

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No IMDA 751-05-1025, Tract C
2. Name of Operator Elk San Juan, Inc.		6. If Indian, Allottee or Tribe Name Ute Mountain Ute
3a. Address 1401 17th Street, Suite 700, Denver, Colorado, 80202	3b. Phone No. (include area code) 303-296-4505	7. If Unit or CA/Agreement, Name and/or No NA
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) J: 1700' FSL, 1645' FEL, Section 21-T31N-R14W		8. Well Name and No. Ute Mountain Tribal 21D
		9. API Well No. 3004534113
		10. Field and Pool, or Exploratory Area Basin Dakota
		11. County or Parish, State San Juan 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 checked="" type="checkbox"/> Other <u>Production Casing</u>
	<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.)

On 4/26/2008, MIRU Key Rig #27. Tested BOPs and manifold, 250 low, 3000 high, ok. Ran in hole and drilled out cement from 1765' to float shoe @ 1808'. Drilled and surveyed to 3152' (TD); reached TD on 5/3/2008. Cored from 2599' to 2659' (60'). Cored from 2657' to 2717' (60'). Cored from 2792' to 2804' (12'). Cored from 2814' to 2826' (12'). Core from 2980' to 3035' (55'). Run logs from 1808' to 3152'. Set 4 1/2", 11.6#, N80 ST&C casing @ 3151', setting 4 1/2" external casing packers @ 2616', 2763', 2923', 3097'; set ball-actuated frac sleeve modules at 2668' and 2828'; set hydroport pressure-activated sleeve module @ 3015'; and ball-activated direct inflation sub module @ 3110'. Rig down. Currently waiting on frac. Attached are copies of drilling reports.

ACCEPTED FOR RECORD

By: *DUL* 5/24/08
San Juan Resource Area
Bureau of Land Management

RECEIVED

MAY 19 2008

Bureau of Land Management
Durango, Colorado

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Karin Kuhn	Title Sr. Engineering Technician
Signature <i>Karin Kuhn</i>	Date 05/14/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by 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.	Title Date
	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)

WMOCD

Elk Production LLC Field Activity Report

UTE MTN UTE RES.

UTE MTN TRIBAL 21-D "C"

GAL	31N 14W 21 NWS	8RSC	30045341130000
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SYNOPSIS: On 4/26/2008, MIRU Key Rig #27. Tested BOPs and manifold, 250 low, 3000 high, ok. Ran in hole and drilled out cement from 1765' to float shoe @ 1808'. Drilled and surveyed to 3152' (TD); reached TD on 5/3/2008. Cored from 2599' to 2659' (60'). Cored from 2657' to 2717' (60'). Cored from 2792' to 2804' (12'). Cored from 2814' to 2826' (12'). Core from 2980' to 3035' (55'). Run logs from 1808' to 3152'. Set 4 1/2", 11.6#, N80 ST&C casing @ 3151', setting 4 1/2" external casing packers @ 2616', 2763', 2923', 3097'; set ball-actuated frac sleeve modules at 2668' and 2828'; set hydroport pressure-activated sleeve module @ 3015'; and ball-activated direct inflation sub module @ 3110'. Rig down. Currently waiting on frac.

Drd 6 1/4" hole to 1825'. Picked up an 8 3/4" bit and reamed 6 1/4" hole to 8 3/4 to 1825'. Set 23#, J-55, LT&C csg @ 1825'. cement casing with 147 sx 65/35 STD Poz w/ 6% gel, 5 pps gilsonite, 1/4 pps superflake mixed @ 12.3 ppg w/ 1.94 yield, followed by 100 sx Std Poz with 2% CaCl₂, 5 pps gilsonite and 1/4 pps superflake mixed @ 15.2 ppg with 1.27 yield, bumped plug @ 1500#, float held ok. Cmt circulated to pit, Rig down and released surface rig on 3/22/08. Shut well in and wait on drilling rig to finish drilling well.

Spud: 3/8/08. MIRU D&D Rig #1, drl 12 1/4" hole 145'; set 9 5/8", 36#, ST&C, surface casing @ 139' and cemented with 95 sx cmt (20 bbls) STD w/ 2% CaCl & 1/4# surfake mixed @ 15.6 ppg, 1.18 yield; dropped plug. Wait on cement. Pressure test BOP, test blind rams, pipe rams, safety valve and choke manifold to 250# low and 2000# high. Test casing to 600#, held ok. Drill out cement 75' to 145'. Begin drilling 8 3/4" hole. Currently drilling ahead @ 425'.

Daily Detail:

3/12/2008 TD: 425' (made 425'). The subject well was spud on 3/9/08. The D&D Rig #1 was moved in and rigged up. A 12 1/4" hole was drilled to 145'; set 9 5/8", 36#, ST&C, surface casing @ 139' and cemented with 95 sx cmt (20 bbls) STD w/ 2% CaCl & 1/4# surfake mixed @ 15.6 ppg, 1.18 yield; dropped plug. Wait on cement. Pressure test BOP, test blind rams, pipe rams, safety valve and choke manifold to 250# low and 2000# high. Test casing to 600#, held ok. Drill out cement 75' to 145'. Begin drilling 8 3/4" hole. Currently drilling ahead @ 425'.

3/13/2008 TD: 505' (made 80'). TIH washing to bottom, no fill. Drill 425' to 465'. Survey 4° at 445' (Same as 100' ago). Drill 465' to 484'. Rig repair / Replace broken chain on transmission. Drill 484' to 505'. PUH 100' and SDFN.

3/14/2008 TD: 745' (made 240'). TIH washing to bottom, no fill. Drill 505' to 585'. Survey 4° at 565'. Drill 585' to 685'. Survey 4° at 665' (Angle holding steady at 4° for last 400').. Drill 685' to 745'. Circulate hole clean and PUH 200' and SDFN.

3/17/2008 TD: 1525' (made 780'). TIH washing to bottom, no fill. Drill 745' to 1025' in 8-3/4 hrs. Surveys 4-1/4° at 745'; 5° at 845'; and 4° at 945'. PUH 100' & SIFN. Saturday AM, TIH washing to bottom, 4' fill. Drill 1025' to 1325'. Surveys, 5° at 1045'; 4-1/2° at 1145'; & 5° at 1245'. PUH 100' and SIFN. Sunday AM, TFB, wash and ream to bottom. Drill 1245' to 1525' in 6-3/4 hrs. Survey 4-3/4° at 1465'. Circulate hole clean & PUH 100' & SDFN.

3/18/2008 TD: 1745' (made 220'). TIH washing to bottom, no fill. Drill 1525' to 1645'. Survey 5-1/4° at 1645'. Drill 1665' to 1745'. Circ out, PUH 100' & SIFN. Delivered & strapped 7" casing for well. Expect to TD pilot hole this A.M. at 1820'.

3/19/2008 TD: 1825' (made 80'). TIH to bottom, no fill. Drill 1745' to 1825'. Survey 5-1/4° at 1800'. Circulate out. POOH laying down DP & DCs. Reposition rig over hole. PU 8-3/4" bit and BHA. TIH to 245'. SIFN.

3/20/2008 TD: 1825' (made 0'). Reaming hole f/ 6 1/4" to 8 3/4". Ream 8 3/4" hole f/ 365' to 565', 4 1/2° svy @ 545'. Rm 8 3/4" hole f/ 565' to 1065'; 5° svy @ 1065'. Rm 8 3/4" hole f/ 1065' to 1085'. PUH 100', Secure well & SDFN.

3/24/2008 TD: 1825' (made 0'). TIH to resume opening hole from 6-1/4" to 8-3/4". Ream 1085' to 1825' in 11 hrs., circulate out, & POOH laying down DP & DCs. RU casing crew and RIH with 7", 23#, K-55, LTC casing landing string at 1808'. Cement casing with 247 SX. circulating 18 bbls slurry to pit. ND BOP and NU B-1 bonnet. SDFN & Easter Sunday. Will rig down and move off rig Monday AM.

3/25/2008 Rig down & move out surface rig. FINAL REPORT until drilling operations resume.

4/28/2008 TD: 2340' (made 575'). MIRU Key Rig #27, spud 4-27-2008. Drl & survey from 1765' - 2340'. Drilling ahead.

4/29/2008 TD: 2,658' (Made 318'). Drill from 2,340 to 2,658. Survey @ 2,590'. Cored from 2,599' to 2,659' -60'. Drilling ahead.

4/30/2008 TD: 2804' (made 146'). Finished TOOH w/ core bbl #1. Unload core & load core bbl #2. TIH to 2657' & PU swivel. Core f/ 2657'-2717' (60'). CBU, TOOH, unload core. MU core bbl #3 & stand back in derrick for next run. Ream f/ 2600'-2717' (117'). Drl f/ 2717'-2790' (73'). CBU. Survey @ 2780', 6°. TOOH w/ bit & hammer & LD. TIH w/ core run #3 & PU swivel. Cored f/ 2792'-2804' (12'), core bbl jammed. Stopped drlg. CBU to TOOH & ck core bbl. Currently TOOH to retrieve core.

5/1/2008 TD: 2815' (made 11'). TOOH & strapped out. LD 3rd core bbl. MU 4th core bbl. TIH. RU swivel. Drl f/ 2805'-2815'. Core bbl jammed. CBU. TOOH, high winds, unsafe. WO wind to LD. SD due to high winds.

5/2/2008 TD: 3035' (made 220'). Core #6 f/ 2980'-3035', bgg 25-38 units. Maximum gas show @ 6230 units; Sample @ 2845' oil to surface, showed sandstone oil stain, fluorescences probably contributed to show in the core interval. Plan to TD well @ 3150', cln hole & be logging early this evening.

Elk Production LLC Field Activity Report

UTE MTN UTE RES.

UTE MTN TRIBAL 21-D "C"

5/5/2008 TD: 3152' (made 117'). Finish TOOH w/ core; LD core bbl. TIH w/ bit & hammer. Drl f/ 3036'-3150' (114'). Survey @ 3145', 4°. Make 10 std short trip & RU swivel. Circ & cln hole. TOOH w/ logs. RU Halliburton. Run logs f/ 1808'-3152'. LD DP & DCs. RU csg crew. Run 4 1/2", 11.6#, N80 ST&C; set @ 3151'. Fill csg w/ 2% KCL. Set pkrs. ND BOPs & install slips & tbg head. Tried to tst back side w/ pmp truck; would not tst. RD. Cln location. Currently waiting on frac.