South Mattix Unit Federal Well No. 38-Y Letter A, Section 15, T-24-S, R-37-E API No. 30-025-26730 Lea County, NM

8/10/00 - 9/8/00:

MI x RU. NU BOP. RIH with 6-1/8" bit. Tag cement at 5012'. Drill cmt. down to CIBP at 5028'. Drill out CIBP, circulate clean, tag cement x junk above second CIBP at 5242'. RIH w/7" cement retainer and set at 5006'. Squeeze previously squeezed Yeso perfs at 5068' – 5236' with 100 sx. Cl. 'C' followed by 192 sx. Cl. 'C' Neat. Tag cement at 5004', drill cement and retainer to 5093' x circulate clean. Resume drilling cement from 5093' to 5175'. Tag fill above second CIBP at 5245'. Drill fill x drill on CIBP down to 5255'. Drill scale on casing walls from 5717' to 5930'. Continue drilling and tag solid fill at 6035' (PBTD). Displace hole with 225 bbls. 2% KCL fresh water. RIH with 7" retrievamatic packer and set at 5243'. RU Halliburton and acidize Yeso perfs at 5254' – 5706' with 3000 gal. 20% 'CCA' sour completion acid x 1500# graded rock salt. RU Halliburton and frac the Yeso perfs with 33,548 gal. 'Boragel-35' (total sand in formation is 70,700# of 16/30 mesh Ottawa white sand w/sand wedge "NT"). RD Halliburton and shut well in. ND BOP x NU wellhead. RD pulling unit x RU swab rig. Make swab runs. RD swab unit. Well shut-in pending availability of pulling unit to put well on beam lift.