State of New Mexico Energy,nerals and Natural Resources Department

Form C-103 Revised 1-1-89

OIL CONCEDIVATION DIVICION

| DISTRICT I | OIL CONSERVATIO | אטופועוט איי | WELL API NO. | |
|---|--|--|--------------------------------------|---------------------|
| P.O. Box 1980, Hobbs, NM 88240 | 2040 Pacheco St. | | 30-025-34392 | |
| DISTRICT II Santa Fe, NM 87505 | | | | |
| P.O. Drawer DD, Artesia, NM 88210 | | | sIndicate Type of Lease | |
| DISTRICT III | | | | FEE FEE |
| 1000 Rio Brazos Rd., Aztec, NM 87410 | | | sState Oil & Gas Lease No. V-2040 | |
| SUNDRY NOT | ICES AND REPORTS ON WEL | LS | | |
| | OPOSALS TO DRILL OR TO DEEPEN (RVOIR. USE "APPLICATION FOR PER | | Lease Name or Unit Agreemen | t Name |
| | C-101) FOR SUCH PROPOSALS.) | • | Fontaine 28 St. Com | |
| Type of Well: OIL GAS WELL WELL | отнея Dry Hole | | | |
| »Name of Operator Matador Operating Company | CC. Ciyildo | | «Well No. | |
| Address of Operator | | | ₃Pool name or Wildcat | |
| 310 W. Wall, Ste. 906, Midland, 7 | TX 79702 | | La Rica Morrow | |
| Well Location | | | | |
| Unit Letter N : 1200 | Feet From The FSL | Line and1650 | Feet From The F | WL Line |
| Section 28 | Township 19S F | Range 34E | NMPM Lea | County |
| | ₁₀Elevation (Show whether DF, 1 4027' | RKB, RT, GR, etc.) | | |
| 11 Check A | ppropriate Box to Indicate Na | ature of Notice, Re | port, or Other Data | |
| NOTICE OF IN | NTENTION TO: | SUBS | SEQUENT REPORT | OF: |
| PERFORM REMEDIAL WORK | PLUG AND ABANDON | REMEDIAL WORK | ALTERI | NG CASING |
| TEMPORARILY ABANDON | CHANGE PLANS | COMMENCE DRILLING C | PNS. PLUG AI | ND ANBANDONMENT |
| PULL OR ALTER CASING | | CASING TEST AND CEMI | ENT JOB | |
| OTHER: | | OTHER: Attempted c | ompletion report | X |
| | ons (Clearly state all pertinent details, and give | e pertinent dates, including es | stimated date of starting any propo | sed |
| work) SEE RULE 1103. | | | | |
| | | | | |
| Please see attempted complete | on report. | | / | |
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| I hereby certify that the information above | is true and complete to the best of my knowle | dge and belief. | | |
| SIGNATURE XUS | $\sim 10^{-1}$ | TLE Production Manag | jer date | 07-26-99 |
| TYPE OR PRINT NAME RUSS Mathis | | | TELEPHO | NE NO. 915/687-5955 |
| (This space for State Use) | | | | |
| ORIGIMAL SIGN | NED BY CHRIS WILLIAMS | | | AUG 05 1999 |
| APPROVED BYDISTRIC | IT I SUPERIVICOR T | ITLE | DATE | |
| CONDITIONS OF APPROVAL, IF ANY | red to properly ? | A W/en o. | re yn. Kron | ella |
| a | NED BY CHRIS WILLIAMS THE STATE OF THE PROPERTY TO Kut when The | est run. | <i>U</i> | |
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MATADOR PETROLEUM. CORP. DAILY COMPLETION/WORKOVER REPORT FONTAINE 28 STATE COM #1 LEA COUNTY, NM

Total Well Cost Forward: \$181,700

- 8-17-98 Globe Construction leveled the location. Hobbs Anchor set Mast anchors.
- Day 2. MIRU PU installed 6" 900 3000# double ram BOP. RIH w/4 ¾ bit, 5 ½" csg scrapper, 6 3 ½" D.C. Received 390 jts new 2 7/8 EUE 8rd L-80 tbg. Cleaned tbg. RIH w/12 jts w/collars hanging on 5 ½" cut off. POH w/tbg, collars & tools. ND BOP & tbg head. Grind & bevel cut off. Installed bit guide in tbg head. Install tbg head & tested to 2500# OK. RIH w/tools, collars & 12 jts tbg. Transferred 70 jts 2 7/8" tbg from Laguna Deep Fed Unit #1. SWI. SDON. Note: Tbg inspectors found 40 bad boxes & 8 bad pins on the tbg transferred from Laguna #1. Threads were galled and pulled.
- 8-20-98 RIH w/316 jts 2 7/8 EUE 8rd L-80 tbg tagged D.V. @ 9992.63. Picked up swivel & SWI. Lightning & rain.
- Day 4. Pressured csg to 3000#. Washed to 10,011. Drill plug & D.V. f/10,011-10,014'. Rotated bit & scrapper through D.V. 10 times. Worked bit & scrapper through D.V. 10 times. Worked bit & scrapper through D.V. 10 times turning 1/4th turn each pass. RIH to 11,014'. Circulated bottoms up w/clear water returns. RIH & tagged up @ 13,668' KB. Pressured csg to 4000# OK. Broke circulation w/1100 psi. Circulated bottoms up w/fresh water. Drill D.V. bomb, D.V. trash, 8' cement, wiper plug. Returned hand full of aluminum from float collar. PBTD @ 13,674.38'. Circulated hole clean. Pressured csg to 4000 psi for 5 mins. OK. Pumped 310 bbls 10# brine w/2% KCL & 55 gals Enviro-Chem, pkr fluid. Laid down 12 jts tbg. SWI SDON.
- 8-22-98 Day 5. FPOH w/tbg. LD DC's & tools. RU Computalog Wireline Service. Ran CBL from PBTD @ 13,673 to 13,005 w/o psi, 13228-13,121 w/1500 psi, 12718-12,542 w/o psi, 12,717-12,474 w/1500 psi, 11,811-11,646 w/no psi, 11,643-9785 w/1500 psi, 8215-6787 w/1500 psi, 5015-4557 w/1200 psi. All zones of interest had good cement. Top measured good cement @ 4250'. SWI SDOW.
- 8-24-98 Tested 2 jts tbg to 8000# on rack. Pickuped up BHA & tested to 5000 psi, w/xx plug in place. RIH w/tbg testing to 8000 psi above slips. Set pkr w/17" or 5000# compression. ND BOP. Pack off pkr w/20,000#. Installed 2 7/8 Cameron plug bushing, 7 1/16 x 2 7/8 TCM wrap around.

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Land tree. Tested w/wrap around, plug pushing, R seal to 3000#. Tested tree to 7500 psi.

| KB Corr & PK setting | 13.00 |
|--|-----------|
| 420 jts 2 7/8 EUE 8rd L-80 | 13,038.19 |
| 1-Halliburton 2.213 x Profile Nipple | 1.23 |
| 1-jt 2 7/8 EUE 8rd L-80 | 31.74 |
| 1-Halliburton 2.313 "x" Profile OSTD | 1.28 |
| 1-Halliburton 5 1/2" 13-17# PLS Pkr | 3.99 |
| 1-2 7/8 EUE 8rd L-80 Sub | 6.12 |
| 1-Halliburton 2.313 "x" Profile Nipple | 1.21 |
| 1-2 7/8 EUE 8rd L-80 Sub | 6.02 |
| 1-2 7/8 SS Wireline Re-entry Guide | 41 |
| | 13,103.19 |

- Day 7. RU Halliburton SL unit. RIH w/equalizing prong to 13,095' SLM. Beat down to open ports on X-plug. POH. RIH w/X pulling tool. Attempt to pull X-plug w/no success. POH. RIH w/equalizing prong to 13,095'. Equalize X-plug. POH. RIH w/pulling tool. Pulled X-plug. POH. Plug hung-up @ 11,400'. Worked free OK. Continue POH. Retrieve all of X-plug. RD Halliburton. RU Schlumberger. Attempt to RIH w/Gamma Ray collar locator. Flow tube on grease injector not allowing WL to pass freely. RD grease injector. Schlumberger truck threw belts. SWI SDON. NOTE: Schlumberger to repair grease injector & truck by a.m.
- Day 9. "0" pressure on the tbg. RIH w/swab tagged fluid level @ 12,400 and pulled from 12,800. Recovered dope and black water. Last bottom swab cup. Operator could feel drag from 12,800-11,800. RU Jarrel Services Slickline unit. RIH w/2 ¼" blind box. Tagged cup @ 12,756'. Pushed cup out the end of the tbg. RIH w/2.340" gauge ring. Ring stopped and became wedged @ 11,853'. Worked ring out of tight spot. POH RD Slickline. SWI SDON. NOTE: Do not swab past 11,800' w/depth odometer.
- 8-28-98 Day 10. Installed tree saver. RU Halliburton. Tested lines to 10,000 psi. Acidize perfs 13,480-80 & 13,532-42 w/15000 gals 10% Clay safe 5" acidic acid w/1000 SCF/bbls Nitrogen. Pumped 2 bbls acid, 10,000 SFE N2, 34 bbls acid w/1000 SFE N2/bbl. Flushed w/165,500 SCF N2 @ 3000/min @ 1.56 bpm. Max 9282, Min 8050 Avg 8600 Final 9233 psi Total N2 on job 210,000 SFF. ISIP 9229, 5 min-9142, 10 min 9113, 15 min 9094. Bled N2 from 9068 to 3889 in 36 min. SI. Remove tree saver.

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Opened well w/3550 on gauge. Open to ck 10/64 30 min 1850 60 min 1200 90 min. 500 open to 20/64, 105 min flowing acid, 120 flowing N2, 180 min tbg dead. No gas to burn. LWDON. No flow.

- 8-29-98 Day 11. RIH w/swab. Sat down @ 8700'. POH RIH w/swab mandred. Sat down @ 10000'. Work down to 10200'. POH. Rec Rubber from tree saver. RIH w/swab to 11,500'. No obstruction, no fluid. SDSOS.
- B-31-98 Day 12. TP 90#. RU Jarrel SL RIH w/2.13 gauge ring to 13,600'. FL @ 9800'. RD SL. RIH w/swab. Tagged FL @ 9900'. Made 1 run recovered 1200' fluid. SWI SDON.

| | <u>Middle</u> | End |
|------------------|---------------|------------|
| Sample Temp. | 75F | 75F |
| Resistivity | 0.109 | 0.12 |
| Specific Gravity | 1.050 | 1.045 |
| PH | 4.35 | 3.16 |
| Calcium | 14,500 mpl | 9,300 mpl |
| Magnesium | 4,600 mpl | 2,850 mpl |
| Chloride | 43,500 mpl | 38,250 mpl |
| Sulfates | 1,890 mpl | 370 mpl |
| Bicarbonates | 0 mpl | 0 mpl |
| Soluble Iron | Heavy | Heavy |

- 9-1-98 Day 13. 60 psi TP. OWT pit. Blow down in 5 min. RIH w/swab. FL @ 10,000'. RU Schlumberger E line. RIH 6' strip gun loaded w/2 1/8" EJHMX charges. Perforate Morrow from 13,407-13 @ 6 SPF. No change @ surface. POH. Made 3 dry runs attempting to add perfs. RIH w/4' and 2' strip gun loaded w/same charges as before. Perforate Morrow from 13,334-36 & 13,314-18 @ 6 SPF. No change @ surface.
- Day 14. SITP 20 psi. SICP 0. Open tbg & bled down quick. RU swab. IFL 10,000'. Pulled from 11,000'. Recovered 3 BW. Had small amount of gas ahead of fluid. 2nd run FL @ 11,000'. Pulled from 11,500'. Recovered .5 BW. No gas during or after swab run. 3nd run FL @ 11,500'. No fluid recovered on run. SD for one hr. 4th run FL @ 11,500'. No fluid recovered on run. No gas ahead or during run. Made 4 swab runs & recovered 3.5 BW. No shows of oil & very little show of gas. SWI & SDFN.

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Day: 15. RU Halliburton acid equipment, SLO CO2/CO2 truck. 9-3-98 Halliburton tree saver and McClaskey kill truck. Test line to 950 psi. SITP after 18 hrs @ 140 psi. Pump 50 tons of CO2 followed by 1200 gals of Claysafe 5 acid w/ GPM MSA2, 2 GPM SSO 21M surfactant and 2 GPM HC2 surfactant and 75 1.35 FG BS N-30 Quality Foam, followed by 75% CO2 and 25% 10# PPG Brine containing 2% KCL. Hole loaded w/63 bbls pumped. Acidized perfs 13,314-18, 13,334 - 36, 13,407 - 13, 13,480 – 88 and 13,532 – 42' @ 4 to 5.4 BPM @ 7200' ATP w/8300' MTP. ISTP @ 5850', 5 min - 5762, 10 min - 5710, 15 min - 5684, 20 min – 5652, 25 min – 5623. Follow well back thru Halliburton equipment to 4700 psi. RD Halliburton. SITP @ 1:25PM @ 4250 psi. OWTP on 6/64 choke. Line freezing off and plugging due to turn in line. SWI, RU straight blow down line. OWTP. Flow well w/ various chokes for 6 hrs w/ TP decreasing to 300 psi on 32/64 choke when acid hit. Flow well for additional 4 hrs @ 0 psi on 3/4 choke. Well unloaded most of acid w/continuous light blow of CO2. LWOON w/ no blow.

Note: AM report on 9/4/98 Found FL @ 10, 500' pulled 1,000' fluid, no blow after swab.

9-4-98 Day: 16. RIH w/swab. FL @ 10,500'. Pull from 11,500'. Rec all wtr/acid. No blow after swab. Observe well 1 hr. RIH w/swab. FL @ 11,500'. POH. SWIOW.

9-8-98 Day 17. SITP 500 psi. Bleed down. Good gas. RU swab. IFL 6500'.

Make 5 runs & recovered approx 20 bbls (no oil w/very little gas). FL @
11,200'. SD for 1 hr. Run #6, FL @ 11,200'. No fluid recovered. SD for
1 hr. Run #7, FL @ 11,200'. No fluid recovered. SWI & SDFN.

Halliburton water sample analysis:

| Sample Temp | 82F |
|--------------|------------|
| Resistivity | 0.11 |
| Specific Gr. | 1.050 |
| PH | 5.08 |
| Calcium | 3,850 mpl |
| Magnesium | 870 mpl |
| Chloride | 42,000 mpl |
| Sulfates | 3,110 mpl |
| Bicarbonates | 0 mpl |
| Soluble iron | Heavy mpl |
| | |

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- 9-9-98 Day 18. SITP 50 psi, CP 0. Drop 2 soap sticks. Bleed down tbg. good gas. RU swab. IFL 10,300' & scattered. Recovered 3 bbls load. 2nd run, FL @ 11,200' & scattered. No fluid recovered. SD for 1 hr. 3rd run, FL @ 11,300' & scattered. No fluid recovered. SD for 1 hr. 4th run FL @ 11,300' & scattered. No fluid recovered. SWI & SDFN.
- Day 19. SITP 110 psi. Bleed down tbg. RU pump truck & load tbg w/60 bbls 10# brine. ND Tree & NU BOP. Unset pkr. Well out of balance. Reverse out tbg volume plus 15 bbls. OK. Strap OOH w/178 stands (11095.30') tbg. Lay down 65 jts. Found 1 bad jt (crimped). Send pkr, X-nipples & O/O tool to Howco-Hobbs to redress. RU Wedge WL & GIH w/GR-JB to 13,300'. OK. GIH w/Howco EZ Drill CIBP. Set @ 13,290'. POOH. SWI & SDFN.
- 9-11-98 Day 20. SICP 0. RU Wedge WL & dump 35' cement on CIBP. New PBTD @ 13,255'. Load & test csg to 4000 psi OK. RIH w/tbg-open ended to 11,080'. RU Howco & circ hole w/2% KCL pkr fluid. Spot 300 gals 15% HCL NEFE. Start OOH. SWI & SDFN.
- Day 21. SIT/CP 0. Continue POOH w/tbg. RU Wedge WL & perforate Wolfcamp @ 11,046-51'(4 spf 5' 20 holes). 3 1/8" 90 deg. Phase 16 grams) & 11,060-76' (4 spf 16' 64 holes, 3 1/8" 90 deg Phase 16 grams). Total of 84 holes. RD Wedge. RIH w/WLEG on 5 ½" Howco PLS pkr w/0/0 tool 2.31 X nipple. 1 jt 2 7/8 L-80 tbg (31.75'), X nipple 2.31, 349 jts 2 7/8 L-80 tbg (10873.61'). Set pkr @ 10,924' w/16 pts. Load csg w/32 bbls. Test to 1000 psi OK. ND BOP & NU tree. Retest csg to 1000 Ok. RU to swab. IFL 2700. Made 6 runs. FFL 3100'. Recovered 33 bbls. No shows. SWI & SDFN.
- 9-13-98 Day 22. SITP Slt vac. SICP Slt blow. RU swab. IFL 3100'. Made 20 runs. FFL 3700'. Recovered 105 bbls today. No shows. Total recovery from this zone is 138 bbls. Took water samples to Howco. SWI & SDFN.

| Sample Temp. | 73F |
|------------------|-------|
| Resistivity | 0.079 |
| Specific Gravity | 1.103 |

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| PH | 6.61 |
|--------------|------------|
| Calcium | 2,400 mpl |
| Magnesium | 4,500 mpl |
| Chloride | 93,000 mpl |
| Sulfates | 19,056 mpl |
| Bicarbonates | 659 mpl |
| Soluble iron | 500 mpl |
| Nitrates | 10 |

9-14-98 Day 23. SIT/CP 0. RU swab. IFL 3500'. Made 24 runs. Recovered 140 bbls. No shows. FFL 3700'. Total recovery from this zone is 278 bbls. Took last swab sample to Howco.

Halliburton water sample analysis:

| Sample Temp Resistivity Specific Gravity PH Calcium Magnesium | 73F 0.09 1.065 6.74 3,200 mpl |
|---|--|
| Chloride Sulfates Bicarbonates Soluble iron | 2,850 mpl 54,000 mpl 14,620 mpl 107 mpl Moderate mpl |

9-15-98 Day 24. STI/CP 0. RU swab. IFL 3400'. Made 33 runs. Recovered 176 bbls. No shows. FFL 3700. Total recovery from this zone is 424 bbls. Took 1st, midday & last swab samples to Howco.

| | 1st Swab | Noon swab | Last Swab |
|------------------|------------|-------------|-------------|
| Sample Temp | 84F | 80F | 68F |
| Resistivity | 0.062 | 0.065 | 0.08 |
| Specific Gravity | 1.110 | | 1.115 |
| PH | 6.65 | 6.71 | 6.85 |
| Calcium | 2,050 mpl | | 2,550 mpl |
| Magnesium | 1,680 mpl | | 2,400 mpl |
| Chloride | 99,000 mpl | 105,500 mpl | 110,500 mpl |
| Sulfates | 16,052 mpl | | 14,242 mpl |
| Bicarbonates | 311 mpl | | 616 mpl |
| Soluble iron | 250 mpl | | 100 mpl |
| Nitrates | 10 | | 5 |

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9-16-98 Day 25. SITP-slight blow. RU swab. IFL 3400'. Made 32 runs. FFL 3800'. Recovered 221 bbls, no shows. Total recovery from this zone is 645 bbls. Took 1st, midday & last swab samples into Howco.

9-17-98 Day 26. SITP-slight blow. RU swab. IFL 3400'. Made 29 runs. FFL 3800'. Recovered 187 bbls. No shows. Total recovery from this zone is 832 bbls. Took 1st, midday and last swab samples into Howco.

Halliburton water analysis:

| Sample Temp | 77F |
|------------------|-------|
| Resistivity | 0.069 |
| Specific Gravity | 1.125 |
| PH | 6.90 |

Calcium 2,900 mpl
Magnesium 2,100 mpl
Chloride 114,000 mpl
Sulfates 15,500 mpl
Bicarbonates 360 mpl
Soluble iron 50 mpl
Nitrates 0

- 9-18-98 Day 27. SITP slight blow. SICP 0. RU swab. IFL 3400'. Made 3 runs. Recovered 26 bbls. No shows. FFL 3500'. Total recovery from this zone is 856 bbls. RD swab. ND Tree & NU BOP. RU pump truck & load tbg w/65 bbls 2% KCL pkr fluid. Unset pkr & POOH. RU Wedge WL & run 4.5" GR-JB to 11,040'. OK. POOH. RIH w/5 ½ Howco EZ drill CIBP (10k). Set @ 11,020'. Load csg w/62 bbls 2% KCL pkr fluid. Test to 4000 psi OK. RIH w/bailer & dump 18' cement on CIBP. New PBTD @ 11,002'. RD Wedge. SWI & SDFN.
- 9-19-98 Day 28. SICP 140 psi. Bleed down (air). RIH w/WLEG, 5 ½ Howco PLS pkr, 0/0 tool w/2.31 X nipple, 1 jt 2 7/8" tbg, 2.31 X nipple & 328 jts 2 7/8 tbg. SWI & SDFN.
- 9-21-98 Day 29. SIT/CP 0. Continue in hole w/tbg & pkr to 10,852'. RU Howco & spot 400 gals 15% NE FE HCL across perfs. Pull pkr to 10,518'. Reverse 7 bbls into tbg. Set pkr w/15k pts compression. Test csg to 1500 psi OK. ND BOP & NU Tree. Retest csg to 3000 psi OK. Test tbg to 4000 psi OK. RU Schlumberger & perforate Wolfcamp 10,854-60' (4 spf-24 holes. 2 1/8" guns 0-45 deg phase). Guns for perfs 10,829-42', did

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not shoot. SWI & SDFN. Note: No shows on surface when perfs 10,854-60 were shot.

Halliburton water sample analysis:

| Sample Temp. | 72F |
|------------------|-----------|
| Resistivity | 0.063 |
| Specific Gravity | 1.110 |
| PH | 6.59 |
| Calcium | 2,100 mpl |
| Magnesium | 300 mpl |

Chloride 94,250 mpl Sulfates 13,320 mpl **Bicarbonates** 1,200 mpl Soluble Iron Moderate mpl

Nitrates NOTE: Last sample collected for 9/18/98.

Tbg Detail:

| 376 jts 2 7/8 6.5# L-80 EUE 8rd tbg | 10468.07 | |
|-------------------------------------|----------|--|
| 2 7/8" "X" nipple 2.313 ID | 1.22 | |
| 1 jt 2 7/8" Ditto tbg | 31.75 | |
| 2 7/8" x 5 ½" Halliburton PLS Pkr | | |
| w/on/off tool w/2.313 "X" nipple | 5.30 | |
| 377 jts Total tbg & tools 10,506.34 | | |
| 5 Pts Slackoff | 5.00 | |

"X" Nipple @ 10,513 & 16,480. Top of pkr @ 10,513.00

9-22-98 Day 30

SIT/CP - 0. RU Schlumberger & perforate Wolfcamp @ 10829-42 (4 spf - 13', 52 holes, 2 1/8" Enerjet 0-45 deg phase). New Wolfcamp perfs @ 10829-42 and 10854-60. Total of 76 holes. No shows @ surface after perforating. RD Schlumberger. RU Howco to breakdown perfs. Formation broke @ 3000 psi. Injection rate @ .1 bpm. At 3050 had another break. Broke to 2500 psi. Increase injection rate slowly to .4 bpm @ 2500 psi. Put remaining acid away. Final rate .4 bpm @ 2900 psi. ISIP - 2700, 5 min - 575, 10 min - vacuum. RD Howco. TLTR - 81 bbls. RU swab. IFL - 500'. Made 14 runs. EFL - 7300'. Recovered 88 bbls. Very slight trace of oil on last run.

Halliburton water sample analysis:

Sample Temp.

60F

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| Specific Gravity PH 5.33 Calcium 4,700 mpl Magnesium 1,710 mpl Chloride 84,250 mpl Sulfates 9,300 mpl Bicarbonates 0 mpl Soluble Iron Heavy mpl | Resistivity | 0.066 |
|---|------------------|------------|
| Calcium 4,700 mpl Magnesium 1,710 mpl Chloride 84,250 mpl Sulfates 9,300 mpl Bicarbonates 0 mpl | Specific Gravity | 1.100 |
| Magnesium1,710 mplChloride84,250 mplSulfates9,300 mplBicarbonates0 mpl | PH | 5.33 |
| Chloride 84,250 mpl Sulfates 9,300 mpl Bicarbonates 0 mpl | Calcium | 4,700 mpl |
| Sulfates 9,300 mpl Bicarbonates 0 mpl | Magnesium | 1,710 mpl |
| Bicarbonates 0 mpl | Chloride | 84,250 mpl |
| • | Sulfates | 9,300 mpl |
| Soluble Iron Heavy mpl | Bicarbonates | 0 mpl |
| | Soluble Iron | Heavy mpl |

Nitrates 0
Water recovered end of day 9-21-98

9-23-98 SITP 25 psi (13 hrs). CP 0 psi. Bleed down tbg (natural gas). RU swab. IFL 4000'. Had 50' oil on top of 1st run. Made 16 runs. FL 9200'. SD 1 hr. Made last run. FL @ 7800'. Made total of 17 runs. Recovered 122 bbls. Total of 210 bbls recovered from this zone. 129 bbls over load. Had very slight trace of oil on various runs. Had light gas blow ahead of runs. SWI & SDFN.

Halliburton water sample analysis:

| - | Noon 9-23-98 | Last of day |
|------------------|--------------|-------------|
| | | |
| Sample Temp. | 78F | 77F |
| Resistivity | 0.065 | 0.073 |
| Specific Gravity | 1.100 | 1.110 |
| PH | 6.70 | 6.73 |
| Calcium | 3,250 mpl | 2,500 mpl |
| Magnesium | 810 mpl | 2,010 mpl |
| Chloride | 85,250 mpl | 97,000 mpl |
| Sulfates | 10,250 mpl | 5,200 mpl |
| Bicarbonates | -0- mpl | 219 mpl |
| Soluble Iron | Heavy mpl | Heavy mpl |
| Nitrates | 0 | 0 |
| Oil Gravity | 39.3 @ 60F | |

9-24-98 SIT/CP - 0. RU swab. IFL 4300'. Very slight trace of oil. Made 9 runs. FL @ 9000'. SD for 1 ½ hr. Swab #10, FL @ 7500'. Made total of 15 runs. Recovered 118 bbls today. FEL @ 9000'. Slight show of gas ahead of swab. No shows of oil. Total recovery from this zone is 328 bbls over load. SWI & SDFN.

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| | 1 st run | Noon run | Last Run |
|------------------|---------------------|-------------|--------------|
| Sample Temp. | 80F | 80F | 86 F |
| Resistivity | .0665 | .075 | .067 |
| Specific Gravity | 1.110 | 1.095 | 1.105 |
| PH | 6.78 | 6.48 | 6.55 |
| Calcium | 2,250 mpl | 3,350 mpl | 2,600 mpl |
| Magnesium | 4,110 mpl | 1,860 mpl | 570 mpl |
| Chloride | 101,000 mpl | 110,500 mpl | 86,500 mpl |
| Sulfates | 11,890 mpl | 12,506 mpl | 9,074 mpl |
| Bicarbonates | 342 mpl | 128 mpl | 230 mpl |
| Soluble Iron | 500 mpl | 10 mpl | Moderate mpl |
| Nitrates | 0 | 0 | 0 |

9-25-98 SITP 10#. Blew down. IFL 4000 w/skim of oil. Made 14 runs & recovered 102 BW. EFL 9000'. During swabbing shut down for 1 hr, FL rose to 7800'.

Halliburton water sample analysis:

| Sample Temp. | 77F |
|------------------|------------|
| Resistivity | 0.063 |
| Specific Gravity | 1.105 |
| PH | 6.96 |
| Calcium | 2,350 mpl |
| Magnesium | 480 mpl |
| Chloride | 89,500 mpl |
| Sulfates | 8,640 mpl |
| Bicarbonates | 225 mpl |
| Soluble Iron | Mod mpl |
| Nitrates | 0 |

9-29-98 SIT/CP 0. RU swab. IFL 3100'. No shows. Made 5 swab runs & FEL @ 6900'. Recovered 39 bbls. No shows. Total recovery from this zone is 575 bbls. 494 bbls over load. ND Tree & NU BOP. RU pump & load tbg w/61 bbls 2% KCL. Unset pkr & POOH w/tbg & pkr. RU Schlumberger & run GR/JB to 10,800' OK. RIH w/Howco E-Z Drill 10k CIBP. Set @ 10,795'. RD WL. SWI & SDFN.

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9-30-98

SICP 0. RU pump & load csg w/48 bbls 2% KCL. Test CIBP to 4000 psi OK. RU Schlumberger & dump 35' cement on CIBP. New PBTD @ 10,760'. RD WL. RIH w/notch collar on 2 7/8" tbg to 10,402'. RU Howco & spot 350 gals 15% NEFE HCL. POOH w/tbg. SWI & SDFN.

Halliburton Water Analysis

| Sample Temp | 76F |
|------------------|-------------|
| Resistivity | 0.1053 |
| Specific Gravity | 1.105 |
| PH | 6.75 |
| Calcium | 2,800 mpl |
| Magnesium | 2,220 mpl |
| Chloride | 117,500 mpl |
| Sulfates | 9,298 mpl |
| Bicarbonates | 79 mpl |
| Soluble Iron | 250 mpl |
| Nitrate | 0 |

10-01-98

SICP – 80. Bleed off csg (air). RU Schlumberger & perforate Bone Springs @ 10376-10400, 3 3/8 gun w/4 spf, 96 holes. All guns fired. RD Wl. RIH w/ WLEG on 5 ½ PLS pkr, 2 7/8 SN & 329 jts 2 7/8 L-80 tbg (10252.86). RU pump & reverse acid into tbg. Set pkr @ 10286 w/18 pts compression. Test csg to 1000 psi. OK. RU on tbg & breakdown new perfs. Had slow bleed off @ 3000 psi. Tried to establish injection rate. Pressure increased to 4500 psi before a break. Put acid away. 2 bpm @ 4500, 3 @ 4500, 4 @ 4400, 7 bpm @ 4400. Final rate @ 4000 ISIP-3850. 5 min-3240, 10 min-3030, 15 min-2680, 30 min-1700 psi. RD pump. TLTR – 78 bbls. Bleed off press. RU swab. IFL – surf. Made 5 runs. FFL – 5400'. Recovered 36 bbls. 42 bbls load to recover. SWI & SDFN

10-02-98

SIT/CP 0. RU Swab. IFL 2700'. No shows on 1st run. Made 9 runs & swab dry recovering 45 bbls. SD for 1 hr. Run #10, FL @ 9000'. Recovered 3 bbls. SD for 1 hr. Run #11, FL @ 9000'. Recovered 2 bbls. Total of 11 runs & recovered 50 bbls today. Total recovery from this zone is 86 bbls over load. No shows. SWI & SDFN.

| Sample Temp | 72 F |
|------------------|--------|
| Resistivity | 0.0838 |
| Specific Gravity | 1.155 |
| PH | 6.18 |

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| Calcium | 1,400 mpl |
|-----------|-------------|
| Magnesium | 3,300 mpl |
| Chloride | 165,500 mpl |

| Sulfates | 9,500 mpl |
|--------------|-----------|
| Bicarbonates | 104 mpl |
| Soluble iron | 250 mpl |
| Nitrate | 0 |

SIT/CP 0. RU Swab. IFL 5400'. Made 5 runs & swab dry. Recovered 25 bbls. SD for 1 hr. Run #6 FL @ 9000'. Recovered 2 bbls. Made a total of 6 runs. FFL @ 9000'. Recovered 27 bbls. No shows. Total recovery from this zone is 113 bbls, 35 bbls over load. SWI & SDFN.

Halliburton Water Sample Analysis:

| Sample Temp | 89 F |
|------------------|-------------|
| Resistivity | 0.0684 |
| Specific Gravity | 1.155 |
| PH | 6.14 |
| Calcium | 10,450 mpl |
| Magnesium | 2,040 mpl |
| Chloride | 160,500 mpl |
| Sulfates | 2,424 mpl |
| Bicarbonates | 31 mpl |
| Soluble iron | 500 mpl |
| Nitrate | 0 |

SIT/CP o (43 hrs). RU Swab. IFL 4300'. Made 5 runs & swabbed dry. Recovered 27 bbls. No shows. SD for 1 hr. Run #6, FL @ 9000'. Recovered 3 bbls. SD for 1 hr. Run #7, FL @ 9000'. Recovered 2 bbls. SD for 1 hr. Run #8, FL @ 9000'. Recovered 2 bbls. Made 8 runs. Recovered 34 bbls. No shows. FFL 9000'. Total recovery from this zone is 147 bbls, 69 bbls over load. SWI & SDFN.

| | | Last sample of day |
|------------------|------------|--------------------|
| Sample Temp | 78 F | 72F |
| Resistivity | 0.054 | 0.0863 |
| Specific Gravity | 1.165 | 1.163 |
| PH | 6.58 | 6.36 |
| Calcium | 11,450 mpl | 12,500 mpl |

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| Magnesium | 1,980 mpi | 3,090 mpl |
|--------------|-------------|-------------|
| Chloride | 162,250 mpl | 189,500 mpl |
| Sulfates | 1,770 mpl | 1,886 mpl |
| Bicarbonates | 20 mpl | 61 mpl |
| Soluble iron | Moderate | Moderate |
| | | |

- SIT/CP 0. RU pump truck & load tbg w/20 bbls 2% KCL. Unset pkr. Reverse out 65 bbls to pit (tbg vol). POOH. RU Schlumberger & RIH w/4.45" GR/JB to 10,350 OK. RIH w/Howco 10k EZ Drill CIBP on WL. Set @ 10,330". Load csg w/2% KCL & test CIBP to 4000 psi OK. Dump 35" cement on plug. New PBTD @ 10,295". RD WL. Start IH w/WLEG. 5 ½ Howco PLS pkr. O/O tool w/2.31 "X" nipple, 1 jt 2 7/8 tbg. SWI & SDFN.
- SIT/CP slight blow. Continue in hole w/pkr & tbg to 7888'. Set pkr w/14 pt compession. RU pump & test csg to 1500 psi OK. ND BOP & NU tree. Retest csg to 1500 psi OK. Test tbg to 4000 psi OK. Swab well down to 7000'. RU Schlumberger & perforate 8003-08 (5'-6 spf-30 holes) & 8015-24 (9'-6 spf-54 holes). Total of 84 interjet-2 1/8 perforations. Well had slight vacuum after perforating. RD WL. RU swab. FL @ 7000'. No recovery on swab. SWI & SDFN.
- SIT/CP 0. RU Swab. IFL 6000'. 1st run FL @ 6000'. Recovered 900' no shows. 2nd run FL @ 6900'. Recovered 200' no shows. SD for 1 hr. 3rd run FL @ 6900'. Recovered 300' no shows. SD for 1 hr. 4th run FL @ 7200' no recovery. SD for 1 hr. 5th run FL @ 7100' no recovery. SWI & SDFN. Total recovery is 7 bbls today. No shows.
- SIT/CP 0 (19 hrs). RU swab. IFL 6500'. Recovered 3 bbls. No shows. RD swab. RU D/S & acidize w/1500 gals 7 ½% HCL using 126 ball sealers. When tbg loaded, formation broke @ 3150 psi. Broke back to 2250. Increase rate to 3 bpm. Average rate @ 3 bpm. Min pressure 2675. Final & max pressure 3525. Very small amount of ball action. ISIP 3200. 5 min SIP 2875, 10 min 2800, 15 min 2785. TLTR 86 bbls. RD D/S. Bleed off pressure. RU swab. IFL surface. Made 9 runs & swab dry. SD for 1 hr. Run #10, FL @ 7400'. Recovered approximately 1 bbls fluid. SD for 2 hrs. Run #11, FL @ 7300'. Recovered 2 bbls. Made a total of 11 swab runs today. Recovered 68 bbls after acid job. 18 bbls of load to recover. Had 1% oil cut on last run. SWI & SDFN.

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SIT/CP 0. Light blow (natural gas). RU swab. IFL 6000'. Had fair gas ahead of fluid. Recovered 1500' w/approximately 500' of oil on 1st run. 2nd run FL @ 7500'. No recovery. SD for 2 hrs. 3rd run FL @ 7400'. Recovered 150' of fluid. Had 2% oil cut w/natural gas ahead of fluid. SWI & SDFN.

SITP 12 psi CP 0. Bled down tbg (natural gas). RU swab. IFL 6500'. Recovered 3 bbls. Top 50' was oil. RD swab. ND tree. NU BOP. RU pump truck & load tbg w/2% KCL. Unset pkr & POOH. RU Wedge WL & RIH w/Howco 5 ½ EZ Drill 10k CIBP. Set BP @ 7965'. Test plug to 3950 psi OK. Dump 35' of cement on top of plug. New PBTD @ 7930'. Recovered 3 bbls today. Total recovery from this zone is 87 bbls, 1 bbl over load. Took water sample to Howco. SWI & SDFN. Halliburton water sample analysis:

Sample Temp 77F
Resistivity 0.054
Specific Gravity 1.175
PH 6.19
Calcium 16,800 mpl
Magnesium 6,690 mpl
Chloride 155,000 mpl

Sulfates

Bicarbonates

Soluble iron Moderate mpl

SICP 0. RU Wedge WL & perforate Delaware sands @ 6964-72' (8' @ 4 spf-32 holes. 4" gun using 23 gram charges). RD WL. RIH W 5 ½ CS, 1 pkr, 2 3/8 x 2 7/8 X-O, 2 7/8 Seating Nipple & 220 joints 2 7/8 L-80 tbg. Set pkr @ 6847 w/13 pts compression. RU swab, IFL-surface. Made 6 runs & swab dry. SD for 1 hr. Run #7 FL @ 6100', recovered 250' of fluid. No shows. SD for 1 hr. Run #* FL @ 6000', recovered 300' of fluid. No shows. Made a total of 8 runs, FFL @ 6000'. Recovered 43 bbls. No shows. SWI & SDFN.

2,424 mpl

103 mpl

SITP 8 psi. Bleed down tbg (natural gas). RU swab. IFL 4400'. 1st run had 500' w/50% oil cut. Made 3 runs & swabbed dry. SD for 1 hr. Run #4 FL @ 6200', recovered 300' fluid (2% oil cut) w/small amount of gas ahead of fluid. SD for 1 hr. Run #5 FL @ 6200', recovered 300' fluid (2% oil cut) w/small amount of gas ahead of fluid. SD for 2 hrs. Run #6 FL @ 6000', recovered 400' fluid (2% oil cut) w/small amount of gas ahead of fluid. SD for 2 hrs. Run #7 FL @ 6000', recovered 400' fluid (2% oil cut) w/small amount of gas ahead of fluid. Made 7 runs &

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recovered 16 bbls today. FFL @ 6000' after 2 hr SI. Total recovery from this zone is 59 bbls. SWI & SDFN.

SITP 0 (14 hrs). RU swab. IFL 5500'. Had 20% oil cut on top 300' of 1st run. Made 2 runs & swab dry. SD for 1 hr. Run #3 FL @ 6200', recovered 300' (2% oil cut) w/small amount of gas ahead of fluid. SD for 2 hrs. Run #4 FL @ 6300', recovered 200' (5% oil cut) w/small amount of gas ahead of fluid. SD for 2 hrs. Run #5, FL @ 6200', recovered 250' (5% oil cut) w/small amount of gas ahead of fluid. SD for 2 hrs. Run #6 FL @ 6200', recovered 200' (5% oil cut) w/small amount of gas ahead of fluid. Made 6 runs today. FFL @ 6200', pulling from 6750'. Today recovered 13 bbls. Total recovery from this zone is 72 bbls. SWI & SDFN.

SITP 25 (62 hrs) Bled down (natural gas). RU swab. IFL - 4300'. Recovered 1500' fluid. Top 100' of 1st run had 25% oil cut. Made 3 runs and well swabbed dry. SD for 1 hr. Run #4, FL @ 6300'. Recovered 250'. Had approx 3% oil cut. SD for 2 hrs. Run #5, FL @ 6200'. Recovered 300'. Had approx 3% oil cut. SD for 2 hrs. Run #6, FL @ 6300'. Recovered 200'. Had approx 5% oil cut. Total of 6 runs. FFL @ 6300' pulling from 6750'. Today recovered 18 bbls. Total recovery from this zone is 90 bbls. 47 bbls over capacity. SWI & SDFN

| Water Analysis: | <u>6-18-98</u> | 6-19-98 |
|------------------|----------------|---------|
| Specific Gravity | 1.130 | 1.050 |
| PH | 6.5 | 6.8 |
| Calcium | 20240 mpl | 24048 |
| Magnesium | 2431 mpl | 3160 |
| Chloride | 93950 mpl | 88633 |
| Sulfates | 200 mpl | 150 |
| Bicarbonates | 300 mpl | 175 |
| Soluble Iron | 50 mpl | 40 |
| Nitrate | 0 | 0 |

10-20-98 Day: 34

SITP – 10 psi (16 hrs). CP – 0, Bleed down tbg. RU swab. IFL 5500'. Top 50' of 1st run had 20% oil cut. Made 2 runs & swabbed dry. SD for 2 hrs. Run #3, FL @ 6300' & recovered 250' w/3% oil cut. RD swab. Today recovered 7 bbls. Total recovery in this zone is 97 bbls. 54 bbls over capacity. RU pump truck & load tbg w/36 bbls 2% KCL. Unset pkr & POOH. RU Wedge WL & RIH w/Howco 10k EZ Drill CIBP. Set plug @ 6925'. Load & test csg to 4000 psi. Ok. Dump 35' cement on plug. New PBTD @ 6890'. SWI & SDFN.

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| Water Analysis: | 10-20-98 |
|------------------|-----------|
| Specific Gravity | 1.050 |
| PH | 6.7 |
| Calcium | 24048 mpl |
| Magnesium | 3646 mpl |
| Chloride | 99265 mpl |
| Sulfates | 125 mpl |
| Bicarbonates | 400 mpl |
| Soluble Iron | 40 mpl |

10-21-98 Day: 35

SICP 0. RIH w/68 jts. Lay down same. RIH w/5 ½ Model "R" pkr, 2 7/8 seat nipple & 153 jts 2 7/8 tbg (4729.27'). Set pkr @ 4745' w/16 pts compression. RU swab & swab well to 4350'. RU Wedge WL & perforate @ 4872-83 (11' @ 4 spf, 44 holes). RD WL. RU swab. IFL 4000' (fluid level came up 350' after perforating). Made 2 swab runs & swab dry. SD for 1 hr. Run #3 FL @ 4400', recovered 350' of fluid. SD for 1 hr. Run #4 FL @ 4300', recovered 300' of fluid. SD for 1 hr. Run #5 FL @ 4300'. Made 5 runs @ 4300' swabbing from 4700. Recovered 250'. Today recovered 9 bbls. No shows. 4 bbls over load. SWI & SDFN.

10-22-98 SITP 30 psi (15 hrs). CP 0. Bleed down tbg (natural gas). RU swab. IFL 4100. Made 2 runs & swab dry. Leave well open to tank. Recovered 4 bbls. No shows. SDFN.

Water analysis: 10/21/98-Last run

| SG | 1.075 |
|------|-------|
| PH | 8.1 |
| CL | 42544 |
| CA | 2004 |
| MG | 1458 |
| SO4 | 200 |
| HCO3 | 200 |
| FE | 0 |

Left well open to tank over night. No fluid recovered over night. RU swab. IFL 4000'. Made 2 runs & swabbed dry. Recovered 3 bbls. No shows. Total recovery from this zone is 16 bbls. 11 bbls over capacity. RD swab. Unset pkr & POOH laying down tbg. RU Wedge WL & set Alpha 10k CIBP @ 4825'. Dump 35' cement on plug (FL @ 1700'). New PBTD @ 4790'. ND BOP & NU wellhead flange. SWI & release all rental equipment. Sent tree & accessories to Kvaener-Hobbs, NM for redress, test & store. Have 37 jts of 2 7/8" bad tbg located on SW corner of location. Have 419 jts of 2 7/8" L-80 tbg on racks located on NW corner of location.