FALCON CREEK RESOURCES, INC.

621 17th Street, Suite 1800, Denver, Colorado 80293-0621

(303) 675-0007 (303) 675-0008 Facsimile

Workovers / Recompletions

Kyte #8 660' FNL & 1980' FEL Sec 23, T20S, R38E Lea County, New Mexico Project: Tubb/Blinebry Recomp.

Contractor: N/A

Formation: Tubb/Blinebry

TD: 7950'

6/24/98

MIRU pulling unit-POH w/ 185-7/8" & 120 –3/4" rods & 21/2 x 13/4 x 20' pump unseat TAC & POH w/ 234 jts 2 7/8" tbg - TAC - 12 jts – SN – perf sub – 1jts w/ BP – lay down 9 jts while waiting for WL. MIRU WL and set 7" plugwell CIBP @ 7100'-load casing w/ 260 bbls produced water & 2% KCL and test plug to 1500 psi- ROMO pump truck-RIH w/ WL and perforate Tubb formation from 6614'-6622' (2 JSPF) & 6658' –6676 (1JSPF) & 6738'-6744' (2JSPF)- Total of 49 holes- ROMO WL- SI BOP's –SDFN. PO to Acidize @ noon..

DC: 5,370

CC: 5,370

6/25/98

SICP: 50 psi, RIH w/ model "R" pkr & 208 jts tbg –FL @ 2500'-decide not to spot acidholes open- set pkr @ 6503' – Acidize w/ 2500 gals 15% NEFE w/ AIR: 4.3 BPM @ 3500 psi- excellent ball action w/ ballout on 55TH ball sealer- RD MO BJ services after ISIP & 15 min SIP listed below- RU swab- swab to 5900' after 5th swab w/ FL increasing to 4200" after 8th swab them swabbed dry on 10th run- release pkr & KO ball sealer- reset & swab dry- no oil shows w/ good gas show- SI 1hr & get 200' fluid entry- SWION to let reservoir pressure build.

DC: 8,208

CC: 13,578

6/26/98

SICP: 50 psi. RIH w/Model "R" pkr and 208 jts tbg. FL @ 2500'. Decide not to spot acid. Holes open. Set pkr @ 6503'. Acidize w2500 gals 15% NEFE w/AIR. 4.3 BPM @ 3500 psi. Excellent ball action w/ballout on 55th ball sealer. RDMO BJ Services after ISIP and 15 min SIP listed below. RU swab. Swab to 5900' after 5th swab w/FL increasing to 4200'. RU swab. Swab to 5900' after 5th swab, fluid level increased to 4200' after 8th swab. Swabbed dry on 10th run. Release pkr and KO ball sealers. Reset and swab dry. No oil shows w/good gas show. SI 1 hr and set 200' fluid entry. SWIFN

6/27/98

SITP: 75 psi. FL @ 5900', 25% oil on 1st run- 100% oil on 2nd run, w/ good blow of gas. Swab dry- RELEASE PKR & begin swabbing 7" csg down for frac in AM- Swab to 5800' – POH w/ Tbg & PKR, Install frac valve- ready to frac down casing.

DC: 6,050

CC: 20,308

6/28/98

SICP: 60 psi. RU BJ Services & FRAC down 7" csg @ 40-50 BPM- Well fracing good then screened out (pressured-out) when R/C sand got inside casing-RC sand causing extremely high friction pressure. Remaining sand left in casing is Approx. 10,000 # 10/30 OTTAWA & 40,000 # RC Sand- Total in formation – 128,500#. 22,500- 100 mesh, 106,000- 16/30 OTTAWA.

DC: 71,699

CC: 92,007

6/29/98

Shut in for Sunday

6/30/98

PO: Washing frac sand. SICP: 700 psi- bled down quickly-RU reverse unit. RIH w/ notched collor and tag sand @ 5640'- POH w/ tbg to lay down in singles- RIH as before and tbg was stuck- work tbg free and try to reverse out sand- tbg plugged- POH w/ 20 stds- pressure up on tbg & reestablished circulation- start washing sand- very thick & consolidated- washing slowly- wash back down 5546'- recover good sand but tbg is constantly getting plugged- circulate tbg clean & POH w/ 20 stds- SD due to darkness. Washing is getting easier on last 3 joints.

DC: 2,569

CC: 94,576

7/1/98

PO swab to clean up frac. SITP: 0 psi, SICP: 0 psi. Continue washing frac sand- some oil in reverse pit- no gas shows, wash to 7100'- circulate hole clean for $1\frac{1}{2}$ hrs- POH w/ 10 stds of tbg to 6468'- ready to swab in AM- RDMO reverse unit SD due to darkness- lost 70 bbls of produced water to perforations @ +- 6700' this loss will be added to load to be recovered.

DC: 3,402

CC: 97,598

7/2/98

PO continue swabbing to clean up frac. SITP: 300 psi, SICP: 320 psi – Flow to pit for 1 hr – RIH w/ tbg to PBTD @ 7100' – no fill- POH w/ 18 stds tbg to 6469' and began swabbing – 5% oil cut on 1st swab turning to water on 19th run- FL @ 1800' w/ 2% oil cut- continue swabbing for a total of 39 runs- recovered 281 bbls of load- final FL @ 2900' w/ 4-5% oil cut- good show of gas.

DC: 1,864

CC: 99,462

7/3/98

PO continue swabbing- put well on pump. SITP: 35 psi- FL @ 1500' w/ 250' free oil on 1^{st} run. Continue swabbing- after 18 runs FL @ 3000' w/ 5% oil cut after 20 runs FL @ 3000' w/ 5% oil cut- POH w/ tbg- RIH w/ BPMA, perf sub, TAC, SN, 216 jts of tbg- SN @ 6755' RIH w/ $2\frac{1}{2}$ x $1\frac{3}{4}$ x 18 RHBC insert pump w/ top seals, $120-\frac{1}{4}$ ", 147-7/8" Rods, 18' pony's- HWO & PWTP @ 6:30 p.m. Pump Tubb Formation over 4^{th} of July Holiday Weekend.

DC: 2,234

CC: 101,696

7/4/98

Pumped 8 BO, 110 BW, 50 MCF – 1104 BBLS to be recovered.

7/5/98

Pumped 9 BO, 215 BW, 80 MCF – 889 BBLS to be recovered.

7/6/98

Pumped 10 BO, 165 BW, 80 MCF – 724 BBLS to be recovered.

7/7/98

PO swabbing- prepare to test Blinebry formation. Pumped 10 BO, 140 BW & 95 MCF. POH w/rods & pump- start swabbing w/ beginning FL @ 5000'- swabbed a total of 30 runs- recovered 180 BBLS of fluid with a steady oil cut of 25%. SICP: 120 psi w/ final FL @ 5400' – SWLON evaluate in AM- looks good.

DC:1,862

CC: 103,558

7/8/98

PO prepare to acidize Blinebry formation. SICP: 280 psi, SITP: 170 psi- FL @ 4700'- 1400' free oil 1st 2 runs. POH w/tbg & TAC. RU WL and set CIBP @ 6500' perforate Blinebry formation from 5976'-5982', 6014'-6036', 6074'-6098', 6108'-6112'- JSPF- total 60 holes. RDMO WL-RIH w/ model "R" PKR & SN & 185 jts 2 7/8" tbg EOT @ 5811.91'- SDFN.

DC: 4,829

CC: 108,387

7/09/98 SITP = 50 psi, SICP 50 psi.

MIRU acidizers, add 3 jts tbg & set pkr @ 5866' (error on yesterday's tally). Acidize w/2500 gals 15% NEFE acid – excellent ball action w/ballout on 91st ball.

Avg TP 3120 psi @ 6 BPM – ISIP = 2180 psi

- (a) 5 min = 2086 psi
- @10 min = 2010 psi
- $@15 \min = 1920 \text{ psi}$

RDMO acidizers & RU swab: 5% oil cut on 5th swab, swab dry on 16th run w/30% oil cut. SI 1 hr – 300' fluid entry w/45% oil cut – release pkr & RIH to KO ball sealers – POOH w/tbg & pkr, install frac valve. Release crew until Friday – ready to frac in AM – NOTE: Extremely good gas blow – steady 3' flare after last 2 runs.

BFTBR: 58

7/10/98 SICP = Vacuum. Remove frac valve, NU BOP's, TIH w/2-7/8" tbg to 5,870', RU to swab. Made 35 swab runs. FFL @ 1800', tr of oil, rec 262 bbls, SWIFN.

7/11/98 SITP = 5 psi, IFL = 1,100'. Made 52 total swab runs. On 40^{th} swab run, oil cut increased to 40%. Turned well into frac tank. FFL @ 1800', rec 300 bbls total. SWIFN.

7/12/98 SITP 350 psi, IFL = 1,100'. Made 7 swab runs and well kicked off flowing. Rec 246 bbls @ 1630 hr, final oil cut 45%. Spot gas flow of 450 MCFPD. Flowing into system w/150 psi FTP on 30/64" ck.

7/13/98 24 hr production: 130 BO, 159 BW, 850 MCF, FTP 230 psi on 30/64" ck.
Will lay down rods in triples and release rig. Will flow to cleanup Blinebry formation

DC: \$6,000

7/14/98 Well flowed 24 hrs:

BOPD	BWPD	<u>MCFPD</u>	<u>FTP</u>	CHOKE	BLTR
140	152	850	240	30/64"	876

LD rods (in triples) from derrick. Broke tbg into singles. RDMO WO rig. Plan to flow well to clean up until next week (7/20).

7/15/98	BOPD	BWPD	MCFPD	<u>FTP</u>	CHOKE	BLTR
	148	150	875	260	30/64	726
7/16/98	130	120	875	260		606
7/17/98	135	120	870			486
7/18/98	130	128	870			358
7/19/98	100	105	850			253
7/20/98	NO REPORT - la	agging production	24 hrs			
7/21/98	105	90	970	170	34/64	
7/22/98	NO REPORT					
7/23/98	98	100	970			

7/24/98 **PO:** Run Hydrostatic bailer to clean out sand.

MIRU pulling unit – Pump 30 bbls 10 ppg brine down tbg. Release pkr & RIH to tag btm. POH w/ tbg & pkr. Pump 20 bbls brine down annulus. POOH w/ tbg & find btm @ 6,299', CIBP @ 6,500'. 200' of sand to bail out. Close blind rams on BOP & SDFN.

Made 75 BOPD, 70 BWPD, 840 MCFD on 30/64" chk, 220 psi FTP.

7/25/98 **PO:** KO CIBP using sandline drill.

SICP=350 psi. RU kill truck & pump down 7" casing. Took 140 bbls, 10 ppg brine. PU LeFleur bailer & RIH w/ tbg utilizing 1500' of cavity. Start bailing sand to 6,318', btm hole sticky. POOH w/ bailer, found 2' resin coated sand and 40' clean sand. Install 6-1/8" bit & RIH w/ bailer. Bail for 2.5 hrs and clean out sand to 6,500'. POOH w/ tbg & bailer, empty cavity, RIH w/ stds tbg for kill pipe.

DC: \$5,864

7/26/98 **PO:** Prepare to LD 2-7/8" tbg

SICP=0, SITP=0. POOH w/ kill string. RIH w/ sandline drill. Tag CIBP @ 6,508' (depthometer). Drl on plug, knock free after 1-1/2 hrs and push to 7,025'. RD sandline drill. RIH w/ kill string. SDFWE

DC: \$2410

7/28/98 **PO:** Run Lok-set packer w/ 2-3/8" tbg

SICP=1300 psi, SITP=1250 psi. Kill well w/ 70 bbls 10 ppg brine. FIH w/ tbg in derrick. POOH and lay down all 2-7/8" tbg. Moved 2-3/8" tbg from Kyte #7. Placed 2-7/8" tbg on racks @ Kyte 8. Change out rams on BOP to 2-3/8" – RIH w/ 14 jts 2-3/8 to be used as kill string.

DC: \$6831

7/29/98 **PO:** Swab Tubb & Blinebry formation to flow

SICP & SITP=300 psi. Kill well w/ 20 bbls 10# brine. POOH w/ kill string. RIH w/ 4' perf sub, SN, 12 jts 2-3/8 tbg, x-over, Lok-set pkr, x-over, 2 jts 2-3/8" tbg, 2-7/8" x 2-1/4 profile nipple w/ site oil tool on/off tool w/ 4-3/4" x 2-7/8" overshot, & 198 jts 2-3/8" tbg. Set pkr w/ 17 pts tension. Installed dual wellhead. PU 198 jts 2-3/8" and RIH beside deep string to 6434'. Spot 50# frac sand mixed w/ 20 bbls scale inhibitor (10.4 ppg) fluid. Spot on top of pkr. POOH w/ tbg to 6,005' (185 jts). Hook up short string in dual wellhead. Position valves w/ long string (Tubb) towards pump jack & taller w/ short string (Blinebry) away from pump Jack w/ master valve on bottom (lowest).

NOTE: All tbg has turned down collars. Long string – SN @ 6,892', Pkr @ 6,502', and On/off tool @ 6,434'. Short String- SN @ 6005'.

DC: \$6388

7/30/98 **PO:** Swab Tubb & Blinebry formation to flow

Blinebry (short string): Vacuum Tubb (long string): 20 psi

IFL=3000' on Blinebry. Swab 2-3/8" tbg. Recovered 240 BW. Final oil cut of 8%. Final FL=2900'

DC: \$1,300

7/31/98 **PO:** Flow back Blinebry – Prep to swab test Tubb

SICP=420 psi, SITP=200, FL @ 2900' FS – 800' free oil on 1st swab. Swab well from SN since 10:00 am and as follows:

11:00 am FL @ 2500', 20% oil cut, fair gas, CP=600 psi w/ 1-3 min flow time after run 3:00 pm FL @ 1600', 70% oil cut, good gas, CP=720 psi w/ 3-5 min flow time after run 5:00 pm FL @ 1400', 70% oil cut, good gas, CP=760 psi w/ 10-15 min flow time after run 7:30 pm FL @ 1400', 70% oil cut, good gas, CP=860 psi w/ 30-45 min flow time after run Total fluid recovered = 70 BO + 103 BW (measured) – SDFN. Well should flow in am.

DC: \$2,162

8/1/98 **PO:** Flow back Blinebry

SICP=950 psi, SITP=250. Open tbg thru system. DN Sustain flow. RU swab, make 3 runs. CP dropped to 820 psi. Well flowing @ 900 mcfd, flowed 1 hr. RU swab on Tubb tbg string. Begin swabbing when x-over nipple below Blinebry side valve started leaking. Bleed csg thru system. Kill well w/ 100 bbls 10 ppg brine. Fix x-over nipple. Flange up short string (Blinebry). Swab until dark. Make 14 runs, recovered 42 BW & 25 BO. SICP climbed to 280 psi. starting FL @ 3500', ending FL @ 2600'. SDFN.

DC: \$1,716

8/2/98 **PO:** Run rods on Tubb Zone

SICP=460 psi, SITP=150 psi, FL @ 2600° – 40% oil cut on 1^{st} swab continue swabbing until 11:00 am, FL @ 1400° w/ SICP=680 psi, 1 hr 17 min flow before dying. Swab until 1pm, FL@ 1400° w/ SICP @ 860 psi, 1 hr 30 min flow before dying. Swab until 5 pm. FL @ 1400° w/ SICP=950 psi. Well flowing w/ 150-250 psi tbg pressure. After 15 min CP drops to 820 psi. Release pulling unit crew. Leave well flowing thru system @ 900 mcfd rate w/ 70% oil cut. SDF Sunday

DC: \$1,360

8/4/98 **PO:** Put well on production

Blinebry: SICP=1200 psi, SITP=100 psi. FL @ surface. Pull swab. Flows 2-1/2 hrs @ 1.55 MMCF/D then dies. Pull 1 swab and flows 2 hrs then dies. Pull 1 swab and flow 2 hrs then dies. Leave well flowing @ 7:00 pm w/ FTP=150 psi, oil cut @ 70%.

<u>Tubb:</u> RIH w/ 2" x 1-1/4" x 20' RHBC Insert pump, 26K shear tool, 120 3/4" rods, 150 7/8" rods, 1 7/8" x 8' pony rod, 1 7/8" x 6' pony rod, 3 7/8" x 2' pony rods. Replumb wellhead. Space well out and PWTP @ 7:00 pm.

DC: \$1910 **CC**: \$49,712

8/4/98 Made: 30 BOPD, 50 BWPD, 300 MCFD – Both Tubb & Blinebry producing. 8/5/98 Made: 30 BOPD, 50 BWPD, 300 MCFD - Both Tubb & Blinebry producing. Made: 6 BOPD, 130 BWPD, 20 MCFD - Tubb only. Blinebry logged off. MI swab unit to kick 8/6/98 off Blinebry. 8/7/98 Made: 7 BOPD, 140 BWPD, 100 MCFD. Blinebry died overnight. 8/8/98 Made: 18 BOPD, 100 BWPD, 100 MCFD Made: 65 BOPD, 140 BWPD, 250 MCFD 8/9/98 Made: 60 BOPD, 280 BWPD, 570 MCFD 8/10/98 8/11/98 Made: 80 BOPD, 210 BWPD, 725 MCFD 8/12/98 Made: 90 BOPD, 185 BWPD, 775 MCFD 8/13/98 Made: 80 BOPD, 170 BWPD, 775 MCFD Made: 80 BOPD, 160 BWPD, 775 MCFD 8/14/98 Early gauge (3 hours) due to Sid Richarson line repairs. Made: 50 BOPD, 55 BWPD, 470 MCFD 8/15/98 Well loaded up, ran swab & returned to production. 8/16/98 Made: 60 BOPD, 120 BWPD, 680 MCFD 8/17/98 Made: 75 BOPD, 145 BWPD, 850 MCFD Made: 60 BOPD, 150 BWPD, 840 MCFD 8/18/98 8/19/98 Made: 50 BOPD, 100 BWPD, 732 MCFD - Blinebry 5 BOPD, 30 BWPD, 35 MCFD - Tubb Well down 4 hours for meter run tie-in. 8/20/98 Made: 55 BOPD, 89 BWPD, 716 MCFD – Blinebry 10 BOPD, 36 BWPD, 34 MCFD - Tubb

Made: 60 BOPD, 90 BWPD, 716 MCFD – Blinebry 10 BOPD, 50 BWPD, 32 MCFD – Tubb

8/21/98

8/22/98	Made:	60 BOPD, 80 BWPD, 717 MCFD - Blinebry
		5 BOPD, 55 BWPD, 40 MCFD – Tubb
8/23/98	Made:	60 BOPD, 100 BWPD, 717 MCFD – Blinebry 0 BOPD, 0 BWPD, 35 MCFD – Tubb
		•
8/24/98	Made:	60 BOPD, 90 BWPD, 711 MCFD – Blinebry 0 BOPD, 0 BWPD, 35 MCFD – Tubb
	MI Wo	rkover rig on Tubb. C/O Rod Pump
8/25/98	Made:	75 BOPD, 100 BWPD, 710 MCFD – Blinebry
8/23/98	Mauc.	0 BOPD, 0 BWPD, 30 MCFD – Tubb
9/27/09	Mada	CO DODD SO DWDD 700 MCCD Director
8/26/98	Made:	60 BOPD, 50 BWPD, 708 MCFD – Blinebry 3 BOPD, 20 BWPD, 25 MCFD – Tubb
		3 Bel D, 20 BWI D, 23 Mel D
8/27/98	Made:	60 BOPD, 50 BWPD, 706 MCFD - Blinebry
		0 BOPD, 0 BWPD, 25 MCFD – Tubb
		(Pulled pump and swab. Run new pump today)
8/28/98	Made:	50 BOPD, 50 BWPD, 710 MCFD - Blinebry
		(3 hrs shut in to run pump)
		0 BOPD, 0 BWPD, 0 MCFD – Tubb
		(Ran pump)
8/29/98	Made:	
0.42.0.40.0		4 BOPD, 40 BWPD, 30 MCFD – Tubb
8/30/98	Made:	56 BOPD, 55 BWPD, 688 MCFD – Blinebry
8/31/98	Made:	4 BOPD, 40 BWPD, 38 MCFD – Tubb 37 BOPD, 45 BWPD, 689 MCFD – Blinebry
0/31/90	Maue.	3 BOPD, 15 BWPD, 38 MCFD – Tubb
		(18 hr gauge)
9/1/98	Made:	50 BOPD, 70 BWPD, 686 MCFD – Blinebry
		3 BOPD, 3 BWPD, 25 MCFD – Tubb
9/2/98	Made:	50 BOPD, 50 BWPD, 686 MCFD – Blinebry
0.42.40.0		3 BOPD, 3 BWPD, 25 MCFD – Tubb
9/3/98	Made:	50 BOPD, 60 BWPD, 684 MCFD – Blinebry Tubb SI to build pressure. Will put plunger online today.
9/4/98	Made:	55 BOPD, 60 BWPD, 696 MCFD Blinebry
)/ 4 /)0	made.	10 BOPD, 20 BWPD, 10 MCFD - Tubb
9/5/98	Made:	60 BOPD, 90 BWPD, 673 MCFD – Blinebry
		Tubb Not Flowing
9/6/98	Made:	50 BOPD, 70 BWPD, 640 MCFD Blinebry
9/7/98	Made:	50 BOPD, 60 BWPD, 653 MCFD – Blinebry
9/8/98	Made:	55 BOPD, 55 BWPD, 654 MCFD – Blinebry
9/9/98 9/10/98	Made: Made:	50 BOPD, 65 BWPD, 650 MCFD Blinebry SI to connect test treater
9/11/98	Made:	30 BOPD, 30 BWPD, 643 MCFD
9/11/76	Mauc.	Down 6 hrs
9/12/98	Made:	65 BOPD, 50 BWPD, 585 MCFD
9/13/98	Made:	50 BOPD, 45 BWPD, 584 MCFD
9/14/98	Made:	45 BOPD, 40 BWPD, 652 MCFD
9/15/98	Made:	50 BOPD, 40 BWPD, 596 MCFD
9/16/98	Made:	55 BOPD, 35 BWPD, 590 MCFD
9/17/98	Made:	65 BOPD, 45 BWPD, 59 MCFD
9/18/98	Made:	55 BOPD, 45 BWPD, 595 MCFD 60 BOPD, 40 BWPD, 591 MCFD
9/19/98	Made:	OU DOLD, 40 DWLD, SAL MICLD

9/22/98	Made:	50 BOPD, 30 BWPD, 582 MCFD Final Report on Blinebry
		55 BOPD, 50 BWPD, 587 MCFD 50 BOPD, 40 BWPD, 585 MCFD