

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

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised March 25, 1999

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.)		WELL API NO. 30-025-35946
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Matador Operating Company		6. State Oil & Gas Lease No.
3. Address of Operator 310 W. Wall, Suite 906 Midland, TX 79701		7. Lease Name or Unit Agreement Name: Bilbrey 32 State Com
4. Well Location Unit Letter <u>K</u> : <u>1330</u> feet from the <u>South</u> line and <u>1980</u> feet from the <u>West</u> line Section <u>32</u> Township <u>21S</u> Range <u>32E</u> NMPM Lea County		8. Well No. 2
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3710 GR		9. Pool name or Wildcat Bilbrey; Morrow (Gas)

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

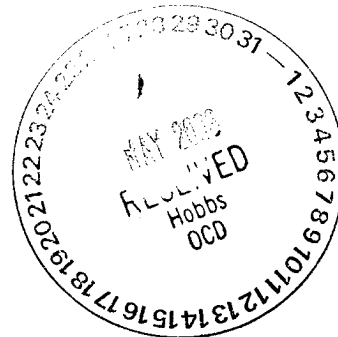
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

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

12. 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 recompilation.

See Attached Detail



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

SIGNATURE Diane Kuykendall TITLE Production Analyst DATE 5/23/03

Type or print name Diane Kuykendall

Telephone No. (432) 687-5955

(This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE JUN 09 2003
Conditions of approval, if any:

Matador Operating Company

Bilbrey 32 State Com #2
Sec 32, T21S, R32E

API # 30-025-35946
Lea County, New Mexico

Date : 9/4/2002	
Activity: Logging	Days On Completion: 1
Remarks : Finish TOO H w/sidewall cores. Begin running 4-1/2" casing.	
Date : 9/5/2002	
Activity: Ran Production String	Days On Completion: 2
Remarks : Fin rng 4 1/2" lnr & cmt same. TOO H & LD lnr hngr. TIH. Will WOC and dress off TOL today.	
Date : 9/6/2002	
Activity: Cmt Prod Liner	Days On Completion: 3
Date : 9/7/2002	
Activity: LD Drill String	Days On Completion: 4
Date : 9/8/2002	
Activity: LD Drill String	Days On Completion: 5
Remarks : Neg test TOL w/ pkr. Displ hole w/ 10.0 PPG BW. TOO H & LDDP. Rig rel 1800 hrs on 9/7/02.	
Date : 9/24/2002	
Activity: Clean location	Days On Completion: 21
Remarks : Clean and back-drag location. Put risers on sub-surface well head connections, and fill cellar. Set anchors. Hauled free water from reserve pit which is near to over-flow. MIRU Eunice Well Service. SDON.	
Date : 9/25/2002	
Activity: RIH w/ Prod Tbg	Days On Completion: 22
Remarks : Set cat walk, pipe racks, reverse pump and pit. Take delivery of 465 joints new Lone Star Steel 2.375 L-80, EUE, 8rd, 4.7 ppf tubing. Clean and visually inspect threads. NU 7-1/16, 10K x 5K spool, and 5K hydraulic BOP. Pick up and RIH with 3.75" bit, scraper, 6 DC, XO, and tubing. Tag liner top at 12276'. Pulled 2 stands tubing. SWI, SDON.	
Date : 9/26/2002	
Activity: Circulate	Days On Completion: 23
Remarks : RU swivel and reverse unit. Drilled 5' soft cement from 12274-79'. Circulated tubing capacity. CIH with tubing to tag at 14350'. Drilled soft cement to tag solid at 14842'. Reverse circulated with 550 bbls 6% KcL. RD swivel and reverse unit. POH with 60 stands tubing. SWI, SDON.	
Date : 9/27/2002	
Activity: Run Bond Log	Days On Completion: 24
Remarks : COH with tubing and tools. RU Schlumberger wireline. RIH with gamma ray, CCL, CBL, and USI tools. Log from PBTD to 14000 with no pressure (find PBTD at corrected depth of 14834'). Pull main pass from PBTD to TOC at 8250' with 1500 psi. Good bond across zones of interest. Poor bond above liner. RD Schlumberger. Pressure test casing to 5070 psi for 15 min. Final pressure is 5020 psi. Release pressure. SWI, SDOWE.	
Date : 9/28/2002	
Activity: SDFWE	Days On Completion: 25
Date : 9/29/2002	
Activity: SDFWE	Days On Completion: 26

Matador Operating Company

Bilbrey 32 State Com #2

Sec 32, T21S, R32E

API # 30-025-35946

Lea County, New Mexico

Date : 9/30/2002

Activity: Perforate

Days On Completion: 27

Remarks : RU Schlumberger wireline with full lubricator and pack off. RIH with 2.875" HSC loaded 6 spf, 60 deg phase for 2.88" EH, CCL, and wireline. Correlated and perforated Lower Morrow from 14713 - 14718. No change in well pressure. POH with same. RIH with 10K Howco PLS, on-off tool with 1.875" X profile, and 230 stands tubing. Set packer at 14594' with 22 points compression. RU swab. Made 6 swab runs. Recovered 41 bw. FL at 9000'. Tubing on vacuum between runs. SWI, SDON.

Date : 10/1/2002

Activity: Swab test

Days On Completion: 28

Remarks : 13 hour SITP 25 psi. Continued swab. First FL at 9000'. Swabbed to 14500'. Recovered 23 BW (64 bbls total). No gas or oil. RU Schlumberger to pump acid am 10/02/02. SWI, SDON.

Date : 10/2/2002

Activity: Acidize

Days On Completion: 29

Remarks : 13 hour SITP 35 psi. Continued swab. FL at 13500'. No gas or oil. RU Schlumberger to pump acid. (1) Pumped 250 gals 15% HCL with iron control followed by 39 bbls 6% KcL (44 bbls total), to pickle tubing. (2) Unlatch on-off tool. (3) Reverse circulated with 60 bbls 6% KcL. (4) Spotted 600 gals acid (400 gals 10% acetic with organic inhibitor, diluted by 100 gals methanol, blended with 100 gals 15% inhibited HCL to make a 5% HCL solution) to 13000'. (5) Displaced with 6% KcL. (6) Latched on-off tool. (7) Pressured annulus to 500 psi and monitored. (8) Pressured tubing to 3950 psi at .5 bpm, pressure broke. Increased rate to 2.5 BPM with acid on perfs at 5450 psi. Further increased rate to 3.5 BPM at 6200 psi. (9) ISIP 4420 psi, 5 min 4079 psi, 10 min 3809 psi, 15 min 3598 psi. 78 bbls to recover. RD Schlumberger. Flowed to pit 10 mins. RU swab. Recovered 63 bw. FL at 13700'. No hydrocarbon show. SWI, SDON.

Tubing Detail: (from 9/25/02)

460 jts	2.375 L-80, 4.7ppf, EUE 8rd tbg	14602.64
	On-off tool with 1.875 X profile	2.20
	Howco 10K PLS packer	4.04
	KB Adjustment	20.00
	EOT	14628.88

Date : 10/4/2002

Activity: Perforate

Days On Completion: 31

Remarks : COH with tubing and packer. RU Howco wireline. RIH with 3.625 gauge ring/junk basket and wireline to 14700'. POH with same. RIH with 4.5 10K - EZ Drill CIBP. Set CIBP at 14670'. POH with wireline and tools. Loaded casing with 30 bbls 6% KCL and test to 5000 psi (good). RIH with 3.375 HSC loaded 6 spf, 60 deg phase, 25 gram charges, for 4" EH and 40" penetration. Correlated and perforated Lower Morrow from 14554-14557 and 14584-14586. POH with same. No change in well condition. RD Howco wireline. RIH with Howco PLS 10K packer dressed for 35 points shear and 455 joints tubing. Set packer at 14437' with 20 points compression. RU swab. Made 5 swab runs. Recovered 26 bbls. FL at 7500'. SWI, SDON.

Date : 10/5/2002

Activity: Swab test

Days On Completion: 32

Remarks : 13 hour SITP 20 psi. Continued swab. FL first run at 6000'. Swabbed to 13700' in 6 runs. Dropped soap, waited 2 hours, made run. Recovered 1/2 bbl. No hydrocarbon show. Total fluid this report: 30 bbls. Total recovered 56 bw. SWI, SDON.

Tubing Detail:

	Slack off for 20 pt compression on PKR	(8.00)
455 jts	2.375 L-80, 4.7 ppf, EUE 8rd tbg	14423.83
	Otis on-off tool with 1.875 X profile	1.27
	Howco 10K PLS packer	3.99
	Halliburton 10K EZ drill CIBP	@ 14670
	KB Adjustment	18.00
	EOT	14447.09

Matador Operating Company

Bilbrey 32 State Com #2
Sec 32, T21S, R32E

API # 30-025-35946
Lea County, New Mexico

Date : 10/6/2002
Activity: SDFWE

Days On Completion: 33

Date : 10/7/2002
Activity: Acidize

Days On Completion: 34

Remarks : 42 hour SITP 120 psi. Continued swab. FL first run at 13000'. Swabbed to 13700' in 1 run. RU Cudd Pumping Service to acidize Lower Morrow perfs; 14554 - 57 and 14584 - 86. Pumped 700 gals 7.5% HcL (contains iron control, non emulsifying agent, inhibitor, clay stabilizer, and methanol), displaced with 6% KcL. Pressured to 4300 psi at 1.5 bpm, pressure broke to 3100 psi. Increased rate to 3.7 bpm with acid on formation and pressure of 5950 psi. Pressure slowly increased to 6050 psi at 3.7 bpm. ISIP 3600 psi, 5 min 3017 psi, 10 min 2788 psi, 15 min 2640 psi, 75 bbls to recover. RD Cudd. RU swab. Swabbed 7 hours. Recovered 72 bbls. Slight gas show behind swab. FL at 14000'. SWI, SDON.

Date : 10/8/2002
Activity: Acidize

Days On Completion: 35

Remarks : 14 hour SITP 600 psi. Continued swab. FL first run at 9000' and scattered. Swabbed to 13700' in 3 runs. Dropped soap. Waited 2 hours between runs. Estimated flow rate of 20 mcf. Recovered 6 bw. SWI, SDON.

Date :10/9/2002

Activity: Swab test

Days On Completion: 36

Remarks : 14 hour SITP 1350 psi. Flowed for 3 hours. Continued swab. FL first run at 7000' and scattered. Swabbed to 13700' in 1 run. Recovered 6 bbls. Dropped soap. Flowed 4 hours between runs. Estimated flow rate of 100 mcf. Recovered 6 bw this report. Left open through orifice tester. SDON. Orifice tester measured rate of 65 mcf with 10 psi for 14 hours from 5:00 pm 10/9/02 to 7:00 am 10/10/2.

Date :10/10/2002

Activity: poh w/ packer

Days On Completion: 37

Remarks : Open to orifice tester overnight. FTP: 10 psi through .375 orifice. Flow rate of 65.3 mcf. Continue swab. FL first run @ 6500 and scattered'. Swab to 13700' in 1 run. Recover 3 bbl. Drop soap. Flow 4 hr, no change. Load tubing w/ 6% KcL. Release packer and POH w/ tbg and tools. SWI SDON

Date :10/11/2002

Activity: Perforate

Days On Completion: 38

Remarks : ND BOP. NU 7 1/16 bore 10K frac valve. RU Howco WL. RIH w/ gauge ring / junk basket to 14600'. POH w/ same. RIH w/ Howco EZ Drill 10K CIBP. Set plug @ 14520'. POH w/ WL and tools. RIH w/ WL bailer and dump 17' CMT on top of CIBP. POH w/ WL and bailer. RU Howco pump truck. Test CIBP, casing, and surface equipment to 7000 psi for 10 min (good). RIH w/ 3.375" HSC perf guns loaded 6 spf, 60 deg phase, 25 gram Millennium charges for .44 EH and 40" penetration. Correlate to gamma ray and perforate middle Morrow 14370 - 14375. POH w/ same. No change in well condition. RD Howco WL. Pump 30 bbl 6% KcL @ 4.75 bpm and final pressure of 4400 psi. ISIP: 4400 psi 5 min: 3000 psi 15 min: 2500 psi. RD Howco pump. SWI SD until Monday (frac date).

Date : 10/12/2002
Activity: shut in

Days On Completion: 39

Date : 10/13/2002
Activity: shut in

Days On Completion: 40

Matador Operating Company

Bilbrey 32 State Com #2

Sec 32, T21S, R32E

API # 30-025-35946

Lea County, New Mexico

Date : 10/14/2002

Activity: Frac

Days On Completion: 41

Remarks : RU Halliburton to frac Middle Morrow. Job is designed for 30 quality CO2 foam and 20/40 bauxite proppant. Pump total of 2395 bbl fluid, 156 sx proppant into formation (222 sx in casing), and 158 tons CO2. Job screens out. Average slurry rate is 28.8 bpm, average CO2 rate is 13.6 bpm. Maximum pressure @ screen out is 8170 psi. RD Howco. 3 hr SIP is 4150 psi. RU Production Energy Services to flow back to pit. 18 hr FCP is 280 psi on 22/64 choke. Recover estimated 440 bw with moderate sand.

Tubing/Rod Detail

Description	Length	Depth
Halliburton 10K EZ drill CIBP		14520.00
Halliburton 10K EZ drill CIBP		14670.00
KB Adjustment	18.00	
EOT	18.00	

Date : 10/15/2002

Activity: Frac

Days On Completion: 42

Remarks : Continue flow back. Open to 3/4 choke @ 150 psi flowing pressure. Pressure decreases to 0 in 1 hr. After an additional hour, ND frac valve. NU 5K hydraulic BOP. RU Howco WL. RIH w/ 3" gauge ring / junk basket, CCL, and WL. Tag fill @ correlated depth of 12920'. POH w/ same. RD Howco. RIH w/ notched collar and tubing to 12100'. Lay down remainder of tubing. SWI SDON

Date : 10/16/2002

Activity: Sand clean-out

Days On Completion: 43

Remarks : CIH with notched collar and tubing. Tagged sand at 12920'. Loaded casing with 140 bbls 6% KcL and circulated casing capacity to clear CO2. Reverse circulated with 6% KcL while staging in tubing. Cleaned out to 14500' and circulated clean. POH with tubing to 12000'. SWI, SDON.

Date : 10/17/2002

Activity: RIH with Packer

Days On Completion: 44

Remarks : RIH with tubing to tag at 14480'. RU swivel and circulated clean to 14500'. RD swivel. POH with tubing. RIH with Howco PLS 10K packer and tubing. Set packer at 14249' with 20 points compression. SWI, SDON.

Tubing Detail:

Slack off for 20 pt compression on PKR	(8.00)	
449 joints 2.375 L-80, 4.7ppf, EUE 8rd tbg	14231.88	
Otis on-off tool with 1.875 X profile	1.27	
Howco 10K PLS packer (35 pt shear)	3.99	
Halliburton 10K EZ drill CIBP	@	14520
Halliburton 10K EZ drill CIBP	@	14670
KB Adjustment	<u>20.00</u>	
EOT	14249.14	

Date : 10/18/2002

Activity: Swab test

Days On Completion: 45

Remarks : ND BOP. NU 2-1/16, 5K tree. Test all surface connections to 5000 psi. RU swab. IFL at 1700'. Pulled 8 bbls fluid per run, with 4 bbls entry. Made 9 runs. Well flowed water and CO2. Recovered 67 bbls. Have Production Energy Services watch over-night. Leave open to tank on 3/4 choke.

Matador Operating Company

Bilbrey 32 State Com #2

Sec 32, T21S, R32E

API # 30-025-35946

Lea County, New Mexico

Date : 10/19/2002

Activity: Swabbing

Days On Completion: 46

Remarks : Well unloaded 19 bbls water overnight. Started swabbing. IFL 13300'. Made 8 runs. Recovered 23 BW. SD 1 hour. Made one run. Recovered 1/2 bbl. Very light gas vapor. LOWTT, SDON.

Date : 10/20/2002

Activity: Swabbing

Days On Completion: 47

Remarks : Well unloaded 7 BW overnight. Started swabbing. IFL 3100' and scattered. Made 5 runs. Recovered 12 BW. EFL 14000'. Left well open on 10/64 choke. SDON.

Date : 10/21/2002

Activity: Swabbing

Days On Completion: 48

Remarks : At 7:00 am CST the well has 25 psig on tubing with choke on 10/64 with slight blow. Started swabbing. IFL 5500'. Made 6 runs, recovered 29 bbls water, with FL at 12,000'. Continued swabbing. SD 30 mins between runs. Recovered 8 bbls water in 4 runs with EFL at 2000' and scattered. Total recovery today 37 bbls water pulling from 13500'. Left well open to tank on a 10/64" choke. At report time 8:00 am CST 10/21/02 the tubing had 60 psig (42 MCFD).

Date : 10/22/2002

Activity: Swabbing

Days On Completion: 49

Remarks : At 7:00 am CST the well had 60 psig on tubing with choke on 10/64 with slight blow. Started swabbing. IFL 1000' and scattered. Pulled from 6000' and made 2 bbls water on first run. Made 6 runs, recovered 16 bbls water, with FL at 12,000'. Continued swabbing. SD 30 mins between runs. Recovered 9 bbls water in 4 runs with EFL at 12000'-12500' and scattered. Total recovery today: 25 bbls water. Left well open to tank on a 10/64" choke.

Date : 10/23/2002

Activity: Swabbing

Days On Completion: 50

Remarks : At 7:00 am CST the well has 25 psig on tubing with choke on 10/64 with slight blow. Started swabbing. IFL 2200' and scattered. Pulled from 7000'. Made 6 runs, recovered 16 bbls water, with FL at 13,000'. Continued swabbing. SD 30 mins between runs. Recovered 5 bbls water in 2 runs with EFL at 13000'-15500' and scattered. Total recovery today 21 bbls water. Left well open to tank on a 10/64" choke.

Date : 10/24/2002

Activity: Swabbing

Days On Completion: 51

Remarks : At 7:00 am CST the well has 25 psig on tubing with choke on 10/64 with slight blow. Started swabbing. IFL 4500' and scattered. EFL at 13000'. Recovered 22 bbls water. Left well open to tank on a 10/64" choke.

Date : 10/25/2002

Activity: Swabbing

Days On Completion: 52

Remarks : At 7:00 am CST, the well had 25 psig on tubing with choke on 10/64 with slight blow. Started swabbing. IFL at 3000' and scattered. EFL at 12000'. Recovered 22 bbls water. Left well open to tank on 10/64" choke.

Date : 10/26/2002

Activity: Pull Packer

Days On Completion: 53

Remarks : At 7:00 am CST the well had 25 psig on tubing with choke on 10/64 with slight blow. Loaded tubing/casing annulus with 11 bbls 6% KCL (FL at 360 FFS). Pumped 48 bbls 6% KCL in tubing (FL at 12403 FFS). ND tree. Unable to remove wraparound. NU BOP. SD job. SWI, SDFWE.

Date : 10/27/2002

Activity: SDFWE

Days On Completion: 54

Matador Operating Company

Bilbrey 32 State Com #2

Sec 32, T21S, R32E

API # 30-025-35946

Lea County, New Mexico

Date : 10/28/2002

Activity: POH with tbg and pkr

Days On Completion: 55

Remarks : Load tubing with 6% KcL. Release packer and POH with same. Send packer to Howco for re-dress and storage. SWI, SDON.

Date : 10/29/2002

Activity: Perforate

Days On Completion: 56

Remarks : ND BOP. NU 7-1/16 full open 10K frac valve. RU Howco wireline. RIH with 3.375 HSC loaded 6 spf, 60 deg phase, .44"EH, 40" penetration, and wireline. Correlated and perforated Morrow from 14370 - 14375. No change in well condition. POH with same. RD Howco. SWI. SD for frac date 10/31/02.

Date : 10/30/2002

Activity: WO Frac

Days On Completion: 57

Date : 10/31/2002

Activity: Frac

Days On Completion: 58

Remarks : MIRU Howco and FloCo to frac Middle Morrow. Pumped 2000 gals 15% acid followed by 6% KcL. Pumped total of 108 bbls (acid at 2820'). Pressure increased to 8450 psi. SD and RD Howco and FloCo. ND frac valve. NU BOP. RIH with 3800' tubing. Reverse circulated acid to pit with 60 bbls 6% KcL. SWI, SDON.

Date : 11/1/2002

Activity: Acidize

Days On Completion: 59

Remarks : CIH with tubing to 14400'. RU Howco. (Todd Paulson with IPT arrived on location to observe job). Loaded with 15 bbls 6% KcL. Spotted 2000 gals 15% HcL down tubing to 14200' in annulus. Shut casing valve used to circulate to pit. Pumped into formation at .5 BPM at 4800 psi. Gradually increased rate and pressure to 2.2 BPM at 4800. Over displace with 2000 gals 6% KCL. ISIP 3717 psi, 15 min 859 psi. IPT recommended and recommendation was accepted to pump additional 39 bbls 6% KcL at same pressure and rate. ISIP 3900 psi, 15 min 1459 psi. RD Howco. POH with tubing. ND BOP. NU 7-1/16 - 10K frac valve. Prep for frac 11/2. SWI, SDON.

Date : 11/2/2002

Activity: Frac

Days On Completion: 60

Remarks : RU Howco frac equipment with FloCo CO2. Heated water in tanks to prepare for frac. Loaded hole with 3400 gals slick water. (FL at 2100'). Pumped 30101 gals slick water at 10.8 BPM increasing to 19 BPM with pressure beginning at 8080 and decreasing to 7000 psi. Pumped stage 2 water frac containing 3000 gals foamed slurry at 20 BPM at 7200-7400 psi. Pumped stage 3 pad containing 9534 gals X link pad with 60 Q foam at 24 BPM at 7200-7400 psi. Pumped stage 4 .25 PPG sand slug containing 830 gals X link 60 Q foam at 26 BPM at 7200 psi. Pumped stage 5 pad containing 1134 gals X link pad with 60 Q foam at 26 BPM at 7270 psi. Pumped stage 6 .5 PPG sand slug containing 827 gals X link 60Q foam at 26 BPM at 7300 psi. Pumped stage 7 pad containing 12394 gals X link at beginning rate of 26 BPM and final rate of 20.7 BPM with beginning pressure of 7300 psi and final pressure of 7966. Based on the pressure inflection that occurred when the .25 PPG slug and the .5 PPG slug hit the formation and based on the pressure inclination indicating that maximum allowable pressure of 8500 psi (85% of 7" rating) would be reached in 29 minutes and that only 2500 lbs of sand would be placed into the formation at that time and based on the concept that a screen out would be damaging to the formation and jeopardize the success of an attempted re-frac, Russ Mathis and Todd Paulson with IPT agreed to abort frac attempt. Flushed with 6% KCL and 60Q foam. Note: all water used in frac was 6% KCL. 1554 bbls load. Began flowback.

Date : 11/3/2002

Activity: Flowing

Days On Completion: 61

Remarks : Flowed estimated 600 BW to pit in 12 hours on 20/64 choke with pressure beginning at 5700 psi and decreasing to 580 FTP at 6:00 am 11/3/02. Opened choke to 48/64 at 1:00 pm 11/3/02. Continued flowing.

Matador Operating Company

Bilbrey 32 State Com #2

Sec 32, T21S, R32E

API # 30-025-35946

Lea County, New Mexico

Date : 11/4/2002

Activity: Flowing

Days On Completion: 62

Remarks : Flowing 25 psi on 48/64 choke. 100% CO2. Recovered estimated 250 BW last 24 hours. Continued monitoring well today.

Date : 11/5/2002

Activity: shut in

Days On Completion: 63

Date : 11/6/2002

Activity: shut in

Days On Completion: 64

Date : 11/7/2002

Activity: Run Tbg

Days On Completion: 65

Remarks : Continued to flow well to pit on 3/4" open choke. FCP 0 to 12 psi with rate fluctuating from light blow to 368 MCFD rate with intermittent slugs of load water. RDMO well testers. Killed well with 30 bbls 6% KCL FW and continued at 3/4 bpm. ND 7-1/16 10K frac valve. NU BOP. Made up 2-3/8" x 1.85' mule shoe and 2-3/8" API SN. RIH on 450 joints 2-3/8" L-80 4.7# EUE 8rd tubing. ND BOP land flow tree with EOT at 14286'. SN at 14283'. Pumped a total of 85 bbls 6% KCL FW today. Closed well in. SD operations. Prepare to RD Monday 11/11/02.

Tubing Detail:

2-3/8" x 1.85 mule shoe	1.85
2-3/8" API SN	1.10
450 jts 2-3/8" L-80 4.7# EUE 8rd tbg	14265.29
KB adjustment	<u>18.00</u>
EOT	14286.24

Date : 11/8/2002

Activity: WO Orders

Days On Completion: 66

Date : 11/9/2002

Activity: WO Orders

Days On Completion: 67

Date : 11/10/2002

Activity: WO Orders

Days On Completion: 68

Date : 11/11/2002

Activity: Swabbing

Days On Completion: 69

Remarks : SITP at 1000 psi. SICP at 750 psi. Blew tubing down to pit. RU swab. Checked fluid level at 3000'. SWI, SDON.

Date : 11/12/2002

Activity: Swabbing

Days On Completion: 70

Remarks : SITP 1000 psi, SICP 900 psi. Blew tubing down to pit. RU swab. Checked fluid level at 3000'. SWI, SDON.

Date : 11/13/2002

Activity: Swabbing

Days On Completion: 71

Remarks : SITP 500 psi, SICP 950 psi. Blew tubing down to pit. RU swab. Checked fluid level at 3000'. SWI, SDON.

Date : 11/14/2002

Activity: Swabbing

Days On Completion: 72

Remarks : SITP at 350 psi, SICP at 1000 psi. Blew tubing down to pit. RU swab. Checked fluid level at 3000'. SWI, SDON.

Matador Operating Company

Bilbrey 32 State Com #2

Sec 32, T21S, R32E

API # 30-025-35946

Lea County, New Mexico

Date : 11/15/2002
Activity: Swabbing
Days On Completion: 73
Remarks : SITP 320 psi, CISP 1500 psi. Blew tubing down to pit. RU swab. Checked fluid level at 3000'. SWI, SDFWE.

Date : 11/16/2002
Activity: SDFWE
Days On Completion: 74

Date : 11/17/2002
Activity: SDFWE
Days On Completion: 75

Date : 11/18/2002
Activity: Swabbing
Days On Completion: 76
Remarks : SITP at 800 psi, SICP at 1300 psi. Blew tubing and casing down to pit. RU swab. Checked fluid level at 1000'. Made one swab run. Well flowed 40 bwph on 3/4 choke at 100 psi. Casing pressure slowly increasing. Recovered 105 bw in 8 hours. LWOTT. Production Energy Services will watch over night.

Date : 11/19/2002
Activity: Swabbing
Days On Completion: 77
Remarks : FTP at 50 psi, SICP at 480 psi. Well flowed 249 bw over night. Continued to flow to tank on 3/4 choke. FTP increased to 70 psi after water slug. Recovered 8 - 10 bwph with good gas show. Gas checked to be 10% CO2. Production Energy Services will watch over night.

Date : 11/20/2002
Activity: Flow Test
Days On Completion: 78
Remarks : FTP at 50 psi, SICP at 580 psi. Well flowed 145 bw over night. Continued to flow to tank on 1" choke. FTP increased to 70 psi after water slug. Recovered 7 - 8 bwph with good gas show. Shut in 10 mins to tie in test unit. TP built to 400 psi. Produced through test unit. Production Energy Services will watch over night. Flow rate at 6:00 am 11/21/02 at 200 mcf.

Date : 11/21/2002
Activity: Flow Test
Days On Completion: 79
Remarks : FTP at 50 psi, SICP at 580 psi. Well flowed 84 bw in 24 hours. Continued to flow through test unit. Fluid rate varied 4 to 8 bwph. Steady flair at 190 MCFD. Showed no sign of CO2. Total fluid recovered is 583 bw.

Date : 11/22/2002
Activity: Flow Test
Days On Completion: 80
Remarks : FTP at 50 psi, SICP at 550 psi. Well flowed 84 bw in 24 hours. Continued to flow through test unit. Gas rate of 200 mcf. Fluid rate varies 3 to 5 bwph. Steady flair shows no sign of CO2. Total fluid recovered is 667 bw.

Date : 11/23/2002
Activity: Flow Test
Days On Completion: 81
Remarks : FTP at 70 psi, SICP at 550 psi. Well flowed 53 bw in 24 hours. Continued to flow through test unit. Gas rate of 180 mcf. Fluid rate varies 2 to 4 bwph. Steady flair shows no sign of CO2. Total fluid recovered is 720 bw.

Date : 11/24/2002
Activity: Flow Test
Days On Completion: 82
Remarks : FTP at 60 psi, SICP at 510 psi. Well flowed 61 bw in 24 hours. Continued to flow through test unit. Gas rate of 165 mcf. Fluid rate varies 2 to 4 bwph. Steady flair shows no sign of CO2. Total fluid recovered is 781 bw.

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Date : 11/25/2002

Activity: Flow Test

Days On Completion: 83

Remarks : FTP at 55 psi, SICP at 500 psi. Well flowed 53 bw in 24 hours. Continued to flow through test unit. Gas rate of 160 mcf. Fluid rate varies from 2 to 4 bwph. Steady flair shows no sign of CO2. Total fluid recovered is 834 bw.

Date : 11/26/2002

Activity: Flow Test

Days On Completion: 84

Remarks : FTP at 55 psi, SICP at 500 psi. Well flowed 51 bw in 24 hours. Continued to flow through test unit. Gas rate of 160 mcf. Fluid rate varied from 2 to 4 bwph. Steady flair shows no sign of CO2. Total fluid recovered is 885 bw. Continue battery construction.

Date : 11/27/2002

Activity: Flow Test

Days On Completion: 85

Remarks : FTP at 55 psi, SICP at 500 psi. Well flowed 50 bw in 24 hours. Continued to flow through test unit. Gas rate of 160 mcf. Fluid rate varies 2 to 4 bwph. Steady flair shows no sign of CO2. Total fluid recovered is 935 bw. Tie gas line into Duke sales line. Well on line at 55 psi FTP. Release Production Energy tester. Continue battery construction.

Date : 11/28/2002

Activity: Producing

Days On Completion: 86

Remarks : 0 oil, 248 MCF, 34 water, 60 tbg pressure, 450 csg pressure

Date : 11/29/2002

Activity: Producing

Days On Completion: 87

Remarks : 0 oil, 512 MCF, 47 water, 60 tbg pressure, 450 csg pressure

Date : 11/30/2002

Activity: Producing

Days On Completion: 88

Remarks : 0 oil, 494 MCF, 36 water, 60 tbg pressure, 450 csg pressure

Date : 12/1/2002

Activity: Producing

Days On Completion: 89

Remarks : 0 oil, 462 MCF, 36 water, 60 tbg pressure, 450 csg pressure

Date : 12/2/2002

Activity: POOH w/tbg

Days On Completion: 90

Remarks : FTP at 55 psi, SICP at 450 psi. Gas rate of 490 mcf through Duke sales meter. Fluid rate 40 bwph. RU kill truck. Released casing pressure while pumping 6% KcL down tubing. ND tree. NU BOP. Begin POH and LD 330 joints of 2-3/8 tubing.

Date : 12/3/2002

Activity: Test Tbg

Days On Completion: 91

Remarks : COH with 2-3/8 tubing. Took delivery of 3-1/2 tubing, and changed out on rack. RU AAA tubing testers. Pick up and RIH with re-entry guide, 1.875" XN nipple, 1 joint 2-3/8 L-80 tubing, Howco 10K PLS packer with 1.875" X profile in on-off tool, 3 joints 2-3/8 L-80 tubing, 3-1/2 x 2-3/8 X-O, and three joints 3-1/2 N-80, 9.3 ppf, EUE 8rd tubing. Test all to 8000 psi above slips. SWI, SDON.

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Date : 12/4/2002

Activity: Test Tbg

Days On Completion: 92

Remarks : CIH testing 3-1/2 N-80 tubing to 8000 psi above slips. EOT at 8900'. SWI, SDON. 119 joints P-110 remain to RIH.

Date : 12/5/2002

Activity: Test Tbg

Days On Completion: 93

Remarks : CIH testing 3-1/2 P-110 tubing to 10000 psi above slips. Attempted to set packer at 12346'. Packer would hold compression but would not hold tension. Began POH with tubing and packer. Packer was dragging slightly through casing and 1st casing collar. Packer would not pass next casing collar. Attempted to go down with packer. Packer would not go down. Worked on packer repeatedly with no success at moving up or down. Pulled 60000 lbs over string weight. No change. Left weight at neutral. SWI, SDON.

Date : 12/6/2002

Activity: POOH w/ tbg

Days On Completion: 94

Remarks : Install line scale weight indicator and 150 ton elevators on rig. Continue attempt to work packer free, pulling from neutral weight to 80 pt tension. Pump 80 bbl 6% KcL dn tubing. Work tubing and packer as before. Pump 40 bbl same fluid dn casing while working tubing from 20 pt compression to 5 pt tension. Tubing pulled free. POH w/ tubing. Find lugs sheared from on-off tool overshot. RU Jarrel WL. RIH w/ 3.625" gauge ring, CCL and gamma ray. Find top of gudgeon (inner piece of on-off tool) @ corrected depth of 12261' (top of liner is 12258 WL'). POH w/ same. RD Jarrel. SWI SDON

Date : 12/7/2002

Activity: poh w/tbg & tools

Days On Completion: 95

Remarks : Well open to tank on 16/64 choke this AM found w/ slight blow. PU Fishing tool as follows 33/4" x 21/2" short catch OS, XO, 4 - 27/8" DC, 4 - XO's. Bumper Sub, Hyd Jars, XO, 6 - 43/4" DC, XO, Acc Sub, 2 - XO's BHA = 333.46 ' RIH on 393 jts 3-1/2" N-80 & P110 tbg. Set down on fish @ 12261 WL depth & caught fish. Work fish w/ tools & fish moved up hole. Could not get back to original tag. Pipe is free coming up. POOH w/ 72 stands. SDON left well open to tank on 16/64 choke. Prep to continue POOH AM.

Date : 12/8/2002

Activity: Fishing

Days On Completion: 96

Remarks : Continue to POOH w/ 3-1/2" tbg & fishing tools. Found the top 6" of gudgeon in OS. Left packer & tail pipe in hole. MIRU JSI WL RIH w/ CCL, 3.79 GR & junk basket. Tag up @ 12,258' showing fish has been pulled up hole 3'. Make up 33/4" x 31/16" grappel RIH as follows, XO, 1 - 27/8" DC, 4 - XO's, Bumper sub, Hyd Jars, XO, 4 - 4-3/4" DC, XO, 180 jts 3-1/2" SDON. Prep to continue RIH & fish AM.

Date : 12/9/2002

Activity: Fishing

Days On Completion: 97

Remarks : Continue to RIH w/ 31/2" tbg & fishing tools. Catch fish & work w/ jars. Pulled lose, would not rebite & was setting down in the same place. POOH w/ tbg & tools. Recovered in the OS was as follows 23/8" ON/OFF mandrel & "J" latch, 23/8" collar, spring housing & spring, top seal carrier & slips (one slip segment was broke in half), top "J" latch, 5" of packer mandrel w/ a neck pulled from a 2" to 11/2" @ part. Left in hole was 28" of packer mandrel, cone section, "J" latch housing, packer rubbers, bottom cone, bottom slips & drag blocks & tail pipe. Prep to PU shoe to cut over packer left well open to tank on 22/64 choke.

Date : 12/10/2002

Activity: Tag Fish

Days On Completion: 98

Remarks : PU 3-3/4" x 9.27' x 3" Kutrite shoe. RIH as follows XO, 6 2-7/8 DC, 3 XO's, Hyd Jars, XO, 4 4-3/4" DC, 3-1/2" tubing. Tag fish at 12,267' = 3' inside 4-1/2" liner pump 6% KCL FW start cutting on fish. Cut and pumped 275 Bbls 6% KCL FW today in 4.5 hours. Well trying to circ. POOH into 7" casing. Prep to continue to cut over packer. Left well open to tank on 22/64 choke.

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Date : 12/11/2002

Activity: POOH

Days On Completion: 99

Remarks : Well open to tank overnight on 22/64" choke. This AM FCP 0 psi (static). RIH with shoe. Had to work to get inside of liner top this AM. Continued to rotate and cut on packer at 12,267' = 3' inside 4-1/2" liner pumping 6% KCL FW without returns. Pumped 118 bbls, well started circ. Washed and cut on fish 4.5 hours. Shoe would not drill or bite. POOH for new shoe. Pumped a total of 210 Bbls 6% KCL FW today in 4.5 hours. Found shoe worn out only 1/2" inside (fish must be spinning). Exchanged shoe. RIH with same BHA. SDON. Prep to RIH and continue to cut over packer AM. Left well open to tank on 22/64 choke.

Date : 12/12/2002

Activity: RIH

Days On Completion: 100

Remarks : Well open to tank overnight on 22/64" choke. This AM FCP 0 psi (static). Continued to RIH with shoe. Broke circ with 180 Bbls 6% KCL FW. Continued to rotate and cut on packer at 12,267' = 3' inside 4-1/2" liner with shoe # 2 pumping reverse with returns. Washed and cut on fish 5.5 hours. Very little progress. Top of fish appears to be spinning. Pull shoe out of liner. Pumped a total of 300 Bbls 6% KCL FW today. Prep to RIH and continued to cut over packer AM. Left well open to tank on 22/64 choke.

Date : 12/13/2002

Activity: Cut on Fish

Days On Completion: 101

Remarks : Well open to tank overnight on 22/64" choke. This am FCP 0 psi (static). RIH with shoe. Broke circ with 85 bbls 6% KCL FW. Continued to rotate and cut on packer at 12,267' = 3' inside 4-1/2" liner with shoe # 2 pumping reverse with returns. Washed and cut on fish 3 hours with no progress. Top of fish appeared to be spinning. POOH to inspect shoe. Pumped a total of 205 bbls 6% KCL FW today breaking circ and rotating on fish. Found shoe # 2 with wear on the end but not inside of shoe. LD, shoe # 2 make up 2-7/8" x 3-3/4" concave mill. RIH with same BHA and 200 joints 3-1/2" tubing. SDON. Prep to RIH and start milling over packer am. Left well open to tank on 22/64 choke.

Date : 12/14/2002

Activity: Cut on Fish

Days On Completion: 102

Remarks : Well open to tank overnight on 22/64" choke. This am FCP 0 psi (static). Continued to RIH with 3-3/4" Concave mill. Broke circ with 170 bbls 6% KCL FW. Worked and cut on packer at 12,267' = 3' inside 4-1/2" liner pumping reverse with returns. Worked and cut on fish 6.5 hours. Fish moved down hole. RIH and tagged fish at 12,350'. Set down on fish with 20 points and worked with no movement. POOH above liner top, re-tagged to confirm fishing string. Left mill above liner. SDON. Pumped a total of 285 bbls 6% KCL FW today breaking circ and cutting on fish. Prep to RIH and continue milling over packer am. Left well open to tank on 22/64 choke.

Date : 12/15/2002

Activity: Cut on Fish

Days On Completion: 103

Remarks : Well open to tank overnight on 22/64" choke. This am FCP 0 psi (slight vacuum). RIH with 3-3/4" Concave mill. Tagged fish at 12,350'. Broke circ with 160 bbls 6% KCL FW. Worked on fish and pushed fish to 12,392'. Worked and pushed loose. Continued RIH 1 joint, did not tag. POOH to LD 4-3/4" DC and inspect BHA (mill # 1 wore out). RIH as follows: 3-3/4" Concave mill # 2, XO, 6 2-7/8" DC, XO, 75 joints 2-3/8" L-80 4.7# EUE 8rd tubing, 320 joints 3-1/2" 9.3# tubing. Tagged fish. Worked and pushed fish down hole to 14,434' = 59' below bottom perf by SLM. POOH and left mill above liner. SDON. Pumped a total of 180 bbls 6% KCL FW today breaking circ and turning on fish. Prep to RIH and circ clean with 6% KCL FW am. Left well open to tank on 22/64 choke.

Date : 12/16/2002

Activity: Perforate

Days On Completion: 104

Remarks : Well open to tank overnight on 22/64" choke. This am FCP 0 psi (slight vacuum). RIH with 3-3/4" Concave mill to 14,430'. Broke circ with 120 bbls 6% KCL FW. Circ clean with 520 bbls total. POOH with 3-1/2" tubing and stand in derrick. LD 2-3/8" L-80 tubing, 2-7/8" DC and mill # 2. MIRU Halliburton wireline. RIH with 3-3/8" x 6' gun loaded 5' with 6 spf 600' in hole broke drum chain on wireline truck. SD. Waited 3-1/2 hours on repairs. Resumed operations. RIH with gun. Perforate Morrow from 14,370' to 14,375' = 5' 30 holes .44 EH, 32 gram charge. Wireline PBTD at 14,392 = 17' below bottom perf. POOH. RDMO wireline. Prep to test 3-1/2" Frac tubing in hole am. SDON. Left well open to tank on 22/64 choke.

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Date : 12/17/2002
Activity: RIH with Packer
Days On Completion: 105
Remarks : Well open to tank overnight on 22/64" choke. This am FCP 0 psi (static). PU Frac string as follows, testing 2-3/8" and 3-1/2" N-80 tubing to 8000 psi and the P110 tubing to 10,000 psi above slips. Made up 2-3/8" WLG, 2-3/8" 1.875 XN profile with 1.791 NG, 1 joint 2-3/8" L-80 4.7# EUE 8rd tubing, 2-3/8" x 4-1/2" PLS 10K packer dressed for 13.5# casing, 2-3/8" XL On/Off tool with 1.875 X profile, 3 joints 2-3/8" L-80 4.7# EUE 8rd tubing, 2-3/8" x 3-1/2" XO (4.5" OD), 181 joints 3-1/2" N-80 9.3# EUE 8rd tubing with SHC, 102 joints 3-1/2" N-80 9.3# EUE 8rd tubing with FHC, 120 joints 3-1/2" P110 9.3# EUE 8rd tubing. Space out and set packer in 20K compression at 12,361' = 90' inside 4-1/2" liner. Close BOP load backside with 79 bbls 6% KCL FW and pressure test to 2500 psi - ok. Bled pressure to 0 psi. SDON. Left well open to tank on 22/64 choke.

Date : 12/18/2002
Activity: ND BOP
Days On Completion: 106
Remarks : Casing open to tank overnight on 22/64" choke with tubing shut in. This am FCP 0 psi (static), SITP 75 psi. ND BOP. Installed 10K Flow Tree and tested to 10,000 psi. Retest backside to 2700 psi and held 30 min with no bleed off. Loaded backside with 1/10 bbls 6% KCL FW to pressure test. Installed flow back manifold. SWI. Prep location for Frac date 12-23-2002. Well and location are ready for Frac.

Date : 12/19/2002
Activity: WO Frac
Days On Completion: 107

Date : 12/20/2002
Activity: WO Frac
Days On Completion: 108

Date : 12/21/2002
Activity: WO Frac
Days On Completion: 109

Date : 12/22/2002
Activity: WO Frac
Days On Completion: 110

Date : 12/23/2002
Activity: Frac
Days On Completion: 111
Remarks : SITP at 1150 psi. RU Howco frac equipment. Bottom master valve on well head will not open fully with pressure. Blow well down to pit. Open valve for isolation tool and RU. Frac Middle Morrow with 1600 bbls 40 - 50 lb Puregel III 30 quality CO2 foam, and 56510 lbs 20/40 Sintered Bauxite. Average pressure of 14300 psi (max of 15242 psi), average rate of 27.2 BPM (max rate of 31.6 BPM). ISIP at 8340 psi, 5 min at 6730 psi, 10 min at 6168 psi, 15 min at 5851 psi, 20 min at 5540 psi. RD Howco. 180 min SIP at 3525 psi. Began flow back with Production Energy Services. Flowed to pit on 14/64 choke for 6 hours. FTP at 790 psi. Increased positive choke to 18/64. FTP after 10 hours is 280 psi. Estimated fluid recovery is 180 bbls. Current flow rate is 15 BPH with light sand.

Date : 12/24/2002
Activity: Flow Back Frac
Days On Completion: 112
Remarks : Continued flow back. Increased choke to 48/64. TP and flow rate decreased to 0 in 16 hours. Total fluid this report: 75 bw. 255 BTLR of 1601 BTL. 1346 BTLTR.

Date : 12/25/2002
Activity: Flow Back Frac
Days On Completion: 113
Remarks : Continued flow back. TP and flow rate at 0 psi. Shut in last 10 hours this report. TP at 190 psi. Total fluid this report: 0 bw. 255 BTLR of 1601 BTL. 1346 BTLTR.

Date : 12/26/2002
Activity: Flow Back Frac
Days On Completion: 114
Remarks : 10 hour SITP at 190 psi. Open to pit on 24/64 choke. 100% CO2 with no fluid. Pressure to 0 psi in 2 hour. Shut in 22 hours. TP at 225 psi. 257 BTLR of 1601 BTL. 1344 BTLTR.

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Date : 12/27/2002

Activity: Flow Back Frac

Days On Completion: 115

Remarks : 22 hour SITP at 225 psi. Opened to pit on 24/64 choke. 100% CO2 with no fluid. Pressured to 0 psi in 2 hour. Left open 8 hours. RU Pro wireline. RIH with 1.5" sinker bar and wireline. Tagged fill at 13294' (SLM). POH with same. RD Pro. Shut in 14 hours. TP at 67 psi. 257 BTLR of 1601 BTL. 1344 BTLTR.

Date : 12/28/2002

Activity: Flow Back Frac

Days On Completion: 116

Remarks : Release Production Energy Services. Tubing will remain shut in until 12/30. 257 BTLR of 1601 BTL. 1344 BTLTR.

Date : 12/29/2002

Activity: shut in

Days On Completion: 117

Remarks : 257 BTLR of 1601 BTL. 1344 BTLTR.

Date : 12/30/2002

Activity: Clean Out with Coiled Tubing

Days On Completion: 118

Remarks : MIRU Howco coil tubing unit with 16000' of 1.25 OD coil tubing (0.109" wall thickness). RIH with coil tubing while injecting .4 bpm 7% KcL with foamer and 300 scfm N2 (surface pressure of returns is 140 psi). Circulated clean to tag at 14430'. Volume increased as perfs were cleared. Stayed below perfs until sand returns at surface stop (surface pressure of returns is 255 psi). POH with coil tubing while continuing to pump N2. RD Howco. RU Production Energy Services to flow over night. 1 hour SITP at 450 psi. Flowed to pit on 48/64 choke. 257 BTLR of 1601 BTL. 1344 BTLTR.

Tubing Detail:

403 jts	3.5, 9.3 ppf, EUE 8rd tubing	12248.46
	3.5 X 2.375 X-O	0.60
3 jts	2.375 L-80, EUE 8rd tubing	95.43
	Otis on-off tool w/ 1.875 X profile	1.95
	10K PLS packer	4.00
1 jt	2.375 ditto tubing	31.79
	1.875 XN nipple	1.27
	WLREG	0.46
407 jts	total tubing and tools	<u>12383.96</u>
	Slack off for 20 pts compression	(8.00)
	KB Adjustment	<u>20.00</u>
	EOT	12395.96

Date : 12/31/2002

Activity: Flow Back Frac

Days On Completion: 119

Remarks : FTP at 35 psi on 48/64 choke. Recovered estimated 142 bw to pit overnight (no sand). Continued flow back under same conditions at rate of 4 BPH. PES will monitor. 399 BTLR of 1601 BTL. 1202 BTLTR.

Date : 1/1/2003

Activity: Flow Back Frac

Days On Completion: 120

Remarks : Well flowed steady for 16 hours at 35 psi and 4 bwph. Pressure dropped, well began flowing in slugs. Flowed estimated 85 bw to pit. RU swab. IFL at 2700' and scattered. Made swab runs increasing depth 1000' each run. Gas blow of 40 psi behind swab, dropping to 0 in 15 to 30 mins. Made last run from 9000'. Sand line parted in oil saver, leaving 3000' of line in tubing. Left well open to pit. Recovered 135 bw total this report. 534 BTLR of 1601 BTL. 1067 BTLTR.

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Date : 1/2/2003

Activity: Perforate Tubing

Days On Completion: 121

Remarks : Well flowed steady for 18 hours at 35 psi. Flowed estimated 204 bw to pit. Installed 16000' new sand line on rig. RU and load tubing with 80 bbls 7% KcL at 1.5 BPM on vacuum. RU Jarrel wireline. RIH with 2.8" gauge ring/junk basket to tag at 8366'. Find no FL. RIH with 1-9/16" tubing punch gun loaded 2 spf 0 deg phase for .5" EH. Perforated tubing 8013'. Wireline weight indicates fluid in tubing is falling. POH with same. RD Jarrel. Left casing and tubing open on small choke. PES will monitor. SDON. 738 BTLR of 1601 BTL. 863 BTLLTR.

Date : 1/3/2003

Activity: POOH w/ tbg

Days On Completion: 122

Remarks : Casing and tubing pressure is neutral. RIH with swab. Find FL at 6380'. POH with same. ND tree. NU BOP. Released packer. POH and laid down 8000' 3-1/2 tubing. Left well open on 20/64 choke. SDON. NOTE: estimated 340 bw was taken by perfs, load volumes have been adjusted. 738 BTLR of 1941 BTL. 1203 BTLLTR.

Date : 1/4/2003

Activity: Tag Fill

Days On Completion: 123

Remarks : Casing and tubing pressure is neutral. Laid down 2 joints tubing. Found top of sand line. POH and laid down sand line and swabbed (recovered all pieces). POH and laid down 3-1/2 tubing and packer. RU Howco wireline. RIH with 3.75 gauge ring/junk basket to tag at 14316'. POH with same. Repeat with 3.375 gamma tool, no change. Find FL at 6100'. Well was neutral with slight gas show at surface. Left open to pit. SDON. 738 BTLR of 1941 BTL. 1203 BTLLTR.

Date : 1/5/2003

Activity: RIH w/ tbg

Days On Completion: 124

Remarks : Pick up Bull Dog bailer and 2-3/8 tubing. Cleaned out fill from 14360 - 14425' (tubing measure). POH with 50 stands tubing. SWI, SDON. 738 BTLR of 1941 BTL. 1203 BTLLTR.

Date : 1/6/2003

Activity: Set packer

Days On Completion: 125

Remarks : COH with tubing and bailer. RU Howco wireline. RIH with 2.71 gauge ring/junk basket to tag at 14420' corrected depth. POH with same. RIH with WLREG, 1.875 XN nipple (with blanking plug in place), one joint 2-3/8 L-80 tubing, 10K UNI VI packer (1.875 X profile in gudgeon), and wireline. Set packer at 14250'. POH with wireline. RD Howco wireline. RIH with XL on-off tool and 2-3/8 L-80 tubing. Latch on-off tool. Calculate tubing for 15 points compression. Unlatch on-off tool. POH with tubing 50'. SWI, SDON. 738 BTLR of 1941 BTL. 1203 BTLLTR.

Date : 1/7/2003

Activity: NU Tree

Days On Completion: 126

Remarks : RU kill truck. Reverse circulated 530 bbls 6% KcL and packer fluid. Spaced out with 10 & 8 foot tubing subs. ND BOP. NU 2-1/16, 5K tree (7-1/16, 10K hanger). Tested wrap around and hanger flange to 10000 psi. Tested packer and casing to 5000 psi for 30 mins. All tests good. RU swab. Swabbed FL to 2600'. Swab will not fall below this depth. RIH with 1.81 sinker bar. Same result. ND tree. NU BOP. SWI, SDON. 738 BTLR of 1941 BTL. 1203 BTLLTR.

Date : 1/8/2003

Activity: Pull Blanking Plug

Days On Completion: 127

Remarks : RU kill truck. Loaded tubing. Released on-off tool. POH with tubing. Found joint 44 down crimped by slips. Replaced joint. RIH with tubing. ND BOP. NU 2-1/16, 5K tree (7-1/16, 10K hanger). Tested wrap around and hanger flange to 10000 psi. Tested packer and casing to 5000 psi for 30 mins. All tests good. RD kill truck. RU swab. Swabbed FL to 6900'. RU Pro wireline. RIH with tools and wireline. Retrieved equalizing prong from blanking plug at 14289'. POH with same. RIH with tools and wireline. Released blanking plug. POH with same. (FL at 4800'). RD Pro wireline. Continued swab. Made 3 runs. Recovered 18 bw. FL at 2000'. Slight blow behind swab. Left open to tank. PES will watch over night. SDON. At report time well flowing approximately 600 MCFD rate with 3-4 bbls fluid per hour. Recovered 10 bbls condensate overnight. 756 BTLR of 1941 BTL. 1185 BTLLTR.

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Date : 1/9/2003	
Activity: Put on line	Days On Completion: 128
Remarks : Flowed to tank over night. Flowed 104 bw with gas rate of 600 mcf (calculated volume, choke coefficient). Put on line through production equipment. Flow rate at sales meter of +/- 300 mcf. Fluid rates of 3-4 bwph. Left well on line. SDON. 860 BTLR of 1941 BTL. 1081BTLLTR.	
Date : 1/10/2003	
Activity: Producing	Days On Completion: 129
Remarks : 0 oil, 135 MCF, 179 water, 40 tbq pressure. On line 20 hours. Gas sales of 180 mcf. Fluid produced: 132 bw, 0 bo. RD Eunice well service. Released all rental equipment. Well on line. 992 BTLR of 1941 BTL. 949 BTLLTR.	
Date : 1/11/2003	
Activity: Producing	Days On Completion: 130
Remarks : 0 oil, 254 MCF, 112 water, 40 tbq pressure. 1104 BTLR of 1941 BTL. 837 BTLLTR.	
Date : 1/12/2003	
Activity: Producing	Days On Completion: 131
Remarks : 0 oil, 256 MCF, 81 water, 40 tbq pressure. 1185 BTLR of 1941 BTL. 756 BTLLTR.	
Date : 1/13/2003	
Activity: Producing	Days On Completion: 132
Remarks : 0 oil, 244 MCF, 60 water, 55 tbq pressure. On line 20 hours. Gas sales of 180 mcf. Fluid produced: 132 bw, 0 bo. RD Eunice well service. Released all rental equipment. Well on line. 992 BTLR of 1941 BTL. 949 BTLLTR.	
Date : 1/14/2003	
Activity: Producing	Days On Completion: 133
Remarks : 0 oil, 234 MCF, 84 water, 50 tbq pressure	
Date : 1/15/2003	
Activity: Producing	Days On Completion: 134
Remarks : 0 oil, 232 MCF, 43 water, 50 tbq pressure	
Date : 1/16/2003	
Activity: Producing	Days On Completion: 135
Remarks : 0 oil, 239 MCF, 67 water, 55 tbq pressure	
Date : 1/17/2003	
Activity: Producing	Days On Completion: 136
Remarks : 0 oil, 245 MCF, 68 water 50 tbq pressure	
Date : 1/18/2003	
Activity: Producing	Days On Completion: 137
Remarks : 0 oil, 245 MCF, 68 water, 55 tbq pressure	
Date : 1/19/2003	
Activity: Producing	Days On Completion: 138
Remarks : 0 oil, 257 MCF, 58 water, 50 tbq pressure, 1SS	

Matador Operating Company

Bilbrey 32 State Com #2

Sec 32, T21S, R32E

API # 30-025-35946

Lea County, New Mexico

Date : 1/20/2003	
Activity: Producing	Days On Completion: 139
Remarks : 0 oil, 287 MCF, 44 water, 55 tbq pressure	
Date : 1/21/2003	
Activity: Producing	Days On Completion: 140
Remarks : 0 oil, 289 MCF, 18 water, 50 tbq pressure	
Water Analysis	
Specific Gravity 1.038 at 68 degrees F ph 7.00	
Anions	ppm
Chlorides	34152
Sulfates	145
Carbonates	0
Bicarbonates	2890
Cations	ppm
Calcium	2859
Magnesium	538
Iron	0
Sodium	19001
Total Ion Equivalent NaCl Concentration= 57798.24 ppm	
Date : 1/22/2003	
Activity: Producing	Days On Completion: 141
Remarks : 0 oil, 300 MCF, 37 water, 55 tbq pressure	
Date : 1/23/2003	
Activity: Producing	Days On Completion: 142
Remarks : 0 oil, 304 MCF, 44 water, 60 tbq pressure	
Date : 1/24/2003	
Activity: Producing	Days On Completion: 143
Remarks : 0 oil, 307 MCF, 33 water, 60 tbq pressure	
Date : 1/25/2003	
Activity: Producing	Days On Completion: 144
Remarks : 0 oil, 312 MCF, 39 water, 60 tbq pressure	
Date : 1/26/2003	
Activity: Producing	Days On Completion: 145
Remarks : 0 oil, 314 MCF, 39 water, 50 tbq pressure	
Date : 1/27/2003	
Activity: Producing	Days On Completion: 146
Remarks : 0 oil, 316 MCF, 41 water, 60 tbq pressure	
Date : 1/28/2003	
Activity: Producing	Days On Completion: 147
Remarks : 0 oil, 316 MCF, 28 water, 60 tbq pressure	

Matador Operating Company

Bilbrey 32 State Com #2

Sec 32, T21S, R32E

API # 30-025-35946

Lea County, New Mexico

Date : 1/29/2003 Activity: Producing Remarks : 0 oil, 320 MCF, 36 water, 60 tbg pressure	Days On Completion: 148
Date : 1/30/2003 Activity: Producing Remarks : 0 oil, 321 MCF, 33 water, 61 tbg pressure	Days On Completion: 149
Date : 1/31/2003 Activity: Producing Remarks : 0 oil, 321 MCF, 33 water, 70 tbg pressure	Days On Completion: 150
Date : 2/1/2003 Activity: Producing Remarks : 0 oil, 310 MCF, 30 water, 70 tbg pressure	Days On Completion: 151
Date : 2/2/2003 Activity: Producing Remarks : 0 oil, 320 MCF, 19 water, 60 tbg pressure	Days On Completion: 152
Date : 2/3/2003 Activity: Producing Remarks : 0 oil, 319 MCF, 23 water, 60 tbg pressure	Days On Completion: 153
Date : 2/4/2003 Activity: Producing Remarks : 0 oil, 317 MCF, 32 water, 50 tbg pressure	Days On Completion: 154
Date : 2/5/2003 Activity: Producing Remarks : 0 oil, 316 MCF, 15 water, 60 tbg pressure	Days On Completion: 155
Date : 2/6/2003 Activity: Producing Remarks : 0 oil, 314 MCF, 30 water, 60 tbg pressure	Days On Completion: 156
Date : 2/7/2003 Activity: Producing Remarks : 0 oil, 312 MCF, 31 water, 60 tbg pressure	Days On Completion: 157
Date : 2/8/2003 Activity: Producing Remarks : 0 oil, 309 MCF, 25 water, 60 tbg pressure	Days On Completion: 158
Date : 2/9/2003 Activity: Producing Remarks : 0 oil, 307 MCF, 24 water, 60 tbg pressure	Days On Completion: 159

Matador Operating Company

Bilbrey 32 State Com #2

Sec 32, T21S, R32E

API # 30-025-35946

Lea County, New Mexico

Date : 2/10/2003 Activity: Producing Remarks : 0 oil, 306 MCF, 31 water, 60 tbg pressure	Days On Completion: 160
Date : 2/11/2003 Activity: Producing Remarks : 0 oil, 310 MCF, 25 water, 60 tbg pressure	Days On Completion: 161
Date : 2/12/2003 Activity: Producing Remarks : 0 oil, 303 MCF, 16 water, 60 tbg pressure	Days On Completion: 162
Date : 2/13/2003 Activity: Producing Remarks : 0 oil, 300 MCF, 31 water, 60 tbg pressure	Days On Completion: 163
Date : 2/14/2003 Activity: Producing Remarks : 0 oil, 301 MCF, 13 water, 60 tbg pressure	Days On Completion: 164
Date : 2/15/2003 Activity: Producing Remarks : 0 oil, 315 MCF, 36 water, 60 tbg pressure	Days On Completion: 165
Date : 2/16/2003 Activity: Producing Remarks : 0 oil, 320 MCF, 25 water, 60 tbg pressure	Days On Completion: 166
Date : 2/17/2003 Activity: Producing Remarks : 0 oil, 290 MCF, 17 water, 60 tbg pressure	Days On Completion: 167
Date : 2/18/2003 Activity: Producing Remarks : 0 oil, 310 MCF, 19 water, 60 tbg pressure	Days On Completion: 168
Date : 2/19/2003 Activity: Producing Remarks : 0 oil, 288 MCF, 11 water, 70 tbg pressure	Days On Completion: 169
Date : 2/20/2003 Activity: Producing Remarks : 0 oil, 285 MCF, 9 water, 60 tbg pressure	Days On Completion: 170
Date : 2/21/2003 Activity: Producing Remarks : 0 oil, 289 MCF, 0 water, 70 tbg pressure	Days On Completion: 171

Matador Operating Company

Bilbrey 32 State Com #2

Sec 32, T21S, R32E

API # 30-025-35946

Lea County, New Mexico

Date : 2/22/2003	
Activity: Producing	Days On Completion: 172
Remarks : 0 oil, 281 MCF, 8 water, 70 tbg pressure, 2SS	
Date : 2/23/2003	
Activity: Producing	Days On Completion: 173
Remarks : 0 oil, 279 MCF, 16 water, 70 tbg pressure, 2SS	
Date : 2/24/2003	
Activity: Producing	Days On Completion: 174
Remarks : 0 oil, 276 MCF, 23 water, 60 tbg pressure, 2SS	
Date : 2/25/2003	
Activity: Producing	Days On Completion: 175
Remarks : 0 oil, 286 MCF, 7 water, 60 tbg pressure, 2SS	
Date : 2/26/2003	
Activity: Producing	Days On Completion: 176
Remarks : 0 oil, 259 MCF, 20 water, 60 tbg pressure, 2SS	
Date : 2/27/2003	
Activity: Producing	Days On Completion: 177
Remarks : 0 oil, 256 MCF, 33 water, 60 tbg pressure, 2SS	
Date : 2/28/2003	
Activity: Producing	Days On Completion: 178
Remarks : 0 oil, 254 MCF, 20 water, 60 tbg pressure, 2SS	
Date : 3/1/2003	
Activity: Producing	Days On Completion: 179
Remarks : 0 oil, 253 MCF, 19 water, 60 tbg pressure, 2SS	
Date : 3/2/2003	
Activity: Producing	Days On Completion: 180
Remarks : 0 oil, 230 MCF, 4 water, 40 tbg pressure	
Date : 3/3/2003	
Activity: Producing	Days On Completion: 181
Remarks : 0 oil, 112 MCF, 0 water, 60 tbg pressure, ran pressure bombs	
Date : 3/4/2003	
Activity: Producing	Days On Completion: 182
Remarks : 0 oil, 0 MCF, 0 water, 1200 tbg pressure, shut in, pressure bombs in well.	

Matador Operating Company

Bilbrey 32 State Com #2

Sec 32, T21S, R32E

API # 30-025-35946

Lea County, New Mexico

Date : 3/5/2003

Activity: Producing

Days On Completion: 183

Remarks : 0 oil, 0 MCF, 0 water, 1250 tbg pressure, pressure bombs in well

Date : 3/6/2003

Activity: Producing

Days On Completion: 184

Remarks : 0 oil, 0 MCF, 0 water, 1300 tbg pressure, pulled pressure bombs out of well.

Pressure Gradient Survey:

Depth ft	Pressure psia	Temp Deg F	Gradient PSIA.ft
0	59.837000	63.870	
			0.02850
2000	116.84000	79.494	
			0.03048
4000	177.79000	88.283	
			0.02992
6000	237.62000	105.26	
			0.02917
8000	295.96000	125.29	
			0.02777
10000	351.49000	149.68	
			0.02596
12000	403.40000	176.04	
			0.02043
14000	444.25000	197.28	
			0.04000
14247	454.13000	195.57	

Note: no liquid hold up detected. Well was left flowing for 24 hrs with gauges on bottom. No slugging was detected during flow period.

96 hour shut in

Depth ft	Pressure psia	Temp Deg F	Gradient PSIA.ft
0	1308.9000	68.961	
			0.03535
2000	1379.6000	80.403	
			0.03610
4000	1451.8000	89.396	
			0.03620
6000	1524.2000	105.97	
			0.03615
8000	1596.5000	125.89	
			0.03580
10000	1668.1000	149.72	
			0.03560
12000	1739.3000	174.37	
			0.03520
14000	1809.7000	199.38	
			0.03117
14247	1817.4000	200.48	

Date : 3/7/2003

Activity: Producing

Days On Completion: 185

Remarks : 0 oil, 110 MCF, 9 water, 800 tbg pressure

Matador Operating Company

Bilbrey 32 State Com #2

Sec 32, T21S, R32E

API # 30-025-35946

Lea County, New Mexico

Date : 3/8/2003	
Activity: Producing	Days On Completion: 186
Remarks : 0 oil, 318 MCF, 32 water, 300 tbg pressure, 1SS	
Date : 3/9/2003	
Activity: Producing	Days On Completion: 187
Remarks : 0 oil, 341 MCF, 24 water, 100 tbg pressure, 1SS	
Date : 3/10/2003	
Activity: Producing	Days On Completion: 188
Remarks : 0 oil, 288 MCF, 31 water, 80 tbg pressure, 2SS	
Date : 3/11/2003	
Activity: Producing	Days On Completion: 189
Remarks : 0 oil, 266 MCF, 35 water, 80 tbg pressure, 2SS	
Date : 3/12/2003	
Activity: Producing	Days On Completion: 190
Remarks : 0 oil, 253 MCF, 23 water, 60 tbg pressure, 1SS	
Date : 3/13/2003	
Activity: Acidize	Days On Completion: 191
Remarks : RU kill truck. Loaded casing with 22 bw and hold pressure as needed. RU Howco 15K isolation tool. RU Howco to acidize as follows: (1) Pump 30 MSCF N2 at 3500 scfm/min, top pressure of 1146 psi. (2) 2000 gals of 15% acid and 600 gals of methanol, mixed with 1000 scf N2/bbls. Slurry rate of 4 bbls/min, at 2171 psi. (3) Over flush with 106 MSCF N2 at 4 BPM and max pressure of 4600 psi. ISIP 4006 PSI, 5 min 3266 PSI, 10 min 2759 PSI, 15 min 2480 psi. RD Howco and related equipment. 90 min SIP 1270 psi. Began flowback. Opened choke slowly to 2". 90 min FTP 0 psi. MIRU Aries swab unit. IFL at surface and scattered. Made 4 swab runs. Last run pulled from 7000'. Recovered 2 bbls to pit. Left open to pit. PES will watch over night.	
Date : 3/14/2003	
Activity: Flowback	Days On Completion: 192
Remarks : Flowed over night on open choke. No fluid, very little gas. RD Aries. RU Key swab unit. Made 4 swab runs (third and fourth run to 13500'). Recovered 18 bbls fluid. Well flowed. RD Key. Continued to flow to pit 4 hours at 20 psi and 10 bph fluid recovery. Put on line at flow rate of 565 MCFD, 75 psi FTP. Released PES.	
Date : 3/15/2003	
Activity: Producing	Days On Completion: 193
Remarks : 0 oil, 159 MCF, 27 water, 60 tbg pressure, 2 soap sticks	
Date : 3/16/2003	
Activity: Producing	Days On Completion: 194
Remarks : 0 oil, 314 MCF, 28 water, 60 tbg pressure, 1 soap stick	
Date : 3/17/2003	
Activity: Producing	Days On Completion: 195
Remarks : 0 oil, 269 MCF, 28 water, 40 tbg pressure, 2 soap sticks	

Matador Operating Company

Bilbrey 32 State Com #2

Sec 32, T21S, R32E

API # 30-025-35946

Lea County, New Mexico

Date : 3/18/2003

Activity: Producing

Days On Completion: 196

Remarks : 0 oil, 257 MCF, 24 water, 50 tbq pressure, 2 soap sticks