

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-33573
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Esperanza "13" (34231 Property Code)
8. Well Number 1
9. OGRID Number 150628
10. Pool name or Wildcat Carlsbad; Morrow, South (Pro Gas) 73960

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

RECEIVED

NOV 10 2004

BOH-LINER

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

2. Name of Operator

Pure Resources, L. P.

3. Address of Operator

500 W. Illinois Midland, Texas 79701

4. Well Location

Unit Letter O : 612 feet from the South line and 2037 feet from the East line
Section 13 Township 22-S Range 26-E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,152' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water

Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Move surface location to comply with City of Carlsbad ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☒

OTHER: 2nd Intermediate Csg. Sundry
☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

2nd Intermediate Casing/Cement

On 11/03/20004, RIH w/ 214jts 7" 23# P-110 casing and set @ 9,350' w/1000sx HLPP cmt w/.3% Halad-R322, .25lb/sx Flocele, 5lb/sx Salt, 5lb/sx Gilsonite mixed @ 10.93 GPS (Yld: 2.07 ft3/sk, Wt: 12.5 PPG)-Lead, followed by 280sx Super "H" cmt w/.4% Halad-R322, .3% CFR-3, 5lb/sx Gilsonite, 1lb/sx Salt mixed @ 8.78 GPS (Yld: 1.67 ft3/sk, Wt: 13.0 PPG)-Tail. Circulated 152 sx to surface. Csg. wt 160K. Test Csg to 5000psi. PU BOP, set slips on 7" 160K. Cut off 7", ND DSA & Spacer Spool. Notified NMOCDC @ 6:30pm - Mr. Van Barton. On 11/04/2004, NU 11" 5K x 7-1/16" 10k "C" Section. Test to 3000psi. NU BOP, Chg rams, hold safety mtg w/Pure Mgmt., Chg out kellys. Test BOP 5000 psi to 250 psi. Pipe rams (Upper & Lower), HCR, Choke Manifold, Remote kill line, mud line, THW, Kelly Cocks, Dart Valves, 1500 to 250 annular. Ran accumulator performance test. PU Directional Tools. RU P/U Machine. PU Drill Collars. On 11/05/2004, finish PU Drill String, Broke Circ., Drill cmt & flat equipment f/ 9,262' - 9,350'. Install Rotating Head. Rotate w/30K 40/115 RPM, Slide w/38K 115 RPM f/ 9,350' - 9,574'. Current operations, drilling ahead-horizontally..

(SEE ATTACHED WELL HISTORY & CASING/CEMENT DETAILS)

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCDC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Alan W. Bohling TITLE Regulatory Agent DATE 11/09/2004

Type or print name Alan W. Bohling

E-mail address: abohling@pureresources.com

Telephone No. (432) 498-8662

For State Use Only

APPROVED BY: _____ TITLE _____

Conditions of Approval (if any): FOR RECORDS ONLY

DATE NOV 12 2004

Pure Resources, Inc.

Well History

ESPERANZA "13" #1 - 59.375% WI From 1/1/1920 through 11/9/2004

Well Name ESPERANZA "13" #1 - 59.375% WI

Lease Well 511561-0001

State: NM County: EDDY

Activity Date 10/12/2004

Type of Report: DRILLING

INITIAL REPORT

Description MIRU NABORS #715.

Times

Hours

Remarks

24.00

MIRU NABORS RIG #715.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$41,378	\$41,378	\$2,503,000	1030631				

Activity Date 10/13/2004

Type of Report: DRILLING

INITIAL REPORT

Description RIGGING UP.

Times

Hours

Remarks

24.00

RIGGING UP.

MIRU NABORS #715. DUG DITCHES, RU CONDUCTOR & FLOWLINE. MIXED SPUD MUD. RU FLOOR, PU BHA. REC'D 450.48' - 10 JTS 13-3/8" 48# H-40 ST&C (TRUCKERS TALLY).

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$32,217	\$73,595	\$2,503,000	1030631	0	0		

Activity Date 10/14/2004

Type of Report: DRILLING

PROGRESS REPORT

Description RUNNING 13-3/8" CSG.

Times

Hours

Remarks

5.50

SAFETY MTG - FINISH RIG-UP.

2.00

PRE-SPUD RIG INSPECTION, SAFETY MTG, CORRECTED ITEMS.

2.25

DRILL F/ 57' - 168' W/ ALL WT, 65 RPM (AVG 49.3 FPH).

0.75

SAFETY MTG - RAN WL SURVEY @ 120' - 1/2 DEG (3 RUNS).

2.50

DRILL F/ 168' - 290' W/ ALL WT, 120 RPM (AVG 48.8 FPH).

0.25

RAN WL SURVEY @ 242' - 3/4 DEG.

5.75

DRILL F/ 290' - 443' W/ ALL WT, 120 RPM (AVG 26.7 FPH).

0.50

CIRC & COND HOLE. DROPPED SURVEY.

2.00

TOOH & LD BHA.

1.25

RU CSG CREW.

0.75

SAFETY MTG. RUN 13-3/8" CSG. REC'D 2004.07' 45 JTS 9-5/8" 36# J-55 (TRUCKERS TALLY). NOTIFIED NMOC (VAN BARTON) 9:15 AM 10/13/04.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$47,485	\$121,080	\$2,503,000	1030631	443	386		

Activity Date 10/15/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG AHEAD.

Times

Hours

Remarks

1.00

SAFETY MTG. RAN 446.07', 10 JTS 13-3/8" 48# H-40 ST&C.

0.50

RU HALLIBURTON, WASHED 2' TO BTM. CIRC CAP CSG.

0.75

CMT W/ 475 SXS. CIRC 100 SXS TO SURFACE.

4.00

WOC. CUT OFF CONDUCTOR PIPE.

2.75

CUT OFF 13-3/8" CSG. WELDED ON 13-5/8" 3K HEAD. TESTED TO 500 PSI.

6.75

NU 13-5/8" 3K X 13-5/8" 10K DSA, 13-5/8" 10K X 13-5/8" 10K SPOOL, 13-5/8" 10K SINGLE RAM, 13-5/8" 10K MUD CROSS, 13-5/8" 10K DOUBLE RAM, 13-5/8" 5K ANNULAR, 13-5/8" ROTATING HEAD, 2-1/16" 10K CHOKE.

0.50

TESTED - BLINDS, CHOKE, KILL LINE, CSG TO 750 PSI.

1.75

PU BHA, TIH. TAG @ 397'.

1.25

DRILL PLUG, FLOAT, CMT TO 419'.

1.00

TESTED ANNULAR, TOP RAMS, BTM RAMS TO 750 PSI.

0.50

DRILL CMT F/ 419' - 443' W/ 50 RPM, 40K.

3.50

DRILL F/ 443' - 490' W/ 50 RPM, 40K (AVG 13.4 FPH). NOTIFIED NMOC 10/14/04 @ 5:15.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$44,699	\$165,779	\$2,503,000	1030631	490	47		

Activity Date 10/16/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	3.00	DRLG F/ 490' - 540' W/ 50 RPM, 40K (AVG 16.7 FPH).
	6.00	DRLG F/ 540' - 757' W/ 90 RPM, 67K (AVG 36.2 FPH).
	0.50	SERVICE RIG.
	0.25	BOP DRILL. WELL SECURED 1:00. SPR THRU CHOKES.
	4.50	DRLG F/ 757' - 945' W/ 90 RPM, 67K (AVG 41.8 FPH).
	0.50	RAN WL SURVEY @ 897' - 1/2 DEG (2 RUNS).
	9.25	DRLG F/ 945' - 1349' W/ 90 RPM, 67K (AVG 43.7 FPH).

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$15,462	\$181,241	\$2,503,000	1030631	1349	859		

Activity Date 10/17/2004

Type of Report: DRILLING

PROGRESS REPORT

Description RUNNING 9-5/8" CSG.

Times	Hours	Remarks
	1.75	DRILL F/ 1349' - 1439' W/ 90 RPM, 67K (AVG 51.4 FPH).
	0.25	SAFETY MTG. RAN WL SURVEY @ 1391' - 1/4 DEG.
	7.75	DRILL F/ 1439' - 1787' W/ 90 RPM, 67K (AVG 44.9 FPH).
	0.50	SERVICE RIG.
	0.25	BOP DRILL. WELL SECURED - FAILED. SPR THRU CHOKES.
	4.75	DRILL F/ 1787' - 1950' W/ 90 RPM, 67K (AVG 34.3 FPH).
	1.75	DROPPED SURVEY. PREP RIG FLOOR FOR TRIP.
	3.50	TOOH W/ 12 STDS. LD 12-1/4" BHA.
	1.50	RU CSG CREW & P/U MACHINE.
	2.00	RAN 9-5/8" CSG.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$128,883	\$310,124	\$2,503,000	1030631	1950	601		

Activity Date 10/18/2004

Type of Report: DRILLING

PROGRESS REPORT

Description RD TESTERS.

Times	Hours	Remarks
	2.00	W/O 9-5/8" ELEVATORS (FIRST SET FROZE UP).
	2.50	SAFETY MTG. RAN 1954.27', 44 JTS 9-5/8" 36# J-55 CSG WT 75K.
	0.50	RU, WASH TO BTM (NO FILL). CIRC CAPACITY.
	1.50	CMT W/ 700 SXS LEAD, 250 SXS TAIL. CSG WT 60K.
	0.25	TEST CSG 2000 PSI.
	1.75	ND, PU BOP.
	3.50	SM SET SLIPS 60K. CUT OFF 9-5/8". NU "B" SEC. TEST TO 1000 PSI.
	2.50	SET DOWN BOP - NU.
	9.50	SAFETY MTG. TESTED F/ 250 - 3000. PIPE RAMS (UPPER & LOWER), BLIND CHOKE MANIFOLD, HCR, REMOTE KILL LINE, MUDLINE, TIW, DART, UPPER & LOWER, KELLY COCKS. 1500 TO 250; ANNULAR.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$36,181	\$346,305	\$2,503,000	1030631	1950			

Activity Date 10/19/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	3.50	SAFETY MTG. RU & PU BHA #3. RD.
	0.75	TIH & TAG @ 1895'.
	1.25	BROKE CIRC. DRILL FLOAT EQUIPMENT & CMT.
	4.00	DRILL F/ 1950' - 2052' W/ 40K, 50 RPM (AVG 25.5 FPH).
	0.50	SERVICE RIG.
	5.25	DRILL F/ 2052' - 2309' W/ 55K, 70 RPM (AVG 48.9 FPH).
	0.25	BOP DRILL. WELL SECURED 1:05. PUMPED THRU SEPARATOR. CHECK FOR LEAKS.
	3.75	DRILL F/ 2309' - 2455' W/ 55K, 70 RPM (AVG 38.9 FPH).
	1.50	RAN WL SURVEY @ 2407' - 1 DEG (HAD 3 MIS-RUNS).
	3.25	DRILL F/ 2455' - 2587' W/ 55K, 70 RPM. LITHOLOGY: 100% LIME.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$19,129	\$365,434	\$2,503,000	1030631	2587	637		

Activity Date 10/20/2004

Type of Report: DRILLING

PROGRESS REPORT

Description PICKING UP DIRECTIONAL TOOLS.

Times	Hours	Remarks
	3.75	DRILL F/ 2587' - 2798' W/ 55K, 70 RPM (AVG 56.3 FPH).
	0.25	BOP DRILL. WELL SECURED 1:06. SPR THRU CHOKES.
	2.00	DRILL F/ 2798' - 2953' W/ 55K, 70 RPM (AVG 77.5 FPH).
	0.50	SAFETY MTG. RAN WL SURVEY @ 2907' - 1 DEG.
	3.00	DRILL F/ 2953' - 3109' W/ 55K, 70 RPM (AVG 52 FPH).
	0.50	SERVICE RIG.
	2.25	DRILL F/ 3109' - 3267' W/ 55K, 70 RPM (AVG 70.2 FPH).
	0.25	BOP DRILL. WELL SECURED 1:10. SPR THRU CHOKES.
	2.50	DRILL F/ 3267' - 3452' W/ 55K, 70 RPM (AVG 74 FPH).
	0.25	RAN WL SURVEY @ 3404' - 1 DEG.
	2.25	DRILL F/ 3452' - 3607' W/ 55K, 70 RPM (AVG 68.9 FPH).
	0.25	CIRC SWEEP.
	2.25	RAN GYRO ON RIG WL. 3557', TVD 3556.58 VS 1.05' INC 0.
	2.25	TOOH. LD BHA #3.
	1.50	PU DIRECTIONAL TOOLS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$38,279	\$403,713	\$2,503,000	1030631	3607	1020		

Activity Date 10/21/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	2.50	PU DIRECTIONAL TOOLS. ORIENT & TEST.
	1.00	TIH TO 1906'.
	1.50	SERVICE RIG. REPAIR ROTARY CHAIN GUARD.
	0.75	FIN TIH.
	0.75	BROKE CIRC, WASH 43' TO BTM. SURVEY & ORIENT.
	3.25	ROTATE 25K, 50/105 RPM. SLIDE 30K, 105 RPM F/ 3607' - 3712'.
	0.75	REPAIR TO MWD SURFACE EQUIPMENT.
	13.50	ROTATE 30K, 50 / 105 RPM. SLIDE 30K, 105 RPM F/ 3712' - 4144'. LITHOLOGY: 70% SS / 30% SHALE. TOP ENCOUNTERED: BRUSHY CANYON @ 3787'.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$30,612	\$434,325	\$2,503,000	1030631	4144	537		

Activity Date 10/22/2004

Type of Report: DRILLING

PROGRESS REPORT

Description ATTEMPT TO RETRIEVE MWD (WIRELINE).

Times	Hours	Remarks
	8.00	ROTATE 30K, 50/105 RPM, SLIDE 30K, 105 RPM F/ 4144' - 4391'.
	0.50	SERVICE RIG.
	1.25	BROKE & TORQUED; SWIVEL, UPPER KELLY VALVE, KELLY.
	1.00	ROTATE 30K, 50/105 RPM, SLIDE 30K, 105 RPM F/ 4391' - 4424'.
	0.25	BOP DRILL. WELL SECURED 1:10. SPR THRU CHOKES.
	11.50	ROTATE 30K, 50/105 RPM, SLIDE 30K, 105 RPM F/ 4424' - 4765'.
	1.50	ATTEMPT TO SURVEY W/ MWD.
	1.00	SAFETY MTG. RU OVERSHOT & JARS. ATTEMPT TO RETRIEVE MWD. LAST SURVEY: 4650' 26.8 INC, 283.6 AZM. REC'D: 9503.20', 215 JTS 7" 23# NS-110 LT&C.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$21,659	\$455,984	\$2,503,000	1030631	4765	621		

Activity Date 10/23/2004

Type of Report: DRILLING

PROGRESS REPORT

Description TIH W/ NEW MOTOR.

Times	Hours	Remarks
	1.00	SAFETY MTG. REPLACE MWD (ON WL).
	2.25	ROTATE 30K, 50/105 RPM, SLIDE 30K, 105 RPM F/ 4765' - 4827'.
	0.25	BOP DRILL. WELL SECURED 1:06. SPR THRU CHOKE.
	7.00	ROTATE 30K, 50/105 RPM, SLIDE 30K, 105 RPM F/ 4827' - 5077'.
	0.50	SERVICE RIG.
	3.25	ROTATE 30K, 50/105 RPM, SLIDE 30K, 105 RPM F/ 5077' - 5170'.
	0.50	CYCLED MWD.
	1.75	ROTATE 30K, 50/105 RPM, SLIDE 30K, 105 RPM F/ 5170' - 5195'.
	0.25	CHECK DIFFERENTIAL ON MOTOR. WITH 75K, 90 PSI DIFFERENTIAL.
	2.75	TOOH W/ FAILED MOTOR.
	3.00	CHG OUT MOTOR. ORIENT, TEST, FUNCTIONED BLINDS.
	1.50	TIH W/ BIT #5.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$28,364	\$484,348	\$2,503,000	1030631	5195	430	

Activity Date 10/24/2004

Type of Report: DRILLING

PROGRESS REPORT

Description REAMING NEW BHA TO BTM.

Times	Hours	Remarks
	1.50	TIH TO 4775' (STUCK).
	3.00	WORK STUCK PIPE. PULLED TO 300K. SD W/O FREEPOINT.
	1.75	RU FREEPOINT. FREE TOP MWD @ 4705'.
	0.75	RETRIEVED MWD.
	1.00	BACKED OFF @ 4615'.
	2.00	TOOH W/ BACK-OFF.
	2.00	PU FISHING ASSY.
	1.50	TIH W/ FISHING ASSY.
	0.50	SCREWED IN FISH, JARRED LOOSE.
	1.50	TOOH W/ FISH.
	1.50	LD FISHING TOOLS. PU BHA DIRECTIONAL "C".
	3.50	TIH W/ BHA DIR "C" TO 4750'.
	2.50	LD EXCESS DP, REAM BHA. LAST SURVEY: 5115', 25.9 INC, 285.3 AZM, 44' ABOVE, 2.5' WEST.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$28,954	\$513,302	\$2,503,000	1030631	5195		

Activity Date 10/25/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	3.00	WASH & REAM TO BTM.
	2.50	ROTATE 38K, 50/105 RPM, SLIDE 50K, 86 RPM F/ 5195' - 5272'.
	0.50	SERVICE RIG.
	1.75	ROTATE 38K, 50/105 RPM, SLIDE 50K, 105 RPM F/ 5272' - 5334'.
	0.25	BOP DRILL. WELL SECURED 1:07. SPR THRU CHOKE.
	4.00	ROTATE 38K, 50/105 RPM, SLIDE 50K, 105 RPM F/ 5334' - 5466'.
	2.50	TOOH W/ FAILED MOTOR, MWD.
	2.50	CHG MOTOR & MWD. ORIENT & SURFACE TEST.
	2.50	TIH W/ NEW MOTOR & MWD.
	0.25	BROKE CIRC. WASH 40' TO BTM.
	4.25	ROTATE 38K, 50/105 RPM, SLIDE 50K, 105 RPM F/ 5466' - 5559'. LITHOLOGY: 100% LIME.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$18,588	\$531,890	\$2,503,000	1030631	5559	364	

Activity Date 10/26/2004

Type of Report: DRILLING

PROGRESS REPORT

Description TOOH.

Times	Hours	Remarks
	5.50	ROTATE 38K, 50/105 RPM, SLIDE 50K, 105 RPM F/ 5559' - 5768'.
	0.50	SERVICE RIG.
	4.50	ROTATE 38K, 50/105 RPM, SLIDE 50K, 105 RPM F/ 5768' - 5954'.
	0.25	BOP DRILL. WELL SECURED :58 SEC. SPR THRU CHOKES.
	1.25	ROTATE 38K, 50/105 RPM, SLIDE 50K, 105 RPM F/ 5954' - 5985'.
	0.25	BOP DRILL. WELL SECURED 1:05. SPR THRU CHOKES.
	10.25	ROTATE 38K, 50/105 RPM, SLIDE 50K, 105 RPM F/ 5985' - 6319'.
	0.50	TROUBLE-SHOOT MOTOR. PREP FLOOR FOR TRIP.
	1.00	TOOH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$25,035	\$556,925	\$2,503,000	1030631	6319	760		

Activity Date 10/27/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	2.00	FINISH TOOH. TWO INCH PIECE BROKE OFF BLADE.
	1.00	CHG BITS, CHECK MOTOR. CHG STAB SLEEVE. FUNCTIONED BLINDS.
	2.00	TIH W/ BIT #6.
	0.50	BROKE CIRC, WASH F/ 6232' - 6319'.
	2.50	ROTATE 38K, 50/105 RPM, SLIDE 50K, 105 RPM F/ 6319' - 6392'.
	0.25	BOP DRILL. WELL SECURED 1:00. SPR THRU CHOKE.
	3.75	ROTATE 38K, 50/105 RPM, SLIDE 50K, 105 RPM F/ 6392' - 6518'.
	0.25	BOP DRILL. WELL SECURED 1:08. SPR THRU CHOKE.
	11.25	ROTATE 38K, 50/105 RPM, SLIDE 50K, 105 RPM F/ 6518' - 6874'. LAST SURVEY: @ 6737' - 25.2 INC, 287.1 AZM, 60' ABOVE, 1' EAST. 100% LIME.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$28,629	\$585,554	\$2,503,000	1030631	6874	555		

Activity Date 10/28/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	9.00	DRLG - ROTATE 45K, 40/105 RPM, SLIDE 50K, 105 RPM F/ 6874' - 7129'.
	0.25	BOP DRILL. WELL SECURED 1:07. SPR THRU CHOKE.
	0.50	SERVICE RIG.
	3.25	DRLG - ROTATE 45K, 40/105 RPM, SLIDE 50K, 105 RPM F/ 7129' - 7233'.
	0.25	BOP DRILL. WELL SECURED 1:10. SPR THRU CHOKE.
	1.50	DRLG - ROTATE 45, 40/105 RPM, SLIDE 50K, 105 RPM F/ 7233' - 7296'.
	1.25	REPAIR TO WT INDICATOR.
	2.50	DRLG - ROTATE 45, 40/105 RPM, SLIDE 50K, 105 RPM F/ 7296' - 7359'.
	0.50	REPAIR TO WT INDICATOR.
	5.00	DRLG - ROTATE 45, 40/105 RPM, SLIDE 50K, 105 RPM F/ 7359' - 7477'. LAST SURVEY: 7299', 25.3 INC, 285.3 AZM, 60' ABOVE, 8' EAST.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$26,093	\$611,647	\$2,503,000	1030631	7477	603		

Activity Date 10/29/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	10.50	ROTATE 45K, 40/105 RPM, SLIDE 50K, 105 RPM F/ 7477' - 7702'.
	0.50	SERVICE RIG.
	0.25	BOP DRILL. WELL SECURED :49. SPR THRU CHOKES.
	1.00	ROTATE 45K, 40/105 RPM, SLIDE 50K, 105 RPM F/ 7702' - 7734'.
	0.25	BOP DRILL. WELL SECURED 1:00. SPR THRU CHOKES.
	11.50	ROTATE 45K, 40/105 RPM, SLIDE 50K, 105 RPM F/ 7734' - 8013'. 100% LIME.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$19,070	\$630,717	\$2,503,000	1030631	8014	537		

Activity Date 10/30/2004

Type of Report: DRILLING

PROGRESS REPORT

Description CHG MOTOR.

Times	Hours	Remarks
	2.50	ROTATE 45K, 40/105 RPM, SLIDE 50K, 105 RPM F/ 8013' - 8073'.
	1.00	SI ON FLOW INCREASE. WELL SECURED :48. CSG PRESSURE 20 PSI. INSTALL ROTATING. CIRC W/ 5' FLARE.
	8.00	ROTATE 45K, 40/105 RPM, SLIDE 50K, 105 RPM F/ 8073' - 8290'.
	0.50	SERVICE RIG.
	8.00	ROTATE 45K, 40/105 RPM, SLIDE 50K, 105 RPM F/ 8290' - 8483'.
	0.25	PUMP SLUG. PREP FLOOR FOR TRIP.
	3.75	TOOH W/ BIT #6. LAST SURVEY: 8439', 23.5 INC, 281.1 AZM 30' ABOVE, 0' EAST, WEST. 70% LIME, 30% SAND.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$28,518	\$659,235	\$2,503,000	1030631	8483	470		

Activity Date 10/31/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG W/ 3' FLARE.

Times	Hours	Remarks
	2.00	CHG BIT, MOTOR, MWD. ORIENT, SURFACE TEST. FUNCTIONED RAMS.
	3.00	TIH W/ BIT #7.
	0.50	BROKE CIRC, WASH 89' TO BTM.
	1.50	ROTATE 45K, 40/99 RPM, SLIDE 50K, 99 RPM F/ 8483' - 8539' (18-20' FLARE B/U).
	0.50	SERVICE RIG.
	0.25	BOP DRILL. WELL SECURED :53. SPR THRU CHOKES.
	5.50	ROTATE 45K, 40/99 RPM, SLIDE 50K, 99 RPM F/ 8539' - 8723'.
	0.25	BOP DRILL. WELL SECURED 1:10. SPR THRU CHOKES.
	7.75	ROTATE 45K, 40/99 RPM, SLIDE 50K, 99 RPM F/ 8723' - 8856'. TIME CHG.
	1.00	WORKED TIGHT HOLE, MAX PULL 380K. REAM HOLE.
	2.75	ROTATE 45K, 40/99 RPM, SLIDE 50K, 99 RPM F/ 8856' - 8929'. LAST SURVEY: 8786', 25.8 INC, 282.3 AZM, 30' ABOVE, 0' EAST, WEST. 40% LIME, 60% SAND.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$30,863	\$690,098	\$2,503,000	1030631	8929	446		

Activity Date 11/1/2004

Type of Report: DRILLING

PROGRESS REPORT

Description TOOH FOR LOGS.

Times	Hours	Remarks
	3.50	ROTATE 45K, 40/99 RPM, SLIDE 50K, 99 RPM F/ 8929' - 9002'.
	0.50	SERVICE RIG.
	8.25	ROTATE 45K, 40/99 RPM, SLIDE 50K, 99 RPM F/ 9002' - 9220'.
	0.25	BOP DRILL. WELL SECURED 1:00. SPR THRU CHOKES.
	6.50	ROTATE 45K, 40/99 RPM, SLIDE 50K, 99 RPM F/ 9220' - 9350'.
	3.00	PUMP & CIRC SWEEPS.
	0.25	PUMP SLUG. PREP RIG FLOOR FOR TRIP. MONITOR WELL.
	1.75	TOOH FOR LOGS. LAST SURVEY: 9290', 22.6 INC, 280.1 AZM, 4' ABOVE, 8' EAST. 60% LIME, 40% SHALE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$18,588	\$708,686	\$2,503,000	1030631	9350	421		

Activity Date 11/2/2004

Type of Report: DRILLING

PROGRESS REPORT

Description LAYING DOWN DRILL STRING.

Times	Hours	Remarks
	1.00	FINISH TOOH.
	2.00	L/D DIRECTIONAL TOOLS.
	1.50	RU LOGGERS.
	5.00	LOGGED PFE, ON BTM 9352' @ 12:30 HR.
	1.00	RD LOGGERS.
	5.00	TIH.
	0.50	BROKE CIRC, WASHED 104' TO BTM.
	4.00	CIRC OFF GAS. CIRC SWEEP.
	0.25	PUMPED SLUG. PREP FLOOR TO LD DRILL STRING.
	3.25	LD DRILL STRING.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$19,470	\$728,156	\$2,503,000	1030631	9350			

Activity Date 11/3/2004

Type of Report: DRILLING

PROGRESS REPORT

Description NIPPLE UP "C" SECTION.

Times	Hours	Remarks
	5.00	SM. FIN LD DRLG STRING.
	2.25	RU CSG CREW. 40 MPH GUST WIND, SNOW.
	8.75	RAN 9352.69', 214 JTS 7" 23# P-110 CSG.
	1.00	RU CIRC CAPACITY CSG. CSG WT 175K.
	2.25	CMT W/ 1000 SXS LEAD, 280 SXS TAIL. CIRC 152 SXS. CSG WT 160K.
	0.25	TEST CSG TO 5000 PSI.
	3.00	PU BOP, SET SLIPS ON 7" 160K.
	1.50	CUT OFF 7". ND DSA & SPACER SPOOL. NOTIFIED NMOC: 20:30 HR - VAN BARTON.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$260,959	\$989,115	\$2,503,000	1030631	9350			

Activity Date 11/4/2004

Type of Report: DRILLING

PROGRESS REPORT

Description PU DRILL STRING.

Times	Hours	Remarks
	2.00	NU 11" 5K X 7-1/16" 10K "C" SECTION.
	0.25	TEST TO 3000 PSI.
	10.00	NU BOP. CHG PIPE RAMS.
	1.00	SAFETY MTG W/ PURE MGMT.
	2.00	CHG OUT KELLYS.
	4.25	TEST BOPE. 5000 PSI TO 250 PSI. PIPE RAMS (UPPER & LOWER), HCR, CHOKE MANIFOLD, REMOTE KILL LINE, MUD LINE, TIW, KELLY COCKS, DART VALVES, 1500 TO 250 ANNULAR. RAN ACCUMULATOR PERFORMANCE TEST.
	1.50	PU DIRECTIONAL TOOLS.
	2.00	RU P/U MACHINE.
	1.00	PU DRILL COLLARS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$52,726	\$1,041,841	\$2,503,000	1030631	9350			

Activity Date 11/5/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	9.50	FIN PU DRILL STRING.
	0.75	BROKE CIRC. DRILL CMT & FLAT EQUIPMENT F/ 9262' - 9350'.
	0.50	INSTALL ROTATING HEAD.
	13.25	ROTATE W/ 30K 40/115 RPM, SLIDE W/ 38K 115 RPM F/ 9350' - 9574'. LAST SURVEY: 9495', 20.2 INC, 282.9 AZM, 8996.3 TVD. 10% LIME, 90% SHALE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$34,537	\$1,076,378	\$2,503,000	1030631	9574	224		

Activity Date 11/6/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	5.75	ROTATE W/ 30K, 40/115 RPM, SLIDE W/ 38K, 115 RPM F/ 9574' - 9740'.
	0.50	SERVICE RIG.
	0.75	ROTATE W/ 30K, 40/115 RPM, SLIDE W/ 38K, 115 RPM F/ 9740' - 9745'.
	0.25	TOOH TO LD STABILIZER.
	0.50	REPAIR WT INDICATOR.
	3.25	TOOH TO LD STABILIZER.
	0.50	CHG BIT, LD STABILIZER.
	0.25	BOP DRILL. WELL SECURED :45 SEC.
	1.00	FISH STRIPPING RUBBER OUT OF "C" SECTION.
	2.00	CHG OUT MWD.
	4.75	TIH W/ BIT #9 TO 9343' FILLING EVERY 4 STDS.
	1.50	CUT DRLG LINE.
	0.50	FIN TIH.
	0.25	BROKE CIRC. WASH 38' TO BTM.
	2.15	ROTATE W/ 30K, 40/115 RPM, SLIDE W/ 38K, 115 RPM F/ 9745' - 9785'. LAST SURVEY @ 9677', 19.90 INC, 285 AZM, 9167.1 TVD.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$39,416	\$1,115,794	\$2,503,000	1030631	9785	211		

Activity Date 11/7/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	3.00	ROTATE W/ 30K, 40/115 RPM, SLIDE W/ 38K, 115 RPM F/ 9785' - 9829'.
	0.50	SERVICE RIG.
	2.00	ROTATE W/ 30K, 40/115 RPM, SLIDE W/ 38K, 115 RPM F/ 9829' - 9860'.
	0.25	BOP DRILL. WELL SECURE :50. SPR THRU CHOKES.
	6.25	ROTATE W/ 30K, 40/115 RPM, SLIDE W/ 38K, 115 RPM F/ 9860' - 9983'.
	0.25	BOP DRILL. WELL SECURED 1:05. SPR THRU CHOKES.
	11.75	ROTATE W/ 30K, 40/115 RPM, SLIDE W/ 38K, 115 RPM F/ 9983' - 10,150'. LAST SURVEY @ 10,050', 21.5 INC, 280.8 AZM, 9516.1 TVD. 20% LIME, 80% SHALE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$28,255	\$1,144,049	\$2,503,000	1030631	10155	370		

Activity Date 11/8/2004

Type of Report: DRILLING

PROGRESS REPORT

Description TOOH W/ FAILED MWD.

Times	Hours	Remarks
	9.00	ROTATE W/ 30K, 40/115 RPM, SLIDE W/ 38K, 115 RPM F/ 10,150' - 10,320'.
	0.25	BOP DRILL. WELL SECURED :52. SPR THRU CHOKES.
	0.25	ROTATE W/ 30K, 40/115 RPM, SLIDE W/ 38K, 115 RPM F/ 10,320' - 10,325'.
	0.50	SERVICE RIG.
	2.50	ROTATE W/ 30K, 40/115 RPM, SLIDE W/ 38K, 115 RPM F/ 10,325' - 10,384'.
	0.25	BOP DRILL. WELL SECURED 1:13. SPR THRU CHOKE.
	6.75	ROTATE W/ 30K, 40/115 RPM, SLIDE W/ 38K, 115 RPM F/ 10,384' - 10,538'.
	0.50	RECYCLED MWD.
	0.75	FILLED TRIP TANK. PUMPED SLUG. PREP FLOOR FOR TRIP.
	0.75	SM. REPAIRED TRIP TANK.
	2.50	TOOH W/ FAILED MWD. LAST SURVEY @ 10,449', 14.8 INC, 282.9 AZM, 9894.5 TVD. 60% LIME, 40% SHALE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$20,458	\$1,164,507	\$2,503,000	1030631	10538	388		

Activity Date 11/9/2004

Type of Report: DRILLING

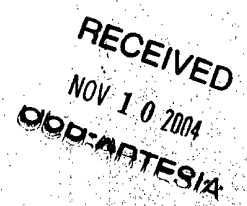
PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	2.00	FIN TOOH W/ FAILED MWD.
	2.25	CHG MWD. ORIENT & SURFACE TEST. FUNCTIONED BLINDS.
	4.00	TIH W/ NEW MWD. FILL & TEST EVERY 30 STDS.
	0.25	BROKE CIRC, WASH 34' TO BTM.
	5.75	ROTATE W/ 30K, 40/115 RPM, SLIDE W/ 38K, 115 RPM F/ 10,538' - 10,598'.
	0.25	BOP DRILL. WELL SECURED 1:00. SPR THRU CHOKES.
	9.50	ROTATE W/ 30K, 40/115 RPM, SLIDE W/ 38K, 115 RPM F/ 10,598' - 10,703'. LAST SURVEY: 10,632', 11.3 INC, 281.8 AZM, 10,072.9 TVD. 70% LIME, 30% SHALE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$33,164	\$1,197,671	\$2,503,000	1030631	10703	165		

TUBING BREAKDOWN AS OF
ROD BREAKDOWN AS OF
FAILURES AS OF



Date 11/3/2004 Page 1 of 1

Measured Depth 9,350' Bit Size 8.75"

	<u>9355.19</u>	Total Pipe Run in Hole
-	<u>27.19</u>	Less Cutoff Piece
=	<u>9328</u>	Total Pipe Left in Hole
+	<u>22</u>	RKB to Cutoff
=	<u>9350</u>	Total Setting Depth

Remarks: