

2011/4/18/05

42-003-02076

THREE SPAN OIL & GAS, INC.

**UNIVERSITY F WELL NO 4
ANDREWS, SOUTH (DEVONIAN) DEVELOPMENT PROJECT
ANDREWS COUNTY, TEXAS**

RE-ENTRY – CONVERT TO DISPOSAL

University F 4H

Location: 990' FNL, 2310 FEL, Section 14, Block 1, University Lands Survey
API No.: 42-003-02076
RRC Permit No.: 534506
County / State: Andrews County, Texas
Objective: San Andres
Contractor: Rocker A Well Service

01/29/2005: First Report: Prepare to MIRUPU and commence operation this a.m.

01/30/2005: Day 1: Continue pick-up 2 7/8" workstring and trip-in w/ 4 5/8" bit and collars. RU Gray Wireline. MU and RIH w/ 5 1/2" gauge ring w/ basket and tag at 5070'. Unsuccessfully attempt to work past tight spot. RD Wireline. MIRU Rocker A Well Service Rig 45. Unload, rack and tally 384 jts 2 7/8", 6.5#, N-80 workstring. ND wellhead. NU BOPE. PU 4 5/8" Bit, 6 x 3 1/8" collars and TIH picking up workstring. Secure well and SDFN.

DWC - \$ 9,522, CWC - \$ 15,104

01/31/2005: Day 2: Prepare to spot 25 sk cement plug @ 10,800' and circulate hole w/ 10 ppg mud. Open well to pit. Continue TIH w/ 2 7/8" workstring to 10,950'. TOH. RU wireline. RIH w/ CIBP to 10,800'. Set CIBP, POH and RD wireline. TIH w/ 2 7/8" workstring open-ended. Secure well and SDFN.

DWC - \$ 5,076, CWC - \$ 20,180

02/01/2005: Day 3: Prepare to spot 25 sk cement plug @ 8,700'. Open well to pit. RU and establish circulation w/ 65 bbls 10 ppg gelled brine. Spot 25 sk cement plug from 10,800' to 10,555' w/ 62 bbls gelled brine. TOH to 9,920' and spot 25 sk cement plug from 9,920' to 9,675' w/ 52 bbls gelled brine. TOH w/ 2 7/8" workstring. RU wireline. RIH w/ CIBP to 8,700'. Set CIBP, POH and RD wireline. Secure well and SDFN.

DWC - \$ 5,676, CWC - \$ 25,856

02/02/2005: Day 4: Prepare to TIH and spot 50 sk cement plug @ 7,605'. Open well to pit. PU SN and tally-in on 2 7/8" workstring. RU Sunset Well Service and establish circulation w/ 10 ppg gelled brine. Spot 25 sk cement plug from 8,700' to 8,455' w/ 49 bbls gelled brine. TOH. RU wireline. RIH w/ strip guns and perforate 4 SPF @ 7,605'. POH and RD wireline. PU 5 1/2" AD-1 packer and TIH on 2 7/8". Set Packer @ 7,300'. RU and establish rate into Perforated Interval. Communicated w/ tubing annulus @ 300 psig. Release packer and TOH w/ 2 7/8". Secure well and SDFN.

DWC - \$ 9,340, CWC - \$ 35,197

02/03/2005: Day 5: Prepare to TIH and tag cement plug @ 7,377'. Open well to pit. PU BP, PS and TIH on 2 7/8" workstring to 7674'. RU Sunset Well Service and spot a 30 sk cement plug from 7,674' to 7,377' w/ gelled brine. TOH into good casing above 3890'. Secure well and SDFN.

DWC - \$ 6,976, CWC - \$ 42,173

02/04/2005: Day 6: Prepare to TIH and tag cement plug @ 7,340'. Open well to pit. TIH w/ 2 7/8" workstring and tag cement plug @ 7,644'. RU Sunset Well Service and spot a 30 sk cement plug from 7,635' to 7,340' w/ gelled brine. TOH into good casing. Secure well and SDFN.

DWC - \$ 4,376, CWC - \$ 46,550

Scan
5/25/06

02/05/2005: Day 7: Prepare to release AD-1, TIH and tag to verify cement plug.
Open well to pit. TIH w/ 2 7/8" workstring and tag cement plug @ 7,581'. RU Sunset Well Service and spot a 25 sk cement plug from 7,581' to 7,278' w/ gelled brine. TOH w/ 2 7/8" workstring. PU AD-1 packer and TIH. Set packer @ 5,987'. RU Sunset Well Service and squeeze below packer w/ 50 sx cement (pumping into casing leaks 6,373' to 6,380'). Overdisplace packer by 150' w/ gelled brine. Secure well and SDFN.

DWC - \$ 5,215, CWC - \$ 51,765

02/06/2005: Day 8: SDFS. Prepare to free-point and cut 5 1/2" casing string.
Open well to pit. Release AD-1 packer TIH w/ 2 7/8" workstring. Tag cement plug @ 6,090'. TOH w/ 2 7/8" workstring laying down AD-1 packer. Release Sunset Well Service. Secure well and SDFS.

DWC - \$ 3,415, CWC - \$ 55,180

02/08/2005: Day 9: Prepare to trip-in w/ overshot, free-point and cut 5 1/2" casing string.
Open well to pit. ND BOPE. Remove 5 1/2" wellhead. PU spear, engage 5 1/2" and remove slips. RU wireline and RIH w/ freepoint. Unable to determine freepoint. RD wireline. RU casing crew and TOH laying down 90 jts 5 1/2". RD casing crew.. Secure well and SDFN.

DWC - \$ 11,774, CWC - \$ 66,594

02/09/2005: Day 10: Prepare to trip-in w/ wash-pipe and wash over 5 1/2" casing string.
Open well to pit. PU overshot and TIH on 2 7/8" workstring. Engage 5 1/2" casing. RU Gray wireline and RIH w/ freepoint. Establish freepoint 5' below overshot @ $\pm 3,902'$. POH and RD wireline. Release from 5 1/2" and TOH laying overshot. Secure well and SDFN.

DWC - \$ 6,830, CWC - \$ 73,784

02/10/2005: Day 11: Continue wash over 5 1/2" casing.
Open well to pit. PU Texas Pattern Shoe, 4 joints 7 3/8" wash-pipe, 6 X 3 3/8" drill collars and TIH on 2 7/8" workstring. RU reverse unit and swivel. Establish reverse circulation w/ fresh water and wash over 5 1/2" to 3,954' recovering paper, sand and gravel. Recovering cement last 2'. Pull wash-pipe above 5 1/2" casing and circulate well clean. Secure well and SDFN.

DWC - \$ 10,116, CWC - \$ 83,900

02/11/2005: Day 12: Prepare to test 5 1/2" casing down to 4,900'.
Open well to pit. Establish reverse circulation w/ fresh water. TIH w/ Texas Pattern Shoe, 4 joints 7 3/8" wash-pipe, 6 X 3 3/8" drill collars to 3,954'. RU swivel and continue washing over 5 1/2" casing recovering cement. Unable to wash down past 3,958'. RD swivel, pull wash-pipe above 5 1/2" casing and circulate well clean. TOH laying down wash-pipe and collars. Secure well and SDFN.

DWC - \$ 5,819, CWC - \$ 89,719

02/12/2005: Day 13: Prepare to back-off 5 1/2" casing.
Open well to pit. PU 4' X 2 7/8" sub (guide), 5 1/2" RBP, ArrowSet Packer and TIH on 2 7/8" workstring. Tag 5 1/2" casing stub but was unable to work RBP past TOF. TOH laying down packer and plug. Wear indicates 5 1/2" casing is possibly collapsed and/or crimped. Secure well and SDFS.

DWC - \$ 4,019, CWC - \$ 93,737

02/14/2005: Day 14: Prepare to shoot 5 1/2" Casing.
Open well to pit. PU 5 1/2" overshot, extension and TIH on 2 7/8" workstring to 5 1/2" casing stub. Engage 5 1/2" casing and work reverse torque into fish. RU Gray Wireline and RIH w/ stringshot to 5 1/2" collar @ 5,925'. Make 4 unsuccessful attempts to back-off 5 1/2" casing. POH and RD wireline. Secure well and SDFN.

DWC - \$ 6,035, CWC - \$ 99,772

02/15/2005: Day 15: Prepare to test 5 1/2" casing down to 4,900'.

Open well to pit. Unable to pull into 5 1/2" casing. TOH w/ 2 7/8" and overshot. Replace 5 1/2" grapple and TIH on 2 7/8" workstring to 5 1/2" casing stub. Engage 5 1/2" casing and work reverse torque into fish. RU Gray Wireline and RIH w/ stringshot to 5 1/2" collar @ 3,925'. Make 1 additional attempt to back-off 5 1/2" casing.

PU string-shot and RIH to 5 1/2" collar at 3,925'. Split collar, POH and RD wireline. TOH w/ 2 7/8" workstring Recovering 47' x 5 1/2" casing. PU 4' X 2 7/8" sub, 5 1/2" RBP, ArrowSet Packer and TIH on 2 7/8". Work RBP into 5 1/2" and continue TIH. Set RBP @ 4,850'. Secure well and SDFN.

DWC - \$ 8,056, CWC - \$ 107,831

02/16/2005: Day 16: Continue TOH laying down 2 7/8", packer and plug. RDMOPU.

Open well to pit. RU Key Energy Services and load well w/ 2% KCl. Release from RBP and set packer. Apply 700 psig against RBP for 30 min. Release Packer, pull up to 3,970' and reset packer. Pressure up against 5 1/2" casing from 3970' to 4,850' w/ 700 psig for 2 hrs. Release packer and TIH to RBP. Release RBP and TOH laying down 2 7/8" workstring. Secure well and SDFN.

DWC - \$ 4,165, CWC - \$ 111,996

02/17/2005: Day 17: WOO.

Open well to pit. Continue TOH Laying Down 2 7/8" workstring, packer and plug. ND BOPE. NU WH. RDMO Rocker A Well Service

DWC - \$ 2,235, CWC - \$ 114,231

Note: Requested approval from Railroad Commission to modify the conversion procedure outlined in our Application to Inject Fluid into a Reservoir Productive of Oil & Gas (RRC Forms H-1 and H-1A). Specifically, we requested approval to tie-back to the 5 1/2" casing stub given the presence of cement above the permitted interval(s). We will continue conversion operations when approval is granted and any required remedial actions are detailed by the commission.

02/28/2005: Day 18: Prepare to log CBL-CCL as directed by the RRC.

MIRU Rocker A Well Service Rig 45. Unload, rack and tally 184 jts 2 7/8", 6.5#, N-80 workstring. ND wellhead. NU BOPE. PU 5 1/2" RBP, ArrowSet Packer and TIH picking up workstring. Work RBP into 5 1/2" and continue TIH. Set RBP @ 5,000'. Pull up to 3,969' and set packer. Secure well and SDFN.

DWC - \$ 6,285, CWC - \$ 120,515

03/01/2005: Day 19: Prepare to TIH w/ 2 7/8" workstring and RDMO Rocker A Well Service

RU Gray Wireline. RIH w/ CBL-CCL and tag RBP. RU Key Energy Services. Load and pressure to 1000 psig below packer. Log CBL-CCL from 5000' to 4000'. POH and RD wireline. Release Packer and TIH to RBP. Release RBP and TOH laying down packer and plug. Secure well and SDFN.

DWC - \$ 10,035, CWC - \$ 130,550

03/06/2005: Day 20: WOO.

TIH w/ 2 7/8" workstring open-ended. ND BOPE. NU WH and land tubing. RDMO Rocker A Well Service.

DWC - \$ 1,658, CWC - \$ 132,209

03/16/2005: Day 21: Prepare to dress 5 1/2" casing stub (TOF).

MIRU Rocker A Well Service Rig 45. ND wellhead. TOH w/ 2 7/8" workstring. PU 6 3/4" flat-bottom Mill, 7 3/8" x 6 3/4" skirt, 4 x 3 1/2" collars and TIH on 2 7/8". RU reverse unit, pit and swivel. Establish reverse circulation w/ fresh water. Secure well and SDFN.

DWC - \$ 10,040, CWC - \$ 142,249

03/17/2005: Day 22: Prepare bowl-over 5 1/2" casing stub.

Open well to pit w/ no pressure. Establish reverse circulation w/ fresh water and dress 5 1/2" casing milling 22". Circulate hole clean and TOH w/ laying down mill and skirt. PU Texas Pattern Shoe, 1 joint 7 3/8" wash-pipe and TIH w/ 3 1/2" ODDC's and 2 7/8" workstring to 3942'. Establish circulation w/ fresh water and wash down to 3950'. Circulate hole clean. Secure well and SDFN.

DWC - \$ 5,039, CWC - \$ 147,288

03/18/2005: Day 23: Prepare to RIH w/ gauge ring to verify bowl-over.

Open well to pit w/ no pressure. Establish reverse circulation w/ fresh water and CO to 3950'. TOH laying down collars, wash pipe and shoe. Unload, rack and tally 93 jts inspected 5 1/2", J-55, 15.5 ppf, LT&C casing. RU casing crew. PU Weatherford skirted casing bowl and RIH on 5 1/2" casing. Work Bowl over 5 1/2" casing stub. Attempt to pull tension greater than 5 pts and engage lead seal. Slips continue to release. Set 5 1/2" casing in compression. RD casing crew. Secure well and SDFN.

DWC - \$ 15,249, CWC - \$ 162,536

03/19/2005: Day 24: Prepare to perforate below casing bowl and cement 5 1/2" casing string.

Open well to pit w/ no pressure. RU Precision Drilling wireline. RIH w/ 4.50" gauge ring and junk basket to 4500'. POH and RD wireline. Rough-cut 5 1/2" and NU wellhead. Secure well and SDFS.

DWC - \$ 4,739, CWC - \$ 167,275

03/22/2005: Day 25: Prepare to cement 5 1/2" casing string.

Open well to pit w/ no pressure. RU Precision Drilling wireline. RIH w/ 3 1/8" casing guns ("Slick") and perforate 5 1/2" casing string @ 3948'. POH and RD wireline. PU RBP, Packer, SN and TIH on 2 7/8". Set RBP @ 4578' release and cap w/ 2 sx sand. Pick up to 3591' and attempt to set packer. TOH w/ 2 7/8". Did not recover packer (unscrewed @ SN). TIH w/ 2 7/8", screw into packer and TOH. PU new packer and TIH on 2 7/8" workstring. Set packer @ 3591'. Secure well and SD until Tuesday 02/23/2005.

DWC - \$ 7,289, CWC - \$ 174,564

03/24/2005: Day 26: Prepare to TOH w/ packer, PU bit and collars and drill out cement.

Open well to pit w/ no pressure. RU BJ Services. Test surface iron and establish circulation up 5 1/2" x 9 5/8" annulus w/ FW. Pump 450 sx 50:50 Class C: Poz lead slurry and 100 sx Class C cement. Displace cement to 3790' w/ FW circulating 5 sx cement to surface. RD BJ Services. Secure well and SDFN (WOC).

DWC - \$ 17,281, CWC - \$ 191,845

03/25/2005: Day 27: Prepare to drill remaining cement and log CNL-GR-CCL.

Open well to pit w/ no pressure. Release packer and TOH. PU 4 3/4" bit, 6 x 3 1/2" collars and TIH to TOC. RU reverse unit, pit and swivel. Establish reverse circulation w/ FW and drill cement to 70' above 5 1/2" casing bowl. Circulate hole clean. Secure well and SDFN (WOC).

DWC - \$ 4,158, CWC - \$ 196,003

03/26/2005: Day 28: Prepare to trip in w/ bit and collars and clean past obstruction. Log CNL-GR-CCL.

Open well to pit w/ no pressure. RU reverse unit, pit and swivel. Establish reverse circulation w/ FW and drill out remaining cement. Continue TIH to RBP. TOH laying down bit and collars. PU retrieving tool and TIH on 2 7/8" to RBP. Establish circulation and wash sand off of RBP. Engage RBP, release and TOH laying down same. RU Precision Drilling wireline. RIH w/ CNL-GR-CCL. Unable to work tools past obstruction @ 5097'. POH and RD wireline. Secure well and SD for holiday.

DWC - \$ 5,419, CWC - \$ 201,422

03/29/2005: Day 29: Prepare to perforate porous intervals Wednesday 03/30/2005 a.m.

Open well to pit w/ no pressure. PU 4 3/4" bit, 6 x 3 1/2" collars and TIH to 5500'. Did not tag any obstructions. Circulate well clean w/ 2% KCL. TOH laying down bit and collars. RU Precision Drilling. RIH w/ CNL-GR-CCL to 5700' and log to 4700'. POH and RD wireline. Secure well and SDFN.

DWC - \$ 9,304, CWC - \$ 210,725

03/30/2005: Day 30: Waiting on Wireline. Prepare to perforate porous intervals Wednesday 03/30/2005 a.m.

03/31/2005: Day 31. Prepare to TIH w/ 'Straddle-Packer" and acidize perforated intervals.

Open well to pit w/ no pressure. Rig up Precision Drilling. PU 3 1/8" "slick" guns (4 SPF X 90° Phase, 23.0 gm, 0.38" EH, 25.0" TDP) and perforate San Andres intervals from 4950' - 4956' (24 perforations), 5020' - 5110' (360 perforations), 5126' - 5234' (432 perforations), 5258' - 5290' (128 perforations) and from 5410' - 5448' (152 perforations). POH and RD wireline. Secure well and SDFN.

DWC - \$ 34,709, CWC - \$ 245,434

04/01/2005: Day 32: Prepare to acidize perforated San Andres intervals.

Open well to pit w/ no pressure. PU Weatherford "StraddaSet" packers (PPI) and TIH on 2 7/8". Unable to schedule BJ Services until Friday 04/01/2005 a.m. Secure well and SDFN.

DWC - \$ 2,954, CWC - \$ 248,388

04/02/2005: Day 33: Prepare to trip out w/ treating packers laying down 2 7/8" workstring.

Open well to pit w/ no pressure. Rig up BJ Services. Test surface equipment to 5700 psig. Isolate San Andres interval 5410' - 5448' w/ "StraddaSet" packers. Break Down interval w/ 1000 gals 20% NEFE HCl acid. Continue procedure breaking down the remaining 4 sets of San Andres perforations using 1000 gals 20% NEFE HCl acid for each interval. Release packer and pull up to 4800'. Pump 35 BFW down backside to clear acid and reset packers. RU and RIH to retrieve spotting valve. Load and pressure backside to 500 psig. Pump 4500 gals 20% NEFE HCl acid staged w/ 4 x 2000 lb coarse rock salt blocks (10000 lbs total salt). Displace w/ 220 BFW (7.4 bpm @ 1065 psig).

Max STP 1990 psig, Max IR 7.4 bpm, AIR 6.2 bpm, ISIP 620 psig, 5 min STP 555 psig, 15 min STP 528 psig. 628 BLW. RD BJ Services. Secure well and SDFN.

DWC - \$ 36,551, CWC - \$ 284,939

04/03/2005: Day 34: Prepare to pick up injection equipment and TIH on 3 1/2" IPC injection string.

Open well to pit w/ well on a vacuum. Release "StraddaSet" packers (PPI) and TOH laying down 2 7/8" workstring. Secure well and SDFS.

DWC - \$ 3,208, CWC - \$ 288,147

04/05/2005: Day 35: Turn to injection.

Open well to pit on a vacuum. Unload, rack and tally 154 joints 3 1/2", 9.3 ppf, J-55, 8RD EUE, IPC (TK-99) injection tubing. PU 1 joint 2 7/8" X 6' fiberglass sub, ArrowSet 1-X (10K) packer (internal plastic coat, external nickel coat), T-2 on-off and TIH on 3 1/2" tubing. Set packer in 10 points tension @ 4852.68' KB (TP @ 4858.8' KB). Release from on-off tool and circulate well w/ packer fluid. Re-engage on-off tool. ND BOPE. NU wellhead. Load and pressure backside to 600 pig for 45 minutes. Secure well. Clean location and RDMO Rocker A Well Service.

DWC - \$ 66,254, CWC - \$ 354,400

04/13/2005: Continue NU suction and discharge. Complete 3" fiberglass flowline construction.

Set Reda 33 stage J200N HPS pump. Continue electrical systems construction and tie-in.

04/18/2005: Complete electrical and surface facilities construction. Prepare to turn to injection.