DAILY DRILLING REPORT

CAIN #2

LOCATION: SEC 14, T19S, R38E LEA COUNTY, NM

2/24/99 RUN GAMMA RAY CORRELATION LOG W/CASED HOLE NEUTRON; RUN CEMENT BOND LOG; SPOTTY CEMENT FROM 4400'-4200'; 100% BONDING FROM 4200'-3900'; ATTEMPT COMPLETION IN MIDDLE SAN ANDRES.

D.C. \$8,800.00

T.W.C. \$73,550.00

2/25/99 WILL BEGIN COMPLETION MONDAY 3/1/99

2/26/99 WILL BEGIN COMPLETION MONDAY 3/1/99

2/27/99 WILL BEGIN COMPLETION MONDAY 3/1/99

2/28/99 WILL BEGIN COMPLETION MONDAY 3/1/99

3/1/99 MIRU WL & PERF SAN ANDRES FROM 4384'-4394' W/21 HOLES 0.32", 2 SPF; RDMO WL; PU & RIH W/MODEL R PKR TO 4225'; SET PKR & RU SWAB; SWAB TBG DRY AFTER 6 RUNS W/NO FLUID ENTRY; ORDER OUT ACID & ACIDIZE W/1500 GALS 15% NEFE ACID; BRKDN FORMATION @ 3500 PSI; BEGIN TRTG PERFS @ 1.7 BPM @3475 PSI; LOST PRESSURE & BEGIN GETTING FLOW UP THRU 7 5/8" CSG; CLOSE 7 5/8" CSG & GET FLOW UP 42" CSG; STOP ACID; HU TO 42 CSG TO REVERSE OUT ACID; CSG HELD 1500 PSI W/NO BLEED-OFF; HU TO 7 5/8" CSG TO REVERSE OUT ACID; CSG HELD 1200 PSI W/NO LEAK OFF; RDMO ACIDIZERS: RU TO SWAB ACID OUT OF TBG; SWAB TO 3700' MAX W/SN @ 4220'; SUSPECT COLLAPSED CSG; RU PUMP TRUCK & PUMP 66 BBLS OF PRODUCED WTR DN TBG & UP 44" CSG TO CLEAN OUT ACID; PUMP DN TBG & UP 7 5/8" CSG W/140 BBLS; ALL RETURNS ARE CLEAN; SDFN; COMMUNICATION BETWEEN CSG STRING ONLY OCCURS WHILE PUMPING DN TBG; UNABLE TO GET PKR FREE; PRESENT OPERATIONS-RUN FREEPOINT IN AM.

D.C. \$\$6,028.00

T.W.C. \$79,578.00

RU ROTARY WL & RUN FREEPOINT ON TBG; TBG FREE @ 3555'; 80% 3/2/99 FREE @ 3575'; STUCK @ 3580'; ATTEMPT MANUAL BACKOFF & BACKOFF AT SURFACE; SCREW ON & RETORQUE TBG; RIH W/WL PRIMACORD TO BACKOFF @3551'; UNSCREWED @ SURFACE; MADE 2 MD ATTEMPT W/PRIMACORD W/SAME RESULTS; RIH W/CHEMICAL CUTTER & CUT TBG @ 3557'; POH & LD TBG; TOTAL TBG=132 JTS; ND BOP & WELLHEAD; ATTEMPT TO RELEASE CSG PATCH UNSUCCESSFULLY; RU WL & CHEMICAL CUT CSG @ 3528'; POH & LD 91 JTS OF 44" 11.6# J55 CSG; LD CSG TOOLS; CAP OFF WELLHEAD & SD DUE TO DARKNESS.

D.C. \$6,000.00

T.W.C. \$85,578.00

RD TEMPORARILY ABANDON WELL BORE. 3/3/99

DROP FROM REPORT

1-505-393-0720