

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Oil Cons.

N.M. DIV-Dist. 2

1301 W. Grand Avenue

Artesia, NM 88210

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

**SUNDRY NOTICES AND REPORTS ON WELLS**

**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
Gruy Petroleum Management Co.

3a. Address  
P. O. Box 140907 Irving, TX 75014-0907

3b. Phone No. (include area code)  
972-401-3111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SHL 515' FNL & 305' FEL Sec. 17 T24S - R26E  
BHL 738' FNL & 1400' FEL Sec. 17 T24S-R26E

RECEIVED

FEB 10 2004

OCD ARTESIA

Lease Serial No.  
NM 0441778-B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
SW 808

8. Well Name and No.  
Exxon Federal Com No. 3

9. API Well No.  
30-015-32865

10. Field and Pool, or Exploratory Area  
White City; Penn (Gas)

11. County or Parish, State  
Eddy Co., NM

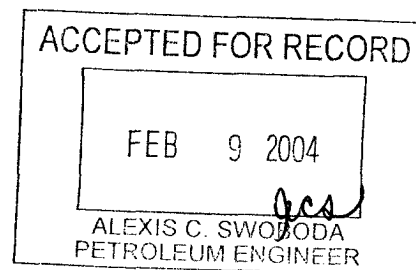
**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

| TYPE OF SUBMISSION                                    | TYPE OF ACTION                                |                                           |                                                    |                                                                 |
|-------------------------------------------------------|-----------------------------------------------|-------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------|
| <input type="checkbox"/> Notice of Intent             | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off                         |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity                         |
| <input type="checkbox"/> Final Abandonment Notice     | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other Set production casing |
|                                                       | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       |                                                                 |
|                                                       | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |                                                                 |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

9-2-03 Reached TD of 11968.'

9-8-03 Ran 283 jts N-80 casing. Cemented first stage with lead of 450 sx Interfill "H" with 1% HR-7 1/4#/sx flocele. Tailed with 500 sx Super "H" 2.5# salt, 2% gilsonite, 0.5% LAP-1, 0.4% CFR-3, 0.25 flocele. Circulated 163 sx off first stage. Cemented second stage with lead of 825 sx Interfill "C" neat and tail of 100 sx premium neat. Circulated 60 sx off second stage. Released rig at 5AM to go to the CK Federal No. 3. Found TOC at surface.



14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Natalie Krueger

Signature

Title

Production Assistant

Date

February 3, 2004

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

# Gruy Petroleum Management Co.

Magnum Hunter Production, Inc.

## Well History

August 5, 2003 Thru September 8, 2003

### OPERATED

#### WHITE CITY PROSPECT

GRUY PETROLEUM MANAGEMENT CO

**77002 EXXON FEDERAL COM 3**

EDDY, NM

Sec 17, T24S, R26E

W.I. Pct BCP 33.50 %

W.I. Pct ACP 16.75 %

Morrow / 12,000'

08/06/2003

Depth 2,200

Daily Cost:

Progress 262

Cumulative Costs:

AFE: 23155

Present Operation: Pull 3 Stds - Repair Swivel

Test BOPE & ready mix cellar to cover baseplate; PU mtr, 3 pt IBS, 9 DCs & TIH w/BHA & DP; drill cmt & plug; test casing to 2200#, test ok; drill cmt & 5' of new formation; test formation - 300#, no leak off; drill f/1945' to 2200', AVG ROP 18.9 FPH WOB - 15, RPM 60. Presently - pull 3 stds to repair leaking swivel - will run survey at approx. 2280' (250' from last).

08/07/2003

Depth 2,465

Daily Cost:

Progress 265

Cumulative Costs:

AFE: 23155

Present Operation: Running WLS

PULL 3 STDS., SET BACK KELLY AND REPAIR LEAKING SWIVEL. DRILL F/ 2200' - 2241'. AVG. ROP - 10.3 FPH. WOB - 15, RPM - 60. WLS @ 2171' - 3 DEG. DRILL F/ 2241' - 2465'. AVG. ROP - 12.1 FPH. WOB - 10, RPM - 60. PRESENTLY RUNNING WLS @ 2398' - 2 1/4 DEG. INCREASED WOB TO 18 - 20. WILL RUN NEXT SURVEY AT 2600' + OR -

08/08/2003

Depth 2,934

Progress 469

AFE: 23155

Present Operation: Drlg

DRILL F/ 2465' - 2654'. AVG. ROP - 14.5 FPH. WOB - 15, RPM - 60. WLS @ 2584' - 2 DEG. DRILL F/ 2654' - 2840'. AVG. ROP - 23.3 FPH. WOB - 20, RPM - 60. WLS @ 2775' - 1 3/4 DEG. DRILL F/ 2840' - 2934'. AVG. ROP - 47 FPH. WOB - 25, RPM - 60.

08/09/2003

Depth 3,468

Progress 534

AFE: 23155

Present Operation: Drlg

Drill f/2934' to 3065', AVG ROP 23.8 FPH, WOB 20, RPM 60; WLS @ 2990' = 1-1/2 deg; drill f/3065' to 3351', AVG ROP 26 FPH, WOB 25, RPM 60; WLS @ 3281' = 3/4 deg; drill f/3351' to 3468' AVG ROP 18 FPH, WOB 25, RPM 60.

08/10/2003

Depth 3,800

Progress 332

AFE: 23155

Present Operation: Drlg

Drill f/3468' to 3542', AVG ROP 9.9 FPH, WOB 25, RPM 60; set kelly back, drop TOTCO & TOH for new bit; PU bit, motor & TIH; install wear bushing & cut drlg line; TIH; W&R 60' to btm; drill f/3542' to 3800', AVG ROP 27.2 FPH, WOB 35, RPM 60.

08/11/2003

Depth 4,620

Progress 820

2/3/04

EXXON FEDERAL COM 3

AFE: 23155 Present Operation: Drlg

Drill f/3800' to 3923', AVG ROP 24.6 FPH, WOB 30, RPM 60; WLS @ 3848' = 1/2 deg; drill f/3923' to 4241', AVG ROP 33.5 FPH, WOB 40, RPM 55; WLS @ 4166' = 3/4 deg; drill f/ 4241' to 4620', AVG ROP 44.6 FPH, WOB 45, RPM 55.

08/12/2003 Depth 5,124  
Progress 504

AFE: 23155 Present Operation: Drlg

Drill f/4620'-4686', AVG ROP - 18.9 FPH, WOB 40, RPM 55; WLS @ 4611' = 1-1/4 deg; drill f/4686' to 4972', AVG ROP 26 FPH, WOB 35, RPM 55; WLS @ 4900' = 1-1/4 deg; drill f/4972' to 5124', AVG ROP 17.9 FPH, WOB 30, RPM 55.

08/13/2003 Depth 5,480  
Progress 356

AFE: 23155 Present Operation: Drlg

Drilling f/5124' to 5352' with 35K WOB & 60 RPM (15.2'/hr); WLS at 5304' = 2.5 degs, flare came up to 20-25' for 15 mins after survey; drlg f/5352' to 5480' with 25-30K WOB & 70 RPM (15'/hr).

08/14/2003 Depth 5,858  
Progress 378

AFE: 23155 Present Operation: Drlg

Drlg f/5480' to 5539' with 30K WOB & 70 RPM (13.1'/hr); drop survey tool & TOH for bit & inspect drill collars, no DC in string were bad, but found three bad 8" DCs on rack used in 12-1/4" hole; TIH with bit #5; drlg f/5539' to 5858' with 25K WOB & 70 RPM (26.6'/hr) - flare from 8-10' & steady.

08/15/2003 Depth 6,500  
Progress 642

AFE: 23155 Present Operation: Drlg

Drlg f/5858' to 5957' with 25K WOB & 70 RPM (28.2'/hr); WLS at 5882' = 1 deg; drlg f/5957' to 6275' with 40K WOB & 70 RPM (31.8'/hr) WLS at 6226' = 1/5 deg; drlg f/6275' to 6500' with 35K WOB & 70 RPM ( 23.6'/hr). Flare stead at 6-8'.

08/16/2003 Depth 7,198  
Progress 698

AFE: 23155 Present Operation: Drlg

Drlg f/6500' to 6592' with 30K WOB & 70 RPM (20.4'/hr); WLS at 6517' = 1 deg; drlg f/6592' to 7070' with 35K WOB & 70 RPM (31.8'/hr); WLS at 7003' = 1 deg; drlg f/7070' to 7198' with 35-40K WOB RPM (25.6'/hr); daily ROP 30.3'/hr - flare 4-6 feet & steady.

08/17/2003 Depth 7,719  
Progress 521

AFE: 23155 Present Operation: Drlg

Drlg f/7198' to 7570' with 30K WOB & 70 RPM (33.8'/hr); WLS at 7500' = 3 degs; drlg f/7570' to 7699' with 15K WOB & 70 RPM (13.5'/hr); WLS at 7670' = 4.25 degs; drlg f/7699' to 7719' with 10K WOB & 70 RPM (8.8'/hr); no flare at present time, intermitted in last 24 hrs from 4-6'; daily ROP 22.9'/hr.

08/18/2003 Depth 7,745  
Progress 26

AFE: 23155 Present Operation: Trip for Directional Tools

Drlg f/7719' to 7745' with 10K WOB & 70 RPM; pump slug & TOH for bit, bit & RMR were 1/8" out of gauge, Sperry Sun directional tools arriving on loc for KOP at 8300'; will PU tools for directional work; unload directional tools & MU build assy; computers for MWD were inoperative, could not get

either one to operate properly with probe, new computers were in OKC & would take 12 hrs to arrive; TIH to run gyro while waiting on Sperry Sun computers; CIRC gas out of hole to run gyro, haad 25-35' flare for 30 mins & 50 bbls pit gain on BU; RU gyro data & run gyro from 7745' to surface; CIRC BU for TOH to PU direcitonal tools; TOH.

08/19/2003                      Depth                      8,073  
                                          Progress                      328  
 AFE:                      23155                      Present Operation:    Drlg

TOH for build assy; MU BHA & test motor; TIH to 5500'; break circulation & remove gas from annulus; TIH to 7745', had 5' of soft fill on btm; drlg f/7745' to 8073' with 30-35K WOB & 50 RPM, directional driller sliding about 5' per kelly to chg direction, beginning to add more weight to increase angle; flare was 15-25' for 10 mins when back on btm, has since gone out.

08/20/2003                      Depth                      8,619  
                                          Progress                      546  
 AFE:                      23155                      Present Operation:    Drlg

Rotate & slide from 8073' to 8619' with 45K WOB & 50 RPM - 22.75'/hr, last survey at 8558' was 12.08 degs at 245.9 AZ.

08/21/2003                      Depth                      9,057  
                                          Progress                      438  
 AFE:                      23155                      Present Operation:    Sliding 16'/hr

Rotate & slide form 8619' to 9057' with 42K WOB & 50 RPM (18.25'/hr); surveys: 8590' = 12.87 deg at 247.12 AZ; 8685' = 14.33 deg at 241.77 AZ; 8780' = 15.39 deg at 245.82 AZ; 8875' = 16.45 deg at 247.82 AZ; 8971' = 16.74 deg at 250.14 AZ; BGG 280 u / MG 340u, no flare.

08/22/2003                      Depth                      9,580  
                                          Progress                      523  
 AFE:                      23155                      Present Operation:    Drlg

Rotate & slide from 9057' to 9580' with 40-45K WOB & 50 RPM (21.79'/hr); surveys: 9098' = 17.54 deg at 247.42 AZ; 9193' = 20.20 deg at 244.11 AZ; 9289' = 21.12 deg at 242.87 AZ; 9384' = 21.64 deg at 242.57 AZ; 9480' = 20.54 deg at 242.38; preparing to trip for bit, having to slide more to keep angle up.

08/23/2003                      Depth                      9,780  
                                          Progress                      200  
 AFE:                      23155                      Present Operation:    Drlg

Rotate & slide from 9580 to 9662' with 45K WOB & 50 RPM (18.22'/hr); pump slug & TOH, hole in good shape with no excess drag anywhere on trip; chg out motors & bit, tt new motor; TIH with DCs & 2 stds of DP; cut drilling line; TIH with 40 stds of DP; CIRC gas out of annulus, had 20-30' flare for one hr; TIH to 9600'; W&R 66' to btm, no fill on btm; rotate & slide form 9662' to 9780', sliding more each kelly to build angle with 45-50K WOB, about 1.8 degs behind target, but should not be a problem once out of shale & into more firm formation. Surveys: 9543' = 19.76 degs at 242.68 AZ, 9575 = 19.72 degs at 243.04 AZ; 9641 = 20.12 degs at 241.81 AZ; 9673 = 19.73 degs at 242.58 AZ, 9705 = 19.21 degs at 245.13 AZ, BGG 451 u / 1900 u, trip gas no.

08/24/2003                      Depth                      10,068  
                                          Progress                      288  
 AFE:                      23155                      Present Operation:    Drlg

Rotate & slide from 9780' to 9887' with 45K WOB & 50 RPM - 11.8'/hr; generator down, lost all power on location, replaced batteries & restored power; rotate & slide from 9887' to 10,038' with 45K WOB & 50 RPM - 15.1'/hr; work on pumps; rotate & slide from 10,038' to 10,068' with 45K WOB & 50 RPM - 12'/hr. Surveys: 9768' = 18.69 degs at 245.87 AZ, 9864 = 20.15 degs at 244.56 AZ, 9959 = 19.62 degs at 244.4 AZ, 9991' = 18.75 degs at 245.22 AZ, BGG - 3280 u, MG 4680 u 8-10' intermitted flare.

08/25/2003                      Depth                      10,188  
                                          Progress                      120  
 AFE:                      23155                      Present Operation:    CIRC Kill Wt Mud

Rotate & slide from 10,068'MD to 10,188'MD with 45K WOB & 50 RPM, had two drilling breaks flow checked before well would flow, shut well in & monitor press, had 500# on casing and 0 on DP because of float in string; brought pump on line & open float, press on DP between 300 & 350#, CIRC gas out using driller's method, took 3 circulations to remove gas with 50' flare on bottoms up & 28 bbl gain in pits, began losing partial returns, so started adding Premium Seal LCM which slowed down losses but fiber plug & maxi seal seemed to work better at sealing off wellbore, able to maintain volume in pits & keep DP press constant using hydraulic choke, shut down & csg press was 200# and still flowing, began hauling stored mud from CK #2 & put in frac tanks on loc, could only recover 900 bbls & load hole with same, mud weighed 9.5# going in & coming out at 9.3# gas cut, had transports go after 400 bbls of BW to mix in system for volume, presently adding BW & salt to mud to build vol & get out light spots, circulating through separator with pipe rotating.

08/26/2003                      Depth                      10,385  
                                          Progress                      197  
 AFE:                      23155                      Present Operation:    Drlg

CIRC through separator with 20-25' flare while weighting up mud, have 9.7# going in & 9.1# out, shut in & CIRC through chokes with 150-200# on casing, losing 50 bbls of mud per hour mixing LCM & adding BW to system, CIRC all gas out of annulus & flare went out, mud volume in pits starting to stabilize with only minor losses to wellbore, open annular w/no flow; shut down & jet setting pit which had been bypassed; rotate & slide with full returns, no flare, & losing only 3 bbls per hour, started shaking out LCM & adding 4 sx per hour to suction for seepage after 1800 hrs, drag on connections only 25K after mudding up, presently drilling 13-15'/hr with full returns & intermitted flare, BGG 3215 u / MG 4280 u / top of Upper Strawn 10130' / top of Lower Strawn 10315'. Surveys: 10214' = 21.55 deg at 242.78 AZ, 10245' = 20.86 deg at 242.28 AZ, 10277' = 21.05 deg at 242.16 AZ, 10308' = 21 deg at 241.54 AZ.

08/27/2003                      Depth                      10,670  
                                          Progress                      285  
 AFE:                      23155                      Present Operation:    Well Shut in on Chokes

Rotate & slide from 10,385' to 10,664', flare came up from 0 to 20-25', PU & checked for flow & well was flowing, had lost 200 bbls to seepage during last 24 hrs & adding LCM, shut in well & CIRC out gas holding 200# on annulus, lost 40 bbls of mud, building volume, choked well down until flare went out & opened up with trickle coming out of well; drlg f/10,664' to 10,670' with no flare, but well starting to flow again, mudlogger estimated top of Atoka at 10,605'MD, presently circulating through choke manifold, mixing salt & LCM & holding back press on annulus. BGG - 400 uts.

08/28/2003                      Depth                      10,723  
                                          Progress                      53  
 AFE:                      23155                      Present Operation:    CIRC off Btm

CIRC through chokes holding back press on casing while building vol in pits, well dead with no flow & no flare with MW at 9.9 ppg in & 9.8 ppg out; drlg f/10,680' to 10,723' with 900 uts of BGG, mudlogger estimated top of Atoka to come in at 10,608'TVD, so decision was made to trip for bit before drilling into same; C&C mud for trip, salt & KCL not enough to make weighted slug for trip, wait for barite to mix 11 ppg slug, mix slug & pump down DP, well was dead; trip out for bit monitoring trip volumes, hole calculated to take 83 bbls & actual volume was 81 bbls on trip out, well was not flowing when bit was pulled through rotary; chg out bit, motor & MWD tool, well began flowing while making up tools; TIH with BHA & PU rotating head, well flowing with 20 bbl gain, gas at surface; CIRC gas out of top of wellbore at 1100' through choke manifold; TIH to 6000'; CIRC gas out of well until flare dropped to 15-20'; TIH to 9400', well blowing up through leaking rotatinghead rubber 13 stds off btm; PU kelly to CIRC gas out of wellbore. BGG 900 uts before trip, high gas was 4200 uts through separator.

08/29/2003                      Depth                      10,839  
                                          Progress                      116  
 AFE:                      23155                      Present Operation:    Drlg

Circulating gas out of wellbore at 9400' until flare was steady at 8-10' & pit volume back to normal; TIH to btm; C&C hole & mud, adding Prem Seal coarse LCM & pumping sweeps in attempt to establish wellbore integrity, shut down for 1 hr with no pump to check static influx, after pumping B/U, no flare or pit gain, losses were about 25 bbls during shut down & CIRC B/U; rotate & slide as needed while building volume in pits, lost 110 bbls during first hr of drilling until Prem Seal sweep came around & sealed off wellbore, presently drilling with no flare & mud losses are about 7 bbls/hr with no flare, drag is 60K & will add beads to system to reduce drag.

08/30/2003                      Depth                      11,091  
                                          Progress                      252  
 AFE:                      23155                      Present Operation: Drlg

Rotate & slide from 10,839' to 11,091' with 45K WOB & 40 RPM, mixing Prem Seal for seepage & lost returns, presently drlg ahead with no losses & no flare; surveys: 10846' = 22.6 deg at 240.62 AZ, 10,879' = 22.08 deg at 239.31 AZ, 10,911' = 22.70 deg at 238.17 AZ, 10,943' = 23.02 deg at 238.59 AZ, 10,975' = 22.87 deg at 238.56 AZ, 11,007' = 23.55 deg at 238.58 AZ; BGG 380 uts, no flare.

08/31/2003                      Depth                      11,294  
                                          Progress                      203  
 AFE:                      23155                      Present Operation: Drlg

Rotate & slide from 11,091' to 11,294' with 45K WOB & 40 RPM, mixing LCM sweeps with Prem seal & pumping as needed for seepage, losses have been minor in last 24 hrs, circulating 20-25% of mud across shaker to keep solids down, MW up to 10 ppg in last check, flare has dropped off to zero & BGG is down to 260 uts, high gas was 380 uts, daily ROP 8.5'/hr; surveys: 11,070' = 23.4 deg at 238.57 AZ, 11,102' = 22.56 deg at 238.41 AZ, 11,134' = 21.86 deg at 238.71 AZ, 11,166' = 21.61 deg at 238.85 AZ; 11,197' = 21.28 deg at 238.85 AZ, 11,229' = 20.77 deg at 238.47 AZ / VS 1088.77'

09/01/2003                      Depth                      11,510  
                                          Progress                      212  
 AFE:                      23155                      Present Operation: Drlg

Rotate & slide from 11,294' to 11,510' with 45K WOB & 40 RPM, mixed 60 bbls of oil into system in last 24 hrs to slick hole up, but drag is still 65K on connections, had only minor losses with most over shaker, flare 4-10' with BGG 280 uts & MG of 1100 uts at 11,443' to 11,453' in show; surveys: 11,293' = 19.75 deg at 238.28 AZ; 11,324' = 19.43 deg at 239.85 AZ, 11,356' = 19.42 deg at 242.64 AZ, 11,388' = 19.17 deg at 244.71 AZ, 11,420' = 19.60 deg at 244.73 AZ, 11,451' = 19.86 deg at 245.61 AZ.

09/02/2003                      Depth                      11,707  
                                          Progress                      197  
 AFE:                      23155                      Present Operation: Drlg

Rotate & slide from 11,512' to 11,707' with 45K WOB & 40 RPM, drag still around 60K, have added 25 sx of beads to system along with 60 bbls of 40 gravity oil, mud losses have been about 2 bbls per hr over shale shaker, TD appears to be at 11,968' MD (11,750'TVD); surveys: 11,515' = 20.31 deg at 246.2 AZ, 11,547' = 20.21 deg at 246.45 AZ, 11,579' = 19.84 deg at 246.38 AZ, 11,610' = 19.22 deg at 247.5 AZ, 11,642' = 18.37 deg at 248.54 AZ; BGG 580 uts / MG 3250 uts at 11,676' to 11,694', also had good shows at 11,530', 11,580, & 11,620'.

09/03/2003                      Depth                      11,888  
                                          Progress                      181  
 AFE:                      23155                      Present Operation: Drlg

Rotate & slide from 11,707' to 11,888' with 40-45K WOB & 40 RPM, losing approx 15 bbls per hr of mud to seepage, mixing Prem Seal & mica for sweeps at 5 to 1 ratio, TD will be at 11,968'MD, bit may not make it as we are starting to see some torque on last conn. BGG 320 uts / MG 420 uts / no flare. Surveys: 11,706' = 18.29 deg at 251.14 AZ, 11,738' = 18.54 deg at 248.34 AZ, 11,769' = 19.06 deg at 248.54 AZ, 11,801' = 19.34 deg at 248.70 AZ, 11,833' = 18.99 deg at 248.61 AZ - projection to bit at 11,888' = 18.7 deg at 248.61 AZ.

|            |          |                                 |
|------------|----------|---------------------------------|
| 09/04/2003 | Depth    | 11,954                          |
|            | Progress | 66                              |
| AFE:       | 23155    | Present Operation: TOH for Logs |

Drill f/11,888' to 11,954', AVG ROP 4 FPH rotating; CIRC, pump slug & short trip 25 stds; monitor well, no flow; TIH; CIRC, pump slug (15' flare after short trip - lasted only 15 mins); TOH for logs, strap out. Surveys: 11,865' = 18.46 deg at 250.88 AZ, 11,897' = 17.93 deg at 253.16 AZ, proj at 11,954' = 17.93 at 253.16 AZ.

|            |          |                        |
|------------|----------|------------------------|
| 09/05/2003 | Depth    | 11,954                 |
|            | Progress | 0                      |
| AFE:       | 23155    | Present Operation: TIH |

TOH for logs (strap out), strap - 11,967'; LD directional tools; RU Hall loggers; 1st run - density neutron full wave sonic & dual lateral log from TD to surface loggers TD - 11,956'; 2nd run - press tests, 11,824' - 10,174', 19 tests; PU bit #7 & TIH to CIRC.

|            |          |                                  |
|------------|----------|----------------------------------|
| 09/06/2003 | Depth    | 11,954                           |
|            | Progress | 0                                |
| AFE:       | 23155    | Present Operation: CIRC & WO Csg |

TIH; W&R 120' to btm; CIRC & WOO on casing (5-1/2" csg to be run - will be delivered Saturday at 12:00 Noon.

|            |          |                                          |
|------------|----------|------------------------------------------|
| 09/07/2003 | Depth    | 11,954                                   |
|            | Progress | 0                                        |
| AFE:       | 23155    | Present Operation: Running 5-1/2" Casing |

CIRC & WO casing; RU Bull Rogers LD machine, pump slug & TOH, LD DP & DCs; RU Bull Rogers casers; PU & run FLT shoe jt, FC, 64 jts, P-110 54 jts N80 DV tool, (at 7022') 148 jts N80, 16 jts P110 (total jts run 283),, fill up every 40 jts.

|            |          |                                 |
|------------|----------|---------------------------------|
| 09/08/2003 | Depth    | 11,954                          |
|            | Progress | 0                               |
| AFE:       | 23155    | Present Operation: Released Rig |

Run casing; RU Hall & CIRC, RD Bull Rogers casers & LD machine; CIRC; cmt 1st stage - lead 450 sx interfill "H" with 1% HR-7 1/4#/sx flocele tail w/500 sx super "H" 2.5# salt, 2% HR-7.5# gilsonite, .5% LAP-1, .4% CFR-3 .25 floseal, pump FW ahead & 500 gals superflush 100; drop bomp & open DV tool (CIRC 163 sx off 1st stage); CIRC; cmt 2nd stage, pump FW spacer & 500 gals superflush lead 825 sx interfill "C" neat, tail w/100 sx prem neat (CIRC 60 sx off 2nd stage); ND BOPe, make rough cut, set slips, make final cut, install tbg head & test to 4000#, test ok; jet pits, release rig at 5:00 AM, 9/8/03 - Rig will be doing some repair - trucks are moving rig to CK Federal #3 on Thursday, 9/11/03.