

Logan Draw 30 G Federal 1

3/25/99 Nearburg requests farmout
4/19/99 Nearburg proposes well. Sends AFE and JOA. In JOA puts a 12/1/99 drilling date due to expectations of running into difficult title questions and possibility of pooling. (AFE TWC \$867,514 DHC (437,500) Proposed at 1980' FNL and 1650' FEL. (\$120,000 included for fracture stimulation)
5/20/99 DEC advised Nearburg that DEC would want to operate since Nearburg had only 7% WI and DEC had 50% WI. Nearburg advised they were trying to tie up the other WI parties including Yates.
6/99 DEC ordered title opinion.
6/29/99 DEC filed for an APD and staked location.
8/9/99 Received Title Opinion.
8/99 Talked with Nearburg and advised that DEC is ready to propose well. Nearburg advised that they were negotiating with Yates to tie up that interest. I advised them I would wait two weeks before proposing so the proposal would not adversely affect the deal they were working on with Yates.
8/13/99 Received approved APD
8/26/99 Ordered new survey due to title requirement.
9/3/99 Bob Shelton called inquiring on the status of the well and I advised that we were ready to propose the well. He asked if we could hold off until an offset well (Potter Federal #2) in Section 29-17S-27E was down. Nearburg had a WI in that well and wanted to see if the Logan Draw location would change based on its results. DEC agreed to wait.
9/4/99 Nearburg withdrawals 4/19/99 Logan Draw well proposal.
9/30/99 Location being built on Potter Federal #2.
11/9/99 Field reported Potter Federal #2 had reached TD and pipe had been run.
11/9/99 I contacted Bob Shelton and inquired about the results of offset well. He faxed Morrow section of log on well in Sec. 29 and advised that Nearburg elected to non-consent because it was virtually a dry hole, however, some parties decided to run pipe because there is small pay in the Cisco Canyon. Nearburg is re-evaluating N/2 of Section 30 and will want to incorporate this log in our mapping.
I told him we were ready to propose the well and needed to make a decision on the location. He advised that they would want to operate the well and I advised that would be a problem.
11/11/99 DEC proposed well to Nearburg @ 1980' FNL and 1650' FEL. TWC \$818,114 CHC \$421,00. (Includes \$100,000 stimulation. JOA OH rates \$6,000 and \$600.
11/12/99 Nearburg proposed well to DEC @ 1650' FNL and 660' FEL. AFE TWC \$721,310 DHC \$417,508. (No Frac included) JOA 200/500% non consent penalties. JOA OH \$5640 and \$540.
11/19/99 Gayle Riggs, phoned Nearburg geologist and discussed the location change. He said they ran (at 100% cost to Nearburg) an FMI log in the Potter Federal #2 and changed the location based on the FMI. He said the channels are narrow through this area and they needed to be closer than the original location. He recommended and drilled the Morrow tests in Section 29, 32, and 33 using the FMI's and has experience with dip/deposit direction of the Morrow sands. Gayle agreed this is a viable reason for the location change based on what he told her, however, she asked to see the FMI but was told it could not be provided since it was proprietary data.
11/19/99-12/16/99 Various verbal discussions with Nearburg regarding the OH producing rate, GBA. DEC advised that we would agree with Nearburg's location if we could work out some of our other issues.
12/16/99 Nearburg filed pooling application. To be heard 1/6/00.
12/31/99 Nearburg continued hearing to 1/20/00.
1/17/00 DEC continued hearing to 2/3/00.
1/20/00 DEC filed pooling application.
1/27/00 Nearburg agreed to \$4168/\$424 OH rates. DEC did not accept.
1/31/00 Nearburg agreed to \$300 producing rate. DEC did not accept.

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DEC