

At report time operations suspended since 4 p.m. 30th until 7 a.m. 31st. Drilled to 9519'. Bit drilled 17'/hr and quit. Did not make any progress in 1.2 hrs. TOH. All cones lost (16 hrs) Shut down until a.m. Plan to pick up magnet a.m. EDC: \$10,000 ECC: 176,000

Penroc "9" State No.1 page 3
Lea County, New Mexico

January 31, 2000

Crew AOL 8 a.m. Rig lines frozen. Worked on rig. PU 4" magnet and TIH. RU PS, broke circulation 33' off bottom. Worked fish. TOH. Recovered one cone (which was run off-bearing give out per Del M.) 4:30 p.m. TIH w/ same BHA. Worked fish and out of the at 1:15 a.m. Recovered one full cone with the pin. TIH w/ same BHA and at report time going thru the window.

EDC: \$8000

ECC:\$184,000

February 1, 2000

At report time drilling and 9572'. Starting 7 a.m. 2/1: TIH w/ 4" magnet. PU PS. Fished for 3rds cone. LD PS. TOH @ 8:45-slow. BHA plugged. SD @ 10 a.m. Compressor problems on the rig. Replaced same and no luck. Found lines filled with carbon. Rig back to running after 5 hrs down time. Finished TOH w/ magnet. Recovered last cone. PU BHA #6 including RBI C-47 bit w/ 15/32" nozzles. Installed stripper head. Mixed 2 gal polymer and swept hole clean (no junk). Slided from 9519'-9521'. Rotated 9521'-9572 (12-14'/hr. Straight hole drilled 5-6'/hr with similar type bit).

EDC:\$19,000

ECC:\$204,000

February 2, 2000

At report time picking up articulating motor and other BHA. Depth 9757'. Progress 185' sliding and rotating in 12.5hrs. Good drilling breaks and good shows on samples. Appears to correlate with Penroc 10. Geologist on location. At 11 p.m. TOH with BHA. LD motor assembly. Bit had 24 hours. T5, B6. Picked up 4 5/8" RBI bit (new), and articulating motor. Testing motor in the hole.

EDC: \$21,000

ECC:\$225,000

Plans are to build angle in the next 90 feet. Trip to change motors and finish hole.

February 3, 2000

At report time depth 9810'. Past 24 hours slid from 9757'-9795' in 5 hours. TOH. TIH w/ BHA and same bit (bit had 5 hrs and looked good). Rotated from 9795'-9810. 20-25' per hour. Samples good per Glen Luff.

EDC: \$21,000

ECC:\$246,000