Matador Operating Company

Pipeline A Federal 8 #2

API #30-025-35632

Sec. 8 T19S R34E Lea County, New Mexico

Date: 6/10/2002

Activity: Spot TCP guns, NU, perf and

Remarks: Pick up re-dressed PKR w/ carbide insert slips. TIH testing tubing. RU Howco WL. Check depth on TCP w/ WL. RD Howco WL. Set PKR. ND BOP. NU and test 2 1/16 - 5K tree to 5000 psi. Drop vent tube to open bar vent. PKR checks good. Total compression on PKR is 22 pt. Drop bar. No movement of tbg volume. Suspect guns did not fire. Wait on WL. RU Pro WL. TIH w/ 7/8 fishing tool and wl. Catch bar. TOH to 10000'. Bar released from fishing tool and dropped back to firing head. Guns fired. Perf morrow from 13443 - 13517. TOH w/ wl. SITP 30 min after perf is 340 psi. Flow through test unit @ 330 mcfd on 3/4 choke, 70 psi FTP. TIH w/ 1.75 blind box and wl to 13540'. Did not

tag. TOH w/ same. Continue test. RD Pro. SDON

Tubing/Rod Detail as follows:

Description 1 jt 2 3/8 L-80 4.7# EUE 8rd tubing Ditto tbg subs (2 - 4 - 8 - 10)	Length 31.85 24.42	Depth
419 jt ditto tbg	13249.84	13326.11
Marker ditto tbg sub	6.10 31.84	13332.21
1 jt ditto tbg	1.79	13364.05
On / off tool with X profle	3.96	13365.84
Howco PLS 10K PKR (1.995 ID)	10.16	13369.80
Ditto tbg sub Ditto tbg sub	10.10	13379.96
XN profile nipple (1.875 / 1.791	1.40	13379.90
Ditto the sub	10.17	13391.47
Max differential bar vent	1.32	13401.64
1 it ditto tbq	31.92	13402.96
Ditto tbg sub	6.12	13434.88
Auto RLS firing head	2.00	13441.00
Top shot		13443.00
4" perf gun	74.00	
Bottom shot	n/a	13517.00
Bull plug	4.30	
KB Adjustment	20.00	
EOT	13521.30	

Date: 6/11/2002
Activity: Continue test

Remarks: Continue flow test. Rate at 6:00 AM 6/11/02 was 217 mcfd. The rate at 6:00 AM 6/12/02 is 111 mcfd. Well started making fluid at 12:00 PM 6/11/02. Well is making approximately .5 BOPH (API 52.9 at 60 degrees). Produced 14 BO

last 24 hrs. FTP at 6:00 AM 6/12/02 is 47 psi.

Date: 6/12/2002 Activity: Continue test

Remarks: Gas rate decreased throughout the day to 53 mcfd. Produced 11.4 BO + 12.2 BW last 24 hrs. Chlorides on water are

164000 ppm. Rate @ 6:00 AM 6/13/02 is mcfd, .5 BWPH, .05 BOPH w/ 37 fTP.

Date: 6/13/2002
Activity: Continue test

Remarks: TP: 40 psi. Gas rate: 96 mcfd. 1 BPH total flluid, 50% oil. Total fluid produced: 12 bw - 0 bo. MIRU Aries swab unit.

FL first run scattered from 4100'. Pull swab from 13000'. Recover 7 bw, 3 bo. Gas rate increases to 188 mcfd. Wait 3 hr. Gas rate @ 135 mcfd. Make swab run to 13000'. Recover 3 bbl. Gas rate @ 150 mcfd. Continue flow test.

Flow rate @ 6:00 AM 6/14/02 is 80 mcfd.