

E.G.L. Resources, Inc.

New Mexico "B" Federal No. 1

3,300' FSL & 1,980' FWL, Sec. 3, Twp. 21-S, Rge. 32-E, Lea Co., New Mexico

Initiated Workover: September 19, 2000

1. Test deadman anchors. Set pipe racks. Move in 2-7/8" workstring.
2. MIRU workover unit. BWO. ND wellhead. NU BOP.
3. Release seal assembly from Otis pkr @ 13,575'. POOH laying down 2-3/8" tbg.
4. Mill out Otis pkr @ 13,575'. Mill out Otis pkr @ 13,630'. Clean out to 14,113'.
5. RIH w/ RBP & pkr. Pressure test Strawn perms 12,740' to 12,762' to 1000 psig. Held okay. Pressure test csg from 12,651' to surface to 1000 psig. Held good. POOH w/ pkr & RBP laying down 2-7/8" workstring.
6. RU Schlumberger. Run Dipole Sonic Imager log from 14,000' to 11,290'. Logger TD 14,114'. Set CIBP @ 13,885' and cap w/ 10' cmt. New PBTD @ 13,875'. RD Schlumberger.
7. RIH w/ production pkr picking up 2-3/8" tbg. Set pkr at 13,816'. Load well w/ 240 bbls pkr fluid. Pressure test csg to 1000 psi. Held okay. ND BOP. NU wellhead.
8. Swab fluid level down to 12,700'. No fluid entry or gas shows.
9. Attempt to break down Morrow perms w/ 2% KCl water. Pressured up to 5000 psi. Perfs did not break down.
10. Swab fluid level down to 12,700'. No fluid entry or gas shows.
11. RIH w/ 1-11/16" strip gun and re-shoot Morrow perms 13,830' - 52' w/ 2 spf.
12. Swab fluid level down to 12,700'. No fluid entry. RD workover unit Oct. 13, 2000.
13. RU Schlumberger pumping equipment. Acidize Morrow perms 13,830' - 52' w/ 250 gal. 7 1/2% alcoholic MSR acid (40% methanol), 1000 gal. Clean Sweep III preflush, 370 gal. 7 1/2% Alcoholic MSR acid (40% methanol) w/ 400 scfpm N2 (50% quality) and flush w/ 2520 gal. 7% KCl. ISIP = 858 psi. Attempt to flow back acid job. Well was dead after 2 hours. RD Schlumberger pump equipment and flowback equipment.
14. RU swab unit. Swab well (Morrow perms 13,830' - 52') recovering 10 bbls fluid in two days. No fluid entry or gas shows. RD swab unit.
15. Operations suspended from October 19, 2000 through November 5, 2000.
16. MIRU workover unit. ND wellhead. NU BOP. Release On-Off tool and POOH standing back 2-3/8" tbg. RIH w/ On-Off tool picking up and testing 2-7/8" workstring. Engage On-Off tool.
17. ND BOP. NU wellhead. Install tree saver and flow back equipment.
18. RU Dowell Schlumberger & Flo-CO2 to frac well. Load casing w/ 2% KCl water and pressure to 1,500 psi. Frac Morrow formation perforations 13,830' - 52' with 500 gals. 7-1/2% HCl, 3,000 gals. gelled pad (linear fluid), and 2,400 gals proppant laden fluid carrying 20,000 pounds 20/40 bauxite. All fluids energized with 70% CO2. Avg pressure: 9,000 psi, Max pressure: 11,600 psi, Avg rate: 13.2 bpm, Max rate: 15.0 bpm. ISIP: 10,600 psi. 5 min. SIP: 10,000 psi. Frac job screened out. Placed 9,000 lbs. proppant in formation. Rig down frac equipment off wellhead.
19. Flow back well until dead.

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20. RU Coiled tbg unit. Clean out sand in tbg and across perforations circulating w/ nitrogen and slick water. RD coiled tbg unit.
 21. Attempt to set blanking plug in "F" nipple. Could not set plug due to sand in tbg. Set CIBP in tbg above On-Off tool. Perforate tbg.
 22. Swab down fluid level in tbg and csg.
 23. Release production pkr and POOH laying down 2-7/8 workstring.
 24. Run CCL log and found fill in csg at 13,821'.
 25. RIH w/ notched collar and bailer. Clean out sand with bailer from 13,823' to PBTD. POOH w/ bailer.
 26. RIH w/ production pkr on 2-3/8" tbg and set above Morrow perforations. ND BOP. NU wellhead. RD workover unit November 21, 2000.
 27. MIRU swab unit November 21, 2000. Swab well from November 21, 2000 to January 2, 2001 to keep tubing unloaded. Turn well to sales line overnight and monitor production data. RD swab unit January 2, 2001.
- Workover complete January 2, 2001.

New Mexico "B" Federal No. 1 Daily Production

