.

DC Intangible: \$6,840 AFE Intangible: \$236,939 DC Tangible: \$0 AFE Tangible: \$186,348 TC Intangible: \$88,969 BAL Intangible: \$147,970 TC Tangible: \$5,961 BAL Tangible: \$180,387

Daily Costs Intangible:

\$450 Supervision

\$40 Phone

\$700 Contract Labor

\$1,000 Wireline Services

\$4,650 Pulling/ Swabbing Unit

Diamondback 24 Federal Com. #1

710' FSL & 1980' FEL, Section 24, T19S, R32E

Morrow

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

04/16/05

Well had 100# tbg pressure. Opened to tank & pressure bled off. RU to swab 2 3/8" tbg. IFL @ 1860' FS. Made a total of 8 swab runs bringing back total of 38 Bbls fluid to frac tank. Well started to flow on its own to production tank between 40-70# tbg pressure. Watched for awhile to make sure well would keep flowing O.K. RDMO Lucky pulling unit. Clean location. Perfs @ 10,350'- 10,366'. PBTD @ 11,000' (CIBP w/ 35' cmt - 10,965').

Current Operation This AM: Flowing to production tank.

AFE Intangible: \$236,939 \$1,970 DC Intangible: AFE Tangible: \$186,348 DC Tangible: \$0 BAL Intangible: \$146,000 \$90,939 TC Intangible: BAL Tangible: \$180,387 \$5,961 TC Tangible:

Daily Costs Intangible:

\$450 Supervision

\$40 Phone

\$1,480 Pulling/ Swabbing Unit

04/17/05

Well had 120# tbg pressure. Well flowing in surges to production tank. Made 80 Bbls Oil & 0 Wtr overnight to production tank. FINAL REPORT.

Current Operation This AM: Released to production.

AFE Intangible: \$1,970 \$236,939 DC Intangible: AFE Tangible: \$186,348 DC Tangible: \$0 \$92,909 BAL Intangible: \$144,030 TC Intangible: TC Tangible: \$5,961 BAL Tangible: \$180,387

Daily Costs Intangible:

\$450 Supervision

\$40 Phone

\$1,480 Pulling/ Swabbing Unit

04/17/05 - 04/18/05 Flowed 6 BO, 0 BO and 0 MCF.

04/18/05 - 04/19/05 Flowed 0 BO, 0 BO and 0 MCF.

04/19/05 - 04/20/05 Flowed 0 BO, 0 BO and 0 MCF. Waiting on swab unit.

04/20/05 - 04/21/05 Flowed 0 BO, 0 BO and 0 MCF. Waiting on swab unit.

04/22/05 - 04/25/05 Flowed 0 BO, 0 BO and 0 MCF. Waiting on swab unit. Drop until further activity.

Diamondback 24 Federal Com. #1

710' FSL & 1980' FEL, Section 24, T19S, R32E

Morrow

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

04/26/05

MIRU Reeco Swab unit. Well had 0# tbg pressure. IFL found @ 600' FS. Made a total of 18 swabs runs bringing back 135 Bbls Oil & 0 Bbls Wtr. Well has a little gas after each run. Pulled the last runs from 10,100' FS. Pkr set @ 10,246'. Has scattered fluid on last six runs. Left well open to frac tank. Well not flowing. SDFN. Will swab again in the AM. Perfs @ 10,350'- 10,366'. PBTD @ 10,965'.Had Permian Tank deliver 6'x 20' heater treater and 500 Bbl steel production tank to location. Set 500 Bbl tank. Had Banta roustabouts help set tank and unloaded heater treater on location. Will start hooking up both heater & tank in the AM. Current Operation This AM: Swab well.

\$236,939 AFE Intangible: \$1,440 DC Intangible: AFE Tangible: \$186,348 \$0 DC Tangible: \$142,590 BAL Intangible: \$94,349 TC Intangible: BAL Tangible: \$180,387 TC Tangible: \$5,961

Daily Costs Intangible:

\$450 Supervision

\$40 Phone

\$950 Pulling/ Swabbing Unit

04/27/05

Well flowed 8 Bbls Oil to frac tank overnight. Had 0# tbg pressure. IFL found @ 6700' FS. The first five runs FL stayed @ 6700' after each run. Then FL started dropping. Pulling from 10,100' FS on 12th run. After 12 runs we had swabbed 55 Bbls Oil to frac tank. Yesterday in 12 runs we swabbed 97 Bbls Oil back. Made a total of 20 runs today bringing back 94 Bbls Oil & 0 Bbls Wtr. The last 3 runs of the day only brought back 1-2 Bbls on each run. Well has no blow. Left well open to frac tank overnight. Will RIH & check FL in the AM. Perfs @ 10,350'- 10,366'. PBTD @ 10,965'.Had Banta roustabouts plumb in 500 Bbl production tank & set 6' x 20' heater treater & start plumbing up. Had tank coaters sand blasting tank to get ready to coat btm & 18". Found a spot in tank that needed welding. Had welder weld bad spot.

Current Operation This AM: Swab well.

AFE Intangible: DC Intangible: \$2,740 \$236,939 AFE Tangible: DC Tangible: \$0 \$186,348 \$97,089 \$139,850 TC Intangible: BAL Intangible: TC Tangible: \$5,961 BAL Tangible: \$180,387

Daily Costs Intangible:

\$450 Supervision

\$40 Phone

\$1,250 Contract Labor

\$1,000 Pulling/ Swabbing Unit

Diamondback 24 Federal Com. #1

710' FSL & 1980' FEL, Section 24, T19S, R32E

Morrow

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

04/28/05

Well did not flow any oil to frac tank overnight. Tbg pressure 0#. IFL @ 9700' FS. Pulled 1st run from 10,100' & brought back 5 Bbls Oil. RIH on2nd run and hit FL @ 6900'. The following FL depths were found on respective runs: 3rd-8000', 4th-9000', 5th-9800', 6th-9800', 7th thru 17thdidn't find FL (pulled from 10,100'). Made a total of 17 swab runs bringing back total of 63 Bbls Oil & 0 Bbls wtr. Left well open to frac tank overnight. Will swab again in the AM. SDFN. Perfs @ 10,350'-10,366'. PBTD @ 10,965'.

Had Banta roustabouts hooking up heater treater. Had Lobo transport put 40 Bbls fresh wtr in heater. Welder finished welding up tank btm.

Current Operation This AM: Swab.

AFE Intangible: \$236,939 DC Intangible: \$3,540 AFE Tangible: \$186,348 DC Tangible: \$0 TC Intangible: \$100,629 BAL Intangible: \$136,310 TC Tangible: \$5,961 BAL Tangible: \$180,387

Daily Costs Intangible:

\$450 Supervision

\$40 Phone

\$1,200 Contract Labor

\$1,850 Pulling/ Swabbing Unit

04/29/05

Well did not flow any fluid to frac tank overnight. IFL @ 10,100'. Made 10 runs pulling each run from 10,100' bringing back 37 Bbls Oil & 0 Bbls wtr. Hook up wellhead back to flowline & leave well open to tank. RDMO Reeco Swab unit. Perfs @ 10,350'- 10,366'. PBTD @ 10,965'. FINAL REPORT.

Current Operation This AM: Open to tank.

DC Intangible: \$1,390 AFE Intangible: \$236,939 DC Tangible: AFE Tangible: \$0 \$186,348 TC Intangible: \$102,019 BAL Intangible: \$134,920 TC Tangible: \$5,961 BAL Tangible: \$180,387

Daily Costs Intangible:

\$450 Supervision

\$40 Phone

\$900 Pulling/ Swabbing Unit

04/29/05 - 05/02/05 Flowed 0 BO, 0 BW and 0 MCF. Open to tank w/ no flow.

05/02/05 - 05/03/05 Flowed 0 BO, 0 BW and 0 MCF. Open to tank w/ no flow.

05/03/05 - 05/04/05 Flowed 0 BO, 0 BW and 0 MCF. Open to tank w/ no flow.

05/04/05 - 05/05/05 Flowed 0 BO, 0 BW and 0 MCF. Open to tank w/ no flow. Moved 335 BO from

frac tank.

05/05/05 - 05/06/05 Flowed 0 BO, 0 BW and 0 MCF. Open to tank w/ no flow.

05/06/05 - 05/07/05 Flowed 0 BO, 0 BW and 0 MCF. Open to tank w/ no flow.

05/07/05 - 05/08/05 Flowed 0 BO, 0 BW and 0 MCF. Open to tank w/ no flow.

05/08/05 - 05/09/05 Flowed 0 BO, 0 BW and 0 MCF. Open to tank w/ no flow.

Diamondback 24 Federal Com. #1

710' FSL & 1980' FEL, Section 24, T19S, R32E

Morrow

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

05/09/05 - 05/10/05 Flowed 0 BO, 0 BW and 0 MCF. SI until pump installed.

05/27/05 MIRU pulling unit shut down until Tuesday.

Current Operation This AM: ND Wellhead.

ND well head, installed BOPE. Released on off tool to equalized tbg latched back on to tbg. Released packer and started POOH w/ tbg and packer RIH w/ (1) 2 3/8"N-80 open ended MJ, SN (5) 2 3/8" N -80 tbg, TAC, (326) 2 3/8" tbg. Removed BOPE, set TAC. NU wellhead and SN & SDFN

Current Operation This AM: Pulling pkr.

AFE Intangible: \$236,939 DC Intangible: \$6,305 AFE Tangible: \$186,348 DC Tangible: \$800 BAL Intangible: \$128,615 TC Intangible: \$108,324 BAL Tangible: \$179,587 TC Tangible: \$6,761

Daily Costs Intangible: Daily Costs Tangible:

\$850 Supervision \$800 Other Well Equipment

\$80 Phone

\$1,679 Pump/ Vacuum Truck

\$935 Rental - Misc

\$2,761 Pulling/ Swabbing Unit

06/01/05 RIH w/ new pump, (16) 1 1/2 K bars, (263) 3/4" T-66 rods, (135) 7/8" T-66 rods, and 26' PR w/ 16' PRL. Seated pump, loaded tbg to 500# held ok Will started unit in AM. SN & SDFN Current Operation This AM: Start pumping unit.

DC Intangible: \$4,760 AFE Intangible: \$236,939 DC Tangible: \$7,164 AFE Tangible: \$186,348 TC Intangible: BAL Intangible: \$113,084 \$123,855 TC Tangible: \$13,925 BAL Tangible: \$172,423

Daily Costs Intangible: Daily Costs Tangible:

\$450 Supervision \$4,594 Wellhead Equipment \$40 Phone \$2,570 Downhole Equipment

\$1,319 Pump/ Vacuum Truck \$2,951 Pulling/ Swabbing Unit

06/02/05 RDMO returned to production @ 7AM

Current Operation This AM: Released to production.

DC Intangible: \$2,330 AFE Intangible: \$236,939 DC Tangible: \$125,839 AFE Tangible: \$186,348 TC Intangible: \$115,414 BAL Intangible: \$121,525 TC Tangible: \$139,764 BAL Tangible: \$46,584

Daily Costs Intangible: Daily Costs Tangible:

\$450 Supervision \$27,749 Rods

\$40 Phone \$90,000 Artificial Lift Equipment \$1,000 Backfill Pits and Cleanup \$8,090 Electrical Installation

\$840 Pulling/ Swabbing Unit

06/02/05 - 06/03/05 Pumped 3 BO, 145 BW and 4 MCF.

06/03/05 - 06/04/05 Pumped 123 BO, 0 BW and 55 MCF.

Diamondback 24 Federal Com. #1

710' FSL & 1980' FEL, Section 24, T19S, R32E

Morrow

Lea County, New Mexico

06/19/05 - 06/20/05

** ALL COSTS ARE FIELD ESTIMATES **

06/04/05 - 06/05/05	Pumped 56 BO, 3 BW and 70 MCF.
06/05/05 - 06/06/05	Pumped 25 BO, 0 BW and 43 MCF.
06/06/05 - 06/07/05	Pumped 0 BO, 0 BW and 0 MCF. Pipeline/ Marketing Problem.
06/07/05 - 06/08/05	Pumped 0 BO, 0 BW and 0 MCF. Pipeline/ Marketing Problem.
06/08/05 - 06/09/05	Pumped 0 BO, 0 BW and 0 MCF. Pipeline/ Marketing Problem.
06/09/05 - 06/10/05	Pumped 0 BO, 0 BW and 0 MCF. Pipeline/ Marketing Problem.
06/10/05 - 06/11/05	Pumped 0 BO, 0 BW and 0 MCF. Pipeline/ Marketing Problem.
06/11/05 - 06/12/05	Pumped 131 BO, 0 BW and 18 MCF.
06/12/05 - 06/13/05	Pumped 33 BO, 0 BW and 22 MCF.
06/13/05 - 06/14/05	Pumped 17 BO, 0 BW and 19 MCF.
06/14/05 - 06/15/05	Pumped 33 BO, 0 BW and 17 MCF.
06/15/05 - 06/16/05	Pumped 17 BO, 0 BW and 16 MCF.
06/16/05 - 06/17/05	Pumped 17 BO, 0 BW and 14 MCF.
06/17/05 - 06/18/05	Pumped 6 BO, 0 BW and 13 MCF in 8 hrs. Generator Down.
06/18/05 - 06/19/05	Pumped 32 BO, 0 BW and 12 MCF.
	D 144 DO ADVI 144 VGT TO 147 DEDODE

Pumped 11 BO, 0 BW and 12 MCF. FINAL REPORT.