

Table 2

Reserve Estimates and Economic Forecasts as of July 1, 1998

Mountaineer Limited Partnership Interests

Proved Developed Producing Reserves

SHAHARA OIL CORPORATION -- BEESON -F-  
LOCO HILLS -- EDDY COUNTY, NEW MEXICO

| (1)<br>End<br>Mo-Yr | (2)<br>Gross Oil<br>Production<br>MMBLS | (3)<br>Gross Gas<br>Production<br>MMCF | (4)<br>Net Oil<br>Production<br>MMBLS | (5)<br>Net Gas<br>Sales<br>MMCF | (6)<br>Avg Oil<br>Price<br>\$/BBL | (7)<br>Avg Gas<br>Price<br>\$/MCF | (8)<br>Oil<br>Revenue<br>M\$ | (9)<br>Gas<br>Revenue<br>M\$ | (10)<br>Total<br>Revenue<br>M\$ |
|---------------------|-----------------------------------------|----------------------------------------|---------------------------------------|---------------------------------|-----------------------------------|-----------------------------------|------------------------------|------------------------------|---------------------------------|
| 12-98               | 13.3                                    | 10.7                                   | 11.885                                | 8.489                           | 11.000                            | 2.500                             | 130.730                      | 21.222                       | 151.953                         |
| 12-99               | 17.2                                    | 13.7                                   | 15.319                                | 10.942                          | 16.640                            | 2.600                             | 254.913                      | 28.450                       | 283.363                         |
| 12-00               | 11.4                                    | 9.2                                    | 10.206                                | 7.290                           | 17.306                            | 2.704                             | 176.624                      | 19.712                       | 196.336                         |
| 12-01               | 8.6                                     | 6.9                                    | 7.651                                 | 5.465                           | 17.998                            | 2.812                             | 137.708                      | 15.369                       | 153.078                         |
| 12-02               | 5.3                                     | 4.2                                    | 4.698                                 | 3.356                           | 18.718                            | 2.925                             | 87.943                       | 9.815                        | 97.758                          |
| 12-03               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-04               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-05               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-06               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-07               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-08               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-09               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-10               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-11               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| 12-12               |                                         |                                        |                                       |                                 |                                   |                                   |                              |                              |                                 |
| S Tot               | 55.8                                    | 44.7                                   | 49.760                                | 35.543                          | 15.834                            | 2.661                             | 787.919                      | 94.569                       | 882.488                         |
| After               | .0                                      | .0                                     | .000                                  | .000                            | .000                              | .000                              | .000                         | .000                         | .000                            |
| Total               | 55.8                                    | 44.7                                   | 49.760                                | 35.543                          | 15.834                            | 2.661                             | 787.919                      | 94.569                       | 882.488                         |
| Cum                 | 1,949.0                                 | 6.6                                    |                                       |                                 |                                   |                                   |                              |                              |                                 |
| Ult                 | 2,004.8                                 | 51.2                                   |                                       |                                 |                                   |                                   |                              |                              |                                 |

| (11)<br>End<br>Mo-Yr | (12)<br>Production<br>Taxes<br>M\$ | (13)<br>Ad Valorem<br>Taxes<br>M\$ | (14)<br>Gross<br>Wells<br>CUMWT | (15)<br>Net | (16)<br>Operating<br>Expense<br>M\$ | (17)<br>Other<br>Deductions<br>M\$ | (18)<br>Investment<br>M\$ | (19)<br>Future Net<br>Cash Flow<br>M\$ | (20)<br>Cumulative<br>Cash Flow<br>M\$ | (21)<br>Cum. Cash Flow<br>Disc. @ 10.0 %<br>M\$ |
|----------------------|------------------------------------|------------------------------------|---------------------------------|-------------|-------------------------------------|------------------------------------|---------------------------|----------------------------------------|----------------------------------------|-------------------------------------------------|
| 12-98                | 12.460                             | .000                               | 17.0                            | 16.92       | 81.192                              | .000                               | .000                      | 58.300                                 | 58.300                                 | 56.933                                          |
| 12-99                | 23.236                             | .000                               | 17.0                            | 16.92       | 168.879                             | .000                               | .000                      | 91.248                                 | 149.549                                | 139.917                                         |
| 12-00                | 16.100                             | .000                               | 13.0                            | 12.93       | 134.309                             | .000                               | .000                      | 45.928                                 | 195.477                                | 177.889                                         |
| 12-01                | 12.552                             | .000                               | 10.0                            | 9.95        | 107.447                             | .000                               | .000                      | 33.078                                 | 228.555                                | 202.750                                         |
| 12-02                | 8.016                              | .000                               | 10.0                            | 9.95        | 83.809                              | .000                               | .000                      | 5.933                                  | 234.488                                | 206.852                                         |
| 12-03                |                                    |                                    |                                 |             |                                     |                                    |                           |                                        |                                        |                                                 |
| 12-04                |                                    |                                    |                                 |             |                                     |                                    |                           |                                        |                                        |                                                 |
| 12-05                |                                    |                                    |                                 |             |                                     |                                    |                           |                                        |                                        |                                                 |
| 12-06                |                                    |                                    |                                 |             |                                     |                                    |                           |                                        |                                        |                                                 |
| 12-07                |                                    |                                    |                                 |             |                                     |                                    |                           |                                        |                                        |                                                 |
| 12-08                |                                    |                                    |                                 |             |                                     |                                    |                           |                                        |                                        |                                                 |
| 12-09                |                                    |                                    |                                 |             |                                     |                                    |                           |                                        |                                        |                                                 |
| 12-10                |                                    |                                    |                                 |             |                                     |                                    |                           |                                        |                                        |                                                 |
| 12-11                |                                    |                                    |                                 |             |                                     |                                    |                           |                                        |                                        |                                                 |
| 12-12                |                                    |                                    |                                 |             |                                     |                                    |                           |                                        |                                        |                                                 |
| S Tot                | 72.364                             | .000                               | 13.2                            | 13.11       | 575.636                             | .000                               | .000                      | 234.488                                | 234.488                                | 206.852                                         |
| After                | .000                               | .000                               | .0                              | .00         | .000                                | .000                               | .000                      | .000                                   | 234.488                                | 206.852                                         |
| Total                | 72.364                             | .000                               | 13.2                            | 13.11       | 575.636                             | .000                               | .000                      | 234.488                                | 234.488                                | 206.852                                         |

| Evaluation Parameters (Gross) |         |       |         | Expenses (Gross) |        |               | Percent Interests |         |         | Percent | Cum. Disc. |
|-------------------------------|---------|-------|---------|------------------|--------|---------------|-------------------|---------|---------|---------|------------|
|                               | Initial | Final | Units   | Initial          | Final  | Units         |                   | Initial | Final   |         |            |
| Oil Rate                      | 2,601.  | 547.  | Bbls/mo | 800.             | 936.   | \$/w/mo       |                   |         |         | 5.00    | 219.458    |
| Gas Rate                      | 2,081.  | 437.  | mc/mo   |                  |        |               | Expense           | 99.5000 | 99.5000 | 10.00   | 206.852    |
| GOR                           | 800.    | 800.  | scf/bbl |                  |        |               | Revenue           |         |         | 15.00   | 195.698    |
| Gas Shrinkage                 | 0.0     | 0.0   | %       |                  |        |               | Oil               | 89.1520 | 89.1520 | 20.00   | 185.905    |
| Oil Severance                 | 8.2     | 8.2   | %       |                  |        |               | Gas               | 79.6000 | 79.6000 | 25.00   | 177.244    |
| Gas Severance                 | 8.2     | 8.2   | %       |                  |        |               |                   |         |         | 30.00   | 169.535    |
| Ad Valorem                    | 0.0     |       | %       | 13,600.          | 9,360. | Total (\$/mo) |                   |         |         |         |            |

ID: CGUSE3 DMP 3  
API:

6 Months in first year  
4.250 Year Life (10/2002)

THESE DATA ARE PART OF A CG&amp;A REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.

ASN 27.

08/25/98 14:53:42

OIL PDP  
Table 2

Reserve Estimates and Economic Forecasts as of July 1, 1998  
 Mountaineer Limited Partnership Interests  
 Proved Undeveloped Reserves  
**SHAHARA OIL CORPORATION -- BEESON -F-  
 LOCO HILLS (GRAYBURG) -- EDDY COUNTY, NEW MEXICO**

| (1)<br>End<br>Mo-Yr | (2)<br>Gross Oil<br>Production<br>MMBLS | (3)<br>Gross Gas<br>Production<br>MMCF | (4)<br>Net Oil<br>Production<br>MMBLS | (5)<br>Net Gas<br>Sales<br>MMCF | (6)<br>Avg Oil<br>Price<br>\$/BBL | (7)<br>Avg Gas<br>Price<br>\$/MCF | (8)<br>Oil<br>Revenue<br>M\$ | (9)<br>Gas<br>Revenue<br>M\$ | (10)<br>Total<br>Revenue<br>M\$ |
|---------------------|-----------------------------------------|----------------------------------------|---------------------------------------|---------------------------------|-----------------------------------|-----------------------------------|------------------------------|------------------------------|---------------------------------|
| 12-98               | -1.4                                    | -2.1                                   | -1.228                                | -1.696                          | 11.000                            | 2.500                             | -13.503                      | -4.241                       | -17.744                         |
| 12-99               | 24.5                                    | 5.5                                    | 21.802                                | 4.360                           | 16.640                            | 2.600                             | 362.784                      | 11.336                       | 374.120                         |
| 12-00               | 68.5                                    | 13.7                                   | 61.104                                | 10.924                          | 17.306                            | 2.704                             | 1,057.439                    | 29.540                       | 1,086.979                       |
| 12-01               | 119.4                                   | 15.4                                   | 106.409                               | 12.225                          | 17.998                            | 2.812                             | 1,915.134                    | 34.378                       | 1,949.513                       |
| 12-02               | 131.9                                   | 14.3                                   | 117.593                               | 11.384                          | 18.718                            | 2.925                             | 2,201.066                    | 33.295                       | 2,234.361                       |
| 12-03               | 119.4                                   | 16.1                                   | 106.435                               | 12.829                          | 19.466                            | 3.042                             | 2,071.902                    | 39.022                       | 2,110.923                       |
| 12-04               | 98.2                                    | 13.3                                   | 87.551                                | 10.553                          | 20.245                            | 3.163                             | 1,772.471                    | 33.382                       | 1,805.853                       |
| 12-05               | 80.8                                    | 10.9                                   | 72.017                                | 8.681                           | 21.055                            | 3.290                             | 1,516.313                    | 28.558                       | 1,544.871                       |
| 12-06               | 66.4                                    | 9.0                                    | 59.240                                | 7.140                           | 21.897                            | 3.421                             | 1,297.176                    | 24.431                       | 1,321.606                       |
| 12-07               | 54.7                                    | 7.4                                    | 48.729                                | 5.874                           | 22.773                            | 3.558                             | 1,109.707                    | 20.900                       | 1,130.607                       |
| 12-08               | 45.0                                    | 6.1                                    | 40.083                                | 4.831                           | 23.684                            | 3.701                             | 949.332                      | 17.879                       | 967.211                         |
| 12-09               | 37.0                                    | 5.0                                    | 32.972                                | 3.974                           | 24.631                            | 3.849                             | 812.135                      | 15.296                       | 827.430                         |
| 12-10               | 30.4                                    | 4.1                                    | 27.122                                | 3.269                           | 25.617                            | 4.003                             | 694.765                      | 13.085                       | 707.850                         |
| 12-11               | 25.0                                    | 3.4                                    | 22.310                                | 2.689                           | 26.641                            | 4.163                             | 594.357                      | 11.194                       | 605.551                         |
| 12-12               | 20.6                                    | 2.8                                    | 18.351                                | 2.212                           | 27.707                            | 4.329                             | 508.461                      | 9.576                        | 518.037                         |
| S Tot               | 920.3                                   | 124.7                                  | 828.489                               | 99.250                          | 20.536                            | 3.200                             | 16,849.540                   | 317.631                      | 17,167.170                      |
| After               | 44.8                                    | 6.1                                    | 39.984                                | 4.819                           | 29.977                            | 4.680                             | 1,198.577                    | 22.556                       | 1,221.133                       |
| Total               | 965.2                                   | 130.7                                  | 860.472                               | 104.070                         | 20.975                            | 3.269                             | 18,048.110                   | 340.187                      | 18,388.300                      |
| Cum<br>Ult          | .0<br>965.2                             | .0<br>130.7                            |                                       |                                 |                                   |                                   |                              |                              |                                 |

| (11)<br>End<br>Mo-Yr | (12)<br>Production<br>Taxes<br>M\$ | (13)<br>Ad Valorem<br>Taxes<br>M\$ | (14) (15)<br>Gross Wells<br>Net<br>Count | (16)<br>Operating<br>Expense<br>M\$ | (17)<br>Other<br>Deductions<br>M\$ | (18)<br>Investment<br>M\$ | (19)<br>Future Net<br>Cash Flow<br>M\$ | (20)<br>Cumulative<br>Cash Flow<br>M\$ | (21)<br>Cum.CashFlow<br>Disc.@ 10.0 %<br>M\$ |
|----------------------|------------------------------------|------------------------------------|------------------------------------------|-------------------------------------|------------------------------------|---------------------------|----------------------------------------|----------------------------------------|----------------------------------------------|
| 12-98                | -1.455                             | .000                               | 2.3 2.32                                 | 3.184                               | 50.148                             | 179.100                   | -248.721                               | -248.721                               | -240.801                                     |
| 12-99                | 30.678                             | .000                               | 9.0 8.96                                 | 19.491                              | 100.296                            | 1,629.810                 | -1,406.155                             | -1,654.876                             | -1,559.127                                   |
| 12-00                | 89.132                             | .000                               | 15.0 14.93                               | 77.228                              | 81.192                             | .000                      | 839.427                                | -815.449                               | -865.123                                     |
| 12-01                | 159.860                            | .000                               | 18.0 17.91                               | 112.551                             | 23.880                             | .000                      | 1,653.222                              | 837.773                                | 377.438                                      |
| 12-02                | 183.218                            | .000                               | 20.5 20.40                               | 144.989                             | 23.880                             | .000                      | 1,882.275                              | 2,720.048                              | 1,663.543                                    |
| 12-03                | 173.096                            | .000                               | 28.0 27.86                               | 237.950                             | 23.880                             | .000                      | 1,675.998                              | 4,396.047                              | 2,704.600                                    |
| 12-04                | 148.080                            | .000                               | 28.0 27.86                               | 247.468                             | 23.880                             | .000                      | 1,386.425                              | 5,782.472                              | 3,487.497                                    |
| 12-05                | 126.679                            | .000                               | 28.0 27.86                               | 257.366                             | 23.880                             | .000                      | 1,136.945                              | 6,919.417                              | 4,071.151                                    |
| 12-06                | 108.372                            | .000                               | 25.0 24.88                               | 238.983                             | 23.880                             | .000                      | 950.371                                | 7,869.789                              | 4,514.674                                    |
| 12-07                | 92.710                             | .000                               | 25.0 24.88                               | 248.542                             | 23.880                             | .000                      | 765.475                                | 8,635.264                              | 4,839.433                                    |
| 12-08                | 79.311                             | .000                               | 22.0 21.89                               | 227.466                             | 23.880                             | .000                      | 636.554                                | 9,271.818                              | 5,084.945                                    |
| 12-09                | 67.849                             | .000                               | 22.0 21.89                               | 236.564                             | 23.880                             | .000                      | 499.136                                | 9,770.954                              | 5,259.955                                    |
| 12-10                | 58.044                             | .000                               | 18.0 17.91                               | 201.295                             | 23.880                             | .000                      | 424.631                                | 10,195.590                             | 5,395.307                                    |
| 12-11                | 49.655                             | .000                               | 18.0 17.91                               | 209.347                             | 23.880                             | .000                      | 322.669                                | 10,518.250                             | 5,488.808                                    |
| 12-12                | 42.479                             | .000                               | 15.0 14.93                               | 181.434                             | 23.880                             | .000                      | 270.244                                | 10,788.500                             | 5,559.999                                    |
| S Tot                | 1,407.708                          | .000                               | 20.2 20.88                               | 2,643.857                           | 518.196                            | 1,808.910                 | 10,788.500                             | 10,788.500                             | 5,559.999                                    |
| After                | 100.133                            | .000                               | 12.2 12.13                               | 642.081                             | 77.610                             | .000                      | 401.309                                | 11,189.810                             | 5,649.863                                    |
| Total                | 1,507.841                          | .000                               | 18.5 18.36                               | 3,285.938                           | 595.806                            | 1,808.910                 | 11,189.810                             | 11,189.810                             | 5,649.863                                    |

| Evaluation Parameters (Gross) |       |       |         | Expenses (Gross) |         |               |       | Percent Interests |         |         |  | Percent | Cum. Disc. |
|-------------------------------|-------|-------|---------|------------------|---------|---------------|-------|-------------------|---------|---------|--|---------|------------|
|                               | 01/99 | Final | Units   |                  | 01/99   | Final         | Units |                   | 01/99   | Final   |  |         |            |
| Oil Rate                      | 2.037 | 218.  | Bbls/mo | 1,624.           | 4,422.  | \$/wmo        |       | Expense           | 99.5000 | 99.5000 |  | 5.00    | 7,839.352  |
| Gas Rate                      | 456.  | 28.   | mc/mo   |                  |         |               |       |                   |         |         |  | 10.00   | 5,649.863  |
| GOR                           | 224.  | 135.  | scf/bbl |                  |         |               |       | Revenue           |         |         |  | 15.00   | 4,153.929  |
| Gas Shrinkage                 | 0.0   | 0.0   | %       |                  |         |               |       | Oil               | 89.1528 | 89.1520 |  | 20.00   | 3,093.499  |
| Oil Severance                 | 8.2   | 8.2   | %       |                  |         |               |       | Gas               | 79.6000 | 79.6000 |  | 25.00   | 2,318.494  |
| Gas Severance                 | 8.2   | 8.2   | %       |                  |         |               |       |                   |         |         |  | 30.00   | 1,737.525  |
| Ad Valorem                    | 0.0   |       | %       |                  |         |               |       |                   |         |         |  |         |            |
|                               |       |       |         | 14,616.          | 17,088. | Total (\$/mo) |       |                   |         |         |  |         |            |

320 AC SEC 31, 160 AC SEC 29 - 17N 30E  
 DRILL 6 PROD WELLS @ 200MS, DRILL 1 INJ @ 1704CS, CONVERT 12 WELLS  
 TO INJECTION @ 30MS, INJ FAC FOR MICRO-ORGANISMS 525M.

12 Months in year '99  
 18,500 Year Life (01/2017)

THESE DATA ARE PART OF A CG&A REPORT AND ARE SUBJECT TO THE CONDITIONS IN THE TEXT OF THE REPORT.

ASN 30.

08/25/98 14:55:48

OIL PUD  
 Table 2

Cawley, Gillespie & Associates, Inc.

## DAILY DRILLING REPORT

|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|------------------------------------|--|---------------|--|-----------|--|-------------------------------------------------------|--|-------------|--|-------|--|-----------------|--|---------|--|------------------|--|----------------|--|-----------|--|-------------------------------------|--|-----------|--|
| Well                               |  |               |  |           |  | Size & depth last csg                                 |  |             |  |       |  | Days since spud |  |         |  | Date<br>12/04/97 |  |                |  |           |  |                                     |  |           |  |
| Beeson "F" Federal No. 18          |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
| Contractor                         |  |               |  |           |  | Depth Today                                           |  |             |  |       |  | Depth yesterday |  |         |  |                  |  | Progress       |  |           |  | Formation                           |  |           |  |
| United Drilling Co. Rig No. 7      |  |               |  |           |  | feet                                                  |  |             |  |       |  | feet            |  |         |  |                  |  | feet           |  |           |  |                                     |  |           |  |
| Operation at 0700                  |  |               |  |           |  | Daily Cost                                            |  |             |  |       |  | Accum cost      |  |         |  |                  |  | Accum mud cost |  |           |  |                                     |  |           |  |
| Prep to spud                       |  |               |  |           |  | \$7,500.00                                            |  |             |  |       |  | \$7,500.00      |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
| Mud Data                           |  | Wt.           |  | Vis.      |  | PV/YP                                                 |  | Gels        |  | Ph.   |  | WL              |  | Chl.    |  | Sand             |  | Sol.           |  | Oil       |  | HIHP FL @ 300<br>100 psi    600 psi |  |           |  |
| Pump Data                          |  | Number & type |  |           |  | Liner size & stroke                                   |  |             |  | SPM   |  | RPM             |  | PSI     |  | Noz vel          |  | AV-DP          |  | AV-DC     |  | Slow pump rate & press              |  |           |  |
| Bit number                         |  | Size          |  | Make      |  | Type                                                  |  | SN          |  | Jets  |  | Depth out       |  | Footage |  | Hours            |  | Avg ROP        |  | RPM       |  | Wt- M lb.                           |  | Condition |  |
| Bit number                         |  | Size          |  | Make      |  | Type                                                  |  | SN          |  | Jets  |  | Depth out       |  | Footage |  |                  |  | Avg ROP        |  | RPM       |  | Wt- M lb.                           |  | Condition |  |
| Torque                             |  | Rot. wt.      |  | PU wt.    |  | SO wt.                                                |  | BHA wt.-air |  |       |  | BHA wt. - mud   |  |         |  | Drilling time    |  | hrs            |  | Accidents |  | Accum hrs.                          |  | hrs       |  |
| Drill String                       |  | DPOD          |  |           |  | Conn                                                  |  |             |  | Grade |  | Wt./Ft.         |  | Length  |  |                  |  |                |  |           |  | Date last BOP test                  |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
| Bottom Hole Assembly               |  | Length        |  |           |  | Description                                           |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
| Deviation Survey                   |  |               |  |           |  | Comments                                              |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
| Depth                              |  | Angle         |  | Direction |  | TVD                                                   |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
| Time                               |  | Hrs.          |  |           |  | Chronological Summary of Operations from 0700 to 0700 |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
| 07:00 -                            |  |               |  |           |  | Prep to spud.                                         |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
| Total                              |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
|                                    |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
| Check if summary continued on back |  |               |  |           |  | Signed _____<br>faxed by Gary Steed                   |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |
| N 12/4/97                          |  |               |  |           |  |                                                       |  |             |  |       |  |                 |  |         |  |                  |  |                |  |           |  |                                     |  |           |  |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                      |                                                           |             |                                                                                                 |               |                                   |            |                                   |              |                                  |                                  |           |
|----------------------------------------------------|----------------------|-----------------------------------------------------------|-------------|-------------------------------------------------------------------------------------------------|---------------|-----------------------------------|------------|-----------------------------------|--------------|----------------------------------|----------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 18</b>           |                      |                                                           |             | Size & depth last csg<br><b>8 5/8 csg set @ 500'</b>                                            |               |                                   |            | Days since spud<br><b>1</b>       |              | Date<br><b>12/05/97</b>          |                                  |           |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                      |                                                           |             | Depth Today<br><b>501 feet</b>                                                                  |               | Depth yesterday<br><b>40 feet</b> |            | Progress<br><b>461 feet</b>       |              | Formation<br><b>Anhy Red Bed</b> |                                  |           |
| Operation at 0700<br><b>WOC</b>                    |                      |                                                           |             | Daily Cost<br><b>\$21,517.00</b>                                                                |               | Accum cost<br><b>\$29,017.00</b>  |            | Accum mud cost<br><b>\$534.00</b> |              |                                  |                                  |           |
| Mud                                                | Wt.                  | Vis.                                                      | PV/YP       | Gels                                                                                            | Ph.           | WL                                | Chl.       | Sand                              | Sol.         | Oil                              | HIHP FL @ 300<br>100 psi 600 psi |           |
| Data                                               |                      |                                                           |             |                                                                                                 |               |                                   |            |                                   |              |                                  |                                  |           |
| Pump                                               | Number & type        | Liner size & stroke                                       |             | SPM                                                                                             | RPM           | PSI                               | Noz vel    | AV-DP                             | AV-DC        | Slow pump rate & press           |                                  |           |
| Data                                               | <b>1 Duplex 1000</b> | <b>6 x 16</b>                                             |             | <b>48</b>                                                                                       |               |                                   |            |                                   |              |                                  |                                  |           |
| Bit number                                         | Size                 | Make                                                      | Type        | SN                                                                                              | Jets          | Depth out                         | Footage    | Hours                             | Avg ROP      | RPM                              | Wt- M lb.                        | Condition |
| <b>1</b>                                           | <b>12.25</b>         | <b>Reed</b>                                               | <b>FP62</b> | <b>RR</b>                                                                                       | <b>4 - 14</b> | <b>501</b>                        | <b>461</b> | <b>10.5</b>                       | <b>43.90</b> | <b>70</b>                        | <b>All</b>                       |           |
| Bit number                                         | Size                 | Make                                                      | Type        | SN                                                                                              | Jets          | Depth out                         | Footage    |                                   | Avg ROP      | RPM                              | Wt- M lb.                        | Condition |
|                                                    |                      |                                                           |             |                                                                                                 |               |                                   |            |                                   |              |                                  |                                  |           |
| Torque                                             | Rot. wt.             | PU wt.                                                    | SO wt.      | BHA wt.-air                                                                                     |               | BHA wt. - mud                     |            | Drilling time<br><b>10.5 hrs</b>  |              | Accum hrs.<br><b>10.5 hrs</b>    |                                  |           |
| Drill String                                       | DPOD                 |                                                           | Conn        |                                                                                                 | Grade         | Wt./Ft.                           | Length     | Accidents                         |              | Date last BOP test               |                                  |           |
|                                                    |                      |                                                           |             |                                                                                                 |               |                                   |            | NONE                              |              |                                  |                                  |           |
|                                                    |                      |                                                           |             |                                                                                                 |               |                                   |            |                                   |              |                                  |                                  |           |
| Bottom Hole Assembly                               | Length<br><b>461</b> | Description<br><b>12 1/4 Bit x 3.8" DC X XO x 16.6"DC</b> |             |                                                                                                 |               |                                   |            |                                   |              |                                  |                                  |           |
| Deviation Survey                                   |                      |                                                           |             | Comments                                                                                        |               |                                   |            |                                   |              |                                  |                                  |           |
| Depth                                              | Angle                | Direction                                                 | TVD         |                                                                                                 |               |                                   |            |                                   |              |                                  |                                  |           |
| <b>500</b>                                         | <b>1/4</b>           |                                                           |             | <b>Paper 8sx                      Maxi seal 4sx                      2 loads of fresh water</b> |               |                                   |            |                                   |              |                                  |                                  |           |
|                                                    |                      |                                                           |             | <b>FNgel 56sx                      5 gals MF-55</b>                                             |               |                                   |            |                                   |              |                                  |                                  |           |
| Time                                               |                      | Hrs.                                                      |             | Chronological Summary of Operations from 0700 to 0700                                           |               |                                   |            |                                   |              |                                  |                                  |           |
| <b>07:00 - 07:30</b>                               |                      | <b>00:30</b>                                              |             | <b>Start equipment.</b>                                                                         |               |                                   |            |                                   |              |                                  |                                  |           |
| <b>07:30 - 11:30</b>                               |                      | <b>04:00</b>                                              |             | <b>Wait on mud.</b>                                                                             |               |                                   |            |                                   |              |                                  |                                  |           |
| <b>11:30 - 13:00</b>                               |                      | <b>01:30</b>                                              |             | <b>Mix mud to spud well.</b>                                                                    |               |                                   |            |                                   |              |                                  |                                  |           |
| <b>13:00 - 19:00</b>                               |                      | <b>06:00</b>                                              |             | <b>Spud well w/12 1/4 drill bit @ 1:00pm MST 12/04/97.</b>                                      |               |                                   |            |                                   |              |                                  |                                  |           |
| <b>19:00 - 23:30</b>                               |                      | <b>04:30</b>                                              |             | <b>Drilling.</b>                                                                                |               |                                   |            |                                   |              |                                  |                                  |           |
| <b>23:30 - 00:00</b>                               |                      | <b>00:30</b>                                              |             | <b>Circulate &amp; run TOTCO @ 500' 1/4 degree angle.</b>                                       |               |                                   |            |                                   |              |                                  |                                  |           |
| <b>00:00 - 00:45</b>                               |                      | <b>00:45</b>                                              |             | <b>TOH to run 8 5/8" casing.</b>                                                                |               |                                   |            |                                   |              |                                  |                                  |           |
| <b>00:45 - 02:45</b>                               |                      | <b>02:00</b>                                              |             | <b>Rig up casing crew &amp; run 11 jts of 8 5/8" 500'.</b>                                      |               |                                   |            |                                   |              |                                  |                                  |           |
| <b>02:45 - 03:30</b>                               |                      | <b>00:45</b>                                              |             | <b>Plug down at 3:30 pm MST 12/05/97. Circ 90sx to pit.</b>                                     |               |                                   |            |                                   |              |                                  |                                  |           |
| <b>03:30 - 07:00</b>                               |                      | <b>03:30</b>                                              |             | <b>WOC</b>                                                                                      |               |                                   |            |                                   |              |                                  |                                  |           |
| <b>Total</b>                                       |                      | <b>24:00</b>                                              |             |                                                                                                 |               |                                   |            |                                   |              |                                  |                                  |           |
|                                                    |                      |                                                           |             |                                                                                                 |               |                                   |            |                                   |              |                                  |                                  |           |
|                                                    |                      |                                                           |             |                                                                                                 |               |                                   |            |                                   |              |                                  |                                  |           |
| Check if summary continued on back                 |                      |                                                           |             | Signed<br><div style="text-align: right;">faxed by Gary Steed      <b>12/16/97</b></div>        |               |                                   |            |                                   |              |                                  |                                  |           |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
|----------------------------------------------------|---------------|------------------------------------------------------|--------|---------------------------------------------------------------------|---------|-----------------------------------|-----------|----------------------------------|--------------------|------------------------|---------------|-----------|
| Well<br><b>Beeson "F" Federal No. 18</b>           |               | Size & depth last csg<br><b>8 5/8 csg set @ 500'</b> |        |                                                                     |         | Days since spud<br><b>2</b>       |           | Date<br><b>12/06/97</b>          |                    |                        |               |           |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |               | Depth Today<br><b>1000 feet</b>                      |        | Depth yesterday<br><b>501 feet</b>                                  |         | Progress<br><b>499 feet</b>       |           | Formation<br><b>Anhy Red Bed</b> |                    |                        |               |           |
| Operation at 0700                                  |               | Daily Cost<br><b>\$9,120.00</b>                      |        | Accum cost<br><b>\$38,137.00</b>                                    |         | Accum mud cost<br><b>\$534.00</b> |           |                                  |                    |                        |               |           |
| Mud                                                | Wt.           | Vis.                                                 | PV/YP  | Gels                                                                | Ph.     | WL                                | Chl.      | Sand                             | Sol.               | Oil                    | HIHP FL @ 300 |           |
| Data                                               | 10            | 28                                                   |        |                                                                     | 10      | no control                        |           |                                  |                    |                        | 100 psi       | 600 psi   |
| Pump                                               | Number & type | Liner size & stroke                                  |        | SPM                                                                 | RPM     | PSI                               | Noz vel   | AV-DP                            | AV-DC              | Slow pump rate & press |               |           |
| Data                                               | 1 Duplex 1000 | 6 x 16                                               |        | 48                                                                  |         |                                   |           |                                  |                    |                        |               |           |
| Bit number                                         | Size          | Make                                                 | Type   | SN                                                                  | Jets    | Depth out                         | Footage   | Hours                            | Avg ROP            | RPM                    | Wt- M lb.     | Condition |
| 2                                                  | 7 7/8         | HTC                                                  | 44C    | RR                                                                  | 2-16    |                                   | 499       | 8.5                              | 58.71              | 60                     | 40            |           |
| Bit number                                         | Size          | Make                                                 | Type   | SN                                                                  | Jets    | Depth out                         | Footage   |                                  | Avg ROP            | RPM                    | Wt- M lb.     | Condition |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
| Torque                                             | Rot. wt.      | PU wt.                                               | SO wt. | BHA wt.-air                                                         |         | BHA wt. - mud                     |           | Drilling time                    | Accum hrs.         |                        |               |           |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           | 8.5 hrs                          | 8.5 hrs            |                        |               |           |
| Drill String                                       | DPOD          | Conn                                                 |        | Grade                                                               | Wt./Ft. | Length                            | Accidents |                                  | Date last BOP test |                        |               |           |
|                                                    | 3 1/2         | IF                                                   |        | E                                                                   | 1330    |                                   | NONE      |                                  | 12/05/97           |                        |               |           |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  | 1000 psi           |                        |               |           |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  | 30 min             |                        |               |           |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  | OK                 |                        |               |           |
| Bottom Hole Assembly                               |               | Length                                               |        | Description                                                         |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               | 586.54                                               |        | 17 7/8 Bit 1.00, 1 X O sub 1.00, 1 shock sub 12.49, & 206" DC 554.0 |         |                                   |           |                                  |                    |                        |               |           |
| Deviation Survey                                   |               | Comments Total BHA 586.54                            |        |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
| Depth                                              | Angle         | Direction                                            | TVD    |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               |                                                      |        | 15 loads Brine water transferred from 19 & 20                       |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               |                                                      |        | 1 load fresh water                                                  |         |                                   |           |                                  |                    |                        |               |           |
| Time                                               |               | Hrs.                                                 |        | Chronological Summary of Operations from 0700 to 0700               |         |                                   |           |                                  |                    |                        |               |           |
| 07:00 -19:00                                       |               | 12:00                                                |        | WOC. Install & test BOP, 1000 psi for 30 min, okay.                 |         |                                   |           |                                  |                    |                        |               |           |
| 19:00 -21:30                                       |               | 02:30                                                |        | WOC.                                                                |         |                                   |           |                                  |                    |                        |               |           |
| 21:30 -22:30                                       |               | 01:00                                                |        | Drilled cmt and insert float.                                       |         |                                   |           |                                  |                    |                        |               |           |
| 22:30 -07:00                                       |               | 08:30                                                |        | Drill formation.                                                    |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
| Total                                              |               | 24:00                                                |        |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               |                                                      |        |                                                                     |         |                                   |           |                                  |                    |                        |               |           |
| Check if summary continued on back                 |               |                                                      |        | Signed                                                              |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               |                                                      |        | faxed by Gary Steed                                                 |         |                                   |           |                                  |                    |                        |               |           |
|                                                    |               |                                                      |        | HUB                                                                 |         |                                   |           |                                  |                    |                        |               |           |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                       |                                      |                                                      |                                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
|----------------------------------------------------|---------------------------------------|--------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------|-----------|--------------------------------|-----------------------------|----------------------------------|---------------------------------------|-------------------------------------|
| Well<br><b>Beeson "F" Federal No. 18</b>           |                                       |                                      | Size & depth last csg<br><b>8 5/8 csg set @ 500'</b> |                                                                                               |                                     |           |                                | Days since spud<br><b>3</b> |                                  | Date<br><b>12/07/97</b>               |                                     |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                       |                                      | Depth Today<br><b>1710 feet</b>                      |                                                                                               | Depth yesterday<br><b>1000 feet</b> |           | Progress<br><b>710 feet</b>    |                             | Formation<br><b>Anhy Red Bed</b> |                                       |                                     |
| Operation at 0700<br><b>Drilling</b>               |                                       |                                      | Daily Cost<br><b>\$10,430.00</b>                     |                                                                                               | Accum cost<br><b>\$48,567.00</b>    |           | Accum mud cost                 |                             |                                  |                                       |                                     |
| Mud<br>Data                                        | Wt.<br><b>10</b>                      | Vis.<br><b>28</b>                    | PV/YP                                                | Gels                                                                                          | Ph.<br><b>9.5</b>                   | WL        | Chl.                           | Sand                        | Sol.                             | Oil                                   | HIHP FL @ 300<br>100 psi    600 psi |
| Pump<br>Data                                       | Number & type<br><b>1 Duplex 1000</b> | Liner size & stroke<br><b>6 x 16</b> |                                                      | SPM<br><b>49</b>                                                                              | RPM                                 | PSI       | Noz vel                        | AV-DP                       | AV-DC                            | Slow pump rate & press                |                                     |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>                  | Make<br><b>HTC</b>                   | Type<br><b>44C</b>                                   | SN<br><b>RR</b>                                                                               | Jets<br><b>2-16</b>                 | Depth out | Footage<br><b>1209</b>         | Hours<br><b>31.5</b>        | Avg ROP<br><b>38.38</b>          | RPM<br><b>60</b>                      | Wt- M lb.<br>Condition              |
| Bit number                                         | Size                                  | Make                                 | Type                                                 | SN                                                                                            | Jets                                | Depth out | Footage                        | Avg ROP                     |                                  | RPM                                   | Wt- M lb.<br>Condition              |
| Torque                                             | Rot. wt.                              | PU wt.                               | SO wt.                                               | BHA wt.-air                                                                                   | BHA wt. - mud                       |           | Drilling time<br><b>23 hrs</b> |                             | Accum hrs.<br><b>42 hrs</b>      |                                       |                                     |
| Drill String                                       | DPOD                                  |                                      | Conn                                                 |                                                                                               | Grade                               | Wt./Ft.   | Length                         | Accidents<br><b>NONE</b>    |                                  | Date last BOP test<br><b>12/05/97</b> |                                     |
|                                                    |                                       | <b>3 1/2</b>                         |                                                      | <b>IF</b>                                                                                     |                                     | <b>E</b>  | <b>1330</b>                    |                             |                                  |                                       |                                     |
|                                                    |                                       |                                      |                                                      |                                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
| Bottom Hole<br>Assembly                            |                                       | Length<br><b>586.54</b>              |                                                      | Description<br><b>17 7/8 Bit 1.00, 1 X O sub 1.00, 1 shock sub 12.49, &amp; 206" DC 554.0</b> |                                     |           |                                |                             |                                  |                                       |                                     |
| Deviation Survey                                   |                                       |                                      |                                                      | Comments <b>Total BHA 586.54</b>                                                              |                                     |           |                                |                             |                                  |                                       |                                     |
| Depth                                              | Angle                                 | Direction                            | TVD                                                  | <b>6 sx paper                      1 sx caustic</b><br><br><b>3 sx caustic</b>                |                                     |           |                                |                             |                                  |                                       |                                     |
| <b>1000</b>                                        | <b>1 1/4</b>                          |                                      |                                                      |                                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
| <b>1503</b>                                        | <b>3/4</b>                            |                                      |                                                      |                                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
| Time                                               |                                       | Hrs.                                 |                                                      | Chronological Summary of Operations from 0700 to 0700                                         |                                     |           |                                |                             |                                  |                                       |                                     |
| <b>07:00 -07:30</b>                                |                                       | <b>00:30</b>                         |                                                      | <b>Run survey @ 1000' 1 1/4 degree angle</b>                                                  |                                     |           |                                |                             |                                  |                                       |                                     |
| <b>07:30 -19:00</b>                                |                                       | <b>11:30</b>                         |                                                      | <b>Drilling</b>                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
| <b>19:00 -23:15</b>                                |                                       | <b>04:15</b>                         |                                                      | <b>Drilling</b>                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
| <b>23:15 -23:45</b>                                |                                       | <b>00:30</b>                         |                                                      | <b>Run survey @ 1503' 3/4 degree angle</b>                                                    |                                     |           |                                |                             |                                  |                                       |                                     |
| <b>23:45 -07:00</b>                                |                                       | <b>07:15</b>                         |                                                      | <b>Drilling</b>                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
|                                                    |                                       |                                      |                                                      |                                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
|                                                    |                                       |                                      |                                                      |                                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
|                                                    |                                       |                                      |                                                      |                                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
|                                                    |                                       |                                      |                                                      |                                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
|                                                    |                                       |                                      |                                                      |                                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
|                                                    |                                       |                                      |                                                      |                                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
|                                                    |                                       |                                      |                                                      |                                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
|                                                    |                                       |                                      |                                                      |                                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
| <b>Total</b>                                       |                                       | <b>24:00</b>                         |                                                      |                                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
|                                                    |                                       |                                      |                                                      |                                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
|                                                    |                                       |                                      |                                                      |                                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
|                                                    |                                       |                                      |                                                      |                                                                                               |                                     |           |                                |                             |                                  |                                       |                                     |
| Check if summary continued on back                 |                                       |                                      |                                                      | Signed <span style="float: right;"><i>H. 12/8</i></span>                                      |                                     |           |                                |                             |                                  |                                       |                                     |
|                                                    |                                       |                                      |                                                      | faxed by Wade White                                                                           |                                     |           |                                |                             |                                  |                                       |                                     |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                  |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
|----------------------------------------------------|------------------|------------------------------------------------------------------------------------|--------|------------------------------------------------------|-------|-------------------------------------|---------|-----------------------------|----------------------|------------------------------------|-----------------|-----------|
| Well<br><b>Beeson "F" Federal No. 18</b>           |                  |                                                                                    |        | Size & depth last csg<br><b>8 5/8 csg set @ 500'</b> |       |                                     |         | Days since spud<br><b>4</b> |                      | Date<br><b>12/08/97</b>            |                 |           |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                  |                                                                                    |        | Depth Today<br><b>2272 feet</b>                      |       | Depth yesterday<br><b>1710 feet</b> |         | Progress<br><b>562 feet</b> |                      | Formation<br><b>Anhy &amp; DOL</b> |                 |           |
| Operation at 0700<br><b>Drilling</b>               |                  |                                                                                    |        | Daily Cost<br><b>\$8,168.00</b>                      |       | Accum cost<br><b>\$56,735.00</b>    |         | Accum mud cost              |                      |                                    |                 |           |
| Mud                                                | Wt.              | Vis.                                                                               | PV/YP  | Gels                                                 | Ph.   | WL                                  | Chl.    | Sand                        | Sol.                 | Oil                                | HIHP FL @ 300   |           |
| Data                                               | 10.5             | 29                                                                                 |        |                                                      | 9     |                                     |         |                             |                      |                                    | 100 psi 600 psi |           |
| Pump                                               | Number & type    | Liner size & stroke                                                                |        | SPM                                                  | RPM   | PSI                                 | Noz vel | AV-DP                       | AV-DC                | Slow pump rate & press             |                 |           |
| Data                                               | 1 Duplex 1000    | 6 x 16                                                                             |        | 48                                                   |       |                                     |         |                             |                      |                                    |                 |           |
| Bit number                                         | Size             | Make                                                                               | Type   | SN                                                   | Jets  | Depth out                           | Footage | Hours                       | Avg ROP              | RPM                                | Wt- M lb.       | Condition |
| 2                                                  | 7 7/8            | HTC                                                                                | 44C    | RR                                                   | 2-16  |                                     | 1771    | 55                          | 32.20                | 60                                 | 40,000          | ok        |
| Bit number                                         | Size             | Make                                                                               | Type   | SN                                                   | Jets  | Depth out                           | Footage |                             | Avg ROP              | RPM                                | Wt- M lb.       | Condition |
|                                                    |                  |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
| Torque                                             | Rot. wt.         | PU wt.                                                                             | SO wt. | BHA wt.-air                                          |       | BHA wt. - mud                       |         | Drilling time<br>23.5 hrs   | Accum hrs.<br>55 hrs |                                    |                 |           |
| Drill String                                       | DPOD             |                                                                                    | Conn   |                                                      | Grade | Wt./Ft.                             | Length  | Accidents                   |                      | Date last BOP test                 |                 |           |
|                                                    | 3 1/2            |                                                                                    | IF     |                                                      | E     | 1330                                |         | NONE                        |                      | 12/05/97                           |                 |           |
|                                                    |                  |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
| Bottom Hole Assembly                               | Length<br>586.54 | Description<br>17 7/8 Bit 1.00, 1 X O sub 1.00, 1 shock sub 12.49, & 206" DC 554.0 |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
| Deviation Survey                                   |                  | Comments Total BHA 586.54                                                          |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
| Depth                                              | Angle            | Direction                                                                          | TVD    | mixed 4 sx caustic                                   |       |                                     |         |                             |                      |                                    |                 |           |
| 2006                                               | 1/2              |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
|                                                    |                  |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
| Time                                               | Hrs.             | Chronological Summary of Operations from 0700 to 0700                              |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
| 07:00 -19:00                                       | 12:00            | Drilling                                                                           |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
| 19:00 -19:30                                       | 00:30            | Drilling                                                                           |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
| 19:30 -20:00                                       | 00:30            | Run survey @2006' 1/2 degree angle                                                 |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
| 20:00 -07:00                                       | 11:00            | Drilling                                                                           |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
|                                                    |                  |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
|                                                    |                  |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
|                                                    |                  |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
|                                                    |                  |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
|                                                    |                  |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
|                                                    |                  |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
|                                                    |                  |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
|                                                    |                  |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
| Total                                              | 24:00            |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
|                                                    |                  |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
|                                                    |                  |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
|                                                    |                  |                                                                                    |        |                                                      |       |                                     |         |                             |                      |                                    |                 |           |
| Check if summary continued on back                 |                  |                                                                                    |        | Signed                                               |       | faxed by Wade White                 |         |                             |                      |                                    |                 |           |
|                                                    |                  |                                                                                    |        |                                                      |       | 12/18                               |         |                             |                      |                                    |                 |           |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                |                                                       |                                                                                    |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
|----------------------------------------------------|--------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------|---------------|-----------------------------|--------------------------|------------------------------------|-------------------------|------------------------|----------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 18</b>           |                                | Size & depth last csg<br><b>8 5/8 csg set @ 500'</b>  |                                                                                    |                                     |               | Days since spud<br><b>5</b> |                          | Date<br><b>12/09/97</b>            |                         |                        |                                  |           |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                | Depth Today<br><b>2420 feet</b>                       |                                                                                    | Depth yesterday<br><b>2272 feet</b> |               | Progress<br><b>148 feet</b> |                          | Formation<br><b>Anhy &amp; DOL</b> |                         |                        |                                  |           |
| Operation at 0700<br><b>Fishing</b>                |                                | Daily Cost<br><b>\$2,272.00</b>                       |                                                                                    | Accum cost<br><b>\$59,007.00</b>    |               | Accum mud cost              |                          |                                    |                         |                        |                                  |           |
| Mud<br>Data                                        | Wt.<br>10.1                    | Vis.<br>29                                            | PV/YP                                                                              | Gels                                | Ph.<br>10     | WL<br>No control            | Chl.                     | Sand                               | Sol.                    | Oil                    | HIHP FL @ 300<br>100 psi 600 psi |           |
| Pump<br>Data                                       | Number & type<br>1 Duplex 1000 | Liner size & stroke<br>6 x 16                         |                                                                                    | SPM<br>48                           | RPM<br>60     | PSI<br>1000                 | Noz vel                  | AV-DP                              | AV-DC                   | Slow pump rate & press |                                  |           |
| Bit number<br>2                                    | Size<br>7 7/8                  | Make<br>HTC                                           | Type<br>44C                                                                        | SN<br>RR                            | Jets<br>2-16  | Depth out<br>2420           | Footage<br>1919          | Hours<br>61.5                      | Avg ROP<br>31.20        | RPM<br>60              | Wt- M lb.                        | Condition |
| Bit number                                         | Size                           | Make                                                  | Type                                                                               | SN                                  | Jets          | Depth out                   | Footage                  | Avg ROP                            |                         | RPM                    | Wt- M lb.                        | Condition |
| Torque                                             | Rot. wt.                       | PU wt.                                                | SO wt.                                                                             | BHA wt.-air                         | BHA wt. - mud |                             | Drilling time<br>6.5 hrs |                                    | Accum. hrs.<br>61.5 hrs |                        |                                  |           |
| Drill String                                       | DPOD                           |                                                       | Conn                                                                               |                                     | Grade         | Wt./Ft.                     | Length                   | Accidents                          |                         | Date last BOP test     |                                  |           |
|                                                    | 3 1/2                          |                                                       | IF                                                                                 |                                     | E             | 1330                        |                          | NONE                               |                         | 12/05/97               |                                  |           |
| Bottom Hole<br>Assembly                            |                                | Length<br>586.54                                      | Description<br>17 7/8 Bit 1.00, 1 X O sub 1.00, 1 shock sub 12.49, & 206" DC 554.0 |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
| Deviation Survey                                   |                                | Comments                                              |                                                                                    |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
| Depth                                              | Angle                          | Direction                                             | TVD                                                                                |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
|                                                    |                                |                                                       |                                                                                    |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
|                                                    |                                |                                                       |                                                                                    |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
| Time                                               | Hrs.                           | Chronological Summary of Operations from 0700 to 0700 |                                                                                    |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
| 07:00 -08:15                                       | 01:15                          | Drilling                                              |                                                                                    |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
| 08:15 -09:00                                       | 00:45                          | Rig service                                           |                                                                                    |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
| 09:00 -14:15                                       | 05:15                          | Drilling                                              |                                                                                    |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
| 14:15 -16:00                                       | 01:45                          | TOH for twist off drill pipe                          |                                                                                    |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
| 16:00 -19:00                                       | 03:00                          | Fishing                                               |                                                                                    |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
| 19:00 -01:00                                       | 06:00                          | Fishing drill pipe. Lost all three cones.             |                                                                                    |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
| 01:00 -02:30                                       | 01:30                          | Waiting on magnet                                     |                                                                                    |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
| 02:30 -07:00                                       | 04:30                          | Fishing cones.                                        |                                                                                    |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
|                                                    |                                |                                                       |                                                                                    |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
|                                                    |                                |                                                       |                                                                                    |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
| Total                                              | 24:00                          |                                                       |                                                                                    |                                     |               |                             |                          |                                    |                         |                        |                                  |           |
| Check if summary continued on back                 |                                |                                                       |                                                                                    | Signed<br>faxed by Wade White       |               |                             |                          |                                    |                         |                        |                                  |           |

12/19

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                       |                                                                                              |                                                       |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
|----------------------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------|-------------------------------------|---------------|----------------------------------|--------------------------------|---------------------------------------|------------------------------------|----------------------------------|
| Well<br><b>Beeson "F" Federal No. 18</b>           |                                       |                                                                                              | Size & depth last csg<br><b>8 5/8 csg set @ 500'</b>  |                                              |                                     |               |                                  | Days since spud<br><b>6</b>    |                                       | Date<br><b>12/10/97</b>            |                                  |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                       |                                                                                              | Depth Today<br><b>2618 feet</b>                       |                                              | Depth yesterday<br><b>2420 feet</b> |               |                                  | Progress<br><b>198 feet</b>    |                                       | Formation<br><b>Anhy &amp; DOL</b> |                                  |
| Operation at 0700<br><b>Drilling</b>               |                                       |                                                                                              | Daily Cost<br><b>\$3,002.00</b>                       |                                              | Accum cost<br><b>\$62,009.00</b>    |               |                                  | Accum mud cost                 |                                       |                                    |                                  |
| Mud<br>Data                                        | Wt.<br>10.1                           | Vis.<br>29                                                                                   | PV/YP                                                 | Gels                                         | Ph.<br>10                           | WL            | Chl.                             | Sand                           | Sol.                                  | Oil                                | HIHP FL @ 300<br>100 psi 600 psi |
| Pump<br>Data                                       | Number & type<br><b>1 Duplex 1000</b> | Liner size & stroke<br><b>6 x 16</b>                                                         |                                                       | SPM<br><b>44</b>                             | RPM                                 | PSI           | Noz vel                          | AV-DP                          | AV-DC                                 | Slow pump rate & press             |                                  |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>                  | Make<br><b>HTC</b>                                                                           | Type<br><b>44C</b>                                    | SN<br><b>RR</b>                              | Jets<br><b>2-15</b>                 | Depth out     | Footage<br><b>198</b>            | Hours<br><b>9.25</b>           | Avg ROP<br><b>21.41</b>               | RPM                                | Wt- M lb. Condition              |
| Bit number                                         | Size                                  | Make                                                                                         | Type                                                  | SN                                           | Jets                                | Depth out     | Footage                          |                                | Avg ROP                               | RPM                                | Wt- M lb. Condition              |
| Torque                                             | Rot. wt.                              | PU wt.                                                                                       | SO wt.                                                | BHA wt.-air                                  |                                     | BHA wt. - mud | Drilling time<br><b>9.25 hrs</b> | Accum hrs.<br><b>70.75 hrs</b> |                                       |                                    |                                  |
| Drill String                                       | DPOD                                  | Conn                                                                                         |                                                       | Grade                                        | Wt./Ft.                             | Length        | Accidents<br><b>NONE</b>         |                                | Date last BOP test<br><b>12/05/97</b> |                                    |                                  |
|                                                    | <b>3 1/2</b>                          | <b>IF</b>                                                                                    |                                                       | <b>E</b>                                     | <b>1330</b>                         |               |                                  |                                |                                       |                                    |                                  |
|                                                    |                                       |                                                                                              |                                                       |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
| Bottom Hole<br>Assembly                            | Length<br><b>586.54</b>               | Description<br><b>7 7/8 Bit 1.00, 1 X O sub 1.00, 1 shock sub 12.49, &amp; 206" DC 554.0</b> |                                                       |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
| Deviation Survey                                   |                                       |                                                                                              | Comments                                              |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
| Depth                                              | Angle                                 | Direction                                                                                    | TVD                                                   |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
|                                                    |                                       |                                                                                              |                                                       | 1 load brine water                           |                                     |               |                                  |                                |                                       |                                    |                                  |
|                                                    |                                       |                                                                                              |                                                       | mixed 2 sx caustic                           |                                     |               |                                  |                                |                                       |                                    |                                  |
| Time                                               |                                       | Hrs.                                                                                         | Chronological Summary of Operations from 0700 to 0700 |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
| 07:00 - 19:00                                      |                                       | 12:00                                                                                        | Fished for lost cones - recovered all.                |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
| 19:00 - 21:45                                      |                                       | 02:45                                                                                        | TIH to continue drilling                              |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
| 21:45 - 07:00                                      |                                       | 09:15                                                                                        | Drilling                                              |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
|                                                    |                                       |                                                                                              |                                                       |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
|                                                    |                                       |                                                                                              |                                                       |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
|                                                    |                                       |                                                                                              |                                                       |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
|                                                    |                                       |                                                                                              |                                                       |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
|                                                    |                                       |                                                                                              |                                                       |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
|                                                    |                                       |                                                                                              |                                                       |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
|                                                    |                                       |                                                                                              |                                                       |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
|                                                    |                                       |                                                                                              |                                                       |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
|                                                    |                                       |                                                                                              |                                                       |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
| Total                                              |                                       | 24:00                                                                                        |                                                       |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
|                                                    |                                       |                                                                                              |                                                       |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
|                                                    |                                       |                                                                                              |                                                       |                                              |                                     |               |                                  |                                |                                       |                                    |                                  |
| Check if summary continued on back                 |                                       |                                                                                              |                                                       | Signed<br>faxed by Wade White <b>H 12/10</b> |                                     |               |                                  |                                |                                       |                                    |                                  |

**DAILY DRILLING REPORT**

12/11/97

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                       |                                      |                                                      |                                                                                                                                                                     |                                     |                    |                        |                                |                         |                                       |                                         |           |
|----------------------------------------------------|---------------------------------------|--------------------------------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------|------------------------|--------------------------------|-------------------------|---------------------------------------|-----------------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 18</b>           |                                       |                                      | Size & depth last csg<br><b>8 5/8 csg set @ 500'</b> |                                                                                                                                                                     |                                     |                    |                        | Days since spud<br><b>9</b>    |                         |                                       | Date<br><b>12/13/97</b>                 |           |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                       |                                      | Depth Today<br><b>3300 feet</b>                      |                                                                                                                                                                     | Depth yesterday<br><b>3300 feet</b> |                    |                        | Progress<br><b>0 feet</b>      |                         |                                       | Formation<br><b>Anhy &amp; DOL</b>      |           |
| Operation at 0700<br><b>MORT</b>                   |                                       |                                      | Daily Cost<br><b>\$43,245.00</b>                     |                                                                                                                                                                     | Accum cost<br><b>\$109,259.00</b>   |                    |                        | Accum mud cost                 |                         |                                       |                                         |           |
| Mud<br>Data                                        | Wt.<br><b>10.1</b>                    | Vis.<br><b>29</b>                    | PV/YP                                                | Gels                                                                                                                                                                | Ph.<br><b>9</b>                     | WL                 | Chl.                   | Sand                           | Sol.                    | Oil                                   | HIHP FL @ 300<br><b>100 psi 600 psi</b> |           |
| Pump<br>Data                                       | Number & type<br><b>1 Duplex 1000</b> | Liner size & stroke<br><b>6 x 16</b> |                                                      | SPM<br><b>44</b>                                                                                                                                                    | RPM                                 | PSI<br><b>1000</b> | Noz vel                | AV-DP                          | AV-DC                   | Slow pump rate & press                |                                         |           |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>                  | Make<br><b>HTC</b>                   | Type<br><b>44C</b>                                   | SN<br><b>RR</b>                                                                                                                                                     | Jets<br><b>2-15</b>                 | Depth out          | Footage<br><b>1935</b> | Hours<br><b>32.25</b>          | Avg ROP<br><b>60.00</b> | RPM                                   | Wt- M lb.<br><b>40</b>                  | Condition |
| Bit number                                         | Size                                  | Make                                 | Type                                                 | SN                                                                                                                                                                  | Jets                                | Depth out          | Footage                |                                | Avg ROP                 | RPM                                   | Wt- M lb.                               | Condition |
| Torque                                             | Rot. wt.                              | PU wt.                               | SO wt.                                               | BHA wt.-air                                                                                                                                                         |                                     | BHA wt. - mud      |                        | Drilling time<br><b>23 hrs</b> |                         | Accum hrs.<br><b>93.75 hrs</b>        |                                         |           |
| Drill String                                       | DPOD                                  |                                      | Conn                                                 |                                                                                                                                                                     | Grade                               | Wt./Ft.            | Length                 | Accidents<br><b>NONE</b>       |                         | Date last BOP test<br><b>12/05/97</b> |                                         |           |
| Bottom Hole<br>Assembly                            |                                       | Length<br><b>586.54</b>              |                                                      | Description<br><b>7 7/8 Bit 1.00, 1 X O sub 1.00, 1 shock sub 12.49, &amp; 206" DC 554.0</b>                                                                        |                                     |                    |                        |                                |                         |                                       |                                         |           |
| Deviation Survey                                   |                                       |                                      |                                                      | Comments                                                                                                                                                            |                                     |                    |                        |                                |                         |                                       |                                         |           |
| Depth                                              | Angle                                 | Direction                            | TVD                                                  |                                                                                                                                                                     |                                     |                    |                        |                                |                         |                                       |                                         |           |
|                                                    |                                       |                                      |                                                      |                                                                                                                                                                     |                                     |                    |                        |                                |                         |                                       |                                         |           |
|                                                    |                                       |                                      |                                                      |                                                                                                                                                                     |                                     |                    |                        |                                |                         |                                       |                                         |           |
| Time                                               |                                       | Hrs.                                 |                                                      | Chronological Summary of Operations from 0700 to 0700                                                                                                               |                                     |                    |                        |                                |                         |                                       |                                         |           |
| 07:00 - 07:30                                      |                                       | 00:30                                |                                                      | Rig down loggers                                                                                                                                                    |                                     |                    |                        |                                |                         |                                       |                                         |           |
| 07:30 - 11:30                                      |                                       | 04:00                                |                                                      | Run 5 1/2" J-55 17# casing to 3300'                                                                                                                                 |                                     |                    |                        |                                |                         |                                       |                                         |           |
| 11:30 - 12:30                                      |                                       | 01:00                                |                                                      | Rig up Halliburton and circulate                                                                                                                                    |                                     |                    |                        |                                |                         |                                       |                                         |           |
| 12:30 - 13:45                                      |                                       | 01:15                                |                                                      | Cmt w/600 sx Halliburton lite Premium, 1/4 FloCele w/5# salt, tailed w/457 sx Premium w/3# KCC, .2% CFR3, .5% HALAD 9. Plug down @ 1:45pm. Circulate 100 sx to pit. |                                     |                    |                        |                                |                         |                                       |                                         |           |
| 13:45 - 14:15                                      |                                       | 00:30                                |                                                      | Set slips. Released rig @ 2:15pm.                                                                                                                                   |                                     |                    |                        |                                |                         |                                       |                                         |           |
|                                                    |                                       |                                      |                                                      |                                                                                                                                                                     |                                     |                    |                        |                                |                         |                                       |                                         |           |
|                                                    |                                       |                                      |                                                      |                                                                                                                                                                     |                                     |                    |                        |                                |                         |                                       |                                         |           |
|                                                    |                                       |                                      |                                                      |                                                                                                                                                                     |                                     |                    |                        |                                |                         |                                       |                                         |           |
|                                                    |                                       |                                      |                                                      |                                                                                                                                                                     |                                     |                    |                        |                                |                         |                                       |                                         |           |
|                                                    |                                       |                                      |                                                      |                                                                                                                                                                     |                                     |                    |                        |                                |                         |                                       |                                         |           |
|                                                    |                                       |                                      |                                                      |                                                                                                                                                                     |                                     |                    |                        |                                |                         |                                       |                                         |           |
| <b>Total</b>                                       |                                       | <b>24:00</b>                         |                                                      |                                                                                                                                                                     |                                     |                    |                        |                                |                         |                                       |                                         |           |
|                                                    |                                       |                                      |                                                      |                                                                                                                                                                     |                                     |                    |                        |                                |                         |                                       |                                         |           |
|                                                    |                                       |                                      |                                                      |                                                                                                                                                                     |                                     |                    |                        |                                |                         |                                       |                                         |           |
| Check if summary continued on back                 |                                       |                                      |                                                      | Signed<br><b>N 12/15</b><br>faxed by Gary Steed                                                                                                                     |                                     |                    |                        |                                |                         |                                       |                                         |           |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

| Well<br><b>Beeson "F" Federal No. 20</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                     |                                      |                     | Size & depth last csg<br><b>8 5/8" @ 501</b>          |                     |                             |                                  | Days since spud<br><b>1</b> |               | Date<br><b>11/18/97</b>         |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------|---------------------|-------------------------------------------------------|---------------------|-----------------------------|----------------------------------|-----------------------------|---------------|---------------------------------|--------------------|----------------------------------|---------------------------|--|--|--|--|--|--|----------------------------------|---------------|----|-------|-----------|-----|-------------------|--|------------|-------------|-----------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Contractor<br><b>United Drilling Co. Rig No. 7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                     |                                      |                     | Depth Today<br><b>503'</b>                            |                     | Depth yesterday<br><b>0</b> |                                  | Progress<br><b>503'</b>     |               | Formation<br><b>Anhy - Salt</b> |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Operation at 0700<br><b>WOC</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                                      |                     | Daily Cost                                            |                     | Accum cost                  |                                  | Accum mud cost              |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Mud Data                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                     | Wt.                                  | Vis.                | PV/YP                                                 | Gels                | Ph.                         | WL                               | Chl.                        | Sand          | Sol.                            | Oil                | HIHP FL @ 300<br>100 psi 600 psi |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Pump Data                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number & type<br><b>Duplex 1000</b> | Liner size & stroke<br><b>6 x 16</b> |                     | SPM<br><b>48</b>                                      | RPM<br><b>80</b>    | PSI<br><b>400</b>           | Noz vel                          | AV-DP                       | AV-DC         | Slow pump rate & press          |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Bit number<br><b>1</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Size<br><b>12.25</b>                | Make<br><b>Reed</b>                  | Type<br><b>FP62</b> | SN<br><b>AND62</b>                                    | Jets<br><b>3/14</b> | Depth out<br><b>503'</b>    | Footage<br><b>463'</b>           | Hours<br><b>10</b>          | Avg ROP       | RPM                             | Wt- M lb.          | Condition                        |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Bit number                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Size                                | Make                                 | Type                | SN                                                    | Jets                | Depth out                   | Footage                          | Hours                       | Avg ROP       | RPM                             | Wt- M lb.          | Condition                        |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Torque                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                     | Rot. wt.                             | PU wt.              | SO wt.                                                | BHA wt.-air         |                             | BHA wt. - mud                    |                             | Drilling time |                                 | Accum hrs.         |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Drill String                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                     | DPOD                                 |                     | Conn                                                  |                     | Grade                       | Wt./Ft.                          | Length                      | Accidents     |                                 | Date last BOP test |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                                      |                     |                                                       |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                                      |                     |                                                       |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Bottom Hole Assembly                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                     | Length                               |                     | Description                                           |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="7">Directional Drilling Data</th> <th rowspan="3">Dog Leg<br/>Severity<br/>Q/100 ft.</th> <th rowspan="3">Survey<br/>No.</th> </tr> <tr> <th rowspan="2">MD</th> <th rowspan="2">Angle</th> <th rowspan="2">Direction</th> <th rowspan="2">TVD</th> <th colspan="2">Total coordinates</th> <th rowspan="2">Vert. Sec.</th> </tr> <tr> <th>North/South</th> <th>East/West</th> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table> |                                     |                                      |                     |                                                       |                     |                             |                                  |                             |               |                                 |                    |                                  | Directional Drilling Data |  |  |  |  |  |  | Dog Leg<br>Severity<br>Q/100 ft. | Survey<br>No. | MD | Angle | Direction | TVD | Total coordinates |  | Vert. Sec. | North/South | East/West |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Directional Drilling Data                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |                                      |                     |                                                       |                     |                             | Dog Leg<br>Severity<br>Q/100 ft. | Survey<br>No.               |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| MD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Angle                               | Direction                            | TVD                 | Total coordinates                                     |                     | Vert. Sec.                  |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                                      |                     | North/South                                           | East/West           |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                                      |                     |                                                       |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                                      |                     |                                                       |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                                      |                     |                                                       |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                     | Hrs.                                 |                     | Chronological Summary of Operations from 0700 to 0700 |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 7:00 - 8:45                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                     | 1.75                                 |                     | Start up                                              |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 8:45 - 3:00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                     | 6.25                                 |                     | Spud 12 1/2' hole 11/17/97 8:45am MST. Drill          |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 3:00 - 8:30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                     | 5.5                                  |                     | Lost circ @ 337' mix and pump LCM - No returns.       |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 8:30 - 12:15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                     | 3.75                                 |                     | Dry drill to 503'.                                    |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 12:15 - 1:00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                     | 0.75                                 |                     | Pump sweep, circ poor to none                         |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1:00 - 2:00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                     | 1                                    |                     | POOH                                                  |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2:00 - 3:30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                     | 1.5                                  |                     | RU csg crew - Ran 11 jts 24# 8 5/8" set @ 501'.       |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 3:30 - 4:15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                     | 0.75                                 |                     | RU & cmt w/300sx class C w/additives. Did not circ.   |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 4:15 - 7:00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                     | 2.75                                 |                     | WOC - prep to run temp survey.                        |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                                      |                     |                                                       |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     | 24                                   |                     |                                                       |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                     |                                      |                     |                                                       |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Check if summary continued on back                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                     |                                      |                     | Signed<br>Gary Steed by fax                           |                     |                             |                                  |                             |               |                                 |                    |                                  |                           |  |  |  |  |  |  |                                  |               |    |       |           |     |                   |  |            |             |           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                     |                                      |                                              |                                                                  |                                    |                         |                      |                                     |                        |                                              |                                         |
|----------------------------------------------------|-------------------------------------|--------------------------------------|----------------------------------------------|------------------------------------------------------------------|------------------------------------|-------------------------|----------------------|-------------------------------------|------------------------|----------------------------------------------|-----------------------------------------|
| Well<br><b>Beeson "F" Federal No. 20</b>           |                                     |                                      | Size & depth last csg<br><b>8 5/8" @ 501</b> |                                                                  |                                    |                         |                      | Days since spud<br><b>2</b>         |                        | Date<br><b>11/19/97</b>                      |                                         |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                     |                                      | Depth Today<br><b>524 feet</b>               |                                                                  | Depth yesterday<br><b>503 feet</b> |                         |                      | Progress<br><b>21 feet</b>          |                        | Formation<br><b>Anhy - Salt</b>              |                                         |
| Operation at 0700<br>Drilling                      |                                     |                                      | Daily Cost<br><b>\$33,209.00</b>             |                                                                  | Accum cost<br><b>\$33,209.00</b>   |                         |                      | Accum mud cost<br><b>\$2,027.00</b> |                        |                                              |                                         |
| Mud Data                                           | Wt.<br><b>9.6</b>                   | Vis.<br><b>28</b>                    | PV/YP                                        | Gels                                                             | Ph.<br><b>10</b>                   | WL<br><b>no control</b> | Chl.                 | Sand                                | Sol.                   | Oil                                          | HIHP FL @ 300<br><b>100 psi 600 psi</b> |
| Pump Data                                          | Number & type<br><b>Duplex 1000</b> | Liner size & stroke<br><b>8 x 16</b> |                                              | SPM<br><b>58</b>                                                 | RPM                                | PSI<br><b>800</b>       | Noz vel              | AV-DP                               | AV-DC                  | Slow pump rate & press                       |                                         |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>                | Make<br><b>WM</b>                    | Type<br><b>637Y</b>                          | SN<br><b>42275</b>                                               | Jets<br><b>3/15</b>                | Depth out               | Footage<br><b>21</b> | Hours<br><b>2.5</b>                 | Avg ROP<br><b>8.40</b> | RPM                                          | Wt- M lb. Condition                     |
| Bit number                                         | Size                                | Make                                 | Type                                         | SN                                                               | Jets                               | Depth out               | Footage              | Hours                               | Avg ROP                | RPM                                          | Wt- M lb. Condition                     |
| Torque                                             | Rot. wt.                            | PU wt.                               | SO wt.                                       | BHA wt.-air                                                      |                                    | BHA wt. - mud           |                      | Drilling time<br><b>0.25</b>        |                        | Accum hrs.                                   |                                         |
| Drill String                                       | DPCD                                |                                      | Conn                                         |                                                                  | Grade                              | Wt./Ft.                 | Length               | Accidents                           |                        | Date last BOP test                           |                                         |
|                                                    | <b>3 1/2 " IFE</b>                  |                                      |                                              |                                                                  |                                    | <b>13.30</b>            |                      |                                     |                        | <b>11/19/97<br/>30 min<br/>1000 psi okay</b> |                                         |
| Bottom Hole Assembly                               |                                     | Length<br><b>571.58</b>              |                                              | Description                                                      |                                    |                         |                      |                                     |                        |                                              |                                         |
| Deviation Survey                                   |                                     |                                      |                                              | Comments                                                         |                                    |                         |                      |                                     |                        |                                              |                                         |
| Depth                                              | Angle                               | Direction                            | TVD                                          |                                                                  |                                    |                         |                      |                                     |                        |                                              |                                         |
| <b>502'</b>                                        | <b>1/4</b>                          |                                      |                                              |                                                                  |                                    |                         |                      |                                     |                        |                                              |                                         |
|                                                    |                                     |                                      |                                              |                                                                  |                                    |                         |                      |                                     |                        |                                              |                                         |
| Time                                               |                                     | Hrs.                                 |                                              | Chronological Summary of Operations from 0700 to 0700            |                                    |                         |                      |                                     |                        |                                              |                                         |
| <b>07:00 -10:30</b>                                |                                     | <b>03:30</b>                         |                                              | <b>WOC</b>                                                       |                                    |                         |                      |                                     |                        |                                              |                                         |
| <b>10:30 -11:15</b>                                |                                     | <b>00:45</b>                         |                                              | <b>Temp survey, TOC 240' by wireline</b>                         |                                    |                         |                      |                                     |                        |                                              |                                         |
| <b>11:15 -11:45</b>                                |                                     | <b>00:30</b>                         |                                              | <b>PU 1" tbq RIH tag cmt @ 236' PU to 213'</b>                   |                                    |                         |                      |                                     |                        |                                              |                                         |
| <b>11:45 -12:30</b>                                |                                     | <b>00:45</b>                         |                                              | <b>Pump plug #1 50 sx class C w/3% CaCl<sub>2</sub> POH</b>      |                                    |                         |                      |                                     |                        |                                              |                                         |
| <b>12:30 -14:30</b>                                |                                     | <b>02:00</b>                         |                                              | <b>WOC. TIH w/1" tbq. Tag plug #1 @ 154'. PU to 122'.</b>        |                                    |                         |                      |                                     |                        |                                              |                                         |
| <b>14:30 -14:45</b>                                |                                     | <b>00:15</b>                         |                                              | <b>Pump plug #2 60sx class C w/3% CaCl<sub>2</sub> POH</b>       |                                    |                         |                      |                                     |                        |                                              |                                         |
| <b>14:45 -16:00</b>                                |                                     | <b>01:15</b>                         |                                              | <b>WOC. Tag top @ 56" w/steel tape</b>                           |                                    |                         |                      |                                     |                        |                                              |                                         |
| <b>16:00 -16:15</b>                                |                                     | <b>00:15</b>                         |                                              | <b>Pump plug #3 42sx class C w/6% CaCl<sub>2</sub> Circ. POH</b> |                                    |                         |                      |                                     |                        |                                              |                                         |
| <b>16:15 -19:00</b>                                |                                     | <b>02:45</b>                         |                                              | <b>WOC</b>                                                       |                                    |                         |                      |                                     |                        |                                              |                                         |
| <b>19:00 -03:30</b>                                |                                     | <b>08:30</b>                         |                                              | <b>WOC. NU BOP</b>                                               |                                    |                         |                      |                                     |                        |                                              |                                         |
| <b>03:30 -04:00</b>                                |                                     | <b>00:30</b>                         |                                              | <b>Test BOP &amp; csg 1000psi - 30 min Okay.</b>                 |                                    |                         |                      |                                     |                        |                                              |                                         |
| <b>04:00 -04:30</b>                                |                                     | <b>00:30</b>                         |                                              | <b>TIH w/bit, DC &amp; DP. Run Survey.</b>                       |                                    |                         |                      |                                     |                        |                                              |                                         |
| <b>04:30 -07:00</b>                                |                                     | <b>02:30</b>                         |                                              | <b>Dri insert float/wet shoe &amp; formation</b>                 |                                    |                         |                      |                                     |                        |                                              |                                         |
| <b>Total</b>                                       |                                     | <b>24.00</b>                         |                                              |                                                                  |                                    |                         |                      |                                     |                        |                                              |                                         |
| Check if summary continued on back                 |                                     |                                      |                                              | Signed<br><b>Gary Steed by phone</b>                             |                                    |                         |                      |                                     |                        |                                              |                                         |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                     |                         |                                      |                                                       |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
|----------------------------------------------------|-------------------------------------|-------------------------|--------------------------------------|-------------------------------------------------------|--------------------|------------------------------------|-------------------|-------------------------------------|-----------------------------------|-------------------------|------------------------|-----------------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 20</b>           |                                     |                         |                                      | Size & depth last csg<br><b>8 5/8" @ 501</b>          |                    |                                    |                   | Days since spud<br><b>3</b>         |                                   |                         |                        | Date<br><b>11/20/97</b>                 |           |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                     |                         |                                      | Depth Today<br><b>1572 feet</b>                       |                    | Depth yesterday<br><b>524 feet</b> |                   | Progress<br><b>1048 feet</b>        |                                   |                         |                        | Formation<br><b>DOL</b>                 |           |
| Operation at 0700                                  |                                     |                         |                                      | Daily Cost<br><b>\$17,325.00</b>                      |                    | Accum cost<br><b>\$63,502.00</b>   |                   | Accum mud cost<br><b>\$2,028.00</b> |                                   |                         |                        |                                         |           |
| Mud<br>Data                                        |                                     | Wt.<br><b>10</b>        | Vis.<br><b>29</b>                    | PV/YP                                                 | Gels               | Ph.<br><b>10</b>                   | WL<br>no control  | Chl.                                | Sand                              | Sol.                    | Oil                    | HIHP FL @ 300<br><b>100 psi 600 psi</b> |           |
| Pump<br>Data                                       | Number & type<br><b>Duplex 1000</b> |                         | Liner size & stroke<br><b>6 x 16</b> |                                                       | SPM<br><b>47</b>   | RPM                                | PSI<br><b>800</b> | Noz vel                             | AV-DP                             | AV-DC                   | Slow pump rate & press |                                         |           |
| Bit number<br><b>2</b>                             |                                     | Size<br><b>7 7/8</b>    | Make<br><b>WM</b>                    | Type<br><b>637Y</b>                                   | SN<br><b>42275</b> | Jets<br><b>3/15</b>                | Depth out         | Footage<br><b>1069</b>              | Hours<br><b>23.75</b>             | Avg ROP<br><b>45.01</b> | RPM<br><b>60</b>       | Wt- M lb.                               | Condition |
| Bit number                                         |                                     | Size                    | Make                                 | Type                                                  | SN                 | Jets                               | Depth out         | Footage                             | Hours                             | Avg ROP                 | RPM                    | Wt- M lb.                               | Condition |
| Torque                                             |                                     | Rot. wt.                | PU wt.                               | SO wt.                                                | BHA wt.-air        |                                    | BHA wt. - mud     |                                     | Drilling time<br><b>22.75 hrs</b> |                         | Accum hrs.             |                                         |           |
| Drill String                                       |                                     | DPOD                    |                                      | Conn                                                  |                    | Grade                              | Wt./Ft.           | Length                              | Accidents                         |                         |                        | Date last BOP test<br><b>11/19/97</b>   |           |
|                                                    |                                     | <b>3 1/2</b>            |                                      | <b>IF</b>                                             |                    | <b>E</b>                           | <b>13.30</b>      | <b>946</b>                          |                                   |                         |                        |                                         |           |
|                                                    |                                     |                         |                                      |                                                       |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
| Bottom Hole Assembly                               |                                     | Length<br><b>571.58</b> |                                      | Description                                           |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
| Deviation Survey                                   |                                     |                         |                                      | Comments                                              |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
| Depth                                              | Angle                               | Direction               | TVD                                  |                                                       |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
| 1011                                               | 1/2                                 |                         |                                      |                                                       |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
| 1513                                               | 3/4                                 |                         |                                      |                                                       |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
| Time                                               |                                     | Hrs.                    |                                      | Chronological Summary of Operations from 0700 to 0700 |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
| 07:00 -13:00                                       |                                     | 06:00                   |                                      | Drilling                                              |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
| 13:00 -13:15                                       |                                     | 00:15                   |                                      | Survey 1011 feet                                      |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
| 13:15 -04:00                                       |                                     | 14:45                   |                                      | Drilling                                              |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
| 04:00 -04:30                                       |                                     | 00:30                   |                                      | Survey 1513 feet                                      |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
| 04:30 -07:00                                       |                                     | 02:30                   |                                      | Drilling                                              |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
|                                                    |                                     |                         |                                      |                                                       |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
|                                                    |                                     |                         |                                      |                                                       |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
| <b>Total</b>                                       |                                     | <b>24.00</b>            |                                      |                                                       |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
|                                                    |                                     |                         |                                      |                                                       |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
|                                                    |                                     |                         |                                      |                                                       |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
|                                                    |                                     |                         |                                      |                                                       |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
|                                                    |                                     |                         |                                      |                                                       |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
|                                                    |                                     |                         |                                      |                                                       |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
|                                                    |                                     |                         |                                      |                                                       |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |
| Check if summary continued on back                 |                                     |                         |                                      | Signed<br><b>Gary Steed hand delivered</b>            |                    |                                    |                   |                                     |                                   |                         |                        |                                         |           |

**SHAHARA OIL, LLC**  
**DAILY DRILLING REPORT**

|                                             |                              |                               |                                       |                                                       |                             |                  |                            |                              |                  |                                |                                  |
|---------------------------------------------|------------------------------|-------------------------------|---------------------------------------|-------------------------------------------------------|-----------------------------|------------------|----------------------------|------------------------------|------------------|--------------------------------|----------------------------------|
| Well<br>Beeson "F" Federal No. 20           |                              |                               | Size & depth last csg<br>8 5/8" @ 501 |                                                       |                             |                  |                            | Days since spud<br>3         |                  | Date<br>11/20/97               |                                  |
| Contractor<br>United Drilling Co. Rig No. 7 |                              |                               | Depth Today<br>1572 feet              |                                                       | Depth yesterday<br>524 feet |                  |                            | Progress<br>1048 feet        |                  | Formation<br>DOL               |                                  |
| Operation at 0700<br>Drilling               |                              |                               | Daily Cost<br>\$17,325.00             |                                                       | Accum cost<br>\$63,502.00   |                  |                            | Accum mud cost<br>\$2,028.00 |                  |                                |                                  |
| Mud<br>Data                                 | Wt.<br>10                    | Vis.<br>29                    | PV/YP                                 | Gels                                                  | Ph.<br>10                   | WL<br>no control | Chl.                       | Sand                         | Sol.             | Oil                            | HIHP FL @ 300<br>100 psi 600 psi |
| Pump<br>Data                                | Number & type<br>Duplex 1000 | Liner size & stroke<br>6 x 16 |                                       | SPM<br>47                                             | RPM                         | PSI<br>800       | Noz vel                    | AV-DP                        | AV-DC            | Slow pump rate & press         |                                  |
| Bit number<br>2                             | Size<br>7 7/8                | Make<br>WM                    | Type<br>637Y                          | SN<br>42275                                           | Jets<br>3/15                | Depth out        | Footage<br>1069            | Hours<br>23.75               | Avg ROP<br>45.01 | RPM<br>60                      | Wt- M lb.<br>Condition           |
| Bit number                                  | Size                         | Make                          | Type                                  | SN                                                    | Jets                        | Depth out        | Footage                    | Hours                        | Avg ROP          | RPM                            | Wt- M lb.<br>Condition           |
| Torque                                      | Rot. wt.                     | PU wt.                        | SO wt.                                | BHA wt.-air                                           |                             | BHA wt. - mud    | Drilling time<br>22.75 hrs |                              | Accum hrs.       |                                |                                  |
| Drill String                                | DPOD                         |                               | Conn                                  |                                                       | Grade                       | Wt/Ft.           | Length                     | Accidents                    |                  | Date last BOP test<br>11/19/97 |                                  |
|                                             | 3 1/2                        |                               | IF                                    |                                                       | E                           | 13.30            | 946                        |                              |                  |                                |                                  |
|                                             |                              |                               |                                       |                                                       |                             |                  |                            |                              |                  |                                |                                  |
| Bottom Hole<br>Assembly                     |                              | Length<br>571.58              |                                       | Description                                           |                             |                  |                            |                              |                  |                                |                                  |
| Deviation Survey                            |                              |                               |                                       | Comments                                              |                             |                  |                            |                              |                  |                                |                                  |
| Depth                                       | Angle                        | Direction                     | TVD                                   |                                                       |                             |                  |                            |                              |                  |                                |                                  |
| 1011                                        | 1/2                          |                               |                                       |                                                       |                             |                  |                            |                              |                  |                                |                                  |
| 1513                                        | 3/4                          |                               |                                       |                                                       |                             |                  |                            |                              |                  |                                |                                  |
| Time                                        |                              | Hrs.                          |                                       | Chronological Summary of Operations from 0700 to 0700 |                             |                  |                            |                              |                  |                                |                                  |
| 07:00 -13:00                                |                              | 06:00                         |                                       | Drilling                                              |                             |                  |                            |                              |                  |                                |                                  |
| 13:00 -13:15                                |                              | 00:15                         |                                       | Survey 1011 feet                                      |                             |                  |                            |                              |                  |                                |                                  |
| 13:15 -04:00                                |                              | 14:45                         |                                       | Drilling                                              |                             |                  |                            |                              |                  |                                |                                  |
| 04:00 -04:30                                |                              | 00:30                         |                                       | Survey 1513 feet                                      |                             |                  |                            |                              |                  |                                |                                  |
| 04:30 -07:00                                |                              | 02:30                         |                                       | Drilling                                              |                             |                  |                            |                              |                  |                                |                                  |
|                                             |                              |                               |                                       |                                                       |                             |                  |                            |                              |                  |                                |                                  |
|                                             |                              |                               |                                       |                                                       |                             |                  |                            |                              |                  |                                |                                  |
|                                             |                              |                               |                                       |                                                       |                             |                  |                            |                              |                  |                                |                                  |
| Total                                       |                              | 24.00                         |                                       |                                                       |                             |                  |                            |                              |                  |                                |                                  |
|                                             |                              |                               |                                       |                                                       |                             |                  |                            |                              |                  |                                |                                  |
|                                             |                              |                               |                                       |                                                       |                             |                  |                            |                              |                  |                                |                                  |
|                                             |                              |                               |                                       |                                                       |                             |                  |                            |                              |                  |                                |                                  |
|                                             |                              |                               |                                       |                                                       |                             |                  |                            |                              |                  |                                |                                  |
|                                             |                              |                               |                                       |                                                       |                             |                  |                            |                              |                  |                                |                                  |
| Check if summary continued on back          |                              |                               |                                       | Signed<br>Gary Steed hand delivered                   |                             |                  |                            |                              |                  |                                |                                  |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                     |                                      |                     |                                                                                                                                 |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
|----------------------------------------------------|-------------------------------------|--------------------------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------------|------------------------|----------------------------------|-------------------------|-------------------------|-----------------------------------------|-------------------------|--|
| Well<br><b>Beeson "F" Federal No. 20</b>           |                                     |                                      |                     | Size & depth last csg<br><b>8 5/8" @ 501</b>                                                                                    |                     |                                     |                        | Days since spud<br><b>4</b>      |                         |                         |                                         | Date<br><b>11/21/97</b> |  |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                     |                                      |                     | Depth Today<br><b>2075 feet</b>                                                                                                 |                     | Depth yesterday<br><b>1672 feet</b> |                        | Progress<br><b>503 feet</b>      |                         |                         |                                         | Formation<br><b>DOL</b> |  |
| Operation at 0700<br>Drilling                      |                                     |                                      |                     | Daily Cost<br><b>\$7,597.93</b>                                                                                                 |                     | Accum cost<br><b>\$81,099.93</b>    |                        | Accum mud cost                   |                         |                         |                                         |                         |  |
| Mud Data                                           | Wt.<br><b>10</b>                    | Vis.<br><b>29</b>                    | PV/YP               | Gels                                                                                                                            | Ph.<br><b>10</b>    | WL<br><b>no control</b>             | Chl.                   | Sand                             | Sol.                    | Oil                     | HIHP FL @ 300<br><b>100 psi 600 psi</b> |                         |  |
| Pump Data                                          | Number & type<br><b>Duplex 1000</b> | Liner size & stroke<br><b>6 x 16</b> |                     | SPM<br><b>49</b>                                                                                                                | RPM                 | PSI<br><b>900</b>                   | Noz vel                | AV-DP                            | AV-DC                   | Slow pump rate & press  |                                         |                         |  |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>                | Make<br><b>WM</b>                    | Type<br><b>637Y</b> | SN<br><b>42275</b>                                                                                                              | Jets<br><b>3/15</b> | Depth out                           | Footage<br><b>1573</b> | Hours<br><b>42</b>               | Avg ROP<br><b>37.45</b> | RPM<br><b>60</b>        | Wt- M lb.<br><b>4000</b>                | Condition               |  |
| Bit number                                         | Size                                | Make                                 | Type                | SN                                                                                                                              | Jets                | Depth out                           | Footage                | Hours                            | Avg ROP                 | RPM                     | Wt- M lb.                               | Condition               |  |
| Torque                                             | Rot. wt.                            | PU wt.                               | SO wt.              | BHA wt.-air                                                                                                                     |                     | BHA wt. - mud                       |                        | Drilling time<br><b>18.5 hrs</b> |                         | Accum hrs.<br><b>42</b> |                                         |                         |  |
| Drill String                                       | DPOD                                |                                      | Conn                |                                                                                                                                 | Grade               | Wt./Ft.                             | Length                 | Accidents                        |                         |                         | Date last BOP test<br><b>11/19/97</b>   |                         |  |
|                                                    | <b>3 1/2</b>                        |                                      | <b>IF</b>           |                                                                                                                                 | <b>E</b>            | <b>13.30</b>                        | <b>946</b>             |                                  |                         |                         |                                         |                         |  |
|                                                    |                                     |                                      |                     |                                                                                                                                 |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
| Bottom Hole Assembly                               | Length<br><b>571.58</b>             |                                      | Description         |                                                                                                                                 |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
| Deviation Survey                                   |                                     |                                      | Comments            |                                                                                                                                 |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
| Depth                                              | Angle                               | Direction                            | TVD                 | <b>18 1/2 hours drilling      4 1/2 hours trip      1/2 hour survey      1/2 hour rig service</b><br><b>3 loads brine water</b> |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
| <b>1986</b>                                        | <b>1/2</b>                          |                                      |                     |                                                                                                                                 |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
| Time                                               |                                     |                                      | Hrs.                | Chronological Summary of Operations from 0700 to 0700                                                                           |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
| <b>07:00 -08:00</b>                                |                                     |                                      | <b>01:00</b>        | <b>Drilling</b>                                                                                                                 |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
| <b>08:00 -08:30</b>                                |                                     |                                      | <b>00:30</b>        | <b>Rig Service</b>                                                                                                              |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
| <b>08:30 -21:00</b>                                |                                     |                                      | <b>12:30</b>        | <b>Drilling</b>                                                                                                                 |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
| <b>21:00 -21:30</b>                                |                                     |                                      | <b>00:30</b>        | <b>Run Survey 1986 feet</b>                                                                                                     |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
| <b>21:30 -23:00</b>                                |                                     |                                      | <b>01:30</b>        | <b>Drilling</b>                                                                                                                 |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
| <b>23:00 -03:30</b>                                |                                     |                                      | <b>04:30</b>        | <b>Trip OH Bad D.C.</b>                                                                                                         |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
| <b>03:30 07:00</b>                                 |                                     |                                      | <b>03:30</b>        | <b>Drilling</b>                                                                                                                 |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
| <b>Total</b>                                       |                                     |                                      | <b>24.00</b>        |                                                                                                                                 |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
|                                                    |                                     |                                      |                     |                                                                                                                                 |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
|                                                    |                                     |                                      |                     |                                                                                                                                 |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
|                                                    |                                     |                                      |                     |                                                                                                                                 |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
|                                                    |                                     |                                      |                     |                                                                                                                                 |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
|                                                    |                                     |                                      |                     |                                                                                                                                 |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
|                                                    |                                     |                                      |                     |                                                                                                                                 |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |
| Check if summary continued on back                 |                                     |                                      |                     | Signed<br><b>Wade White by phone</b>                                                                                            |                     |                                     |                        |                                  |                         |                         |                                         |                         |  |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                |                                   |                  |                                                                                                  |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
|----------------------------------------------------|--------------------------------|-----------------------------------|------------------|--------------------------------------------------------------------------------------------------|-----------------------|-------------------------------------|------------------|-----------------------------|------------------|-------------------------|--------------------------------|----------------------------------|--|
| Well<br><b>Beeson "F" Federal No. 20</b>           |                                |                                   |                  | Size & depth last csg<br><b>8 5/8" @ 501</b>                                                     |                       |                                     |                  | Days since spud<br><b>5</b> |                  |                         |                                | Date<br><b>11/22/97</b>          |  |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                |                                   |                  | Depth Today<br><b>2606 feet</b>                                                                  |                       | Depth yesterday<br><b>2075 feet</b> |                  | Progress<br><b>531 feet</b> |                  |                         |                                | Formation<br><b>DOL</b>          |  |
| Operation at 0700                                  |                                |                                   |                  | Daily Cost<br><b>\$8,491.86</b>                                                                  |                       | Accum cost<br><b>\$69,591.79</b>    |                  | Accum mud cost              |                  |                         |                                |                                  |  |
| Mud<br>Data                                        |                                | Wt.<br>10                         | Vis.<br>28       | PV/YP                                                                                            | Gels                  | Ph.<br>10                           | WL<br>no control | Chl.                        | Sand             | Sol.                    | Oil                            | HIHP FL @ 300<br>100 psi 600 psi |  |
| Pump<br>Data                                       | Number & type<br>2 Ensco 6.550 | Liner size & stroke<br>5 1/2 x 16 |                  | SPM<br>49                                                                                        | RPM                   | PSI<br>950                          | Noz vel          | AV-DP                       | AV-DC            | Slow pump rate & press  |                                |                                  |  |
| Bit number<br>2                                    | Size<br>7 7/8                  | Make<br>WM                        | Type<br>637Y     | SN<br>42275                                                                                      | Jets<br>3/15          | Depth out                           | Footage          | Hours<br>65.25              | Avg ROP<br>22.80 | RPM<br>60               | Wt- M lb.<br>4000              | Condition<br>O K                 |  |
| Bit number                                         | Size                           | Make                              | Type             | SN                                                                                               | Jets                  | Depth out                           | Footage          | Hours                       | Avg ROP          | RPM                     | Wt- M lb.                      | Condition                        |  |
| Torque<br>1/2                                      |                                | Rot. wt.<br>40,000                | PU wt.<br>64,000 | SO wt.                                                                                           | BHA wt.-air<br>70,000 | BHA wt. - mud                       |                  | Drilling time<br>23.25 hrs  |                  | Accum hrs.<br>65.25 hrs |                                |                                  |  |
| Drill String                                       |                                | DPOD                              |                  | Conn                                                                                             |                       | Grade                               | Wt./Ft.          | Length                      | Accidents        |                         | Date last BOP test<br>11/19/97 |                                  |  |
|                                                    |                                | 3 3/4                             |                  | IF                                                                                               |                       | E                                   | 13.30            |                             |                  |                         |                                |                                  |  |
| Bottom Hole Assembly                               |                                | Length<br>544.98                  |                  | Description                                                                                      |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
| Deviation Survey                                   |                                |                                   |                  | Comments                                                                                         |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
| Depth                                              | Angle                          | Direction                         | TVD              | 23 1/4 hrs drilling      1/4 hrs rig service      1/2 survey                                     |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
| 2517                                               | 3/4                            |                                   |                  | 6 loads brine water                                                                              |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
| Time                                               |                                | Hrs.                              |                  | Chronological Summary of Operations from 0700 to 0700                                            |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
| 07:00 -09:15                                       |                                | 02:15                             |                  | Drilling                                                                                         |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
| 09:15 -09:30                                       |                                | 00:15                             |                  | Rig Service                                                                                      |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
| 09:30 -02:00                                       |                                | 16:30                             |                  | Drilling                                                                                         |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
| 02:00 -02:30                                       |                                | 00:30                             |                  | Run Survey number 5 at 2517 feet                                                                 |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
| 02:30 -07:00                                       |                                | 04:30                             |                  | Drilling                                                                                         |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
| Total                                              |                                | 24.00                             |                  |                                                                                                  |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
|                                                    |                                |                                   |                  |                                                                                                  |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
|                                                    |                                |                                   |                  |                                                                                                  |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
|                                                    |                                |                                   |                  |                                                                                                  |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
|                                                    |                                |                                   |                  |                                                                                                  |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
|                                                    |                                |                                   |                  |                                                                                                  |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
|                                                    |                                |                                   |                  |                                                                                                  |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
|                                                    |                                |                                   |                  |                                                                                                  |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
|                                                    |                                |                                   |                  |                                                                                                  |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
|                                                    |                                |                                   |                  |                                                                                                  |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
|                                                    |                                |                                   |                  |                                                                                                  |                       |                                     |                  |                             |                  |                         |                                |                                  |  |
| Check if summary continued on back                 |                                |                                   |                  | Signed  11/24 |                       |                                     |                  |                             |                  |                         |                                |                                  |  |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                     |                                       |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
|----------------------------------------------------|-------------------------------------|---------------------------------------|----------------------------------------------|-------------------------------------------------------|-------------------------------------|-------------------------|------------------------|-----------------------------------|-------------------------|--------------------------------|-----------------------------------------|-------------------------|
| Well<br><b>Beeson "F" Federal No. 20</b>           |                                     |                                       | Size & depth last csg<br><b>8 5/8" @ 501</b> |                                                       |                                     |                         |                        | Days since spud<br><b>6</b>       |                         |                                | Date<br><b>11/23/97</b>                 |                         |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                     |                                       | Depth Today<br><b>3109 feet</b>              |                                                       | Depth yesterday<br><b>2606 feet</b> |                         |                        | Progress<br><b>503 feet</b>       |                         |                                | Formation                               |                         |
| Operation at 0700                                  |                                     |                                       | Daily Cost<br><b>\$8,508.17</b>              |                                                       | Accum cost<br><b>\$78,099.96</b>    |                         |                        | Accum mud cost                    |                         |                                |                                         |                         |
| Mud<br>Data                                        | Wt.<br><b>10.1</b>                  | Vis.<br><b>29</b>                     | PV/YP                                        | Gels                                                  | Ph.<br><b>10</b>                    | WL<br><b>no control</b> | Chl.                   | Sand                              | Sol.                    | Oil                            | HIHP FL @ 300<br><b>100 psi 600 psi</b> |                         |
| Pump<br>Data                                       | Number & type<br><b>Duplex 1000</b> | Liner size & stroke<br><b>6" x 16</b> |                                              | SPM                                                   | RPM                                 | PSI<br><b>1000</b>      | Noz vel                | AV-DP                             | AV-DC                   | Slow pump rate & press         |                                         |                         |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>                | Make<br><b>WM</b>                     | Type<br><b>637Y</b>                          | SN<br><b>42275</b>                                    | Jets<br><b>3/15</b>                 | Depth out               | Footage<br><b>2607</b> | Hours<br><b>88.75</b>             | Avg ROP<br><b>21.40</b> | RPM<br><b>60</b>               | Wt- M lb.<br><b>4000</b>                | Condition<br><b>O K</b> |
| Bit number                                         | Size                                | Make                                  | Type                                         | SN                                                    | Jets                                | Depth out               | Footage                | Hours                             | Avg ROP                 | RPM                            | Wt- M lb.                               | Condition               |
| Torque<br><b>1/2</b>                               |                                     | Rot. wt.<br><b>40,000</b>             | PU wt.<br><b>70,000</b>                      | SO wt.                                                | BHA wt.-air                         | BHA wt. - mud           |                        | Drilling time<br><b>23.25 hrs</b> |                         | Accum hrs.<br><b>88.75 hrs</b> |                                         |                         |
| Drill String                                       |                                     | DPOD                                  |                                              | Conn                                                  |                                     | Grade                   | Wt./Ft.                | Length                            | Accidents               |                                | Date last BOP test<br><b>11/19/97</b>   |                         |
| <b>2509</b>                                        |                                     | <b>3 3/4</b>                          |                                              | <b>IF</b>                                             |                                     | <b>E</b>                | <b>13.30</b>           |                                   |                         |                                |                                         |                         |
| Bottom Hole Assembly                               |                                     | Length<br><b>544.98</b>               |                                              | Description                                           |                                     |                         |                        |                                   |                         |                                |                                         |                         |
| Deviation Survey                                   |                                     |                                       |                                              | Comments                                              |                                     |                         |                        |                                   |                         |                                |                                         |                         |
| Depth                                              | Angle                               | Direction                             | TVD                                          | oil on pits at 2990 7 loads brine water               |                                     |                         |                        |                                   |                         |                                |                                         |                         |
|                                                    |                                     |                                       |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
|                                                    |                                     |                                       |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
| Time                                               |                                     | Hrs.                                  |                                              | Chronological Summary of Operations from 0700 to 0700 |                                     |                         |                        |                                   |                         |                                |                                         |                         |
| <b>07:00 -06:30</b>                                |                                     | <b>23:30</b>                          |                                              | <b>Drilling</b>                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
| <b>06:30 -07:00</b>                                |                                     | <b>00:30</b>                          |                                              | <b>Rig Service</b>                                    |                                     |                         |                        |                                   |                         |                                |                                         |                         |
|                                                    |                                     |                                       |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
|                                                    |                                     |                                       |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
|                                                    |                                     |                                       |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
|                                                    |                                     |                                       |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
| <b>Total</b>                                       |                                     | <b>24.00</b>                          |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
|                                                    |                                     |                                       |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
|                                                    |                                     |                                       |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
|                                                    |                                     |                                       |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
|                                                    |                                     |                                       |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
|                                                    |                                     |                                       |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
|                                                    |                                     |                                       |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
|                                                    |                                     |                                       |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
|                                                    |                                     |                                       |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
|                                                    |                                     |                                       |                                              |                                                       |                                     |                         |                        |                                   |                         |                                |                                         |                         |
| Check if summary continued on back                 |                                     |                                       |                                              | Signed <b>H 11/24</b>                                 |                                     |                         |                        |                                   |                         |                                |                                         |                         |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                     |                                       |                     |                                                                                                |                     |                                     |                        |                                 |                         |                               |                                         |           |
|----------------------------------------------------|-------------------------------------|---------------------------------------|---------------------|------------------------------------------------------------------------------------------------|---------------------|-------------------------------------|------------------------|---------------------------------|-------------------------|-------------------------------|-----------------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 20</b>           |                                     |                                       |                     | Size & depth last csg<br><b>8 5/8" @ 501</b>                                                   |                     |                                     |                        | Days since spud<br><b>7</b>     |                         | Date<br><b>11/24/97</b>       |                                         |           |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                     |                                       |                     | Depth Today<br><b>3250 feet</b>                                                                |                     | Depth yesterday<br><b>3109 feet</b> |                        | Progress<br><b>141 feet</b>     |                         | Formation                     |                                         |           |
| Operation at 0700<br><b>Drilling</b>               |                                     |                                       |                     | Daily Cost<br><b>\$39,049.66</b>                                                               |                     | Accum cost<br><b>\$117,149.62</b>   |                        | Accum mud cost                  |                         |                               |                                         |           |
| Mud Data                                           | Wt.<br><b>10.1</b>                  | Vis.<br><b>29</b>                     | PV/YP               | Gels                                                                                           | Ph.<br><b>10</b>    | WL<br><b>no control</b>             | Chl.                   | Sand                            | Sol.                    | Oil                           | HIHP FL @ 300<br><b>100 psi 600 psi</b> |           |
| Pump Data                                          | Number & type<br><b>Duplex 1000</b> | Liner size & stroke<br><b>6" x 16</b> |                     | SPM                                                                                            | RPM                 | PSI<br><b>1000</b>                  | Noz vel                | AV-DP                           | AV-DC                   | Slow pump rate & press        |                                         |           |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>                | Make<br><b>WM</b>                     | Type<br><b>637Y</b> | SN<br><b>42275</b>                                                                             | Jets<br><b>3/15</b> | Depth out<br><b>3250</b>            | Footage<br><b>2748</b> | Hours<br><b>95.5</b>            | Avg ROP<br><b>21.40</b> | RPM<br><b>60</b>              | Wt- M lb.<br><b>4000</b>                | Condition |
| Bit number                                         | Size                                | Make                                  | Type                | SN                                                                                             | Jets                | Depth out                           | Footage                | Hours                           | Avg ROP                 | RPM                           | Wt- M lb.                               | Condition |
| Torque                                             |                                     | Rot. wt.                              | PU wt.              | SO wt.                                                                                         | BHA wt.-air         | BHA wt. - mud                       |                        | Drilling time<br><b>6.5 hrs</b> |                         | Accum hrs.<br><b>95.5 hrs</b> |                                         |           |
| Drill String                                       |                                     | DPOD                                  |                     | Conn                                                                                           |                     | Grade                               | Wt./Ft.                | Length                          | Accidents               |                               | Date last BOP test<br><b>11/19/97</b>   |           |
|                                                    |                                     | <b>3 3/4</b>                          |                     | <b>4 1/2</b>                                                                                   |                     | <b>E</b>                            | <b>13.30</b>           |                                 |                         |                               |                                         |           |
| Bottom Hole Assembly                               |                                     | Length<br><b>544.98</b>               |                     | Description                                                                                    |                     |                                     |                        |                                 |                         |                               |                                         |           |
| Deviation Survey                                   |                                     |                                       |                     | Comments                                                                                       |                     |                                     |                        |                                 |                         |                               |                                         |           |
| Depth                                              | Angle                               | Direction                             | TVD                 | <b>Ran 74 jts 5 1/2" J-55 csg. Shoe @ 3250': float @ 3213.18'</b><br><br><b>32 sx / SW gel</b> |                     |                                     |                        |                                 |                         |                               |                                         |           |
| <b>3250</b>                                        | <b>3/4</b>                          |                                       |                     |                                                                                                |                     |                                     |                        |                                 |                         |                               |                                         |           |
|                                                    |                                     |                                       |                     |                                                                                                |                     |                                     |                        |                                 |                         |                               |                                         |           |
| Time                                               |                                     | Hrs.                                  |                     | Chronological Summary of Operations from 0700 to 0700                                          |                     |                                     |                        |                                 |                         |                               |                                         |           |
| <b>07:00 -13:30</b>                                |                                     | <b>06:30</b>                          |                     | <b>Drilling</b>                                                                                |                     |                                     |                        |                                 |                         |                               |                                         |           |
| <b>13:30 -15:45</b>                                |                                     | <b>02:15</b>                          |                     | <b>Condition mud and circulate</b>                                                             |                     |                                     |                        |                                 |                         |                               |                                         |           |
| <b>15:45 -19:00</b>                                |                                     | <b>03:15</b>                          |                     | <b>TOH</b>                                                                                     |                     |                                     |                        |                                 |                         |                               |                                         |           |
| <b>19:00 -23:00</b>                                |                                     | <b>04:00</b>                          |                     | <b>Logging</b>                                                                                 |                     |                                     |                        |                                 |                         |                               |                                         |           |
| <b>23:00 -02:15</b>                                |                                     | <b>03:15</b>                          |                     | <b>Running casing</b>                                                                          |                     |                                     |                        |                                 |                         |                               |                                         |           |
| <b>02:15 -03:45</b>                                |                                     | <b>01:30</b>                          |                     | <b>Rig up cement and circulate</b>                                                             |                     |                                     |                        |                                 |                         |                               |                                         |           |
| <b>03:45 -06:15</b>                                |                                     | <b>01:30</b>                          |                     | <b>Cement w/775 sx P &amp; H/L w/5# salt, 1/4 FloCele</b>                                      |                     |                                     |                        |                                 |                         |                               |                                         |           |
|                                                    |                                     |                                       |                     | <b>275 sx w/ 2/10% CFR-3, w/5# Gilsonte, w/1# salt, 3/10% Lap-1</b>                            |                     |                                     |                        |                                 |                         |                               |                                         |           |
|                                                    |                                     |                                       |                     | <b>Circulated 110sx to pit. Plug down @ 5:15 am.</b>                                           |                     |                                     |                        |                                 |                         |                               |                                         |           |
| <b>05:15 - 07:00</b>                               |                                     | <b>01:45</b>                          |                     | <b>Rig down cementers. Prep to set slips.</b>                                                  |                     |                                     |                        |                                 |                         |                               |                                         |           |
| <b>Total</b>                                       |                                     | <b>24.00</b>                          |                     |                                                                                                |                     |                                     |                        |                                 |                         |                               |                                         |           |
|                                                    |                                     |                                       |                     |                                                                                                |                     |                                     |                        |                                 |                         |                               |                                         |           |
|                                                    |                                     |                                       |                     |                                                                                                |                     |                                     |                        |                                 |                         |                               |                                         |           |
|                                                    |                                     |                                       |                     |                                                                                                |                     |                                     |                        |                                 |                         |                               |                                         |           |
| Check if summary continued on back                 |                                     |                                       |                     | Signed <b>N 4/24</b>                                                                           |                     |                                     |                        |                                 |                         |                               |                                         |           |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                 |                                       |                    |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
|----------------------------------------------------|---------------------------------|---------------------------------------|--------------------|-------------------------------------------------------|---------------------|------------------------------------|-----------------------|----------------------------------|-------------------------|-------------------------------|-------------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 22</b>           |                                 |                                       |                    | Size & depth last csg                                 |                     |                                    |                       | Days since spud<br><b>1</b>      |                         |                               | Date<br><b>01/07/98</b>             |           |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                 |                                       |                    | Depth Today<br><b>505 feet</b>                        |                     | Depth yesterday<br><b>300 feet</b> |                       | Progress<br><b>40 feet</b>       |                         |                               | Formation<br><b>Red Bed</b>         |           |
| Operation at 0700<br><b>Waiting on water</b>       |                                 |                                       |                    | Daily Cost<br><b>\$9,990.00</b>                       |                     | Accum cost<br><b>\$9,990.00</b>    |                       | Accum mud cost                   |                         |                               |                                     |           |
| Mud Data                                           | Wt.<br><b>fresh water</b>       | Vis.                                  | PV/YP              | Gels                                                  | Ph.                 | WL                                 | Chl.                  | Sand                             | Sol.                    | Oil                           | HIHP FL @ 300<br>100 psi    600 psi |           |
| Pump Data                                          | Number & type<br><b>Deco #1</b> | Liner size & stroke<br><b>6" x 16</b> |                    | SPM<br><b>48</b>                                      | RPM                 | PSI<br><b>800</b>                  | Noz vel               | AV-DP                            | AV-DC                   | Slow pump rate & press        |                                     |           |
| Bit number<br><b>1</b>                             | Size<br><b>12 1/4</b>           | Make<br><b>Hughes</b>                 | Type<br><b>F22</b> | SN<br><b>RR</b>                                       | Jets<br><b>3-14</b> | Depth out<br><b>drilling</b>       | Footage<br><b>260</b> | Hours<br><b>5.5</b>              | Avg ROP<br><b>47.27</b> | RPM<br><b>80</b>              | Wt- M lb.<br><b>all</b>             | Condition |
| Bit number                                         | Size                            | Make                                  | Type               | SN                                                    | Jets                | Depth out                          | Footage               | Hours                            | Avg ROP                 | RPM                           | Wt- M lb.                           | Condition |
| Torque                                             | Rot. wt.                        | PU wt.                                | SO wt.             | BHA wt.-air                                           |                     | BHA wt. - mud                      |                       | Drilling time<br><b>5.75 hrs</b> |                         | Accum hrs.<br><b>5.75 hrs</b> |                                     |           |
| Drill String                                       | DPOD                            |                                       | Conn               |                                                       | Grade               | Wt./Ft.                            | Length                | Accidents                        |                         |                               | Date last BOP test                  |           |
|                                                    |                                 |                                       |                    |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
|                                                    |                                 |                                       |                    |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
|                                                    |                                 |                                       |                    |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
| Bottom Hole Assembly                               |                                 | Length                                |                    | Description                                           |                     |                                    |                       |                                  |                         |                               |                                     |           |
| Deviation Survey                                   |                                 |                                       |                    | Comments                                              |                     |                                    |                       |                                  |                         |                               |                                     |           |
| Depth                                              | Angle                           | Direction                             | TVD                |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
|                                                    |                                 |                                       |                    |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
| Time                                               |                                 | Hrs.                                  |                    | Chronological Summary of Operations from 0700 to 0700 |                     |                                    |                       |                                  |                         |                               |                                     |           |
| 07:00 -22:00                                       |                                 | 15:00                                 |                    | Wait on water                                         |                     |                                    |                       |                                  |                         |                               |                                     |           |
| 22:00 -23:00                                       |                                 | 01:00                                 |                    | Start drilling (still no circ.)                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
| 23:00 -04:15                                       |                                 | 05:15                                 |                    | Mix LCM & pumped. No circ.                            |                     |                                    |                       |                                  |                         |                               |                                     |           |
| 04:15 -06:15                                       |                                 | 02:00                                 |                    | Drilling                                              |                     |                                    |                       |                                  |                         |                               |                                     |           |
| 06:15 -07:00                                       |                                 | 00:45                                 |                    | Circulate                                             |                     |                                    |                       |                                  |                         |                               |                                     |           |
|                                                    |                                 |                                       |                    |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
|                                                    |                                 |                                       |                    |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
|                                                    |                                 |                                       |                    |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
|                                                    |                                 |                                       |                    |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
|                                                    |                                 |                                       |                    |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
|                                                    |                                 |                                       |                    |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
|                                                    |                                 |                                       |                    |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
|                                                    |                                 |                                       |                    |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
|                                                    |                                 |                                       |                    |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
|                                                    |                                 |                                       |                    |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
| Total                                              |                                 | 24:00                                 |                    |                                                       |                     |                                    |                       |                                  |                         |                               |                                     |           |
| Check if summary continued on back                 |                                 |                                       |                    | Signed<br><br>faxed by Gary Steed                     |                     |                                    |                       |                                  |                         |                               |                                     |           |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                 |                                                      |                    |                                                                                                         |                     |                             |                       |                             |                         |                          |                                  |           |
|----------------------------------------------------|---------------------------------|------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------|---------------------|-----------------------------|-----------------------|-----------------------------|-------------------------|--------------------------|----------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 22</b>           |                                 | Size & depth last csg<br><b>8 5/8" casing @ 515'</b> |                    |                                                                                                         |                     | Days since spud<br><b>2</b> |                       | Date<br><b>01/08/98</b>     |                         |                          |                                  |           |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                 | Depth Today<br><b>505 feet</b>                       |                    | Depth yesterday<br><b>300 feet</b>                                                                      |                     | Progress<br><b>205 feet</b> |                       | Formation<br><b>Red Bed</b> |                         |                          |                                  |           |
| Operation at 0700<br><b>WOC</b>                    |                                 | Daily Cost<br><b>\$28,425.00</b>                     |                    | Accum cost<br><b>\$38,415.00</b>                                                                        |                     | Accum mud cost              |                       |                             |                         |                          |                                  |           |
| Mud<br>Data                                        | Wt<br><b>8.3</b>                | Vis.                                                 | PV/YP              | Gels                                                                                                    | Ph.                 | WL                          | Chl.                  | Sand                        | Soi.                    | Oil                      | HIHP FL @ 300<br>100 psi 600 psi |           |
| Pump<br>Data                                       | Number & type<br><b>Deco #1</b> | Liner size & stroke<br><b>6" x 16</b>                |                    | SPM<br><b>48</b>                                                                                        | RPM                 | PSI<br><b>800</b>           | Noz vel               | AV-DP                       | AV-DC                   | Slow pump rate & press   |                                  |           |
| Bit number<br><b>1</b>                             | Size<br><b>12 1/4</b>           | Make<br><b>Hughes</b>                                | Type<br><b>F22</b> | SN<br><b>RR</b>                                                                                         | Jets<br><b>3-14</b> | Depth out<br><b>505</b>     | Footage<br><b>475</b> | Hours<br><b>8.5</b>         | Avg ROP<br><b>55.88</b> | RPM<br><b>80</b>         | Wt- M lb                         | Condition |
| Bit number                                         | Size                            | Make                                                 | Type               | SN                                                                                                      | Jets                | Depth out                   | Footage               | Hours                       | Avg ROP                 | RPM                      | Wt- M lb                         | Condition |
| Torque                                             | Rot. wt                         | PU wt.                                               | SO wt.             | BHA wt.-air                                                                                             |                     | BHA wt. - mud               |                       | Drilling time<br><b>hrs</b> |                         | Accum hrs.<br><b>hrs</b> |                                  |           |
| Drill String                                       | DPOD                            |                                                      | Conn               |                                                                                                         | Grade               | Wt./Ft                      | Length                | Accidents                   |                         | Date last BOP test       |                                  |           |
| Bottom Hole<br>Assembly                            |                                 | Length                                               |                    | Description                                                                                             |                     |                             |                       |                             |                         |                          |                                  |           |
| Deviation Survey                                   |                                 |                                                      |                    | Comments                                                                                                |                     |                             |                       |                             |                         |                          |                                  |           |
| Depth                                              | Angle                           | Direction                                            | TVD                |                                                                                                         |                     |                             |                       |                             |                         |                          |                                  |           |
|                                                    |                                 |                                                      |                    |                                                                                                         |                     |                             |                       |                             |                         |                          |                                  |           |
|                                                    |                                 |                                                      |                    |                                                                                                         |                     |                             |                       |                             |                         |                          |                                  |           |
| Time                                               |                                 | Hrs.                                                 |                    | Chronological Summary of Operations from 0700 to 0700                                                   |                     |                             |                       |                             |                         |                          |                                  |           |
| 07:00 - 07:30                                      |                                 | 00:30                                                |                    | Wait on water                                                                                           |                     |                             |                       |                             |                         |                          |                                  |           |
| 07:30 - 08:45                                      |                                 | 01:15                                                |                    | Start drilling (still no circ.)                                                                         |                     |                             |                       |                             |                         |                          |                                  |           |
| 08:45 - 10:30                                      |                                 | 01:45                                                |                    | Mix LCM & pumped. No circ.                                                                              |                     |                             |                       |                             |                         |                          |                                  |           |
| 10:30 - 13:15                                      |                                 | 02:45                                                |                    | Drilling                                                                                                |                     |                             |                       |                             |                         |                          |                                  |           |
| 13:15 - 13:45                                      |                                 | 00:30                                                |                    | Circulate                                                                                               |                     |                             |                       |                             |                         |                          |                                  |           |
| 13:45 - 03:00                                      |                                 | 13:15                                                |                    | TOH                                                                                                     |                     |                             |                       |                             |                         |                          |                                  |           |
| 03:00 - 15:30                                      |                                 | 12:30                                                |                    | Wait on casing crew                                                                                     |                     |                             |                       |                             |                         |                          |                                  |           |
| 15:30 - 16:30                                      |                                 | 01:00                                                |                    | Run 12 jts of 8 5/8" casing - 505'                                                                      |                     |                             |                       |                             |                         |                          |                                  |           |
| 16:30 - 17:00                                      |                                 | 00:30                                                |                    | RU Halliburton. Circulate                                                                               |                     |                             |                       |                             |                         |                          |                                  |           |
| 17:00 - 17:45                                      |                                 | 00:45                                                |                    | Cmt w/100 sx thin trepic tailed w/310 sx Premium, 1/4 FloCele, 2%CaCl2, plug down @ 5:45. Did not circ. |                     |                             |                       |                             |                         |                          |                                  |           |
| 17:45 - 21:45                                      |                                 | 04:00                                                |                    | WOC                                                                                                     |                     |                             |                       |                             |                         |                          |                                  |           |
| 21:45 - 22:00                                      |                                 | 00:15                                                |                    | Cut Cond                                                                                                |                     |                             |                       |                             |                         |                          |                                  |           |
| 22:00 - 22:30                                      |                                 | 00:30                                                |                    | RIH w/1" tbg @ 270'                                                                                     |                     |                             |                       |                             |                         |                          |                                  |           |
| 22:30 - 22:45                                      |                                 | 00:15                                                |                    | Pump plug #1 50 sx Premium w/ 2% CaCl2                                                                  |                     |                             |                       |                             |                         |                          |                                  |           |
| 22:45 - 00:45                                      |                                 | 02:00                                                |                    | WOC. TIH w/1" tag @ 220'                                                                                |                     |                             |                       |                             |                         |                          |                                  |           |
| 00:45 - 01:15                                      |                                 | 00:30                                                |                    | Pump plug #2 50 sx Premium w/2% CaCl2                                                                   |                     |                             |                       |                             |                         |                          |                                  |           |
| 01:15 - 03:15                                      |                                 | 02:00                                                |                    | WOC. TIH w/1" tag @ 107'                                                                                |                     |                             |                       |                             |                         |                          |                                  |           |
| 03:15 - 03:45                                      |                                 | 00:30                                                |                    | Pump plug #3 125 sx Premium w/2% CaCl2                                                                  |                     |                             |                       |                             |                         |                          |                                  |           |
| 03:45 - 07:00                                      |                                 | 03:15                                                |                    | WOC. NU                                                                                                 |                     |                             |                       |                             |                         |                          |                                  |           |
| Total                                              |                                 | 24:00                                                |                    |                                                                                                         |                     |                             |                       |                             |                         |                          |                                  |           |
| Check if summary continued on back                 |                                 |                                                      |                    | Signed<br>faxed by Gary Steed                                                                           |                     |                             |                       |                             |                         |                          |                                  |           |

## DAILY DRILLING REPORT

|                                                    |                                 |                                                                                       |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
|----------------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------|---------------------|-------------------------------------------|---------------------|-----------------------------|----------------------------------|---------------------------------------|-------------------------|-------------------------|-------------------------------------|
| Well<br><b>Beeson "F" Federal No. 22</b>           |                                 | Size & depth last csg<br><b>8 5/8" casing @ 515'</b>                                  |                     |                                           |                     |                             |                                  | Days since spud<br><b>3</b>           |                         | Date<br><b>01/09/97</b> |                                     |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                 | Depth Today<br><b>1185 feet</b>                                                       |                     | Depth yesterday<br><b>507 feet</b>        |                     | Progress<br><b>678 feet</b> |                                  | Formation<br><b>Red Bed</b>           |                         |                         |                                     |
| Operation at 0700<br>Drilling                      |                                 | Daily Cost<br><b>\$12,492.00</b>                                                      |                     | Accum cost<br><b>\$50,907.00</b>          |                     | Accum mud cost              |                                  |                                       |                         |                         |                                     |
| Mud Data                                           | Wt.<br><b>10.1</b>              | Vis.<br><b>29</b>                                                                     | PV/YP               | Gels                                      | Ph.<br><b>9</b>     | WL                          | Chl.                             | Sand                                  | Sol.                    | Oil                     | HIHP FL @ 300<br>100 psi    600 psi |
| Pump Data                                          | Number & type<br><b>Deco #1</b> | Liner size & stroke<br><b>6" x 16</b>                                                 | SPM<br><b>45</b>    | RPM<br><b>900</b>                         | Noz vel             | AV-DP                       | AV-DC                            | Slow pump rate & press                |                         |                         |                                     |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>            | Make<br><b>NM</b>                                                                     | Type<br><b>637Y</b> | SN<br><b>18659</b>                        | Jets<br><b>3-14</b> | Depth out                   | Footage<br><b>678</b>            | Hours<br><b>12.5</b>                  | Avg ROP<br><b>54.24</b> | RPM<br><b>60</b>        | Wt- M lb.<br>Condition              |
| Bit number                                         | Size                            | Make                                                                                  | Type                | SN                                        | Jets                | Depth out                   | Footage                          | Hours                                 | Avg ROP                 | RPM                     | Wt- M lb.<br>Condition              |
| Torque                                             | Rot. wt.                        | PU wt.                                                                                | SO wt.              | BHA wt.-air                               |                     | BHA wt. - mud               | Drilling time<br><b>12.5 hrs</b> | Accum hrs.<br><b>12.5 hrs</b>         |                         |                         |                                     |
| Drill String                                       | DPOD                            | Conn                                                                                  | Grade               | Wt./Ft.                                   | Length              | Accidents<br><b>none</b>    |                                  | Date last BOP test<br><b>01/08/98</b> |                         |                         |                                     |
|                                                    |                                 |                                                                                       |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
|                                                    |                                 |                                                                                       |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
| Bottom Hole Assembly                               | Length<br><b>574.8</b>          | Description<br><b>1 bit 7 7/8, 1 pin .90, 1 shock sub 10.90, 1 x 80, 21 DC 562.30</b> |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
| Deviation Survey                                   |                                 | Comments                                                                              |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
| Depth                                              | Angle                           | Direction                                                                             | TVD                 | <b>5 transferred loads of brine water</b> |                     |                             |                                  |                                       |                         |                         |                                     |
| <b>1001</b>                                        | <b>1</b>                        |                                                                                       |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
|                                                    |                                 |                                                                                       |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
| Time                                               | Hrs.                            | Chronological Summary of Operations from 0700 to 0700                                 |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
| <b>07:00 -09:30</b>                                | <b>02:30</b>                    | <b>WOC</b>                                                                            |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
| <b>09:30 -12:00</b>                                | <b>02:30</b>                    | <b>NU BOP. TIH w/DC &amp; test with 1000psi for <sup>30</sup>15 min. Okay</b>         |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
| <b>12:00 -16:30</b>                                | <b>04:30</b>                    | <b>Waiting on water</b>                                                               |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
| <b>16:30 -18:00</b>                                | <b>01:30</b>                    | <b>Start drilling cmt &amp; insert float</b>                                          |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
| <b>18:00 -19:00</b>                                | <b>01:00</b>                    | <b>Drilling formation</b>                                                             |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
| <b>19:00 -03:00</b>                                | <b>08:00</b>                    | <b>Drilling</b>                                                                       |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
| <b>03:00 -03:30</b>                                | <b>00:30</b>                    | <b>Run survey @ 1001' - 1 degree angle</b>                                            |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
| <b>03:30 -07:00</b>                                | <b>03:30</b>                    | <b>Drilling</b>                                                                       |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
|                                                    |                                 |                                                                                       |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
|                                                    |                                 |                                                                                       |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
|                                                    |                                 |                                                                                       |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
|                                                    |                                 |                                                                                       |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
|                                                    |                                 |                                                                                       |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
|                                                    |                                 |                                                                                       |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
|                                                    |                                 |                                                                                       |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
|                                                    |                                 |                                                                                       |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
|                                                    |                                 |                                                                                       |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
| <b>Total</b>                                       |                                 | <b>24:00</b>                                                                          |                     |                                           |                     |                             |                                  |                                       |                         |                         |                                     |
| Check if summary continued on back                 |                                 |                                                                                       |                     | Signed _____ faxed by Gary Steed          |                     |                             |                                  |                                       |                         |                         |                                     |

## DAILY DRILLING REPORT

Check if summary continued on back

**Signed**

faxed by Gary Steed

11/12/98

## DAILY DRILLING REPORT

|                                             |                          |                 |                                                       |                                                                                |              |                                                      |                            |                |                                     |                        |                                     |           |                             |  |  |  |                             |  |
|---------------------------------------------|--------------------------|-----------------|-------------------------------------------------------|--------------------------------------------------------------------------------|--------------|------------------------------------------------------|----------------------------|----------------|-------------------------------------|------------------------|-------------------------------------|-----------|-----------------------------|--|--|--|-----------------------------|--|
| Well<br>Beeson "F" Federal No. 22           |                          |                 |                                                       |                                                                                |              | Size & depth last csg<br><b>8 5/8" casing @ 515'</b> |                            |                |                                     |                        |                                     |           | Days since spud<br><b>5</b> |  |  |  | Date<br><b>01/11/98</b>     |  |
| Contractor<br>United Drilling Co. Rig No. 7 |                          |                 |                                                       |                                                                                |              | Depth Today<br><b>2565 feet</b>                      |                            |                | Depth yesterday<br><b>1970 feet</b> |                        |                                     |           | Progress<br><b>595 feet</b> |  |  |  | Formation<br><b>Red Bed</b> |  |
| Operation at 0700<br>Drilling               |                          |                 |                                                       |                                                                                |              | Daily Cost<br><b>\$12,100.00</b>                     |                            |                | Accum cost<br><b>\$63,007.00</b>    |                        |                                     |           | Accum mud cost              |  |  |  |                             |  |
| Mud Data                                    | Wt.                      | Vis.            | PV/YP                                                 | Gels                                                                           | Ph.          | WL                                                   | Chl.                       | Sand           | Sol.                                | Oil                    | HIHP FL @ 300<br>100 psi    600 psi |           |                             |  |  |  |                             |  |
|                                             |                          | 10.1            | 29                                                    |                                                                                | 10           |                                                      |                            |                |                                     |                        |                                     |           |                             |  |  |  |                             |  |
| Pump Data                                   | Number & type<br>Deco #1 |                 | Liner size & stroke<br>6" x 16                        | SPM<br>44                                                                      | RPM          | PSI<br>1100                                          | Noz vel                    | AV-DP          | AV-DC                               | Slow pump rate & press |                                     |           |                             |  |  |  |                             |  |
| Bit number<br>2                             | Size<br>7 7/8            | Make<br>NM      | Type<br>637Y                                          | SN<br>18659                                                                    | Jets<br>3-14 | Depth out                                            | Footage<br>2050            | Hours<br>58.75 | Avg ROP<br>34.89                    | RPM<br>60              | Wt- M lb.                           | Condition |                             |  |  |  |                             |  |
| Bit number                                  | Size                     | Make            | Type                                                  | SN                                                                             | Jets         | Depth out                                            | Footage                    | Hours          | Avg ROP                             | RPM                    | Wt- M lb.                           | Condition |                             |  |  |  |                             |  |
| Torque                                      | Rot. wt.                 | PU wt.          | SO wt.                                                | BHA wt.-air                                                                    |              | BHA wt. - mud                                        | Drilling time<br>23.25 hrs |                | Accum hrs.<br>59 hrs                |                        |                                     |           |                             |  |  |  |                             |  |
| Drill String                                | DPOD                     | Conn            |                                                       | Grade                                                                          | Wt./Ft.      | Length                                               | Accidents<br>none          |                | Date last BOP test<br>01/08/98      |                        |                                     |           |                             |  |  |  |                             |  |
| Bottom Hole Assembly                        |                          | Length<br>574.8 |                                                       | Description<br>1 bit 7 7/8, 1 pin .90, 1 shock sub 10.90, 1 x 80, 21 DC 562.30 |              |                                                      |                            |                |                                     |                        |                                     |           |                             |  |  |  |                             |  |
| Deviation Survey                            |                          |                 |                                                       | Comments                                                                       |              |                                                      |                            |                |                                     |                        |                                     |           |                             |  |  |  |                             |  |
| Depth                                       | Angle                    | Direction       | TVD                                                   | 5 sx caustic<br>7 sx cedar<br>6 sx paper                                       |              |                                                      |                            |                |                                     |                        |                                     |           |                             |  |  |  |                             |  |
| 2001                                        | 1/2                      |                 |                                                       |                                                                                |              |                                                      |                            |                |                                     |                        |                                     |           |                             |  |  |  |                             |  |
| 2505                                        | 3/4                      |                 |                                                       |                                                                                |              |                                                      |                            |                |                                     |                        |                                     |           |                             |  |  |  |                             |  |
| Time                                        |                          | Hrs.            | Chronological Summary of Operations from 0700 to 0700 |                                                                                |              |                                                      |                            |                |                                     |                        |                                     |           |                             |  |  |  |                             |  |
| 07:00 -08:00                                |                          | 01:00           | Drilling                                              |                                                                                |              |                                                      |                            |                |                                     |                        |                                     |           |                             |  |  |  |                             |  |
| 08:00 -08:30                                |                          | 00:30           | Run survey @ 2001' - 1/2 degree angle, lubricate rig. |                                                                                |              |                                                      |                            |                |                                     |                        |                                     |           |                             |  |  |  |                             |  |
| 08:30 -19:00                                |                          | 10:30           | Drilling                                              |                                                                                |              |                                                      |                            |                |                                     |                        |                                     |           |                             |  |  |  |                             |  |
| 19:00 -04:15                                |                          | 09:15           | Drilling                                              |                                                                                |              |                                                      |                            |                |                                     |                        |                                     |           |                             |  |  |  |                             |  |
| 04:15 -04:45                                |                          | 00:30           | Run survey @ 2505' - 3/4 degree angle                 |                                                                                |              |                                                      |                            |                |                                     |                        |                                     |           |                             |  |  |  |                             |  |
| 04:45 -07:00                                |                          | 02:15           | Drilling                                              |                                                                                |              |                                                      |                            |                |                                     |                        |                                     |           |                             |  |  |  |                             |  |
| Total                                       |                          | 24:00           | Signed _____<br>faxed by Gary Steed                   |                                                                                |              |                                                      |                            |                |                                     |                        |                                     |           |                             |  |  |  |                             |  |

## DAILY DRILLING REPORT

|                                             |                          |                                               |                                                                                |                              |              |                      |                         |                      |                                |                        |                                  |           |
|---------------------------------------------|--------------------------|-----------------------------------------------|--------------------------------------------------------------------------------|------------------------------|--------------|----------------------|-------------------------|----------------------|--------------------------------|------------------------|----------------------------------|-----------|
| Well<br>Beeson "F" Federal No. 22           |                          | Size & depth last csg<br>8 5/8" casing @ 515' |                                                                                |                              |              |                      |                         | Days since spud<br>6 |                                | Date<br>01/12/98       |                                  |           |
| Contractor<br>United Drilling Co. Rig No. 7 |                          | Depth Today<br>3037 feet                      |                                                                                | Depth yesterday<br>2565 feet |              | Progress<br>472 feet |                         | Formation<br>Red Bed |                                |                        |                                  |           |
| Operation at 0700<br>Drilling               |                          | Daily Cost<br>\$6,741.00                      |                                                                                | Accum cost<br>\$78,678.00    |              | Accum mud cost       |                         |                      |                                |                        |                                  |           |
| Mud                                         | Wt.<br>10.1              | Vis.<br>29                                    | PV/YP                                                                          | Gels                         | Ph.<br>9     | WL                   | Chl.                    | Sand                 | Sol.                           | Oil                    | HIHP FL @ 300<br>100 psi 600 psi |           |
| Pump<br>Data                                | Number & type<br>Deco #1 | Liner size & stroke<br>6" x 16                |                                                                                | SPM<br>44                    | RPM          | PSI<br>1100          | Noz vel                 | AV-DP                | AV-DC                          | Slow pump rate & press |                                  |           |
| Bit number<br>2                             | Size<br>7 7/8            | Make<br>NM                                    | Type<br>637Y                                                                   | SN<br>18659                  | Jets<br>3-14 | Depth out            | Footage<br>2522         | Hours<br>81.75       | Avg ROP<br>30.85               | RPM<br>60              | Wt- M lb.<br>40                  | Condition |
| Bit number                                  | Size                     | Make                                          | Type                                                                           | SN                           | Jets         | Depth out            | Footage                 | Hours                | Avg ROP                        | RPM                    | Wt- M lb.                        | Condition |
| Torque                                      | Rot. wt.                 | PU wt.                                        | SO wt.                                                                         | BHA wt.-air                  |              | BHA wt. - mud        | Drilling time<br>22 hrs |                      | Accum hrs.<br>88.5 hrs         |                        |                                  |           |
| Drill String                                | DPOD                     |                                               | Conn                                                                           | Grade                        | Wt./Ft.      | Length               | Accidents<br>none       |                      | Date last BOP test<br>01/08/98 |                        |                                  |           |
| Bottom Hole<br>Assembly                     |                          | Length<br>574.8                               | Description<br>1 bit 7 7/8, 1 pin .90, 1 shock sub 10.90, 1 x 80, 21 DC 562.30 |                              |              |                      |                         |                      |                                |                        |                                  |           |
| Deviation Survey                            |                          |                                               | Comments                                                                       |                              |              |                      |                         |                      |                                |                        |                                  |           |
| Depth                                       | Angle                    | Direction                                     | TVD                                                                            |                              |              |                      |                         |                      |                                |                        |                                  |           |
| Time                                        |                          | Hrs.                                          | Chronological Summary of Operations from 0700 to 0700                          |                              |              |                      |                         |                      |                                |                        |                                  |           |
| 07:00 -08:15                                |                          | 01:15                                         | Drilling                                                                       |                              |              |                      |                         |                      |                                |                        |                                  |           |
| 08:15 -08:30                                |                          | 00:15                                         | Lubricate rig                                                                  |                              |              |                      |                         |                      |                                |                        |                                  |           |
| 08:30 -20:00                                |                          | 11:30                                         | Drilling                                                                       |                              |              |                      |                         |                      |                                |                        |                                  |           |
| 20:00 -21:45                                |                          | 01:45                                         | Rig repair                                                                     |                              |              |                      |                         |                      |                                |                        |                                  |           |
| 21:45 -07:00                                |                          | 09:15                                         | Drilling                                                                       |                              |              |                      |                         |                      |                                |                        |                                  |           |
| Total                                       |                          | 24:00                                         |                                                                                |                              |              |                      |                         |                      |                                |                        |                                  |           |
| Check if summary continued on back          |                          |                                               | Signed<br>faxed by Gary Steed                                                  |                              |              |                      |                         |                      |                                |                        |                                  |           |

## DAILY DRILLING REPORT

|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
|--------------------------------------|--------------------------|--------------------------------|----------------------------------|------------------------------------------------------------------------|-------------|------------------------|----------------|----------------------|------------------------|-----------------------------------|---------------------------|------------------|--|
| <b>Well</b>                          |                          |                                | <b>Size &amp; depth last csg</b> |                                                                        |             |                        |                |                      | <b>Days since spud</b> |                                   |                           | <b>Date</b>      |  |
| <b>Beeson "F" Federal No. 22</b>     |                          |                                | <b>8 5/8" casing @ 515'</b>      |                                                                        |             |                        |                |                      | <b>7</b>               |                                   |                           | <b>01/13/97</b>  |  |
| <b>Contractor</b>                    |                          |                                | <b>Depth Today</b>               |                                                                        |             | <b>Depth yesterday</b> |                |                      | <b>Progress</b>        |                                   |                           | <b>Formation</b> |  |
| <b>United Drilling Co. Rig No. 7</b> |                          |                                | <b>3375 feet</b>                 |                                                                        |             | <b>3037 feet</b>       |                |                      | <b>338 feet</b>        |                                   |                           | <b>Red Bed</b>   |  |
| <b>Operation at 0700</b>             |                          |                                | <b>Daily Cost</b>                |                                                                        |             | <b>Accum cost</b>      |                |                      | <b>Accum mud cost</b>  |                                   |                           |                  |  |
| <b>RU Loggers</b>                    |                          |                                | <b>\$6,489.00</b>                |                                                                        |             | <b>\$85,167.00</b>     |                |                      |                        |                                   |                           |                  |  |
| <b>Mud Data</b>                      | <b>Wt.</b>               | <b>Vis.</b>                    | <b>PV/YP</b>                     | <b>Gels</b>                                                            | <b>Ph.</b>  | <b>WL</b>              | <b>Chl.</b>    | <b>Sand</b>          | <b>Sol.</b>            | <b>Oil</b>                        | <b>HIHP FL @ 300</b>      |                  |  |
|                                      | <b>10.1</b>              | <b>29</b>                      |                                  |                                                                        | <b>10</b>   |                        |                |                      |                        |                                   | <b>100 psi    600 psi</b> |                  |  |
| <b>Pump Data</b>                     | <b>Number &amp; type</b> | <b>Liner size &amp; stroke</b> |                                  | <b>SPM</b>                                                             | <b>RPM</b>  | <b>PSI</b>             | <b>Noz vel</b> | <b>AV-DP</b>         | <b>AV-DC</b>           | <b>Slow pump rate &amp; press</b> |                           |                  |  |
|                                      | <b>Deco #1</b>           | <b>6" x 16</b>                 |                                  | <b>44</b>                                                              |             | <b>1100</b>            |                |                      |                        |                                   |                           |                  |  |
| <b>Bit number</b>                    | <b>Size</b>              | <b>Make</b>                    | <b>Type</b>                      | <b>SN</b>                                                              | <b>Jets</b> | <b>Depth out</b>       | <b>Footage</b> | <b>Hours</b>         | <b>Avg ROP</b>         | <b>RPM</b>                        | <b>Wt- M lb.</b>          | <b>Condition</b> |  |
| <b>2</b>                             | <b>7 7/8</b>             | <b>NM</b>                      | <b>637Y</b>                      | <b>18659</b>                                                           | <b>3-14</b> | <b>3375</b>            | <b>2869</b>    | <b>97.25</b>         | <b>29.50</b>           | <b>60</b>                         | <b>40</b>                 |                  |  |
| <b>Bit number</b>                    | <b>Size</b>              | <b>Make</b>                    | <b>Type</b>                      | <b>SN</b>                                                              | <b>Jets</b> | <b>Depth out</b>       | <b>Footage</b> | <b>Hours</b>         | <b>Avg ROP</b>         | <b>RPM</b>                        | <b>Wt- M lb.</b>          | <b>Condition</b> |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
| <b>Torque</b>                        | <b>Rot. wt.</b>          | <b>PU wt.</b>                  | <b>SO wt.</b>                    | <b>BHA wt.-air</b>                                                     |             | <b>BHA wt. - mud</b>   |                | <b>Drilling time</b> |                        | <b>Accum hrs.</b>                 |                           |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                | <b>15.5 hrs</b>      |                        | <b>97.25 hrs</b>                  |                           |                  |  |
| <b>Drill String</b>                  | <b>DPOD</b>              |                                |                                  | <b>Conn</b>                                                            |             | <b>Grade</b>           | <b>Wt./Ft.</b> | <b>Length</b>        | <b>Accidents</b>       |                                   | <b>Date last BOP test</b> |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      | <b>none</b>            |                                   | <b>01/08/98</b>           |                  |  |
| <b>Bottom Hole Assembly</b>          |                          |                                | <b>Length</b>                    | <b>Description</b>                                                     |             |                        |                |                      |                        |                                   |                           |                  |  |
|                                      |                          |                                | <b>574.8</b>                     | <b>1 bit 7 7/8, 1 pin .90, 1 shock sub 10.90, 1 x 80, 21 DC 562.30</b> |             |                        |                |                      |                        |                                   |                           |                  |  |
| <b>Deviation Survey</b>              |                          |                                |                                  | <b>Comments</b>                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
| <b>Depth</b>                         | <b>Angle</b>             | <b>Direction</b>               | <b>TVD</b>                       | <b>2 sx caustic<br/>100 sx salt water clay</b>                         |             |                        |                |                      |                        |                                   |                           |                  |  |
| <b>3037</b>                          | <b>1/2</b>               |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
| <b>Time</b>                          |                          | <b>Hrs.</b>                    |                                  | <b>Chronological Summary of Operations from 0700 to 0700</b>           |             |                        |                |                      |                        |                                   |                           |                  |  |
| <b>07:00 -07:30</b>                  |                          | <b>00:30</b>                   |                                  | <b>Drilling</b>                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
| <b>07:30 -08:00</b>                  |                          | <b>00:30</b>                   |                                  | <b>Run survey @ 3037 - 1/2 degree angle</b>                            |             |                        |                |                      |                        |                                   |                           |                  |  |
| <b>08:00 -19:00</b>                  |                          | <b>11:00</b>                   |                                  | <b>Drilling</b>                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
| <b>19:00 -23:00</b>                  |                          | <b>04:00</b>                   |                                  | <b>Drilling</b>                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
| <b>23:00 -01:30</b>                  |                          | <b>02:30</b>                   |                                  | <b>Condition mud &amp; circulate</b>                                   |             |                        |                |                      |                        |                                   |                           |                  |  |
| <b>01:30 -05:30</b>                  |                          | <b>04:00</b>                   |                                  | <b>Came out with pipe &amp; collars</b>                                |             |                        |                |                      |                        |                                   |                           |                  |  |
| <b>05:30 -07:00</b>                  |                          | <b>01:30</b>                   |                                  | <b>Ru Loggers</b>                                                      |             |                        |                |                      |                        |                                   |                           |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
|                                      |                          |                                |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
| <b>Total</b>                         |                          | <b>24:00</b>                   |                                  |                                                                        |             |                        |                |                      |                        |                                   |                           |                  |  |
| Check if summary continued on back   |                          |                                |                                  | Signed _____ faxed by Gary Steed <b>4/1/13</b>                         |             |                        |                |                      |                        |                                   |                           |                  |  |

## DAILY DRILLING REPORT

|                                             |               |                 |                                                                                                                                                                           |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
|---------------------------------------------|---------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|---------------|---------------------------|----------|---------------|------------------------------|--------------------|------------------------|--------------------|-----------------|--|--|-----------------------|----------|--|
| Well                                        |               |                 |                                                                                                                                                                           |                                                                                |               | Size & depth last csg     |          |               |                              |                    |                        |                    | Days since spud |  |  |                       | Date     |  |
| Beeson "F" Federal No. 22                   |               |                 |                                                                                                                                                                           |                                                                                |               | 5 1/2" @ 3375'            |          |               |                              |                    |                        |                    | 8               |  |  |                       | 01/14/98 |  |
| Contractor<br>United Drilling Co. Rig No. 7 |               |                 |                                                                                                                                                                           |                                                                                |               | Depth Today<br>3375 feet  |          |               | Depth yesterday<br>3375 feet |                    |                        | Progress<br>0 feet |                 |  |  | Formation<br>Dol/Anhy |          |  |
| Operation at 0700<br>RDRT                   |               |                 |                                                                                                                                                                           |                                                                                |               | Daily Cost<br>\$32,046.00 |          |               | Accum cost<br>\$116,211.00   |                    |                        | Accum mud cost     |                 |  |  |                       |          |  |
| Mud                                         | Wt.           | Vis.            | PV/YP                                                                                                                                                                     | Gels                                                                           | Ph.           | WL                        | Chl.     | Sand          | Sol.                         | Oil                | HIHP FL @ 300          |                    |                 |  |  |                       |          |  |
| Data                                        | 10.1          | 29              |                                                                                                                                                                           |                                                                                | 10            |                           |          |               |                              |                    | 100 psi                | 600 psi            |                 |  |  |                       |          |  |
| Pump                                        | Number & type |                 | Liner size & stroke                                                                                                                                                       |                                                                                | SPM           | RPM                       | PSI      | Noz vel       | AV-DP                        | AV-DC              | Slow pump rate & press |                    |                 |  |  |                       |          |  |
| Data                                        | Deco #1       |                 | 6" x 16                                                                                                                                                                   |                                                                                | 44            |                           | 1100     |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
| Bit number                                  | Size          | Make            | Type                                                                                                                                                                      | SN                                                                             | Jets          | Depth out                 | Footage  | Hours         | Avg ROP                      | RPM                | Wt- M lb.              | Condition          |                 |  |  |                       |          |  |
| 2                                           | 7 7/8         | NM              | 637Y                                                                                                                                                                      | 18659                                                                          | 3-14          | 3375                      | 2869     | 97.25         | 29.50                        | 60                 | 40                     |                    |                 |  |  |                       |          |  |
| Bit number                                  | Size          | Make            | Type                                                                                                                                                                      | SN                                                                             | Jets          | Depth out                 | Footage  | Hours         | Avg ROP                      | RPM                | Wt- M lb.              | Condition          |                 |  |  |                       |          |  |
| Torque                                      | Rot. wt.      | PU wt.          | SO wt.                                                                                                                                                                    | BHA wt.-air                                                                    | BHA wt. - mud |                           |          | Drilling time |                              | Accum hrs.         |                        |                    |                 |  |  |                       |          |  |
|                                             |               |                 |                                                                                                                                                                           |                                                                                |               |                           | 15.5 hrs |               | 97.25 hrs                    |                    |                        |                    |                 |  |  |                       |          |  |
| Drill String                                |               | DPOD            | Conn                                                                                                                                                                      |                                                                                | Grade         | Wt./Ft.                   | Length   | Accidents     |                              | Date last BOP test |                        |                    |                 |  |  |                       |          |  |
| 3037 1/2                                    |               |                 |                                                                                                                                                                           |                                                                                |               |                           |          | none          |                              | 01/08/98           |                        |                    |                 |  |  |                       |          |  |
| 3375 1                                      |               |                 |                                                                                                                                                                           |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
| Bottom Hole Assembly                        |               | Length<br>574.8 |                                                                                                                                                                           | Description<br>1 bit 7 7/8, 1 pin .90, 1 shock sub 10.90, 1 x 80, 21 DC 562.30 |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
| Deviation Survey                            |               |                 |                                                                                                                                                                           |                                                                                |               | Comments                  |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
| Depth                                       | Angle         | Direction       | TVD                                                                                                                                                                       |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
| 3037                                        | 1/2           |                 |                                                                                                                                                                           |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
| 3375                                        | 1             |                 |                                                                                                                                                                           |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
| Time                                        |               | Hrs.            | Chronological Summary of Operations from 0700 to 0700                                                                                                                     |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
| 07:00 -11:30                                |               | 04:30           | Logging - 1st log on bottom at 8:00am 01/13/98 - loggers TD 3379'                                                                                                         |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
| 11:30 -12:00                                |               | 00:30           | Rig down loggers                                                                                                                                                          |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
| 12:00 -14:45                                |               | 02:45           | RU & run 5 1/2" 17# J-55 casing to 3375'                                                                                                                                  |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
| 14:45 -15:00                                |               | 00:15           | RU Halliburton & circulate                                                                                                                                                |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
| 15:00 -16:30                                |               | 01:30           | Cmt w/640sx Premium Halliburton Lite w/ 1/4# FloCele, 5# salt, tailed w/350wx Premium, 3# KCC .2% CFR3 .5% HALAID9. Plug down at 4:30pm 01/13/98. Circulate 45 sx to pit. |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
|                                             |               |                 |                                                                                                                                                                           |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
|                                             |               |                 |                                                                                                                                                                           |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
|                                             |               |                 |                                                                                                                                                                           |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
|                                             |               |                 |                                                                                                                                                                           |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
|                                             |               |                 |                                                                                                                                                                           |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
|                                             |               |                 |                                                                                                                                                                           |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
|                                             |               |                 |                                                                                                                                                                           |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
|                                             |               |                 |                                                                                                                                                                           |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
|                                             |               |                 |                                                                                                                                                                           |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
|                                             |               |                 |                                                                                                                                                                           |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
| Total                                       | 09:30         |                 |                                                                                                                                                                           |                                                                                |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |
| Check if summary continued on back          |               |                 |                                                                                                                                                                           | Signed _____<br>faxed by Gary Stead                                            |               |                           |          |               |                              |                    |                        |                    |                 |  |  |                       |          |  |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                     |                                       |                                                                  |                                                       |                                   |                   |                       |                                 |                         |                              |                                  |           |
|----------------------------------------------------|-------------------------------------|---------------------------------------|------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------|-------------------|-----------------------|---------------------------------|-------------------------|------------------------------|----------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 21</b>           |                                     |                                       | Size & depth last csg                                            |                                                       |                                   |                   |                       | Days since spud<br><b>1</b>     |                         |                              | Date<br><b>12/30/97</b>          |           |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                     |                                       | Depth Today<br><b>391 feet</b>                                   |                                                       | Depth yesterday<br><b>40 feet</b> |                   |                       | Progress<br><b>351 feet</b>     |                         |                              | Formation<br><b>Red Bed</b>      |           |
| Operation at 0700                                  |                                     |                                       | Daily Cost<br><b>\$18,500.00</b>                                 |                                                       | Accum cost<br><b>\$18,500.00</b>  |                   |                       | Accum mud cost                  |                         |                              |                                  |           |
| Mud<br>Data                                        | Wt.<br><b>Fresh Water</b>           | Vis.                                  | PV/YP                                                            | Gels                                                  | Ph.                               | WL                | Chl.                  | Sand                            | Sol.                    | Oil                          | HIHP FL @ 300<br>100 psi 600 psi |           |
| Pump<br>Data                                       | Number & type<br><b>Duplex 1000</b> | Liner size & stroke<br><b>6" x 16</b> |                                                                  | SPM                                                   | RPM                               | PSI<br><b>400</b> | Noz vel               | AV-DP                           | AV-DC                   | Slow pump rate & press       |                                  |           |
| Bit number<br><b>1</b>                             | Size<br><b>12 1/4</b>               | Make<br><b>Hughes</b>                 | Type<br><b>F2</b>                                                | SN<br><b>RR</b>                                       | Jets<br><b>2-14</b>               | Depth out         | Footage<br><b>351</b> | Hours<br><b>7.5</b>             | Avg ROP<br><b>46.80</b> | RPM<br><b>60</b>             | Wt- M lb.                        | Condition |
| Bit number                                         | Size                                | Make                                  | Type                                                             | SN                                                    | Jets                              | Depth out         | Footage               |                                 | Avg ROP                 | RPM                          | Wt- M lb.                        | Condition |
| Torque<br><b>1/2</b>                               | Rot. wt.                            | PU wt.                                | SO wt.                                                           | BHA wt.-air                                           |                                   | BHA wt. - mud     |                       | Drilling time<br><b>7.5 hrs</b> |                         | Accum hrs.<br><b>7.5 hrs</b> |                                  |           |
| Drill String                                       | DPOD                                |                                       | Conn                                                             |                                                       | Grade                             | Wt./Ft.           | Length                | Accidents                       |                         | Date last BOP test           |                                  |           |
| Bottom Hole<br>Assembly                            |                                     | Length<br><b>92.05</b>                | Description<br><b>1 12 1/4 bit 100 J 8" DC 91.05 Total 92.05</b> |                                                       |                                   |                   |                       |                                 |                         |                              |                                  |           |
|                                                    |                                     |                                       | <b>518.6</b>                                                     |                                                       |                                   |                   |                       |                                 |                         |                              |                                  |           |
| Deviation Survey                                   |                                     |                                       |                                                                  | Comments                                              |                                   |                   |                       |                                 |                         |                              |                                  |           |
| Depth                                              | Angle                               | Direction                             | TVD                                                              |                                                       |                                   |                   |                       |                                 |                         |                              |                                  |           |
|                                                    |                                     |                                       |                                                                  | Mixed 40sx paper lost circ @ 127'                     |                                   |                   |                       |                                 |                         |                              |                                  |           |
|                                                    |                                     |                                       |                                                                  | 30sx Maxi seal                                        |                                   |                   |                       |                                 |                         |                              |                                  |           |
|                                                    |                                     |                                       |                                                                  | 70sx F/W gel Total of 1265 bbls of Fresh water        |                                   |                   |                       |                                 |                         |                              |                                  |           |
| Time                                               |                                     | Hrs.                                  |                                                                  | Chronological Summary of Operations from 0700 to 0700 |                                   |                   |                       |                                 |                         |                              |                                  |           |
| 07:00 -19:00                                       |                                     | 12:00                                 |                                                                  | Move to new location & RU equipment.                  |                                   |                   |                       |                                 |                         |                              |                                  |           |
| 19:00 -22:00                                       |                                     | 03:00                                 |                                                                  | Wait on water & mix spud mud                          |                                   |                   |                       |                                 |                         |                              |                                  |           |
| 22:00 -00:15                                       |                                     | 02:15                                 |                                                                  | Spud well w/12 1/4" bit                               |                                   |                   |                       |                                 |                         |                              |                                  |           |
| 00:15 -01:45                                       |                                     | 01:30                                 |                                                                  | Lost circulation (mixed LCM) @ 127'                   |                                   |                   |                       |                                 |                         |                              |                                  |           |
| 01:45 -07:00                                       |                                     | 05:15                                 |                                                                  | Regained circulation - started Drilling again.        |                                   |                   |                       |                                 |                         |                              |                                  |           |
|                                                    |                                     |                                       |                                                                  |                                                       |                                   |                   |                       |                                 |                         |                              |                                  |           |
|                                                    |                                     |                                       |                                                                  |                                                       |                                   |                   |                       |                                 |                         |                              |                                  |           |
|                                                    |                                     |                                       |                                                                  |                                                       |                                   |                   |                       |                                 |                         |                              |                                  |           |
|                                                    |                                     |                                       |                                                                  |                                                       |                                   |                   |                       |                                 |                         |                              |                                  |           |
|                                                    |                                     |                                       |                                                                  |                                                       |                                   |                   |                       |                                 |                         |                              |                                  |           |
|                                                    |                                     |                                       |                                                                  |                                                       |                                   |                   |                       |                                 |                         |                              |                                  |           |
| Total                                              |                                     | 24.00                                 |                                                                  |                                                       |                                   |                   |                       |                                 |                         |                              |                                  |           |
|                                                    |                                     |                                       |                                                                  |                                                       |                                   |                   |                       |                                 |                         |                              |                                  |           |
|                                                    |                                     |                                       |                                                                  |                                                       |                                   |                   |                       |                                 |                         |                              |                                  |           |
|                                                    |                                     |                                       |                                                                  | Signed                                                |                                   |                   |                       |                                 |                         |                              |                                  |           |
| Check if summary continued on back                 |                                     |                                       |                                                                  | faxed by Gary Slead                                   |                                   |                   |                       |                                 |                         |                              |                                  |           |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                     |                                              |                                                                                                     |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
|----------------------------------------------------|-------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------|---------------------|-----------------------------|-----------------------|---------------------------------|-------------------------|------------------------------|----------------------------------|--------------|
| Well<br><b>Beeson "F" Federal No. 21</b>           |                                     | Size & depth last csg<br><b>8 5/8" @ 518</b> |                                                                                                     |                                    |                     | Days since spud<br><b>2</b> |                       | Date<br><b>12/31/97</b>         |                         |                              |                                  |              |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                     | Depth Today<br><b>518 feet</b>               |                                                                                                     | Depth yesterday<br><b>391 feet</b> |                     | Progress<br><b>127 feet</b> |                       | Formation<br><b>Red Bed</b>     |                         |                              |                                  |              |
| Operation at 0700                                  |                                     | Daily Cost<br><b>\$15,833.00</b>             |                                                                                                     | Accum cost<br><b>\$34,333.00</b>   |                     | Accum mud cost              |                       |                                 |                         |                              |                                  |              |
| Mud<br>Data                                        | Wt.<br><b>Fresh Water</b>           | Vis.                                         | PV/YP                                                                                               | Gels                               | Ph.                 | WL                          | Chl.                  | Sand                            | Sol.                    | Oil                          | HIHP FL @ 300<br>100 psi 600 psi |              |
| Pump<br>Data                                       | Number & type<br><b>Duplex 1000</b> | Liner size & stroke<br><b>6" x 16</b>        |                                                                                                     | SPM                                | RPM                 | PSI<br><b>400</b>           | Noz vel               | AV-DP                           | AV-DC                   | Slow pump rate & press       |                                  |              |
| Bit number<br><b>1</b>                             | Size<br><b>12 1/4</b>               | Make<br><b>Hughes</b>                        | Type<br><b>F2</b>                                                                                   | SN<br><b>RR</b>                    | Jets<br><b>2-14</b> | Depth out                   | Footage<br><b>351</b> | Hours<br><b>7.5</b>             | Avg ROP<br><b>46.80</b> | RPM<br><b>60</b>             | Wt- M lb.                        | Condition    |
| Bit number                                         | Size                                | Make                                         | Type                                                                                                | SN                                 | Jets                | Depth out                   | Footage               |                                 | Avg ROP                 | RPM                          | Wt- M lb.                        | Condition    |
| Torque<br><b>1/2</b>                               | Rot. wt.                            | PU wt.                                       | SO wt.                                                                                              | BHA wt.-air                        |                     | BHA wt. - mud               |                       | Drilling time<br><b>7.5 hrs</b> |                         | Accum hrs.<br><b>7.5 hrs</b> |                                  |              |
| Drill String                                       | DPOD                                |                                              | Conn                                                                                                |                                    | Grade               | Wt./Ft.                     | Length                | Accidents                       |                         | Date last BOP test           |                                  |              |
|                                                    |                                     |                                              |                                                                                                     |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
|                                                    |                                     |                                              |                                                                                                     |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
|                                                    |                                     |                                              |                                                                                                     |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
| Bottom Hole<br>Assembly                            |                                     | Length<br><b>92.05</b>                       | Description<br><b>1 12 1/4 bit 100 J 8" DC 91.05 Total 92.05</b>                                    |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
|                                                    |                                     |                                              |                                                                                                     |                                    |                     |                             |                       |                                 |                         |                              |                                  | <b>518.6</b> |
| Deviation Survey                                   |                                     |                                              |                                                                                                     | Comments                           |                     |                             |                       |                                 |                         |                              |                                  |              |
| Depth                                              | Angle                               | Direction                                    | TVD                                                                                                 |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
|                                                    |                                     |                                              |                                                                                                     |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
|                                                    |                                     |                                              |                                                                                                     |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
| Time                                               |                                     | Hrs.                                         | Chronological Summary of Operations from 0700 to 0700                                               |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
| 07:00 -10:30                                       |                                     | 03:30                                        | Drilling                                                                                            |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
| 10:30 -11:15                                       |                                     | 00:45                                        | Circulate to drop TOTCO                                                                             |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
| 11:15 -12:15                                       |                                     | 01:00                                        | TOH                                                                                                 |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
| 12:15 -14:00                                       |                                     | 01:45                                        | Run 12 jts of 8 5/8" casing                                                                         |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
| 14:00 -14:30                                       |                                     | 00:30                                        | RU Halliburton to circulate casing                                                                  |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
| 14:30 -15:00                                       |                                     | 00:30                                        | Cmt w/310 sx Premium, 2% CC , 1/4# FloCele. Circulate 84 sx to pit.                                 |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
| 15:00 -21:00                                       |                                     | 06:00                                        | WOC                                                                                                 |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
| 21:00 -00:00                                       |                                     | 03:00                                        | Back off landing. NU BOP TIH w/DC also test BOP w/1000psi for <sup>30</sup> <del>15</del> min. Okay |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
| 00:00 -07:00                                       |                                     | 07:00                                        | WOC                                                                                                 |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
|                                                    |                                     |                                              |                                                                                                     |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
| Total                                              |                                     | 24.00                                        |                                                                                                     |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
|                                                    |                                     |                                              |                                                                                                     |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
|                                                    |                                     |                                              |                                                                                                     |                                    |                     |                             |                       |                                 |                         |                              |                                  |              |
| Check if summary continued on back                 |                                     |                                              |                                                                                                     | Signed<br>faxed by Wade White      |                     |                             |                       |                                 |                         |                              |                                  |              |

## DAILY DRILLING REPORT

|                                             |                              |                                |                                                                                         |                                                       |                             |            |                      |                      |                        |                        |                                  |           |
|---------------------------------------------|------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------|------------|----------------------|----------------------|------------------------|------------------------|----------------------------------|-----------|
| Well<br>Beeson "F" Federal No. 21           |                              |                                | Size & depth last csg<br>8 5/8" @ 518                                                   |                                                       |                             |            |                      | Days since spud<br>3 |                        |                        | Date<br>01/01/98                 |           |
| Contractor<br>United Drilling Co. Rig No. 7 |                              |                                | Depth Today<br>1433 feet                                                                |                                                       | Depth yesterday<br>519 feet |            |                      | Progress<br>914 feet |                        |                        | Formation<br>Red Bed             |           |
| Operation at 0700                           |                              |                                | Daily Cost<br>\$12,921.00                                                               |                                                       | Accum cost<br>\$47,254.00   |            |                      | Accum mud cost       |                        |                        |                                  |           |
| Mud<br>Data                                 | Wt.<br>9.5                   | Vis.<br>29                     | PV/YP                                                                                   | Gels                                                  | Ph.<br>8                    | WL<br>n/c  | Chl.                 | Sand                 | Sol.                   | Oil                    | HIHP FL @ 300<br>100 psi 600 psi |           |
| Pump<br>Data                                | Number & type<br>Duplex 1000 | Liner size & stroke<br>6" x 16 |                                                                                         | SPM                                                   | RPM                         | PSI<br>850 | Noz vel              | AV-DP                | AV-DC                  | Slow pump rate & press |                                  |           |
| Bit number<br>1                             | Size<br>12 1/4               | Make<br>Hughes                 | Type<br>F2                                                                              | SN<br>RR                                              | Jets<br>2-14                | Depth out  | Footage<br>351       | Hours<br>7.5         | Avg ROP<br>46.80       | RPM<br>60              | Wt- M lb.                        | Condition |
| Bit number<br>2                             | Size<br>7 7/8                | Make<br>WM                     | Type<br>687Y                                                                            | SN<br>18660                                           | Jets<br>3-14                | Depth out  | Footage<br>914       | Hours<br>18.5        | Avg ROP<br>49.41       | RPM<br>60              | Wt- M lb.                        | Condition |
| Torque                                      | Rot. wt.                     | PU wt.                         | SO wt.                                                                                  | BHA wt.-air                                           | BHA wt. - mud               |            | Drilling time<br>hrs |                      | Accum hrs.<br>18.5 hrs |                        |                                  |           |
| Drill String                                | DPOD                         |                                | Conn                                                                                    |                                                       | Grade                       | Wt./Ft.    | Length               | Accidents            |                        | Date last BOP test     |                                  |           |
|                                             |                              |                                |                                                                                         |                                                       |                             |            |                      | NONE                 |                        | 12/31/97               |                                  |           |
| Bottom Hole<br>Assembly                     |                              | Length<br>576.86               | Description<br>1 7 7/8 bit 100, 21 6" DC 563.25, 1 x 0 sub .78, 1 pinto pin .9, 1 518.6 |                                                       |                             |            |                      |                      |                        |                        |                                  |           |
| Deviation Survey                            |                              |                                | Comments                                                                                |                                                       |                             |            |                      |                      |                        |                        |                                  |           |
| Depth                                       | Angle                        | Direction                      | TVD                                                                                     |                                                       |                             |            |                      |                      |                        |                        |                                  |           |
| 1009                                        | 1                            |                                |                                                                                         |                                                       |                             |            |                      |                      |                        |                        |                                  |           |
| Time                                        |                              |                                | Hrs.                                                                                    | Chronological Summary of Operations from 0700 to 0700 |                             |            |                      |                      |                        |                        |                                  |           |
| 07:00 -09:00                                |                              | 02:00                          |                                                                                         | WOC                                                   |                             |            |                      |                      |                        |                        |                                  |           |
| 09:00 -12:00                                |                              | 03:00                          |                                                                                         | Drilling cmt & insert float                           |                             |            |                      |                      |                        |                        |                                  |           |
| 12:00 -19:00                                |                              | 07:00                          |                                                                                         | Drilling formation                                    |                             |            |                      |                      |                        |                        |                                  |           |
| 19:00 -20:45                                |                              | 01:45                          |                                                                                         | Drilling formation                                    |                             |            |                      |                      |                        |                        |                                  |           |
| 20:45 -21:15                                |                              | 00:30                          |                                                                                         | Run survey @ 1009' 1 degree angle                     |                             |            |                      |                      |                        |                        |                                  |           |
| 21:15 -07:00                                |                              | 09:45                          |                                                                                         | Drilling formation                                    |                             |            |                      |                      |                        |                        |                                  |           |
|                                             |                              |                                |                                                                                         |                                                       |                             |            |                      |                      |                        |                        |                                  |           |
|                                             |                              |                                |                                                                                         |                                                       |                             |            |                      |                      |                        |                        |                                  |           |
|                                             |                              |                                |                                                                                         |                                                       |                             |            |                      |                      |                        |                        |                                  |           |
|                                             |                              |                                |                                                                                         |                                                       |                             |            |                      |                      |                        |                        |                                  |           |
|                                             |                              |                                |                                                                                         |                                                       |                             |            |                      |                      |                        |                        |                                  |           |
| Total                                       |                              | 24.00                          |                                                                                         |                                                       |                             |            |                      |                      |                        |                        |                                  |           |
|                                             |                              |                                |                                                                                         |                                                       |                             |            |                      |                      |                        |                        |                                  |           |
|                                             |                              |                                |                                                                                         |                                                       |                             |            |                      |                      |                        |                        |                                  |           |
|                                             |                              |                                |                                                                                         |                                                       |                             |            |                      |                      |                        |                        |                                  |           |
|                                             |                              |                                |                                                                                         | Signed                                                |                             |            |                      |                      |                        |                        |                                  |           |
| Check if summary continued on back          |                              |                                |                                                                                         | faxed by Wade White                                   |                             |            |                      |                      |                        |                        |                                  |           |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                     |                                       |                                                                                                |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
|----------------------------------------------------|-------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------|-------------------------------------|-----------------------------|-----------------------------|--------------------------|---------------------------------------|-----------------------------------------|--|
| Well<br><b>Beeson "F" Federal No. 21</b>           |                                     |                                       |                                                                                                | Size & depth last csg<br><b>8 5/8" @ 518</b> |                     |                                     |                             | Days since spud<br><b>4</b> |                          | Date<br><b>01/02/98</b>               |                                         |  |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                     |                                       |                                                                                                | Depth Today<br><b>2020 feet</b>              |                     | Depth yesterday<br><b>1433 feet</b> |                             | Progress<br><b>587 feet</b> |                          | Formation<br><b>Red Bed</b>           |                                         |  |
| Operation at 0700<br><b>Drilling</b>               |                                     |                                       |                                                                                                | Daily Cost<br><b>\$8,378.00</b>              |                     | Accum cost<br><b>\$55,632.00</b>    |                             | Accum mud cost              |                          |                                       |                                         |  |
| Mud Data                                           | Wt.<br><b>10.1</b>                  | Vis.<br><b>29</b>                     | PV/YP                                                                                          | Gels                                         | Ph.<br><b>9</b>     | WL<br><b>n/c</b>                    | Chl.                        | Sand                        | Sol.                     | Oil                                   | HIHP FL @ 300<br><b>100 psi 600 psi</b> |  |
| Pump Data                                          | Number & type<br><b>Duplex 1000</b> | Liner size & stroke<br><b>6" x 16</b> |                                                                                                | SPM                                          | RPM                 | PSI<br><b>850</b>                   | Noz vel                     | AV-DP                       | AV-DC                    | Slow pump rate & press                |                                         |  |
| Bit number<br><b>1</b>                             | Size<br><b>12 1/4</b>               | Make<br><b>Hughes</b>                 | Type<br><b>F2</b>                                                                              | SN<br><b>RR</b>                              | Jets<br><b>2-14</b> | Depth out                           | Footage<br><b>351</b>       | Hours<br><b>7.5</b>         | Avg ROP<br><b>46.80</b>  | RPM<br><b>60</b>                      | Wt- M lb.<br><b>Condition</b>           |  |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>                | Make<br><b>WM</b>                     | Type<br><b>687Y</b>                                                                            | SN<br><b>18660</b>                           | Jets<br><b>3-14</b> | Depth out<br><b>40</b>              | Footage<br><b>1501</b>      | Hours<br><b>37.5</b>        | Avg ROP<br><b>40.03</b>  | RPM<br><b>60</b>                      | Wt- M lb.<br><b>Condition</b>           |  |
| Torque                                             | Rot. wt.                            | PU wt.                                | SO wt.                                                                                         | BHA wt.-air                                  | BHA wt. - mud       |                                     | Drilling time<br><b>hrs</b> |                             | Accum hrs.<br><b>hrs</b> |                                       |                                         |  |
| Drill String                                       | DPOD                                |                                       | Conn                                                                                           |                                              | Grade               | Wt./Ft.                             | Length                      | Accidents<br><b>NONE</b>    |                          | Date last BOP test<br><b>12/31/97</b> |                                         |  |
| Bottom Hole Assembly                               |                                     | Length<br><b>576.86</b>               | Description<br><b>1 7 7/8 bit 100, 21 6" DC 563.25, 1 x 0 sub .78, 1 pinto pin .9, 1 518.6</b> |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
| Deviation Survey                                   |                                     |                                       |                                                                                                | Comments                                     |                     |                                     |                             |                             |                          |                                       |                                         |  |
| Depth                                              | Angle                               | Direction                             | TVD                                                                                            | <b>Mixed: 5 sx caustic</b>                   |                     |                                     |                             |                             |                          |                                       |                                         |  |
| <b>1522</b>                                        | <b>1/4</b>                          |                                       |                                                                                                |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
| <b>2005</b>                                        | <b>1</b>                            |                                       |                                                                                                |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
| Time                                               |                                     | Hrs.                                  | Chronological Summary of Operations from 0700 to 0700                                          |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
| <b>07:00 -10:00</b>                                |                                     | <b>03:00</b>                          | <b>Drilling</b>                                                                                |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
| <b>10:00 -10:30</b>                                |                                     | <b>00:30</b>                          | <b>Run survey @ 1522' 1/4 degree angle</b>                                                     |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
| <b>10:30 -14:30</b>                                |                                     | <b>04:00</b>                          | <b>Replace fuel pump on rig</b>                                                                |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
| <b>14:30 -19:00</b>                                |                                     | <b>04:30</b>                          | <b>Drilling</b>                                                                                |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
| <b>19:00 -06:00</b>                                |                                     | <b>11:00</b>                          | <b>Drilling</b>                                                                                |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
| <b>06:00 -06:30</b>                                |                                     | <b>00:30</b>                          | <b>Run survey @ 2005' 1 degree angle</b>                                                       |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
| <b>06:30 -07:00</b>                                |                                     | <b>00:30</b>                          | <b>Drilling</b>                                                                                |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
|                                                    |                                     |                                       |                                                                                                |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
|                                                    |                                     |                                       |                                                                                                |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
|                                                    |                                     |                                       |                                                                                                |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
| <b>Total</b>                                       |                                     | <b>24.00</b>                          |                                                                                                |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
|                                                    |                                     |                                       |                                                                                                |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
|                                                    |                                     |                                       |                                                                                                |                                              |                     |                                     |                             |                             |                          |                                       |                                         |  |
| Check if summary continued on back                 |                                     |                                       |                                                                                                | Signed<br><b>faxed by Wade White</b>         |                     |                                     |                             |                             |                          |                                       |                                         |  |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                     |                                                                                                |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
|----------------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------|--------------------------------------|-------------------------------------|--------------------|-----------------------------|-----------------------------------|-------------------------|-------------------------------|-----------------------------------------|
| Well<br><b>Beeson "F" Federal No. 21</b>           |                                     |                                                                                                | Size & depth last csg<br><b>8 5/8" @ 518</b> |                                      |                                     |                    | Days since spud<br><b>5</b> |                                   |                         | Date<br><b>01/03/98</b>       |                                         |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                     |                                                                                                | Depth Today<br><b>2597 feet</b>              |                                      | Depth yesterday<br><b>2020 feet</b> |                    | Progress<br><b>577 feet</b> |                                   |                         | Formation<br><b>Red Bed</b>   |                                         |
| Operation at 0700<br><b>Drilling</b>               |                                     |                                                                                                | Daily Cost<br><b>\$8,378.00</b>              |                                      | Accum cost<br><b>\$64,010.00</b>    |                    | Accum mud cost              |                                   |                         |                               |                                         |
| Mud Data                                           | Wt.<br><b>10.1</b>                  | Vis.<br><b>29</b>                                                                              | PV/YP                                        | Gels                                 | Ph.<br><b>9</b>                     | WL                 | Chl.                        | Sand                              | Sol.                    | Oil                           | HIHP FL @ 300<br><b>100 psi 600 psi</b> |
| Pump Data                                          | Number & type<br><b>Duplex 1000</b> | Liner size & stroke<br><b>6" x 16</b>                                                          |                                              | SPM<br><b>44</b>                     | RPM                                 | PSI<br><b>1100</b> | Noz vel                     | AV-DP                             | AV-DC                   | Slow pump rate & press        |                                         |
| Bit number<br><b>1</b>                             | Size<br><b>12 1/4</b>               | Make<br><b>Hughes</b>                                                                          | Type<br><b>F2</b>                            | SN<br><b>RR</b>                      | Jets<br><b>2-14</b>                 | Depth out          | Footage<br><b>351</b>       | Hours<br><b>7.5</b>               | Avg ROP<br><b>46.80</b> | RPM<br><b>60</b>              | Wt- M lb.<br><b>Condition</b>           |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>                | Make<br><b>WM</b>                                                                              | Type<br><b>687Y</b>                          | SN<br><b>18660</b>                   | Jets<br><b>3-14</b>                 | Depth out          | Footage<br><b>2078</b>      | Hours<br><b>55.5</b>              | Avg ROP<br><b>37.44</b> | RPM<br><b>60</b>              | Wt- M lb.<br><b>Condition</b>           |
| Torque                                             | Rot. wt.                            | PU wt.                                                                                         | SO wt.                                       | BHA wt.-air                          |                                     | BHA wt. - mud      |                             | Drilling time<br><b>22.78 hrs</b> |                         | Accum hrs.<br><b>55.5 hrs</b> |                                         |
| Drill String                                       | DPOD                                |                                                                                                | Conn                                         |                                      | Grade                               | Wt./Ft.            | Length                      | Accidents                         |                         | Date last BOP test            |                                         |
|                                                    |                                     |                                                                                                |                                              |                                      |                                     |                    |                             | NONE                              |                         | 12/31/97                      |                                         |
|                                                    |                                     |                                                                                                |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
| Bottom Hole Assembly                               | Length<br><b>576.86</b>             | Description<br><b>1 7 7/8 bit 100, 21 6" DC 563.25, 1 x 0 sub .78, 1 pinto pin .9, 1 518.6</b> |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
| Deviation Survey                                   |                                     |                                                                                                | Comments                                     |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
| Depth                                              | Angle                               | Direction                                                                                      | TVD                                          | <b>Mixed: 4 sx caustic</b>           |                                     |                    |                             |                                   |                         |                               |                                         |
| <b>2509</b>                                        | <b>3/4</b>                          |                                                                                                |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
|                                                    |                                     |                                                                                                |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
| Time                                               | Hrs.                                | Chronological Summary of Operations from 0700 to 0700                                          |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
| <b>07:00 -11:45</b>                                | <b>04:45</b>                        | <b>Drilling</b>                                                                                |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
| <b>11:45 -12:30</b>                                | <b>00:45</b>                        | <b>Repair rig</b>                                                                              |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
| <b>12:30 -19:00</b>                                | <b>06:30</b>                        | <b>Drilling</b>                                                                                |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
| <b>19:00 -03:00</b>                                | <b>08:00</b>                        | <b>Drilling</b>                                                                                |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
| <b>03:00 -03:30</b>                                | <b>00:30</b>                        | <b>Run survey @ 2509' 3/4 degree angle</b>                                                     |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
| <b>03:30 -07:00</b>                                | <b>03:30</b>                        | <b>Drilling</b>                                                                                |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
|                                                    |                                     |                                                                                                |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
|                                                    |                                     |                                                                                                |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
|                                                    |                                     |                                                                                                |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
|                                                    |                                     |                                                                                                |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
|                                                    |                                     |                                                                                                |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
| <b>Total</b>                                       | <b>24.00</b>                        |                                                                                                |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
|                                                    |                                     |                                                                                                |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
|                                                    |                                     |                                                                                                |                                              |                                      |                                     |                    |                             |                                   |                         |                               |                                         |
| Check if summary continued on back                 |                                     |                                                                                                |                                              | Signed<br><b>faxed by Wade White</b> |                                     |                    |                             |                                   |                         |                               |                                         |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                     |                                                                                                |                                                       |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
|----------------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------|---------------------|-----------------------------|-----------------------------------|-----------------------------|--------------------------|------------------------|-----------------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 21</b>           |                                     | Size & depth last csg<br><b>8 5/8" @ 518</b>                                                   |                                                       |                                     |                     | Days since spud<br><b>6</b> |                                   | Date<br><b>01/04/98</b>     |                          |                        |                                         |           |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                     | Depth Today<br><b>3117 feet</b>                                                                |                                                       | Depth yesterday<br><b>2597 feet</b> |                     | Progress<br><b>520 feet</b> |                                   | Formation<br><b>Red Bed</b> |                          |                        |                                         |           |
| Operation at 0700<br><b>Drilling</b>               |                                     | Daily Cost<br><b>\$7,800.00</b>                                                                |                                                       | Accum cost<br><b>\$71,810.00</b>    |                     | Accum mud cost              |                                   |                             |                          |                        |                                         |           |
| Mud Data                                           | Wt.<br><b>10.1</b>                  | Vis.<br><b>29</b>                                                                              | PV/YP                                                 | Gels                                | Ph.<br><b>9</b>     | WL                          | Chl.                              | Sand                        | Sol.                     | Oil                    | HIHP FL @ 300<br><b>100 psi 600 psi</b> |           |
| Pump Data                                          | Number & type<br><b>Duplex 1000</b> | Liner size & stroke<br><b>6" x 16</b>                                                          |                                                       | SPM<br><b>42</b>                    | RPM<br><b>1100</b>  | PSI                         | Noz vel                           | AV-DP                       | AV-DC                    | Slow pump rate & press |                                         |           |
| Bit number<br><b>1</b>                             | Size<br><b>12 1/4</b>               | Make<br><b>Hughes</b>                                                                          | Type<br><b>F2</b>                                     | SN<br><b>RR</b>                     | Jets<br><b>2-14</b> | Depth out                   | Footage<br><b>351</b>             | Hours<br><b>7.5</b>         | Avg ROP<br><b>46.80</b>  | RPM<br><b>60</b>       | Wt- M lb.<br><b>40</b>                  | Condition |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>                | Make<br><b>WM</b>                                                                              | Type<br><b>687Y</b>                                   | SN<br><b>18660</b>                  | Jets<br><b>3-14</b> | Depth out                   | Footage<br><b>2598</b>            | Hours<br><b>78.25</b>       | Avg ROP<br><b>33.20</b>  | RPM<br><b>60</b>       | Wt- M lb.<br><b>40</b>                  | Condition |
| Torque                                             | Rot. wt.                            | PU wt.                                                                                         | SO wt.                                                | BHA wt.-air                         | BHA wt. - mud       |                             | Drilling time<br><b>23.75 hrs</b> |                             | Accum hrs.<br><b>hrs</b> |                        |                                         |           |
| Drill String                                       | DPOD                                | Conn                                                                                           |                                                       | Grade                               | Wt./Ft.             | Length                      | Accidents                         |                             | Date last BOP test       |                        |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                     |                     |                             | NONE                              |                             | 12/31/97                 |                        |                                         |           |
| Bottom Hole Assembly                               | Length<br><b>576.86</b>             | Description<br><b>1 7 7/8 bit 100, 21 6" DC 563.25, 1 x 0 sub .78, 1 pinto pin .9, 1 518.6</b> |                                                       |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
| Deviation Survey                                   |                                     | Comments                                                                                       |                                                       |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
| Depth                                              | Angle                               | Direction                                                                                      | TVD                                                   |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
| 3011                                               | 1/2                                 |                                                                                                |                                                       |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
| Time                                               |                                     | Hrs.                                                                                           | Chronological Summary of Operations from 0700 to 0700 |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
| 07:00 -10:00                                       |                                     | 03:00                                                                                          | Drilling                                              |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
| 10:00 -10:15                                       |                                     | 00:15                                                                                          | Rig service                                           |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
| 10:15 -19:00                                       |                                     | 08:45                                                                                          | Drilling                                              |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
| 19:00 -02:00                                       |                                     | 07:00                                                                                          | Drilling                                              |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
| 02:00 -02:30                                       |                                     | 00:30                                                                                          | Run survey @ 3011' 1/2 degree angle                   |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
| 02:30 -07:00                                       |                                     | 04:30                                                                                          | Drilling                                              |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
| Total                                              |                                     | 24.00                                                                                          |                                                       |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |
| Check if summary continued on back                 |                                     |                                                                                                | Signed<br>faxed by Gary Steed                         |                                     |                     |                             |                                   |                             |                          |                        |                                         |           |

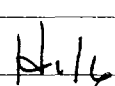
# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                     |                                                                                                |                                                       |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
|----------------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------|---------------------|-----------------------------|------------------------|-----------------------------------|-------------------------|--------------------------|-----------------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 21</b>           |                                     | Size & depth last csg<br><b>8 5/8" @ 518</b>                                                   |                                                       |                                                                    |                     | Days since spud<br><b>7</b> |                        | Date<br><b>01/05/98</b>           |                         |                          |                                         |           |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                     | Depth Today<br><b>3350 feet</b>                                                                |                                                       | Depth yesterday<br><b>3117 feet</b>                                |                     | Progress<br><b>233 feet</b> |                        | Formation<br><b>Red Bed</b>       |                         |                          |                                         |           |
| Operation at 0700<br><b>Logging</b>                |                                     | Daily Cost<br><b>\$4,175.00</b>                                                                |                                                       | Accum cost<br><b>\$75,985.00</b>                                   |                     | Accum mud cost              |                        |                                   |                         |                          |                                         |           |
| Mud<br>Data                                        | Wt.<br><b>10.1</b>                  | Vis.<br><b>29</b>                                                                              | PV/YP                                                 | Gels                                                               | Ph.<br><b>9</b>     | WL                          | Chl.                   | Sand                              | Sol.                    | Oil                      | HIHP FL @ 300<br><b>100 psi 600 psi</b> |           |
| Pump<br>Data                                       | Number & type<br><b>Duplex 1000</b> | Liner size & stroke<br><b>6" x 16</b>                                                          |                                                       | SPM<br><b>41</b>                                                   | RPM                 | PSI<br><b>1100</b>          | Noz vel                | AV-DP                             | AV-DC                   | Slow pump rate & press   |                                         |           |
| Bit number<br><b>1</b>                             | Size<br><b>12 1/4</b>               | Make<br><b>Hughes</b>                                                                          | Type<br><b>F2</b>                                     | SN<br><b>RR</b>                                                    | Jets<br><b>2-14</b> | Depth out                   | Footage<br><b>351</b>  | Hours<br><b>7.5</b>               | Avg ROP<br><b>46.80</b> | RPM<br><b>60</b>         | Wt- M lb.                               | Condition |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>                | Make<br><b>WM</b>                                                                              | Type<br><b>687Y</b>                                   | SN<br><b>18660</b>                                                 | Jets<br><b>3-14</b> | Depth out<br><b>3350</b>    | Footage<br><b>2831</b> | Hours<br><b>89.5</b>              | Avg ROP<br><b>31.63</b> | RPM<br><b>60</b>         | Wt- M lb.<br><b>40</b>                  | Condition |
| Torque                                             | Rot. wt.                            | PU wt.                                                                                         | SO wt.                                                | BHA wt.-air                                                        | BHA wt. - mud       |                             |                        | Drilling time<br><b>23.75 hrs</b> |                         | Accum hrs.<br><b>hrs</b> |                                         |           |
| Drill String                                       | DPOD                                |                                                                                                | Conn                                                  |                                                                    | Grade               | Wt./Ft.                     | Length                 | Accidents                         |                         | Date last BOP test       |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                                                    |                     |                             |                        | NONE                              |                         | 12/31/97                 |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
| Bottom Hole<br>Assembly                            | Length<br><b>576.86</b>             | Description<br><b>1 7 7/8 bit 100, 21 6" DC 563.25, 1 x 0 sub .78, 1 pinto pin .9, 1 518.6</b> |                                                       |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
| Deviation Survey                                   |                                     | Comments                                                                                       |                                                       |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
| Depth                                              | Angle                               | Direction                                                                                      | TVD                                                   | <b>Loggers tag bottom @ 3:30 am NM time<br/>their TD was 3349'</b> |                     |                             |                        |                                   |                         |                          |                                         |           |
| <b>3350</b>                                        | <b>3/4</b>                          |                                                                                                |                                                       |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
| Time                                               |                                     | Hrs.                                                                                           | Chronological Summary of Operations from 0700 to 0700 |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
| <b>07:00 -09:15</b>                                |                                     | <b>02:15</b>                                                                                   | <b>Drilling</b>                                       |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
| <b>09:15 -09:30</b>                                |                                     | <b>00:15</b>                                                                                   | <b>Rig service</b>                                    |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
| <b>09:30 -19:00</b>                                |                                     | <b>09:30</b>                                                                                   | <b>Drilling</b>                                       |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
| <b>19:00 -20:00</b>                                |                                     | <b>01:00</b>                                                                                   | <b>Mix mud</b>                                        |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
| <b>20:00 -21:30</b>                                |                                     | <b>01:30</b>                                                                                   | <b>Circulate</b>                                      |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
| <b>21:30 -01:00</b>                                |                                     | <b>03:30</b>                                                                                   | <b>POH laydown drill string</b>                       |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
| <b>01:00 -07:00</b>                                |                                     | <b>06:00</b>                                                                                   | <b>RU loggers-tag bottom at 3349'</b>                 |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
| <b>Total</b>                                       |                                     | <b>24.00</b>                                                                                   |                                                       |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
|                                                    |                                     |                                                                                                |                                                       |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |
| Check if summary continued on back                 |                                     |                                                                                                | Signed<br>faxed by Gary Steed                         |                                                                    |                     |                             |                        |                                   |                         |                          |                                         |           |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                     |                                       |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
|----------------------------------------------------|-------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------------|-----------------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 21</b>           |                                     |                                       |                                                                                                                                                                          | Size & depth last csg<br><b>5 1/2" casing @ 3350'</b>                                                                  |                     |                                     |                                   | Days since spud<br><b>8</b> |                          | Date<br><b>01/06/97</b>     |                                         |           |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                     |                                       |                                                                                                                                                                          | Depth Today<br><b>3350 feet</b>                                                                                        |                     | Depth yesterday<br><b>3117 feet</b> |                                   | Progress<br><b>233 feet</b> |                          | Formation<br><b>Red Bed</b> |                                         |           |
| Operation at 0700<br><b>MORT</b>                   |                                     |                                       |                                                                                                                                                                          | Daily Cost<br><b>\$58,113.00</b>                                                                                       |                     | Accum cost<br><b>\$134,098.00</b>   |                                   | Accum mud cost              |                          |                             |                                         |           |
| Mud Data                                           | Wt.<br><b>10.1</b>                  | Vis.<br><b>29</b>                     | PV/YP                                                                                                                                                                    | Gels                                                                                                                   | Ph.<br><b>9</b>     | WL                                  | Chl.                              | Sand                        | Sol.                     | Oil                         | HIHP FL @ 300<br><b>100 psi 600 psi</b> |           |
| Pump Data                                          | Number & type<br><b>Duplex 1000</b> | Liner size & stroke<br><b>6" x 16</b> |                                                                                                                                                                          | SPM<br><b>41</b>                                                                                                       | RPM                 | PSI<br><b>1100</b>                  | Noz vel                           | AV-DP                       | AV-DC                    | Slow pump rate & press      |                                         |           |
| Bit number<br><b>1</b>                             | Size<br><b>12 1/4</b>               | Make<br><b>Hughes</b>                 | Type<br><b>F2</b>                                                                                                                                                        | SN<br><b>RR</b>                                                                                                        | Jets<br><b>2-14</b> | Depth out                           | Footage<br><b>351</b>             | Hours<br><b>7.5</b>         | Avg ROP<br><b>46.80</b>  | RPM<br><b>60</b>            | Wt- M lb.<br><b>40</b>                  | Condition |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>                | Make<br><b>WM</b>                     | Type<br><b>687Y</b>                                                                                                                                                      | SN<br><b>18660</b>                                                                                                     | Jets<br><b>3-14</b> | Depth out<br><b>3350</b>            | Footage<br><b>2831</b>            | Hours<br><b>89.5</b>        | Avg ROP<br><b>31.63</b>  | RPM<br><b>60</b>            | Wt- M lb.<br><b>40</b>                  | Condition |
| Torque                                             | Rot. wt.                            | PU wt.                                | SO wt.                                                                                                                                                                   | BHA wt.-air                                                                                                            | BHA wt. - mud       |                                     | Drilling time<br><b>23.75 hrs</b> |                             | Accum hrs.<br><b>hrs</b> |                             |                                         |           |
| Drill String                                       | DPOD                                |                                       | Conn                                                                                                                                                                     |                                                                                                                        | Grade               | Wt./Ft.                             | Length                            | Accidents                   |                          | Date last BOP test          |                                         |           |
|                                                    |                                     |                                       |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   | NONE                        |                          | 12/31/97                    |                                         |           |
| Bottom Hole Assembly                               |                                     | Length<br><b>576.86</b>               | Description<br><b>1 7 7/8 bit 100, 21 6" DC 563.25, 1 x 0 sub .78, 1 pinto pin .9, 1 518.6</b>                                                                           |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
| Deviation Survey                                   |                                     |                                       |                                                                                                                                                                          | Comments                                                                                                               |                     |                                     |                                   |                             |                          |                             |                                         |           |
| Depth                                              | Angle                               | Direction                             | TVD                                                                                                                                                                      |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
|                                                    |                                     |                                       |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
|                                                    |                                     |                                       |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
| Time                                               |                                     | Hrs.                                  | Chronological Summary of Operations from 0700 to 0700                                                                                                                    |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
| 07:00 -09:00                                       |                                     | 02:00                                 | Logging                                                                                                                                                                  |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
| 09:00 -11:30                                       |                                     | 02:30                                 | RU casing crew. Run 75 jts of 5 1/2" #17 to 3350'.                                                                                                                       |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
| 11:30 -14:00                                       |                                     | 02:30                                 | Circulate. Wait on Halliburton-cement coming out of Odessa.                                                                                                              |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
| 14:00 -16:00                                       |                                     | 02:00                                 | Cmt w/ 950 sx Premium + Halliburton Lite, 1/4# FloCele, 5# salt. Tailed w/350 sx Premium w/3# KCL, .2% CFR-3, .5% HALAD-9. Plug down at 4:00pm. Circulate 175 sx to pit. |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
|                                                    |                                     |                                       |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
|                                                    |                                     |                                       |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
|                                                    |                                     |                                       |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
|                                                    |                                     |                                       |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
|                                                    |                                     |                                       |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
|                                                    |                                     |                                       |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
|                                                    |                                     |                                       |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
|                                                    |                                     |                                       |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
|                                                    |                                     |                                       |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
| Total                                              |                                     | 09:00                                 |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
|                                                    |                                     |                                       |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
|                                                    |                                     |                                       |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
|                                                    |                                     |                                       |                                                                                                                                                                          |                                                                                                                        |                     |                                     |                                   |                             |                          |                             |                                         |           |
| Check if summary continued on back                 |                                     |                                       |                                                                                                                                                                          | Signed<br><br>faxed by Gary Steed |                     |                                     |                                   |                             |                          |                             |                                         |           |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                          |                                     |                                      |                     |                                                       |                       |                                   |                       |                             |                         |                                       |                                  |           |
|------------------------------------------|-------------------------------------|--------------------------------------|---------------------|-------------------------------------------------------|-----------------------|-----------------------------------|-----------------------|-----------------------------|-------------------------|---------------------------------------|----------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 23</b> |                                     |                                      |                     | Size & depth last csg                                 |                       |                                   |                       | Days since spud<br><b>1</b> |                         |                                       | Date<br><b>12/14/97</b>          |           |
| Contractor<br><b>United Rig No. 7</b>    |                                     |                                      |                     | Depth Today<br><b>507 feet</b>                        |                       | Depth yesterday<br><b>40 feet</b> |                       | Progress<br><b>467 feet</b> |                         |                                       | Formation<br><b>Red Bed/Salt</b> |           |
| Operation at 0600<br><b>Circulate</b>    |                                     |                                      |                     | Daily Cost<br><b>\$17,295.00</b>                      |                       | Accum cost<br><b>\$17,295.00</b>  |                       | Accum mud cost              |                         |                                       |                                  |           |
| Mud<br>Data                              | Wt.<br><b>9.3</b>                   | Vis.<br><b>29</b>                    | PV/YP               | Gels                                                  | Ph.                   | WL                                | Chl.                  | Sand                        | Sol.                    | Oil                                   | HIHP FL @ 300<br>100 psi 600 psi |           |
| Pump<br>Data                             | Number & type<br><b>Duplex 1000</b> | Liner size & stroke<br><b>6 x 16</b> |                     | SPM<br><b>44</b>                                      | RPM                   | PSI<br><b>400</b>                 | Noz vel               | AV-DP                       | AV-DC                   | Slow pump rate & press                |                                  |           |
| Bit number<br><b>1</b>                   | Size<br><b>12 1/2</b>               | Make<br><b>Reed</b>                  | Type<br><b>FP62</b> | SN<br><b>RR</b>                                       | Jets<br><b>3 - 12</b> | Depth out                         | Footage<br><b>467</b> | Hours<br><b>9.5</b>         | Avg ROP<br><b>49.16</b> | RPM<br><b>70</b>                      | Wt- M lb.<br><b>all</b>          | Condition |
| Bit number                               | Size                                | Make                                 | Type                | SN                                                    | Jets                  | Depth out                         | Footage               | Hours                       | Avg ROP                 | RPM                                   | Wt- M lb.                        | Condition |
| Torque                                   | Rot. wt.                            | PU wt.                               | SO wt.              | BHA wt.-air                                           |                       | BHA wt. - mud                     |                       | Drilling time<br>hrs        |                         | Accum hrs.<br>hrs                     |                                  |           |
| Drill String                             | DPOD                                |                                      | Conn                |                                                       | Grade                 | Wt./Ft.                           | Length                | Accidents                   |                         | Date last BOP test<br><b>12/05/97</b> |                                  |           |
| Bottom Hole Assembly                     |                                     |                                      |                     | Length                                                |                       | Description                       |                       |                             |                         |                                       |                                  |           |
| Deviation Survey                         |                                     |                                      |                     | Comments                                              |                       |                                   |                       |                             |                         |                                       |                                  |           |
| Depth                                    | Angle                               | Depth                                | Angle               |                                                       |                       |                                   |                       |                             |                         |                                       |                                  |           |
|                                          |                                     |                                      |                     |                                                       |                       |                                   |                       |                             |                         |                                       |                                  |           |
|                                          |                                     |                                      |                     |                                                       |                       |                                   |                       |                             |                         |                                       |                                  |           |
| Time                                     |                                     | Hrs.                                 |                     | Chronological Summary of Operations from 0600 to 0600 |                       |                                   |                       |                             |                         |                                       |                                  |           |
| 07:00 - 19:00                            |                                     | 12:00                                |                     | MIRT                                                  |                       |                                   |                       |                             |                         |                                       |                                  |           |
| 19:00 - 21:00                            |                                     | 02:00                                |                     | Mix spud mud                                          |                       |                                   |                       |                             |                         |                                       |                                  |           |
| 21:00 - 06:30                            |                                     | 09:30                                |                     | Spud 12 1/2" hole @ 9:00pm MST                        |                       |                                   |                       |                             |                         |                                       |                                  |           |
| 06:30 - 07:00                            |                                     | 00:30                                |                     | Circulate                                             |                       |                                   |                       |                             |                         |                                       |                                  |           |
|                                          |                                     |                                      |                     |                                                       |                       |                                   |                       |                             |                         |                                       |                                  |           |
| Total                                    |                                     | 24:00                                |                     |                                                       |                       |                                   |                       |                             |                         |                                       |                                  |           |
|                                          |                                     |                                      |                     |                                                       |                       |                                   |                       |                             |                         |                                       |                                  |           |
|                                          |                                     |                                      |                     |                                                       |                       |                                   |                       |                             |                         |                                       |                                  |           |
|                                          |                                     |                                      |                     |                                                       |                       |                                   |                       |                             |                         |                                       |                                  |           |
|                                          |                                     |                                      |                     |                                                       |                       |                                   |                       |                             |                         |                                       |                                  |           |
|                                          |                                     |                                      |                     |                                                       |                       |                                   |                       |                             |                         |                                       |                                  |           |
|                                          |                                     |                                      |                     |                                                       |                       |                                   |                       |                             |                         |                                       |                                  |           |
|                                          |                                     |                                      |                     |                                                       |                       |                                   |                       |                             |                         |                                       |                                  |           |
|                                          |                                     |                                      |                     |                                                       |                       |                                   |                       |                             |                         |                                       |                                  |           |
| Check if summary continued on back       |                                     |                                      |                     | Signed                                                |                       | faxed by Gary Steed               |                       |                             |                         |                                       |                                  |           |

N12/15

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                          |                                     |                         |                                      |                                                                                        |                       |                                    |         |                             |                          |                                  |                                       |
|------------------------------------------|-------------------------------------|-------------------------|--------------------------------------|----------------------------------------------------------------------------------------|-----------------------|------------------------------------|---------|-----------------------------|--------------------------|----------------------------------|---------------------------------------|
| Well<br><b>Beeson "F" Federal No. 23</b> |                                     |                         |                                      | Size & depth last csg<br><b>8 5/8 " casing @ 500'</b>                                  |                       |                                    |         | Days since spud<br><b>2</b> |                          | Date<br><b>12/15/97</b>          |                                       |
| Contractor<br><b>United Rig No. 7</b>    |                                     |                         |                                      | Depth Today<br><b>507 feet</b>                                                         |                       | Depth yesterday<br><b>507 feet</b> |         | Progress<br><b>0 feet</b>   |                          | Formation<br><b>Red Bed/Salt</b> |                                       |
| Operation at 0700                        |                                     |                         |                                      | Daily Cost<br><b>\$14,800.00</b>                                                       |                       | Accum cost<br><b>\$32,095.00</b>   |         | Accum mud cost              |                          |                                  |                                       |
| Mud Data                                 | Wt.                                 | Vis.                    | PV/YP                                | Gels                                                                                   | Ph.                   | WL                                 | Chl.    | Sand                        | Sol.                     | Oil                              | HIHP FL @ 300<br>100 psi    600 psi   |
| Pump Data                                | Number & type<br><b>Duplex 1000</b> |                         | Liner size & stroke<br><b>6 x 16</b> |                                                                                        | SPM                   | RPM                                | PSI     | Noz vel                     | AV-DP                    | AV-DC                            | Slow pump rate & press                |
| Bit number<br><b>2</b>                   | Size<br><b>7 7/8</b>                | Make<br><b>WM</b>       | Type<br><b>637Y</b>                  | SN<br><b>O13663</b>                                                                    | Jets<br><b>3 - 14</b> | Depth out                          | Footage | Hours                       | Avg ROP                  | RPM                              | Wt- M lb.    Condition                |
| Bit number                               | Size                                | Make                    | Type                                 | SN                                                                                     | Jets                  | Depth out                          | Footage | Hours                       | Avg ROP                  | RPM                              | Wt- M lb.    Condition                |
| Torque                                   | Rot. wt.                            | PU wt.                  | SO wt.                               | BHA wt.-air                                                                            |                       | BHA wt. - mud                      |         | Drilling time<br>hrs        |                          | Accum hrs.<br>hrs                |                                       |
| Drill String                             |                                     | DPOD                    |                                      | Conn                                                                                   |                       | Grade                              | Wt./Ft. | Length                      | Accidents<br><b>none</b> |                                  | Date last BOP test<br><b>12/15/97</b> |
| Bottom Hole Assembly                     |                                     | Length<br><b>548.94</b> |                                      | Description<br><b>7 7/8 bit 1.00, 1 pin .90 1 sock sub 10.93 1 x 0 .80206" DC 535.</b> |                       |                                    |         |                             |                          |                                  |                                       |
| Deviation Survey                         |                                     |                         |                                      | Comments                                                                               |                       |                                    |         |                             |                          |                                  |                                       |
| Depth                                    | Angle                               | Depth                   | Angle                                |                                                                                        |                       |                                    |         |                             |                          |                                  |                                       |
| <b>507</b>                               | <b>1/4</b>                          |                         |                                      |                                                                                        |                       |                                    |         |                             |                          |                                  |                                       |
|                                          |                                     |                         |                                      |                                                                                        |                       |                                    |         |                             |                          |                                  |                                       |
| Time                                     |                                     | Hrs.                    |                                      | Chronological Summary of Operations from 0600 to 0600                                  |                       |                                    |         |                             |                          |                                  |                                       |
| <b>07:00 -08:15</b>                      |                                     | <b>01:15</b>            |                                      | <b>POH</b>                                                                             |                       |                                    |         |                             |                          |                                  |                                       |
| <b>08:15 -09:30</b>                      |                                     | <b>01:15</b>            |                                      | <b>Rig up Bull Rogers casing crew. Run 11 jts of 8 5/8" @ 493'</b>                     |                       |                                    |         |                             |                          |                                  |                                       |
| <b>09:30 -10:00</b>                      |                                     | <b>00:30</b>            |                                      | <b>RU Halliburton and circulate casing.</b>                                            |                       |                                    |         |                             |                          |                                  |                                       |
| <b>10:00 -10:30</b>                      |                                     | <b>00:30</b>            |                                      | <b>Cmt w/310 sx 2% CC, 1/4# FloCele, circulate to pits w/95sx</b>                      |                       |                                    |         |                             |                          |                                  |                                       |
| <b>10:30 -19:00</b>                      |                                     | <b>08:30</b>            |                                      | <b>WOC</b>                                                                             |                       |                                    |         |                             |                          |                                  |                                       |
| <b>19:00 -03:00</b>                      |                                     | <b>08:00</b>            |                                      | <b>WOC</b>                                                                             |                       |                                    |         |                             |                          |                                  |                                       |
| <b>03:00 -05:00</b>                      |                                     | <b>02:00</b>            |                                      | <b>Nipple up BOP, TIH w/DC &amp; test BOP for 30min @ 1000 psi. Okay</b>               |                       |                                    |         |                             |                          |                                  |                                       |
| <b>05:00 -07:00</b>                      |                                     | <b>02:00</b>            |                                      | <b>Drill cmt &amp; insert float</b>                                                    |                       |                                    |         |                             |                          |                                  |                                       |
|                                          |                                     |                         |                                      |                                                                                        |                       |                                    |         |                             |                          |                                  |                                       |
|                                          |                                     |                         |                                      |                                                                                        |                       |                                    |         |                             |                          |                                  |                                       |
|                                          |                                     |                         |                                      |                                                                                        |                       |                                    |         |                             |                          |                                  |                                       |
| <b>Total</b>                             |                                     | <b>24:00</b>            |                                      |                                                                                        |                       |                                    |         |                             |                          |                                  |                                       |
|                                          |                                     |                         |                                      |                                                                                        |                       |                                    |         |                             |                          |                                  |                                       |
|                                          |                                     |                         |                                      |                                                                                        |                       |                                    |         |                             |                          |                                  |                                       |
| Check if summary continued on back       |                                     |                         |                                      | Signed<br><b>faxed by Wade White</b> <b>12/15/97</b>                                   |                       |                                    |         |                             |                          |                                  |                                       |

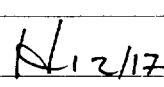
**DAILY DRILLING REPORT**Check if summary continued on back

faxed by Wade White

4/12/16/97

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                          |                                     |                                      |                                                                                        |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
|------------------------------------------|-------------------------------------|--------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------|--------------------------------|--------------------------|-----------------------------|---------------------------------------|-------------------------------------|
| Well<br><b>Beeson "F" Federal No. 23</b> |                                     |                                      | Size & depth last csg<br><b>8 5/8 " casing @ 500'</b>                                  |                                                                                                                                                                                                    |                                     |                    | Days since spud<br><b>4</b>    |                          |                             | Date<br><b>12/17/97</b>               |                                     |
| Contractor<br><b>United Rig No. 7</b>    |                                     |                                      | Depth Today<br><b>2096 feet</b>                                                        |                                                                                                                                                                                                    | Depth yesterday<br><b>1433 feet</b> |                    | Progress<br><b>663 feet</b>    |                          |                             | Formation<br><b>Red Bed/Salt</b>      |                                     |
| Operation at 0700<br><b>Drilling</b>     |                                     |                                      | Daily Cost<br><b>\$9,692.00</b>                                                        |                                                                                                                                                                                                    | Accum cost<br><b>\$55,051.00</b>    |                    | Accum mud cost                 |                          |                             |                                       |                                     |
| Mud<br>Data                              | Wt.<br><b>10.2</b>                  | Vis.<br><b>29</b>                    | PV/YP                                                                                  | Gels                                                                                                                                                                                               | Ph.<br><b>10</b>                    | WL                 | Chl.                           | Sand                     | Sol.                        | Oil                                   | HIHP FL @ 300<br>100 psi    600 psi |
| Pump<br>Data                             | Number & type<br><b>Duplex 1000</b> | Liner size & stroke<br><b>6 x 16</b> |                                                                                        | SPM<br><b>49</b>                                                                                                                                                                                   | RPM                                 | PSI<br><b>1000</b> | Noz vel                        | AV-DP                    | AV-DC                       | Slow pump rate & press                |                                     |
| Bit number<br><b>2</b>                   | Size<br><b>7 7/8</b>                | Make<br><b>WM</b>                    | Type<br><b>637Y</b>                                                                    | SN<br><b>O13663</b>                                                                                                                                                                                | Jets<br><b>3 - 14</b>               | Depth out          | Footage<br><b>1598</b>         | Hours<br><b>44</b>       | Avg ROP<br><b>36.32</b>     | RPM                                   | Wt- M lb.<br>Condition              |
| Bit number                               | Size                                | Make                                 | Type                                                                                   | SN                                                                                                                                                                                                 | Jets                                | Depth out          | Footage                        | Hours                    | Avg ROP                     | RPM                                   | Wt- M lb.<br>Condition              |
| Torque                                   | Rot. wt.                            | PU wt.                               | SO wt.                                                                                 | BHA wt.-air                                                                                                                                                                                        | BHA wt. - mud                       |                    | Drilling time<br><b>23 hrs</b> |                          | Accum hrs.<br><b>44 hrs</b> |                                       |                                     |
| Drill String                             | DPOD                                |                                      | Conn                                                                                   |                                                                                                                                                                                                    | Grade                               | Wt./Ft.            | Length                         | Accidents<br><b>none</b> |                             | Date last BOP test<br><b>12/15/97</b> |                                     |
| Bottom Hole<br>Assembly                  |                                     | Length<br><b>548.94</b>              | Description<br><b>7 7/8 bit 1.00, 1 pin .90 1 sock sub 10.93 1 x 0 .80206" DC 535.</b> |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
| Deviation Survey                         |                                     |                                      |                                                                                        | Comments                                                                                                                                                                                           |                                     |                    |                                |                          |                             |                                       |                                     |
| Depth                                    | Angle                               | Depth                                | Angle                                                                                  | <b>Mixed 4sx caustic</b><br><br><b>6 sx paper</b>                                                                                                                                                  |                                     |                    |                                |                          |                             |                                       |                                     |
| <b>979</b>                               | <b>1 1/4</b>                        | <b>1465</b>                          | <b>1/2</b>                                                                             |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
|                                          |                                     | <b>2006</b>                          | <b>3/4</b>                                                                             |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
| Time                                     |                                     | Hrs.                                 | Chronological Summary of Operations from 0600 to 0600                                  |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
| <b>07:00 -07:30</b>                      |                                     | <b>00:30</b>                         | <b>Drilling</b>                                                                        |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
| <b>07:30 -08:00</b>                      |                                     | <b>00:30</b>                         | <b>Run survey 1464' 1/2 degree angle</b>                                               |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
| <b>08:00 -19:00</b>                      |                                     | <b>11:00</b>                         | <b>Drilling</b>                                                                        |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
| <b>19:00 -03:00</b>                      |                                     | <b>08:00</b>                         | <b>Drilling</b>                                                                        |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
| <b>03:00 -03:30</b>                      |                                     | <b>00:30</b>                         | <b>Run survey 2006' 3/4 degree angle</b>                                               |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
| <b>03:30 -07:00</b>                      |                                     | <b>03:30</b>                         | <b>Drilling</b>                                                                        |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
|                                          |                                     |                                      |                                                                                        |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
|                                          |                                     |                                      |                                                                                        |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
|                                          |                                     |                                      |                                                                                        |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
|                                          |                                     |                                      |                                                                                        |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
|                                          |                                     |                                      |                                                                                        |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
|                                          |                                     |                                      |                                                                                        |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
|                                          |                                     |                                      |                                                                                        |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
| <b>Total</b>                             |                                     | <b>24:00</b>                         |                                                                                        |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
|                                          |                                     |                                      |                                                                                        |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
|                                          |                                     |                                      |                                                                                        |                                                                                                                                                                                                    |                                     |                    |                                |                          |                             |                                       |                                     |
| Check if summary continued on back       |                                     |                                      |                                                                                        | Signed<br>faxed by Wade White <div style="text-align: right; font-family: cursive; font-size: 1.2em;">  </div> |                                     |                    |                                |                          |                             |                                       |                                     |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                          |                                     |                                                       |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
|------------------------------------------|-------------------------------------|-------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------|-----------------------|-----------------------------|----------------------------------|----------------------------------|-------------------------------|---------------------------------------|-------------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 23</b> |                                     | Size & depth last csg<br><b>8 5/8 " casing @ 500'</b> |                                                                                        |                                     |                       | Days since spud<br><b>5</b> |                                  | Date<br><b>12/18/97</b>          |                               |                                       |                                     |           |
| Contractor<br><b>United Rig No. 7</b>    |                                     | Depth Today<br><b>2642 feet</b>                       |                                                                                        | Depth yesterday<br><b>2096 feet</b> |                       | Progress<br><b>546 feet</b> |                                  | Formation<br><b>Red Bed/Salt</b> |                               |                                       |                                     |           |
| Operation at 0700<br><b>Drilling</b>     |                                     | Daily Cost<br><b>\$7,979.00</b>                       |                                                                                        | Accum cost<br><b>\$63,030.00</b>    |                       | Accum mud cost              |                                  |                                  |                               |                                       |                                     |           |
| Mud Data                                 | Wt.<br><b>10</b>                    | Vis.<br><b>29</b>                                     | PV/YP                                                                                  | Gels                                | Ph.<br><b>9</b>       | WL                          | Chl.                             | Sand                             | Sol.                          | Oil                                   | HIHP FL @ 300<br>100 psi    600 psi |           |
| Pump Data                                | Number & type<br><b>Duplex 1000</b> | Liner size & stroke<br><b>6 x 16</b>                  |                                                                                        | SPM<br><b>43</b>                    | RPM                   | PSI<br><b>1050</b>          | Noz vel                          | AV-DP                            | AV-DC                         | Slow pump rate & press                |                                     |           |
| Bit number<br><b>2</b>                   | Size<br><b>7 7/8</b>                | Make<br><b>WM</b>                                     | Type<br><b>637Y</b>                                                                    | SN<br><b>O13663</b>                 | Jets<br><b>3 - 14</b> | Depth out                   | Footage<br><b>2135</b>           | Hours<br><b>67.5</b>             | Avg ROP<br><b>31.63</b>       | RPM                                   | Wt- M lb.                           | Condition |
| Bit number                               | Size                                | Make                                                  | Type                                                                                   | SN                                  | Jets                  | Depth out                   | Footage                          | Hours                            | Avg ROP                       | RPM                                   | Wt- M lb.                           | Condition |
| Torque                                   | Rot. wt.                            | PU wt.                                                | SO wt.                                                                                 | BHA wt.-air                         | BHA wt. - mud         |                             | Drilling time<br><b>23.5 hrs</b> |                                  | Accum hrs.<br><b>67.5 hrs</b> |                                       |                                     |           |
| Drill String                             | DPOD                                |                                                       | Conn                                                                                   |                                     | Grade                 | Wt./Ft.                     | Length                           | Accidents<br><b>none</b>         |                               | Date last BOP test<br><b>12/15/97</b> |                                     |           |
| Bottom Hole Assembly                     |                                     | Length<br><b>548.94</b>                               | Description<br><b>7 7/8 bit 1.00, 1 pin .90 1 sock sub 10.93 1 x 0 .80206" DC 535.</b> |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
| Deviation Survey                         |                                     | Comments                                              |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
| Depth                                    | Angle                               | Depth                                                 | Angle                                                                                  | <b>Mixed 4sx caustic</b>            |                       |                             |                                  |                                  |                               |                                       |                                     |           |
| <b>2511</b>                              | <b>1/2</b>                          |                                                       |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
|                                          |                                     |                                                       |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
| Time                                     |                                     | Hrs.                                                  | Chronological Summary of Operations from 0600 to 0600                                  |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
| <b>07:00 -19:00</b>                      |                                     | <b>12:00</b>                                          | <b>Drilling</b>                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
| <b>19:00 -01:00</b>                      |                                     | <b>06:00</b>                                          | <b>Drilling</b>                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
| <b>01:00 -01:30</b>                      |                                     | <b>00:30</b>                                          | <b>Run survey 2511' 1/2 degree angle</b>                                               |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
| <b>01:30 -07:00</b>                      |                                     | <b>05:30</b>                                          | <b>Drilling</b>                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
|                                          |                                     |                                                       |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
|                                          |                                     |                                                       |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
|                                          |                                     |                                                       |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
|                                          |                                     |                                                       |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
|                                          |                                     |                                                       |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
|                                          |                                     |                                                       |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
|                                          |                                     |                                                       |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
|                                          |                                     |                                                       |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
|                                          |                                     |                                                       |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
|                                          |                                     |                                                       |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
| <b>Total</b>                             |                                     | <b>24:00</b>                                          |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
|                                          |                                     |                                                       |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |
|                                          |                                     |                                                       |                                                                                        |                                     |                       |                             |                                  |                                  |                               |                                       |                                     |           |

Check if summary continued on back

Signed

faxed by Wade White

*12/18*

## DAILY DRILLING REPORT

Check if summary continued on back

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                          |                                     |                                      |                                                                                        |                                                         |                       |                                     |                                  |                             |                          |                                       |                                  |           |
|------------------------------------------|-------------------------------------|--------------------------------------|----------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------|-------------------------------------|----------------------------------|-----------------------------|--------------------------|---------------------------------------|----------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 23</b> |                                     |                                      |                                                                                        | Size & depth last csg<br><b>8 5/8 " casing @ 500'</b>   |                       |                                     |                                  | Days since spud<br><b>7</b> |                          | Date<br><b>12/20/97</b>               |                                  |           |
| Contractor<br><b>United Rig No. 7</b>    |                                     |                                      |                                                                                        | Depth Today<br><b>3350 feet</b>                         |                       | Depth yesterday<br><b>3142 feet</b> |                                  | Progress<br><b>208 feet</b> |                          | Formation<br><b>DOL/Anhy</b>          |                                  |           |
| Operation at 0700<br><b>Drilling</b>     |                                     |                                      |                                                                                        | Daily Cost<br><b>\$10,020.00</b>                        |                       | Accum cost<br><b>\$80,114.00</b>    |                                  | Accum mud cost              |                          |                                       |                                  |           |
| Mud Data                                 | Wt.<br><b>10</b>                    | Vis.<br><b>29</b>                    | PV/YP                                                                                  | Gels                                                    | Ph.<br><b>9</b>       | WL                                  | Chl.                             | Sand                        | Sol.                     | Oil                                   | HIHP FL @ 300<br>100 psi 600 psi |           |
| Pump Data                                | Number & type<br><b>Duplex 1000</b> | Liner size & stroke<br><b>6 x 16</b> |                                                                                        | SPM<br><b>43</b>                                        | RPM                   | PSI<br><b>1200</b>                  | Noz vel                          | AV-DP                       | AV-DC                    | Slow pump rate & press                |                                  |           |
| Bit number<br><b>2</b>                   | Size<br><b>7 7/8</b>                | Make<br><b>WM</b>                    | Type<br><b>637Y</b>                                                                    | SN<br><b>O13663</b>                                     | Jets<br><b>3 - 14</b> | Depth out<br><b>3356</b>            | Footage<br><b>2843</b>           | Hours<br><b>101.5</b>       | Avg ROP<br><b>28.01</b>  | RPM<br><b>60</b>                      | Wt- M lb.<br><b>40</b>           | Condition |
| Bit number                               | Size                                | Make                                 | Type                                                                                   | SN                                                      | Jets                  | Depth out                           | Footage                          | Hours                       | Avg ROP                  | RPM                                   | Wt- M lb.                        | Condition |
| Torque                                   | Rot. wt.                            | PU wt.                               | SO wt.                                                                                 | BHA wt.-air                                             | BHA wt. - mud         |                                     | Drilling time<br><b>23.5 hrs</b> |                             | Accum hrs.<br><b>hrs</b> |                                       |                                  |           |
| Drill String                             | DPOD                                |                                      | Conn                                                                                   |                                                         | Grade                 | Wt./Ft.                             | Length                           | Accidents<br><b>none</b>    |                          | Date last BOP test<br><b>12/15/97</b> |                                  |           |
| Bottom Hole Assembly                     |                                     | Length<br><b>548.94</b>              | Description<br><b>7 7/8 bit 1.00, 1 pin .90 1 sock sub 10.93 1 x 0 .80206" DC 535.</b> |                                                         |                       |                                     |                                  |                             |                          |                                       |                                  |           |
| Deviation Survey                         |                                     |                                      |                                                                                        | Comments                                                |                       |                                     |                                  |                             |                          |                                       |                                  |           |
| Depth                                    | Angle                               | Depth                                | Angle                                                                                  |                                                         |                       |                                     |                                  |                             |                          |                                       |                                  |           |
| <b>3350</b>                              | <b>1/2</b>                          |                                      |                                                                                        |                                                         |                       |                                     |                                  |                             |                          |                                       |                                  |           |
|                                          |                                     |                                      |                                                                                        |                                                         |                       |                                     |                                  |                             |                          |                                       |                                  |           |
| Time                                     |                                     | Hrs.                                 |                                                                                        | Chronological Summary of Operations from 0600 to 0600   |                       |                                     |                                  |                             |                          |                                       |                                  |           |
| <b>07:00 -17:30</b>                      |                                     | <b>10:30</b>                         |                                                                                        | <b>Drilling. 3289'-92- oil &amp; gas to pit</b>         |                       |                                     |                                  |                             |                          |                                       |                                  |           |
| <b>17:30 -18:15</b>                      |                                     | <b>00:45</b>                         |                                                                                        | <b>Mud up</b>                                           |                       |                                     |                                  |                             |                          |                                       |                                  |           |
| <b>18:15 -19:00</b>                      |                                     | <b>00:45</b>                         |                                                                                        | <b>Sweep hole and circulate</b>                         |                       |                                     |                                  |                             |                          |                                       |                                  |           |
| <b>19:00 -20:30</b>                      |                                     | <b>01:30</b>                         |                                                                                        | <b>Circulate</b>                                        |                       |                                     |                                  |                             |                          |                                       |                                  |           |
| <b>20:30 -00:00</b>                      |                                     | <b>03:30</b>                         |                                                                                        | <b>Laydown string</b>                                   |                       |                                     |                                  |                             |                          |                                       |                                  |           |
| <b>00:00 -04:30</b>                      |                                     | <b>04:30</b>                         |                                                                                        | <b>RU loggers. Tag bottom @ 2:00am TD 3352'</b>         |                       |                                     |                                  |                             |                          |                                       |                                  |           |
| <b>04:30 -06:30</b>                      |                                     | <b>02:00</b>                         |                                                                                        | <b>Rig up casing crew - run 20 jts of 5 1/2" casing</b> |                       |                                     |                                  |                             |                          |                                       |                                  |           |
| <b>06:30 -07:00</b>                      |                                     | <b>00:30</b>                         |                                                                                        | <b>Wait on 5 1/2 elevators from Hobbs</b>               |                       |                                     |                                  |                             |                          |                                       |                                  |           |
|                                          |                                     |                                      |                                                                                        |                                                         |                       |                                     |                                  |                             |                          |                                       |                                  |           |
|                                          |                                     |                                      |                                                                                        |                                                         |                       |                                     |                                  |                             |                          |                                       |                                  |           |
|                                          |                                     |                                      |                                                                                        |                                                         |                       |                                     |                                  |                             |                          |                                       |                                  |           |
| <b>Total</b>                             |                                     | <b>24:00</b>                         |                                                                                        |                                                         |                       |                                     |                                  |                             |                          |                                       |                                  |           |
|                                          |                                     |                                      |                                                                                        |                                                         |                       |                                     |                                  |                             |                          |                                       |                                  |           |
| Check if summary continued on back       |                                     |                                      |                                                                                        | Signed<br><b>H. 12/22</b><br>faxed by Gary Steed        |                       |                                     |                                  |                             |                          |                                       |                                  |           |

# DAILY DRILLING REPORT

11/2/22

**DAILY DRILLING REPORT**

H. 126/98

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                    |               |                       |                                                                                                                                                                                          |                 |       |               |                |                 |           |                        |                    |           |
|------------------------------------|---------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------|---------------|----------------|-----------------|-----------|------------------------|--------------------|-----------|
| Well                               |               | Size & depth last csg |                                                                                                                                                                                          |                 |       |               |                | Days since spud |           |                        | Date               |           |
| Beeson "F" Federal No. 24          |               | 8 5/8" @ 523'         |                                                                                                                                                                                          |                 |       |               |                | 2               |           |                        | 01/27/98           |           |
| Contractor                         |               | Depth Today           |                                                                                                                                                                                          | Depth yesterday |       | Progress      |                |                 | Formation |                        |                    |           |
| Artesia Fishing Tool Rig #2        |               | 523 feet              |                                                                                                                                                                                          | 340 feet        |       | 183 feet      |                |                 | Red Bed   |                        |                    |           |
| Operation at 0600                  |               | Daily Cost            |                                                                                                                                                                                          | Accum cost      |       |               | Accum mud cost |                 |           |                        |                    |           |
| WOC                                |               | \$26,175.00           |                                                                                                                                                                                          | \$43,075.00     |       |               |                |                 |           |                        |                    |           |
| Mud                                | Wt.           | Vis.                  | PV/YP                                                                                                                                                                                    | Gels            | Ph.   | WL            | Chi.           | Sand            | Sol.      | Oil                    | HIHP FL @ 300      |           |
| Data                               | No            | Returns               |                                                                                                                                                                                          |                 |       |               |                |                 |           |                        | 100 psi            | 600 psi   |
| Pump                               | Number & type | Liner size & stroke   |                                                                                                                                                                                          | SPM             | RPM   | PSI           | Noz vel        | AV-DP           | AV-DC     | Slow pump rate & press |                    |           |
| Data                               | 1 GD GXQ      | 5 1/4 - 14            |                                                                                                                                                                                          | 58              |       | 750           |                |                 |           |                        |                    |           |
| Bit number                         | Size          | Make                  | Type                                                                                                                                                                                     | SN              | Jets  | Depth out     | Footage        | Hours           | Avg ROP   | RPM                    | Wt- M lb.          | Condition |
| 1                                  | 12 1/4        | STC                   | RT                                                                                                                                                                                       | RR              |       | 523           | 483            | 12.25           | 39.43     | 80                     | all                |           |
| Bit number                         | Size          | Make                  | Type                                                                                                                                                                                     | SN              | Jets  | Depth out     | Footage        | Hours           | Avg ROP   | RPM                    | Wt- M lb.          | Condition |
|                                    |               |                       |                                                                                                                                                                                          |                 |       |               |                |                 |           |                        |                    |           |
| Torque                             | Rot. wt.      | PU wt.                | SO wt.                                                                                                                                                                                   | BHA wt.-air     |       | BHA wt. - mud |                | Drilling time   |           | Accum hrs.             |                    |           |
|                                    |               |                       |                                                                                                                                                                                          |                 |       |               |                | 5.5 hrs         |           | 12.5 hrs               |                    |           |
| Drill String                       | DPOD          |                       | Conn                                                                                                                                                                                     |                 | Grade | Wt./Ft.       | Length         | Accidents       |           |                        | Date last BOP test |           |
| 4 1/2                              | 6             |                       | X - H                                                                                                                                                                                    |                 | E     | 16.6          | 31.22          | none            |           |                        |                    |           |
| Bottom Hole Assembly               |               | Length                | Description                                                                                                                                                                              |                 |       |               |                |                 |           |                        |                    |           |
|                                    |               | 475.25                | Bit = 1.00, bit sub = 1.63 x - o = 1.76 10 - 6" DC = 305.18                                                                                                                              |                 |       |               |                |                 |           |                        |                    |           |
| Deviation Survey                   |               | Comments              |                                                                                                                                                                                          |                 |       |               |                |                 |           |                        |                    |           |
| Depth                              | Angle         | Direction             | TVD                                                                                                                                                                                      |                 |       |               |                |                 |           |                        |                    |           |
| 523                                | 1/4           |                       |                                                                                                                                                                                          |                 |       |               |                |                 |           |                        |                    |           |
| Time                               |               | Hrs.                  | Chronological Summary of Operations from 0700 to 0700                                                                                                                                    |                 |       |               |                |                 |           |                        |                    |           |
| 06:00 -07:30                       |               | 01:30                 | Drilling Lost returns @ 370'                                                                                                                                                             |                 |       |               |                |                 |           |                        |                    |           |
| 07:30 -08:45                       |               | 01:15                 | Mix LCM                                                                                                                                                                                  |                 |       |               |                |                 |           |                        |                    |           |
| 08:45 -12:45                       |               | 04:00                 | Drilling TD 12 1/4" hole @ 12:45pm 01/26/98                                                                                                                                              |                 |       |               |                |                 |           |                        |                    |           |
| 12:45 -14:00                       |               | 01:15                 | Circulate                                                                                                                                                                                |                 |       |               |                |                 |           |                        |                    |           |
| 14:00 -15:30                       |               | 01:30                 | TOH                                                                                                                                                                                      |                 |       |               |                |                 |           |                        |                    |           |
| 15:30 -18:00                       |               | 02:30                 | Run 12 jts 8 5/8" 24# J-55 csg @ 523'. Cmt w/100 sx Thixotropic tailed w/310 sx class "C", Premium plus 2% CaCl2, 1/4# FloCele. Plug down @ 6:00pm 01/27/98. No returns.                 |                 |       |               |                |                 |           |                        |                    |           |
| 18:00 -00:15                       |               | 06:15                 | WOC                                                                                                                                                                                      |                 |       |               |                |                 |           |                        |                    |           |
| 00:15 -01:30                       |               | 01:15                 | Back out landing jt & run 1", tag @ 310', cmt 1st stage w/150 sx class "C", 2% CaCl2, good returns. could not pull 1" tbg after cmt. 280' 1" left outside of 8 5/8" casing (cemented in) |                 |       |               |                |                 |           |                        |                    |           |
| 01:30 -06:00                       |               | 04:30                 | WOC - NU BOB                                                                                                                                                                             |                 |       |               |                |                 |           |                        |                    |           |
| Total                              |               | 24:00                 |                                                                                                                                                                                          |                 |       |               |                |                 |           |                        |                    |           |
| Check if summary continued on back |               |                       | Signed                                                                                                                                                                                   |                 |       |               |                |                 |           |                        |                    |           |
|                                    |               |                       | faxed by Wade White                                                                                                                                                                      |                 |       |               |                |                 |           |                        |                    |           |

1/27

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                    |               |                                                             |        |                                                                                                                                 |                                                       |                 |         |               |            |                        |                 |           |
|------------------------------------|---------------|-------------------------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------|---------|---------------|------------|------------------------|-----------------|-----------|
| Well                               |               | Size & depth last csg                                       |        |                                                                                                                                 |                                                       | Days since spud |         | Date          |            |                        |                 |           |
| Beeson "F" Federal No. 24          |               | 8 5/8" @ 523'                                               |        |                                                                                                                                 |                                                       | 3               |         | 01/28/97      |            |                        |                 |           |
| Contractor                         |               | Depth Today                                                 |        | Depth yesterday                                                                                                                 |                                                       | Progress        |         | Formation     |            |                        |                 |           |
| Artesia Fishing Tool Rig #2        |               | 1158 feet                                                   |        | 523 feet                                                                                                                        |                                                       | 635 feet        |         | Anhy          |            |                        |                 |           |
| Operation at 0600                  |               | Daily Cost                                                  |        | Accum cost                                                                                                                      |                                                       | Accum mud cost  |         |               |            |                        |                 |           |
| Drilling                           |               | \$13,990.00                                                 |        | \$57,065.00                                                                                                                     |                                                       |                 |         |               |            |                        |                 |           |
| Mud                                | Wt.           | Vis.                                                        | PV/YP  | Gels                                                                                                                            | Ph.                                                   | WL              | Chl.    | Sand          | Sol.       | Oil                    | HIHP FL @ 300   |           |
| Data                               | 9.8           | 29                                                          |        |                                                                                                                                 | 11                                                    |                 |         |               |            |                        | 100 psi 600 psi |           |
| Pump                               | Number & type | Liner size & stroke                                         |        | SPM                                                                                                                             | RPM                                                   | PSI             | Noz vel | AV-DP         | AV-DC      | Slow pump rate & press |                 |           |
| Data                               | 1 GD GXQ      | 5 1/4 - 14                                                  |        | 42                                                                                                                              |                                                       | 1100            |         |               |            |                        |                 |           |
| Bit number                         | Size          | Make                                                        | Type   | SN                                                                                                                              | Jets                                                  | Depth out       | Footage | Hours         | Avg ROP    | RPM                    | Wt- M lb.       | Condition |
| 2                                  | 7 7/8         | Reed                                                        | HP53   | Q54058                                                                                                                          | 3-13                                                  |                 | 625     | 12.25         | 51.02      | 65                     | 35              |           |
| Bit number                         | Size          | Make                                                        | Type   | SN                                                                                                                              | Jets                                                  | Depth out       | Footage | Hours         | Avg ROP    | RPM                    | Wt- M lb.       | Condition |
|                                    |               |                                                             |        |                                                                                                                                 |                                                       |                 |         |               |            |                        |                 |           |
| Torque                             | Rot. wt.      | PU wt.                                                      | SO wt. | BHA wt.-air                                                                                                                     |                                                       | BHA wt. - mud   |         | Drilling time | Accum hrs. |                        |                 |           |
|                                    |               |                                                             |        |                                                                                                                                 |                                                       |                 |         | 12.25 hrs     | 24.5 hrs   |                        |                 |           |
| Drill String                       | DPOD          |                                                             | Conn   |                                                                                                                                 | Grade                                                 | Wt./Ft.         | Length  | Accidents     |            | Date last BOP test     |                 |           |
| 4 1/2                              | 6             |                                                             | X - H  |                                                                                                                                 | E                                                     | 16.6            | 31.22   | none          |            | 01/27/98               |                 |           |
|                                    |               |                                                             |        |                                                                                                                                 |                                                       |                 |         |               |            |                        |                 |           |
| Bottom Hole Assembly               | Length        | Description                                                 |        |                                                                                                                                 |                                                       |                 |         |               |            |                        |                 |           |
|                                    | 475.25        | Bit = 1.00, bit sub = 1.63 x - o = 1.76 10 - 6" DC = 305.18 |        |                                                                                                                                 |                                                       |                 |         |               |            |                        |                 |           |
| Deviation Survey                   |               |                                                             |        | Comments                                                                                                                        |                                                       |                 |         |               |            |                        |                 |           |
| Depth                              | Angle         | Direction                                                   | TVD    |                                                                                                                                 |                                                       |                 |         |               |            |                        |                 |           |
| 1032                               | 1/2           |                                                             |        | 01/25/98 2 loads fresh water 7 loads brine water 01/26/98 11 loads fresh water 7 loads brine water 01/27/98 2 loads fresh water |                                                       |                 |         |               |            |                        |                 |           |
| Time                               |               |                                                             |        | Hrs.                                                                                                                            | Chronological Summary of Operations from 0700 to 0700 |                 |         |               |            |                        |                 |           |
| 06:00 -08:00                       |               | 02:00                                                       |        | Test blind rams & pipe rams @ 1000# - 30 min each - good.                                                                       |                                                       |                 |         |               |            |                        |                 |           |
| 08:00 -13:00                       |               | 05:00                                                       |        | WOC Trip in - cut drill line.                                                                                                   |                                                       |                 |         |               |            |                        |                 |           |
| 13:00 -14:00                       |               | 01:00                                                       |        | Drill cmt plug & insert. Tag cmt @ 480'                                                                                         |                                                       |                 |         |               |            |                        |                 |           |
| 14:00 -15:15                       |               | 01:15                                                       |        | Drill formation @ 2:00pm 01/27/98                                                                                               |                                                       |                 |         |               |            |                        |                 |           |
| 15:15 -16:00                       |               | 00:45                                                       |        | Replace swab pump #1                                                                                                            |                                                       |                 |         |               |            |                        |                 |           |
| 16:00 -18:45                       |               | 02:45                                                       |        | TOH Plugged jets                                                                                                                |                                                       |                 |         |               |            |                        |                 |           |
| 18:45 -04:15                       |               | 09:30                                                       |        | Drilling                                                                                                                        |                                                       |                 |         |               |            |                        |                 |           |
| 04:15 -04:30                       |               | 00:15                                                       |        | Run survey @ 1032' 1/2 degree angle                                                                                             |                                                       |                 |         |               |            |                        |                 |           |
| 04:30 -06:00                       |               | 01:30                                                       |        | Drilling                                                                                                                        |                                                       |                 |         |               |            |                        |                 |           |
|                                    |               |                                                             |        |                                                                                                                                 |                                                       |                 |         |               |            |                        |                 |           |
|                                    |               |                                                             |        |                                                                                                                                 |                                                       |                 |         |               |            |                        |                 |           |
|                                    |               |                                                             |        |                                                                                                                                 |                                                       |                 |         |               |            |                        |                 |           |
|                                    |               |                                                             |        |                                                                                                                                 |                                                       |                 |         |               |            |                        |                 |           |
| Total                              |               | 24:00                                                       |        |                                                                                                                                 |                                                       |                 |         |               |            |                        |                 |           |
| Check if summary continued on back |               |                                                             |        | Signed                                                                                                                          |                                                       |                 |         |               |            |                        |                 |           |
|                                    |               |                                                             |        | faxed by Gary Steed                                                                                                             |                                                       |                 |         |               |            |                        |                 |           |

1/28

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                  |                                  |                                          |                     |                                                                                                                                                                                                                             |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
|--------------------------------------------------|----------------------------------|------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------|-----------------------|-----------------------------|-----------------------------------|------------------------|-------------------------------------|--------------------------|--|
| Well<br><b>Beeson "F" Federal No. 24</b>         |                                  |                                          |                     | Size & depth last csg<br><b>8 5/8" @ 523'</b>                                                                                                                                                                               |                     |                                    |                       | Days since spud<br><b>3</b> |                                   |                        |                                     | Date<br><b>01/28/97</b>  |  |
| Contractor<br><b>Artesia Fishing Tool Rig #2</b> |                                  |                                          |                     | Depth Today<br><b>1158 feet</b>                                                                                                                                                                                             |                     | Depth yesterday<br><b>523 feet</b> |                       | Progress<br><b>635 feet</b> |                                   |                        |                                     | Formation<br><b>Anhy</b> |  |
| Operation at 0600<br><b>Drilling</b>             |                                  |                                          |                     | Daily Cost<br><b>\$13,990.00</b>                                                                                                                                                                                            |                     | Accum cost<br><b>\$57,065.00</b>   |                       | Accum mud cost              |                                   |                        |                                     |                          |  |
| Mud Data                                         | Wt.<br><b>9.8</b>                | Vis.<br><b>29</b>                        | PV/YP               | Gels                                                                                                                                                                                                                        | Ph.<br><b>11</b>    | WL                                 | Chl.                  | Sand                        | Sol.                              | Oil                    | HIHP FL @ 300<br>100 psi    600 psi |                          |  |
| Pump Data                                        | Number & type<br><b>1 GD GXQ</b> | Liner size & stroke<br><b>5 1/4 - 14</b> |                     | SPM<br><b>42</b>                                                                                                                                                                                                            | RPM                 | PSI<br><b>1100</b>                 | Noz vel               | AV-DP                       | AV-DC                             | Slow pump rate & press |                                     |                          |  |
| Bit number<br><b>2</b>                           | Size<br><b>7 7/8</b>             | Make<br><b>Reed</b>                      | Type<br><b>HP53</b> | SN<br><b>Q54058</b>                                                                                                                                                                                                         | Jets<br><b>3-13</b> | Depth out                          | Footage<br><b>625</b> | Hours<br><b>12.25</b>       | Avg ROP<br><b>51.02</b>           | RPM<br><b>65</b>       | Wt- M lb.<br><b>35</b>              | Condition                |  |
| Bit number                                       | Size                             | Make                                     | Type                | SN                                                                                                                                                                                                                          | Jets                | Depth out                          | Footage               | Hours                       | Avg ROP                           | RPM                    | Wt- M lb.                           | Condition                |  |
| Torque                                           |                                  | Rot. wt.                                 | PU wt.              | SO wt.                                                                                                                                                                                                                      | BHA wt.-air         |                                    | BHA wt. - mud         |                             | Drilling time<br><b>12.25 hrs</b> |                        | Accum hrs.<br><b>24.5 hrs</b>       |                          |  |
| Drill String                                     |                                  | DPOD                                     |                     | Conn                                                                                                                                                                                                                        |                     | Grade                              | Wt./Ft.               | Length                      | Accidents                         |                        | Date last BOP test                  |                          |  |
| <b>4 1/2</b>                                     |                                  | <b>6</b>                                 |                     | <b>X - H</b>                                                                                                                                                                                                                |                     | <b>E</b>                           | <b>16.6</b>           | <b>31.22</b>                | <b>none</b>                       |                        | <b>01/27/98</b>                     |                          |  |
| Bottom Hole Assembly                             |                                  | Length<br><b>475.25</b>                  |                     | Description<br><b>Bit = 1.00, bit sub = 1.63 x - o = 1.76 10 - 6" DC = 305.18</b>                                                                                                                                           |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
| Deviation Survey                                 |                                  |                                          |                     | Comments                                                                                                                                                                                                                    |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
| Depth                                            | Angle                            | Direction                                | TVD                 | <div style="display: flex; justify-content: space-between;"> <div> <b>01/25/98</b>    2 loads fresh water<br/> 7 loads brine water </div> <div> <b>01/26/98</b> 11 loads fresh water<br/> 7 loads brine water </div> </div> |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
| <b>1032</b>                                      | <b>1/2</b>                       |                                          |                     | <b>01/27/98</b> 2 loads fresh water                                                                                                                                                                                         |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
| Time                                             |                                  | Hrs.                                     |                     | Chronological Summary of Operations from 0700 to 0700                                                                                                                                                                       |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
| <b>06:00 -08:00</b>                              |                                  | <b>02:00</b>                             |                     | Test blind rams & pipe rams @ 1000# - 30 min each - good.                                                                                                                                                                   |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
| <b>08:00 -13:00</b>                              |                                  | <b>05:00</b>                             |                     | WOC Trip in - cut drill line.                                                                                                                                                                                               |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
| <b>13:00 -14:00</b>                              |                                  | <b>01:00</b>                             |                     | Drill cmt plug & insert. Tag cmt @ 480'                                                                                                                                                                                     |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
| <b>14:00 -15:15</b>                              |                                  | <b>01:15</b>                             |                     | Drill formation @ 2:00pm 01/27/98                                                                                                                                                                                           |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
| <b>15:15 -16:00</b>                              |                                  | <b>00:45</b>                             |                     | Replace swab pump #1                                                                                                                                                                                                        |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
| <b>16:00 -18:45</b>                              |                                  | <b>02:45</b>                             |                     | TOH Plugged jets                                                                                                                                                                                                            |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
| <b>18:45 -04:15</b>                              |                                  | <b>09:30</b>                             |                     | Drilling                                                                                                                                                                                                                    |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
| <b>04:15 -04:30</b>                              |                                  | <b>00:15</b>                             |                     | Run survey @ 1032' 1/2 degree angle                                                                                                                                                                                         |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
| <b>04:30 -06:00</b>                              |                                  | <b>01:30</b>                             |                     | Drilling                                                                                                                                                                                                                    |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
|                                                  |                                  |                                          |                     |                                                                                                                                                                                                                             |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
|                                                  |                                  |                                          |                     |                                                                                                                                                                                                                             |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
|                                                  |                                  |                                          |                     |                                                                                                                                                                                                                             |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
|                                                  |                                  |                                          |                     |                                                                                                                                                                                                                             |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
| <b>Total</b>                                     |                                  | <b>24:00</b>                             |                     |                                                                                                                                                                                                                             |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |
| Check if summary continued on back               |                                  |                                          |                     | Signed<br><br>faxed by Gary Steed                                                                                                                                                                                           |                     |                                    |                       |                             |                                   |                        |                                     |                          |  |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                    |               |                                                       |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
|------------------------------------|---------------|-------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------|-------|---------------------|---------------|-----------------|------------|------------------------|-----------------|-----------|
| Well                               |               | Size & depth last csg                                 |                                                             |                                                                  |       |                     |               | Days since spud |            | Date                   |                 |           |
| Beeson "F" Federal No. 24          |               | 8 5/8" @ 523'                                         |                                                             |                                                                  |       |                     |               | 4               |            | 01/29/98               |                 |           |
| Contractor                         |               | Depth Today                                           |                                                             | Depth yesterday                                                  |       | Progress            |               | Formation       |            |                        |                 |           |
| Artesia Fishing Tool Rig #2        |               | 1835 feet                                             |                                                             | 1148 feet                                                        |       | 687 feet            |               | Anhy            |            |                        |                 |           |
| Operation at 0600                  |               | Daily Cost                                            |                                                             | Accum cost                                                       |       | Accum mud cost      |               |                 |            |                        |                 |           |
| Drilling                           |               | \$10,350.00                                           |                                                             | \$67,415.00                                                      |       |                     |               |                 |            |                        |                 |           |
| Mud                                | Wt.           | Vis.                                                  | PV/YP                                                       | Gels                                                             | Ph.   | WL                  | Chl.          | Sand            | Sol.       | Oil                    | HIHP FL @ 300   |           |
| Data                               | 9.8           | 29                                                    |                                                             |                                                                  | 10    |                     |               |                 |            |                        | 100 psi 600 psi |           |
| Pump                               | Number & type | Liner size & stroke                                   |                                                             | SPM                                                              | RPM   | PSI                 | Noz vel       | AV-DP           | AV-DC      | Slow pump rate & press |                 |           |
| Data                               | 1 GD GXQ      | 5 1/4 - 14                                            |                                                             | 58                                                               |       | 950                 |               |                 |            |                        |                 |           |
| Bit number                         | Size          | Make                                                  | Type                                                        | SN                                                               | Jets  | Depth out           | Footage       | Hours           | Avg ROP    | RPM                    | Wt- M lb.       | Condition |
| 2                                  | 7 7/8         | Reed                                                  | HP53                                                        | Q54058                                                           | 3-13  |                     | 1312          | 29.75           | 44.10      | 65                     | 45              |           |
| Bit number                         | Size          | Make                                                  | Type                                                        | SN                                                               | Jets  | Depth out           | Footage       | Hours           | Avg ROP    | RPM                    | Wt- M lb.       | Condition |
|                                    |               |                                                       |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
| Torque                             | Rot. wt.      | PU wt.                                                | SO wt.                                                      | BHA wt.-air                                                      |       | BHA wt. - mud       | Drilling time |                 | Accum hrs. |                        |                 |           |
|                                    |               |                                                       |                                                             |                                                                  |       |                     | 21.5 hrs      |                 | 42 hrs     |                        |                 |           |
| Drill String                       | DPOD          |                                                       | Conn                                                        |                                                                  | Grade | Wt./Ft.             | Length        | Accidents       |            | Date last BOP test     |                 |           |
| 4 1/2                              | 6             |                                                       | X - H                                                       |                                                                  | E     | 16.6                | 31.22         | none            |            | 01/28/98               |                 |           |
| Bottom Hole                        |               | Length                                                | Description                                                 |                                                                  |       |                     |               |                 |            |                        |                 |           |
| Assembly                           |               | 475.25                                                | Bit = 1.00, bit sub = 1.63 x - o = 1.76 10 - 6" DC = 305.18 |                                                                  |       |                     |               |                 |            |                        |                 |           |
| Deviation Survey                   |               | Comments                                              |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
| Depth                              | Angle         | Direction                                             | TVD                                                         | Mud logger from Quality Logging, Midland<br>Operational at 1800' |       |                     |               |                 |            |                        |                 |           |
| 1565                               | 1/2           |                                                       |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
|                                    |               |                                                       |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
| Time                               | Hrs.          | Chronological Summary of Operations from 0700 to 0700 |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
| 06:00 -08:15                       | 02:15         | Drilling                                              |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
| 08:15 -10:30                       | 02:15         | TOH - Bit jets                                        |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
| 10:30 -20:45                       | 10:15         | Drilling                                              |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
| 20:45 -21:00                       | 00:15         | Run survey @ 1565' 1/2 degree angle                   |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
| 21:00 -06:00                       | 09:00         | Drilling                                              |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
|                                    |               |                                                       |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
|                                    |               |                                                       |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
|                                    |               |                                                       |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
|                                    |               |                                                       |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
|                                    |               |                                                       |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
|                                    |               |                                                       |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
|                                    |               |                                                       |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
|                                    |               |                                                       |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
|                                    |               |                                                       |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
|                                    |               |                                                       |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
| Total                              | 24:00         |                                                       |                                                             |                                                                  |       |                     |               |                 |            |                        |                 |           |
| Check if summary continued on back |               |                                                       |                                                             | Signed                                                           |       | faxed by Gary Steed |               |                 |            |                        |                 |           |

1/30

## DAILY DRILLING REPORT

|                                    |               |           |                       |                                                             |      |                 |         |               |                 |       |                        |           |  |
|------------------------------------|---------------|-----------|-----------------------|-------------------------------------------------------------|------|-----------------|---------|---------------|-----------------|-------|------------------------|-----------|--|
| Well                               |               |           | Size & depth last csg |                                                             |      |                 |         |               | Days since spud |       |                        | Date      |  |
| Beeson "F" Federal No. 24          |               |           | 8 5/8" @ 523'         |                                                             |      |                 |         |               | 5               |       |                        | 01/30/98  |  |
| Contractor                         |               |           | Depth Today           |                                                             |      | Depth yesterday |         |               | Progress        |       |                        | Formation |  |
| Artesia Fishing Tool Rig #2        |               |           | 2450 feet             |                                                             |      | 1835 feet       |         |               | 615 feet        |       |                        | Anhy      |  |
| Operation at 0600                  |               |           | Daily Cost            |                                                             |      | Accum cost      |         |               | Accum mud cost  |       |                        |           |  |
| Drilling                           |               |           | \$10,089.00           |                                                             |      | \$77,504.00     |         |               |                 |       |                        |           |  |
| Mud                                | Wt.           | Vis.      | PV/YP                 | Gels                                                        | Ph.  | WL              | Chl.    | Sand          | Sol.            | Oil   | HIHP FL @ 300          |           |  |
| Data                               | 9.8           | 29        |                       |                                                             | 10   |                 |         |               |                 |       | 100 psi                | 600 psi   |  |
| Pump                               | Number & type |           | Liner size & stroke   |                                                             | SPM  | RPM             | PSI     | Noz vel       | AV-DP           | AV-DC | Slow pump rate & press |           |  |
| Data                               | 1 GD GXQ      |           | 5 1/4 - 14            |                                                             | 58   |                 | 950     |               |                 |       |                        |           |  |
| Bit number                         | Size          | Make      | Type                  | SN                                                          | Jets | Depth out       | Footage | Hours         | Avg ROP         | RPM   | Wt- M lb.              | Condition |  |
| 2                                  | 7 7/8         | Reed      | HP53                  | Q54058                                                      | 3-13 |                 | 1927    | 53.5          | 36.02           | 65    | 48                     |           |  |
| Bit number                         | Size          | Make      | Type                  | SN                                                          | Jets | Depth out       | Footage | Hours         | Avg ROP         | RPM   | Wt- M lb.              | Condition |  |
| Torque                             | Rot. wt.      | PU wt.    | SO wt.                | BHA wt.-air                                                 |      | BHA wt. - mud   |         | Drilling time | Accum hrs.      |       |                        |           |  |
|                                    |               |           |                       |                                                             |      |                 |         | 23.75 hrs     | 60.25 hrs       |       |                        |           |  |
| Drill String                       |               | DPOD      |                       | Conn                                                        |      | Grade           | Wt./Ft. | Length        | Accidents       |       | Date last BOP test     |           |  |
| 4 1/2                              |               | 6         |                       | X - H                                                       |      | E               | 16.6    | 31.22         | none            |       | 01/28/98               |           |  |
| Bottom Hole Assembly               |               | Length    |                       | Description                                                 |      |                 |         |               |                 |       |                        |           |  |
|                                    |               | 475.25    |                       | Bit = 1.00, bit sub = 1.63 x - o = 1.76 10 - 6" DC = 305.18 |      |                 |         |               |                 |       |                        |           |  |
| Deviation Survey                   |               |           |                       | Comments                                                    |      |                 |         |               |                 |       |                        |           |  |
| Depth                              | Angle         | Direction | TVD                   |                                                             |      |                 |         |               |                 |       |                        |           |  |
| 2060                               | 1/2           |           |                       | 15 gal C200<br>4 sx caustic                                 |      |                 |         |               |                 |       |                        |           |  |
| Time                               |               | Hrs.      |                       | Chronological Summary of Operations from 0700 to 0700       |      |                 |         |               |                 |       |                        |           |  |
| 06:00 -13:30                       |               | 07:30     |                       | Drilling                                                    |      |                 |         |               |                 |       |                        |           |  |
| 13:30 -13:45                       |               | 00:15     |                       | Run survey @2060' 1/2 degree angle                          |      |                 |         |               |                 |       |                        |           |  |
| 13:45 -06:00                       |               | 16:15     |                       | Drilling                                                    |      |                 |         |               |                 |       |                        |           |  |
| Total                              |               | 24:00     |                       | Signed _____ faxed by Gary Steed                            |      |                 |         |               |                 |       |                        |           |  |
| Check if summary continued on back |               |           |                       |                                                             |      |                 |         |               |                 |       |                        |           |  |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                  |                                  |                                          |                                                                                   |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
|--------------------------------------------------|----------------------------------|------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------|---------------------|-------------------------------------|------------------------|-----------------------------|-----------------------------|--------------------------|----------------------------------|--------------------------|--|
| Well<br><b>Beeson "F" Federal No. 24</b>         |                                  |                                          |                                                                                   | Size & depth last csg<br><b>8 5/8" @ 523'</b> |                     |                                     |                        | Days since spud<br><b>6</b> |                             |                          | Date<br><b>01/31/98</b>          |                          |  |
| Contractor<br><b>Artesia Fishing Tool Rig #2</b> |                                  |                                          |                                                                                   | Depth Today<br><b>2785 feet</b>               |                     | Depth yesterday<br><b>2450 feet</b> |                        |                             | Progress<br><b>335 feet</b> |                          |                                  | Formation<br><b>Anhy</b> |  |
| Operation at 0600<br><b>Drilling</b>             |                                  |                                          |                                                                                   | Daily Cost<br><b>\$5,425.00</b>               |                     | Accum cost<br><b>\$82,929.00</b>    |                        |                             | Accum mud cost              |                          |                                  |                          |  |
| Mud Data                                         | Wt.<br><b>9.8</b>                | Vis.<br><b>29</b>                        | PV/YP                                                                             | Gels                                          | Ph.<br><b>10</b>    | WL                                  | Chl.                   | Sand                        | Sol.                        | Oil                      | HIHP FL @ 300<br>100 psi 600 psi |                          |  |
| Pump Data                                        | Number & type<br><b>1 GD GXQ</b> | Liner size & stroke<br><b>5 1/4 - 14</b> |                                                                                   | SPM<br><b>56</b>                              | RPM                 | PSI<br><b>1000</b>                  | Noz vel                | AV-DP                       | AV-DC                       | Slow pump rate & press   |                                  |                          |  |
| Bit number<br><b>2</b>                           | Size<br><b>7 7/8</b>             | Make<br><b>Reed</b>                      | Type<br><b>HP53</b>                                                               | SN<br><b>Q64058</b>                           | Jets<br><b>3-13</b> | Depth out<br><b>2375</b>            | Footage<br><b>1927</b> | Hours<br><b>53.5</b>        | Avg ROP<br><b>36.02</b>     | RPM<br><b>65</b>         | Wt- M lb.<br><b>48</b>           | Condition                |  |
| Bit number<br><b>3</b>                           | Size<br><b>7 7/8</b>             | Make<br><b>Reed</b>                      | Type<br><b>HP62</b>                                                               | SN<br><b>L67718</b>                           | Jets<br><b>3-13</b> | Depth out                           | Footage<br><b>210</b>  | Hours<br><b>15.5</b>        | Avg ROP<br><b>13.55</b>     | RPM<br><b>65</b>         | Wt- M lb.<br><b>48</b>           | Condition                |  |
| Torque                                           | Rot. wt.                         | PU wt.                                   | SO wt.                                                                            | BHA wt.-air                                   |                     | BHA wt. - mud                       |                        | Drilling time<br><b>hrs</b> |                             | Accum hrs.<br><b>hrs</b> |                                  |                          |  |
| Drill String                                     | DPOD                             |                                          | Conn                                                                              |                                               | Grade               | Wt./Ft.                             | Length                 | Accidents<br><b>none</b>    |                             | Date last BOP test       |                                  |                          |  |
| <b>4 1/2</b>                                     | <b>6</b>                         |                                          | <b>X - H</b>                                                                      |                                               | <b>E</b>            | <b>16.6</b>                         | <b>31.22</b>           |                             |                             |                          |                                  |                          |  |
| Bottom Hole Assembly                             |                                  | Length<br><b>475.25</b>                  | Description<br><b>Bit = 1.00, bit sub = 1.63 x - o = 1.76 10 - 6" DC = 305.18</b> |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
| Deviation Survey                                 |                                  |                                          |                                                                                   | Comments                                      |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
| Depth                                            | Angle                            | Direction                                | TVD                                                                               |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
|                                                  |                                  |                                          |                                                                                   |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
|                                                  |                                  |                                          |                                                                                   |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
| Time                                             |                                  | Hrs.                                     | Chronological Summary of Operations from 0700 to 0700                             |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
| <b>06:00 - 11:15</b>                             |                                  | <b>05:15</b>                             | <b>Drilling</b>                                                                   |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
| <b>11:15 - 14:45</b>                             |                                  | <b>03:30</b>                             | <b>TOH Bit #3</b>                                                                 |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
| <b>14:45 - 23:45</b>                             |                                  | <b>09:00</b>                             | <b>Drilling</b>                                                                   |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
| <b>23:45 00:00</b>                               |                                  | <b>00:15</b>                             | <b>Work on pump</b>                                                               |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
| <b>00:00 06:00</b>                               |                                  | <b>06:00</b>                             | <b>Drilling</b>                                                                   |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
|                                                  |                                  |                                          |                                                                                   |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
|                                                  |                                  |                                          |                                                                                   |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
|                                                  |                                  |                                          |                                                                                   |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
|                                                  |                                  |                                          |                                                                                   |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
|                                                  |                                  |                                          |                                                                                   |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
|                                                  |                                  |                                          |                                                                                   |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
|                                                  |                                  |                                          |                                                                                   |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
|                                                  |                                  |                                          |                                                                                   |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
|                                                  |                                  |                                          |                                                                                   |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
| <b>Total</b>                                     |                                  | <b>24:00</b>                             |                                                                                   |                                               |                     |                                     |                        |                             |                             |                          |                                  |                          |  |
| Check if summary continued on back               |                                  |                                          |                                                                                   | Signed                                        |                     | faxed by Gary Steed                 |                        |                             |                             |                          |                                  |                          |  |

*2/2/98*

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                  |                                  |                         |                                          |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
|--------------------------------------------------|----------------------------------|-------------------------|------------------------------------------|---------------------------------------------------------------|---------------------|-------------------------------------|------------------------|-----------------------------------|--------------------------|---------------------------------|---------------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 24</b>         |                                  |                         |                                          | Size & depth last csg<br><b>8 5/8" @ 523'</b>                 |                     |                                     |                        | Days since spud<br><b>7</b>       |                          |                                 | Date<br><b>02/01/98</b>               |           |
| Contractor<br><b>Artesia Fishing Tool Rig #2</b> |                                  |                         |                                          | Depth Today<br><b>3155 feet</b>                               |                     | Depth yesterday<br><b>2785 feet</b> |                        | Progress<br><b>370 feet</b>       |                          |                                 | Formation<br><b>Anhy</b>              |           |
| Operation at 0600<br><b>Drilling</b>             |                                  |                         |                                          | Daily Cost<br><b>\$6,100.00</b>                               |                     | Accum cost<br><b>\$89,029.00</b>    |                        | Accum mud cost                    |                          |                                 |                                       |           |
| Mud Data                                         | Wt.<br><b>10</b>                 | Vis.<br><b>29</b>       | PV/YP                                    | Gels                                                          | Ph.<br><b>10</b>    | WL                                  | Chl.                   | Sand                              | Sol.                     | Oil                             | HIHP FL @ 300<br>100 psi 600 psi      |           |
| Pump Data                                        | Number & type<br><b>1 GD GXQ</b> |                         | Liner size & stroke<br><b>5 1/4 - 14</b> |                                                               | SPM<br><b>56</b>    | RPM                                 | PSI<br><b>1000</b>     | Noz vel                           | AV-DP                    | AV-DC                           | Slow pump rate & press                |           |
| Bit number<br><b>2</b>                           | Size<br><b>7 7/8</b>             | Make<br><b>Reed</b>     | Type<br><b>HP53</b>                      | SN<br><b>Q54058</b>                                           | Jets<br><b>3-13</b> | Depth out<br><b>2375</b>            | Footage<br><b>1927</b> | Hours<br><b>53.5</b>              | Avg ROP<br><b>36.02</b>  | RPM<br><b>65</b>                | Wt- M lb.<br><b>48</b>                | Condition |
| Bit number<br><b>3</b>                           | Size<br><b>7 7/8</b>             | Make<br><b>Reed</b>     | Type<br><b>HP62</b>                      | SN<br><b>L67718</b>                                           | Jets<br><b>3-13</b> | Depth out                           | Footage<br><b>580</b>  | Hours<br><b>39.25</b>             | Avg ROP<br><b>14.78</b>  | RPM<br><b>65</b>                | Wt- M lb.<br><b>48</b>                | Condition |
| Torque                                           | Rot. wt.                         | PU wt.                  | SO wt.                                   | BHA wt.-air                                                   |                     | BHA wt. - mud                       |                        | Drilling time<br><b>23.75 hrs</b> |                          | Accum hrs.<br><b>110.25 hrs</b> |                                       |           |
| Drill String                                     |                                  | DPOD                    |                                          | Conn                                                          |                     | Grade                               | Wt./Ft.                | Length                            | Accidents<br><b>none</b> |                                 | Date last BOP test<br><b>01/31/98</b> |           |
| <b>4 1/2</b>                                     |                                  | <b>6</b>                |                                          | <b>X - H</b>                                                  |                     | <b>E</b>                            | <b>16.6</b>            | <b>31.22</b>                      |                          |                                 |                                       |           |
| Bottom Hole Assembly                             |                                  | Length<br><b>597.65</b> |                                          | Description<br><b>7 3/8" bit = 1.00 24 - 6" DC's = 596.65</b> |                     |                                     |                        |                                   |                          |                                 |                                       |           |
| Deviation Survey                                 |                                  |                         |                                          | Comments                                                      |                     |                                     |                        |                                   |                          |                                 |                                       |           |
| Depth                                            | Angle                            | Direction               | TVD                                      |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
| <b>3044</b>                                      | <b>1</b>                         |                         |                                          |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
|                                                  |                                  |                         |                                          |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
| Time                                             |                                  | Hrs.                    |                                          | Chronological Summary of Operations from 0700 to 0700         |                     |                                     |                        |                                   |                          |                                 |                                       |           |
| <b>06:00 - 01:00</b>                             |                                  | <b>19:00</b>            |                                          | <b>Drilling</b>                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
| <b>01:00 - 01:15</b>                             |                                  | <b>00:15</b>            |                                          | <b>Run survey @ 3055' 1 degree angle</b>                      |                     |                                     |                        |                                   |                          |                                 |                                       |           |
| <b>01:15 - 06:00</b>                             |                                  | <b>04:45</b>            |                                          | <b>Drilling</b>                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
|                                                  |                                  |                         |                                          |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
|                                                  |                                  |                         |                                          |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
|                                                  |                                  |                         |                                          |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
|                                                  |                                  |                         |                                          |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
|                                                  |                                  |                         |                                          |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
|                                                  |                                  |                         |                                          |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
|                                                  |                                  |                         |                                          |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
|                                                  |                                  |                         |                                          |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
|                                                  |                                  |                         |                                          |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
|                                                  |                                  |                         |                                          |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
|                                                  |                                  |                         |                                          |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
|                                                  |                                  |                         |                                          |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
| <b>Total</b>                                     |                                  | <b>24:00</b>            |                                          |                                                               |                     |                                     |                        |                                   |                          |                                 |                                       |           |
| Check if summary continued on back               |                                  |                         |                                          | Signed <span style="float: right;"><b>W 2/2/98</b></span>     |                     |                                     |                        |                                   |                          |                                 |                                       |           |
|                                                  |                                  |                         |                                          | faxed by Wade White                                           |                     |                                     |                        |                                   |                          |                                 |                                       |           |

## DAILY DRILLING REPORT

|                                                       |               |                                            |                                  |                                        |       |                       |               |           |            |                 |                        |           |                 |                |  |  |  |          |           |  |
|-------------------------------------------------------|---------------|--------------------------------------------|----------------------------------|----------------------------------------|-------|-----------------------|---------------|-----------|------------|-----------------|------------------------|-----------|-----------------|----------------|--|--|--|----------|-----------|--|
| Well                                                  |               |                                            |                                  |                                        |       | Size & depth last csg |               |           |            |                 |                        |           | Days since spud |                |  |  |  | Date     |           |  |
| Beeson "F" Federal No. 24                             |               |                                            |                                  |                                        |       | 8 5/8" @ 523'         |               |           |            |                 |                        |           | 8               |                |  |  |  | 02/02/98 |           |  |
| Contractor                                            |               |                                            |                                  |                                        |       | Depth Today           |               |           |            | Depth yesterday |                        |           |                 | Progress       |  |  |  |          | Formation |  |
| Artesia Fishing Tool Rig #2                           |               |                                            |                                  |                                        |       | 3475 feet             |               |           |            | 3155 feet       |                        |           |                 | 320 feet       |  |  |  |          | Anhy/DOL  |  |
| Operation at 0600                                     |               |                                            |                                  |                                        |       | Daily Cost            |               |           |            | Accum cost      |                        |           |                 | Accum mud cost |  |  |  |          |           |  |
| Drilling                                              |               |                                            |                                  |                                        |       | \$5,155.00            |               |           |            | \$94,184.00     |                        |           |                 |                |  |  |  |          |           |  |
| Mud Data                                              | Wt.           | Vis.                                       | PV/Y.P                           | Gels                                   | Ph.   | WL                    | Chl.          | Sand      | Sol.       | Oil             | HIHP FL @ 300          |           |                 |                |  |  |  |          |           |  |
|                                                       | 10            | 29                                         |                                  |                                        | 10    |                       |               |           |            |                 | 100 psi    600 psi     |           |                 |                |  |  |  |          |           |  |
| Pump Data                                             | Number & type |                                            | Liner size & stroke              |                                        | SPM   | RPM                   | PSI           | Noz vel   | AV-DP      | AV-DC           | Slow pump rate & press |           |                 |                |  |  |  |          |           |  |
|                                                       | 1 GD GXQ      |                                            | 5 1/4 - 14                       |                                        | 56    |                       | 1000          |           |            |                 |                        |           |                 |                |  |  |  |          |           |  |
| Bit number                                            | Size          | Make                                       | Type                             | SN                                     | Jets  | Depth out             | Footage       | Hours     | Avg ROP    | RPM             | Wt- M lb.              | Condition |                 |                |  |  |  |          |           |  |
| 2                                                     | 7 7/8         | Reed                                       | HP53                             | Q54058                                 | 3-13  | 2375                  | 1927          | 53.5      | 36.02      | 65              | 48                     |           |                 |                |  |  |  |          |           |  |
| Bit number                                            | Size          | Make                                       | Type                             | SN                                     | Jets  | Depth out             | Footage       | Hours     | Avg ROP    | RPM             | Wt- M lb.              | Condition |                 |                |  |  |  |          |           |  |
| 3                                                     | 7 7/8         | Reed                                       | HP62                             | L67718                                 | 3-13  |                       | 900           | 59.75     | 15.06      | 65              | 48                     |           |                 |                |  |  |  |          |           |  |
| Torque                                                | Rot. wt.      | PU wt.                                     | SO wt.                           | BHA wt.-air                            |       | BHA wt. - mud         | Drilling time |           | Accum hrs. |                 |                        |           |                 |                |  |  |  |          |           |  |
|                                                       |               |                                            |                                  |                                        |       |                       | 23.75 hrs     |           | 130.75 hrs |                 |                        |           |                 |                |  |  |  |          |           |  |
| Drill String                                          | DPOD          | Conn                                       |                                  |                                        | Grade | Wt./Ft.               | Length        | Accidents |            |                 | Date last BOP test     |           |                 |                |  |  |  |          |           |  |
| 4 1/2                                                 | 6             | X - H                                      |                                  |                                        | E     | 16.6                  | 31.22         | none      |            |                 | 01/31/98               |           |                 |                |  |  |  |          |           |  |
| Bottom Hole Assembly                                  |               |                                            |                                  |                                        |       |                       |               |           |            |                 |                        |           |                 |                |  |  |  |          |           |  |
| Length                                                |               | Description                                |                                  |                                        |       |                       |               |           |            |                 |                        |           |                 |                |  |  |  |          |           |  |
| 597.65                                                |               | 7 3/8" bit = 1.00    24 - 6" DC's = 596.65 |                                  |                                        |       |                       |               |           |            |                 |                        |           |                 |                |  |  |  |          |           |  |
| Deviation Survey                                      |               |                                            |                                  | Comments                               |       |                       |               |           |            |                 |                        |           |                 |                |  |  |  |          |           |  |
| Depth                                                 | Angle         | Direction                                  | TVD                              |                                        |       |                       |               |           |            |                 |                        |           |                 |                |  |  |  |          |           |  |
|                                                       |               |                                            |                                  |                                        |       |                       |               |           |            |                 |                        |           |                 |                |  |  |  |          |           |  |
|                                                       |               |                                            |                                  | Mud:      15 gal C-200<br>7 sx caustic |       |                       |               |           |            |                 |                        |           |                 |                |  |  |  |          |           |  |
| Chronological Summary of Operations from 0700 to 0700 |               |                                            |                                  |                                        |       |                       |               |           |            |                 |                        |           |                 |                |  |  |  |          |           |  |
| Time                                                  |               | Hrs.                                       |                                  |                                        |       |                       |               |           |            |                 |                        |           |                 |                |  |  |  |          |           |  |
| 06:00 - 09:00                                         |               | 03:00                                      | Drilling                         |                                        |       |                       |               |           |            |                 |                        |           |                 |                |  |  |  |          |           |  |
| 09:00 - 12:30                                         |               | 03:30                                      | TOH hole in drill pipe           |                                        |       |                       |               |           |            |                 |                        |           |                 |                |  |  |  |          |           |  |
| 12:30 - 06:00                                         |               | 17:30                                      | Drilling                         |                                        |       |                       |               |           |            |                 |                        |           |                 |                |  |  |  |          |           |  |
| Total                                                 | 24:00         |                                            |                                  |                                        |       |                       |               |           |            |                 |                        |           |                 |                |  |  |  |          |           |  |
| Check if summary continued on back                    |               |                                            | Signed _____ faxed by Wade White |                                        |       |                       |               |           |            |                 |                        |           |                 |                |  |  |  |          |           |  |

## DAILY DRILLING REPORT

|                                    |               |                                                       |                    |                                                                           |                              |               |                                        |
|------------------------------------|---------------|-------------------------------------------------------|--------------------|---------------------------------------------------------------------------|------------------------------|---------------|----------------------------------------|
| Well                               |               | Size & depth last csg                                 |                    | Days since spud                                                           |                              | Date          |                                        |
| Beeson "F" Federal No. 24          |               | 8 5/8" @ 523'                                         |                    | 9                                                                         |                              | 02/03/98      |                                        |
| Contractor                         |               | Depth Today                                           | Depth yesterday    | Progress                                                                  |                              | Formation     |                                        |
| Artesia Fishing Tool Rig #2        |               | 4030 feet                                             | 3425 feet          | 605 feet                                                                  |                              | Anhy/DOL      |                                        |
| Operation at 0600                  | Daily Cost    | Accum cost                                            | Accum mud cost     |                                                                           |                              |               |                                        |
| Drilling                           | \$9,700.00    | \$103,884.00                                          |                    |                                                                           |                              |               |                                        |
| Mud                                | Wt.           | Vis.                                                  | PV/Y.P             | Gels                                                                      | Ph.                          | WL            | Chl.                                   |
| Data                               | 10            | 29                                                    |                    |                                                                           | 10                           |               |                                        |
| Sand                               | Sol.          | Oil                                                   | HIHP FL @ 300      |                                                                           |                              |               |                                        |
|                                    |               |                                                       | 100 psi    600 psi |                                                                           |                              |               |                                        |
| Pump                               | Number & type | Liner size & stroke                                   | SPM                | RPM                                                                       | PSI                          | Noz vel       | AV-DP   AV-DC   Slow pump rate & press |
| Data                               | 1 GD GXQ      | 5 1/4 - 14                                            | 56                 |                                                                           | 1000                         |               |                                        |
| Bit number                         | Size          | Make                                                  | Type               | SN                                                                        | Jets                         | Depth out     | Footage                                |
| 2                                  | 7 7/8         | Reed                                                  | HP53               | Q54058                                                                    | 3-13                         | 2375          | 1927                                   |
| Hours                              | Avg ROP       | RPM                                                   | Wt- M lb.          | Condition                                                                 |                              |               |                                        |
| 53.5                               | 36.02         | 65                                                    | 48                 |                                                                           |                              |               |                                        |
| Bit number                         | Size          | Make                                                  | Type               | SN                                                                        | Jets                         | Depth out     | Footage                                |
| 3                                  | 7 7/8         | Reed                                                  | HP62               | L67718                                                                    | 3-13                         |               | 1476                                   |
| Hours                              | Avg ROP       | RPM                                                   | Wt- M lb.          | Condition                                                                 |                              |               |                                        |
| 63                                 | 23.43         | 65                                                    | 48                 |                                                                           |                              |               |                                        |
| Torque                             | Rot. wt.      | PU wt.                                                | SO wt.             | BHA wt.-air                                                               |                              | BHA wt. - mud | Drilling time                          |
|                                    |               |                                                       |                    |                                                                           |                              |               | 23.75 hrs                              |
|                                    |               |                                                       |                    |                                                                           |                              |               | 154 hrs                                |
| Drill String                       | DPOD          | Conn                                                  | Grade              | Wt./ft.                                                                   | Length                       | Accidents     | Date last BOP test                     |
|                                    |               |                                                       |                    |                                                                           |                              | none          |                                        |
| 4 1/2                              | 6             | X - H                                                 | E                  | 16.6                                                                      | 31.22                        |               | 01/31/98                               |
| Bottom Hole Assembly               | Length        | Description                                           |                    |                                                                           |                              |               |                                        |
|                                    | 597.65        | 7 3/8" bit = 1.00    24 - 6" DC's = 596.65            |                    |                                                                           |                              |               |                                        |
| Deviation Survey                   |               | Comments                                              |                    |                                                                           |                              |               |                                        |
| Depth                              | Angle         | Direction                                             | TVD                |                                                                           |                              |               |                                        |
| 3584                               | 1             |                                                       |                    | Mud:                                                                      | 15 gal C-200<br>5 sx caustic |               |                                        |
| Time                               | Hrs.          | Chronological Summary of Operations from 0700 to 0700 |                    |                                                                           |                              |               |                                        |
| 06:00 - 11:30                      | 05:30         | Drilling                                              |                    |                                                                           |                              |               |                                        |
| 11:30 - 11:45                      | 00:15         | Run survey @ 3584' 1 degree angle                     |                    |                                                                           |                              |               |                                        |
| 11:45 - 06:00                      | 18:15         | Drilling                                              |                    |                                                                           |                              |               |                                        |
|                                    |               |                                                       |                    |                                                                           |                              |               |                                        |
|                                    |               |                                                       |                    |                                                                           |                              |               |                                        |
|                                    |               |                                                       |                    |                                                                           |                              |               |                                        |
|                                    |               |                                                       |                    |                                                                           |                              |               |                                        |
|                                    |               |                                                       |                    |                                                                           |                              |               |                                        |
|                                    |               |                                                       |                    |                                                                           |                              |               |                                        |
|                                    |               |                                                       |                    |                                                                           |                              |               |                                        |
|                                    |               |                                                       |                    |                                                                           |                              |               |                                        |
|                                    |               |                                                       |                    |                                                                           |                              |               |                                        |
|                                    |               |                                                       |                    |                                                                           |                              |               |                                        |
| Total                              | 24:00         |                                                       |                    |                                                                           |                              |               |                                        |
| Check if summary continued on back |               |                                                       |                    | Signed _____<br><div style="text-align: right;">faxed by Wade White</div> |                              |               |                                        |

## DAILY DRILLING REPORT

|                                                       |               |                                            |                                       |                                  |               |                       |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |
|-------------------------------------------------------|---------------|--------------------------------------------|---------------------------------------|----------------------------------|---------------|-----------------------|---------|---------------|-----------------|------------------------|--------------------|-----------|-----------------|--|--|--|--|-----------|--|
| Well                                                  |               |                                            |                                       |                                  |               | Size & depth last csg |         |               |                 |                        |                    |           | Days since spud |  |  |  |  | Date      |  |
| Beeson "F" Federal No. 24                             |               |                                            |                                       |                                  |               | 8 5/8" @ 523'         |         |               |                 |                        |                    |           | 10              |  |  |  |  | 02/04/98  |  |
| Contractor                                            |               |                                            |                                       |                                  |               | Depth Today           |         |               | Depth yesterday |                        |                    |           | Progress        |  |  |  |  | Formation |  |
| Artesia Fishing Tool Rig #2                           |               |                                            |                                       |                                  |               | 4440 feet             |         |               | 4030 feet       |                        |                    |           | 410 feet        |  |  |  |  | Anhy/DOL  |  |
| Operation at 0600                                     |               |                                            |                                       |                                  |               | Daily Cost            |         |               | Accum cost      |                        |                    |           | Accum mud cost  |  |  |  |  |           |  |
| Drilling                                              |               |                                            |                                       |                                  |               | \$7,450.00            |         |               | \$111,334.00    |                        |                    |           |                 |  |  |  |  |           |  |
| Mud Data                                              | Wt.           | Vis.                                       | PV/YP                                 | Gels                             | Ph.           | WL                    | Chl.    | Sand          | Sol.            | Oil                    | HIHP FL @ 300      |           |                 |  |  |  |  |           |  |
|                                                       | 10            | 29                                         |                                       |                                  | 9.5           |                       |         |               |                 |                        | 100 psi    600 psi |           |                 |  |  |  |  |           |  |
| Pump Data                                             | Number & type |                                            | Liner size & stroke                   | SPM                              | RPM           | PSI                   | Noz vel | AV-DP         | AV-DC           | Slow pump rate & press |                    |           |                 |  |  |  |  |           |  |
|                                                       | 1 GD GXQ      |                                            | 5 1/4 - 14                            | 56                               |               | 1000                  |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |
| Bit number                                            | Size          | Make                                       | Type                                  | SN                               | Jets          | Depth out             | Footage | Hours         | Avg ROP         | RPM                    | Wt- M lb.          | Condition |                 |  |  |  |  |           |  |
| 2                                                     | 7 7/8         | Reed                                       | HP53                                  | Q54058                           | 3-13          | 2375                  | 1927    | 53.5          | 36.02           | 65                     | 48                 |           |                 |  |  |  |  |           |  |
| Bit number                                            | Size          | Make                                       | Type                                  | SN                               | Jets          | Depth out             | Footage | Hours         | Avg ROP         | RPM                    | Wt- M lb.          | Condition |                 |  |  |  |  |           |  |
| 3                                                     | 7 7/8         | Reed                                       | HP62                                  | L67718                           | 3-13          |                       | 1865    | 106.5         | 17.51           | 65                     | 48                 |           |                 |  |  |  |  |           |  |
| Torque                                                | Rot. wt.      | PU wt.                                     | SO wt.                                | BHA wt.-air                      | BHA wt. - mud |                       |         | Drilling time |                 | Accum hrs.             |                    |           |                 |  |  |  |  |           |  |
|                                                       |               |                                            |                                       |                                  |               |                       |         | 23.5 hrs      |                 | 177.5 hrs              |                    |           |                 |  |  |  |  |           |  |
| Drill String                                          |               | DPOD                                       | Conn                                  |                                  | Grade         | Wt./Ft.               | Length  | Accidents     |                 |                        | Date last BOP test |           |                 |  |  |  |  |           |  |
| 4 1/2                                                 |               | 6                                          | X - H                                 |                                  | E             | 16.6                  | 31.22   | none          |                 |                        | 02/03/98           |           |                 |  |  |  |  |           |  |
| Bottom Hole Assembly                                  |               |                                            |                                       |                                  |               |                       |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |
| Length                                                |               | Description                                |                                       |                                  |               |                       |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |
| 597.65                                                |               | 7 3/8" bit = 1.00    24 - 6" DC's = 596.65 |                                       |                                  |               |                       |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |
| Deviation Survey                                      |               |                                            |                                       | Comments                         |               |                       |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |
| Depth                                                 | Angle         | Direction                                  | TVD                                   |                                  |               |                       |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |
| 4065                                                  | 1 1/4         | Mud:      15 gal C-200<br>5 gal MF-55      |                                       |                                  |               |                       |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |
| Chronological Summary of Operations from 0700 to 0700 |               |                                            |                                       |                                  |               |                       |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |
| Time                                                  |               | Hrs.                                       |                                       |                                  |               |                       |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |
| 06:00 -10:00                                          |               | 04:00                                      | Drilling                              |                                  |               |                       |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |
| 10:00 -10:15                                          |               | 00:15                                      | Service rig - exer BOP                |                                  |               |                       |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |
| 10:15 -10:30                                          |               | 00:15                                      | Run survey @ 4065' 1 1/4 degree angle |                                  |               |                       |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |
| 10:30 -06:00                                          |               | 19:30                                      | Drilling                              |                                  |               |                       |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |
| Total    24:00                                        |               |                                            |                                       |                                  |               |                       |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |
| Check if summary continued on back                    |               |                                            |                                       | Signed _____ faxed by Wade White |               |                       |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |
|                                                       |               |                                            |                                       | H 2/4/98                         |               |                       |         |               |                 |                        |                    |           |                 |  |  |  |  |           |  |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                  |                                  |                                          |                                               |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
|--------------------------------------------------|----------------------------------|------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------|--------------------------|------------------------|------------------------------|-----------------------------------|------------------------|----------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 24</b>         |                                  |                                          | Size & depth last csg<br><b>8 5/8" @ 523'</b> |                                                                                     |                                     |                          |                        | Days since spud<br><b>11</b> |                                   |                        | Date<br><b>02/05/98</b>          |           |
| Contractor<br><b>Artesia Fishing Tool Rig #2</b> |                                  |                                          | Depth Today<br><b>4820 feet</b>               |                                                                                     | Depth yesterday<br><b>4440 feet</b> |                          |                        | Progress<br><b>380 feet</b>  |                                   |                        | Formation<br><b>Anhy/DOL</b>     |           |
| Operation at 0600<br><b>Circulating</b>          |                                  |                                          | Daily Cost<br><b>\$6,642.00</b>               |                                                                                     | Accum cost<br><b>\$117,976.00</b>   |                          |                        | Accum mud cost               |                                   |                        |                                  |           |
| Mud Data                                         | Wt.<br><b>10</b>                 | Vis.<br><b>29</b>                        | PV/YP                                         | Gels                                                                                | Ph.<br><b>9</b>                     | WL                       | Chl.                   | Sand                         | Sol.                              | Oil                    | HIHP FL @ 300<br>100 psi 600 psi |           |
| Pump Data                                        | Number & type<br><b>1 GD GXQ</b> | Liner size & stroke<br><b>5 1/4 - 14</b> |                                               | SPM<br><b>56</b>                                                                    | RPM                                 | PSI<br><b>1000</b>       | Noz vel                | AV-DP                        | AV-DC                             | Slow pump rate & press |                                  |           |
| Bit number<br><b>2</b>                           | Size<br><b>7 7/8</b>             | Make<br><b>Reed</b>                      | Type<br><b>HP53</b>                           | SN<br><b>Q54058</b>                                                                 | Jets<br><b>3-13</b>                 | Depth out<br><b>2375</b> | Footage<br><b>1927</b> | Hours<br><b>53.5</b>         | Avg ROP<br><b>36.02</b>           | RPM<br><b>65</b>       | Wt- M lb.<br><b>48</b>           | Condition |
| Bit number<br><b>3</b>                           | Size<br><b>7 7/8</b>             | Make<br><b>Reed</b>                      | Type<br><b>HP62</b>                           | SN<br><b>L67718</b>                                                                 | Jets<br><b>3-13</b>                 | Depth out<br><b>4820</b> | Footage<br><b>2293</b> | Hours<br><b>127.25</b>       | Avg ROP<br><b>18.02</b>           | RPM<br><b>65</b>       | Wt- M lb.<br><b>48</b>           | Condition |
| Torque                                           |                                  | Rot. wt.                                 | PU wt.                                        | SO wt.                                                                              | BHA wt.-air                         |                          | BHA wt. - mud          |                              | Drilling time<br><b>26.75 hrs</b> |                        | Accum hrs.<br><b>198.25 hrs</b>  |           |
| Drill String                                     |                                  | DPOD                                     |                                               | Conn                                                                                |                                     | Grade                    | Wt./Ft.                | Length                       | Accidents                         |                        | Date last BOP test               |           |
| <b>4 1/2</b>                                     |                                  | <b>6</b>                                 |                                               | <b>X - H</b>                                                                        |                                     | <b>E</b>                 | <b>16.6</b>            | <b>31.22</b>                 | <b>none</b>                       |                        | <b>02/03/98</b>                  |           |
| Bottom Hole Assembly                             |                                  | Length<br><b>597.65</b>                  |                                               | Description<br><b>7 3/8" bit = 1.00 24 - 6" DC's = 596.65</b>                       |                                     |                          |                        |                              |                                   |                        |                                  |           |
| Deviation Survey                                 |                                  |                                          | Comments                                      |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
| Depth                                            | Angle                            | Direction                                | TVD                                           | <b>15 gal C-200</b><br><b>5 gal MF55</b><br><b>4 sx caustic</b><br><b>52 sx Gel</b> |                                     |                          |                        |                              |                                   |                        |                                  |           |
|                                                  |                                  |                                          |                                               |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
|                                                  |                                  |                                          |                                               |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
|                                                  |                                  |                                          |                                               |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
| Time                                             |                                  | Hrs.                                     |                                               | Chronological Summary of Operations from 0700 to 0700                               |                                     |                          |                        |                              |                                   |                        |                                  |           |
| <b>06:00 -06:30</b>                              |                                  | <b>00:30</b>                             |                                               | <b>Drilling</b>                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
| <b>06:30 -06:45</b>                              |                                  | <b>00:15</b>                             |                                               | <b>Test BOP &amp; service rig</b>                                                   |                                     |                          |                        |                              |                                   |                        |                                  |           |
| <b>06:45 -03:00</b>                              |                                  | <b>20:15</b>                             |                                               | <b>Drill</b>                                                                        |                                     |                          |                        |                              |                                   |                        |                                  |           |
| <b>03:00 -06:00</b>                              |                                  | <b>03:00</b>                             |                                               | <b>Circulate</b>                                                                    |                                     |                          |                        |                              |                                   |                        |                                  |           |
|                                                  |                                  |                                          |                                               |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
|                                                  |                                  |                                          |                                               |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
|                                                  |                                  |                                          |                                               |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
|                                                  |                                  |                                          |                                               |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
|                                                  |                                  |                                          |                                               |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
|                                                  |                                  |                                          |                                               |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
|                                                  |                                  |                                          |                                               |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
|                                                  |                                  |                                          |                                               |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
|                                                  |                                  |                                          |                                               |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
|                                                  |                                  |                                          |                                               |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
|                                                  |                                  |                                          |                                               |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
| <b>Total</b>                                     |                                  | <b>24:00</b>                             |                                               |                                                                                     |                                     |                          |                        |                              |                                   |                        |                                  |           |
| Check if summary continued on back               |                                  |                                          |                                               | Signed <span style="float: right;">H/2/5</span><br>faxed by Gary Steed              |                                     |                          |                        |                              |                                   |                        |                                  |           |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                                 |               |                       |        |                                                       |               |                 |               |           |            |                        |                    |           |
|-----------------------------------------------------------------|---------------|-----------------------|--------|-------------------------------------------------------|---------------|-----------------|---------------|-----------|------------|------------------------|--------------------|-----------|
| Well                                                            |               | Size & depth last csg |        |                                                       |               | Days since spud |               | Date      |            |                        |                    |           |
| Beeson "F" Federal No. 24                                       |               | 8 5/8" @ 523'         |        |                                                       |               | 12              |               | 02/06/98  |            |                        |                    |           |
| Contractor                                                      |               | Depth Today           |        | Depth yesterday                                       |               | Progress        |               | Formation |            |                        |                    |           |
| Artesia Fishing Tool Rig #2                                     |               | 4820 feet             |        | 4820 feet                                             |               | 0 feet          |               | Anhy/DOL  |            |                        |                    |           |
| Operation at 0600                                               |               | Daily Cost            |        | Accum cost                                            |               | Accum mud cost  |               |           |            |                        |                    |           |
| Circulating                                                     |               | \$19,000.00           |        | \$136,976.00                                          |               |                 |               |           |            |                        |                    |           |
| Mud                                                             | Wt.           | Vis.                  | PV/YP  | Gels                                                  | Ph.           | WL              | Chl.          | Sand      | Sol.       | Oil                    | HIHP FL @ 300      |           |
| Data                                                            | 10            | 29                    |        |                                                       | 9             |                 |               |           |            |                        | 100 psi 600 psi    |           |
| Pump                                                            | Number & type | Liner size & stroke   |        | SPM                                                   | RPM           | PSI             | Noz vel       | AV-DP     | AV-DC      | Slow pump rate & press |                    |           |
| Data                                                            | 1 GD GXQ      | 5 1/4 - 14            |        | 56                                                    |               | 1000            |               |           |            |                        |                    |           |
| Bit number                                                      | Size          | Make                  | Type   | SN                                                    | Jets          | Depth out       | Footage       | Hours     | Avg ROP    | RPM                    | Wt- M lb.          | Condition |
| 2                                                               | 7 7/8         | Reed                  | HP53   | Q54058                                                | 3-13          | 2375            | 1927          | 53.5      | 36.02      | 65                     | 48                 |           |
| Bit number                                                      | Size          | Make                  | Type   | SN                                                    | Jets          | Depth out       | Footage       | Hours     | Avg ROP    | RPM                    | Wt- M lb.          | Condition |
| 3                                                               | 7 7/8         | Reed                  | HP62   | L67718                                                | 3-13          | 4820            | 2293          | 127.25    | 18.02      | 65                     | 48                 |           |
| Torque                                                          | Rot. wt.      | PU wt.                | SO wt. | BHA wt.-air                                           | BHA wt. - mud |                 | Drilling time |           | Accum hrs. |                        |                    |           |
| Drill String                                                    |               | DPOD                  |        | Conn                                                  |               | Grade           | Wt./Ft.       | Length    | hrs        |                        | hrs                |           |
| 4 1/2                                                           |               | 6                     |        | X - H                                                 |               | E               | 16.6          | 31.22     | none       |                        | Date last BOP test |           |
|                                                                 |               |                       |        |                                                       |               |                 |               |           |            |                        | 02/03/98           |           |
| Bottom Hole                                                     |               | Length                |        | Description                                           |               |                 |               |           |            |                        |                    |           |
| Assembly                                                        |               | 597.65                |        | 7 3/8" bit = 1.00 24 - 6" DC's = 596.65               |               |                 |               |           |            |                        |                    |           |
| Deviation Survey                                                |               | Comments              |        |                                                       |               |                 |               |           |            |                        |                    |           |
| Depth                                                           | Angle         | Direction             | TVD    |                                                       |               |                 |               |           |            |                        |                    |           |
|                                                                 |               |                       |        |                                                       |               |                 |               |           |            |                        |                    |           |
| Time Hrs. Chronological Summary of Operations from 0700 to 0700 |               |                       |        |                                                       |               |                 |               |           |            |                        |                    |           |
| 06:00 -06:30                                                    |               | 00:30                 |        | Circulate                                             |               |                 |               |           |            |                        |                    |           |
| 06:30 -07:00                                                    |               | 00:30                 |        | TOH                                                   |               |                 |               |           |            |                        |                    |           |
| 07:00 -13:15                                                    |               | 06:15                 |        | Stuck, work pipe - Bit @ 3764', DC @ 2167 - work free |               |                 |               |           |            |                        |                    |           |
| 13:15 -13:45                                                    |               | 00:30                 |        | TIH                                                   |               |                 |               |           |            |                        |                    |           |
| 13:45 -15:00                                                    |               | 01:15                 |        | Circulate                                             |               |                 |               |           |            |                        |                    |           |
| 15:00 -17:30                                                    |               | 02:30                 |        | TOH                                                   |               |                 |               |           |            |                        |                    |           |
| 17:30 -22:45                                                    |               | 05:15                 |        | RU loggers. Loggers TD 4824' @ 6:15pm                 |               |                 |               |           |            |                        |                    |           |
| 22:45 -23:30                                                    |               | 00:45                 |        | RD loggers.                                           |               |                 |               |           |            |                        |                    |           |
| 23:30 -03:45                                                    |               | 04:15                 |        | TIH                                                   |               |                 |               |           |            |                        |                    |           |
| 03:45 -06:00                                                    |               | 02:15                 |        | Circulate                                             |               |                 |               |           |            |                        |                    |           |
| Total                                                           |               | 24:00                 |        |                                                       |               |                 |               |           |            |                        |                    |           |
| Check if summary continued on back                              |               |                       |        | Signed                                                |               |                 |               |           |            |                        |                    |           |
|                                                                 |               |                       |        | faxed by Gary Steed                                   |               |                 |               |           |            |                        |                    |           |

H 2/6

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                  |                                  |                                               |                                                                                                                                                                  |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
|--------------------------------------------------|----------------------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------|------------------------------|------------------------|------------------------------|-------------------------|------------------------|----------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 24</b>         |                                  | Size & depth last csg<br><b>5 1/2" @ 4823</b> |                                                                                                                                                                  |                                     |                     | Days since spud<br><b>13</b> |                        | Date<br><b>02/07/98</b>      |                         |                        |                                  |           |
| Contractor<br><b>Artesia Fishing Tool Rig #2</b> |                                  | Depth Today<br><b>4820 feet</b>               |                                                                                                                                                                  | Depth yesterday<br><b>4820 feet</b> |                     | Progress<br><b>0 feet</b>    |                        | Formation<br><b>Anhy/DOL</b> |                         |                        |                                  |           |
| Operation at 0600<br><b>MORT</b>                 |                                  | Daily Cost<br><b>\$76,965.00</b>              |                                                                                                                                                                  | Accum cost<br><b>\$213,941.00</b>   |                     | Accum mud cost               |                        |                              |                         |                        |                                  |           |
| Mud Data                                         | Wt.<br><b>10</b>                 | Vis.<br><b>29</b>                             | PV/YP                                                                                                                                                            | Gels                                | Ph.<br><b>9</b>     | WL                           | Chl.                   | Sand                         | Sol.                    | Oil                    | HIHP FL @ 300<br>100 psi 600 psi |           |
| Pump Data                                        | Number & type<br><b>1 GD GXQ</b> | Liner size & stroke<br><b>5 1/4 - 14</b>      |                                                                                                                                                                  | SPM<br><b>56</b>                    | RPM                 | PSI<br><b>1000</b>           | Noz vel                | AV-DP                        | AV-DC                   | Slow pump rate & press |                                  |           |
| Bit number<br><b>2</b>                           | Size<br><b>7 7/8</b>             | Make<br><b>Reed</b>                           | Type<br><b>HP53</b>                                                                                                                                              | SN<br><b>Q54058</b>                 | Jets<br><b>3-13</b> | Depth out<br><b>2375</b>     | Footage<br><b>1927</b> | Hours<br><b>53.5</b>         | Avg ROP<br><b>36.02</b> | RPM<br><b>65</b>       | Wt- M lb.<br><b>48</b>           | Condition |
| Bit number<br><b>3</b>                           | Size<br><b>7 7/8</b>             | Make<br><b>Reed</b>                           | Type<br><b>HP62</b>                                                                                                                                              | SN<br><b>L67718</b>                 | Jets<br><b>3-13</b> | Depth out<br><b>4820</b>     | Footage<br><b>2293</b> | Hours<br><b>127.25</b>       | Avg ROP<br><b>18.02</b> | RPM<br><b>65</b>       | Wt- M lb.<br><b>48</b>           | Condition |
| Torque                                           | Rot. wt.                         | PU wt.                                        | SO wt.                                                                                                                                                           | BHA wt.-air                         |                     | BHA wt. - mud                |                        | Drilling time<br>hrs         |                         | Accum hrs.             |                                  |           |
| Drill String                                     |                                  | DPOD                                          |                                                                                                                                                                  | Conn                                |                     | Grade                        | Wt./Ft.                | Length                       | Accidents               |                        | Date last BOP test               |           |
| <b>4 1/2</b>                                     |                                  | <b>6</b>                                      |                                                                                                                                                                  | <b>X - H</b>                        |                     | <b>E</b>                     | <b>16.6</b>            | <b>31.22</b>                 | <b>none</b>             |                        | <b>02/03/98</b>                  |           |
| Bottom Hole Assembly                             |                                  | Length<br><b>597.65</b>                       | Description<br><b>7 3/8" bit = 1.00 24 - 6" DC's = 596.65</b>                                                                                                    |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
| Deviation Survey                                 |                                  | Comments                                      |                                                                                                                                                                  |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
| Depth                                            | Angle                            | Direction                                     | TVD                                                                                                                                                              |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
|                                                  |                                  |                                               |                                                                                                                                                                  |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
|                                                  |                                  |                                               |                                                                                                                                                                  |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
| Time                                             |                                  | Hrs.                                          | Chronological Summary of Operations from 0700 to 0700                                                                                                            |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
| <b>06:00 -06:30</b>                              |                                  | <b>00:30</b>                                  | <b>Circulate</b>                                                                                                                                                 |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
| <b>06:30 -09:30</b>                              |                                  | <b>03:00</b>                                  | <b>Lay down drill pipe &amp; collars</b>                                                                                                                         |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
| <b>09:30 -10:00</b>                              |                                  | <b>00:30</b>                                  | <b>ND BOP</b>                                                                                                                                                    |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
| <b>10:00 -14:00</b>                              |                                  | <b>04:00</b>                                  | <b>Ran 108jts 5 1/2" 17# J-55 casing</b>                                                                                                                         |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
| <b>14:00 -14:30</b>                              |                                  | <b>00:30</b>                                  | <b>Set slips @ 4823'</b>                                                                                                                                         |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
| <b>14:30 -16:15</b>                              |                                  | <b>01:45</b>                                  | <b>Cmt w/900 sx Premium Plus Haliburton Lite , 1/4# FloCele, 5# salt, talled w/750 sx Premium Plus, 3% KCL, .2% CFR3, .5% HALAID9. Plug down 4:15pm 02/06/98</b> |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
| <b>16:15 -18:15</b>                              |                                  | <b>02:00</b>                                  | <b>Circulate 136sx to pit.</b>                                                                                                                                   |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
|                                                  |                                  |                                               | <b>Clean pits - release rig</b>                                                                                                                                  |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
|                                                  |                                  |                                               |                                                                                                                                                                  |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
|                                                  |                                  |                                               |                                                                                                                                                                  |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
|                                                  |                                  |                                               |                                                                                                                                                                  |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
|                                                  |                                  |                                               |                                                                                                                                                                  |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
|                                                  |                                  |                                               |                                                                                                                                                                  |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
| <b>Total</b>                                     |                                  | <b>24:00</b>                                  |                                                                                                                                                                  |                                     |                     |                              |                        |                              |                         |                        |                                  |           |
| Check if summary continued on back               |                                  |                                               | Signed<br>faxed by Gary Steed                                                                                                                                    |                                     |                     |                              |                        |                              |                         |                        |                                  |           |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                      |                                                                |           |                                                                                                                                                                 |             |                                                       |            |                             |                          |                        |                                  |                         |  |
|----------------------------------------------------|----------------------|----------------------------------------------------------------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------------------------------------|------------|-----------------------------|--------------------------|------------------------|----------------------------------|-------------------------|--|
| Well<br><b>Beeson "F" Federal No. 25</b>           |                      |                                                                |           | Size & depth last csg                                                                                                                                           |             |                                                       |            | Days since spud<br><b>1</b> |                          |                        |                                  | Date<br><b>01/18/98</b> |  |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                      |                                                                |           | Depth Today<br><b>515 feet</b>                                                                                                                                  |             | Depth yesterday<br><b>40 feet</b>                     |            | Progress<br><b>475 feet</b> |                          |                        |                                  | Formation               |  |
| Operation at 0700                                  |                      |                                                                |           | Daily Cost<br><b>\$17,650.00</b>                                                                                                                                |             | Accum cost<br><b>\$17,650.00</b>                      |            | Accum mud cost              |                          |                        |                                  |                         |  |
| Mud                                                | Wt.                  | Vis.                                                           | PV/YP     | Gels                                                                                                                                                            | Ph.         | WL                                                    | Chl.       | Sand                        | Sol.                     | Oil                    | HIHP FL @ 300<br>100 psi 600 psi |                         |  |
| Data                                               | <b>8.2</b>           | <b>34</b>                                                      |           |                                                                                                                                                                 | <b>n/c</b>  | <b>n/c</b>                                            |            |                             |                          |                        |                                  |                         |  |
| Pump                                               | Number & type        | Liner size & stroke                                            |           | SPM                                                                                                                                                             | RPM         | PSI                                                   | Noz vel    | AV-DP                       | AV-DC                    | Slow pump rate & press |                                  |                         |  |
| Data                                               | <b>Deco #1</b>       | <b>6" x 16</b>                                                 |           | <b>47</b>                                                                                                                                                       | <b>80</b>   | <b>800</b>                                            |            |                             |                          |                        |                                  |                         |  |
| Bit number                                         | Size                 | Make                                                           | Type      | SN                                                                                                                                                              | Jets        | Depth out                                             | Footage    | Hours                       | Avg ROP                  | RPM                    | Wt- M lb.                        | Condition               |  |
| <b>1</b>                                           | <b>12 1/4</b>        |                                                                | <b>F2</b> | <b>RR</b>                                                                                                                                                       | <b>2-14</b> | <b>515</b>                                            | <b>475</b> | <b>13.25</b>                | <b>35.85</b>             | <b>80</b>              |                                  |                         |  |
| Bit number                                         | Size                 | Make                                                           | Type      | SN                                                                                                                                                              | Jets        | Depth out                                             | Footage    | Hours                       | Avg ROP                  | RPM                    | Wt- M lb.                        | Condition               |  |
|                                                    |                      |                                                                |           |                                                                                                                                                                 |             |                                                       |            |                             |                          |                        |                                  |                         |  |
| Torque                                             | Rot. wt.             | PU wt.                                                         | SO wt.    | BHA wt.-air                                                                                                                                                     |             | BHA wt. - mud                                         |            | Drilling time<br><b>hrs</b> | Accum hrs.<br><b>hrs</b> |                        |                                  |                         |  |
| Drill String                                       | DPOD                 |                                                                | Conn      |                                                                                                                                                                 | Grade       | Wt./Ft.                                               | Length     | Accidents<br><b>none</b>    |                          | Date last BOP test     |                                  |                         |  |
|                                                    |                      |                                                                |           |                                                                                                                                                                 |             |                                                       |            |                             |                          |                        |                                  |                         |  |
|                                                    |                      |                                                                |           |                                                                                                                                                                 |             |                                                       |            |                             |                          |                        |                                  |                         |  |
| Bottom Hole Assembly                               | Length<br><b>478</b> | Description<br><b>3 6" DC 129' 1 XO sub, 1.80 15-6" DC 401</b> |           |                                                                                                                                                                 |             |                                                       |            |                             |                          |                        |                                  |                         |  |
| Deviation Survey                                   |                      |                                                                |           | Comments                                                                                                                                                        |             |                                                       |            |                             |                          |                        |                                  |                         |  |
| Depth                                              | Angle                | Direction                                                      | TVD       |                                                                                                                                                                 |             |                                                       |            |                             |                          |                        |                                  |                         |  |
|                                                    |                      |                                                                |           | <b>9 loads fresh water</b> <b>16 sx paper</b> <b>56 sx gel</b><br><b>14 loads brine water</b> <b>13 sx cedar fiber</b><br><b>13 sx multi seal</b> <b>1 MFSS</b> |             |                                                       |            |                             |                          |                        |                                  |                         |  |
| Time                                               |                      |                                                                |           | Hrs.                                                                                                                                                            |             | Chronological Summary of Operations from 0700 to 0700 |            |                             |                          |                        |                                  |                         |  |
| <b>07:00 - 13:30</b>                               |                      |                                                                |           | <b>06:30</b>                                                                                                                                                    |             | <b>Move in &amp; rig up</b>                           |            |                             |                          |                        |                                  |                         |  |
| <b>13:30 - 16:30</b>                               |                      |                                                                |           | <b>02:00</b>                                                                                                                                                    |             | <b>Mix spud mud</b>                                   |            |                             |                          |                        |                                  |                         |  |
| <b>16:30 - 18:30</b>                               |                      |                                                                |           | <b>03:00</b>                                                                                                                                                    |             | <b>Spud well w/ 12 1/4 bit</b>                        |            |                             |                          |                        |                                  |                         |  |
| <b>18:30 - 19:45</b>                               |                      |                                                                |           | <b>01:15</b>                                                                                                                                                    |             | <b>Repair rig</b>                                     |            |                             |                          |                        |                                  |                         |  |
| <b>19:45 - 06:00</b>                               |                      |                                                                |           | <b>10:15</b>                                                                                                                                                    |             | <b>Drilling</b>                                       |            |                             |                          |                        |                                  |                         |  |
| <b>06:00 - 06:30</b>                               |                      |                                                                |           | <b>00:30</b>                                                                                                                                                    |             | <b>Circulate</b>                                      |            |                             |                          |                        |                                  |                         |  |
| <b>06:30 - 07:00</b>                               |                      |                                                                |           | <b>00:30</b>                                                                                                                                                    |             | <b>TOH</b>                                            |            |                             |                          |                        |                                  |                         |  |
|                                                    |                      |                                                                |           |                                                                                                                                                                 |             |                                                       |            |                             |                          |                        |                                  |                         |  |
|                                                    |                      |                                                                |           |                                                                                                                                                                 |             |                                                       |            |                             |                          |                        |                                  |                         |  |
|                                                    |                      |                                                                |           |                                                                                                                                                                 |             |                                                       |            |                             |                          |                        |                                  |                         |  |
|                                                    |                      |                                                                |           |                                                                                                                                                                 |             |                                                       |            |                             |                          |                        |                                  |                         |  |
|                                                    |                      |                                                                |           |                                                                                                                                                                 |             |                                                       |            |                             |                          |                        |                                  |                         |  |
|                                                    |                      |                                                                |           |                                                                                                                                                                 |             |                                                       |            |                             |                          |                        |                                  |                         |  |
|                                                    |                      |                                                                |           |                                                                                                                                                                 |             |                                                       |            |                             |                          |                        |                                  |                         |  |
|                                                    |                      |                                                                |           |                                                                                                                                                                 |             |                                                       |            |                             |                          |                        |                                  |                         |  |
| <b>Total</b>                                       |                      |                                                                |           | <b>24:00</b>                                                                                                                                                    |             |                                                       |            |                             |                          |                        |                                  |                         |  |
| Check if summary continued on back                 |                      |                                                                |           | Signed                                                                                                                                                          |             | faxed Wade White <b>H. J. 19</b>                      |            |                             |                          |                        |                                  |                         |  |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                 |                                                                         |                     |                                                                                         |                     |                                    |                       |                                  |                         |                                       |                                  |
|----------------------------------------------------|---------------------------------|-------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------|---------------------|------------------------------------|-----------------------|----------------------------------|-------------------------|---------------------------------------|----------------------------------|
| Well<br><b>Beeson "F" Federal No. 25</b>           |                                 |                                                                         |                     | Size & depth last csg<br><b>8 5/8" @ 515'</b>                                           |                     |                                    |                       | Days since spud<br><b>2</b>      |                         | Date<br><b>01/19/98</b>               |                                  |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                 |                                                                         |                     | Depth Today<br><b>618 feet</b>                                                          |                     | Depth yesterday<br><b>515 feet</b> |                       | Progress<br><b>103 feet</b>      |                         | Formation                             |                                  |
| Operation at 0700<br><b>Drilling</b>               |                                 |                                                                         |                     | Daily Cost<br><b>\$14,803.00</b>                                                        |                     | Accum cost<br><b>\$32,453.00</b>   |                       | Accum mud cost                   |                         |                                       |                                  |
| Mud<br>Data                                        | Wt.<br><b>10.1</b>              | Vis.<br><b>29</b>                                                       | PV/YP               | Gels                                                                                    | Ph.<br><b>9</b>     | WL                                 | Chl.                  | Sand                             | Sol.                    | Oil                                   | HIHP FL @ 300<br>100 psi 600 psi |
| Pump<br>Data                                       | Number & type<br><b>Deco #1</b> | Liner size & stroke<br><b>6" x 16</b>                                   |                     | SPM<br><b>46</b>                                                                        | RPM                 | PSI<br><b>800</b>                  | Noz vel               | AV-DP                            | AV-DC                   | Slow pump rate & press                |                                  |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>            | Make<br><b>WM</b>                                                       | Type<br><b>637Y</b> | SN<br><b>18654</b>                                                                      | Jets<br><b>3-14</b> | Depth out                          | Footage<br><b>103</b> | Hours<br><b>1.75</b>             | Avg ROP<br><b>58.86</b> | RPM                                   | Wt- M lb. Condition              |
| Bit number                                         | Size                            | Make                                                                    | Type                | SN                                                                                      | Jets                | Depth out                          | Footage               | Hours                            | Avg ROP                 | RPM                                   | Wt- M lb. Condition              |
| Torque                                             | Rot. wt.                        | PU wt.                                                                  | SO wt.              | BHA wt.-air                                                                             |                     | BHA wt. - mud                      |                       | Drilling time<br><b>1.75 hrs</b> |                         | Accum hrs.<br><b>1.75 hrs</b>         |                                  |
| Drill String                                       | DPOD                            |                                                                         | Conn                |                                                                                         | Grade               | Wt./Ft.                            | Length                | Accidents<br><b>none</b>         |                         | Date last BOP test<br><b>01/18/98</b> |                                  |
| Bottom Hole Assembly                               |                                 |                                                                         |                     |                                                                                         |                     |                                    |                       |                                  |                         |                                       |                                  |
| Length                                             |                                 | Description<br><b>1 bit, 1 shock sub 14.30, 1 xo sub .76, 20 DC 536</b> |                     |                                                                                         |                     |                                    |                       |                                  |                         |                                       |                                  |
| Deviation Survey                                   |                                 |                                                                         |                     | Comments                                                                                |                     |                                    |                       |                                  |                         |                                       |                                  |
| Depth                                              | Angle                           | Direction                                                               | TVD                 | <b>4 loads brine water</b>                                                              |                     |                                    |                       |                                  |                         |                                       |                                  |
|                                                    |                                 |                                                                         |                     |                                                                                         |                     |                                    |                       |                                  |                         |                                       |                                  |
|                                                    |                                 |                                                                         |                     |                                                                                         |                     |                                    |                       |                                  |                         |                                       |                                  |
| Time                                               |                                 | Hrs.                                                                    |                     | Chronological Summary of Operations from 0700 to 0700                                   |                     |                                    |                       |                                  |                         |                                       |                                  |
| 07:00 -07:45                                       |                                 | 00:45                                                                   |                     | TOH & drop T&TCO                                                                        |                     |                                    |                       |                                  |                         |                                       |                                  |
| 07:45 -09:15                                       |                                 | 01:30                                                                   |                     | RU csg crew & run 12 jts 8 5/8" @ 515'                                                  |                     |                                    |                       |                                  |                         |                                       |                                  |
| 09:15 -09:30                                       |                                 | 00:15                                                                   |                     | RU Halliburton & circulate csg.                                                         |                     |                                    |                       |                                  |                         |                                       |                                  |
| 09:30 -10:00                                       |                                 | 00:30                                                                   |                     | Cmt w/310 sx Premium, 2% CC, 1/4# FloCele. Circulate 75 sx to pits. Plug down @ 10:00am |                     |                                    |                       |                                  |                         |                                       |                                  |
| 10:00 -19:00                                       |                                 | 09:00                                                                   |                     | WOC. NU                                                                                 |                     |                                    |                       |                                  |                         |                                       |                                  |
| 19:00 -20:30                                       |                                 | 01:30                                                                   |                     | TIH w/DC & test BOP. 1000 psi for 30 min. Okay                                          |                     |                                    |                       |                                  |                         |                                       |                                  |
| 20:30 -04:00                                       |                                 | 07:30                                                                   |                     | WOC                                                                                     |                     |                                    |                       |                                  |                         |                                       |                                  |
| 04:00 -05:15                                       |                                 | 01:15                                                                   |                     | Drilling cmt & insert float                                                             |                     |                                    |                       |                                  |                         |                                       |                                  |
| 05:15 -07:00                                       |                                 | 01:45                                                                   |                     | Drilling                                                                                |                     |                                    |                       |                                  |                         |                                       |                                  |
| Total                                              |                                 | 24:00                                                                   |                     |                                                                                         |                     |                                    |                       |                                  |                         |                                       |                                  |
| Check if summary continued on back                 |                                 |                                                                         |                     | Signed<br><b>Wade White</b>                                                             |                     |                                    |                       |                                  |                         |                                       |                                  |

*Wade White*

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                 |                                               |                     |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
|----------------------------------------------------|---------------------------------|-----------------------------------------------|---------------------|-------------------------------------------------------------------------|---------------------|-----------------------------|------------------------|--------------------------------|--------------------------|--------------------------------|---------------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 25</b>           |                                 | Size & depth last csg<br><b>8 5/8" @ 515'</b> |                     |                                                                         |                     | Days since spud<br><b>3</b> |                        | Date<br><b>01/20/98</b>        |                          |                                |                                       |           |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                 | Depth Today<br><b>1616 feet</b>               |                     | Depth yesterday<br><b>618 feet</b>                                      |                     | Progress<br><b>998 feet</b> |                        | Formation<br><b>Red Bed</b>    |                          |                                |                                       |           |
| Operation at 0700<br><b>Drilling</b>               |                                 | Daily Cost<br><b>\$13,972.00</b>              |                     | Accum cost<br><b>\$46,425.00</b>                                        |                     | Accum mud cost              |                        |                                |                          |                                |                                       |           |
| Mud<br>Data                                        | Wt.<br><b>10</b>                | Vis.<br><b>29</b>                             | PV/YP               | Gels                                                                    | Ph.<br><b>10</b>    | WL                          | Chl.                   | Sand                           | Sol.                     | Oil                            | HIHP FL @ 300<br>100 psi 600 psi      |           |
| Pump<br>Data                                       | Number & type<br><b>Deco #1</b> | Liner size & stroke<br><b>6" x 16</b>         |                     | SPM<br><b>46</b>                                                        | RPM                 | PSI<br><b>900</b>           | Noz vel                | AV-DP                          | AV-DC                    | Slow pump rate & press         |                                       |           |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>            | Make<br><b>WM</b>                             | Type<br><b>637Y</b> | SN<br><b>18654</b>                                                      | Jets<br><b>3-14</b> | Depth out                   | Footage<br><b>1101</b> | Hours<br><b>23</b>             | Avg ROP<br><b>47.87</b>  | RPM<br><b>60</b>               | Wt- M lb.<br><b>40</b>                | Condition |
| Bit number                                         | Size                            | Make                                          | Type                | SN                                                                      | Jets                | Depth out                   | Footage                | Hours                          | Avg ROP                  | RPM                            | Wt- M lb.                             | Condition |
| Torque                                             |                                 | Rot. wt.                                      | PU wt.              | SO wt.                                                                  | BHA wt.-air         | BHA wt. - mud               |                        | Drilling time<br><b>23 hrs</b> |                          | Accum hrs.<br><b>24.75 hrs</b> |                                       |           |
| Drill String                                       |                                 | DPOD                                          |                     | Conn                                                                    |                     | Grade                       | Wt./Ft.                | Length                         | Accidents<br><b>none</b> |                                | Date last BOP test<br><b>01/18/98</b> |           |
| Bottom Hole<br>Assembly                            |                                 | Length                                        |                     | Description<br><b>1 bit, 1 shock sub 14.30, 1 xo sub .76, 20 DC 536</b> |                     |                             |                        |                                |                          |                                |                                       |           |
| Deviation Survey                                   |                                 |                                               |                     | Comments                                                                |                     |                             |                        |                                |                          |                                |                                       |           |
| Depth                                              | Angle                           | Direction                                     | TVD                 |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
| <b>1013</b>                                        | <b>3/4</b>                      |                                               |                     |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
| <b>1526</b>                                        | <b>1/2</b>                      |                                               |                     |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
| Time                                               |                                 | Hrs.                                          |                     | Chronological Summary of Operations from 0700 to 0700                   |                     |                             |                        |                                |                          |                                |                                       |           |
| <b>07:00 -13:15</b>                                |                                 | <b>06:15</b>                                  |                     | <b>Drilling</b>                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
| <b>13:15 -13:45</b>                                |                                 | <b>00:30</b>                                  |                     | <b>Run survey @ 1013' 3/4 degree angle</b>                              |                     |                             |                        |                                |                          |                                |                                       |           |
| <b>13:45 -04:00</b>                                |                                 | <b>14:15</b>                                  |                     | <b>Drilling</b>                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
| <b>04:00 -04:30</b>                                |                                 | <b>00:30</b>                                  |                     | <b>Run survey @ 1526' 1/2 degree angle</b>                              |                     |                             |                        |                                |                          |                                |                                       |           |
| <b>04:30 -07:00</b>                                |                                 | <b>02:30</b>                                  |                     | <b>Drilling</b>                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
|                                                    |                                 |                                               |                     |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
|                                                    |                                 |                                               |                     |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
|                                                    |                                 |                                               |                     |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
|                                                    |                                 |                                               |                     |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
|                                                    |                                 |                                               |                     |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
|                                                    |                                 |                                               |                     |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
|                                                    |                                 |                                               |                     |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
|                                                    |                                 |                                               |                     |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
|                                                    |                                 |                                               |                     |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
|                                                    |                                 |                                               |                     |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
|                                                    |                                 |                                               |                     |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
|                                                    |                                 |                                               |                     |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
| <b>Total</b>                                       |                                 | <b>24:00</b>                                  |                     |                                                                         |                     |                             |                        |                                |                          |                                |                                       |           |
| Check if summary continued on back                 |                                 |                                               |                     | Signed<br><div style="text-align: right;"><i>H 1/20/98</i></div>        |                     |                             |                        |                                |                          |                                |                                       |           |
|                                                    |                                 |                                               |                     | faxed Wade White                                                        |                     |                             |                        |                                |                          |                                |                                       |           |

**DAILY DRILLING REPORT**Check if summary continued on back

**Signed**

**faxed Wade White**
$$1 \frac{1}{2}$$

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                 |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
|----------------------------------------------------|---------------------------------|---------------------------------------|---------------------|------------------------------------------------------------------------------|---------------------|-------------------------------------|------------------------|-----------------------------|-----------------------------------|--------------------------|----------------------------------|---------------------------------------|--|
| Well<br><b>Beeson "F" Federal No. 25</b>           |                                 |                                       |                     | Size & depth last csg<br><b>8 5/8" @ 515'</b>                                |                     |                                     |                        | Days since spud<br><b>6</b> |                                   |                          |                                  | Date<br><b>01/22/98</b>               |  |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                 |                                       |                     | Depth Today<br><b>2806 feet</b>                                              |                     | Depth yesterday<br><b>2274 feet</b> |                        | Progress<br><b>532 feet</b> |                                   |                          |                                  | Formation<br><b>Anhy/DOL</b>          |  |
| Operation at 0700<br><b>Drilling</b>               |                                 |                                       |                     | Daily Cost<br><b>\$7,544.00</b>                                              |                     | Accum cost<br><b>\$58,428.00</b>    |                        | Accum mud cost              |                                   |                          |                                  |                                       |  |
| Mud<br>Data                                        | Wt.<br>10                       | Vis.<br>29                            | PV/YP               | Gels                                                                         | Ph.<br>10           | WL                                  | Chl.                   | Sand                        | Sol.                              | Oil                      | HIHP FL @ 300<br>100 psi 600 psi |                                       |  |
| Pump<br>Data                                       | Number & type<br><b>Deco #1</b> | Liner size & stroke<br><b>6" x 16</b> |                     | SPM<br><b>42</b>                                                             | RPM                 | PSI<br><b>1100</b>                  | Noz vel                | AV-DP                       | AV-DC                             | Slow pump rate & press   |                                  |                                       |  |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>            | Make<br><b>WM</b>                     | Type<br><b>637Y</b> | SN<br><b>18654</b>                                                           | Jets<br><b>3-14</b> | Depth out                           | Footage<br><b>2806</b> | Hours<br><b>71</b>          | Avg ROP<br><b>39.52</b>           | RPM<br><b>60</b>         | Wt- M lb.<br><b>40</b>           | Condition                             |  |
| Bit number                                         | Size                            | Make                                  | Type                | SN                                                                           | Jets                | Depth out                           | Footage                | Hours                       | Avg ROP                           | RPM                      | Wt- M lb.                        | Condition                             |  |
| Torque                                             |                                 | Rot. wt.                              | PU wt.              | SO wt.                                                                       | BHA wt.-air         |                                     | BHA wt. - mud          |                             | Drilling time<br><b>23.25 hrs</b> |                          | Accum hrs.<br><b>71 hrs</b>      |                                       |  |
| Drill String                                       |                                 | DPOD                                  |                     |                                                                              | Conn                |                                     | Grade                  | Wt./Ft.                     | Length                            | Accidents<br><b>none</b> |                                  | Date last BOP test<br><b>01/18/98</b> |  |
| Bottom Hole<br>Assembly                            |                                 | Length                                |                     | Description<br><b>1 bit, 1 shock sub 14.30, 1 xo sub .76, 20 DC 536</b>      |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
| Deviation Survey                                   |                                 |                                       |                     | Comments                                                                     |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
| Depth                                              | Angle                           | Direction                             | TVD                 | <b>6 sx caustic</b>                                                          |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
| <b>2511</b>                                        | <b>1/2</b>                      |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
|                                                    |                                 |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
| Time                                               |                                 | Hrs.                                  |                     | Chronological Summary of Operations from 0700 to 0700                        |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
| <b>07:00 -09:15</b>                                |                                 | <b>02:15</b>                          |                     | <b>Drilling</b>                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
| <b>09:15 -09:30</b>                                |                                 | <b>00:15</b>                          |                     | <b>Lubricate rig</b>                                                         |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
| <b>09:30 -17:00</b>                                |                                 | <b>07:30</b>                          |                     | <b>Drilling</b>                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
| <b>17:00 -17:30</b>                                |                                 | <b>00:30</b>                          |                     | <b>Run survey @ 2511' 1/2 degree angle</b>                                   |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
| <b>17:30 -07:00</b>                                |                                 | <b>13:30</b>                          |                     | <b>Drilling</b>                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
|                                                    |                                 |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
|                                                    |                                 |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
|                                                    |                                 |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
|                                                    |                                 |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
|                                                    |                                 |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
|                                                    |                                 |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
|                                                    |                                 |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
|                                                    |                                 |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
|                                                    |                                 |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
|                                                    |                                 |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
|                                                    |                                 |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
|                                                    |                                 |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
|                                                    |                                 |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
|                                                    |                                 |                                       |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
| <b>Total</b>                                       |                                 | <b>24:00</b>                          |                     |                                                                              |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |
| Check if summary continued on back                 |                                 |                                       |                     | Signed <span style="float: right;"><i>12.1.22</i></span><br>faxed Wade White |                     |                                     |                        |                             |                                   |                          |                                  |                                       |  |

## DAILY DRILLING REPORT

|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|--------------------------------------|---------------------------------|-------------------|-------------------------------------------------------|-------------------------------------------------------------------------|---------------------|------------------------|------------------------|----------------------------------|-------------------------|-------------------------------|-------------------------------------|------------------|--|
| <b>Well</b>                          |                                 |                   | <b>Size &amp; depth last csg</b>                      |                                                                         |                     |                        |                        |                                  | <b>Days since spud</b>  |                               |                                     | <b>Date</b>      |  |
| <b>Beeson "F" Federal No. 25</b>     |                                 |                   | <b>8 5/8" @ 515'</b>                                  |                                                                         |                     |                        |                        |                                  | <b>7</b>                |                               |                                     | <b>01/23/98</b>  |  |
| <b>Contractor</b>                    |                                 |                   | <b>Depth Today</b>                                    |                                                                         |                     | <b>Depth yesterday</b> |                        |                                  | <b>Progress</b>         |                               |                                     | <b>Formation</b> |  |
| <b>United Drilling Co. Rig No. 7</b> |                                 |                   | <b>3263 feet</b>                                      |                                                                         |                     | <b>2806 feet</b>       |                        |                                  | <b>457 feet</b>         |                               |                                     | <b>Anhy/DOL</b>  |  |
| <b>Operation at 0700</b>             |                                 |                   | <b>Daily Cost</b>                                     |                                                                         |                     | <b>Accum cost</b>      |                        |                                  | <b>Accum mud cost</b>   |                               |                                     |                  |  |
| <b>Drilling</b>                      |                                 |                   | <b>\$9,146.00</b>                                     |                                                                         |                     | <b>\$67,574.00</b>     |                        |                                  |                         |                               |                                     |                  |  |
| Mud<br>Data                          | Wt.<br><b>10</b>                | Vis.<br><b>29</b> | PV/Y.P.                                               | Gels                                                                    | Ph.<br><b>9</b>     | WL                     | Chl.                   | Sand                             | Sol.                    | Oil                           | HIHP FL @ 300<br>100 psi    600 psi |                  |  |
| Pump<br>Data                         | Number & type<br><b>Deco #1</b> |                   | Liner size & stroke<br><b>6" x 16</b>                 | SPM<br><b>42</b>                                                        | RPM                 | PSI<br><b>1100</b>     | Noz vel                | AV-DP                            | AV-DC                   | Slow pump rate & press        |                                     |                  |  |
| Bit number<br><b>2</b>               | Size<br><b>7 7/8</b>            | Make<br><b>WM</b> | Type<br><b>637Y</b>                                   | SN<br><b>18654</b>                                                      | Jets<br><b>3-14</b> | Depth out              | Footage<br><b>2748</b> | Hours<br><b>94.5</b>             | Avg ROP<br><b>29.08</b> | RPM<br><b>60</b>              | Wt- M lb.<br><b>40</b>              | Condition        |  |
| Bit number                           | Size                            | Make              | Type                                                  | SN                                                                      | Jets                | Depth out              | Footage                | Hours                            | Avg ROP                 | RPM                           | Wt- M lb.                           | Condition        |  |
| Torque                               | Rot. wt.                        | PU wt.            | SO wt.                                                | BHA wt.-air                                                             | BHA wt. - mud       |                        |                        | Drilling time<br><b>23.5 hrs</b> |                         | Accum hrs.<br><b>94.5 hrs</b> |                                     |                  |  |
| Drill String                         |                                 | DPOD              |                                                       | Conn                                                                    |                     | Grade                  | Wt/Ft.                 | Length                           | Accidents               |                               | Date last BOP test                  |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  | none                    |                               | 01/18/98                            |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
| Bottom Hole Assembly                 |                                 | Length            |                                                       | Description<br><b>1 bit, 1 shock sub 14.30, 1 xo sub .76, 20 DC 536</b> |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
| Deviation Survey                     |                                 |                   |                                                       | Comments                                                                |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
| Depth                                | Angle                           | Direction         | TVD                                                   |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       | <b>4 sx caustic</b>                                                     |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
| Time                                 |                                 | Hrs.              | Chronological Summary of Operations from 0700 to 0700 |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
| <b>07:00 -10:00</b>                  |                                 | <b>03:00</b>      | <b>Drilling Drill break @ 2820'-30' (Loco Hills)</b>  |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
| <b>10:00 -10:30</b>                  |                                 | <b>00:30</b>      | <b>Lubricate rig Slight oil on pits</b>               |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
| <b>10:30 -07:00</b>                  |                                 | <b>20:30</b>      | <b>Drilling</b>                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
|                                      |                                 |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
| Total                                | <b>24:00</b>                    |                   |                                                       |                                                                         |                     |                        |                        |                                  |                         |                               |                                     |                  |  |
| Check if summary continued on back   |                                 |                   |                                                       | Signed _____ faxed Wade White                                           |                     |                        |                        |                                  |                         |                               |                                     |                  |  |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                    |                                 |                                               |                     |                                                                                          |                     |                             |                             |                              |                          |                         |                                  |           |
|----------------------------------------------------|---------------------------------|-----------------------------------------------|---------------------|------------------------------------------------------------------------------------------|---------------------|-----------------------------|-----------------------------|------------------------------|--------------------------|-------------------------|----------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 25</b>           |                                 | Size & depth last csg<br><b>8 5/8" @ 515'</b> |                     |                                                                                          |                     |                             |                             | Days since spud<br><b>7</b>  |                          | Date<br><b>01/24/98</b> |                                  |           |
| Contractor<br><b>United Drilling Co. Rig No. 7</b> |                                 | Depth Today<br><b>3400 feet</b>               |                     | Depth yesterday<br><b>3263 feet</b>                                                      |                     | Progress<br><b>137 feet</b> |                             | Formation<br><b>Anhy/DOL</b> |                          |                         |                                  |           |
| Operation at 0700                                  |                                 | Daily Cost<br><b>\$56,054.00</b>              |                     | Accum cost<br><b>\$123,628.00</b>                                                        |                     | Accum mud cost              |                             |                              |                          |                         |                                  |           |
| Drilling                                           |                                 |                                               |                     |                                                                                          |                     |                             |                             |                              |                          |                         |                                  |           |
| Mud Data                                           | Wt.<br><b>10</b>                | Vis.<br><b>29</b>                             | PV/YP               | Gels                                                                                     | Ph.<br><b>9</b>     | WL                          | Chl.                        | Sand                         | Sol.                     | Oil                     | HIHP FL @ 300<br>100 psi 600 psi |           |
| Pump Data                                          | Number & type<br><b>Deco #1</b> | Liner size & stroke<br><b>6" x 16</b>         |                     | SPM<br><b>42</b>                                                                         | RPM                 | PSI<br><b>1100</b>          | Noz vel                     | AV-DP                        | AV-DC                    | Slow pump rate & press  |                                  |           |
| Bit number<br><b>2</b>                             | Size<br><b>7 7/8</b>            | Make<br><b>WM</b>                             | Type<br><b>637Y</b> | SN<br><b>18654</b>                                                                       | Jets<br><b>3-14</b> | Depth out<br><b>3400</b>    | Footage<br><b>2885</b>      | Hours<br><b>101.75</b>       | Avg ROP<br><b>28.35</b>  | RPM<br><b>60</b>        | Wt- M lb.<br><b>40</b>           | Condition |
| Bit number                                         | Size                            | Make                                          | Type                | SN                                                                                       | Jets                | Depth out                   | Footage                     | Hours                        | Avg ROP                  | RPM                     | Wt- M lb.                        | Condition |
| Torque                                             | Rot. wt.                        | PU wt.                                        | SO wt.              | BHA wt.-air                                                                              |                     | BHA wt. - mud               | Drilling time<br><b>hrs</b> |                              | Accum hrs.<br><b>hrs</b> |                         |                                  |           |
| Drill String                                       | DPOD                            |                                               | Conn                |                                                                                          | Grade               | Wt./Ft.                     | Length                      | Accidents<br><b>none</b>     |                          | Date last BOP test      |                                  |           |
| Bottom Hole Assembly                               |                                 | Length                                        |                     | Description<br><b>1 bit, 1 shock sub 14.30, 1 xo sub .76, 20 DC 536</b>                  |                     |                             |                             |                              |                          |                         |                                  |           |
| Deviation Survey                                   |                                 | Comments                                      |                     |                                                                                          |                     |                             |                             |                              |                          |                         |                                  |           |
| Depth                                              | Angle                           | Direction                                     | TVD                 |                                                                                          |                     |                             |                             |                              |                          |                         |                                  |           |
| Time                                               |                                 | Hrs.                                          |                     | Chronological Summary of Operations from 0700 to 0700                                    |                     |                             |                             |                              |                          |                         |                                  |           |
| 07:00 -14:15                                       |                                 | 07:15                                         |                     | Drilling                                                                                 |                     |                             |                             |                              |                          |                         |                                  |           |
| 14:15 -15:00                                       |                                 | 00:45                                         |                     | Condition mud & circulate                                                                |                     |                             |                             |                              |                          |                         |                                  |           |
| 15:00 -16:30                                       |                                 | 01:30                                         |                     | Circulate to drop TOTCO                                                                  |                     |                             |                             |                              |                          |                         |                                  |           |
| 16:30 -19:00                                       |                                 | 02:30                                         |                     | TOH                                                                                      |                     |                             |                             |                              |                          |                         |                                  |           |
| 19:00 -19:45                                       |                                 | 00:45                                         |                     | Finish TOH                                                                               |                     |                             |                             |                              |                          |                         |                                  |           |
| 19:45 -01:00                                       |                                 | 05:15                                         |                     | RU loggers. Loggers TD @ 3405'                                                           |                     |                             |                             |                              |                          |                         |                                  |           |
| 01:00 -03:30                                       |                                 | 02:30                                         |                     | RU casing crew. Run 76 jts of 5 1/2 casing to 3400'                                      |                     |                             |                             |                              |                          |                         |                                  |           |
| 03:30 -05:30                                       |                                 | 02:00                                         |                     | RU Halliburton - circulate casing                                                        |                     |                             |                             |                              |                          |                         |                                  |           |
| 05:30 -07:00                                       |                                 | 01:30                                         |                     | Cmt w/1025 sx Premium & Halliburton Lite, 1/4# FloCele, 5# salt. Tailed w/350 sx Premium |                     |                             |                             |                              |                          |                         |                                  |           |
|                                                    |                                 |                                               |                     | 3# KCL, .2% CFR3, .5% HALAID. Circulate 435 sx to pit. Did not bump plug.                |                     |                             |                             |                              |                          |                         |                                  |           |
|                                                    |                                 |                                               |                     | Released rig 7:00am.                                                                     |                     |                             |                             |                              |                          |                         |                                  |           |
|                                                    |                                 |                                               |                     |                                                                                          |                     |                             |                             |                              |                          |                         |                                  |           |
|                                                    |                                 |                                               |                     |                                                                                          |                     |                             |                             |                              |                          |                         |                                  |           |
|                                                    |                                 |                                               |                     |                                                                                          |                     |                             |                             |                              |                          |                         |                                  |           |
| Total                                              |                                 | 24:00                                         |                     |                                                                                          |                     |                             |                             |                              |                          |                         |                                  |           |
| Check if summary continued on back                 |                                 |                                               |                     | Signed<br><b>H 1/26/98</b><br>faxed by Gary Steed                                        |                     |                             |                             |                              |                          |                         |                                  |           |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                  |                                  |                                          |                                                                                                          |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
|--------------------------------------------------|----------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------|--------------------------|-----------------------------|-------------------------|--------------------------|----------------------------------|--------------------------|
| Well<br><b>Beeson "F" Federal No. 26</b>         |                                  | Size & depth last csg                    |                                                                                                          |                                                                                                                                                                                                                                                                                                                |                     | Days since spud<br><b>1</b> |                          | Date<br><b>04/12/98</b>     |                         |                          |                                  |                          |
| Contractor<br><b>Artesia Fishing Tool Rig #2</b> |                                  | Depth Today<br><b>523 feet</b>           |                                                                                                          | Depth yesterday<br><b>40 feet</b>                                                                                                                                                                                                                                                                              |                     | Progress<br><b>483 feet</b> |                          | Formation<br><b>Red Bed</b> |                         |                          |                                  |                          |
| Operation at 0600<br><b>Cmt</b>                  |                                  | Daily Cost<br><b>\$39,100.00</b>         |                                                                                                          | Accum cost<br><b>\$39,100.00</b>                                                                                                                                                                                                                                                                               |                     | Accum mud cost              |                          |                             |                         |                          |                                  |                          |
| Mud Data                                         | Wt.                              | Vis.                                     | PV/YP                                                                                                    | Gels                                                                                                                                                                                                                                                                                                           | Ph.                 | WL                          | Chl.                     | Sand                        | Sol.                    | Oil                      | HIHP FL @ 300<br>100 psi 600 psi |                          |
| Pump Data                                        | Number & type<br><b>1 GD GXQ</b> | Liner size & stroke<br><b>5 1/2 - 14</b> |                                                                                                          | SPM<br><b>64</b>                                                                                                                                                                                                                                                                                               | RPM                 | PSI<br><b>100</b>           | Noz vel                  | AV-DP                       | AV-DC                   | Slow pump rate & press   |                                  |                          |
| Bit number<br><b>1</b>                           | Size<br><b>12 1/4</b>            | Make<br><b>HTC</b>                       | Type<br><b>F-7</b>                                                                                       | SN<br><b>RR</b>                                                                                                                                                                                                                                                                                                | Jets<br><b>2-13</b> | Depth out                   | Footage<br><b>483</b>    | Hours<br><b>6.75</b>        | Avg ROP<br><b>71.56</b> | RPM<br><b>90</b>         | Wt- M lb.<br><b>all</b>          | Condition<br><b>good</b> |
| Bit number                                       | Size                             | Make                                     | Type                                                                                                     | SN                                                                                                                                                                                                                                                                                                             | Jets                | Depth out                   | Footage                  | Hours                       | Avg ROP                 | RPM                      | Wt- M lb.                        | Condition                |
| Torque                                           | Rot. wt.                         | PU wt.                                   | SO wt.                                                                                                   | BHA wt.-air                                                                                                                                                                                                                                                                                                    |                     | BHA wt. - mud               |                          | Drilling time<br><b>hrs</b> |                         | Accum hrs.<br><b>hrs</b> |                                  |                          |
| Drill String                                     | DPOD                             | Conn                                     |                                                                                                          | Grade                                                                                                                                                                                                                                                                                                          | Wt./Ft.             | Length                      | Accidents<br><b>None</b> |                             | Date last BOP test      |                          |                                  |                          |
| Bottom Hole Assembly                             |                                  | Length<br><b>481.09</b>                  | Description<br><b>1 - 12 1/4" bit 1 - bit - st21 - 6" DC's 623.13</b>                                    |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
| Deviation Survey                                 |                                  | Comments                                 |                                                                                                          |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
| Depth                                            | Angle                            | Direction                                | TVD                                                                                                      | <div style="display: flex; justify-content: space-between;"> <div> <b>523</b><br/><br/> <b>39 loads of fresh water</b> </div> <div> <b>TD 12 1/4" Hole @ 12:45 04/12/98</b><br/><br/> <b>127 loads brine water</b> </div> <div> <b>Mud Mix: 29 sx - paper<br/>30 sx - M seal<br/>50 sx - Gel</b> </div> </div> |                     |                             |                          |                             |                         |                          |                                  |                          |
| Time                                             |                                  | Hrs.                                     | Chronological Summary of Operations from 0700 to 0700                                                    |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
| 06:00 - 15:15                                    |                                  | 09:15                                    | Rig Up                                                                                                   |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
| 15:15 - 15:30                                    |                                  | 00:15                                    | Drilling                                                                                                 |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
| 15:30 - 17:30                                    |                                  | 02:00                                    | Lost circulation @ 74' - Mix mud                                                                         |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
| 17:30 - 18:30                                    |                                  | 01:00                                    | Drilling no returns - lost returns @ 85'                                                                 |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
| 18:30 - 18:45                                    |                                  | 00:15                                    | Wait on water                                                                                            |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
| 18:45 - 00:45                                    |                                  | 06:00                                    | Drilling                                                                                                 |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
| 00:45 - 01:15                                    |                                  | 00:30                                    | Circulate                                                                                                |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
| 01:15 - 02:30                                    |                                  | 01:15                                    | TOH                                                                                                      |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
| 02:30 - 03:30                                    |                                  | 01:00                                    | ND                                                                                                       |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
| 03:30 - 06:00                                    |                                  | 02:30                                    | Run 12 jts 8 5/8" 24# casing set @ 523'                                                                  |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
|                                                  |                                  |                                          | Cmt w/100 sx Premium Plus 2/125 Calseal, 1/4# FloCele, 2% CC, 5# Gilsonite & 310 sx Premium Plus & 2% CC |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
|                                                  |                                  |                                          | Plug down @ 7:30 am. Circulated 74 sx to pit.                                                            |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
|                                                  |                                  |                                          |                                                                                                          |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
|                                                  |                                  |                                          |                                                                                                          |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
|                                                  |                                  |                                          |                                                                                                          |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
|                                                  |                                  |                                          |                                                                                                          |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
| <b>Total</b>                                     |                                  | <b>24:00</b>                             |                                                                                                          |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |
| Check if summary continued on back               |                                  |                                          | Signed<br><b>faxed by Wade White</b>                                                                     |                                                                                                                                                                                                                                                                                                                |                     |                             |                          |                             |                         |                          |                                  |                          |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                  |                                  |                                                          |                                                                       |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
|--------------------------------------------------|----------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------|-----------------------------|-----------------------|---------------------------------|-------------------------|--------------------------------|-------------------------------------|
| Well<br><b>Beeson "F" Federal No. 26</b>         |                                  | Size & depth last csg<br><b>8 5/8" casing set @ 523'</b> |                                                                       |                                                                                         |                     | Days since spud<br><b>2</b> |                       | Date<br><b>04/13/98</b>         |                         |                                |                                     |
| Contractor<br><b>Artesia Fishing Tool Rig #2</b> |                                  | Depth Today<br><b>790 feet</b>                           |                                                                       | Depth yesterday<br><b>523 feet</b>                                                      |                     | Progress<br><b>267 feet</b> |                       | Formation<br><b>Red Bed</b>     |                         |                                |                                     |
| Operation at 0600<br><b>Drilling</b>             |                                  | Daily Cost<br><b>\$4,410.00</b>                          |                                                                       | Accum cost<br><b>\$43,510.00</b>                                                        |                     | Accum mud cost              |                       |                                 |                         |                                |                                     |
| Mud Data                                         | Wt.<br><b>9.7</b>                | Vis.<br><b>29</b>                                        | PV/YP                                                                 | Gels                                                                                    | Ph.<br><b>11</b>    | WL                          | Chl.                  | Sand                            | Sol.                    | Oil                            | HIHP FL @ 300<br>100 psi    600 psi |
| Pump Data                                        | Number & type<br><b>1 GD GXQ</b> | Liner size & stroke<br><b>5 1/2 - 14</b>                 |                                                                       | SPM<br><b>64</b>                                                                        | RPM                 | PSI<br><b>1150</b>          | Noz vel               | AV-DP                           | AV-DC                   | Slow pump rate & press         |                                     |
| Bit number<br><b>2</b>                           | Size<br><b>7 7/8</b>             | Make<br><b>Reed</b>                                      | Type<br><b>HP52</b>                                                   | SN<br><b>N38996</b>                                                                     | Jets<br><b>3-13</b> | Depth out                   | Footage<br><b>267</b> | Hours<br><b>4.5</b>             | Avg ROP<br><b>59.33</b> | RPM<br><b>65</b>               | Wt- M lb.    Condition              |
| Bit number                                       | Size                             | Make                                                     | Type                                                                  | SN                                                                                      | Jets                | Depth out                   | Footage               | Hours                           | Avg ROP                 | RPM                            | Wt- M lb.    Condition              |
| Torque                                           | Rot. wt.                         | PU wt.                                                   | SO wt.                                                                | BHA wt.-air                                                                             |                     | BHA wt. - mud               |                       | Drilling time<br><b>4.5 hrs</b> |                         | Accum hrs.<br><b>11.25 hrs</b> |                                     |
| Drill String                                     | DPOD                             |                                                          | Conn                                                                  |                                                                                         | Grade               | Wt./Ft.                     | Length                | Accidents                       |                         | Date last BOP test             |                                     |
| <b>4 1/2</b>                                     | <b>6</b>                         |                                                          | <b>X - H</b>                                                          |                                                                                         | <b>E</b>            | <b>16.6</b>                 |                       | <b>None</b>                     |                         | <b>04/12/98</b>                |                                     |
| Bottom Hole Assembly                             |                                  | Length<br><b>538.88</b>                                  | Description<br><b>1 - 7 7/8 Bix = 1.00      18 - 6" DC's = 537.88</b> |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
| Deviation Survey                                 |                                  | Comments                                                 |                                                                       |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
| Depth                                            | Angle                            | Direction                                                | TVD                                                                   | <b>Mud Mix: 5 gal - C-200</b><br><b>2 sx paper</b><br><br><b>3 loads of fresh water</b> |                     |                             |                       |                                 |                         |                                |                                     |
|                                                  |                                  |                                                          |                                                                       |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
|                                                  |                                  |                                                          |                                                                       |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
| Time                                             |                                  | Hrs.                                                     | Chronological Summary of Operations from 0700 to 0700                 |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
| <b>06:00 - 07:30</b>                             |                                  | <b>01:30</b>                                             | <b>Cementing</b>                                                      |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
| <b>07:30 - 11:30</b>                             |                                  | <b>04:00</b>                                             | <b>WOC</b>                                                            |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
| <b>11:30 - 16:00</b>                             |                                  | <b>04:30</b>                                             | <b>NU</b>                                                             |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
| <b>16:00 - 17:00</b>                             |                                  | <b>01:00</b>                                             | <b>Test blind rams @ 1000# for 30 min - OK.</b>                       |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
| <b>17:00 - 20:00</b>                             |                                  | <b>03:00</b>                                             | <b>TIH - tag cmt @ 463</b>                                            |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
| <b>20:00 - 22:00</b>                             |                                  | <b>02:00</b>                                             | <b>WOC</b>                                                            |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
| <b>22:00 - 01:30</b>                             |                                  | <b>03:30</b>                                             | <b>Drilling cmt, plug, &amp; insert float</b>                         |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
| <b>01:30 - 06:00</b>                             |                                  | <b>04:30</b>                                             | <b>Drilling formation @ 1:30am 04/13/98</b>                           |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
|                                                  |                                  |                                                          |                                                                       |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
|                                                  |                                  |                                                          |                                                                       |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
|                                                  |                                  |                                                          |                                                                       |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
|                                                  |                                  |                                                          |                                                                       |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
|                                                  |                                  |                                                          |                                                                       |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
|                                                  |                                  |                                                          |                                                                       |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
|                                                  |                                  |                                                          |                                                                       |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
|                                                  |                                  |                                                          |                                                                       |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
|                                                  |                                  |                                                          |                                                                       |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
|                                                  |                                  |                                                          |                                                                       |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
| <b>Total</b>                                     |                                  | <b>24:00</b>                                             |                                                                       |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
|                                                  |                                  |                                                          | Signed                                                                |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |
| Check if summary continued on back               |                                  |                                                          | faxed by Wade White                                                   |                                                                                         |                     |                             |                       |                                 |                         |                                |                                     |

## DAILY DRILLING REPORT

[illegible]

## DAILY DRILLING REPORT

|                                    |               |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|------------------------------------|---------------|-------------------------------------------------------|---------------------|-----------------------------------------------------------------------------|---------|------------------------|-----------|------------------------|--------------------|------------|-------------------------------------|------------------|--|
| <b>Well</b>                        |               |                                                       |                     | <b>Size &amp; depth last csg</b>                                            |         |                        |           | <b>Days since spud</b> |                    |            |                                     | <b>Date</b>      |  |
| <b>Benson "F" Federal No. 26</b>   |               |                                                       |                     | <b>8 5/8" casing set @ 523'</b>                                             |         |                        |           | <b>4</b>               |                    |            |                                     | <b>04/15/98</b>  |  |
| <b>Contractor</b>                  |               |                                                       |                     | <b>Depth Today</b>                                                          |         | <b>Depth yesterday</b> |           | <b>Progress</b>        |                    |            |                                     | <b>Formation</b> |  |
| <b>Artesia Fishing Tool Rig #2</b> |               |                                                       |                     | <b>2455 feet</b>                                                            |         | <b>1780 feet</b>       |           | <b>675 feet</b>        |                    |            |                                     | <b>Anhy-DOL</b>  |  |
| <b>Operation at 0600</b>           |               |                                                       |                     | <b>Daily Cost</b>                                                           |         | <b>Accum cost</b>      |           | <b>Accum mud cost</b>  |                    |            |                                     |                  |  |
| <b>Drilling</b>                    |               |                                                       |                     | <b>\$10,425.00</b>                                                          |         | <b>\$69,940.00</b>     |           |                        |                    |            |                                     |                  |  |
| Mud Data                           | Wt.           | Vis.                                                  | PV/YP               | Gels                                                                        | Ph.     | WL                     | Chl.      | Sand                   | Sol.               | Oil        | HIHP FL @ 300<br>100 psi    600 psi |                  |  |
|                                    | 9.7           | 29                                                    |                     |                                                                             | 10      |                        |           |                        |                    |            |                                     |                  |  |
| Pump Data                          | Number & type |                                                       | Liner size & stroke |                                                                             | SPM     | RPM                    | PSI       | Noz vel                | AV-DP              | AV-DC      | Slow pump rate & press              |                  |  |
|                                    | 1 GD GXQ      |                                                       | 5 1/2 - 14          |                                                                             | 64      |                        | 1250      |                        |                    |            |                                     |                  |  |
| Bit number                         | Size          | Make                                                  | Type                | SN                                                                          | Jets    | Depth out              | Footage   | Hours                  | Avg ROP            | RPM        | Wt- M lb.                           | Condition        |  |
| 2                                  | 7 7/8         | Reed                                                  | HP52                | N38996                                                                      | 3-13    |                        | 1932      | 51.75                  | 37.33              | 65         | 40                                  | good             |  |
| Bit number                         | Size          | Make                                                  | Type                | SN                                                                          | Jets    | Depth out              | Footage   | Hours                  | Avg ROP            | RPM        | Wt- M lb.                           | Condition        |  |
| Torque                             | Rot. wt.      | PU wt.                                                | SO wt.              | BHA wt.-air                                                                 |         | BHA wt. - mud          |           | Drilling time          |                    | Accum hrs. |                                     |                  |  |
|                                    |               |                                                       |                     |                                                                             |         |                        |           | 23.75 hrs              |                    | 58.5 hrs   |                                     |                  |  |
| Drill String                       | DPOD          | Conn                                                  |                     | Grade                                                                       | Wt./Ft. | Length                 | Accidents |                        | Date last BOP test |            |                                     |                  |  |
| 4 1/2                              | 6             | X - H                                                 |                     | E                                                                           | 16.6    |                        | None      |                        | 04/12/98           |            |                                     |                  |  |
| Bottom Hole Assembly               | Length        | Description                                           |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|                                    | 538.88        | 1 - 7 7/8 Bix = 1.00      18 - 6" DC's = 537.88       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
| Deviation Survey                   |               |                                                       |                     | Comments                                                                    |         |                        |           |                        |                    |            |                                     |                  |  |
| Depth                              | Angle         | Direction                                             | TVD                 | Mud Mix: 18 gal - C200<br>1 sx - paper<br>10 sx - MS seal<br>8 sx - casutic |         |                        |           |                        |                    |            |                                     |                  |  |
| 2029                               | 1             |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|                                    |               |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
| Time                               | Hrs.          | Chronological Summary of Operations from 0700 to 0700 |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
| 06:00 -14:00                       | 08:00         | Drilling                                              |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
| 14:00 -14:15                       | 00:15         | Run survey @ 2029'                                    |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
| 14:15 -06:00                       | 15:45         | Drilling                                              |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|                                    |               |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|                                    |               |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|                                    |               |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|                                    |               |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|                                    |               |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|                                    |               |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|                                    |               |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|                                    |               |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|                                    |               |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|                                    |               |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|                                    |               |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|                                    |               |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|                                    |               |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
|                                    |               |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
| Total                              | 24:00         |                                                       |                     |                                                                             |         |                        |           |                        |                    |            |                                     |                  |  |
| Check if summary continued on back |               |                                                       |                     | Signed _____<br>faxed by Gary Steed                                         |         |                        |           |                        |                    |            |                                     |                  |  |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                  |                                  |                                                          |                     |                                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
|--------------------------------------------------|----------------------------------|----------------------------------------------------------|---------------------|-------------------------------------------------------------------------------|---------------------|-----------------------------|------------------------|------------------------------|-----------------------------------|------------------------|---------------------------------------|--------------------------|
| Well<br><b>Beeson "F" Federal No. 26</b>         |                                  | Size & depth last csg<br><b>8 5/8" casing set @ 523'</b> |                     |                                                                               |                     | Days since spud<br><b>5</b> |                        | Date<br><b>04/16/98</b>      |                                   |                        |                                       |                          |
| Contractor<br><b>Artesia Fishing Tool Rig #2</b> |                                  | Depth Today<br><b>2950 feet</b>                          |                     | Depth yesterday<br><b>2455 feet</b>                                           |                     | Progress<br><b>495 feet</b> |                        | Formation<br><b>Anhy-DOL</b> |                                   |                        |                                       |                          |
| Operation at 0600<br><b>Drilling</b>             |                                  | Daily Cost<br><b>\$8,525.00</b>                          |                     | Accum cost<br><b>\$78,465.00</b>                                              |                     | Accum mud cost              |                        |                              |                                   |                        |                                       |                          |
| Mud Data                                         | Wt.<br><b>9.7</b>                | Vis.<br><b>29</b>                                        | PV/YP               | Gels                                                                          | Ph.<br><b>10</b>    | WL                          | Chl.                   | Sand                         | Sol.                              | Oil                    | HIHP FL @ 300<br>100 psi 600 psi      |                          |
| Pump Data                                        | Number & type<br><b>1 GD GXQ</b> | Liner size & stroke<br><b>5 1/2 - 14</b>                 |                     | SPM<br><b>64</b>                                                              | RPM                 | PSI<br><b>1250</b>          | Noz vel                | AV-DP                        | AV-DC                             | Slow pump rate & press |                                       |                          |
| Bit number<br><b>2</b>                           | Size<br><b>7 7/8</b>             | Make<br><b>Reed</b>                                      | Type<br><b>HP52</b> | SN<br><b>N38996</b>                                                           | Jets<br><b>3-13</b> | Depth out                   | Footage<br><b>2427</b> | Hours<br><b>75</b>           | Avg ROP<br><b>32.36</b>           | RPM<br><b>65</b>       | Wt- M lb.<br><b>40</b>                | Condition<br><b>good</b> |
| Bit number                                       | Size                             | Make                                                     | Type                | SN                                                                            | Jets                | Depth out                   | Footage                | Hours                        | Avg ROP                           | RPM                    | Wt- M lb.                             | Condition                |
| Torque                                           |                                  | Rot. wt.                                                 | PU wt.              | SO wt.                                                                        | BHA wt.-air         |                             | BHA wt. - mud          |                              | Drilling time<br><b>23.75 hrs</b> |                        | Accum hrs.<br><b>81.75 hrs</b>        |                          |
| Drill String                                     |                                  | DPOD                                                     |                     | Conn                                                                          |                     | Grade                       | Wt./Ft.                | Length                       | Accidents<br><b>None</b>          |                        | Date last BOP test<br><b>04/12/98</b> |                          |
| <b>4 1/2</b>                                     |                                  | <b>6</b>                                                 |                     | <b>X - H</b>                                                                  |                     | <b>E</b>                    | <b>16.6</b>            |                              |                                   |                        |                                       |                          |
| Bottom Hole Assembly                             |                                  | Length<br><b>538.88</b>                                  |                     | Description<br><b>1 - 7 7/8 Bix = 1.00      18 - 6" DC's = 537.88</b>         |                     |                             |                        |                              |                                   |                        |                                       |                          |
| Deviation Survey                                 |                                  |                                                          |                     | Comments                                                                      |                     |                             |                        |                              |                                   |                        |                                       |                          |
| Depth                                            | Angle                            | Direction                                                | TVD                 | <b>Mud Mix: 15 gal - C200</b><br><b>8 sx - casutic</b><br><b>1 sx - MSeal</b> |                     |                             |                        |                              |                                   |                        |                                       |                          |
| <b>2587</b>                                      | <b>1 1/4</b>                     |                                                          |                     |                                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
|                                                  |                                  |                                                          |                     |                                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
| Time                                             |                                  | Hrs.                                                     |                     | Chronological Summary of Operations from 0700 to 0700                         |                     |                             |                        |                              |                                   |                        |                                       |                          |
| <b>06:00 - 11:15</b>                             |                                  | <b>05:15</b>                                             |                     | <b>Drilling</b>                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
| <b>11:15 - 11:30</b>                             |                                  | <b>00:15</b>                                             |                     | <b>Rig service</b>                                                            |                     |                             |                        |                              |                                   |                        |                                       |                          |
| <b>11:30 - 22:30</b>                             |                                  | <b>11:00</b>                                             |                     | <b>Drilling</b>                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
| <b>22:30 23:00</b>                               |                                  | <b>00:30</b>                                             |                     | <b>Run survey @ 2587'</b>                                                     |                     |                             |                        |                              |                                   |                        |                                       |                          |
| <b>23:00 06:00</b>                               |                                  | <b>07:00</b>                                             |                     | <b>Drilling</b>                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
|                                                  |                                  |                                                          |                     |                                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
|                                                  |                                  |                                                          |                     |                                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
|                                                  |                                  |                                                          |                     |                                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
|                                                  |                                  |                                                          |                     |                                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
|                                                  |                                  |                                                          |                     |                                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
|                                                  |                                  |                                                          |                     |                                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
|                                                  |                                  |                                                          |                     |                                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
|                                                  |                                  |                                                          |                     |                                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
|                                                  |                                  |                                                          |                     |                                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
|                                                  |                                  |                                                          |                     |                                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
| <b>Total</b>                                     |                                  | <b>24:00</b>                                             |                     |                                                                               |                     |                             |                        |                              |                                   |                        |                                       |                          |
| Check if summary continued on back               |                                  |                                                          |                     | Signed<br><b>faxed by Gary Steed</b>                                          |                     |                             |                        |                              |                                   |                        |                                       |                          |

4/16

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                  |                                  |                                                          |                     |                                                                                                                                                     |                     |                             |                          |                                   |                         |                              |                                  |                          |
|--------------------------------------------------|----------------------------------|----------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------|--------------------------|-----------------------------------|-------------------------|------------------------------|----------------------------------|--------------------------|
| Well<br><b>Beeson "F" Federal No. 26</b>         |                                  | Size & depth last csg<br><b>8 5/8" casing set @ 523'</b> |                     |                                                                                                                                                     |                     | Days since spud<br><b>6</b> |                          | Date<br><b>04/17/98</b>           |                         |                              |                                  |                          |
| Contractor<br><b>Artesia Fishing Tool Rig #2</b> |                                  | Depth Today<br><b>3300 feet</b>                          |                     | Depth yesterday<br><b>2950 feet</b>                                                                                                                 |                     | Progress<br><b>350 feet</b> |                          | Formation<br><b>Anhy-DOL</b>      |                         |                              |                                  |                          |
| Operation at 0600<br><b>Circulating</b>          |                                  | Daily Cost<br><b>\$8,525.00</b>                          |                     | Accum cost<br><b>\$78,465.00</b>                                                                                                                    |                     | Accum mud cost              |                          |                                   |                         |                              |                                  |                          |
| Mud Data                                         | Wt.<br><b>9.7</b>                | Vis.<br><b>29</b>                                        | PV/YP               | Gels                                                                                                                                                | Ph.<br><b>10</b>    | WL                          | Chl.                     | Sand                              | Sol.                    | Oil                          | HIHP FL @ 300<br>100 psi 600 psi |                          |
| Pump Data                                        | Number & type<br><b>1 GD GXQ</b> | Liner size & stroke<br><b>5 1/2 - 14</b>                 |                     | SPM<br><b>64</b>                                                                                                                                    | RPM                 | PSI<br><b>1200</b>          | Noz vel                  | AV-DP                             | AV-DC                   | Slow pump rate & press       |                                  |                          |
| Bit number<br><b>2</b>                           | Size<br><b>7 7/8</b>             | Make<br><b>Reed</b>                                      | Type<br><b>HP52</b> | SN<br><b>N38996</b>                                                                                                                                 | Jets<br><b>3-17</b> | Depth out<br><b>3300</b>    | Footage<br><b>3300</b>   | Hours<br><b>98.25</b>             | Avg ROP<br><b>33.59</b> | RPM<br><b>65</b>             | Wt- M lb.<br><b>40</b>           | Condition<br><b>good</b> |
| Bit number                                       | Size                             | Make                                                     | Type                | SN                                                                                                                                                  | Jets                | Depth out                   | Footage                  | Hours                             | Avg ROP                 | RPM                          | Wt- M lb.                        | Condition                |
| Torque                                           | Rot. wt.                         | PU wt.                                                   | SO wt.              | BHA wt.-air                                                                                                                                         |                     | BHA wt. - mud               |                          | Drilling time<br><b>23.25 hrs</b> |                         | Accum hrs.<br><b>105 hrs</b> |                                  |                          |
| Drill String                                     | DPOD                             | Conn                                                     |                     | Grade                                                                                                                                               | Wt./Ft.             | Length                      | Accidents<br><b>None</b> |                                   | Date last BOP test      |                              |                                  |                          |
| <b>4 1/2</b>                                     | <b>6</b>                         | <b>X - H</b>                                             |                     | <b>E</b>                                                                                                                                            | <b>16.6</b>         |                             |                          |                                   |                         |                              |                                  |                          |
| Bottom Hole Assembly                             |                                  | Length<br><b>538.88</b>                                  |                     | Description<br><b>1 - 7 7/8 Bix = 1.00 18 - 6" DC's = 537.88</b>                                                                                    |                     |                             |                          |                                   |                         |                              |                                  |                          |
| Deviation Survey                                 |                                  |                                                          |                     | Comments                                                                                                                                            |                     |                             |                          |                                   |                         |                              |                                  |                          |
| Depth                                            | Angle                            | Direction                                                | TVD                 | <b>TD 7 7/8" hole @ 5:45 04/17/98</b><br><b>1 load fresh water</b><br><b>Mud Mix: 15 gal - C200</b><br><b>5 sx - MSeal</b><br><b>2 sx - Caustic</b> |                     |                             |                          |                                   |                         |                              |                                  |                          |
| Time                                             |                                  | Hrs.                                                     |                     | Chronological Summary of Operations from 0700 to 0700                                                                                               |                     |                             |                          |                                   |                         |                              |                                  |                          |
| 06:00 -12:45                                     |                                  | 06:45                                                    |                     | Drilling                                                                                                                                            |                     |                             |                          |                                   |                         |                              |                                  |                          |
| 12:45 -13:00                                     |                                  | 00:15                                                    |                     | Rig service                                                                                                                                         |                     |                             |                          |                                   |                         |                              |                                  |                          |
| 13:00 -22:30                                     |                                  | 09:30                                                    |                     | Drilling                                                                                                                                            |                     |                             |                          |                                   |                         |                              |                                  |                          |
| 22:30 -22:45                                     |                                  | 00:15                                                    |                     | Repair rig                                                                                                                                          |                     |                             |                          |                                   |                         |                              |                                  |                          |
| 22:45 -05:45                                     |                                  | 07:00                                                    |                     | Drilling                                                                                                                                            |                     |                             |                          |                                   |                         |                              |                                  |                          |
| 05:45 -06:00                                     |                                  | 00:15                                                    |                     | Circulate                                                                                                                                           |                     |                             |                          |                                   |                         |                              |                                  |                          |
|                                                  |                                  |                                                          |                     |                                                                                                                                                     |                     |                             |                          |                                   |                         |                              |                                  |                          |
|                                                  |                                  |                                                          |                     |                                                                                                                                                     |                     |                             |                          |                                   |                         |                              |                                  |                          |
|                                                  |                                  |                                                          |                     |                                                                                                                                                     |                     |                             |                          |                                   |                         |                              |                                  |                          |
|                                                  |                                  |                                                          |                     |                                                                                                                                                     |                     |                             |                          |                                   |                         |                              |                                  |                          |
|                                                  |                                  |                                                          |                     |                                                                                                                                                     |                     |                             |                          |                                   |                         |                              |                                  |                          |
|                                                  |                                  |                                                          |                     |                                                                                                                                                     |                     |                             |                          |                                   |                         |                              |                                  |                          |
|                                                  |                                  |                                                          |                     |                                                                                                                                                     |                     |                             |                          |                                   |                         |                              |                                  |                          |
|                                                  |                                  |                                                          |                     |                                                                                                                                                     |                     |                             |                          |                                   |                         |                              |                                  |                          |
|                                                  |                                  |                                                          |                     |                                                                                                                                                     |                     |                             |                          |                                   |                         |                              |                                  |                          |
|                                                  |                                  |                                                          |                     |                                                                                                                                                     |                     |                             |                          |                                   |                         |                              |                                  |                          |
|                                                  |                                  |                                                          |                     |                                                                                                                                                     |                     |                             |                          |                                   |                         |                              |                                  |                          |
| Total                                            |                                  | 24:00                                                    |                     |                                                                                                                                                     |                     |                             |                          |                                   |                         |                              |                                  |                          |
| Check if summary continued on back               |                                  |                                                          |                     | Signed <b>4/17</b><br>faxed by Gary Steed                                                                                                           |                     |                             |                          |                                   |                         |                              |                                  |                          |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                  |                                  |                                                                  |                                                                                                                                                                                         |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
|--------------------------------------------------|----------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------|-----------------------------|-----------------------------------|------------------------------|------------------------------|------------------------|----------------------------------|--------------------------|
| Well<br><b>Beeson "F" Federal No. 26</b>         |                                  | Size & depth last csg<br><b>5 1/2" casing set @ 3300'</b>        |                                                                                                                                                                                         |                                     |                     | Days since spud<br><b>7</b> |                                   | Date<br><b>04/18/98</b>      |                              |                        |                                  |                          |
| Contractor<br><b>Artesia Fishing Tool Rig #2</b> |                                  | Depth Today<br><b>3300 feet</b>                                  |                                                                                                                                                                                         | Depth yesterday<br><b>3300 feet</b> |                     | Progress<br><b>0 feet</b>   |                                   | Formation<br><b>Anhy-DOL</b> |                              |                        |                                  |                          |
| Operation at 0600                                |                                  | Daily Cost<br><b>\$59,962.00</b>                                 |                                                                                                                                                                                         | Accum cost<br><b>\$138,427.00</b>   |                     | Accum mud cost              |                                   |                              |                              |                        |                                  |                          |
| Circulating                                      |                                  |                                                                  |                                                                                                                                                                                         |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| Mud Data                                         | Wt.<br><b>9.7</b>                | Vis.<br><b>29</b>                                                | PV/YP                                                                                                                                                                                   | Gels                                | Ph.<br><b>10</b>    | WL                          | Chl.                              | Sand                         | Sol.                         | Oil                    | HIHP FL @ 300<br>100 psi 600 psi |                          |
| Pump Data                                        | Number & type<br><b>1 GD GXQ</b> | Liner size & stroke<br><b>5 1/2 - 14</b>                         |                                                                                                                                                                                         | SPM<br><b>64</b>                    | RPM                 | PSI<br><b>1200</b>          | Noz vel                           | AV-DP                        | AV-DC                        | Slow pump rate & press |                                  |                          |
| Bit number<br><b>2</b>                           | Size<br><b>7 7/8</b>             | Make<br><b>Reed</b>                                              | Type<br><b>HP52</b>                                                                                                                                                                     | SN<br><b>N38996</b>                 | Jets<br><b>3-17</b> | Depth out<br><b>3300</b>    | Footage<br><b>3300</b>            | Hours<br><b>98.25</b>        | Avg ROP<br><b>33.59</b>      | RPM<br><b>65</b>       | Wt- M lb.<br><b>40</b>           | Condition<br><b>good</b> |
| Bit number                                       | Size                             | Make                                                             | Type                                                                                                                                                                                    | SN                                  | Jets                | Depth out                   | Footage                           | Hours                        | Avg ROP                      | RPM                    | Wt- M lb.                        | Condition                |
| Torque                                           | Rot. wt.                         | PU wt.                                                           | SO wt.                                                                                                                                                                                  | BHA wt.-air                         | BHA wt. - mud       |                             | Drilling time<br><b>23.25 hrs</b> |                              | Accum hrs.<br><b>105 hrs</b> |                        |                                  |                          |
| Drill String                                     | DPOD                             |                                                                  | Conn                                                                                                                                                                                    |                                     | Grade               | Wt./Ft.                     | Length                            | Accidents<br><b>None</b>     |                              | Date last BOP test     |                                  |                          |
| <b>4 1/2</b>                                     | <b>6</b>                         |                                                                  | <b>X - H</b>                                                                                                                                                                            |                                     | <b>E</b>            | <b>16.6</b>                 |                                   |                              |                              |                        |                                  |                          |
| Bottom Hole Assembly                             | Length<br><b>538.88</b>          | Description<br><b>1 - 7 7/8 Bix = 1.00 18 - 6" DC's = 537.88</b> |                                                                                                                                                                                         |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| Deviation Survey                                 |                                  | Comments                                                         |                                                                                                                                                                                         |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| Depth                                            | Angle                            | Direction                                                        | TVD                                                                                                                                                                                     |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| <b>3300</b>                                      | <b>2</b>                         |                                                                  |                                                                                                                                                                                         |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| Time                                             |                                  | Hrs.                                                             | Chronological Summary of Operations from 0700 to 0700                                                                                                                                   |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| <b>06:00 -08:45</b>                              |                                  | <b>02:45</b>                                                     | <b>Circulate</b>                                                                                                                                                                        |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| <b>08:45 -10:30</b>                              |                                  | <b>01:45</b>                                                     | <b>TOH</b>                                                                                                                                                                              |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| <b>10:30 -14:00</b>                              |                                  | <b>03:30</b>                                                     | <b>RU Loggers - Loggers TD @ 3237 04/17/98 @ 11:30am</b>                                                                                                                                |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| <b>14:00 -14:45</b>                              |                                  | <b>00:45</b>                                                     | <b>RD loggers</b>                                                                                                                                                                       |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| <b>14:45 -16:30</b>                              |                                  | <b>01:45</b>                                                     | <b>TIH</b>                                                                                                                                                                              |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| <b>16:30 -17:45</b>                              |                                  | <b>01:15</b>                                                     | <b>Circulate</b>                                                                                                                                                                        |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| <b>17:45 -22:00</b>                              |                                  | <b>04:15</b>                                                     | <b>Lay down DP &amp; DC</b>                                                                                                                                                             |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| <b>22:00 -22:45</b>                              |                                  | <b>00:45</b>                                                     | <b>ND BOP</b>                                                                                                                                                                           |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| <b>22:45 -02:00</b>                              |                                  | <b>03:15</b>                                                     | <b>Run 74 jts 5 1/2 J-55 17# casing. Set @ 3300'</b>                                                                                                                                    |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| <b>02:00 -03:30</b>                              |                                  | <b>01:30</b>                                                     | <b>Cmt w/775 sx Premium Plus Halliburton Lite w/ 5# salt, 1/4# FloCele, talled w/350sx Premium Plus w/3# KCL, 0.2% CFR3, 0.5% HALAID9. Circulated 80 sx to pits, did not bump plug.</b> |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| <b>03:30 -05:30</b>                              |                                  | <b>02:00</b>                                                     | <b>Clean pits. Rig released @ 5:30 am 04/18/98</b>                                                                                                                                      |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| <b>Total</b>                                     |                                  | <b>23:30</b>                                                     |                                                                                                                                                                                         |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |
| Check if summary continued on back               |                                  |                                                                  | Signed<br><b>faxed by Gary Steed</b>                                                                                                                                                    |                                     |                     |                             |                                   |                              |                              |                        |                                  |                          |

12/4/20

## DAILY DRILLING REPORT

faxed by Wade White

## DAILY DRILLING REPORT

[illegible]

## DAILY DRILLING REPORT

| Well                                      |               |                                                 |                                                       |                                                                          |               | Size & depth last csg     |               |                             |            | Days since spud        |                                             |                      |  | Date     |
|-------------------------------------------|---------------|-------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------|---------------|---------------------------|---------------|-----------------------------|------------|------------------------|---------------------------------------------|----------------------|--|----------|
| Beeson "F" Federal No. 26                 |               |                                                 |                                                       |                                                                          |               | 8 5/8" casing set @ 523'  |               |                             |            | 3                      |                                             |                      |  | 04/14/98 |
| Contractor<br>Artesia Fishing Tool Rig #2 |               |                                                 |                                                       |                                                                          |               | Depth Today<br>1780 feet  |               | Depth yesterday<br>790 feet |            | Progress<br>990 feet   |                                             | Formation<br>Red Bed |  |          |
| Operation at 0600<br>Drilling             |               |                                                 |                                                       |                                                                          |               | Daily Cost<br>\$16,005.00 |               | Accum cost<br>\$59,515.00   |            | Accum mud cost         |                                             |                      |  |          |
| Mud Data                                  | Wt.           | Vis.                                            | PV/YP                                                 | Gels                                                                     | Ph.           | WL                        | Chl.          | Sand                        | Sol.       | Oil                    | HIHP FL @ 300 psi      100 psi      600 psi |                      |  |          |
|                                           | 9.7           | 29                                              |                                                       |                                                                          | 10            |                           |               |                             |            |                        |                                             |                      |  |          |
| Pump Data                                 | Number & type |                                                 | Liner size & stroke                                   | SPM                                                                      | RPM           | PSI                       | Noz vel       | AV-DP                       | AV-DC      | Slow pump rate & press |                                             |                      |  |          |
|                                           | 1 GD GXQ      |                                                 | 5 1/2 - 14                                            | 64                                                                       |               | 1250                      |               |                             |            |                        |                                             |                      |  |          |
| Bit number                                | Size          | Make                                            | Type                                                  | SN                                                                       | Jets          | Depth out                 | Footage       | Hours                       | Avg ROP    | RPM                    | Wt- M lb.                                   | Condition            |  |          |
| 2                                         | 7 7/8         | Reed                                            | HP52                                                  | N38996                                                                   | 3-13          |                           | 1257          | 28                          | 44.89      | 65                     |                                             |                      |  |          |
| Bit number                                | Size          | Make                                            | Type                                                  | SN                                                                       | Jets          | Depth out                 | Footage       | Hours                       | Avg ROP    | RPM                    | Wt- M lb.                                   | Condition            |  |          |
|                                           |               |                                                 |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
| Torque                                    | Rot. wt.      | PU wt.                                          | SO wt.                                                | BHA wt.-air                                                              | BHA wt. - mud |                           | Drilling time |                             | Accum hrs. |                        |                                             |                      |  |          |
|                                           |               |                                                 |                                                       |                                                                          |               |                           | 23.5 hrs      |                             | 34.75 hrs  |                        |                                             |                      |  |          |
| Drill String                              | DPOD          | Conn                                            |                                                       |                                                                          | Grade         | Wt./Ft.                   | Length        | Accidents                   |            |                        | Date last BOP test                          |                      |  |          |
| 4 1/2                                     | 6             | X - H                                           |                                                       |                                                                          | E             | 16.6                      |               | None                        |            |                        | 04/12/98                                    |                      |  |          |
|                                           |               |                                                 |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
| Bottom Hole Assembly                      | Length        | Description                                     |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
|                                           | 538.88        | 1 - 7 7/8 Bix = 1.00      18 - 6" DC's = 537.88 |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
| Deviation Survey                          |               |                                                 |                                                       | Comments                                                                 |               |                           |               |                             |            |                        |                                             |                      |  |          |
| Depth                                     | Angle         | Direction                                       | TVD                                                   |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
| 1011                                      | 1             |                                                 |                                                       | Mud Mix: 15 gal - C200<br>5 sx - paper<br>2 sx - MSeal<br>6 sx - casutic |               |                           |               |                             |            |                        |                                             |                      |  |          |
| 1525                                      | 1             |                                                 |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
|                                           |               |                                                 |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
| Time                                      |               | Hrs.                                            | Chronological Summary of Operations from 0700 to 0700 |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
| 06:00 - 10:00                             |               | 04:00                                           | Drilling                                              |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
| 10:00 - 10:15                             |               | 00:15                                           | Run survey @ 1011'                                    |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
| 10:15 - 23:00                             |               | 12:45                                           | Drilling                                              |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
| 23:00 - 23:15                             |               | 00:15                                           | Run survey @ 1525'                                    |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
| 23:15 - 06:00                             |               | 06:45                                           | Drilling                                              |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
|                                           |               |                                                 |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
|                                           |               |                                                 |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
|                                           |               |                                                 |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
|                                           |               |                                                 |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
|                                           |               |                                                 |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
|                                           |               |                                                 |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
|                                           |               |                                                 |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
|                                           |               |                                                 |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
|                                           |               |                                                 |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
|                                           |               |                                                 |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
| Total                                     | 24:00         |                                                 |                                                       |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |
| Check if summary continued on back        |               |                                                 | Signed _____ faxed by Gary Steed                      |                                                                          |               |                           |               |                             |            |                        |                                             |                      |  |          |

## DAILY DRILLING REPORT

[illegible]

**DAILY DRILLING REPORT**

|                                                |                     |                                                          |        |             |               |                                                   |            |                        |                              |     |                                     |           |                      |  |  |                       |  |  |
|------------------------------------------------|---------------------|----------------------------------------------------------|--------|-------------|---------------|---------------------------------------------------|------------|------------------------|------------------------------|-----|-------------------------------------|-----------|----------------------|--|--|-----------------------|--|--|
| Well                                           |                     |                                                          |        |             |               | Size & depth last csg<br>8 5/8" casing set @ 523' |            |                        |                              |     |                                     |           | Days since spud<br>5 |  |  | Date<br>04/16/98      |  |  |
| Contractor<br><b>Beecon "F" Federal No. 26</b> |                     |                                                          |        |             |               | Depth Today<br>2950 feet                          |            |                        | Depth yesterday<br>2455 feet |     |                                     |           | Progress<br>495 feet |  |  | Formation<br>Anhy-DOL |  |  |
| Operation at 0600                              |                     |                                                          |        |             |               | Daily Cost<br>\$8,525.00                          |            |                        | Accum cost<br>\$78,465.00    |     |                                     |           | Accum mud cost       |  |  |                       |  |  |
| Mud Data                                       | Wt.                 | Vis.                                                     | PV/Y.P | Gels        | Ph.           | WL                                                | Chl.       | Sand                   | Sol.                         | Oil | HIHP FL @ 300<br>100 psi    600 psi |           |                      |  |  |                       |  |  |
| Data                                           | 9.7                 | 29                                                       |        |             | 10            |                                                   |            |                        |                              |     |                                     |           |                      |  |  |                       |  |  |
| Pump Number & type                             | Liner size & stroke | SPM                                                      | RPM    | PSI         | Noz vel       | AV-DP                                             | AV-DC      | Slow pump rate & press |                              |     |                                     |           |                      |  |  |                       |  |  |
| Data 1 GD GXQ                                  | 5 1/2 - 14          | 64                                                       |        | 1250        |               |                                                   |            |                        |                              |     |                                     |           |                      |  |  |                       |  |  |
| Bit number                                     | Size                | Make                                                     | Type   | SN          | Jets          | Depth out                                         | Footage    | Hours                  | Avg ROP                      | RPM | Wt-M lb.                            | Condition |                      |  |  |                       |  |  |
| 2                                              | 7 7/8               | Reed                                                     | HP52   | N38996      | 3-13          |                                                   | 2427       | 75                     | 32.36                        | 65  | 40                                  | good      |                      |  |  |                       |  |  |
| Bit number                                     | Size                | Make                                                     | Type   | SN          | Jets          | Depth out                                         | Footage    | Hours                  | Avg ROP                      | RPM | Wt-M lb.                            | Condition |                      |  |  |                       |  |  |
| Torque                                         | Rot. wt.            | PU wt.                                                   | SO wt. | BHA wt.-air | BHA wt. - mud | Drilling time                                     | Accum hrs. |                        |                              |     |                                     |           |                      |  |  |                       |  |  |
|                                                |                     |                                                          |        |             |               | 23.75 hrs                                         | 81.75 hrs  |                        |                              |     |                                     |           |                      |  |  |                       |  |  |
| Drill String                                   | DPOD                | Conn                                                     | Grade  | Wt./Ft.     | Length        | Accidents                                         |            |                        | Date last BOP test           |     |                                     |           |                      |  |  |                       |  |  |
| 4 1/2                                          | 6                   | X-H                                                      | E      | 16.6        |               | None                                              |            |                        | 04/12/98                     |     |                                     |           |                      |  |  |                       |  |  |
| Bottom Hole Assembly                           | Length              | Description                                              |        |             |               |                                                   |            |                        |                              |     |                                     |           |                      |  |  |                       |  |  |
|                                                | 538.88              | 1 - 7 7/8 Bix = 1.00      18 - 6" DC's = 537.88          |        |             |               |                                                   |            |                        |                              |     |                                     |           |                      |  |  |                       |  |  |
| Deviation Survey                               |                     | Comments                                                 |        |             |               |                                                   |            |                        |                              |     |                                     |           |                      |  |  |                       |  |  |
| Depth                                          | Angle               | Direction                                                | TVD    |             |               |                                                   |            |                        |                              |     |                                     |           |                      |  |  |                       |  |  |
| 2587                                           | 1 1/4               | Mud Mix: 15 gal - C200<br>8 sx - casutic<br>1 sx - MSeal |        |             |               |                                                   |            |                        |                              |     |                                     |           |                      |  |  |                       |  |  |
| Time                                           | Hrs.                | Chronological Summary of Operations from 0700 to 0700    |        |             |               |                                                   |            |                        |                              |     |                                     |           |                      |  |  |                       |  |  |
| 06:00 - 11:15                                  | 05:15               | Drilling                                                 |        |             |               |                                                   |            |                        |                              |     |                                     |           |                      |  |  |                       |  |  |
| 11:15 - 11:30                                  | 00:15               | Rig service                                              |        |             |               |                                                   |            |                        |                              |     |                                     |           |                      |  |  |                       |  |  |
| 11:30 - 22:30                                  | 11:00               | Drilling                                                 |        |             |               |                                                   |            |                        |                              |     |                                     |           |                      |  |  |                       |  |  |
| 22:30 23:00                                    | 00:30               | Run survey @ 2587'                                       |        |             |               |                                                   |            |                        |                              |     |                                     |           |                      |  |  |                       |  |  |
| 23:00 06:00                                    | 07:00               | Drilling                                                 |        |             |               |                                                   |            |                        |                              |     |                                     |           |                      |  |  |                       |  |  |
| Total                                          | 24:00               | Signed _____ faxed by Gary Steed                         |        |             |               |                                                   |            |                        |                              |     |                                     |           |                      |  |  |                       |  |  |

## DAILY DRILLING REPORT

| DAILY DRILLING REPORT              |               |                          |        |                                                       |               |                |               |                 |            |                        |               |           |
|------------------------------------|---------------|--------------------------|--------|-------------------------------------------------------|---------------|----------------|---------------|-----------------|------------|------------------------|---------------|-----------|
| Well                               |               | Size & depth last csg    |        |                                                       |               |                |               | Days since spud |            | Date                   |               |           |
| Beeson "F" Federal No. 26          |               | 8 5/8" casing set @ 523' |        |                                                       |               |                |               | 6               |            | 04/17/98               |               |           |
| Contractor                         |               | Depth Today              |        | Depth yesterday                                       |               | Progress       |               | Formation       |            |                        |               |           |
| Artesia Fishing Tool Rig #2        |               | 3300 feet                |        | 2950 feet                                             |               | 350 feet       |               | Anhy-DOL        |            |                        |               |           |
| Operation at 0600                  |               | Daily Cost               |        | Accum cost                                            |               | Accum mud cost |               |                 |            |                        |               |           |
| Circulating                        |               | \$8,525.00               |        | \$78,465.00                                           |               |                |               |                 |            |                        |               |           |
| Mud                                | Wt.           | Vis.                     | PV/YP  | Gels                                                  | Ph.           | WL             | Chl.          | Sand            | Sol.       | Oil                    | HIHP FL @ 300 |           |
| Data                               | 9.7           | 29                       |        |                                                       | 10            |                |               |                 |            |                        | 100 psi       | 600 psi   |
| Pump                               | Number & type | Liner size & stroke      |        | SPM                                                   | RPM           | PSI            | Noz vel       | AV-DP           | AV-DC      | Slow pump rate & press |               |           |
| Data                               | 1 GD GXQ      | 5 1/2 - 14               |        | 64                                                    |               | 1200           |               |                 |            |                        |               |           |
| Bit number                         | Size          | Make                     | Type   | SN                                                    | Jets          | Depth out      | Footage       | Hours           | Avg ROP    | RPM                    | Wt- M lb.     | Condition |
| 2                                  | 7 7/8         | Reed                     | HP52   | N38996                                                | 3-17          | 3300           | 3300          | 98.25           | 33.59      | 65                     | 40            | good      |
| Bit number                         | Size          | Make                     | Type   | SN                                                    | Jets          | Depth out      | Footage       | Hours           | Avg ROP    | RPM                    | Wt- M lb.     | Condition |
| Torque                             | Rot. wt.      | PU wt.                   | SO wt. | BHA wt.-air                                           | BHA wt. - mud |                | Drilling time |                 | Accum hrs. |                        |               |           |
|                                    |               |                          |        |                                                       |               |                | 23.25 hrs     |                 | 105 hrs    |                        |               |           |
| Drill String                       | DPOD          |                          | Conn   |                                                       | Grade         | Wt./Ft.        | Length        | Accidents       |            | Date last BOP test     |               |           |
| 4 1/2                              | 6             |                          | X - H  |                                                       | E             | 16.6           |               | None            |            |                        |               |           |
| Bottom Hole                        |               | Length                   |        | Description                                           |               |                |               |                 |            |                        |               |           |
| Assembly                           |               | 538.88                   |        | 1 - 7 7/8 Bix = 1.00 18 - 6" DC's = 537.88            |               |                |               |                 |            |                        |               |           |
| Deviation Survey                   |               |                          |        | Comments                                              |               |                |               |                 |            |                        |               |           |
| Depth                              | Angle         | Direction                | TVD    |                                                       |               |                |               |                 |            |                        |               |           |
|                                    |               |                          |        | TD 7 7/8" hole @ 5:45 04/17/98 Mud Mix: 15 gal - C200 |               |                |               |                 |            |                        |               |           |
|                                    |               |                          |        | 1 load fresh water 5 sx - MSeal                       |               |                |               |                 |            |                        |               |           |
|                                    |               |                          |        | 2 sx - Caustic                                        |               |                |               |                 |            |                        |               |           |
| Time                               |               | Hrs.                     |        | Chronological Summary of Operations from 0700 to 0700 |               |                |               |                 |            |                        |               |           |
| 06:00 - 12:45                      |               | 06:45                    |        | Drilling                                              |               |                |               |                 |            |                        |               |           |
| 12:45 - 13:00                      |               | 00:15                    |        | Rig service                                           |               |                |               |                 |            |                        |               |           |
| 13:00 - 22:30                      |               | 09:30                    |        | Drilling                                              |               |                |               |                 |            |                        |               |           |
| 22:30 - 22:45                      |               | 00:15                    |        | Repair rig                                            |               |                |               |                 |            |                        |               |           |
| 22:45 - 05:45                      |               | 07:00                    |        | Drilling                                              |               |                |               |                 |            |                        |               |           |
| 05:45 - 06:00                      |               | 00:15                    |        | Circulate                                             |               |                |               |                 |            |                        |               |           |
| Total                              |               | 24:00                    |        | Signed                                                |               |                |               |                 |            |                        |               |           |
| Check if summary continued on back |               |                          |        | faxed by Gary Steed                                   |               |                |               |                 |            |                        |               |           |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                  |                                  |                                                           |                     |                                                                                                                                                                                         |                     |                             |                        |                              |                                   |                        |                                         |                          |
|--------------------------------------------------|----------------------------------|-----------------------------------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------|------------------------|------------------------------|-----------------------------------|------------------------|-----------------------------------------|--------------------------|
| Well<br><b>Beeson "F" Federal No. 26</b>         |                                  | Size & depth last csg<br><b>5 1/2" casing set @ 3300'</b> |                     |                                                                                                                                                                                         |                     | Days since spud<br><b>7</b> |                        | Date<br><b>04/18/98</b>      |                                   |                        |                                         |                          |
| Contractor<br><b>Artesia Fishing Tool Rig #2</b> |                                  | Depth Today<br><b>3300 feet</b>                           |                     | Depth yesterday<br><b>3300 feet</b>                                                                                                                                                     |                     | Progress<br><b>0 feet</b>   |                        | Formation<br><b>Anhy-DOL</b> |                                   |                        |                                         |                          |
| Operation at 0600                                |                                  | Daily Cost<br><b>\$59,962.00</b>                          |                     | Accum cost<br><b>\$138,427.00</b>                                                                                                                                                       |                     | Accum mud cost              |                        |                              |                                   |                        |                                         |                          |
| Circulating                                      |                                  |                                                           |                     |                                                                                                                                                                                         |                     |                             |                        |                              |                                   |                        |                                         |                          |
| Mud Data                                         | Wt.<br><b>9.7</b>                | Vis.<br><b>29</b>                                         | PV/YP               | Gels                                                                                                                                                                                    | Ph.<br><b>10</b>    | WL                          | Chl.                   | Sand                         | Sol.                              | Oil                    | HIHP FL @ 300<br><b>100 psi 600 psi</b> |                          |
| Pump Data                                        | Number & type<br><b>1 GD GXQ</b> | Liner size & stroke<br><b>5 1/2 - 14</b>                  |                     | SPM<br><b>64</b>                                                                                                                                                                        | RPM                 | PSI<br><b>1200</b>          | Noz vel                | AV-DP                        | AV-DC                             | Slow pump rate & press |                                         |                          |
| Bit number<br><b>2</b>                           | Size<br><b>7 7/8</b>             | Make<br><b>Reed</b>                                       | Type<br><b>HP52</b> | SN<br><b>N38996</b>                                                                                                                                                                     | Jets<br><b>3-17</b> | Depth out<br><b>3300</b>    | Footage<br><b>3300</b> | Hours<br><b>98.25</b>        | Avg ROP<br><b>33.59</b>           | RPM<br><b>65</b>       | Wt- M lb.<br><b>40</b>                  | Condition<br><b>good</b> |
| Bit number                                       | Size                             | Make                                                      | Type                | SN                                                                                                                                                                                      | Jets                | Depth out                   | Footage                | Hours                        | Avg ROP                           | RPM                    | Wt- M lb.                               | Condition                |
| Torque                                           |                                  | Rot. wt.                                                  | PU wt.              | SO wt.                                                                                                                                                                                  | BHA wt.-air         |                             | BHA wt. - mud          |                              | Drilling time<br><b>23.25 hrs</b> |                        | Accum hrs.<br><b>105 hrs</b>            |                          |
| Drill String                                     |                                  | DPOD                                                      |                     | Conn                                                                                                                                                                                    |                     | Grade                       | Wt./Ft.                | Length                       | Accidents<br><b>None</b>          |                        | Date last BOP test                      |                          |
| <b>4 1/2</b>                                     |                                  | <b>6</b>                                                  |                     | <b>X - H</b>                                                                                                                                                                            |                     | <b>E</b>                    | <b>16.6</b>            |                              |                                   |                        |                                         |                          |
| Bottom Hole Assembly                             |                                  | Length<br><b>538.88</b>                                   |                     | Description<br><b>1 - 7 7/8 Bix = 1.00 18 - 6" DC's = 537.88</b>                                                                                                                        |                     |                             |                        |                              |                                   |                        |                                         |                          |
| Deviation Survey                                 |                                  | Comments                                                  |                     |                                                                                                                                                                                         |                     |                             |                        |                              |                                   |                        |                                         |                          |
| Depth                                            | Angle                            | Direction                                                 | TVD                 |                                                                                                                                                                                         |                     |                             |                        |                              |                                   |                        |                                         |                          |
| <b>3300</b>                                      | <b>2</b>                         |                                                           |                     |                                                                                                                                                                                         |                     |                             |                        |                              |                                   |                        |                                         |                          |
| Time                                             |                                  | Hrs.                                                      |                     | Chronological Summary of Operations from 0700 to 0700                                                                                                                                   |                     |                             |                        |                              |                                   |                        |                                         |                          |
| <b>06:00 - 08:45</b>                             |                                  | <b>02:45</b>                                              |                     | <b>Circulate</b>                                                                                                                                                                        |                     |                             |                        |                              |                                   |                        |                                         |                          |
| <b>08:45 - 10:30</b>                             |                                  | <b>01:45</b>                                              |                     | <b>TOH</b>                                                                                                                                                                              |                     |                             |                        |                              |                                   |                        |                                         |                          |
| <b>10:30 - 14:00</b>                             |                                  | <b>03:30</b>                                              |                     | <b>RU Loggers - Loggers TD @ 3237 04/17/98 @ 11:30am</b>                                                                                                                                |                     |                             |                        |                              |                                   |                        |                                         |                          |
| <b>14:00 - 14:45</b>                             |                                  | <b>00:45</b>                                              |                     | <b>RD loggers</b>                                                                                                                                                                       |                     |                             |                        |                              |                                   |                        |                                         |                          |
| <b>14:45 - 16:30</b>                             |                                  | <b>01:45</b>                                              |                     | <b>TIH</b>                                                                                                                                                                              |                     |                             |                        |                              |                                   |                        |                                         |                          |
| <b>16:30 - 17:45</b>                             |                                  | <b>01:15</b>                                              |                     | <b>Circulate</b>                                                                                                                                                                        |                     |                             |                        |                              |                                   |                        |                                         |                          |
| <b>17:45 - 22:00</b>                             |                                  | <b>04:15</b>                                              |                     | <b>Lay down DP &amp; DC</b>                                                                                                                                                             |                     |                             |                        |                              |                                   |                        |                                         |                          |
| <b>22:00 - 22:45</b>                             |                                  | <b>00:45</b>                                              |                     | <b>ND BOP</b>                                                                                                                                                                           |                     |                             |                        |                              |                                   |                        |                                         |                          |
| <b>22:45 - 02:00</b>                             |                                  | <b>03:15</b>                                              |                     | <b>Run 74 jts 5 1/2 J-55 17# casing. Set @ 3300'</b>                                                                                                                                    |                     |                             |                        |                              |                                   |                        |                                         |                          |
| <b>02:00 - 03:30</b>                             |                                  | <b>01:30</b>                                              |                     | <b>Cmt w/775 sx Premium Plus Halliburton Lite w/ 5# salt, 1/4# FloCele, tailed w/350sx Premium Plus w/3# KCL, 0.2% CFR3, 0.5% HALAID9. Circulated 80 sx to pits, did not bump plug.</b> |                     |                             |                        |                              |                                   |                        |                                         |                          |
| <b>03:30 - 05:30</b>                             |                                  | <b>02:00</b>                                              |                     | <b>Clean pits. Rig released @ 5:30 am 04/18/98</b>                                                                                                                                      |                     |                             |                        |                              |                                   |                        |                                         |                          |
| <b>Total</b>                                     |                                  | <b>23:30</b>                                              |                     |                                                                                                                                                                                         |                     |                             |                        |                              |                                   |                        |                                         |                          |
| Check if summary continued on back               |                                  |                                                           |                     | Signed<br><b>faxed by Gary Steed</b>                                                                                                                                                    |                     |                             |                        |                              |                                   |                        |                                         |                          |

*12/4/20*

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                  |                                  |                                               |                    |                                                                                                       |                     |                             |                       |                              |                         |                        |                                  |           |
|--------------------------------------------------|----------------------------------|-----------------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------|---------------------|-----------------------------|-----------------------|------------------------------|-------------------------|------------------------|----------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 27</b>         |                                  | Size & depth last csg<br><b>8 5/8" @ 520'</b> |                    |                                                                                                       |                     | Days since spud<br><b>1</b> |                       | Date<br><b>02/08/98</b>      |                         |                        |                                  |           |
| Contractor<br><b>Artesia Fishing Tool Rig #2</b> |                                  | Depth Today<br><b>520 feet</b>                |                    | Depth yesterday<br><b>40 feet</b>                                                                     |                     | Progress<br><b>480 feet</b> |                       | Formation<br><b>Anhy/DOL</b> |                         |                        |                                  |           |
| Operation at 0600<br><b>WOC</b>                  |                                  | Daily Cost<br><b>\$30,764.00</b>              |                    | Accum cost<br><b>\$30,764.00</b>                                                                      |                     | Accum mud cost              |                       |                              |                         |                        |                                  |           |
| Mud<br>Data                                      | Wt.<br><b>9.8</b>                | Vis.<br><b>36</b>                             | PV/YP              | Gels                                                                                                  | Ph.<br><b>7</b>     | WL                          | Chi.                  | Sand                         | Sol.                    | Oil                    | HIHP FL @ 300<br>100 psi 600 psi |           |
| Pump<br>Data                                     | Number & type<br><b>1 GD GXQ</b> | Liner size & stroke<br><b>5 1/4 - 14</b>      |                    | SPM<br><b>56</b>                                                                                      | RPM                 | PSI<br><b>1200</b>          | Noz vel               | AV-DP                        | AV-DC                   | Slow pump rate & press |                                  |           |
| Bit number<br><b>1</b>                           | Size<br><b>12 1/4</b>            | Make<br><b>STC</b>                            | Type<br><b>F44</b> | SN<br><b>RR</b>                                                                                       | Jets<br><b>3-13</b> | Depth out<br><b>520</b>     | Footage<br><b>480</b> | Hours<br><b>8.2</b>          | Avg ROP<br><b>58.54</b> | RPM<br><b>80</b>       | Wt- M lb.<br><b>all</b>          | Condition |
| Bit number                                       | Size                             | Make                                          | Type               | SN                                                                                                    | Jets                | Depth out                   | Footage               | Hours                        | Avg ROP                 | RPM                    | Wt- M lb.                        | Condition |
| Torque                                           | Rot. wt.                         | PU wt.                                        | SO wt.             | BHA wt.-air                                                                                           |                     | BHA wt. - mud               |                       | Drilling time<br>hrs         |                         | Accum hrs.             |                                  |           |
| Drill String                                     | DPOD                             |                                               | Conn               |                                                                                                       | Grade               | Wt./Ft.                     | Length                | Accidents                    |                         | Date last BOP test     |                                  |           |
|                                                  |                                  |                                               |                    |                                                                                                       |                     |                             |                       | none                         |                         |                        |                                  |           |
|                                                  |                                  |                                               |                    |                                                                                                       |                     |                             |                       |                              |                         |                        |                                  |           |
| Bottom Hole<br>Assembly                          |                                  | Length                                        |                    | Description                                                                                           |                     |                             |                       |                              |                         |                        |                                  |           |
| Deviation Survey                                 |                                  | Comments                                      |                    |                                                                                                       |                     |                             |                       |                              |                         |                        |                                  |           |
| Depth                                            | Angle                            | Direction                                     | TVD                |                                                                                                       |                     |                             |                       |                              |                         |                        |                                  |           |
| 520                                              | 1/4                              |                                               |                    |                                                                                                       |                     |                             |                       |                              |                         |                        |                                  |           |
| Time                                             |                                  | Hrs.                                          |                    | Chronological Summary of Operations from 0700 to 0700                                                 |                     |                             |                       |                              |                         |                        |                                  |           |
| 06:00 - 14:00                                    |                                  | 08:00                                         |                    | MIRT                                                                                                  |                     |                             |                       |                              |                         |                        |                                  |           |
| 14:00 - 22:15                                    |                                  | 08:15                                         |                    | Drill. Spud @ 2:00pm 02/07/98 - 12 1/4" hole                                                          |                     |                             |                       |                              |                         |                        |                                  |           |
| 22:15 - 22:30                                    |                                  | 00:15                                         |                    | Circulate                                                                                             |                     |                             |                       |                              |                         |                        |                                  |           |
| 22:30 - 23:30                                    |                                  | 01:00                                         |                    | TOH                                                                                                   |                     |                             |                       |                              |                         |                        |                                  |           |
| 23:30 - 01:30                                    |                                  | 02:00                                         |                    | Run 12 jts 8 5/8" 24# J-55 casing, 520'                                                               |                     |                             |                       |                              |                         |                        |                                  |           |
| 01:30 - 02:00                                    |                                  | 00:30                                         |                    | Circulate                                                                                             |                     |                             |                       |                              |                         |                        |                                  |           |
| 02:00 - 02:30                                    |                                  | 00:30                                         |                    | Cmt w/310 sx Premium + HL, 1/4 FloCele, 2% CaCl2, circulate 80 sx to pit. Plug down @ 2:30am 02/08/98 |                     |                             |                       |                              |                         |                        |                                  |           |
| 02:30 - 06:00                                    |                                  | 03:30                                         |                    | WOC                                                                                                   |                     |                             |                       |                              |                         |                        |                                  |           |
|                                                  |                                  |                                               |                    |                                                                                                       |                     |                             |                       |                              |                         |                        |                                  |           |
|                                                  |                                  |                                               |                    |                                                                                                       |                     |                             |                       |                              |                         |                        |                                  |           |
|                                                  |                                  |                                               |                    |                                                                                                       |                     |                             |                       |                              |                         |                        |                                  |           |
|                                                  |                                  |                                               |                    |                                                                                                       |                     |                             |                       |                              |                         |                        |                                  |           |
|                                                  |                                  |                                               |                    |                                                                                                       |                     |                             |                       |                              |                         |                        |                                  |           |
| Total                                            |                                  | 24:00                                         |                    |                                                                                                       |                     |                             |                       |                              |                         |                        |                                  |           |
| Check if summary continued on back               |                                  |                                               |                    | Signed                                                                                                |                     |                             |                       |                              |                         |                        |                                  |           |
|                                                  |                                  |                                               |                    | faxed by Gary Steed                                                                                   |                     |                             |                       |                              |                         |                        |                                  |           |

H 2/9

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                  |                                  |                                               |                     |                                                        |                     |                             |                       |                              |                                  |                        |                                       |           |
|--------------------------------------------------|----------------------------------|-----------------------------------------------|---------------------|--------------------------------------------------------|---------------------|-----------------------------|-----------------------|------------------------------|----------------------------------|------------------------|---------------------------------------|-----------|
| Well<br><b>Beeson "F" Federal No. 27</b>         |                                  | Size & depth last csg<br><b>8 5/8" @ 520'</b> |                     |                                                        |                     | Days since spud<br><b>2</b> |                       | Date<br><b>02/09/98</b>      |                                  |                        |                                       |           |
| Contractor<br><b>Artesia Fishing Tool Rlg #2</b> |                                  | Depth Today<br><b>1130 feet</b>               |                     | Depth yesterday<br><b>520 feet</b>                     |                     | Progress<br><b>610 feet</b> |                       | Formation<br><b>Anhy/DOL</b> |                                  |                        |                                       |           |
| Operation at 0600                                |                                  | Daily Cost<br><b>\$30,764.00</b>              |                     | Accum cost<br><b>\$30,764.00</b>                       |                     | Accum mud cost              |                       |                              |                                  |                        |                                       |           |
| <b>Drilling</b>                                  |                                  |                                               |                     |                                                        |                     |                             |                       |                              |                                  |                        |                                       |           |
| Mud Data                                         | Wt.<br><b>9.8</b>                | Vis.<br><b>29</b>                             | PV/YP               | Gels                                                   | Ph.<br><b>10</b>    | WL                          | Chl.                  | Sand                         | Sol.                             | Oil                    | HIHP FL @ 300<br>100 psi 600 psi      |           |
| Pump Data                                        | Number & type<br><b>1 GD GXQ</b> | Liner size & stroke<br><b>5 1/4 - 14</b>      |                     | SPM<br><b>57</b>                                       | RPM                 | PSI<br><b>875</b>           | Noz vel               | AV-DP                        | AV-DC                            | Slow pump rate & press |                                       |           |
| Bit number<br><b>2</b>                           | Size<br><b>7 7/8</b>             | Make<br><b>Reed</b>                           | Type<br><b>HP53</b> | SN<br><b>RR</b>                                        | Jets<br><b>3-13</b> | Depth out                   | Footage<br><b>610</b> | Hours<br><b>9.25</b>         | Avg ROP<br><b>65.95</b>          | RPM<br><b>65</b>       | Wt- M lb.<br><b>30</b>                | Condition |
| Bit number                                       | Size                             | Make                                          | Type                | SN                                                     | Jets                | Depth out                   | Footage               | Hours                        | Avg ROP                          | RPM                    | Wt- M lb.                             | Condition |
| Torque                                           |                                  | Rot. wt.                                      | PU wt.              | SO wt.                                                 | BHA wt.-air         |                             | BHA wt. - mud         |                              | Drilling time<br><b>9.25 hrs</b> |                        | Accum hrs.<br><b>17.5 hrs</b>         |           |
| Drill String                                     |                                  | DPOD                                          |                     | Conn                                                   |                     | Grade                       | Wt./Ft.               | Length                       | Accidents<br><b>none</b>         |                        | Date last BOP test<br><b>02/08/98</b> |           |
| <b>4 1/2</b>                                     |                                  | <b>6</b>                                      |                     | <b>X - H</b>                                           |                     | <b>E</b>                    | <b>16.6</b>           | <b>498</b>                   |                                  |                        |                                       |           |
| Bottom Hole Assembly                             |                                  | Length<br><b>599.5</b>                        |                     | Description<br><b>Bit = 1.00 20 - 6" DC's = 598.50</b> |                     |                             |                       |                              |                                  |                        |                                       |           |
| Deviation Survey                                 |                                  | Comments                                      |                     |                                                        |                     |                             |                       |                              |                                  |                        |                                       |           |
| Depth                                            | Angle                            | Direction                                     | TVD                 |                                                        |                     |                             |                       |                              |                                  |                        |                                       |           |
| <b>1031</b>                                      | <b>1/2</b>                       |                                               |                     |                                                        |                     |                             |                       |                              |                                  |                        |                                       |           |
| Time                                             |                                  | Hrs.                                          |                     | Chronological Summary of Operations from 0700 to 0700  |                     |                             |                       |                              |                                  |                        |                                       |           |
| <b>06:00 -08:30</b>                              |                                  | <b>02:30</b>                                  |                     | <b>WOC</b>                                             |                     |                             |                       |                              |                                  |                        |                                       |           |
| <b>08:30 -10:30</b>                              |                                  | <b>02:00</b>                                  |                     | <b>NU BOP</b>                                          |                     |                             |                       |                              |                                  |                        |                                       |           |
| <b>10:30 -11:00</b>                              |                                  | <b>00:30</b>                                  |                     | <b>Test blind rams @ 1000# (good)</b>                  |                     |                             |                       |                              |                                  |                        |                                       |           |
| <b>11:00 -12:00</b>                              |                                  | <b>01:00</b>                                  |                     | <b>PU 1 jt DP &amp; test pipe rams @ 1000# (good)</b>  |                     |                             |                       |                              |                                  |                        |                                       |           |
| <b>12:00 -19:30</b>                              |                                  | <b>07:30</b>                                  |                     | <b>WOC (TIH tag cmt @ 520)</b>                         |                     |                             |                       |                              |                                  |                        |                                       |           |
| <b>19:30 -20:30</b>                              |                                  | <b>01:00</b>                                  |                     | <b>Drilling cmt, plug insert float</b>                 |                     |                             |                       |                              |                                  |                        |                                       |           |
| <b>20:30 -04:45</b>                              |                                  | <b>08:15</b>                                  |                     | <b>Drilling formation @ 8:30pm 02/08/98</b>            |                     |                             |                       |                              |                                  |                        |                                       |           |
| <b>04:45 -05:00</b>                              |                                  | <b>00:15</b>                                  |                     | <b>Run survey @ 1031' 1/2 degree angle</b>             |                     |                             |                       |                              |                                  |                        |                                       |           |
| <b>05:00 -06:00</b>                              |                                  | <b>01:00</b>                                  |                     | <b>Drilling</b>                                        |                     |                             |                       |                              |                                  |                        |                                       |           |
|                                                  |                                  |                                               |                     |                                                        |                     |                             |                       |                              |                                  |                        |                                       |           |
|                                                  |                                  |                                               |                     |                                                        |                     |                             |                       |                              |                                  |                        |                                       |           |
|                                                  |                                  |                                               |                     |                                                        |                     |                             |                       |                              |                                  |                        |                                       |           |
| <b>Total</b>                                     |                                  | <b>24:00</b>                                  |                     |                                                        |                     |                             |                       |                              |                                  |                        |                                       |           |
| Check if summary continued on back               |                                  |                                               |                     | Signed<br><b>faxed in by Wade White</b>                |                     |                             |                       |                              |                                  |                        |                                       |           |

H219

## DAILY DRILLING REPORT

[illegible]

# SHAHARA OIL, LLC

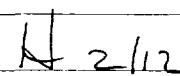
## DAILY DRILLING REPORT

|                                    |               |                       |                                  |                                                       |       |                 |         |               |         |                        |                 |           |
|------------------------------------|---------------|-----------------------|----------------------------------|-------------------------------------------------------|-------|-----------------|---------|---------------|---------|------------------------|-----------------|-----------|
| Well                               |               | Size & depth last csg |                                  |                                                       |       | Days since spud |         | Date          |         |                        |                 |           |
| Beeson "F" Federal No. 27          |               | 8 5/8" @ 520'         |                                  |                                                       |       | 4               |         | 02/11/98      |         |                        |                 |           |
| Contractor                         |               | Depth Today           |                                  | Depth yesterday                                       |       | Progress        |         | Formation     |         |                        |                 |           |
| Artesia Fishing Tool Rig #2        |               | 2645 feet             |                                  | 1930 feet                                             |       | 715 feet        |         | Anhy/DOL      |         |                        |                 |           |
| Operation at 0600                  |               | Daily Cost            |                                  | Accum cost                                            |       | Accum mud cost  |         |               |         |                        |                 |           |
| Drilling                           |               | \$11,300.00           |                                  | \$67,889.00                                           |       |                 |         |               |         |                        |                 |           |
| Mud                                | Wt.           | Vis.                  | PV/YP                            | Gels                                                  | Ph.   | WL              | Chl.    | Sand          | Sol.    | Oil                    | HIHP FL @ 300   |           |
| Data                               | 9.8           | 29                    |                                  |                                                       | 10    |                 |         |               |         |                        | 100 psi 600 psi |           |
| Pump                               | Number & type | Liner size & stroke   |                                  | SPM                                                   | RPM   | PSI             | Noz vel | AV-DP         | AV-DC   | Slow pump rate & press |                 |           |
| Data                               | 1 GD GXQ      | 5 1/4 - 14            |                                  | 57                                                    |       | 975             |         |               |         |                        |                 |           |
| Bit number                         | Size          | Make                  | Type                             | SN                                                    | Jets  | Depth out       | Footage | Hours         | Avg ROP | RPM                    | Wt- M lb.       | Condition |
| 2                                  | 7 7/8         | Reed                  | HP53                             | RR                                                    | 3-13  |                 | 2125    | 56.5          | 37.61   | 65                     | 45              | good      |
| Bit number                         | Size          | Make                  | Type                             | SN                                                    | Jets  | Depth out       | Footage | Hours         | Avg ROP | RPM                    | Wt- M lb.       | Condition |
|                                    |               |                       |                                  |                                                       |       |                 |         |               |         |                        |                 |           |
| Torque                             | Rot. wt.      | PU wt.                | SO wt.                           | BHA wt.-air                                           |       | BHA wt. - mud   |         | Drilling time |         | Accum hrs.             |                 |           |
|                                    |               |                       |                                  |                                                       |       |                 |         | 23.5 hrs      |         | 64.75 hrs              |                 |           |
| Drill String                       | DPOD          |                       | Conn                             |                                                       | Grade | Wt./Ft.         | Length  | Accidents     |         | Date last BOP test     |                 |           |
| 4 1/2                              | 6             |                       | X - H                            |                                                       | E     | 16.6            | 498     | none          |         | 02/08/98               |                 |           |
| Bottom Hole Assembly               |               | Length                | Description                      |                                                       |       |                 |         |               |         |                        |                 |           |
|                                    |               | 599.5                 | Bit = 1.00 20 - 6" DC's = 598.50 |                                                       |       |                 |         |               |         |                        |                 |           |
| Deviation Survey                   |               |                       |                                  | Comments                                              |       |                 |         |               |         |                        |                 |           |
| Depth                              | Angle         | Direction             | TVD                              |                                                       |       |                 |         |               |         |                        |                 |           |
| 2033                               | 1/2           |                       |                                  | Mud Mix; 15 gal C-200<br>4sx paper<br>5 sx caustic    |       |                 |         |               |         |                        |                 |           |
| 2531                               | 3/4           |                       |                                  |                                                       |       |                 |         |               |         |                        |                 |           |
| Time                               |               | Hrs.                  |                                  | Chronological Summary of Operations from 0700 to 0700 |       |                 |         |               |         |                        |                 |           |
| 06:00 - 09:00                      |               | 03:00                 |                                  | Drilling                                              |       |                 |         |               |         |                        |                 |           |
| 09:00 - 09:15                      |               | 00:15                 |                                  | Run survey @ 2033' 1/2 degree angle                   |       |                 |         |               |         |                        |                 |           |
| 09:15 - 14:45                      |               | 05:30                 |                                  | Drilling                                              |       |                 |         |               |         |                        |                 |           |
| 14:45 - 15:00                      |               | 00:15                 |                                  | Work on rig.                                          |       |                 |         |               |         |                        |                 |           |
| 15:00 - 01:30                      |               | 10:30                 |                                  | Drilling                                              |       |                 |         |               |         |                        |                 |           |
| 01:30 - 01:45                      |               | 00:15                 |                                  | Run survey @ 2531' 3/4 degree angle                   |       |                 |         |               |         |                        |                 |           |
| 01:45 - 06:00                      |               | 04:15                 |                                  | Drilling                                              |       |                 |         |               |         |                        |                 |           |
|                                    |               |                       |                                  |                                                       |       |                 |         |               |         |                        |                 |           |
|                                    |               |                       |                                  |                                                       |       |                 |         |               |         |                        |                 |           |
|                                    |               |                       |                                  |                                                       |       |                 |         |               |         |                        |                 |           |
|                                    |               |                       |                                  |                                                       |       |                 |         |               |         |                        |                 |           |
|                                    |               |                       |                                  |                                                       |       |                 |         |               |         |                        |                 |           |
|                                    |               |                       |                                  |                                                       |       |                 |         |               |         |                        |                 |           |
| Total                              |               | 24:00                 |                                  |                                                       |       |                 |         |               |         |                        |                 |           |
| Check if summary continued on back |               |                       |                                  | Signed<br>faxed in by Wade White                      |       |                 |         |               |         |                        |                 |           |

1/2/11

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                  |                 |                                               |                                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
|--------------------------------------------------|-----------------|-----------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------|-------------|------------------------------|--------------|------------------------|----------------|----------------|
| Well<br><b>Beeson "F" Federal No. 27</b>         |                 | Size & depth last csg<br><b>8 5/8" @ 520'</b> |                                                       |                                                                         |             | Days since spud<br><b>5</b>                                                           |             | Date<br><b>01/02/00</b>      |              |                        |                |                |
| Contractor<br><b>Artesia Fishing Tool Rig #2</b> |                 | Depth Today<br><b>3175 feet</b>               |                                                       | Depth yesterday<br><b>2045 feet</b>                                     |             | Progress<br><b>1130 feet</b>                                                          |             | Formation<br><b>Anhy/DOL</b> |              |                        |                |                |
| Operation at 0600<br><b>Drilling</b>             |                 | Daily Cost<br><b>\$8,400.00</b>               |                                                       | Accum cost<br><b>\$76,289.00</b>                                        |             | Accum mud cost                                                                        |             |                              |              |                        |                |                |
| Mud                                              | Wt.             | Vis.                                          | PV/YP                                                 | Gels                                                                    | Ph.         | WL                                                                                    | Chl.        | Sand                         | Sol.         | Oil                    | HIHP FL @ 300  |                |
| Data                                             | <b>9.8</b>      | <b>29</b>                                     |                                                       |                                                                         | <b>10</b>   |                                                                                       |             |                              |              |                        | <b>100 psi</b> | <b>600 psi</b> |
| Pump                                             | Number & type   | Liner size & stroke                           |                                                       | SPM                                                                     | RPM         | PSI                                                                                   | Noz vel     | AV-DP                        | AV-DC        | Slow pump rate & press |                |                |
| Data                                             | <b>1 GD GXQ</b> | <b>5 1/4 - 14</b>                             |                                                       | <b>57</b>                                                               |             | <b>975</b>                                                                            |             |                              |              |                        |                |                |
| Bit number                                       | Size            | Make                                          | Type                                                  | SN                                                                      | Jets        | Depth out                                                                             | Footage     | Hours                        | Avg ROP      | RPM                    | Wt- M lb.      | Condition      |
| <b>2</b>                                         | <b>7 7/8</b>    | <b>Reed</b>                                   | <b>HP53</b>                                           | <b>RR</b>                                                               | <b>3-13</b> |                                                                                       | <b>2655</b> | <b>80</b>                    | <b>33.19</b> | <b>65</b>              | <b>48</b>      | <b>fair</b>    |
| Bit number                                       | Size            | Make                                          | Type                                                  | SN                                                                      | Jets        | Depth out                                                                             | Footage     | Hours                        | Avg ROP      | RPM                    | Wt- M lb.      | Condition      |
|                                                  |                 |                                               |                                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
| Torque                                           | Rot. wt.        | PU wt.                                        | SO wt.                                                | BHA wt.-air                                                             |             | BHA wt. - mud                                                                         |             | Drilling time                |              | Accum hrs.             |                |                |
|                                                  |                 |                                               |                                                       |                                                                         |             |                                                                                       |             | <b>23.5 hrs</b>              |              | <b>89.25 hrs</b>       |                |                |
| Drill String                                     | DPOD            |                                               | Conn                                                  |                                                                         | Grade       | Wt./Ft.                                                                               | Length      | Accidents                    |              | Date last BOP test     |                |                |
| <b>4 1/2</b>                                     | <b>6</b>        |                                               | <b>X - H</b>                                          |                                                                         | <b>E</b>    | <b>16.6</b>                                                                           | <b>498</b>  | <b>none</b>                  |              | <b>02/11/98</b>        |                |                |
| Bottom Hole Assembly                             |                 | Length                                        | Description                                           |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
|                                                  |                 | <b>599.5</b>                                  | <b>Bit = 1.00 20 - 6" DC's = 598.50</b>               |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
| Deviation Survey                                 |                 | Comments                                      |                                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
| Depth                                            | Angle           | Direction                                     | TVD                                                   |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
| <b>3089</b>                                      | <b>1</b>        |                                               |                                                       | <b>Mud Mix; 15 gal C-200</b><br><b>7sx paper</b><br><b>9 sx caustic</b> |             |                                                                                       |             |                              |              |                        |                |                |
| Time                                             |                 | Hrs.                                          | Chronological Summary of Operations from 0700 to 0700 |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
| <b>06:00 -09:15</b>                              |                 | <b>03:15</b>                                  | <b>Drilling</b>                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
| <b>09:15 -09:30</b>                              |                 | <b>00:15</b>                                  | <b>Service rig &amp; test BOP</b>                     |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
| <b>09:30 -02:00</b>                              |                 | <b>16:30</b>                                  | <b>Drilling</b>                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
| <b>02:00 -02:15</b>                              |                 | <b>00:15</b>                                  | <b>Run survey @ 3089' 1 degree angle</b>              |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
| <b>02:15 -06:00</b>                              |                 | <b>03:45</b>                                  | <b>Drilling</b>                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
|                                                  |                 |                                               |                                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
|                                                  |                 |                                               |                                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
|                                                  |                 |                                               |                                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
|                                                  |                 |                                               |                                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
|                                                  |                 |                                               |                                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
|                                                  |                 |                                               |                                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
|                                                  |                 |                                               |                                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
|                                                  |                 |                                               |                                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
|                                                  |                 |                                               |                                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
|                                                  |                 |                                               |                                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
|                                                  |                 |                                               |                                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
| <b>Total</b>                                     |                 | <b>24:00</b>                                  |                                                       |                                                                         |             |                                                                                       |             |                              |              |                        |                |                |
| Check if summary continued on back               |                 |                                               |                                                       | Signed                                                                  |             |  |             |                              |              |                        |                |                |
|                                                  |                 |                                               |                                                       | faxed in by Wade White                                                  |             |                                                                                       |             |                              |              |                        |                |                |

# SHAHARA OIL, LLC

## DAILY DRILLING REPORT

|                                                  |                                  |                                               |                                                        |                                                                  |                     |                             |                             |                              |                                       |                        |                                  |                          |
|--------------------------------------------------|----------------------------------|-----------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------|---------------------|-----------------------------|-----------------------------|------------------------------|---------------------------------------|------------------------|----------------------------------|--------------------------|
| Well<br><b>Beeson "F" Federal No. 27</b>         |                                  | Size & depth last csg<br><b>8 5/8" @ 520'</b> |                                                        |                                                                  |                     | Days since spud<br><b>6</b> |                             | Date<br><b>02/13/98</b>      |                                       |                        |                                  |                          |
| Contractor<br><b>Artesia Fishing Tool Rig #2</b> |                                  | Depth Today<br><b>3375 feet</b>               |                                                        | Depth yesterday<br><b>3175 feet</b>                              |                     | Progress<br><b>200 feet</b> |                             | Formation<br><b>Anhy/DOL</b> |                                       |                        |                                  |                          |
| Operation at 0600<br><b>Lay down pipe</b>        |                                  | Daily Cost<br><b>\$8,775.00</b>               |                                                        | Accum cost<br><b>\$85,064.00</b>                                 |                     | Accum mud cost              |                             |                              |                                       |                        |                                  |                          |
| Mud Data                                         | Wt.<br><b>9.8</b>                | Vis.<br><b>29</b>                             | PV/YP                                                  | Gels                                                             | Ph.<br><b>10</b>    | WL                          | Chl.                        | Sand                         | Sol.                                  | Oil                    | HIHP FL @ 300<br>100 psi 600 psi |                          |
| Pump Data                                        | Number & type<br><b>1 GD GXQ</b> | Liner size & stroke<br><b>5 1/4 - 14</b>      |                                                        | SPM<br><b>57</b>                                                 | RPM                 | PSI<br><b>975</b>           | Noz vel                     | AV-DP                        | AV-DC                                 | Slow pump rate & press |                                  |                          |
| Bit number<br><b>2</b>                           | Size<br><b>7 7/8</b>             | Make<br><b>Reed</b>                           | Type<br><b>HP53</b>                                    | SN<br><b>RR</b>                                                  | Jets<br><b>3-13</b> | Depth out<br><b>3375</b>    | Footage<br><b>2855</b>      | Hours<br><b>88.75</b>        | Avg ROP<br><b>32.17</b>               | RPM<br><b>65</b>       | Wt- M lb.<br><b>48</b>           | Condition<br><b>good</b> |
| Bit number                                       | Size                             | Make                                          | Type                                                   | SN                                                               | Jets                | Depth out                   | Footage                     | Hours                        | Avg ROP                               | RPM                    | Wt- M lb.                        | Condition                |
| Torque                                           | Rot. wt.                         | PU wt.                                        | SO wt.                                                 | BHA wt.-air                                                      |                     | BHA wt. - mud               | Drilling time<br><b>hrs</b> |                              | Accum hrs.<br><b>hrs</b>              |                        |                                  |                          |
| Drill String                                     | DPOD                             | Conn                                          |                                                        | Grade                                                            | Wt./Ft.             | Length                      | Accidents<br><b>none</b>    |                              | Date last BOP test<br><b>02/11/98</b> |                        |                                  |                          |
| <b>4 1/2</b>                                     | <b>6</b>                         | <b>X - H</b>                                  |                                                        | <b>E</b>                                                         | <b>16.6</b>         | <b>498</b>                  |                             |                              |                                       |                        |                                  |                          |
| Bottom Hole Assembly                             |                                  | Length<br><b>599.5</b>                        | Description<br><b>Bit = 1.00 20 - 6" DC's = 598.50</b> |                                                                  |                     |                             |                             |                              |                                       |                        |                                  |                          |
| Deviation Survey                                 |                                  | Comments                                      |                                                        |                                                                  |                     |                             |                             |                              |                                       |                        |                                  |                          |
| Depth                                            | Angle                            | Direction                                     | TVD                                                    | Mud Mix; '5 gal C-200<br>5sx paper<br>1 sx caustic<br>5 gal MF55 |                     |                             |                             |                              |                                       |                        |                                  |                          |
| Time                                             |                                  | Hrs.                                          | Chronological Summary of Operations from 0700 to 0700  |                                                                  |                     |                             |                             |                              |                                       |                        |                                  |                          |
| 06:00 -07:15                                     |                                  | 01:15                                         | Drilling                                               |                                                                  |                     |                             |                             |                              |                                       |                        |                                  |                          |
| 07:15 -07:30                                     |                                  | 00:15                                         | Service rig                                            |                                                                  |                     |                             |                             |                              |                                       |                        |                                  |                          |
| 07:30 -15:00                                     |                                  | 07:30                                         | Drilling                                               |                                                                  |                     |                             |                             |                              |                                       |                        |                                  |                          |
| 15:00 -17:15                                     |                                  | 02:15                                         | Circulate & condition hole.                            |                                                                  |                     |                             |                             |                              |                                       |                        |                                  |                          |
| 17:15 -19:30                                     |                                  | 02:15                                         | TOH                                                    |                                                                  |                     |                             |                             |                              |                                       |                        |                                  |                          |
| 19:30 -22:00                                     |                                  | 02:30                                         | RU loggers                                             |                                                                  |                     |                             |                             |                              |                                       |                        |                                  |                          |
| 22:00 -00:00                                     |                                  | 02:00                                         | Log Logger TD @ 3375'                                  |                                                                  |                     |                             |                             |                              |                                       |                        |                                  |                          |
| 00:00 -00:30                                     |                                  | 00:30                                         | RD loggers                                             |                                                                  |                     |                             |                             |                              |                                       |                        |                                  |                          |
| 00:30 -03:00                                     |                                  | 02:30                                         | TIH TD 7 7/8" hole @ 3375' 3:00pm 02/12/98             |                                                                  |                     |                             |                             |                              |                                       |                        |                                  |                          |
| 03:00 -05:00                                     |                                  | 02:00                                         | Circulate & RU lay down machine                        |                                                                  |                     |                             |                             |                              |                                       |                        |                                  |                          |
| 05:00 -06:00                                     |                                  | 01:00                                         | Lay down pipe                                          |                                                                  |                     |                             |                             |                              |                                       |                        |                                  |                          |
| Total                                            |                                  | 24:00                                         |                                                        |                                                                  |                     |                             |                             |                              |                                       |                        |                                  |                          |
| Check if summary continued on back               |                                  |                                               |                                                        | Signed<br>faxed in by Wade White                                 |                     |                             |                             |                              |                                       |                        |                                  |                          |

*Handwritten:* 2/13/98

**DAILY DRILLING REPORT**

|                                    |               |                       |                                                                                                                                                                 |                 |         |                |         |                      |                        |          |                        |
|------------------------------------|---------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------|----------------|---------|----------------------|------------------------|----------|------------------------|
| Well                               |               | Size & depth last csg |                                                                                                                                                                 |                 |         |                |         | Days since spud      |                        | Date     |                        |
| Beeson "F" Federal No. 27          |               | 5 1/2" csg @ 3365'    |                                                                                                                                                                 |                 |         |                |         | 7                    |                        | 02/14/98 |                        |
| Contractor                         |               | Depth Today           |                                                                                                                                                                 | Depth yesterday |         | Progress       |         | Formation            |                        |          |                        |
| Artesia Fishing Tool Rig #2        |               | 3375 feet             |                                                                                                                                                                 | 3375 feet       |         | 0 feet         |         | Anhy/DOL             |                        |          |                        |
| Operation at 0600                  |               | Daily Cost            |                                                                                                                                                                 | Accum cost      |         | Accum mud cost |         |                      |                        |          |                        |
| Rig down                           |               | \$49,010.00           |                                                                                                                                                                 | \$134,074.00    |         |                |         |                      |                        |          |                        |
| Mud                                | Wt.           | Vis.                  | PV/YP                                                                                                                                                           | Gels            | Ph.     | WL             | Chl.    | Sand                 | Sol.                   | Oil      | HIHP FL @ 300          |
| Data                               | 9.8           | 29                    |                                                                                                                                                                 |                 | 10      |                |         |                      |                        |          | 100 psi    600 psi     |
| Pump                               | Number & type | Liner size & stroke   | SPM                                                                                                                                                             | RPM             | PSI     | Noz vel        | AV-DP   | AV-DC                | Slow pump rate & press |          |                        |
| Data                               | 1 GD GXQ      | 5 1/4 - 14            | 57                                                                                                                                                              |                 | 975     |                |         |                      |                        |          |                        |
| Bit number                         | Size          | Make                  | Type                                                                                                                                                            | SN              | Jets    | Depth out      | Footage | Hours                | Avg ROP                | RPM      | Wt- M lb.    Condition |
| 2                                  | 7 7/8         | Reed                  | HP53                                                                                                                                                            | RR              | 3-13    | 3375           | 2855    | 88.75                | 32.17                  | 65       | 48    good             |
| Bit number                         | Size          | Make                  | Type                                                                                                                                                            | SN              | Jets    | Depth out      | Footage | Hours                | Avg ROP                | RPM      | Wt- M lb.    Condition |
| Torque                             | Rot. wt.      | PU wt.                | SO wt.                                                                                                                                                          | BHA wt.-air     |         | BHA wt. - mud  |         | Drilling time<br>hrs | Accum hrs.<br>hrs      |          |                        |
| Drill String                       | DPOD          | Conn                  |                                                                                                                                                                 | Grade           | Wt./Ft. | Length         |         | Accidents            | Date last BOP test     |          |                        |
| 4 1/2                              | 6             | X - H                 |                                                                                                                                                                 | E               | 16.6    | 498            |         | none                 | 02/11/98               |          |                        |
| Bottom Hole Assembly               |               | Length                | Description                                                                                                                                                     |                 |         |                |         |                      |                        |          |                        |
|                                    |               | 599.5                 | Bit = 1.00    20 - 6" DC's = 598.50                                                                                                                             |                 |         |                |         |                      |                        |          |                        |
| Deviation Survey                   |               | Comments              |                                                                                                                                                                 |                 |         |                |         |                      |                        |          |                        |
| Depth                              | Angle         | Direction             | TVD                                                                                                                                                             |                 |         |                |         |                      |                        |          |                        |
|                                    |               |                       |                                                                                                                                                                 |                 |         |                |         |                      |                        |          |                        |
|                                    |               |                       |                                                                                                                                                                 |                 |         |                |         |                      |                        |          |                        |
| Time                               |               | Hrs.                  | Chronological Summary of Operations from 0700 to 0700                                                                                                           |                 |         |                |         |                      |                        |          |                        |
| 06:00 -08:30                       |               | 02:30                 | Lay down DP                                                                                                                                                     |                 |         |                |         |                      |                        |          |                        |
| 08:30 -09:00                       |               | 00:30                 | ND                                                                                                                                                              |                 |         |                |         |                      |                        |          |                        |
| 09:00 -12:45                       |               | 03:45                 | Run 77 jts 5 1/2" 17# csg w/shoe @ 3365'. Cmt w/675 sx Halliburton lite w/ 1/4# FloCele 5# salt & 350 sx PP w/3# KCL, .7% CFR3, .5% HALAID9, Circ 130 sx to pit |                 |         |                |         |                      |                        |          |                        |
| 12:45 -06:00                       |               | 17:15                 | Rig down. Plug down 12:45pm rig released 2:45                                                                                                                   |                 |         |                |         |                      |                        |          |                        |
|                                    |               |                       |                                                                                                                                                                 |                 |         |                |         |                      |                        |          |                        |
|                                    |               |                       |                                                                                                                                                                 |                 |         |                |         |                      |                        |          |                        |
|                                    |               |                       |                                                                                                                                                                 |                 |         |                |         |                      |                        |          |                        |
|                                    |               |                       |                                                                                                                                                                 |                 |         |                |         |                      |                        |          |                        |
|                                    |               |                       |                                                                                                                                                                 |                 |         |                |         |                      |                        |          |                        |
|                                    |               |                       |                                                                                                                                                                 |                 |         |                |         |                      |                        |          |                        |
|                                    |               |                       |                                                                                                                                                                 |                 |         |                |         |                      |                        |          |                        |
|                                    |               |                       |                                                                                                                                                                 |                 |         |                |         |                      |                        |          |                        |
|                                    |               |                       |                                                                                                                                                                 |                 |         |                |         |                      |                        |          |                        |
|                                    |               |                       |                                                                                                                                                                 |                 |         |                |         |                      |                        |          |                        |
| Total                              | 24:00         |                       |                                                                                                                                                                 |                 |         |                |         |                      |                        |          |                        |
| Check if summary continued on back |               |                       | Signed _____<br>faxed in by Wade White                                                                                                                          |                 |         |                |         |                      |                        |          |                        |