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Western Reserves Oil Company Inc.

State "26" No. 3

Sec. 26, T10S, R33E

Lea county, NM

DAILY DRILLING REPORT

1995

11-23: (cont.) Wireline out w/steering tool & LD wet connect sub. Pressure up drill string & still packed off. TOH w/BHA #2.

DWC: \$14,025

CWC: \$152,670

11-24: 24 hr report. Finish TOH w/BHA #2. LD BHA #2 & visually inspect mud motor. Mud motor had backed off approximately 10 rounds at power section. Determined that mud motors were failing in power section due to severe fracturing & hardness of formation. Decision made to abort directional drilling plans due to inability to obtain a commercial run with the 2 7/8" mud motors. Release Vogel Horizontal Co. & SD at 12:00 pm CST 11-23-95. Will RIH w/bit on workstring on 11-25-95 and drill out approx 40' in hopes of encountering commercial pay.

DWC: \$2,975

CWC: \$155,645

11-25: SD from 12:00 pm 11-23-95 to 7:00 am 11-25-95.

11-26: 24 hr report. TIH w/3 7/8" ATJ-55 bit, bit sub, 2 joints 2 3/8" CS Hydril, xover sub, 2 7/8" PH6 workstring to 12,540'. NU power swivel. Commence drilling Devonian formation from 12,540' to 12,580' in 11 hrs. Circulate hole clean & displace w/fresh water. Commence POH w/workstring.

DWC: \$9,375

CWC: \$165,020

11-27: 24 hr report. Continue POH w/workstring & bit. Left bit, bit sub, & 31' of 2 3/8" CS Hydril tubing in hole (pin twisted off of #2 joint & is on the joint at the bottom of the hole). Pick up & run 5 1/2" x 2 7/8" Model "R" packer to 12,350'. Set Model "R" packer. Install sand line for swabbing on rig. Rig up swab equipment. Start swabbing. Swabbed well down to 10,000' w/no oil show & no fluid entry at all. Load tubing & release Model "R" packer. POH w/workstring & LD on racks. Prep to release Pride & all rental equipment & make plans for P&A at later date.

DWC: \$7,400

CWC: \$172,420

11-28: 24 hr report. Finish laying down workstring in singles on pipe racks. Release all rental equipment. Load workstring on to trucks & truck back to rental yard. Pack off wellhead & SI well. Release Prode Petroleum Services. Wait on P&A orders.

DWC: \$4,780

CWC: \$177,200