

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 ☐ Other

DEC 03 2007

2. Name of Operator
U. S. ENERCORP, LTD.Bureau of Land Management
Farmington Field Office

3a. Address

P. O. BOX 17098, SAN ANTONIO, TX 78217

3b. Phone No. (include area code)

210 829 4888

4. 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 DEC 6 '07

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

N/A

OIL CONS. DIV.
DIST. 3

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

- ☐
- Notice of Intent
-
- ☒
- Subsequent Report
-
- ☐
- Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| ☐ Acidize | ☐ Deepen | ☐ Production (Start/Resume) | ☐ Water Shut-Off |
| ☐ Alter Casing | ☐ Fracture Treat | ☐ Reclamation | ☐ Well Integrity |
| ☐ Casing Repair | ☐ New Construction | ☐ Recomplete | ☐ Other |
| ☐ Change Plans | ☐ Plug and Abandon | ☐ Temporarily Abandon | |
| ☐ Convert to Injection | ☐ Plug Back | ☐ 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 recompletable 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 recompletable 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.)

11-21-07: Set 143 joints 7-5/8" casing at 6,352' and stage collar at 4,344'

9 7/8" hole to 6359' 11/20/07

26.416176 N-80

11-22-07: Stage 1: Pump 5 bbl fresh water + 10 bbl gel water + 5 bbl fresh water spacer

Lead cement: 99 bbl (290 sx) HLC 65/35 standard poz with 5 lbm gilsonite + 0.125 lbm poly flake @ 12.3 ppg & 1.92 cubic feet per sack.

Tail cement: 39 bbl (170 sx) 50/50 poz with 5 lbm gilsonite + 0.125 lbm poly flake @ 13.5 ppg & 1.3 cubic feet per sack.

Displaced with 100 bbl fresh water & 194 bbl 9.2 ppg mud. Did not bump plug. Stopped @ calculated displacement to avoid wet shoe. Floats held. Full returns (30 bbl to surface). ✓

Dropped bomb. Shifted stage tool. Circulate F/4300'.

Stage 2: Pumped 5 bbl fresh water + 10 bbl gel water + 5 bbl fresh water

Lead cement: 253 bbl (740 sx) HLS with 5 lbm gilsonite + 0.125 lbm poly flake @ 12.3 ppg & 1.92 cubic feet per sack.

Tail cement: 34 bbl (150 sx) 50/50 poz with 0.125 lbm poly flake & 5 lbm gilsonite, @ 13.5 ppg & 1.3 cubic feet per sack.

Displaced with 205 bbl of fresh water. Bumped plug. Shifted stage tool. Tested casing to 3000 psi. Released pressure.

Two bbl cement to surface. ✓

11-28-07: @ 6,936'. See attached daily report & cement reports for more details.

Drilled 6 3/4" hole to 6936'

cc: BLM, Rodriguez

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

11/29/2007

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.

ACCEPTED FOR RECORD

(Instructions on page 2)

NMOC

DEC 03 2007

FARMINGTON FIELD OFFICE
BY T. Salazar

U. S. Enercorp. Ltd.

CEMENTING REPORT (First Stage)

WELL: Laguna Colorado 2/3 No.1				COUNTY, STATE: Rio Arriba, NM			
RIG: Pin Point Rig 10				CEMENT COMPANY: Halliburton			
R K.B. to WELLHEAD FLANGE		12 ft		LAST CASING		in. SET @	
T.D.: 6359 ft		T.V.D.		6359 ft		HOLE SIZE: 9 7/8 in.	

No. OF JOINTS RECEIVED	SIZE (in.)	WEIGHT (lb/ft.)	ID (in.)	GRADE	LENGTH THREADS OFF (feet)	API EST MAKE-UP TORQUE (ft-lb.)	ACTUAL MAKE-UP TORQUE (ft-lb.)
19	7 5/8	26.4	6.969	HCP-110	806.23	5200	5200
129	7 5/8	26.4	6.969	N-80	5969.16	4900	4900

FLOAT SHOE @	6352	ft	TOTAL PIPE ON LOCATION:	148	jts	6775.39	ft
FLOAT COLLAR @	6275	ft	TOTAL PIPE ON SLIPS:	143	jts	6,352	ft
MARKER JOINT @		ft	WEIGHT OF STRING IN MUD (LESS BLOCKS):			165,000	lb
D. V. TOOL @	4344	ft	WEIGHT HUNG ON SLIPS (LESS BLOCKS):			150,000	lb
TOP of LINER @		ft	MUD DATA	9.2	ppg Visc: 60	sec. PV - 20	YP - 12 Gels:
TOP PLUG: YES X NO			OTHER:				
BTM. PLUG: YES NO X			CEMENTING DATA FIRST STAGE				
LATCH DOWN			SPACER: TYPE	Gel Water	VOL:	20	bbl
PLUG: YES NO x			MIXED @	8.4	ppg PUMP RATE	6	@ 100 psi

CSG VOL: 0.0471	bbl/ft	LEAD SLURRY:	290	sx	CLASS:	Hal Lite Standard
CSG CAP: 299.0	bbl (to FC)	5 lbm gilsonite, .125 lbm poly flake				
BIT SIZE: 9.875 in	Caliper	10.25 in	MIXED @	12.3	ppg	PUMP RATE - 6 BPM @ 300 psi
ANNULAR VOLUME: 0.0610	ft ³ /ft	YIELD - 1.92	ft ³ /sk	WATER - 9.77	gal/sk	FINISH MIXING @ 8.26 Hrs
EXCESS: 100%	%	TAIL SLURRY:	170	sx	CLASS:	50/50 Poz w/
ANNULAR VOLUME w/ EXCESS:	ft ³ /ft	5 lbm gilsonite, .125 lbm poly flake				
DESIRED TOC: ft		MIXED @	13.5	ppg	PUMP RATE - 6 BPM @ 110 psi	
ANNULAR CAPACITY: ft ³		YIELD - 1.3	ft ³ /sk	WATER - 5.2	gal/sk	FINISH MIXING @ 8.48 Hrs
THEOR. LIFT PRESSURE:		DISPLACEMENT FLUID: TYPE - FW/ MUD VOL - 296 bbl				
		DENSITY - 8.7	ppg	STARTING PUMP RATE - 7		BPM
		@ 78 psi	FINAL PUMP RATE - 7		BPM @ 800 psi	
		BUMPED PLUG w/	psi @	9:10		Hrs

CENTRALIZERS:		TOTAL No. RUN: 15		FLOAT(S) HELD: YES x NO		FULL RETURNS: YES x NO	
TYPE: Turbeco		CEMENT TO SURFACE: YES X NO		VOLUME TO SURFACE: 30		bbl	
PLACEMENT: 2 on float jt.		TOP OF CEMENT: ft (RKB)		REMARKS: Full returns throughout job.			
1 on every other jt to 5200'							

CASING RECIPROCATED DURING?:			
SPACER: YES	NO X	MIXING CEMENT: YES	NO X
DISPLACEMENT: YES	NO X		
CASING ROTATED DURING?:			
SPACER: YES	NO X	MIXING CEMENT: YES	NO X
DISPLACEMENT: YES	NO X		
REMARKS: Good returns throughout cmt. Job.			
First Stage, Checked floats, dropped bomb shifted Stage tool at 4344', Circulated wellbore for four(4) hours.			

TOOLPUSHER:	Mark Cable	DATE: 11/21/07
U.S. Enercorp Rep	Roy Hefley	CmtRep.xls

U. S. Enercorp. Ltd.

CEMENTING REPORT (Second Stage)

WELL: Laguna Colorado 2/3 No.1
RIG: Pin Point Rig 10
R.K.B. to WELLHEAD FLANGE:
T.D. 6359

COUNTY: STATE: Rio Arriba, NM
CEMENT COMPANY: Halliburton
in: SET @
ft. HOLE SIZE: 9 7/8 in.

No. OF JOINTS RECEIVED	SIZE (in.)	WEIGHT (lb/ft)	ID (in.)	GRADE	LENGTH THREADS OFF (feet)	API EST MAKE-UP TORQUE (ft-lb.)	ACTUAL MAKE-UP TORQUE (ft-lb.)
19	7 5/8	26.4	6.969	HCP-110	806.23	5200	5200
129	7 5/8	26.4	6.969	N-80	5969.16	4900	4900

FLOAT SHOE @ 6352 ft.
FLOAT COLLAR @ 6275 ft.
MARKER JOINT @ 4344 ft.
D. V. TOOL @ ft.
TOP of LINER @ ft.
TOP PLUG: YES X NO
BTM. PLUG: YES NO X
LATCH DOWN PLUG: YES NO X

TOTAL PIPE ON LOCATION 148 jts
TOTAL PIPE ON SLIPS 143 jts
WEIGHT OF STRING IN MUD (LESS BLOCKS) 6775.39 ft.
WEIGHT HUNG ON SLIPS (LESS BLOCKS) 6,352 ft.
MUD DATA: 9.2 ppg. Visc. 60 sec. PV - 20 YP - 12 Gels. 165,000 lb.
OTHER: 150,000 lb.

CSG. VOL. 0.0471 bbl/ft.
CSG. CAP. 299.0 bbl. (to FC)
BIT SIZE 9.875 in. Caliper 10.25 in.
ANNULAR VOLUME: 0.0610 ft.
EXCESS 100%
ANNULAR VOLUME w/ EXCESS
DESIRED TOC.
ANNULAR CAPACITY.
THEOR. LIFT PRESSURE.

CEMENTING DATA FIRST STAGE
SPACER TYPE: Gel Water
MIXED @ 8.4 ppg. PUMP RATE: 6 @ 100 psi.
LEAD SLURRY: 740 sx. CLASS: Hal Lite Standard
5 lbm gilsonite, 125 lbm poly flake
MIXED @ 12.3 ppg. PUMP RATE: 6 BPM @ 300 psi.
YIELD: 1.92 ft/sk. WATER: 9.77 gal/sk. FINISH MIXING @ 8:26 Hrs.
TAIL SLURRY: 150 sx. CLASS: 50/50 Poz w/
5 lbm gilsonite, 125 lbm poly flake
MIXED @ 13.5 ppg. PUMP RATE: 6 BPM @ 110 psi.
YIELD: 1.3 ft/sk. WATER: 5.2 gal/sk. FINISH MIXING @ 8:48 Hrs.
DISPLACEMENT FLUID TYPE: FW
DENSITY: 8.3 ppg. STARTING PUMP RATE: 7 BPM @ 296 bbl.
@ 725 psi. FINAL PUMP RATE: 2 BPM @ 750 psi.
BUMPED PLUG w/ 3000 psi. @ 15:32 Hrs.

CENTRALIZERS:
TOTAL No. RUN: 15
TYPE: Turboco
PLACEMENT: 2 on float jt.
1 on every other jt to 5200'

FLOAT(S) HELD: YES X NO
CEMENT TO SURFACE: YES X NO
TOP OF CEMENT: ft. (RKB)
REMARKS: Partial returns during displacement.

CASING RECIPROCATED DURING?:
SPACER: YES NO X
DISPLACEMENT: YES NO X
MIXING CEMENT: YES NO X
CASING ROTATED DURING?:
SPACER: YES NO X
DISPLACEMENT: YES NO X
MIXING CEMENT: YES NO X

REMARKS: Good returns throughout cmt. Job.
Second Stage, partial returns during displacement, 2 bbls cement to surface.

TOOLPUSHER:
(U.S. Enercorp. Rep)

Mark Cable
Roy Hefley

DATE: 11/21/07

CmtRep.xls

U.S. ENERCORP, LTD.
Daily Drilling Report

Page 1

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

<u>WELL NAME</u>	<u>DEPTH</u>	<u>FOOTAGE</u>	<u>DAYS</u>
LAGUNA COLORADO 2/3 #1	140'	140'	1

AFE: CUBALI

REPORT DATE: 11/03/07
REPORT BY: US ENERCORP, LTD.
CONTRACTOR: PINPOINT RIG #10
MW: 8.4 VISC: 48
PRESENT OPERATION: DRLG.
ACTIVITY:
17.0 HRS. MIRU PIN POINT RIG #10. OFF LOAD EQUIP, MUD,
CSG, & BHA TOOLS.
2.0 HRS. DRILL RAT & MOUSE HOLES.
2.0 HRS. P/U 14-3/4" BHA.
3.0 HRS. SPUD WELL AT 3:00 AM ON 11/3/07. DRLG F/0' T/140'.

LAGUNA COLORADO 2/3 #1	354'	214'	2
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AFE: CUBALI

REPORT DATE: 11/04/07
REPORT BY: US ENERCORP, LTD.
CONTRACTOR: PINPOINT RIG #10
MW: 8.4 VISC: 48
PRESENT OPERATION: INSTALLING 11" 3M WELLHEAD.
ACTIVITY:
2.5 HRS. DRLG F/140' T/230'.
0.5 HR. W/L SURVEY @ 190' - 0.25°.
1.5 HRS. DRLG F/230' T/354'.
1.0 HR. CIRC WELLBORE CLEAN.
0.5 HR. W/L SURVEY @ 340' - 0.25°.
1.5 HRS. POOH. STAND BACK 6-1/2' DC'S. LD 8" & BHA.
3.5 HRS. R/U CSG CREW. P/U SHOE, 1 JT 10-3/4" 40.5# J-55 STC
CSG. INSTALLED 3 BOW SPRING CENTRALIZERS ON
FLAT JT. INSTALLED BAFFEL FLOAR & RAN 8
ADDITIONAL JTS OF 10-3/4" CSG. CENTRALIZERS
INSTALLED EVERY 4TH JT TO 354'.
1.0 HR. R/D CSG CREW EQUIP.
2.0 HRS. MIRU HALLIBURTON CMT EQUIP. S/M. TEST PUMPS
& LINES TO 1500 PSI. PUMP 20 BBLS FW SPACER, 355
SX TYPE V AT 15.6 PPG, 1.18 YIELD WITH 2% CACL,
0.125 LBM POLY FLAKE. FULL RETURNS. 35 BBLS OF
CMT TO SURFACE. DROPPED PLUG. DISPLACE W/32
BBLS FW. BUMPED PLUG. TESTED CSG TO 500 PSI.
FLOAT HELD. APPLIED 100 PSI TO CSG. SI. RDMO
HALLIBURTON.
4.0 HRS. WOC.
6.0 HRS. RELEASED PRESSURE. CUT CSG & INSTALLED 11"
3M X 10-3/4" CAMERON WELLHEAD. PREHEAT CSG.
WELDED & TESTED TO 750 PSI FOR 30 MINS.

Daily Drilling Report

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

WELL NAME	DEPTH	FOOTAGE	DAYS
LAGUNA COLORADO 2/3 #1	377'	23'	3

AFE: CUBAL1
 REPORT DATE: 11/05/07
 REPORT BY: US ENERCORP, LTD.
 CONTRACTOR: PINPOINT RIG #10
 MW: 8.4 VISC: 48
 PRESENT OPERATION: DRLG @ 377'.
 ACTIVITY:
 5.0 HRS. S/M. N/U 11" 3M SPACER SPOOL, DRILLING CROSS, 11" 3M BOP'S, ROT HEAD, CHOKE MANIFOLD, & KILL LINE.
 9.0 HRS. R/U TESTING COMPANY. TEST BOP'S TO 250 LOW/2000 HIGH FOR 10 MIN EACH TEST. TEST CSG TO 500 PSI FOR 30 MINS. FUNCTION TEST ACCUMULATOR. ALL TESTS CONDUCTED TO BLM STANDARDS. ALFANZO ATENCIO WITH THE BLM WITNESSED ALL TESTS. RDMO TESTERS.
 3.0 HRS. P/U 9-7/8" INTERMEDIATE HOLE SECTION BHA. GIH TO 300'. TAGGED CMT.
 0.5 HR. R/S.
 0.5 HR. CIRC GREEN CMT TO TOP OF FLOAT COLLAR @ 318'.
 5.0 HRS. DRILLED HARD CMT AT 310'.
 1.0 HRS. DRLG WIPER PLUG, INSERT FLOAT COLLAR, & CMT TO 354'.
 1.0 HRS. DRLG F/354' T/377'.

WELL NAME	DEPTH	FOOTAGE	DAYS
LAGUNA COLORADO 2/3 #1	913'	536'	4

AFE: CUBAL1
 REPORT DATE: 11/06/07
 REPORT BY: US ENERCORP, LTD.
 CONTRACTOR: PINPOINT RIG #10
 MW: 8.4 VISC: 48
 PRESENT OPERATION: POOH W/DC & BHA. LOOKING FOR METAL PIECE.
 ACTIVITY:
 2.5 HRS. DRLG F/377' T/501'.
 0.5 HR. W/L SURVEY @ 460' - 0.25°.
 0.5 HR. R/S.
 1.0 HR. DRLG F/501' T/567'.
 0.5 HR. INSTALLED ROTATING HEAD RUBBER.
 5.0 HRS. DRLG F/567' T/862'.
 0.5 HR. R/S.
 0.5 HR. DRLG F/862' T/913'. KELLY TWISTED OFF AT SAVER SUB.
 3.0 HRS. WAITING ON FISHING TOOLS.
 1.0 HR. P/U SCREW IN SUB. CAUGHT FISH. WORKED FREE. MISSING A PIECE OF THE KELLY. _ OF BOX CONNECTION X 10" LONG.
 2.0 HRS. REPAIR BROKEN CABLE ON TONGS.

U.S. ENERCORP, LTD.
Daily Drilling Report

Page 3

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

<u>WELL NAME</u>	<u>DEPTH</u>	<u>FOOTAGE</u>	<u>DAYS</u>
	<u>11/06/07 CONT.</u>		

6.0 HRS.	POOH & L/D 14 JTS OF 4" DP. POSSIBLE TORQUE DAMAGE TO CONNECTION.
1.0 HR.	POOH W/6-1/2" DC & BHA.

LAGUNA COLORADO 2/3 #1	1315'	402'	5
AFE: CUBAL1			

REPORT DATE: 11/07/07
REPORT BY: US ENERCORP, LTD.
CONTRACTOR: PINPOINT RIG #10
MW: 8.4 **VISC:** 58
PRESENT OPERATION: DRLG @ 1340'.
ACTIVITY:

7.0 HRS.	POOH W/COLLARS, 3-POINT REAMER, IBS'S, & 9-7/8" HC PDC. REMOVE MUD FROM ALL BHA. RECOVERED BROKEN PIECES OF THE KELLY CONNECTION.
3.0 HRS.	BROKE OUT & L/D FAILED KELLY. P/U NEW 4-1/2" KELLY, INSTALLED NEW ROLLERS & PINS.
1.5 HRS.	P/U BHA #3.
1.0 HR.	GIH W/BHA & 4" DP TO 820'.
2.0 HRS.	P/U KELLY. WASH & REAM TO 913'. C&C WELLBORE.
1.5 HRS.	DRLG F/913' T/1013'.
0.5 HR.	R/S.
1.5 HRS.	DRLG F/1013' T/1095'.
0.5 HR.	R/S.
2.0 HRS.	DRLG F/1095' T/1239'.
1.5 HRS.	LOST CIRC @ 1239'. P/U BUILD LCM PILLS & PUMP. BUILD MUD VOLUME. REGAINED CIRC. BYPASS SHAKERS FOR 2 CIRCULATIONS.
0.5 HR.	GIH TO BOTTOM. CIRC. FULL RETURNS.
1.5 HRS.	DRLG F/1239' T/1315'.

LAGUNA COLORADO 2/3 #1	2155'	840'	6
AFE: CUBAL1			

REPORT DATE: 11/08/07
REPORT BY: US ENERCORP, LTD.
CONTRACTOR: PINPOINT RIG #10
MW: 9.1 **VISC:** 36
PRESENT OPERATION: REPAIRING PULSATION DAMPNER ON PUMP #2.
ACTIVITY:

4.0 HRS.	DRLG F/1315' T/1516'.
0.5 HR.	W/L SURVEY @ 1448' - 1.5°.
0.5 HR.	R/S.

U.S. ENERCORP, LTD.
Daily Drilling Report

Page 4

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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>
	<u>11/08/07 CONT.</u>		
	7.5 HRS.	DRLG F/1516' T/1830'. LOST ONE PUMP @ 1720'. REPAIRED.	
	0.5 HR.	W/L SURVEY @ 1760' - 0.75°.	
	4.0 HRS.	DRLG F/1830' T/1956'.	
	1.0 HR.	CHANGE OUT SWAB IN PUMP #1.	
	0.5 HR.	R/S.	
	3.0 HRS.	DRLG F/1956' T/2155'.	
	2.5 HRS.	PUMP #2 - HYDRIL PULSATION DAMPNER WASHED OUT. DOWN WITH ONLY ONE PUMP. NOT ENOUGH FLUID TO OPERATE MOTOR & COOL PDC BIT.	

LAGUNA COLORADO 2/3 #1	2870'	715'	7
AFE: CUBAL1	REPORT DATE: 11/09/07		
	REPORT BY: US ENERCORP, LTD.		
	CONTRACTOR: PINPOINT RIG #10		
	MW: 9.0	VISC: 34	
	PRESENT OPERATION: DRLG.		
	ACTIVITY:		
	9.0 HRS.	RIG REPAIR. PULSATION DAMPNER ON PUMP #1 WASHED OUT AT FLANGE. REMOVED DAMPNER. GRIND & WELD. ADJUSTED MUD CLEANER.	
	1.0 HR.	DRLG F/2155' T/2193'.	
	0.5 HR.	PUMP REPAIR. CHANGE SWAB IN PUMP #2.	
	3.5 HRS.	DRLG F/2193' T/2361'.	
	0.5 HR.	W/L SURVEY @ 2291' - 0.25°.	
	4.5 HRS.	DRLG F/2361' T/2606'.	
	0.5 HR.	R/S.	
	3.5 HRS.	DRLG F/2606' T/2830'.	
	0.5 HR.	W/L SURVEY @ 2771' - 0.25°.	
	0.5 HR.	DRLG F/2830' T/2870'.	

LAGUNA COLORADO 2/3 #1	3775'	905'	8
AFE: CUBAL1	REPORT DATE: 11/10/07		
	REPORT BY: US ENERCORP, LTD.		
	CONTRACTOR: PINPOINT RIG #10		
	MW: 9.3	VISC: 39	
	PRESENT OPERATION: W/L SURVEY.		
	ACTIVITY:		
	9.0 HRS.	DRLG F/2870' T/3270'.	
	0.5 HR.	W/L SURVEY @ 3200' - 1.0°.	
	0.5 HR.	R/S.	
	11.0 HRS.	DRLG F/3270' T/3681'.	
	0.5 HR.	R/S.	
	2.0 HRS.	DRLG F/3681' T/3775'.	

U.S. ENERCORP, LTD.
Daily Drilling Report

Page 5

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<u>WELL NAME</u>	<u>DEPTH</u>	<u>FOOTAGE</u>	<u>DAYS</u>
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11/10/07 CONT.

0.5 HR. W/L SURVEY @ 3716' - 0.50°.

DC: \$29,531 CC: \$387,813

LAGUNA COLORADO 2/3 #1	4556'	781'	9
AFE: CUBAL1			

REPORT DATE: 11/11/07
REPORT BY: US ENERCORP, LTD.
CONTRACTOR: PINPOINT RIG #10
MW: 9.2 **VISC:** 37
PRESENT OPERATION: DRLG.
ACTIVITY:

2.0 HRS.	DRLG F/3775' T/3869'.
1.0 HR.	CHANGE SCREENS ON SHAKER TO 170'S.
0.5 HR.	R/S.
3.0 HRS.	DRLG F/3869' T/3995'.
0.5 HR.	CHANGE SCREENS ON SHAKER TO 200'S.
8.0 HRS.	DRLG F/3995' T/4245'.
0.5 HR.	W/L SURVEY @ 4175' - 1.0°.
0.5 HR.	R/S.
5.0 HRS.	DRLG F/4245' T/4433'.
0.5 HR.	R/S.
2.5 HRS.	DRLG F/4433' T/4556'.

LAGUNA COLORADO 2/3 #1	5140'	584'	10
AFE: CUBAL1			

REPORT DATE: 11/12/07
REPORT BY: US ENERCORP, LTD.
CONTRACTOR: PINPOINT RIG #10
MW: 9.1 **VISC:** 52
PRESENT OPERATION: DRLG.
ACTIVITY:

3.5 HRS.	DRLG F/4556' T/4682'.
1.0 HR.	CIRC B/U & SURVEY @ 4622' - 1.0°.
1.0 HR.	CIRC B/U FOR WIPER TRIP.
2.0 HRS.	WIPER TRIP TO 3000'. NO DRAG. NO FILL.
0.5 HR.	CIRC B/U. 120 UNITS GAS AFTER TRIP.
6.5 HRS.	DRLG F/4682' T/4934'. GAS SHOW @ 4932' - 325 UNITS.
0.5 HR.	R/S.
5.5 HRS.	DRLG F/4934' T/5091'. GAS SHOW @ 4960' - 1260 UNITS.
0.5 HR.	R/S.
2.0 HRS.	RIG REPAIR. SHAKER MOTOR FAILED. REPAIRED & WORKING.
1.0 HR.	DRLG F/5091' T/5140'.

U.S. ENERCORP, LTD.
Daily Drilling Report

Page 6

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	5595'	455'	11

AFE: CUBAL1

REPORT DATE: 11/13/07

REPORT BY: US ENERCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

MW: 9.4 VISC: 45

PRESENT OPERATION: DRLG.

ACTIVITY:

2.0 HRS.	DRLG F/5140' T/5170'.
0.5 HR.	CIRC & W/L SURVEY @ 5122' - 0.75°.
0.5 HR.	R/S.
6.5 HRS.	DRLG F/5170' T/5311'.
0.5 HR.	R/S.
1.0 HR.	CHANGE SWAB & LINER ON PUMP #2.
9.5 HRS.	DRLG F/5311' T/5500'.
0.5 HR.	R/S.
3.0 HRS.	DRLG F/5500' T/5595'.

LAGUNA COLORADO 2/3 #1

5800'

205'

12

AFE: CUBAL1

REPORT DATE: 11/14/07

REPORT BY: US ENERCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

MW: 9.7 VISC: 59

PRESENT OPERATION: WASH & REAM @ 5100'.

ACTIVITY:

2.0 HRS.	DRLG F/5595' T/5645'.
0.5 HR.	R/S.
6.0 HRS.	DRLG F/5645' T/5800'.
2.0 HRS.	C&C MUD.
11.5 HRS.	WIPER TRIP. POOH TO CSG SHOE. HAD TIGHT SPOTS @ 3800'. PULL 15-25K. P/U KELLY. CIRC HOLE CLEAN. P/U TO 2600' TIGHT. 15-25K WORKED PIPE. CIRC HOLE CLEAN. GIH. TAGGED FILL @ 1600'. WASH & REAM TO 1800'. GIH TO 2400'. TAGGED FILL. WASH & REAM TO 2500'. FLOW LINE CLEANER PLUGGED. LOST 100 BBLS TO RESERVE PIT. BUILD VOL IN PITS.
2.0 HRS.	PAST 2600', HOLE CLEAN. NO DRAG TO 5100'. P/U KELLY. WASH & REAM.

LAGUNA COLORADO 2/3 #1

5800'

0'

13

AFE: CUBAL1

REPORT DATE: 11/15/07

REPORT BY: US ENERCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

MW: 9.7 VISC: 59

PRESENT OPERATION: L/D STABS & 6-1/2" DC'S. P/U 9-7/8" DIRECTIONAL ASSEMBLY.

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**
11/15/07 CONT.

ACTIVITY:

4.0 HRS. BUILD MUD. CIRC WELLBORE.
 2.0 HRS. WASH & REAM F/5500' T/5800'.
 2.5 HRS. CIRC SWEEPS. CONDITION MUD FOR LOGGING, 85
 VIS, 9.2 PPG.
 0.5 HR. MIX & PUMP SLUG DOWN DP.
 3.0 HRS. POOH W/DP & BHA.
 2.0 HRS. CLEAR & CLEAN RIG FLOOR. S/M. R/U
 SCHLUMBERGER E-LINE. INSTALL PACK-OFF TO
 BOP'S.
 8.0 HRS. P/U & GIH W/SCHLUMBERGER'S TRIPLE COMBO TO
 5800'. LOG OUT.
 1.0 HR. RDMO SCHLUMBERGER EQUIP.
 1.0 HR. SLIP & CUT DRILL LINE.

LAGUNA COLORADO 2/3 #1
 AFE: CUBALI

5846' 46' 14

REPORT DATE: 11/16/07

REPORT BY: US ENERCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

MW: 9.3 **VISC:** 56

PRESENT OPERATION: WORKING ON PUMP #1.

ACTIVITY:

7.0 HRS. L/D 9-7/8" STABILIZERS & 5 6-1/2" DC'S. P/U 9-7/8"
 BIT, UBHO SUB, 2 7-3/4" NON MAG DC'S, TEST MUD
 MOTOR, & LWD TOOLS.
 1.0 HR. R/S. WOO.
 7.5 HRS. GIH W/BHA & DP. STOP & BREAK CIRC EVERY 15
 STDS. CIRC 15 MINS EACH STOP.
 2.0 HRS. WASH & REAM F/5750' T/5800'. CIRC B/U.
 CONDITION MUD.
 1.0 HR. TEST SHOT W/LWD TOOLS - OK.
 5.0 HRS. ROTARY DRILL F/5800' T/5846'.
 0.5 HR. PUMP PRESSURE LOSS. CHECK PUMPS. REDUCE
 RATE.

LAGUNA COLORADO 2/3 #1
 AFE: CUBALI

5906' 60' 15

REPORT DATE: 11/17/07

REPORT BY: US ENERCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

MW: 9.0 **VISC:** 76

PRESENT OPERATION: GIH W/DIRECTIONAL BHA.

ACTIVITY:

0.5 HR. DRLG F/5846' T/5847'.
 3.0 HRS. PUMP REPAIR #2. REPLACE SWABS & SEATS.

U.S. ENERCORP, LTD.
Daily Drilling Report

Page 8

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

<u>WELL NAME</u>	<u>DEPTH</u>	<u>FOOTAGE</u>	<u>DAYS</u>
	11/17/07 CONT.		
	8.5 HRS.	DRLG F/5847' T/5906'. PLUGGED JET. PRESSURE INCREASE ABOVE STAND PIPE RATING. NO ROP.	
	1.0 HR.	CIRC B/U FOR TRIP.	
	4.5 HRS.	POOH W/DP & BHA. L/D 7-3/4" MM, 9-7/8" BIT. 1 OUTER JET & 1 INNER JET PLUGGED. OTHER CUTTERS CHIPPED & INNER ROWS DULLED.	
	6.5 HRS.	P/U 9-7/8" MX-S09, HC INSERT BIT. INSTALLED 3-16'S JETS. P/U NEW 7-3/4", 7/8 LOBE, & 4 STAGE NATIONAL MM SET AT 2.38°. ORIENTATE WITH UBHO SUB. GIH W/REMAINDER OF BHA & DP. BREAK CIRC EVERY 20 STDs, 1250'.	

LAGUNA COLORADO 2/3 #1
AFE: CUBAL1

6016' 110' 16

REPORT DATE: 11/18/07

REPORT BY: US ENERCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

MW: 9.3 **VISC:** 41

PRESENT OPERATION: ROT DRLG @ 6040'.

ACTIVITY:

9.0 HRS.	GIH W/BIT #3, MM SET @ 2.38°, PUSHING BALL. RUN 10 STDs. BREAK CIRC EVERY 10 STDs. HOLE TIGHT WITH BENT MOTOR. 15-25 DRAG.
4.0 HRS.	L/D 10 STDs FROM DERRICK. P/U SINGLES. WASH & REAM TO BOTTOM.
5.0 HRS.	ROT DRLG F/5906' T/5959'.
0.5 HR.	R/S.
5.5 HRS.	ROT DRLG F/5959' T/6016'.

LAGUNA COLORADO 2/3 #1
AFE: CUBAL1

6255' 239' 17

REPORT DATE: 11/19/07

REPORT BY: US ENERCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

MW: 9.3 **VISC:** 55

PRESENT OPERATION: SLIDE DRLG @ 6255'.

ACTIVITY:

2.0 HRS.	ROT DRLG F/6016' T/6040'.
0.5 HR.	R/S.
0.5 HR.	SURVEY @ 6002'.
5.0 HRS.	SLIDE DRLG F/6040' T/6130'.
0.5 HR.	SURVEY @ 6064'.
1.5 HRS.	SLIDE DRLG F/6130' T/6148'.
0.5 HR.	R/S & SURVEY @ 6096'.
1.0 HR.	SLIDE DRLG F/6148' T/6155'.
0.5 HR.	CHANGE SWAB IN PUMP #2.

U.S. ENERCORP, LTD.
Daily Drilling Report

Page 9

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

<u>WELL NAME</u>	<u>DEPTH</u>	<u>FOOTAGE</u>	<u>DAYS</u>
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11/19/07 CONT.

2.0 HRS.	SLIDE DRLG F/6155' T/6179'.
0.5 HR.	SURVEY @ 6127'.
3.5 HRS.	SLIDE/ROT DRLG F/6179' T/6211'.
0.5 HR.	R/S & SURVEY @ 6159'.
3.0 HRS.	SLIDE DRLG F/6211' T/6237'.
0.5 HR.	ROT DRLG F/6237' T/6242'.
0.5 HR.	SURVEY @ 6190'.
0.5 HR.	ROT DRLG F/6242' T/6247'.
1.0 HR.	SLIDE DRLG F/6247' T/6255'.

LAGUNA COLORADO 2/3 #1
AFE: CUBAL1

6359' **104'** **18**

REPORT DATE: 11/20/07

REPORT BY: US ENERCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

MW: 9.3 **VISC:** 56

PRESENT OPERATION: GIH W/BIT SUB.

ACTIVITY:

6.5 HRS.	SLIDE DRLG F/6255' T/6305'.
1.0 HR.	SURVEY @ 6222' & 6253'.
0.5 HR.	R/S.
3.0 HRS.	SLIDE DRLG F/6305' T/6337'.
0.5 HR.	SURVEY @ 6285'.
2.5 HRS.	SLIDE DRLG F/6337' T/6359'.
0.5 HR.	SURVEY @ 6307'.
2.0 HRS.	C&C.
6.0 HRS.	POOH & L/D DIRECTIONAL TOOLS.
0.5 HR.	R/S.
1.0 HR.	P/U BIT SUB. GIH.

LAGUNA COLORADO 2/3 #1
AFE: CUBAL1

6359' **0'** **19**

REPORT DATE: 11/21/07

REPORT BY: US ENERCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

MW: 9.2 **VISC:** 45

PRESENT OPERATION: CIRC. R/U HALLIBURTON TO CMT 7-5/8" CSG.

ACTIVITY:

5.0 HRS.	GIH W/9-7/8" BIT. BREAK CIRC EVERY 1500'.
1.0 HR.	TAG FILL @ 6289'. WASH & REAM TO 6359' TD.
3.0 HRS.	C&C MUD TO RUN CSG.
7.5 HRS.	POOH & L/D DP & BHA.
0.5 HR.	R/S.
1.5 HRS.	MIRU CSG CREW & EQUIP. S/M.

U.S. ENERCORP, LTD.
Daily Drilling Report

Page 10

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

<u>WELL NAME</u>	<u>DEPTH</u>	<u>FOOTAGE</u>	<u>DAYS</u>
	11/21/07 CONT.		
5.0 HRS.	P/U & GIH W/SOHE, 2 JTS OF 7-5/8" 26.4# N-80 LTC		
	CSG. TOTAL OF 143 JTS OF CSG @ 6352'. STAGE		
	COLLAR @ 4344'.		
0.5 HR.	RDMO CSG CREW & EQUIP.		

LAGUNA COLORADO 2/3 #1
AFE: CUBALI

6359' 0' 20

REPORT DATE: 11/22/07

REPORT BY: US ENERCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

MW: 9.2

VISC: 45

PRESENT OPERATION: N/U BOP'S.

ACTIVITY:

2.0 HRS.	CIRC WELLBORE FOR CEMENTING.
1.0 HR.	MIRU HALLIBURTON CEMENTING EQUIP. S/M.
4.0 HRS.	TEST PUMPS & LINES TO 4000 PSI. STAGE #1 - PUMP 5 BBLs FW, 10 BBLs GEL WATER, 5 BBLs FW SPACER, LEAD CMT - 99 BBLs OF HLC 65/35/STD POZ W/5 PPB GILSONITE, 0.125 POLY FLAKE (290 SX) AT 12.3 PPG, 1.92 YIELD. TAIL CMT - 39 BBLs 50/50 POZ W/5 PPB GILSONITE, 0.125 POLY FLAKE (170 SX) AT 13.5 PPG, 1.3 YIELD. DISPLACED W/100 BBLs FW & 194 BBLs OF 9.2 PPG MUD. DID NOT BUMP PLUG. STOPPED AT CALCULATED DISPLACEMENT TO AVOID WET SHOE. FLOATS HELD. FULL RETURNS, 30 BBLs TO SURFACE.
4.0 HRS.	DROPPED BOMB. SHIFTED STAGE TOOL. CIRC F/4300'. WAITING ON CMT TO START STAGE 2.
6.0 HRS.	STAGE #2 - PUMPED 5 BBLs FW, 10 BBLs GEL WATER, 5 BBLs FW, LEAD CMT - 253 BBLs HLS W/5 LBM GILSONITE, 0.125 POLY FLAKE (740 SX) AT 12.3 PPG, 1.92 YIELD. TAIL CMT - 34 BBLs (150 SX) AT 13.5 PPG W/0.125 POLY FLAKE & 5 LBM GILSONITE, DISPLACED W/205 BBLs OF FW. BUMPED PLUG. SHIFTED STAGE TOOL. TESTED CSG TO 3000 PSI. RELEASED PRESSURE. RDMO HALLIBURTON. 2 BBLs CMT OT SURFACE.
0.5 HR.	R/S.
3.5 HRS.	N/D BOP'S. INSTALL CAMERON 11" 3M X 7-1/16" 3M TBG HEAD. TESTED.
3.0 HRS.	N/U 7-1/16" 5M BOPS.

LAGUNA COLORADO 2/3 #1
AFE: CUBALI

6359' 0' 21

REPORT DATE: 11/23/07

REPORT BY: US ENERCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

U.S. ENERCORP, LTD.
Daily Drilling Report

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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

<u>WELL NAME</u>	<u>DEPTH</u>	<u>FOOTAGE</u>	<u>DAYS</u>
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11/23/07 CONT.

MW:

VISC:

PRESENT OPERATION: R/U TOP DRIVE & HOSES.

ACTIVITY:

6.0 HRS.	N/U 7-1/16" 5M BOP'S (RENTAL STACK).
3.0 HRS.	TEST BOPS TO 250 LOW/2000 HIGH. 10 MINS EACH TEST. TEST ACCUMULATOR.
1.5 HRS.	P/U & GIH W/BHA TO DRILL STAGE COLLAR, FC, FS, & 20' OF NEW HOLE.
0.5 HR.	R/S.
0.5 HR.	N/U WEATHERFORD FLOW LINES TO MANIFOLD & EQUALIZER LINE.
1.0 HR.	BUILD TOP DRIVE CABLE RETAINERS & R/S.
8.0 HRS.	P/U & GIH W/3-1/2" 13.3# S-135 IF DP. GIH TO 4334', TOP OF STAGE TOOL.
3.5 HRS.	P/U & R/U TOP DRIVE & HOSES.

LAGUNA COLORADO 2/3 #1
AFE: CUBAL1

6365' 6' 22

REPORT DATE: 11/24/07

REPORT BY: US ENERCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

MW:

VISC:

PRESENT OPERATION: POOH.

ACTIVITY:

3.0 HRS.	R/U TOP DRIVE. TEST.
1.5 HRS.	DRILL STAGE TOOL AT 4334'.
0.5 HR.	HANG BACK TOP DRIVE.
4.0 HRS.	P/U 3-1/2" DP & GIH TO 6258'. TAG CMT.
1.0 HR.	DRILL CMT TO 6320'.
1.0 HR.	CIRC & R/S.
4.0 HRS.	R/U S/L. RUN GYRO SURVEY TO 6300'. RDMO W/L.
0.5 HR.	TEST ROT HEAD & WEATHERFORD EQUIP TO 500 PSI. BLEED OFF. TEST CSG TO 1000 PSI. BOTH PASSED TESTS.
2.5 HRS.	DRLG CMT, SHOE, & 6' OF NEW FORMATION.
0.5 HR.	CIRC B/U FOR FORMATION SAMPLE.
2.5 HRS.	POOH TO 3500'.
1.5 HRS.	BLOW HOLE DRY @ 3500'.
1.5 HRS.	POOH W/DP & BHA.

LAGUNA COLORADO 2/3 #1
AFE: CUBAL1

6365' 0' 23

REPORT DATE: 11/25/07

REPORT BY: US ENERCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

MW:

VISC:

PRESENT OPERATION: DISPLACING WELLBORE WITH AIR/FOAM.

Daily Drilling Report

Operator : U.S. Enercorp, LTD.
Well Name : LAGUNA COLORADO 2/3 #1
Field/Prospect : West Puerto Chiquito Mancos
Lease Serial # : NMNM-108021
Location : 3250' FSL & 1220' FEL; SECTION 3 T24N, R1W, RIO ARriba COUNTY
Elevation : 7295' GR
PTD : 9832' (MD)
Contractor: Pin Point /Rig#10
API# : 30-039-30272
WELL NAME : DEPTH : FOOTAGE : DAYS
11/25/07 CONT.

ACTIVITY:

2.0 HRS. POOH W/DP & BHA.
 2.0 HRS. JET & CLEAN RIG'S WORKING PITS. LOAD W/3% KCL.
 7.0 HRS. P/U 6-3/4" DIRECTIONAL BHA. GIH TO 6365'.
 5.0 HRS. ATTEMPT TO BLOW HOLE DRY FROM TD @ 6365'.
 2.0 HRS. POOH W/24 STDS OF DP TO 4880'.
 2.0 HRS. BLOW HOLE DRY FROM 4880'.
 2.0 HRS. GIH TO 6365'.
 2.0 HRS. BLOW ON HOLE. BROKE OVER AT 1000 PSI. 650 CFM. LIFTING FLUID.

LAGUNA COLORADO 2/3 #1
 AFE: CUBALI

6551' 186' 24
REPORT DATE: 11/26/07
REPORT BY: US ENERCORP, LTD.
CONTRACTOR: PINPOINT RIG #10
MW: **VISC:**
PRESENT OPERATION: GIH W/CURVE BUILDING BHA.

ACTIVITY:

6.5 HRS. GIH TO 6365'. BLOW HOLE DRY. ESTABLISH AIR FOAM CIRC.
 2.0 HRS. ROT DRLG F/6365' T/6440'. ESTABLISH TOOL COMMUNICATIONS.
 0.5 HR. R/S.
 4.5 HRS. SLIDE DRLG F/6440' T/6551'.
 0.5 HR. CIRC WELLBORE.
 6.0 HRS. L/D 6 JTS DP. POOH TO ADJUST AIR MOTOR FROM 2.12° BEND TO 2.77° BEND.
 2.0 HRS. L/D SCHLUMBERGER EM TOOLS.
 2.0 HRS. ADJUST MOTOR TO 2.77°.

LAGUNA COLORADO 2/3 #1
 AFE: CUBALI

6726' 175' 25
REPORT DATE: 11/27/07
REPORT BY: US ENERCORP, LTD.
CONTRACTOR: PINPOINT RIG #10
MW: **VISC:**
PRESENT OPERATION: ATTEMPT TO ESTABLISH EM TOOL COMMUNICATIONS AT 6726' MD.

ACTIVITY:

5.0 HRS. GIH W/BHA & DP TO 6377'.
 0.5 HR. R/S.
 4.5 HRS. WASH & REAM F/6377' T/6551'. CIRC WELLBORE.
 1.0 HR. SLIDE DRLG F/6551' T/6567'.

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

11/27/07 CONT.

2.0 HRS. WORK THROUGH TIGHT SPOT. SWEEP HOLE W/HIGH
 VIS FOAM.
 8.0 HRS. SLIDE DRLG F/6567' T/6726'.
 3.0 HRS. WORK DP. ATTEMPT TO ESTABLISH EM
 COMMUNICATIONS.

LAGUNA COLORADO 2/3 #1
AFE: CUBALI

6728' 2' 26

REPORT DATE: 11/28/07

REPORT BY: US ENERCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

MW: 8.4 VISC:

PRESENT OPERATION: R/U SCIENTIFIC EM TOOLS & EQUIP.

ACTIVITY:

2.5 HRS. CIRC. ATTEMPT TO TURN SCHLUMBERGER'S EM
 TOOL. TOOL FAILED.
 1.0 HR. POOH. L/D 6 JTS DP.
 5.0 HRS. POOH. CHANGE OUT SCHLUMBERGER EM TOOL.
 0.5 HR. R/S.
 4.0 HRS. GIH W/BHA & DP TO 6547'.
 3.5 HRS. ATTEMPT TO START SCHLUMBERGER'S EM TOOL.
 TOOL FAILED. CIRC B/U.
 6.5 HRS. POOH. L/D & R/D SCHLUMBERGER TOOLS & EQUIP.
 0.5 HR. R/S.
 0.5 HR. R/U SCIENTIFIC EM TOOLS & EQUIP.

LAGUNA COLORADO 2/3 #1
AFE: CUBALI

6936' 208' 27

REPORT DATE: 11/29/07

REPORT BY: US ENERCORP, LTD.

CONTRACTOR: PINPOINT RIG #10

MW: 8.4 VISC:

PRESENT OPERATION: CLEAN HOLE FOR TRIP.

ACTIVITY:

1.0 HR. L/D MWD TOOLS.
 2.0 HRS. SLIP & CUT DRILL LINE.
 2.5 HRS. P/U DIRECTIONAL TOOLS & SCIENTIFIC EM/GAMMA
 TOOL.
 4.0 HRS. GIH TO 6650'. BREAK CIRC.
 2.0 HRS. WASH F/6650' T/6728'. VERY LITTLE FILL.
 0.5 HR. R/S.
 10.0 HRS. SLIDE/ROT DRLG F/6728' T/6936'.
 2.0 HRS. CIRC & PUMP SWEEPS. CLEAN HOLE FOR TRIP.