

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
U. S. ENERCORP, LTD.3a. Address
P. O. BOX 17098, SAN ANTONIO, TX 782173b. Phone No. (include area code)
210 829 48884. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL: 3250' FSL & 1220' FEL 3-23N-1W NMPM

5. Lease Serial No.

NMNM-108021

6. If Indian, Allottee or Tribe Name

N/A RCVD JAN 7 '08

7. If Unit or CA/Agreement, Name and/or No.

N/A OIL CONS. DIV.

8. Well Name and No.

LAGUNA COLORADO 2/3/1

9. API Well No.

30-039-30272

10. Field and Pool, or Exploratory Area

W. PUERTO CHIQUITO MANCOS

11. County or Parish, State

RIO ARriba COUNTY, NM**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Dec. 13: Reached TD of 8,051' and started hanging liner**Dec. 14: Finish hanging 4-1/2" slotted liner (see attached report)****Dec. 15: Start rigging down****Dec. 19: Move in completion rig****Dec. 20: Start swabbing (see attached report)****See attached daily reports for more details****PLEASE KEEP ALL DETAILS CONFIDENTIAL****RECEIVED****DEC 26 2007****Bureau of Land Management
Farmington Field Office**

cc: BLM, Rodriguez

ACCEPTED FOR RECORD**JAN 02 2008****FARMINGTON FIELD OFFICE
BY: T. Salinas**

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

BRIAN WOOD**(PHONE 505 466-8120)**Title **CONSULTANT****(FAX 505 466-9682)**

Signature

Date

12/21/2007**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOCD

CASING DETAIL

EXCESS CASING ON LOCATION:

RUNNING DETAIL:

Floot Ship Type:

Float Collar Type:

String Tools Type:

RUNNING PROCEDURE:

MAKE UP (ft-lbs):

Down Time Explanation:

REMARKS.

LINER HUNG OFF - NO CEMENT

CEMENTING ACCESSORIES:

CENTRALIZERS:

SCRATCHERS or SPECIAL TOOLS:

Daily Drilling Report

Operator : U.S. Enercorp, LTD. **Elevation** : 7295' GR
Well Name : LAGUNA COLORADO 2/3 #1 **PTD** : 9832' (MD)
Field/Prospect : West Puerto Chiquito Mancos **Contractor**: Pin Point /Rig#10
Lease Serial # : NMNM-108021 **API#** : 30-039-30272
Location : 3250' FSL & 1220' FEL; SECTION 3 T24N, R1W, RIO ARRIBA COUNTY

WELL NAME	DEPTH	FOOTAGE	DAYS
LAGUNA COLORADO 2/3 #1	6936'	0'	28
AFE: CUBALI			
REPORT DATE: 11/30/07			
REPORT BY: US ENERCORP, LTD.			
CONTRACTOR: PINPOINT RIG #10			
MW: 8.4 VISC:			
PRESENT OPERATION: GIH TO 3000'. WOC.			
ACTIVITY:			
4.0 HRS.	CIRC WELLBORE. POOH & L/D 6 JTS DP W/TOP DRIVE.		
5.0 HRS.	POOH W/DP & DIRECTIONAL TOOLS.		
1.0 HR.	CHECK SCIENTIFIC EM TOOL. WAS NOT PROPERLY SEATED. 180° OUT.		
1.0 HR.	FINISH POOH.		
4.0 HRS.	P/U 27 JTS 2-7/8" TBG, X-O, & GIH W/3-1/2" DP TO 6685'.		
2.0 HRS.	S/M. MIRU HALLIBURTON. TEST PUMPS & LINES TO 1500 PSI. PUMP 50 BBLS OF GEL WATER, 44 BBLS OF CLASS G W/3% CACL, 1% HR-5 FLUSHED W/10 BBLS GEL WATER.		
2.0 HRS.	ATTEMPT TO POOH. DIFFERENTIALLY STUCK. WORK PIPE DOWN FOR 30 MINS. DISPLACED DP W/50 BBLS FRESH WATER. PUMPED 55 BBLS DOWN ANNULUS. PIPE FREE. POOH.		
3.0 HRS.	POOH W/DP & 2-7/8" TBG.		
2.0 HRS.	P/U 6-3/4" ROCK BIT & BIT SUB. GIH TO 3000'. WOC.		

LAGUNA COLORADO 2/3 #1	6936'	0'	29
AFE: CUBALI			
REPORT DATE: 12/01/07			
REPORT BY: US ENERCORP, LTD.			
CONTRACTOR: PINPOINT RIG #10			
MW: 8.4 VISC:			
PRESENT OPERATION: R/U W/L TO SET CIBP.			
ACTIVITY:			
6.0 HRS.	WOC.		
10.0 HRS.	GIH TO 4260'. TAG RATTY CMT. WASH & DRILL CMT TO 5780'.		
2.0 HRS.	GIH TO 6150'. TAG, P/U, & CIRC B/U.		
1.0 HR.	R/S.		
2.0 HRS.	SHUT DOWN DUE TO SEVERE WEATHER.		
3.0 HRS.	POOH. STAND BACK DP.		

LAGUNA COLORADO 2/3 #1	6936'	0'	30
AFE: CUBALI			
REPORT DATE: 12/02/07			
REPORT BY: US ENERCORP, LTD.			
CONTRACTOR: PINPOINT RIG #10			
MW: 8.4 VISC:			

Daily Drilling Report

Operator : U.S. Enerccorp, LTD. **Elevation** : 7295' GR
Well Name : LAGUNA COLORADO 2/3 #1 **PTD** : 9832' (MD)
Field/Prospect : West Puerto Chiquito Mancos **Contractor**: Pin Point /Rig#10
Lease Serial # : NMNM-108021 **API#** : 30-039-30272
Location : 3250' FSL & 1220' FEL; SECTION 3 T24N, R1W, RIO ARRIBA COUNTY

WELL NAME	DEPTH	FOOTAGE	DAYS
	12/02/07 CONT.		

PRESENT OPERATION: GYRO ORIENTATE WHIPSTOCK.

ACTIVITY:

6.5 HRS.	R/U BASIN W/L. GIH W/GAUGE RING/CCL/GAMMA TO 6150'. CORRELATE CHL TO SCHLUMBERGER OHL RUN 11/14/07. RUN COLLAR LOG F/6100' T/4000'. POOH. GIH W/WEATHERFORD CIBP SET @ 6046'. TAG PLUG TO VERIFY. POOH. R/D W/L.
4.5 HRS.	GIH W/3-1/2" DP TO 6046'. TAG CIBP. MARK DP. STRAP OOH.
0.5 HR.	R/S.
3.0 HRS.	P/U SMITH ONE TRIP WHIPSTOCK. ORIENTATE WITH UBHO SUB.
7.5 HRS.	GIH W/WHIPSTOCK AT 1.5 MINS PER STD TO ENSURE NOT TO SET PREMATURELY. HAD TO SHUT DOWN SEVERAL TIMES DUE TO SEVERE WEATHER.
0.5 HR.	R/S.
1.5 HRS.	MIRU W/L. CHECK GYRO TOOLS. GIH TO 5600' - TIGHT. POOH. REMOVED CENTRALIZER. R/U & DISPLACE DP W/FRESH WATER.

LAGUNA COLORADO 2/3 #1
AFE: CUBALI

6043' 0' 31

REPORT DATE: 12/02/07

REPORT BY: US ENERCCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

MW: 8.4 **VISC:**

PRESENT OPERATION: POOH W/DP & MILLING TOOLS.

ACTIVITY:

8.0 HRS.	R/U W/L. P/U GYRO TOOL. GIH TO UBHO. ATTEMPT TO SEAT TOOL. INCONSISTENT READINGS. POOH. CHECK TOOL. ROTATE TEST. REHEAD W/L. CIRC DOWN DP W/FRESH WATER. FIH & ATTEMPT TO GET CONSISTENT DIRECTIONAL READINGS. POOH. CHANGE OUT TOOL. CIRC WELLBORE. GIH W/SEATED TOOL. 6 SETTINGS - OK. ORIENTATED SMITH WHIPSTOCK AT AZ 140°. SET WHIPSTOCK. OBTAINED TRUE COMPASS READING. SHEAR OFF MILLING TOOL.
5.0 HRS.	MILL WINDOW F/6029' T/6037' WITH 8' OF RATHOLE.
1.0 HR.	PUMP HIGH VIS SWEEP TO CLEAN WELLBORE.
3.0 HRS.	POOH W/48 STDS DP TO 3000'. INSTALLED ROT HEAD RUBBER.
2.0 HRS.	UNLOAD WELLBORE @ 3000' W/AIR.
1.0 HR.	GIH TO 5000'.
1.0 HR.	UNLOAD WELLBORE @ 5000' W/AIR.
3.0 HRS.	STAND BACK SWIVEL. POOH W/DP & MILLING TOOLS.

U.S. ENERCORP, LTD.
Daily Drilling Report

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Operator : U.S. Enercorp, LTD. **Elevation** : 7295' GR
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Field/Prospect : West Puerto Chiquito Mancos **Contractor**: Pin Point /Rig#10
Lease Serial # : NMNM-108021 **API#** : 30-039-30272
Location : 3250' FSL & 1220' FEL; SECTION 3 T24N, R1W, RIO ARRIBA COUNTY

<u>WELL NAME</u>	<u>DEPTH</u>	<u>FOOTAGE</u>	<u>DAYS</u>
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12/03/07 CONT.

LAGUNA COLORADO 2/3 #1	6081'	38'	32
AFE: CUBAL1			

REPORT DATE: 12/04/07
REPORT BY: US ENERCORP, LTD.
CONTRACTOR: PINPOINT RIG #10
MW: 8.4 **VISC:**
PRESENT OPERATION: SLIDE DRLG @ 6081'/GYRO STEERING.
ACTIVITY:
5.0 HRS. P/U 6-3/4" DIRECTIONAL BHA W/SCIENTIFIC EM TOOL.
3.5 HRS. GIH W/BHA & DP TO 5800'. L/D 12 JTS FROM DERRICK. GIH TO 6035'.
3.0 HRS. R/U W/L. P/U GYRO TOOL. GIH. TEST & VERIFY TOOL FACE.
1.5 HRS. DISPLACE HOLE WITH AIR/FOAM.
11.0 HRS. SLIDE DRLG F/6037' T/6081'. GYRO STEERING. HARD FORMATION.

LAGUNA COLORADO 2/3 #1	6178'	97'	33
AFE: CUBAL1			

REPORT DATE: 12/05/07
REPORT BY: US ENERCORP, LTD.
CONTRACTOR: PINPOINT RIG #10
MW: 8.4 **VISC:**
PRESENT OPERATION: GIH W/BHA & DP.
ACTIVITY:
2.5 HRS. SLIDE DRLG F/6081' T/6111'. GYRO STEERING.
2.0 HRS. CIRC HOLE CLEAN. POOH W/GYRO. MAKE CONNECTION. GIH W/GYRO.
0.5 HR. SLIDE DRLG F/6111' T/6126'. GYRO STEERING.
2.5 HRS. CIRC HOLE CLEAN. POOH W/GYRO. MAKE CONNECTION. GIH W/GYRO.
0.5 HR. SLIDE DRLG F/6126' T/6142'. GYRO STEERING.
1.5 HRS. CIRC HOLE CLEAN. POOH W/GYRO. MAKE CONNECTION. RACK GYRO BACK.
1.5 HRS. ROT/SLIDE DRLG F/6142' T/6178'. EM TOOL FAILED.
3.0 HRS. CIRC WELL. BLOW DP DRY.
1.0 HR. RDMO GYRO TOOLS & W/L.
4.5 HRS. POOH W/DP & DIRECTIONAL ASSEMBLY. EM TOOL FAILED.
0.5 HR. R/S.
2.0 HRS. CHANGE OUT BIT & EM TOOL. TEST.
2.0 HRS. GIH W/BHA & DP.

Daily Drilling Report

Operator : U.S. Enercorp, LTD. **Elevation** : 7295' GR
Well Name : LAGUNA COLORADO 2/3 #1 **PTD** : 9832' (MD)
Field/Prospect : West Puerto Chiquito Mancos **Contractor**: Pin Point /Rig#10
Lease Serial # : NMNM-108021 **API#** : 30-039-30272
Location : 3250' FSL & 1220' FEL; SECTION 3 T24N, R1W, RIO ARriba COUNTY

WELL NAME	DEPTH	FOOTAGE	DAYS
LAGUNA COLORADO 2/3 #1	6619'	441'	34

AFE: CUBALI
 REPORT DATE: 12/06/07
 REPORT BY: US ENERCORP, LTD.
 CONTRACTOR: PINPOINT RIG #10
 MW: 8.4 VISC:
 PRESENT OPERATION: SLIDE DRLG.
 ACTIVITY:
 4.0 HRS. GIH W/DIRECTIONAL BHA & DP TO 6177'.
 2.5 HRS. P/U TOP DRIVE. CIRC WELLBORE.
 17.5 HRS. SLIDE DRLG/SURVEY F/6178' T/6619'. BUILDING CURVE.

LAGUNA COLORADO 2/3 #1	6841'	222'	35
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AFE: CUBALI
 REPORT DATE: 12/07/07
 REPORT BY: US ENERCORP, LTD.
 CONTRACTOR: PINPOINT RIG #10
 MW: 8.4 VISC:
 PRESENT OPERATION: DRLG GALLUP FORMATION @ 6841'.
 ACTIVITY:
 3.0 HRS. SLIDE DRLG F/6619' T/6650'.
 0.5 HR. CIRC HOLE & SURVEY.
 0.5 HR. R/S.
 1.0 HR. SLIDE DRLG F/6650' T/6682'.
 0.5 HR. CIRC HOLE & SURVEY.
 2.0 HRS. SLIDE DRLG F/6682' T/6740'.
 1.0 HR. CIRC HOLE & SURVEY.
 3.5 HRS. SHORT TRIP TO 6050'.
 4.0 HRS. WASH & REAM TO 6740'.
 1.0 HR. CIRC HOLE B/U. NO FILL.
 0.5 HR. R/S.
 1.5 HRS. SLIDE/ROT DRLG F/6740' T/6772'.
 1.5 HRS. CIRC HOLE & SURVEY.
 1.0 HR. SLIDE/ROT DRLG F/6772' T/6804'.
 1.5 HRS. CIRC HOLE & SURVEY.
 1.0 HR. SLIDE/ROT DRLG F/6804' T/6841'.

LAGUNA COLORADO 2/3 #1	6936'	95'	36
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AFE: CUBALI
 REPORT DATE: 12/08/07
 REPORT BY: US ENERCORP, LTD.
 CONTRACTOR: PINPOINT RIG #10
 MW: 8.4 VISC:
 PRESENT OPERATION: WASH & REAM @ 6785'.
 ACTIVITY:
 7.5 HRS. SLIDE/ROT DRLG F/6841' T/6936'. CIRC & SURVEYS.
 2.5 HRS. CIRC & ATTEMPT TO ESTABLISH COMMUNICATIONS WITH SCIENTIFIC EM TOOL. LOST ALL SIGNAL.
 3.5 HRS. POOH W/20 JTS DP. BACK REAM OUT & L/D.

Daily Drilling Report

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Field/Prospect : West Puerto Chiquito Mancos Contractor: Pin Point /Rig#10
Lease Serial # : NMNM-108021 API# : 30-039-30272
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WELL NAME DEPTH FOOTAGE DAYS

12/08/07 CONT.

3.5 HRS. HANG BACK TOP DRIVE. POOH W/DP & BHA.
 3.0 HRS. ADJUST MOTOR TO 2.12. REBUILD EM TOOL. POWER
 SECTION OF EM TOOLS HAD FAILED (BATTERY).
 0.5 HR. R/S.
 3.5 HRS. P/U EM TOOL. TEST. GIH W/BHA & DP. CIRC B/U. 10-
 15' FLARE. 7000 UNITS OF GAS. OIL IN FLUID.

LAGUNA COLORADO 2/3 #1 7215' 279' 37
 AFE: CUBALI

REPORT DATE: 12/09/07
 REPORT BY: US ENERCORP, LTD.
 CONTRACTOR: PINPOINT RIG #10
 MW: 8.4 VISC:
 PRESENT OPERATION: DRLG @ 7215'.

ACTIVITY:
 3.5 HRS. WASH & REAM. CIRC TO 6936'.
 5.0 HRS. SLIDE/ROT DRLG F/6936' T/6999'.
 1.0 HR. R/D. REPAIR TOP DRIVE BRAKES.
 14.5 HRS. SLIDE/ROT DRLG F/6999' T/7215'. CIRC & SURVEY.

LAGUNA COLORADO 2/3 #1 7510' 295' 38
 AFE: CUBALI

REPORT DATE: 12/10/07
 REPORT BY: US ENERCORP, LTD.
 CONTRACTOR: PINPOINT RIG #10
 MW: 8.4 VISC:
 PRESENT OPERATION: POOH W/LAST 2 JTS IN WIPER TRIP. WASH
 & REAM TO TD @ 7510'..

ACTIVITY:
 2.0 HRS. SLIDE/ROT DRLG F/7215' T/7222'.
 1.5 HRS. CIRC. PUMP SWEEP. SURVEY.
 9.0 HRS. SLIDE/ROT DRLG F/7222' T/7382'.
 0.5 HR. R/S.
 8.0 HRS. SLIDE/ROT DRLG F/7382' T/7510'.
 1.0 HR. CIRC. PUMP SWEEP. SURVEY.
 2.0 HRS. WIPER TRIP W/TOP DRIVE TO 6369'. TIGHT SPOT @
 6717'. WASHED & REAMED. POOH TO 6340'.

LAGUNA COLORADO 2/3 #1 7766' 256' 39
 AFE: CUBALI

REPORT DATE: 12/11/07
 REPORT BY: US ENERCORP, LTD.
 CONTRACTOR: PINPOINT RIG #10
 MW: 8.5 VISC:
 PRESENT OPERATION: SURVEY @ 7766'.
 ACTIVITY:

U.S. ENERCORP, LTD.
Daily Drilling Report

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Operator : U.S. Enercorp, LTD. **Elevation** : 7295' GR
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Field/Prospect : West Puerto Chiquito Mancos **Contractor**: Pin Point /Rig#10
Lease Serial # : NMNM-108021 **API#** : 30-039-30272
Location : 3250' FSL & 1220' FEL; SECTION 3 T24N, R1W, RIO ARRIBA COUNTY

<u>WELL NAME</u>	<u>DEPTH</u>	<u>FOOTAGE</u>	<u>DAYS</u>
	12/11/07 CONT.		
	4.5 HRS.	WASH & REAM TO 7510'. LIGHT FILL. HOLE	
		CONDITION GOOD.	
	6.5 HRS.	SLIDE/ROT DRLG F/7510' T/7606'. CIRC/SURVEY.	
	0.5 HR.	R/S.	
	7.0 HRS.	SLIDE/ROT DRLG F/7606' T/7702'. CIRC/SURVEY.	
	0.5 HR.	R/S.	
	2.0 HRS.	SLIDE/ROT DRLG F/7702' T/7734'.	
	0.5 HR.	CIRC/SURVEY.	
	2.5 HRS.	SLIDE/ROT DRLG F/7734' T/7766'.	

LAGUNA COLORADO 2/3 #1 **8023'** **257'** **40**
AFE: CUBAL1

REPORT DATE: 12/12/07
REPORT BY: US ENERCORP, LTD.
CONTRACTOR: PINPOINT RIG #10
MW: 8.5 **VISC:**
PRESENT OPERATION: SURVEY @ 7766'.
ACTIVITY:

3.5 HRS.	SLIDE/ROT DRLG F/7766' T/7812'. CIRC/SURVEY.
0.5 HR.	R/S.
8.0 HRS.	SLIDE/ROT DRLG F/7812' T/7894'. CIRC/SURVEY.
0.5 HR.	R/S.
1.0 HR.	SLIDE/ROT DRLG F/7894' T/7914'. CIRC & SURVEY.
1.5 HRS.	CIRC. CHECK EM TOOL.
5.0 HRS.	SLIDE/ROT DRLG F/7914' T/7990'. CIRC & SURVEY.
0.5 HR.	R/S.
1.5 HRS.	SLIDE/ROT DRLG F/7990' T/8023'. CIRC & SURVEY.
2.0 HRS.	CIRC OUT. DRILLING BREAK @ 8002'. OIL IN
	SAMPLE. CONDITION FOR WIPER TRIP.

LAGUNA COLORADO 2/3 #1 **8051'** **28'** **41**
AFE: CUBAL1

REPORT DATE: 12/13/07
REPORT BY: US ENERCORP, LTD.
CONTRACTOR: PINPOINT RIG #10
MW: 8.4 **VISC:**
PRESENT OPERATION: WIPER TRIP.
ACTIVITY:

8.5 HRS.	BLOW WELL DOWN. CIRC B/U. CONDITION FOAM.
1.5 HRS.	DRLG F/8022' T/8051'.
3.5 HRS.	CIRC W/MIST SYSTEM.
2.5 HRS.	POOH. BACK REAM & L/D 18 JTS. NO RETURNS.
2.0 HRS.	ATTEMPT TO CIRC. NO RETURNS.
2.0 HRS.	POOH TO CSG WINDOW.
2.5 HRS.	CIRC HOLE CLEAN @ 6000'.
0.5 HR.	TIH. TAG BRIDGE @ 6723'.
0.5 HR.	TIH TO 7510'.

U.S. ENERCORP, LTD.
Daily Drilling Report

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<u>Operator</u>	: U.S. Enercorp, LTD.	<u>Elevation</u>	: 7295' GR
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<u>Field/Prospect</u>	: West Puerto Chiquito Mancos	<u>Contractor</u>	: Pin Point /Rig#10
<u>Lease Serial #</u>	: NMNM-108021	<u>API#</u>	: 30-039-30272
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<u>WELL NAME</u>	<u>DEPTH</u>	<u>FOOTAGE</u>	<u>DAYS</u>

0.5 HR. P/U SWIVEL & CIRC.

LAGUNA COLORADO 2/3 #1
AFE: CUBAL1

8051'	0'	42
REPORT DATE: 12/14/07		
REPORT BY: US ENERCORP, LTD.		
CONTRACTOR: PINPOINT RIG #10		
MW:	8.4	VISC:
PRESENT OPERATION: RUN 4-1/2" SLOTTED LINER.		
ACTIVITY:		
5.0 HRS.	TAG @ 7945'. P/U SWIVEL. REAM IN TO BTM @ 8051'.	
2.0 HRS.	CIRC B/U.	
7.0 HRS.	L/D DP. BACK REAM OUT TO 7200'. POOH TO 6000'.	
1.0 HR.	PUMP 150 BBLS KCL FOR MUD CAP.	
5.0 HRS.	POOH.	
1.0 HR.	R/U CSG CREW.	
1.5 HRS.	RUN 4-1/2" SLOTTED LINER.	
1.5 HRS.	TIH W/LINER.	

LAGUNA COLORADO 2/3 #1
AFE: CUBAL1

8051'	0'	43
REPORT DATE: 12/15/07		
REPORT BY: US ENERCORP, LTD.		
CONTRACTOR: PINPOINT RIG #10		
PRESENT OPERATION: R/D.		
ACTIVITY:		
5.5 HRS.	TIH W/LINER. DROP BALL.	
1.5 HRS.	P/U SWIVEL & PUMP 25 BBLS KCL THEN AIR TO PUMP BALL DOWN. RELEASE LINER.	
5.5 HRS.	L/D DP & LINER HANGER ASSEMBLY.	
0.5 HR. R/S.		
4.0 HRS.	N/D BOP.	
2.0 HRS.	INSTALL WELL HEAD.	
2.0 HRS.	CLEAN MUD TANKS.	
3.0 HRS.	RELEASE RIG @ 3:00 AM 12/15/07. START R/D.	

LAGUNA COLORADO 2/3 #1
AFE: CUBAL1

8051'	0'	44
REPORT DATE: 12/16/07		
REPORT BY: US ENERCORP, LTD.		
CONTRACTOR: PINPOINT RIG #10		
PRESENT OPERATION: R/D.		
ACTIVITY:		
24.0 HRS.	R/D. TRUCKS WILL MOVE RIG TODAY.	

U.S. ENERCORP, LTD.
Daily Drilling Report

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Well Name : LAGUNA COLORADO 2/3 #1 **PTD** : 9832' (MD)
Field/Prospect : West Puerto Chiquito Mancos **Contractor**: Pin Point /Rig#10
Lease Serial # : NMNM-108021 **API#** : 30-039-30272
Location : 3250' FSL & 1220' FEL; SECTION 3 T24N, R1W, RIO ARRIBA COUNTY

<u>WELL NAME</u>	<u>DEPTH</u>	<u>FOOTAGE</u>	<u>DAYS</u>
LAGUNA COLORADO 2/3 #1	8051'	0'	45

AFE: CUBAL1

REPORT DATE: 12/17/07

REPORT BY: US ENERCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

PRESENT OPERATION: SEND IN RENTALS.

ACTIVITY:

24.0 HRS. MOVE RIG. RIG IS GONE. SEND IN RENTALS.

U.S. ENERCORP, LTD.
Daily Completion Report

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Operator : U.S. Enercorp, LTD. **Elevation** : 7295' GR
Well Name : LAGUNA COLORADO 2/3 #1 **TD** : 8051' (MD)
Field/Prospect : West Puerto Chiquito Mancos **TD** : 6508' (TVD)
Lease Serial # : NMNM-108021 **API#** : 30-039-30272
Location : 3250' FSL & 1220' FEL; SECTION 3 T24N, R1W, RIO ARRIBA COUNTY

LAGUNA COLORADO 2/3 #1
AFE: CUBAL1

REPORT DATE: 12/18/07
REPORT BY: US ENERCORP, LTD.
PRESENT OPERATION: PREP LOC.
ACTIVITY: PREP LOC FOR COMPLETION EQUIP. DRAIN CELLAR. INSTALL 2" RISER ON SURFACE HEAD.

LAGUNA COLORADO 2/3 #1
AFE: CUBAL1

REPORT DATE: 12/19/07
REPORT BY: US ENERCORP, LTD.
PRESENT OPERATION: GIH W/TBG.
ACTIVITY: CLEAR & PREP LOC. FILL CELLAR. MIRU BASIC W/O RIG & EQUIP. N/D TREE. N/U BOP'S. FUNCTION TEST. P/U SMITH MI-X PKR. GIH W/46 JTS 2-3/8" 4.6# J-55 EUE TBG TO 1500'. SECURE WELL. SDFN.

LAGUNA COLORADO 2/3 #1
AFE: CUBAL1

REPORT DATE: 12/20/07
REPORT BY: US ENERCORP, LTD.
PRESENT OPERATION: SWABBING.
ACTIVITY: SICP - 0 PSI. SITP - 0 PSI. GIH W/2-3/8" TBG & PKR TO 5960' & SET. R/U SWABBING EQUIP. SWAB TEST WELL. RUN #1 - TAG @ 3500' - OIL & PIPE DOPE IN RETURNS. SEE ATTACHED SWAB REPORT. INSTALLED _ CK. WELL OPEN TO RIG PIT W/GAS FLOW. SEE SWAB REPORT.

Laguna Colorado 2/3 No.1

Swab Test

12/20/07

Run#	Tag Depth	Swab Depth	Water	Oil	Total	Notes
1	3500	4500	1.00	2.00	3	
2	4500	5500	1.00	2.00	6	
3	4700	5930	3.00		9	
4	4800	5930	3.00		12	
5	4800	5930	3.00		15	
6	4800	5930	3.00		18	
7	4800	5930	2.00	1.00	21	Tail gas
8	4700	5930	2.00	1.50	24.5	Lead/tail gas, hard blow
9	4700	5930	1.00	2.50	28	Lead/tail gas, hard blow
10	4650	5930	0.50	3.00	31.5	Lead/tail gas, hard blow, installed 1/4" choke open to rig tank

PLEASE KEEP CONFIDENTIAL