Regulatory Summary SAN JUAN 29 6 UNIT #055C

INITIAL COMPLETION, 11/29/2005 00:00

N/S Dist (ft) API/Bottom.UWI County State/Province Surface Legal Location N/S Ref E/W Dist (ft) 300392936000 Rio Arriba **NEW MEXICO** NMPM-29N-06W-18-E 2,300.00 660.00 Ground Elevation (ft) Latitude (DMS) Longitude (DMS) Spud Date Rig Release Date 36° 43' 36.4368" N 107° 30' 38.682" W 6,315.00 11/5/2005 11/22/2005

11/29/2005 06:00 - 11/29/2005 15:00

Last 24hr Summary

Held safety meeting. RU Slumberger. Pressured up on 4 1/2" CSG to 1500 #. Ran CBL log from 5583' to 3000'. Top of cement @ 5400'. Ran TDT log from 5583' to 2100'. Ran GR/ccl log from 5583' TO surface. RD Schlumberger.

12/13/2005 06:00 - 12/13/2005 08:00

Last 24hr Summary

No operations for the day. Shutdown rig move operations for the day due to bad road conditions. (snow-packed and icy)

12/14/2005 07:30 - 12/14/2005 16:45

Last 24hr Summary

Hold PJSA meeting with crew. Talked about conducting safe rig move, rig up operation. Talked about driving on slick and icy lease road. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Load up rig equipment onto equipment skids and Dawn Trucking lowboy trailers. Chain up unit. Wait for Key toolpusher to look at lease road and determine if it is safe to take the completion rig down to the main road. (Steep hill with snow and ice). Dawn Trucking moved rig equipment to wellsite. Toolpusher drove rig down the hill with a road grader snubbed onto the back of the unit. Unit at main road for trip to wellsite. Road unit to wellsite. Spot unit on well. Spot tubing trailer onto location. All equipment delivered to location. Start rigging up unit and associated equipment. Well secured. Secured lease. Shutdown operations for the day.

12/15/2005 07:30 - 12/15/2005 17:00

Last 24hr Summary

SICP- 0 Psi BHP- 110 Psi

Hold PJSA meeting with crew. Talked about conducting safe job operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Key Energy mechanic made repairs on rig floor damaged on rig move. Check well pressures. Rig up flowback line to bradenhead valve. Open valve, had continuous gas flow from bradenhead. Nipple down wellhead assembly. Installed testing hanger assembly. Secured lockdown pins. Nipple up BOP assembly. Pressure test BOP blind and pipe rams with a low (250 Psi- 10 min.) and a high (2,500 Psi- 30 min.) test. Tests were successful. Rig up floor assembly. Rig up Computalog Services. Start into well with squeeze perforation gun. Correlated off marker joint at 3,435' and PBTD. Shoot 3 - .34" Diameter squeeze holes at 5,300'. Well went on a vacuum when gun was shot. Trip perforating gun out of the well. Establish injection rate into perforations with rig pump. Pumped 20 bbls of 2% kcl water at 3.5 Bpm at 0 Psi. No change in the gas flow was seen in the 7"-4 1/2" annulus. Well went on vacuum when pump was shut down. Rig down, release Computalog wireline unit. Notified the BLM (Jim Lovato) and the NM OCD (Charlie Perrin) of intention to perform cement work. Nipple up Baker 4 1/2" Type IIR- Packer. Start into well with packer and tubing, tallied and picked up from tubing float. Tripped tools to 3,774'. Installed TIW valve, close and lock pipe rams. Well secured. Secured lease. Shutdown operations for the day.

12/16/2005 07:30 - 12/16/2005 15:00

Last 24hr Summary

SICP- 0 Psi SITP- 0 Psi BHP- 110 Psi

Hold PJSA meeting with crew. Talked about conducting safe job operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations.

Check and blowdown pressures. Still had gas flow from 4 1/2" - 7" annulus. Continue into well with Baker squeeze packer. Set packer in casing at 5,110'. Rig up Schlumberger cement equipment. Tested cement lines to 4,000 Psi. Tested good. Load casing/tubing annulus with 32 bbls of 2% kcl water. Put 500 Psi on casing/tubing annulus with rig pump. Start with 20 bbls of 40# gel spacer with 2#/bbl CemNET, follow with 5 bbls of fresh water spacer. Cemented with 50 sks (23 bbls) of Lite Crete cement with additives at 9.5 ppg, 2.52 cu.ft yield. Followed with 30 sacks (7 bbls) of 50/50/2% Gel cement with additives at 13.5 ppg, 1.27 cu.ft yield. Added 1#/bbl CemNETwith both slurries. Average cementing rate was 2.0 Bpm at 250 Psi. Pumped 30 bbls of cement slurry. Shutdown, washed pumps and lines. Start displacement with 2% kcl water. Average displacement rate was 1.0 Bpm at 560 Psi. Pumped 21 bbls of displacement. Hesitated displacement on last 1/2 bbl. Shutdown and shut in well. Had 870 Psi shut in on tubing. Gas flow from 4 1/2" - 7" annulus had slowed but not quit during the job. Shut in 7" annuluus. Rig down Schlumberger cementing crew and released. Secured well and lease. Shutdown operations for the weekend.

12/19/2005 07:30 - 12/19/2005 17:00

Last 24hr Summary

SICP- 500 Psi SITP- 0 Psi BHP- 90 Psi

Hold PJSA meeting with crew. Talked about conducting safe job operations. Talked about upcoming drilling operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check and blowdown pressures. Still had slight gas flow from 4 1/2" - 7" annulus. Unset Baker packer. Trip 2 3/8" tubing and packer out of the well. Out of well with the tools, nipple down packer assembly. Nipple up drilling BHA. Install new stripping rubber. Start into well with 1- 3.875" x .32' Mill tooth bit, 1- 1.13' x 2 3/8" bit sub, 2 3/8" tubing from derrick. Tag top of cement at 5,157'. Rig up power swivel assembly. Start reverse circulation with rig pump. Start drilling out cement. Went thru cement at 5,305'. Cleaned out to 5,582'. Circulated until returns were clean. Shutdown circulation, rig down power swivel assembly. Trip out of well with 2 3/8" tubing and bit assembly. Nipple down bit assembly. Close blind rams and casing valves. Well secured. Drained rig pump and all lines. Secured lease. Shutdown on the day.

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12/20/2005 07:30 - 12/20/2005 17:00

Last 24hr Summary

SICP-0 Psi

BHP- 70 Psi

Hold PJSA meeting with crew. Talked about conducting safe job operations. Talked about upcoming logging operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check and blowdown pressures. Still had slight gas flow from 4 1/2" - 7" annulus, Rig down stripping head. Rig up Blue Jet Wireline unit and tools to run Cement Bond Log. Start into well with CBL. Log well with 1,500 Psi. from 3,700' to 5,456'. Estimated the top of cement at 4,930'. Trip out of well with CBL tools. Send bond log to engineer (L. Bazan) for further evaluation. Rig down and released Blue Jet Wireline unit and tools. Trip 5,580 of 2 3/8" tubing from derrick into well to start laying down. Trip 5,580 of 2 3/8" tubing out of well, laying down on tubing trailer. Close blind rams, all valves on wellhead. Well secured. Drain rig pump and lines. Secured location. Shutdown operations for the day.

12/21/2005 07:30 - 12/21/2005 16:00

Last 24hr Summary

SICP- 0 Psi BHP- 70 Psi

Hold PJSA meeting with crew. Talked about conducting safe job operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check pressures. Install testing hanger into wellhead. Secured lockdown pins. Nipple down BOP assembly. Nipple up Frac valve and spool assembly. Pull testing hanger assembly. Rig up Wood Group testing unit. Load 4 1/2" casing with 8 bbls of 2% kcl water. Put 500 Psi on well with rig pump. Continue testing with Wood Group unit. Went to 2,200 Psi with test unit. Could not test any higher. Well bled down to 1,000 Psi in 5 minutes. Test 7" - 4 1/2" slips assembly to 2,000 Psi to check the seal integrity. Tested good. Retest 4 1/2" casing with the testing unit. Had the same results as before. Squeeze holes at 5,300' must not be holding. Call engineering group (J.Pusch) to notify of well test results. Decision made to not resqueeze. Squeeze holes are in the desired perforation interval. Rig down and release testing unit. Rig down completion unit and all equipment. Secured and drained wellhead. Clean and secured lease. Move completion unit and equipment off wellsite. Well is ready for Mesa Verde stimulation operations.

12/27/2005 08:00 - 12/27/2005 12:00

Last 24hr Summary

Held safety meeting. RU Computalog. Perforated the Point Lookout. RIH w/ 3 1/8" 90 degree select fire perforating gun. Perforated from 5345' - 5348' w/ 2 spf, 5361' - 5364' w/ 2 spf, 5379' - 5384' w/ 2 spf, 5400' - 5418' w/ 2 spf, 5435' - 5440' w 2 spf. A total of 68 holes w/ 0.34 dia. SWI. RD Computalog.

12/28/2005 12:00 - 12/28/2005 12:00

Last 24hr Summary

Held safety meeting. RU Schlumberger. Frac'd the Point Lookout. Tested lines to 5050 #. Set pop off @ 3850 #. Broke down formation @ 5 bpm @ 1194 #. Pumped pre pad @ 25 bpm @ 1019 #. Stepped down rate to 20 bpm @ 591 #. Stepped down rate to 15 bpm @ 292 #. Stepped down rate to 10 bpm @ 0 #. ISIP 0 #. Pumped 1000 gals of 15% HCL acid @ 9 bpm @ 0 #. Frac'd the Point Lookout w/ 60 Q slick foam w/ 1 g/mg FR, 125,000 # 20/40 Brady sand, Treated the last 15% of proppant volume with propnet for proppant flowback control, 1,412,200 SCF N2 & 1550 bbls fluid. Avg rate 65 bpm. Avg pressure 2343 #. Max pressure 2510 #. Max sand cons 1.50 # per gal. ISIP 810 #. Frac gradient .44. RU Computalog. RIH w/ 4 1/2 composite plug. Set plug @ 5165'. Tested plug to 4000 #. Held ok. Perforated the Menefee & Cliffhouse w/ 3 1/8" 90 degree select fire perforating gun. Perforated from 4990' - 5005' w/ 1 spf, 5043' - 5048' w/ 1 spf, 5063' - 5068' w/ 1 spf, 5099' - 5104' w/ 1 spf, 5123' - 5128' w/ 1 spf, 5134' - 5139' w/ 1 spf. A total of 46 holes w/ 0.34 dia. RD Computalog. Frac'd the Menefee & Cliffhouse Tested lines to 5050 #. Set pop off @ 3850 #. Broke down formation @ 5 bpm @ 1214 #. Pumped pre pad @ 25 bpm @ 1172 #. Stepped down rate to 20 bpm @ 873 #. Stepped down rate to 15 bpm @ 532 # .Stepped down rate to 10 bpm @ 340 #. ISIP 0 #. Pumped 1000 gals of 15% HCL acid @ 6 bpm @ 175 #. Frac'd the Menefee & Chliffhouse w/ 60 Q slick foam w/ 1 g/mg FR, 125,000 # 20/40 Brady sand, Treated the last 15% of proppant volume with propnet for proppant flowback control, 1,692,800 SCF N2 & 1485 bbls fluid. Avg rate 50 bpm. Avg pressure 2514 #. Max pressure 2835 #. Max sand cons 1.50 # per gal. ISIP 1934 #. Frac gradient .44. SWI. Rd Schlumberger. Start Flowback.

1/17/2006 07:00 - 1/17/2006 16:00

Last 24hr Summary

SICP-600 Psi Bradenhead- 95 Psi

Hold PJSA meeting. Talked about conducting safe rig move, rig up operation. Talked about driving speed limit on lease roads. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Load up rig equipment onto equipment skids and Dawn Trucking trucks. Move rig equipment to wellsite. Move to wellsite with completion unit. Spot unit onto well. Spot tubing trailer onto location. Continue moving in rig equipment. Crew conducted rig inspection on unit. Start rigging up unit and associated equipment. All equipment delivered to location. Rig up dual flowback lines to flowback tank. Install safety cables and anchors on all lines. Check well and bradenhead pressures. Lay flowback line off bradenhead valve. Open bradenhead head to flowback pit. Had continuous gas flow from bradenhead. Rig up drain line from flowback tank. Drain 200 bbls of fluid from tank into reserve pit. Shut in bradenhead. Secured well and lease. Shutdown operations for the day.

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1/18/2006 07:00 - 1/18/2006 17:00

Last 24hr Summary

SICP- 600 Psi Bradenhead- 95 Psi

Hold PJSA meeting with crew. Talked about conducting safe job operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check well pressures. Rig up flowback line to bradenhead valve. Open valve, had continuous gas flow from bradenhead. Rig up Computalog Services. Start into well with 3.75" gauge ring. Tagged fill at 4,935'. Start into well with Halliburton 4" composite bridge plug. Correlated off marker joint at 3,435' and collars. Set plug at 4,910'. Blowdown casing pressure to flowback pit. Load well with 65 bbls of 2% kcl water with rig pump. Test plug to 3,000 Psi. surface. Tested good. Released pressure. Start into well with perforation gun. Correlate off marker joint at 3,435' and bridge plug. Shoot 3 - .34" Diameter squeeze holes at 4,870'. Well did not go on a vacuum when gun was shot. Trip perforating gun out of the well. Establish injection rate into perforations with rig pump. Brokedown perfs at 1,100 Psi. Pumped 20 bbls of 2% kcl water at 2.5 Bpm at 800 Psi. No change in the gas flow was seen in the 7"- 4 1/2" annulus. Well went on a vacuum when pump was shut down. Rig down, release Computalog wireline unit. Well is dead, installed testing hanger assembly. Secured lockdown pins. Nipple down Frac valve and spool assembly. Nipple up BOP assembly. Pressure test BOP blind and pipe rams with a low (250 Psi- 10 min.) and a high (2,500 Psi- 30 min.) test. Tests were successful. Rig up floor assembly. Notified the BLM (Jim Lovato) and the NM OCD (Charlie Perrin) of intention to perform cement work. Tally and nipple up Baker 4 1/2" Type IIR- Packer assembly. Start into well with packer and tubing, tallied and picked up from tubing float. Tripped tools to 2,004'. Installed TIW valve, close and lock pipe rams. Well secured. Drained all lines of fluid. Secured lease. Shutdown operations for the day.

1/19/2006 07:00 - 1/19/2006 13:00

Last 24hr Summary

Bradenhead- 95 Psi SICP- 0 Psi

Hold PJSA meeting with crew. Talked about conducting safe job operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check well pressures. Rig up flowback line to bradenhead valve. Open valve, had continuous gas flow from bradenhead. Continue into well with packer and tubing, tallied and picked up from tubing float. Tripped tools to 4,570'. Installed TIW valve, close and lock pipe rams. Well secured. Crew work on rig pump and connections. Key Energy Mechanics serviced rig and rig pump. Drained all lines of fluid. Secured lease. Shutdown operations for the day. Schlumberger cementing crew unavailable, will standby until 1-20-06.

1/20/2006 07:00 - 1/20/2006 14:00

Last 24hr Summary

SICP-0 Psi SITP- 0 Psi

BHP-95 Psi

Crew held PJSA meeting. Talked about conducting safe job operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check well pressures. Slight gas flow from 4 1/2" - 7" annulus. Continue into well with Baker squeeze packer. Set packer in casing at 4,697'. Rig up Schlumberger cement equipment. Tested cement lines to 4,000 Psi. Tested good. Load casing/tubing annulus with 25 bbls of 2% kcl water. Put 500 Psi on casing/tubing annulus with rig pump. Established injection rate with 20 bbls of 2% kcl water at 3.0 BPM @ 1,000 Psi, slowed rate to 2.5 BPM @ 700 Psi, well went on vacuum when pumping was shutdown. Start cement job with 10 bbls of 40# gel spacer with 1#/bbl CemNET, 10 bbls of 2% kcl water spacer, 10 bbls of 40# gel spacer with 1#/bbl CemNET, follow with a 5 bbl 2% kcl water and a 5 bbl fresh water spacer. Cemented with 55 sks (25 bbls) of Lite Crete cement with additives at 9.5 ppg, 2.52 cu.ft yield. Added 1#/bbl CemNETwith the slurry. Pressure started rising, appearing to be heading toward max pressure. Decision was made to start tail cement. Tail cement was 50 sacks (11 bbls) of 50/50/2% Gel cement with additives at 13.5 ppg, 1.27 cu.ft yield. Average cementing rate was 2.5 Bpm, pressure while cementing started at 1,000 Psi and went to 1,700 Psi before switching to tail slurry. Pumped 36 bbls of cement slurry. Shutdown, washed pumps and lines. Start displacement with 2% kcl water. Average displacement rate was 1.5 Bpm at 560 Psi. Pumped 20 bbls of displacement. Shutdown and shut in well. Had 275 Psi shut in on tubing. Gas flow from 4 1/2" - 7" annulus continued during the job, no fluid was seen. Shut in 7" annulus. Rig down Schlumberger cementing crew and released. Secured well and lease. Shutdown operations for the weekend.

1/23/2006 07:00 - 1/23/2006 16:30

Last 24hr Summary

SICP-500 Psi SITP- 0 Psi

BHP- 90 Psi

Hold PJSA meeting with crew. Talked about conducting safe job operations. Talked about upcoming drilling, cleanout operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check and blowdown pressures. Still had gas flow from 4 1/2" - 7" annulus. Unset Baker packer. Trip 2 3/8" tubing and packer out of the well. Out of well with the tools, nipple down packer assembly. Nipple up drilling BHA. Install new stripping rubber. Start into well with 1- 3.875" x .32' Mill tooth bit, 1- 1.13' x 2 3/8" bit sub, 2 3/8" tubing from derrick. Tag top of cement at 4,865'. Rig up power swivel assembly. Start reverse circulation with rig pump. Start drilling out cement. Went thru cement at 4,872'. Cleaned out to bridge plug at 4,910'. Circulated until returns were clean. Shutdown circulation, rig down power swivel assembly. Trip out of well with 2 3/8" tubing and bit assembly. Nipple down bit assembly. Close blind rams. Load casing with 9 bbls of 2% kcl water. Attempt to pressure test casing. At 980 Psi, squeeze holes started taking fluid. Shutdown rig pump, pressure bled down to 0 Psi in 2 minutes. Restart rig pump and established a rate of 1.0 BPM @ 700 Psi. Shutdown pumping, pressure bled down to 0 Psi in under 2 minutes. Well was on slight vacuum. Lock blind rams, casing valves closed. Well secured. Drained rig pump and all lines. Secured lease. Shutdown operations for the day.

1/24/2006 07:00 - 1/24/2006 16:15

Last 24hr Summary 0 Psi

SICP-BHP- 90 Psi

Hold PJSA meeting with crew. Talked about conducting safe job operations. Talked about upcoming wireline operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check and blowdown pressures: Slight gas flow from 4 1/2" - 7" annulus. Rig down stripping head. Rig up Computalog Wireline unit and tools to run Cement Bond Log. Start into well with CBL. Load well with 20 bbls of 2% kcl water with rig pump. Attempt to log well with pressure. Could not keep well pressured up above 100 Psi. Log well from 2,970' to 4,910'. Estimated the top of cement at 4,650'. Trip out of well with CBL tools. Will send bond log to engineer (J. Pusch) for evaluation. Rig down and released Computalog Wireline unit and tools. Tally and nipple up Baker 4 1/2" 1AA Cast Iron cement retainer assembly. Start into well with retainer and tubing from the derrick. Tripped tools to 4,500'. Installed TIW valve, close and lock pipe rams. Well secured. Drained all lines of fluid. Secured lease. Shutdown operations for the day.

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SAN JUAN 29 6 UNIT #055C

1/25/2006 06:00 - 1/25/2006 17:15

Last 24hr Summary

SICP- 0 Psi SITP- 0 Psi

BHP- 95 Psi

Held PJSA meeting. Talked about conducting safe job operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check well pressures. Slight gas flow from 4 1/2" - 7" annulus. Continue into well with Baker cement retainer. Pumped 20 bbls of 2% kcl water to ensure retainer was open. Set retainer in casing at 4,759'. Tested cement lines to 4,000 Psi. Tested good. Load casing/tubing annulus with 10 bbls of 2% kcl water. Put 500 Psi on casing/tubing annulus with rig pump. Established injection rate with 20 bbls of 2% kcl water at 1.5 BPM @ 800 Psi. Well went on vacuum when pumping was shutdown. Cemented with 150 sks (30 bbls) of class "G" cement at 15.8 ppg, 1.15 cu.ft yield. Added D800 Cement retarder at .3% in mix water. Average cementing rate was 1.5 Bpm, pressure while pumping cement started at 500 Psi and went as low as 70 Psi. Start displacement with 2% kcl water. Average displacement rate was 1.5 Bpm, pressure started at 60 Psi and went to 950 Psi. Shutdown at 16.5 bbls of displacement pumped. Stung tubing out of retainer and reversed out tubing with 25 bbls of 2% kcl water at 2.0 Bpm. Shutdown pumping, pulled 1 joint of tubing. Installed TIW valve, closed and locked pipe rams. Well secured. Rig down Schlumberger cementing crew and released. Drained rig pump and all lines of fluid. Secured lease. Shutdown operations for the day.

1/26/2006 07:00 - 1/26/2006 17:00

Last 24hr Summary

SICP- 0 Psi SITP- 0 Psi

BHP- 90 Psi

Hold PJSA meeting with crew. Talked about conducting safe job operations. Talked about upcoming milling, cleanout operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check well pressures. Slight gas flow from 4 1/2" - 7" annulus. Trip 2 3/8" tubing and retainer stinger out of the well. Out of well with the tools, nipple down stinger assembly. Nipple up milling BHA. Install new stripping rubber. Start into well with 1- 3.875" O.D. x 1.80' Three Bladed Mill, 1- 2 3/8" x 1.13' Bit/float sub, and 2 3/8" tubing from the derrick. Tag top of cement at 4,755'. Rig up power swivel assembly. Start circulation with rig pump. Start milling out cement above retainer. Went thru retainer at 4,761' and continued to mill on cement to 4,775'. Circulated until returns were clean. Shutdown circulation, hang back power swivel assembly. Pull tubing, mill to 4,740'. Install TIW valve, close and lock pipe rams. Well secured. Drained rig pump and all lines of fluid. Secured lease. Shutdown operations for the day.

1/27/2006 07:00 - 1/27/2006 17:00

Last 24hr Summary

SICP- 0 Psi SITP- 0 Psi

BHP- 90 Psi

Crew held PJSA meeting. Talked about conducting safe job operations. Talked about upcoming drilling, cleanout operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check well pressures. Slight gas flow from 4 1/2" - 7" annulus. Trip 2 3/8" tubing, mill assembly out of the well. Out of well with the tools, nipple down mill assembly. Nipple up drilling BHA. Install new stripping rubber. Start into well with 1- 3.875" x .32' Mill tooth bit, 1- 1.13' x 2 3/8" bit sub, 2 3/8" tubing from derrick Tag top of cement at 4,775'. Rig up power swivel assembly. Start circulation with rig pump. Start drilling out cement, remaining pieces of retainer. Went thru cement at 4,880'. Cleaned out to the bridge plug at 4,910'. Circulated until returns were clean. Shutdown circulation, hang back power swivel assembly. Pull 1 joint of tubing. Rig up pump to tubing. Close blind rams. Pressure test casing to 1,000 Psi. for 15 mins. Tested good. Release pressure. Rig down off tubing. Start out of well with 2 3/8" tubing and bit assembly. Trip tubing to 3,500'. Install TIW valve. Lock pipe rams, casing valves closed. Well secured. Drained rig pump and all lines. Secured lease. Shutdown operations for the weekend.

1/30/2006 07:00 - 1/30/2006 17:00

Last 24hr Summary

SICP- 0 Psi SITP- 0 Psi

BHP- 90 Psi

Hold PJSA meeting on location. Talked about safe job operations. Talked about tripping out of well. Talked about upcoming wireline operations. Talked about possible hazards and how to avoid those hazards. Check well pressures. Open:4 1/2" -7" annulus and let it blowdown. Continue tripping 2 3/8" tubing, drilling BHA out of the well. Out of the well, nipple down bit assembly, pull stripping head. Rig up Computalog unit and tools. Start into well with squeeze perforation gun. Correlated off collars from Gamma Ray / CCL log. Shoot 3 - .34" Diameter squeeze holes at 3,300'. Well went on a very slight vacuum when gun was shot. Trip perforating gun out of the well. Establish injection rate into perforations with rig pump. Pumped 10 bbls of 2% kcl water at 1.0 Bpm at 750 Psi. No change in the gas flow was seen in the 7"- 4 1/2" annulus. Shutdown pumping. ISDP- 675 Psi. 10 Min.- 550 Psi. Rig down, release Computalog wireline unit. Bleed down well pressure. Nipple up Baker Model "C' retrievable bridge plug and Model "C" full-bore packer assembly. Start into well with assembly. Set bridge plug at 3,320'. Pull up and set packer at 3,280'. Rig up rig pump to tubing. Pump injection rate into squeeze perfs. Pumped 1.5 Bbm @ 975 Psi. Pumped 15 bbls of 2% kcl water. Shutdown pumping. ISDP- 650 Psi. 5 min.-575 Psi. 10 min.- 550 Psi. Bleed down pressures. Unset packer. Trip in to bridge plug at 3,320'. Unset bridge plug. Trip into well and reset bridge plug at 3,800'. Dump 190# of 20/40 mesh frac sand onto bridge plug. Trip out of well with packer assembly. Nipple down retrieving head from packer. Close blind rams, casing valves. Well secured. Drain rig pump and all lines of fluid. Secured lease. Shutdown operations for the day. Notified the NM OCD (Charlie Perrin) of intention to perform cement work. BLM did not require notification.

Regulatory Summary

SAN JUAN 29 6 UNIT #055C

1/31/2006 07:00 - 1/31/2006 15:00

Last 24hr Summary

SICP- 0 Psi SITP- 0 Psi

BHP- 90 Psi

Hold PJSA meeting. Talked about conducting safe job operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check well pressures. Open 4 1/2" -7" annulus and let it blowdown. Slight gas flow. Start into well with Baker Model "C" full-bore squeeze packer and tubing from the derrick. Set packer in casing at 3,000'. Rig up Schlumberger cement equipment. Tested cement lines to 4,000 Psi. Tested good. Load casing/tubing annulus with 5 bbls of 2% kcl water. Put 500 Psi on casing/tubing annulus with rig pump. Established injection rate with 15 bbls of 2% kcl water at 1.5 BPM @ 970 Psi. Increase rate to 1.7 BPM @ 1,010 Psi. Shutdown pumping. 720 Psi. ISDP. Start cement job with a 5 bbl fresh water spacer. Cemented with 172 sks (77 bbls) of Lite Crete cement with additives at 9.5 ppg, 2.52 cu.ft yield. Followed with 50 sacks (10 bbls) of class "G" cement with no additives at 15.8 ppg, 1.15 cu.ft yield. Average cementing rate was 1.5 Bpm at 950 Psi. Pumped 87 bbls of cement slurry. Shutdown, washed pumps and lines. Start displacement with 2% kcl water. Average displacement rate was 1.5 Bpm at 990 Psi. Pumped 15 bbls of displacement. Shutdown and shut in well. Had 875 Psi shut in on the tubing. Gas flow from 4 1/2" - 7" annulus continued during the job, no fluid was seen. Shut in 7" annulus. Well secured. Rig down and release Schlumberger cementing equipment and crew. Drain rig pump and all lines of fluid. Secured lease. Shutdown operations for the day.

2/1/2006 07:00 - 2/1/2006 16:30

Last 24hr Summary

SICP- 500 Psi SITP- 60 Psi

BHP- 80 Psi

Hold PJSA meeting with crew. Talked about conducting safe job operations. Talked about upcoming drilling, cleanout operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check and blowdown pressures. Slight gas flow from 4 1/2" - 7" annulus. Unset Baker packer. Trip 2 3/8" tubing and packer out of the well. Out of well with the tools, nipple down packer assembly. Nipple up drilling BHA. Install new stripping rubber. Start into well with 1- 3.875" x .32' Mill tooth bit, 1- 1.13' x 2 3/8" bit sub, 2 3/8" tubing from derrick. Tag top of cement at 3,205'. Rig up power swivel assembly. Start reverse circulation with rig pump. Start drilling out cement. Went thru cement at 3,305'. Cleaned out to sand (3,780') on top of bridge plug at 3,800'. Circulated until returns were clean. Shutdown circulation, rig down power swivel assembly. Rig up pump to tubing. Close pipe rams. Pressure test casing to 1,000 Psi. for 15 mins. Tested good. Release pressure. Rig down off tubing. Start out of well with 2 3/8" tubing and bit assembly. Out of well, nipple down drilling BHA. Rig down stripping head. Rig up Blue Jet Wireline unit and tools to run Cement Bond Log. Start into well with CBL. Log well from 2,700' to 3,783'. Estimated the top of cement at 3,290'. Trip out of well with CBL tools. Send bond log to engineer (J. Pusch) for further evaluation. Secure Blue Jet logging unit and tools. Close blind rams, casing valves. Well secured. Drain rig pump and all lines. Secured lease. Shutdown operations for the day.

2/2/2006 07:00 - 2/2/2006 16:30

Last 24hr Summary

SICP- 0 Psi BHP- 80 Psi

Hold PJSA meeting on location. Talked about safe job operations. Check well pressures. Open 4 1/2" -7" annulus and blowdown. Slight gas flow. Rig up Blue Jet perf gun. Start into well with perf gun. Correlated off collars from Gamma Ray / CCL log. Shot 4 - .34" Diameter squeeze holes at 3,200'. Well went on a very slight vacuum when gun was shot. No change in the gas flow was seen in the 7"- 4 1/2" annulus. Attempt to establish injection rate into perfs with rig pump. Pump 2% kcl water at 1/8 Bpm to 900 Psi. Pressure bled down to 450 Psi in 20 minutes. Pump up pressure to 900 Psi with the same results. Could not establish an injection rate. Rig down, release Blue Jet unit. Bleed down well pressure. Trip into the well with bridge plug retrieving tool. Tag sand on plug at 3,782'. Rig up pump and circulate sand off of the plug. Unset bridge plug and pull to 3,290'. Set bridge plug at this depth. Pull tubing up 60'. Close pipe rams. Try to establish injection rate into the squeeze holes at 3,200'. Pumped 1/8 Bpm to 1,500 Psi. Pressure bled down to 500 Psi in 20 minutes. Continued to pressure up on perfs to 1,500 Psi with the same results. On the fourth attempt the perfs brokedown and the pressure went to 0 Psi, well went on a vacuum. Pump 3 Bpm @ 0 Psi. Checked the gas flow on the 7" - 4 1/2" annulus. Flow had quit and then went on a vacuum. Trip down to bridge plug at 3,290', unset plug and pulled above perfs at 3,200'. Set plug at 3,180'. Pull tubing up 60'. Close pipe rams. Load casing with 34 bbls of 2% kcl water.

Pressure test casing to 2,000 Psi with rig pump. Tested good. Unset bridge plug and trip out of well. Nipple up Baker 4 1/2" 1AA Cast Iron cement retainer. Start into well with retainer and tubing from the derrick. Tripped tools to 3,140'. Installed TIW valve, close and lock pipe rams. Well secured. Drained fluid from lines, pump. Secured lease. Shutdown operations for the day.

2/3/2006 07:00 - 2/3/2006 14:00

Last 24hr Summary

SICP- 0 Psi SITP- 0 Psi

BHP- 60 Psi

Held PJSA meeting. Talked about conducting safe job operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check and blowdown well pressures. Gas flow was very minimal. Continue into well with Baker cement retainer. Pumped 15 bbls of 2% kcl water to ensure retainer was open. Set retainer in casing at 3,155'. Tested cement lines to 4,000 Psi. Tested good. Load casing/tubing annulus with 28 bbls of 2% kcl water. Put 500 Psi on casing/tubing annulus with cement pump. Established injection rate with 15 bbls of 2% kcl water at 2.0 Bpm @ 30 Psi. Well went on vacuum when pumping was shutdown. Start cement job with 20 bbls of 40# gel spacer with 1.5 #/bbl CemNET, follow with a 5 bbl fresh water spacer. Cemented with 60 sks (12 bbls) of class "G" cement at 15.8 ppg, 1.15 cu.ft yield. Added CemNET into cement slurry at 1.5 #/bbl. Also added 48 gals of GASBLOK LT additive into cement mixing water. Average cementing rate was 1.5 Bpm, pressure while pumping cement averaged 30 Psi. Start displacement with 2% kcl water. Average displacement rate was 3 Bpm, pressure averaged 50 Psi. Shutdown at 11 bbls of displacement pumped. Stung tubing out of retainer and reversed out tubing with 55 bbls of 2% kcl water at 2.0 Bpm. No fluid returns were seen from 7" - 4 1/2" annulus, but there was a very slight gas flow while pumping. Shutdown pumping. Shut in 7" - 4 1/2" annulus after pumping was shutdown. Rig down cement iron off of the tubing. Rig down Schlumberger cementing equipment and released. Start out of the well with the tubing and cement retainer stinger assembly. Out of well with tubing, tools. Nipple down retainer stinger assembly. Close and lock blind rams. Well secured. Drained all lines of fluid. Secured lease. Shutdown operations for the weekend.

Regulatory Summary

SAN JUAN 29 6 UNIT #055C

2/6/2006 07:00 - 2/6/2006 16:45

Last 24hr Summary

SICP- 0 Psi BHP- 80 Psi

Hold PJSA meeting with crew. Talked about conducting safe job operations. Talked about upcoming milling, cleanout operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check well pressures. Very slight gas flow from 4 1/2" - 7" annulus. Spot trailer with drill collars onto location. Tally and nipple up milling BHA. Install new stripping rubber. Start into well with 1- 3.875" O.D. x 1.65' Three Bladed Mill, 1- 3.125" x 2.00' Cross over, 4- 3.125" - 25#/Ft. Drill collars (119.44'), 1- 3.125 x 1.81" Cross over, and 2 3/8" from tubing from the derrick. Tag top of cement at 3,150'. Rig up power swivel assembly. Start circulation with rig pump. Start milling out cement above retainer. Went thru retainer at 3,157' and continued to mill on cement. Went thru retainer at 3,202'. Circulated down to 3,310'. Circulated until returns were clean. Shutdown circulation, hang back power swivel assembly. Trip out of well with tubing, mill. Out of well, nipple down BHA. Close blind rams. Load casing with 6 bbls of 2% kcl water. Test casing to 1,000 Psi. Tested good. Released pressure. Lock blind rams, well secured. Drain rig pump and all lines. Secured lease. Shutdown operations for the day.

2/7/2006 06:00 - 2/7/2006 14:00

Last 24hr Summary

SICP- 0 Psi

BHP- 80 Psi

Hold PJSA meeting with crew. Talked about conducting safe job operations. Talked about upcoming wireline operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check and blowdown pressures. Very slight gas flow from 4 1/2" - 7" annulus. Rig down stripping head. Rig up Computalog Wireline unit and tools to run Cement Bond Log. Start into well with CBL. Log well from 2,700' to 4,080'. Estimated the top of cement at 3,180' and the bottom of cement at 3,205'. Trip out of well with CBL tools. Wireline unit has mechanical problems. Will have to perforate squeeze holes on 2-8-06. Computalog does not have a replacement unit. Will suspend wireline operations. Will send bond log to engineer (J. Pusch) for evaluation. Rig down and release Computalog Wireline unit and tools. Close and lock blind rams. Well secured. Drained all lines of fluid. Secured lease. Shutdown operations for the day.

2/8/2006 07:00 - 2/8/2006 17:00

Last 24hr Summary

SICP- 0 Psi

BHP- 80 Psi

Hold PJSA meeting with crew. Talked about conducting safe job operations. Talked about upcoming wireline operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check and blowdown pressures. Braden head pressure will blow down in under 3 minutes. After blowing down, braden head has a almost undetectable gas flow. Rig up Computalog Wireline unit and perforating tools. Standby and wait on N.M. OCD for approval of next course of action. Will not need to squeeze cement well any further. Rig down and release Computalog Wireline unit and tools. Release Baker tools and operator. Laydown drill collars and drilling tools on trailer. Nipple up milling BHA. Install new stripping rubber. Start into well with 1- 3.875" O.D. x 1.65' Three Bladed Mill, 1- 2 3/8" x 1.13' Bit/float sub, and 2 3/8" tubing from the derrick. Trip tubing to 1,930'. Install TIW valve onto tubing. Rig up air unit to tubing. Pressure test air lines to 1,400 Psi. Tested good. Start air unit at 1,200 CFM with no mist to unload 2% kcl water from well. Well unloaded 20 bbls of fluid into flowback tank. Shutdown air unit. Close TIW valve, close pipe rams. Secured well. Drained all lines of fluid. Secured lease. Shutdown operations for the day.

2/9/2006 07:00 - 2/9/2006 17:00

Last 24hr Summary

SICP- 0 Psi SITP- 0 Psi

BHP- 80 Psi

Hold PJSA meeting with crew. Talked about safe job operations. Talked about upcoming milling, cleanout operations. Talked about hazards of planned operations, and how to avoid those hazards. Check and blowdown pressures. Braden head pressure will blow down in under 3 minutes. After blowing down, braden head has a very slight gas flow. Continue into well with tubing, mill assembly. Tubing at 3,500'. Rig up air unit to tubing. Start air at 1,200 CFM with no mist to unload 2% kcl water from well. Well unloaded 15 bbls of fluid into flowback tank. Shutdown air unit. Continue into well with tubing, mill. Tagged cement fill on bridge plug at 4,895'. Rig up power swivel assembly. Start air at 1,200 CFM with 5 BPH foam/mist. Returns consisted of retainer pieces and pieces of drilled out cement. Increased mist to 8 BPH to mill thru plug. Noticed a increase in well returns when plug was drilled. Well made heavy sand (4 cups/ 5 gal. bucket) and light fluid. Continued cleaning, milling out with air/mist. Had bad or damaged casing at 4,975'- 4,977 and 5,015'- 5,017'. Had to mill thru these areas. Continued cleaning out to 5,140'. Continued with air mist until returns were clean. Shutdown air unit, hang back power swivel assembly. Trip tubing, mill assembly above perfs to 4,950'. Install TIW, close pipe rams. Well secured. Drain all lines. Secured lease. Shutdown operations for the day.

2/10/2006 07:00 - 2/10/2006 16:00

Last 24hr Summary

SICP- 540 Psi SITP- 0 Psi

BHP- 80 Psi

Crew held PJSA meeting. Talked about conducting safe job operations. Talked about upcoming milling, cleanout operations. Talked about hazards of planned operations, and how to avoid those hazards. Outlined safety topics related to planned operations. Check and blowdown pressures. Braden head pressure will blow down in under 3 minutes. After blowing down, braden head has a very slight gas flow.

Trip into well with tubing, mill. Tagged at 5,140'. Rig up power swivel assembly. Start air at 1,200 CFM with

5 BPH foam/mist. Cleaned out to 2nd bridge plug at 5,165'. Well unloaded about 10 bbls of fluid then made light sand and light mist. Increased mist to 8 BPH to mill thru plug. Noticed a large increase in well returns when plug was drilled. Well made medium sand (2 cups/ 5 gal. bucket) and light fluid. Cleaned out to 5,170'. Shutdown air unit, tripped in with tubing and tagged sand fill at 5,442'. Rig up air unit and swivel assembly. Start air at 1,200 CFM with 5 BPH foam/mist. Cleaned out well to 5,610'. Well made light sand (1/2 cup/ 5 gal. bucket) and fluid. Continued with air/mist until returns were clean and reduced. Shutdown air unit, rig down power swivel assembly. Start out of well with tubing, milling assembly. Kill casing with 30 bbls of 2% kcl water to trip out last 10 stands. Nipple down BHA. Close and lock blind rams, close casing valves. Well secured. Will suspend operations for the day due to high wind conditions in the area. Drain all lines. Secured lease. Shutdown operations for the weekend.

Regulatory Summary

SAN JUAN 29 6 UNIT #055C

2/13/2006 07:00 - 2/13/2006 17:15

Last 24hr Summary

SICP- 700 Psi

BHP- 90 Psi

Held PJSA meeting. Talked about safe job operations. Check and blowdown pressures. After blowing down, braden head has a very slight gas flow. Nipple up BHA, rig up drifting tools, install new stripping rubber. Kill casing with 25 bbls of 2% kcl water. Start into well with 1-.92' x 2 3/8" Mule shoe with expendable check, 1-.85' x 1.81" I.D. x 2 3/8" F-Nipple, and 2 3/8" tubing from the derrick. Drifting per COPC policy. Tagged fill at 5,605' (5' of fill). Well unloaded kill fluid while tripping in. Rig up air unit. Start air at 1,200 CFM with 5 BPH foam/mist. Well unloaded 20 bbls of fluid then made minimal sand. light mist. Cleaned out to 5,610'. Continued with air/mist until returns were clean. Shutdown air unit, trip 2 3/8" tubing to 5,345' to test Mesa Verde zone. Tested tubing to 1,000 Psi and pumped out the expendable check assembly at 1,250 Psi with air/mist. Rig up flowback assembly with a new 1/2" choke installed. Flow tested Overall Mesa Verde zone

(4,990'- 5,440') up the tubing to atmosphere. (Choke coefficient: 6.6) FTP Avg.- 305 Psi. SICP - 650 Psi. Well started making mist 10 minutes into test period. Light oil was also noted. Testing indicated Mesa Verde production at 2,013 MCFPD with 5.0- Bbls water per day, 1/2- Bbl of Oil per day, with no sand returns. Test was witnessed by Rig Operator. Test complete, rig down flowback iron. Kill tubing, remove TIW valve. Trip 2 3/8" tubing into well and tagged no fill at 5,610'. Laydown 8 joints of tubing to land. Kill tubing and casing, install hanger with BPV. Land hanger into wellhead, secured lockdown pins. Tubing landed at 5,362.81' K.B. Top of 1.81" I.D. F-Nipple at 5,361.04' K.B. Nipple down BOP, nipple up wellhead. Wood Group test wellhead seals to 1,000 Psi, removed BPV. Flow casing and then tubing until oxygen content was less than 1%. Shut in and secured well. Secured lease. Shutdown operations for the day.

2/14/2006 07:00 - 2/14/2006 11:30

Last 24hr Summary

FINAL REPORT

Hold PJSA meeting on wellsite. Talked about safe job operations. Talked about rigging down unit and equipment safely. Talked about possible hazards and how to avoid those hazards.

Rig down completion unit and all associated equipment. Make equipment ready for transport off wellsite.

Cleaned lease of any trash. Secured well and location.

Operations completed. Notified Facilities Supervisor (K. Bassing) of completion of services.