

#1 SR STATE  
M & H Operating  
Lea County, New Mexico  
660/S and 1980 from W Sec. 2  
T-18-S R 36-E

Took over February 20, 1980 by letter  
from Cola Petroleum, Inc.

DAILY DRILLING REPORTS:

3/4/80 TD 4880' Moved in pumping unit Set by Ruthco  
3/5/80 TD 4880' Waiting on work over unit. Too windy.  
3/6/80 TD 4880' Work over unit on location at 10 a.m. Blew down well from a  
SIT pressure of 365 lbs. for 7 minutes to 10 lbs. at end of blow down.  
SI at 8 min. at 20 lbs; SI at 13 min. at 40 lbs; SI at 18 min. at  
45 lbs. Ended test  
3/7/80 TD 4880' Pulled tubing. Removed RTTS packer and Anchor and blow-out-  
preventer. Re-ran tubing to 4727. Seating nipple at 4725 and perforation  
at 4741  
3/7/80 Ran Rods and BH pump  
3/8/80 Started pumping at 7 p.m.  
3/9/80 Pumped up at estimated rate of 40 barrels water per day  
3/10/80 Started making gas and heading 20-30 gal. at a time of foamy water and  
enough gas to burn. Casing side open.  
3/11/80 Pumping 30-40 barrels water per day. Some gas showing on casing side  
and gas on each pump strike.  
3/12/80 Engine down  
3/13/80 Working on water leak in engine and engine clamps  
3/14/80 Will start pumping again tonight or tomorrow. Pumped estimated 125  
barrels water so far. Remaining load to recover estimate of over  
300 barrels.  
3/15/80 Started Pumping at 3:15 p.m. Pumped up in 20 minutes.  
3/16/80 Pumping water. Show of gas on casing side and occasional heading  
(on tubing side) to pits.  
3/17/80 Pumped 24 hrs. Estimated 20 barrels water. Making head while on location  
mostly foam.  
3/18/80 Pumped estimated 20 barrels water. Making heads of 10-20 gallons with gas.  
Still some gas on casing side.  
3/20/80 Making more gas, kicked out some oil. More gas on casing.  
3/24/80 Flowed enough gas to burn with occasional heads of foamy muddy water.  
Approximately 140 barrels load to recover. Amount of gas has increased  
since last week.  
3/25/80 Pumping muddy floamy (some sand) water with some oil, increasing gas.  
3/26/80 Put 150 barrels fresh water down annulus. Circulated about 15 barrels  
very dirty salty muddy water. Head leaking while circulating. Now  
pumping back load.  
3/27/80 Run out of Butane. Making gas again on casing side. Recovering lots of  
residues (black) with oil  
3/28 thru 3/30/80 Pumping 30-40 barrels water per day. Still salty  
3/31/80 Must pull pump  
4/1/80 Waiting on unit  
4/2/80 Waiting on unit  
4/3/80 Moved in unit. Pulled rods and BH pump. Cleaned pump and reran.  
4/4/80 Pumped 30-40 barrels water  
4/5/80 Pumping show of gas on both casing and tubing with estimated 1 barrel  
oil per day and estimated 30 barrels water  
4/6/80 Pumping over 1 barrel oil per day plus increase gas TSTM, estimated  
15 barrels water  
4/8/80 Pumped down and SI at 2 p.m. Have recovered estimated 600 barrels fluid  
including 135 barrels fresh water added. Some oil and emulsion on pits.  
Now shut in to pressure up for 48 hrs. and check pressure and estimated  
volume