Canyon Largo Unit #16 API 30-039-60052 810' FNL & 1180' FEL Sec. 30, T25N, R7W P&A PC, Recomplete FC

MIRU Aztec #521. NDWH. NUBOP. TOOH w/tbq. RU Wireline. Ran gauge ring to 2509'. RIH w/ CIBP & set @ 2509'. RD Wireline. Locate hole @ 167' to 198'. PT csq., made another hole at 723' to 753', PT 3500#/15 min., good from 1372' to CIBP @ 2507'. RIH w/ cmnt. Retainer @ 684'. 8/12/06 MIRU Schlumberger, est. circ, pump 50 bbls (242 sxs) Type G neat cmt., lost circ. (approx. 20bbls). Displaced w/ 2 bbls, approx. .6 bbls on top of cmnt. retainer. Sting out & reverse circ., circ @ 800 psi & pump cmnt. @ 800-200 psi. POOH & WOC (4 hours). No circ. to surface after 10 bbls of H2O. Pumped cmnt., 39 bbls started to get water for returns (15 bbls), displaced .75 bbls. 8/14/06 TIH w/ mill & tagged cmnt @ 102'. Mill out cmnt, fell past cmnt. @ 180'. PT csq to 500#/15 min., test good. TIH w/ cmnt. Retainer @ 684', D/O cmnt. Retainer & cmnt. f/684' t/740'. PT csq to 500#/15 min., test good. CO to PBTD @ 2507'. 8/15/06 RU W/L, ran CBL,GR,CCL from 2507' to surface. TOC @ 54'. RU to perf PC, .32 dia. 3 spf @ 2317' to 2460' = 72 holes 8/16/06 TIH w/ Frac pkr. & set @ 1571' (csq collars @ 1555' - 1586'). 8/18/06 NU Frac Valve. PT csg to 6000 psi. OK. Frac fruitlan coal formation w/2500 gals 25# x-link pre-pad & 20,730 gal 25# linear 75Q N2 foam, w/60,000# 20/40 Arizona Sand & 714,700 scf N2. RD Schlumberger. RU flowback. Flow back & CO well for 2 days. Release Frac pkr., POOH w/tbg. & pkr., CO to PBTD w/ air & mist for 2 days. RU W/L, ran SI build up test, RIH w/ prod. Sting, CO w/ air at PBTD. Unloaded 12 bbls, flow back well for 1 day. Release flow back crew. 8/25/06 TIH w/75 jts 2 7-8" 6.4# J-55 UFJ tbg set @ 2467'. ND BOP, NU WH. PT tbg to 500 psi. OK. RD, released rig on 8/28/06 @ 1800 hrs.

The Pictured Cliffs formation is P&A'd. Well will produce as a Fruitland Coal stand alone only.