Matador Operating Company

Pipeline A Federal 8 #2

API #30-025-35632

Sec. 8 T19S R34E

Lea County, New Mexico

bailer. Bar had prevented flapper from closing and all of the sand in could have fallen out of bailer if present to begin with. RU Jarrel WL. Ran correlation log with junk basket. Tag up at 13561'. POH. Perf Morrow Shale @ 13556-57 w/ 3 3/8" expendable gun loaded with 6 SPF. (.40 hole 36" penetration). POH. RIH w/ WL set Halliburton EZ SV cement retainer. Set same at 13540'. POH. RD WL. RIH w/ Stinger on tbg inc. SWI SDON.

Date: 10/12/2002 Activity: Squeeze

Remarks: FIH with tbg. Sting into retainer. Sting out. Pump 57 BBL FW down tbg. Sting into CR. Pressure tbg to 7000 PSI.

Pressure would not leak off. Sting out of CR. POH w/ tbg. Tbg pulled wet. Inspect stinger. Found approximately 1 cup

of ACFRAC BLACK sand. Clean out stinger. RIH with same stinger on tbg inc. SWI SDON.

Date: 10/13/2002 Activity: Squeeze

Remarks: Sting into CR. Pressure tbg to 7000. could not pump through. Pump 100 BFW down annulus to decrease differential

on CR. Pressure tbg to 7700. Still could not pump through CR. Sting out. Stinger was plugged. Pressure tbg to 5000 psi and blew debris from stinger. Sting into CR. Still could not pump through. Sting out of CR. Stinger was plugged. Pressure tbg to 7000 PSI. Could not pump through stinger. POH with tbg and stinger. Tbg begin to pull dry after pulling 1 std. RU Halliburton WL. Made correlation run with junk basket OK. Set EZDRILL CIBP on WL at 13410. Load casing with 120 BW. Test plug to 2500 OK. Perf squeeze holes in Morrow Shale at 13376' to 13377' w/ 3 3/8

expendable gun loaded @ 6 SPF 60 deg phasing. (.48 EH, 43 " penetration). SWI SDON.

Date: 10/14/2002 Activity: RIH

Remarks: RIH w/ CR and 419 jts of tbg. Pump 57 BW down tbg and clear CR. Set CR @ 13297.5 KB. Sting out. Sting in.

Attempt to pump into sqz perfs @ 13376 as follows: Pressure tbg to 7000 psi., monitor for 5 minutes, no leak off, release pressure to fix surface leak, pressure tbg to 8000 psi with no leak off, increase pressure to 8100 psi and lost

all pressure. It appears that the CIBP failed. POH with tbg and Stinger. SWI SDON.

Date: 10/15/2002 Activity: Test CIBP

Remarks: RIH w/ 4 3/4" bit, 8-3 1/2" DC's and 2 3/8" tbg. Tag CR @ 132975.5. Drill on CR for 15 minutes and CR broke

loose. Immediately lost returns. Lost 10 bbls and regained returns. Chase CR to CIBP @ 13410. Circ bttms up.

Test casing and CIBP to 2500 OK. Pull 3 jts SWI, SDON.

Date: 10/16/2002

Activity: Drill out cement retainer

Remarks: ND BOP. NU 5K flange for test. Loaded casing with 4 bbls 6% KcL. Pumped into casing 3800 psi at 1 bpm. 5 min.

SIP 1500 psi, 13 min pressure is 0. RIH and drilled remainder of cement retainer. Cement and shale in returns. Retainer is turning on top of CIBP. Continued to drill 6 hours with iron in returns. POH with 1 stand. SWI, SDON.

Date: 10/17/2002 Activity: Drill out CIBP

Remarks: Loaded casing with 165 bbls 6% KcL. Continued to drill CIBP with large pieces of shale in returns. RIH with 13540'.

Circulated clean. POH with tubing and tools. SWI, SDON.

Date: 10/18/2002

Activity: Downhole Casing Inspection

Remarks: RIH with tubing to 13440'. Loaded with 130 bbls 6% KcL. Pickle tubing with 750 gals 15% HcL. Flushed with 60 bbls

6% KcL. Reversed acid to pit. Circulated 100 bbls fresh water down tubing. Pulled tubing to 13315'. RU Down Hole Video and RIH. Circulated water while RIH. Video showed large 3" x 24" hole across interval of squeeze perfs (13276'). Will have copies of video sent to Dallas and Midland. POH with wireline and camera. Circulated hole

capacity with 6% KcL. SWI, SDON.

Date: 10/19/2002 Activity: POOH w/tbg