

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
March 4, 2004

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

WELL API NO. 30-025-36703
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Cochise "15" State
8. Well Number 1
9. OGRID Number 150628
10. Pool name or Wildcat Rock Lake-Morrow (Gas) (83950)

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.)

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 D : 660' feet from the North line and 660' feet from the West line
Section 15 Township 22S Range 35E County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,573' GR

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 COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☒ ALTERING CASING ☐
COMMENCE DRILLING ORNS ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☒

OTHER: Set & Cmt 5-1/2" Liner. Attempt 2 Morrow completions; set 2 CIBPs w/ cmt caps on each. ☒

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. If a pit or below-grade tank is involved in the operation, complete the reverse side of this form.

This C-103 is PAGE 1 of summary to show work performed in completing drilling operations, setting & cementing 5-1/2" liner & attempting two separate completions in the Morrow zone, resulting in both being wet with no gas produced or sold, and each being plugged with a CIBP w/25' & 20' cmt. caps, respectively.

Completed drilling well to TD of 13,500' on 7/26/2004. Ran Neutron Density, Gamma Ray, Resistivity log suites. RIH w/45 jts 5-1/2" 13.5# P-110 liner set @ 13,500' w/200sx Super "H" cmt. w/.5% Halad 344, .4% CFR-3, .2% HA-7 1lb sx salt mixed @ 8.22 GPS (Yld: 1.66 ft3/sx, Wt: 13 PPG). Circ. 67 sx cmt thru TOL @ 11,538' (10' tie back sleeve @ 11,528'). On 8/13/04, RIH w/TCP guns & perforated f/12,938'-946' using 12,000g N2. Flowed back & unloaded N2, fluid & some gas from well. MIRU WL Unit & RIH w/pressure tools, shut well in for pressure test. On 8/22/04, MIRU slickline crew, POH w/pressure tools. Released TCP gun assembly, tagged top guns @ 13,280' RIH w/frac tbg & fraced lower Morrow perfs f/12,938'-12,946' w/11,844 Bbls 65Q CO2 carrying 245,000# 20/40 versaprop. RIH set blanking plug, blew tbg down, POH w/tbg LD frac string. On 9/1/04, PU & RIH w/prod. Tbg. & engaged pkr @ 12,820'. ND BOP, NU tree, test backside to 1000#-OK, pull blanking plug & started swabbing, shut well in to build press, kick well off & flow till dies, swab, shut-in to build press, kick well off & flow till dies. Repeated this routine thru 9/07/04 but perfs stayed wet, no production or sales.

(SEE ATTACHED CONTINUATION C-103 (or PAGE 2) OF THIS C-103 & WELL HISTORY SHEETS)

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Alan W. Bohling TITLE Regulatory Agent DATE 09/17/2004

Type or print name Alan W. Bohling E-mail address: abohling@pureresources.com Telephone No. (432) 498-8662

(This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE OCT 18 2004

Conditions of approval, if any:

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TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

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CASING TEST AND ☒
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OTHER: **CONT. OF:** Set & Cmt 5-1/2" Liner. Attempt 2
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CONTINUATION C-103 ---PAGE 2

On 9/8/04, MIRU WL unit & set CIBP @ 12,900' w/25' cmt on top - PA of perfs f/12,938'-946'.

On 9/09/04, perforated upper Morrow zone f/12,677'-690' (20 holes) & f/12,711'-731' (42 holes). Acidized perfs w/3000g 15% NEFE acid & 60 ball sealers to divert. Prep to test upper Morrow zone. On 9/11/04, SITP=420psi which bled down to 0psi in 20 minutes. Tagged fluid & swab tested w/slight blow after each swab. Well would not kick off. Recovered total of 58 Bbls of fluid, no gas. On 9/12/04, shut well in for pressure build up test. On 9/13/04, SITP = 600psi which blew down to 0psi in 20 minutes. Made another swab run and recovered 2 Bbls of fluid, no gas. Released packer & TOH w/pkr & tbq. RU WL & RIH w/ CIBP & set at 12,625' w/20' cmt on top. Close well in. **No production or sales occurred from either Morrow zones.** Prep to come up hole and complete in Atoka. See C-101 dated September 17, 2004 .

(SEE PREVIOUS ATTACHED C-103 (or PAGE 1) & ATTACHED WELL HISTORY SHEETS)

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Alan W. Bohling TITLE Regulatory Agent DATE 9/17/2004

Type or print name Alan W. Bohling E-mail address: abohling@pureresources.com Telephone No. (432) 498-8662

(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

Pure Resources, Inc.

Well History

COCHISE "15" STATE #1 - 100% WI From 1/1/1920 through 9/17/2004

Well Name COCHISE "15" STATE #1 - 100% WI

Lease Well 515517-0001

State: NM

County: LEA

Activity Date 6/8/2004

Type of Report: DRILLING

INITIAL REPORT

Description MIXING SPUD MUD.

Times	Hours	Remarks
	12.00	MIRU NABORS DRILLING RIG #715. BUILDING RESERVE PITS. RU ROTARY TOOLS.
	12.00	RU ROTARY TOOLS. MIXING SPUD MUD. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$167,726	\$167,726	\$2,310,600	1040368	0			

Activity Date 6/9/2004

Type of Report: DRILLING

PROGRESS REPORT

Description RU ROTARY TOOLS.

Times	Hours	Remarks
	6.00	FINISH BUILDING RESERVE PITS. RU ROTARY TOOLS.
	8.00	LINING RESERVE PITS W/ 20 MIL PLASTIC. RAN OUT OF 20 MIL PLASTIC. ORDERED PLASTIC.
	10.00	WAIT ON PLASTIC. RU ROTARY TOOLS. NO MAN HRS OR DAILY COST REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$0	\$167,726	\$2,310,600	1040368				

Activity Date 6/10/2004

Type of Report: DRILLING

PROGRESS REPORT

Description HAULING WATER.

Times	Hours	Remarks
	5.00	FINISH LINING RESERVE PITS.
	19.00	HAULING WATER TO RESERVE PITS. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$35,201	\$202,927	\$2,310,600	1040368				

Activity Date 6/11/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	4.00	HAUL FW TO RESERVE.
	1.50	SPUD SAFETY MTG. RIG INSPECTION.
	1.50	FIX INSPECTION PROBLEMS.
	17.00	SPUD 17-1/2" HOLE 1:00 P.M. 6/10/04. SURVEY @ 243' - 1/2 DEG. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$19,913	\$222,840	\$2,310,600	1040368	930	930	8.5	

Activity Date 6/12/2004

Type of Report: DRILLING

PROGRESS REPORT

Description WASHING TO BOTTOM W/ 13-3/8" CSG @ 1342'.

Times	Hours	Remarks
	4.00	DRLG F/ 930-1121' (AVG 47.8 FPH) W/ 75 RPM, 70K.
	0.25	SAFETY MTG. WLS @ 1073' - 1 DEG.
	5.25	DRLG F/ 1121-1430' (AVG 58.9 FPH) W/ 75 RPM, 70K.
	1.50	PUMP 2 SWEEPS. CIRC HOLE CLEAN.
	0.25	SAFETY MTG. DROP SURVEY. RIG FLOOR FOR TRIP.
	4.25	SAFETY MTG. TOH W/ BIT #1. LD BHA #1.
	1.75	SAFETY MTG. RU CSG CREEW. PU MACHINE.
	2.50	SAFETY MTG. RAN 13-3/8" 54.5# J-55 TO 1188'.
	3.25	SAFETY MTG. RU, WASH F/ 1188 - 1342'. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$190,775	\$413,615	\$2,310,600	1040368	1430	500	8.4	

Activity Date 6/13/2004
Description NU BOP.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	1.50	SAFETY MTG. WASH CSG F/ 1342-1430'. CIRC CAPACITY.
	2.00	SAFETY MTG. RU BJ. PUMP 825 SX LEAD, 300 SX TAIL. 0 SX TO SURFACE.
	4.50	SAFETY MTG. RD BJ. WAIT ON TEMPERATURE SURVEY. JET PITS. CUT CONDUCTOR, ORANGE PEATED TO 13-3/8". CUT OFF 13-3/8" CSG.
	1.00	SAFETY MTG. WELD ON 13-5/8" 3K "A" SECTION. TEST TO 800 PSI.
	0.75	SAFETY MTG. CMT F/ 25' TO 5' (COVERED BASE PLATE) W/ 70 SX.
	11.25	SAFETY MTG. NU 13-5/8" 3K X 13-5/8" 5K SPOOL, 13-5/8" 5K X 13-5/8" 10K DSA, 13-5/8" 10K X 13-5/8" 10K SPOOL, 13-5/8" 10K SINGLE (PIPE), 13-5/8" 10K DOUBLE (PIPE TOP, BLIND MIDDLE), 13-5/8" 5K ANNULAR, 13-5/8" 3K ROTATING HEAD, 8" 3K, FLOWLINE VALVE, 4-1/16" 10K CHOKE MANIFOLD W/ 2 HYD, 1 MANUAL. NOTE: NOTIFIED NMOC (VAN) 10:00 A.M., 3:00P.M. 6/12/04.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$61,135	\$474,750	\$2,310,600	1040368	1430		8.4	

Activity Date 6/14/2004
Description DRLG 48 FPH.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	2.75	SAFETY MTG. FINISH NU BOPE. REFAB FLOWLINE.
	1.50	SAFETY MTG. TEST F/ 250-1500 PSI: BLINDS, KILL LINE, CHOKE SYSTEM.
	1.50	SAFETY MTG. PREPARED RIG FLOOR. PU BHA #2.
	2.00	DRLG CMT OUT OF MOUSE HOLE. CMT CAME UNDER CELLAR BOTTOM.
	1.00	SAFETY MTG. TIH TO 1322'.
	0.75	SAFETY MTG. TEST TO 1500 PSI: CSG, PIPE RAMS, & ANNULAR.
	1.50	DRLG F.E. TAG CMT @ 1376'. PLUG @ 1379', SHOE @ 1429'.
	6.00	DRLG F/ 1430-1556' W/ 50K, 50 RPM (AVG 21 FPH). BHA OUT OF CSG.
	5.00	DRLG F/ 1556-1775' W/ 70K, 80 RPM (AVG 43 FPH).
	0.50	SAFETY MTG. WORK TIGHT HOLE.
	1.75	DRLG F/ 1775-1859' W/ 70K, 80 RPM (AVG 48 FPH). REAM EACH CONN.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$20,020	\$494,770	\$2,310,600	1040368	1859	429		

Activity Date 6/15/2004
Description DRLG 32 FPH.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	1.50	DRLG F/ 1859-1930' W/ 70K, 80 RPM (AVG 47.3 FPH).
	0.25	SAFETY MTG. WLS @ 1884' - 1/4 DEG.
	6.50	DRLG F/ 1930-2428' W/ 30-70K, 80 RPM, ACG 76.6 FPH.
	0.25	SAFETY MTG. WLS @ 2380' - 1 DEG.
	1.00	DRLG F/ 2428-2491' W/ 30-70K, 80 RPM, AVG 63 FPH.
	0.50	SAFETY MTG. SERVICE RIG. WALK THRU BOP DRILL. FUNCTION RAMS, ANNULUS.
	5.75	DRLG F/ 2491-2924' W/ 30-70K, 80 RPM, AVG 86.2 FPH.
	0.25	SAFETY MTG. WLS @ 2876' - 1/4 DEG. WALK THRU BOP.
	8.00	DRLG F/ 2924-3370' W/ 30-70K, 80 RPM (AVG 55.8 FPH).
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$13,242	\$508,012	\$2,310,600	1040368	3370	1511		

Activity Date 6/16/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	1.00	DRLG F/ 3370-3420' W/ 40-70K, 80 RPM, AVG 50 FPH.
	0.50	SAFETY MTG. WLS @ 3372' - 3/4 DEG, 1.3 BBLS TO BREAK CIRC.
	9.50	DRLG F/ 3420-3853' W/ 50-70K, 80 RPM, AVG 45.6 FPH.
	0.50	SAFETY MTG. SERVICE RIG, 2.5 BBLS TO BREAK CIRC.
	2.75	DRLG F/ 3853-3916' W/ 80K, 80 RPM, AVG 45.6 FPH.
	0.50	SAFETY MTG. WLS @ 3968' - 2-3/4 DEG, 6.6 BBLS TO BREAK CIRC.
	4.25	DRLG F/ 3916-3977' W/ 50K, 80 RPM, AVG 14.4 FPH.
	0.50	SAFETY MTG. WLS @ 3929' - 2-3/4 DEG, 6.5 BBLS TO BREAK CIRC.
	4.50	DRLG F/ 3977-4039' W/ 50K, 80 RPM, AVG 13.8 FPH.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$32,429	\$540,441	\$2,310,600	1040368	4039	669	10.0	

Activity Date 6/17/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	0.25	SAFETY MTG. WLS @ 3991' - 2-3/4 DEG, 6.6 BBLS TO CIRC.
	3.75	DRLG F/ 4039-4102' W/ 45K, 80 RPM, AVG 16.8 FPH.
	0.25	SAFETY MTG. WLS @ 4054' - 2 DEG, 6.8 BBLS TO CIRC.
	4.75	DRLG F/ 4102-4196' W/ 50K, 80 RPM, AVG 19.8 FPH.
	0.25	BOP DRILL. WELL SECURED 65 SC, SPR 40 SPM, 150 PSI (THRU CHOKE).
	0.25	SAFETY MTG. WLS @ 3148' - 1-3/4 DEG, 7.1 BBLS TO CIRC.
	1.00	DRLG F/ 4196-4215' W/ 60K, 80 RPM, AVG 19 FPH.
	0.50	SAFETY MTG. SERVICE RIG.
	3.50	DRLG F/ 4215-4353' W/ 60K, 80 RPM, AVG 39.4 FPH.
	0.50	SAFETY MTG. WLS @ 4305' - 2.25 DEG, 4.43 BBLS TO CIRC.
	4.00	DRLG F/ 4353-4447' W/ 50K, 80 RPM, AVG 23.5 FPH.
	0.50	SAFETY MTG. WLS @ 4399' - 2 DEG, 49.9 BBLS TO CIRC.
	4.50	DRLG F/ 4447-4520' W/ 50K, 80 RPM, AVG 16.2 FPH. LOST RETURNS @ 4336'. PUMPING 38 VI, 10 PPB LCM, 18 WL SWEEPS. REGAINED 75% RETURNS @ 4382'. 8.3 BBLS TO CIRC AFTER CONN.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$27,866	\$568,307	\$2,310,600	1040368	4520	481	10	

Activity Date 6/18/2004

Description WAITINIG ON WATER.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	2.00	DRLG F/ 4520-4571' W/ 50K, 80 RPM, AVG 25.5 FPH.
	0.50	SAFETY MTG. WLS @ 4623' - 1 DEG, 173 BBLSTO CIRC.
	4.50	DRLG F/ 4571-4725' W/ 60K, 80 RPM, AVG 34.2 FPH.
	0.50	SAFETY MTG. WLS @ 4677' - 1 DEG, 174 BBLS TO CIRC.
	1.50	DRLG F/ 4725-4788' W/ 65K, 80 RPM, AVG 42 FPH. LOST TOTAL RETURNS.
	0.50	SAFETY MTG. SERVICE RIG. PUMP 100 BBL LCM PILL.
	7.75	DRLG F/ 4788-4948' W/ 30K (TORQUE FRAC FORM), 80 RPM, AVG 20.6 FPH.
	0.75	SAFETY MTG. OULL 10 STANDS, BIT @ 3990'.
	0.50	SAFETY MTG. PUMP 180 BBL 50 VIX 18 PPG LCM 10WI PILL.
	4.50	WAIT ON WATER. EMPTY LOCAL BRINE STATIONS. TRUCKS OUT OF TIME.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$28,780	\$597,087	\$2,310,600	1040368	4571	51	10.0	

Activity Date 6/19/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	8.00	BUILD VOLUME - IN RESERVE.
	0.50	SAFETY MTG. TIH TO 4889'.
	0.25	SAFETY MTG. 21.6 BBLs TO CATCH PRESSURE. WASH TO 4948'.
	9.50	DRLG F/ 4948-5225' W/ 35K, 80 RPM, AVG 29.2 FPH.
	0.50	SAFETY MTG. RUN WLS @ 5179' - 2-1/4 DEG.
	5.25	DRLG F/ 5225-5395' W/ 35K, 80 RPM, AVG 32.3 FPH.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$33,048	\$630,135	\$2,310,600	1040368	5395	447	10

Activity Date 6/20/2004

Type of Report: DRILLING

PROGRESS REPORT

Description TOH.

Times	Hours	Remarks
	8.50	DRLG F/ 5395-5599' W/ 40K, 80 RPM, AVG 24 FPH.
	0.50	SAFETY MTG. SERVICE RIG. H2S DRILL.
	12.25	DRLG F/ 5599-5801' W/ 40K, 80 RPM, AVG 16.5 FPH.
	1.25	SAFETY MTG. PUMP SWEEP. DROP SURVEY.
	1.50	SAFETY MTG. TOH W/ BIT #2.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$18,118	\$648,253	\$2,310,600	1040368	5801	406	10

Activity Date 6/21/2004

Type of Report: DRILLING

PROGRESS REPORT

Description NU "A" SECTION.

Times	Hours	Remarks
	0.50	SAFETY MTG. TOH W/ DP.
	3.00	SAFETY MTG. RU LD MACHINE. LD BHA #2.
	1.50	SAFETY MTG. RU CSG CREW.
	6.00	RUN 2281.02' 9-5/8" 40# NS-80HC LT&C, 3503.38' 40#J-55 LT&C CSG.
	1.25	SAFETY MTG. RU, WASH 4' TO BOTTOM. CIRC CAP CSG, WT 220K.
	0.50	SAFETY MTG. TEST LINES TO 5000 PSI. PUMP 40 BBLs FRAC GEL.
	2.00	CMT FIRST STAGE W/ 440 SX LEAD, 250 SX TAIL.
	0.50	SAFETY MTG. SET PKR. DROP BOMB, OPEN DV TOOL.
	3.50	CIRC DV TOOL, CIRC 0 SX TO SURFACE.
	2.50	CMT SECOND STAGE W/ 1500 SX LEAD, 100 SX TAIL. CIRC 288 SX.
	0.25	SAFETY MTG. TEST CSG 3000 PSI.
	2.50	SAFETY MTG. PU BOP. SET SLIPS ON 9-5/8" 200K. CUT OF 9-5/8" CST.
		NOTIFIED NMOCD 9:20 A.M. 6/20/04. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$279,959	\$928,212	\$2,310,600	1040368	5801		

Activity Date 6/22/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	2.00	SAFETY MTG. NU 13-3/8" 3K X 11" 5K "B" SECTION. TEST TO 2000 PSI.
	2.00	SAFETY MTG. SET DOWN NIPPLED UP BOP. JET PITS.
	3.00	SAFETY MTG. RU TESTER. FISH UPSIDE DOWN TEST PLUG.
	4.00	SAFETY MTG. TEST F/ 250-5000: 2 PIPE, BLINDS, CHOKE MANIFOLD, HCR, REMOTE KILL LINE, MUD LINE, TIW/KELLY COCKS, DART. TEST ANNULAR TO 1500.
	1.00	SAFETY MTG. CHANGE OUT LOWER KELLY VALVE.
	4.00	SAFETY MTG. PU BIT #3, BHA #3. RD PU MACHINE.
	2.00	SAFETY MTG. TIH TO DV TOOL. TAG CMT @ 3925'.
	1.50	SAFETY MTG. DRLG BOMB, PLUG, DV TOOL W/ 45K, 50 RPM.
	1.25	SAFETY MTG. TIH TO FLOAT COLLAR. TAG CMT @ 5682'.
	0.50	SAFETY MTG. TEST CSG TO 2000 PSI.
	1.75	SAFETY MTG. DRLG PLUG, FLOAT, 44' CMT & SHOE W/ 45K, 50 RPM.
	1.00	DRLG F/ 5801-5833' W/ 45K, 50 RPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$36,930	\$965,142	\$2,310,600	1040368	5833	32	8.3	

Activity Date 6/23/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	7.25	DRLG F/ 5833-5970' W/ 45K, 50 RPM, AVG 18.9 FPH.
	2.50	DRLG F/ 5970-6060' W/ 70K, 80 RPM, AVG 36 FPH.
	0.50	BOP DRILL, MAKING CONNECTION (FAILED). WALKED THRU. INSTALLED CORR RING.
	5.25	DRLG F/ 6060-6313' W/ 65K, 77 RPM, AVG 48.2 FPH.
	0.25	BOP DRILL, WELL SECURED 1:05 SPR, 300 PSI @ 45 SPM.
	0.50	SAFETY MTG. WLS @ 6265' - 1 DEG.
	7.75	DRLG F/ 6313-6694' W/ 65K, 77 RPM, ACG 49.2 FPH.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$14,806	\$979,948	\$2,310,600	1040368	6694	861	8.4	

Activity Date 6/24/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	2.75	DRLG F/ 6694-6813' W/ 65K, 77 RPM, AVG 43.3 FPH.
	0.25	WLS @ 6765' - MISRUN.
	0.50	DRLG F/ 6813-6844' W/ 70K, 80 RPM, AVG 62 FPH.
	0.75	WLS @ 6796' - 3/4 DEG.
	14.50	DRLG F/ 6844-7343' W/ 70K, 80 RPM, AVG 34.4 FPH.
	0.50	WLS @ 7296' - 1/4 DEG.
	4.75	DRLG F/ 7343-7500' W/ 70K, 80 RPM, AVG 33.1 FPH.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$24,578	\$1,004,526	\$2,310,600	1040368	7500	806	8.4	

Activity Date 6/25/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	9.00	DRLG F/ 7500-7840' W/ 70K, 80 RPM, AVG 37.8 FPH.
	0.50	SAFETY MTG. WLS @ 7792' - 1-3/4 DEG.
	0.75	DRLG F/ 7840-7870' W/ 65K, 80 RPM, AVG 40 FPH.
	0.25	BOP DRILL. WELL SECURED 1:40, SPR 45 SPM @ 350 PSI THRU CHOKE.
	7.25	DRLG F/ 7870-8087' W/ 65K, 80 RPM, AVG 29.9 FPH.
	0.50	SAFETY MTG. WLS @ 8039' - 3/4 DEG.
	5.75	DRLG F/ 8087-8269' W/ 70K, 80 RPM, AVG 31.7 FPH.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$35,347	\$1,039,873	\$2,310,600	1040368	8269	769	8.4	

Activity Date 6/26/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	7.00	DRLG F/ 8269-8489 W/ 70K, 80 RPM, AVG 31.4 FPH.
	0.50	SAFETY MTG. SERVICE RIG.
	2.00	DRLG F/ 8489-8581' W/ 70K, 80 RPM, AVG 46 FPH.
	0.50	SAFETY MTG. WLS @ 8533' - 1-1/2 DEG) 10.7 BBLS TO CIRC.
	2.75	DRLG F/ 8581-8661' W/ 70K, 80 RPM, AVG 29.1 FPH.
	0.25	WORK BIT OUT OF FRACTURE (70K OVERPULL). REAM HOLE.
	1.50	DRLG F/ 8661-8704' W/ 70K, 80 RPM, AVG 28.7 FPH.
	0.50	SAFETY MTG. CHANGE OIL IN DRAWWORKS.
	2.00	DRLG F/ 8704-8767' W/ 70K, 80 RPM, AVG 31.5 FPH.
	0.25	BOP DRILL. WALK THRU 2 NEW POSITIONS. SPR 45 SPM @ 400 PSI (THRU CHOKE).
	6.75	DRLG F/ 8787-8937' W/ 70K, 80 RPM, AVG 25.2 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$12,026	\$1,051,899	\$2,310,600	1040368	8937	668	

Activity Date 6/27/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	3.25	DRLG F/ 8937-9005' W/ 70K, 80 RPM, AVG 21.5 FPH.
	0.25	SAFETY MTG. DROP SURVEY. RIG FLOOR FOR TRIP.
	3.00	SAFETY MTG. TOH W/ BIT #3.
	0.75	SAFETY MTG. CHANGE BITS, CHECK BHA, FUNCTION RAMS.
	2.00	SAFETY MTG. TIH W/ BIT #4 TO 5766'.
	1.25	SAFETY MTG. CUT DRLG LINE.
	0.50	SAFETY MTG. SERVICE RIG.
	1.50	SAFETY MTG. FINISH TIH.
	1.00	SAFETY MTG. BREAK CIRC, WASH F/ 896909000'. REAM TO 9005'.
	10.50	DRLG F/ 9005-9299' W/ 70K, 80 RPM, AVG 28 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$19,797	\$1,071,696	\$2,310,600	1040368	9299	362	

Activity Date 6/28/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	6.75	DRLG F/ 9299-9515' W/ 70K, 70 RPM, AVG 32 FPH.
	0.50	SAFETY MTG. WLS @ 9467' 2-1/2 DEG, 5 BBLS TO CIRC.
	2.50	DRLG F/ 9515-9577' W/ 60K, 70 RPM, AVG 24.8 FPH.
	0.50	BOP DRILL. WELL SECURED 1:15, SPR 325 PSI, 45 SPM (THRU CHOKES).
	1.25	DRLG F/ 9577-9610' W/ 60K, 70 RPM, AVG 26.4 FPH.
	0.75	SAFETY MTG. WLS @ 9562' - 2-1/2 DEG, 1.5 BBLS TO CIRC.
	5.50	DRLG F/ 9610-9735' W/ 60K, 70 RPM, AVG 22.7 FPH.
	0.25	BOP DRILL. WELL SECURED 1:20, SPR 325 PSI, 45 SPM (THRU CHOKES).
	0.75	SAFETY MTG. WLS @ 9678' - 2-1/4 DEG, 2.5 BBLS TO CIRC.
	5.50	DRLG F/ 9735-9840' W/ 60K, 70 RPM, AVG 19.1 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$12,026	\$1,083,722	\$2,310,600	1040368	9840	541	

Activity Date 6/29/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	2.25	DRLG F/ 9840-9890' W/ 60K, 70 RPM, AVG 22.2 FPH.
	0.25	SAFETY MTG. SERVICE RIG.
	0.50	SAFETY MTG. WLS @ 9842' 3 DEG, 4 BBLS TO CIRC.
	4.75	DRLG F/ 9890-9984' W/ 50K, 70 RPM, AVG 19.8 FPH.
	0.75	SAFETY MTG. WLS @ 9936' 2-1/4 DEG, 4.2 BBLS TO CIRC.
	1.25	DRLG F/ 9984-10,015' W/ 55K, 70 RPM, AVG 24.8 FPH.
	0.50	SAFETY MTG. CHECK PUMPS. PUMP SOFTLINE.
	1.75	SAFETY MTG. TOH. CRACK 20" FROM PIN - JT #155.
	0.25	SAFETY MTG. PU KELLY, CLEAR DRILL STRING.
	1.25	SAFETY MTG. TIH TO 9938'
	0.75	SAFETY MTG. CHANGE CORR RING. BREAK CIRC, WASH TO BOTTOM (NO FILL).
	3.50	DRLG F/ 10,015 - 10,078' W/ 55K, 70 RPM, AVG 18 FPH.
	0.75	SAFETY MTG. WLS @ 10,030' - 3 DEG, 5.8 BBLS TO CIRC.
	5.50	DRLG F/ 10,078 - 10,171' W/ 50K, 70 RPM, AVG 16.9 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$12,307	\$1,096,029	\$2,310,600	1040368	10171	331	

Activity Date 6/30/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	0.75	SAFETY MTG. WLS @ 10,123' - 3 DEG, 1.9 BBLS TO CIRC.
	6.00	DRLG F/ 10,171 - 10,295' W/ 50K, 70 RPM, AVG 20.7 FPH.
	0.75	SAFETY MTG. WLS @ 10,247' - 2-1/2 DEG, 2.1 BBLS TO CIRC.
	1.50	DRLG F/ 10,295 - 10,326' W/ 55K, 70 RPM, AVG 20.7 FPH.
	0.25	BOP DRILL. WELL SECURED 1:10, SPR 350 PSI @ 45 SPM.
	0.50	SAFETY MTG. INSTALL ROTATING HEAD RUBBER. 350-500 UNITS GAS W/ SKIM OIL ON PITS. LOWER BONE SPRING.
	4.25	DRLG F/ 10,326 - 10,418' W/ 55K, 70 RPM, AVG 21.6 FPH.
	0.75	SAFETY MTG. WLS @ 10,367' - 3 DEG, 5.8 BBLS TO CIRC.
	4.25	DRLG F/ 10,418 - 10,510' W/ 50K, 70 RPM, AVG 21.6 FPH.
	0.75	SAFETY MTG. WLS @ 10,462' - 3 DEG, 4.2 BBLS TO CIRC.
	4.25	DRLG F/ 10,510 - 10,594' W/ 50K, 70 RPM, AVG 19.8 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$13,794	\$1,109,823	\$2,310,600	1040368	10594	423	

Activity Date 7/1/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	0.25	DRLG F/ 10,594 - 10,601' W/ 50K, 70 RPM, AVG 24 FPH.
	0.50	SAFETY MTG. WLS @ 10,553' - 3 DEG, 3.7 BBLS TO CIRC.
	6.25	DRLG F/ 10,601 - 10,726' W/ 50K, 70 RPM, AVG 20 FPH.
	0.75	SAFETY MTG. WLS @ 10,678' - 2 DEG, 4.3 BBLS TO CIRC.
	7.50	DRLG F/ 10,726 - 10,849' W/ 55K, 70 RPM, AVG 16.4 FPH.
	0.75	SAFETY MTG. WLS @ 10,801' - 2-1/2 DEG, 2.5 BBLS TO CIRC.
	8.00	DRLG F/ 10,849 - 10,990' W/ 50K, 70 RPM, AVG 17.6 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$21,787	\$1,131,610	\$2,310,600	1040368	10990	396	

Activity Date 7/2/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	1.50	DRLG F/ 10,990 - 11,035' W/ 50K, 70 RPM, AVG 30 FPH.
	1.00	SAFETY MTG. WLS @ 10,987' - 2-1/4 DEG, 3.3 BBLS TO CIRC.
	6.50	DRLG F/ 11,035 - 11,192' W/ 60K, 70 RPM, AVG 24.2 FPH.
	1.00	SAFETY MTG. WLS @ 11,144' - 2-3/4 DEG, 3.3 BBLS TO CIRC.
	3.50	DRLG F/ 11,192 - 11,256' W/ 55K, 70 RPM, AVG 18.3 FPH.
	0.25	BOP DRILL. WELL SECURED 1:31, SPR 4300 PSI @ 40 SPM (THRU CHOKES).
	10.25	DRLG F/ 11,256 - 11,472' W/ 55K, 70 RPM, AVG 21.1 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$16,894	\$1,148,504	\$2,310,600	1040368	11472	482	

Activity Date 7/3/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	1.00	SAFETY MTG. WLS @ 11,424' - 2-1/2 DEG, 3.3 BBLS TO CIRC.
	6.00	DRLG F/ 11,472 - 11,557' W/ 50K, 70 RPM, AVG 14.2 FPH.
	1.00	SAFETY MTG. RIG FLOOR FOR TRIP. PUMP SLUG.
	4.00	SAFETY MTG. LD 2 JTS. TOH W/ BIT #4.
	1.50	SAFETY MTG. LD BHA & BIT #4, PU #5, FUNCTION BLINDS.
	3.50	SAFETY MTG. TIH W/ BHA & BIT #5 TO 11,467'.
	1.00	SAFETY MTG. BREAK CIRC, WASH TO BOTTOM (7' FILL).
	6.00	DRLG F/ 11,557 - 11,671' W/ 50K, 70 RPM, AVG 19 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$13,626	\$1,162,130	\$2,310,600	1040368	11671	199	

Activity Date 7/4/2004
Description TIH.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	3.00	CIRC BOTTOMS UP. PUMP SWEEP.
	0.50	SAFETY MTG. DROP SURVEY. PUMP SLUG.
	4.50	SAFETY MTG. TOH W/ BIT #5 FOR LOGS.
	1.50	SAFETY MTG. RU LOGGERS.
	7.00	SAFETY MTG. WENT IN HOLE W/ GR, NEUTRON DENSITY, CALIPER DUAL LATEROLOG, MICRO LATEROLOG, ACOUSTIC/SONIC. ON BOTTOM 5:30 P.M. @ 11,669'. LOGGED TO 5794'.
	4.00	SAFETY MTG. RE-LOGGED DUAL LATEROLOG F/ 8100-5794'.
	1.50	SAFETY MTG. RD LOGGERS.
	1.50	SAFETY MTG. TIH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$28,250	\$1,190,380	\$2,310,600	1040368	11671		

Activity Date 7/5/2004
Description RUN 7" INT CSG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	0.50	SAFETY MTG. TIH TO 5786'.
	1.50	SAFETY MTG. CUT DRLG LINE.
	2.00	SAFETY MTG. FINISH TIH TO 11,623'.
	0.25	SAFETY MTG. BREAK CIRC, WASH 48' TO BOTTOM, 4' FILL.
	2.50	SAFETY MTG. CIRC SWEEP.
	0.25	SAFETY MTG. PUMP SLUG, DROP SURVEY.
	9.50	SAFETY MTG. LD DRILL STRING.
	2.00	SAFETY MTG. RU CSG CREW, PU MACHINE.
	5.50	SAFETY MTG. RUN 7" 2ND INT CSG.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$257,174	\$1,447,554	\$2,310,600	1040368	11671		

Activity Date 7/6/2004

Type of Report: DRILLING

PROGRESS REPORT

Description PREMIX MUD.

Times	Hours	Remarks
	4.00	SAFETY MTG. TEST F/ 250 TO 5000: UPPER & LOWER PIPE RAMS, HCR, CHOKE MANIFOLD, REMOTE KILL LINE, MUD LINE, TIW, KELLY COCKS, DART VALVE F/ 250-1500. RUN ACCUMULATOR PERFORMANCE TEST. FUNCTION REMOTE.
	10.50	SAFETY MTG. RU PU MACHINE. PU DC & DP. RD.
	1.25	DRLG CMT PLUG, FLOAT, CMT TO 11654' W/ 25K, 43 RPM.
	2.00	SAFETY MTG. RUN WLS @ 11,606'. INSTALLING ROTATING HEAD.
	0.25	DRLG CMT TO 11,669', FLOAT SHOE.
	4.75	SAFETY MTG. RAN 11,675.24' (275 JTS) 7" 26# HCP110 CSG, 281K.
	1.50	SAFETY MTG. RU BJ. WASH 5' TO BOTTOM. CIRC CAP CSG.
	1.75	SAFETY MTG. CMT W/ 600 SX LEAD, 210 SX TAIL, CST 271K.
	0.25	SAFETY MTG. TEST CST TO 5000 PSI.
	1.75	SAFETY MTG. PU BOP, SET SLIPS, 271K. RAN TEMP SURVEY (5700).
	2.75	SAFETY MTG. CUT OFF 7", NU 11" 5K X 7-1/16" 10K, TEST 6200.
	7.50	SAFETY MTG. NU BOP, CHANGE RAMS, KELLYS. JET PITS.
	1.75	SAFETY MTG. TEST BOP. PREMIX MUD.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$62,703	\$1,510,257	\$2,310,600	1040368	11671		

Activity Date 7/7/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	4.00	SAFETY MTG. TEST F/ 250-5000: UPPER & LOWER PIPE RAMS, BLIND RAMS, HCR, CHOKE MANIFOLD, REMOTE KILL LINE, MUD LINE, TIW, KELLY COCKS. DART VALVE F/ 250-1500. RAN ACCUMULATOR PERFORMANCE TEST. FUNCTION REMOTE.
	10.50	SAFETY MTG. RU PU MACHINE. PU DC & DP. RD.
	1.25	DRLG CMT, PLUG, FLOAT, CMT TO 11,654' W/ 25K, 43 RPM.
	2.00	SAFETY MTG. WLS @ 11,606'. INSTALL ROTATING HEAD.
	0.25	DRLG CMT TO 11,669', FLOAT SHOE.
	6.00	DRLG F/ 11,671 - 11,729' W/ 30K, 70 RPM.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$33,965	\$1,544,222	\$2,310,600	1040368	11729	58	

Activity Date 7/8/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	5.50	DRLG F/ 11,729 - 11,780' W/ 30K, 70 RPM, AVG 9.3 FPH.
	0.50	SAFETY MTG. SERVICE RIG.
	4.75	DRLG F/ 11,780 - 11,823' W/ 30K, 70 RPM, AVT 9.1 FPH.
	0.25	BOP DRILL (FAILED). WALK THRU W/ CREW. SPR 950 PSI @ 40 SPM.
	13.00	DRLG F/ 11,823 - 11,887' W/ 30K, 70 RPM, AVG 4.9 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$19,510	\$1,563,732	\$2,310,600	1040368	11887	158	

Activity Date 7/9/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	0.50	DRLG F/ 11,887 - 11,888' W/ 30K, 70 RPM, AVG 2 FPH.
	1.00	SAFETY MTG. CIRC SAMPLES. BUILD & PUMP SLUG.
	0.50	SAFETY MTG. DROP SURVEY. PREP RIG FLOOR FOR TRIP.
	3.50	SAFETY MTG. TOH W/ BIT #6.
	0.50	SAFETY MTG. CHANGE BIT, FUNCTION RAMS, BOP DRILL (WALK THRU).
	3.00	SAFETY MTG. TIH W/ BIT #7.
	0.50	SAFETY MTG. FISHED STRIPPING RUBBER OUT OF BOP. INSTSALL ROTATING HEAD.
	0.50	SAFETY MTG. FINISH TIH.
	0.75	SAFETY MTG. ATTEMPT TO BREAK CIRC. BIT PLUGGED (RUST).
	4.50	SAFETY MTG. TOH W/ PLUGGED BIT.
	0.75	SAFETY MTG. UNPLUG COLLARS, FUNCTION BOP. BOP DRILL (WALK THRU).
	4.50	SAFETY MTG. TIH W/ BIT #7. BREAK CIRC EVERY 40 STANDS.
	1.50	SAFETY MTG. CUT 195' DRLG LINE.
	0.50	SAFETY MTG. FINISH TIH (1/4 HR). WASH F/ 11,877 - 11,888' (1/4 HR).1.50
	1.50	DRLG F/ 11,888 - 11,906' W/ 30K, 70 RPM, AVG 12 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$22,997	\$1,586,729	\$2,310,600	1040368	11906	19	

Activity Date 7/10/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	3.75	DRLG F/ 11,906 - 11,939' W/ 30K, 70 RPM, AVG 8.8 FPH.
	0.50	SAFETY MTG. SERVICE RIG.
	5.00	DRLG F/ 11,939 - 12,002' W/ 30K, 70 RPM, AVG 12.6 FPH.
	0.25	BOP DRILL. WELL SECURED 1:42.
	4.25	DRLG F/ 13,002 - 12,023' W/ 30K, 70 RPM, AVG 4.9 FPH.
	0.50	CHECK PUMPS. PUMP SOFT LINE (NO HIT).
	8.75	DRLG F/ 12,023 - 12,076' W/ 30K, 70 RPM, AVG 6 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$19,163	\$1,605,892	\$2,310,600	1040368	12076	170	

Activity Date 7/11/2004

Type of Report: DRILLING

PROGRESS REPORT

Description WAIT ON DAYLIGHT.

Times	Hours	Remarks
	0.25	DRLG F/ 12,076 - 12,080' W/ 30K, 70 RPM, AVG 16 FPH.
	0.25	PU, CHECK FOR FLOW. WELL STABLE.
	1.00	DRLG F/ 12,080 - 12,-97' W/ 30K, 70 RPM, AVG 17 FPH.
	0.50	SAFETY MTG. SERVICE RIG.
	1.75	DRLG F/ 12,097 - 12,115' W/ 30K, 70 RPM, AVG 10.3 FPH.
	4.75	CIRC FOR DST #1. PUMP HI VIS SWEEP.
	0.25	SAFETY MTG. DROP SURVEY. PREPARE FLOOR FOR TRIP.
	5.25	SAFETY MTG. TOH FOR DST #1.
	1,25	SAFETY MTG. PU TEST TOOLS. FUNCTION BLINDS.
	1.50	SAFETY MTG. TIH TO 2578'.
	1.75	SAFETY MTG. FILL PIPE W/ FRESH WATER, 2500' WATER BLANKET.
	2.75	SAFETY MTG. FINISH TIH TO 11,641'.
	2.75	WAIT ON DAYLIGHT.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$21,568	\$1,627,460	\$2,310,600	1040368	12115	39	

Activity Date 7/12/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	1.00	SAFETY MTG. FINISH TIH. RU SURFACE EQPT.
	0.25	FIRST FLOW.
	1.25	FIRST SHUT IN.
	1.00	FINAL FLOW.
	2.50	FINAL SHUT IN. FLOWED DOWN DP.
	0.50	SAFETY MTG. PULL 5 STANDS.
	1.50	SAFETY MTG. RAN 2500' WATER BASKET.
	1.00	SAFETY MTG. DROP BAR, REVERSE OUT.
	2.00	SAFETY MTG. CIRC OUT. PUMP SLUG.
	4.50	TOH W/ DST #1.
	1.50	SAFETY MTG. BREAK DOWN, LOAD OUT TEST TOOLS.
	4.25	SAFETY MTG. TIH W/ BIT #8.
	0.50	SAFETY MTG. BREAK CIRC, WASH F/ 12,049 - 12,115' (NO FILL).
	1.50	SAFETY MTG. CIRC BOTTOMS UP.
	1.00	DRLG F/ 12,115 - 12,119' W/ 70 RPM, 30 K, AVG 4 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$34,534	\$1,661,994	\$2,310,600	1040368	12119	4	

Activity Date 7/13/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	16.75	DRLG F/ 12,119 - 12,23' W/ 70 RPM, 30K, AVG 6.2 FPH.
	0.25	BOP DRILL. WELL SECURED 1:47. FUNCTION UPPER, LOWER PIPE RAMS, ANNULAR.
	4.75	DRLG F/ 12,223 - 12,254' W/ 70 RPM, 30K, AVG 6.5 FPH.
	0.50	SAFETY MTG. SERVICE RIG.
	1.75	DRLG F/ 12,254 - 12,266' W/ 70 RPM, 30K, AVG 6.9 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$13,192	\$1,675,186	\$2,310,600	1040368	12266	147	

Activity Date 7/14/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	3.00	DRLG F/ 12,266 - 12,286' W/ 70 RPM, 30K, AVG 6.7 FPH.
	0.50	SAFETY MTG. SERVICE RIG.
	4.75	DRLG F/ 12,286 - 12,318' W/ 70 RPM, 30K, AVG 6.7 FPH.
	0.25	BOP DRILL. WELL SECURED 1:17 A.M. FUNCTION ANNULAR & REMOTE STATION.
	5.75	DRLG F/ 12,318 - 12,350' W/ 70 RPM, 30K, AVG 5.6 FPH.
	0.25	BOP DRILL. WELL SECURED 2:00 A.M.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$21,296	\$1,696,482	\$2,310,600	1040368	12395	129	

Activity Date 7/15/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	7.00	DRLG F/ 12,395 - 12,439' W/ 70 RPM, 30K, AVG 6.3 FPH.
	0.25	SAFETY MTG - NABORS SAFETY SHUT DOWN.
	1.50	DRLG F/ 12,439 - 12,444' W/ 70 RPM, 30K, AVG 3.3 FPH.
	0.25	BOP DRILL. SECURE WELL 1:09, SPR 40 SPM = 1000 PSI.
	1.75	DRLG F/ 12,444 - 12,449' W/ 70 RPM, 30K, AVG 2.9 FPH.
	0.50	SAFETY MTG. PUMPED SLUG. CHECK FOR FLOW EVERY 30 STANDS.
	0.50	SAFETY MTG. CHANGE BITS, FUNCTION BLINDS.
	3.50	SAFETY MTG. TIH W/ BIT #9.
	0.25	SAFETY MTG. BROKE CIRC, WASHED F/ 12,414 - 12,449' (NO FILL).
	4.25	DRLG F/ 12,449 - 12,458' W/ 70 RPM, 30K, AVG 2.1 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$22,700	\$1,719,182	\$2,310,600	1040368	12458	63	

Activity Date 7/16/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	8.00	DRLG F/ 12,458 - 12,476' W/ 70 RPM, 30K, AVG 2.3 FPH.
	0.25	BOP DRILL. WELL SECURED 1:13. FUNCTION UPPER & LOWER RAMS, ANNULAR.
	1.75	DRLG F/ 12,476 - 12,484' W/ 70 RPM, 30K, AVG 4.6 FPH.
	0.50	SAFETY MTG. SERVICE RIG.
	13.50	DRLG F/ 12,484 - 12,552' W/ 70 RPM, 30K, AVG 5.1 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$18,974	\$1,738,156	\$2,310,600	1040368	12553	95		

Activity Date 7/17/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	6.00	DRLG F/ 12,553 - 12,571' W/ 70 RPM, 30K, AVG 3 FPH.
	0.50	SAFETY MTG. SERVICE RIG.
	7.25	DRLG F/ 12,571 - 12,609' W/ 70 RPM, 30K, AVG 5.2 FPH.
	0.25	BOP DRILL, WELL SECURED 1:15, SPR = 1000 PSI @ 40 SPM (THRU CHOKES).
	10.00	DRLG F/ 12,608 - 12,644' W/ 70 RPM, 30K, AVG 3.6 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$14,787	\$1,752,943	\$2,310,600	1040368	12664	111		

Activity Date 7/18/2004
Description DRLG 4 FPH.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	6.00	DRLG F/ 12,644 - 12,665' W/ 70 RPM, 30K, AVG 3.5 FPH.
	0.25	BOP DRILL. WELL SECURED 1:03, SPR 900 PSI @ 40 SPM (THRU CHOKES).
	0.50	SAFETY MTG. SERVICE RIG.
	8.50	DRLG F/ 12,665 - 12,691' W/ 70 RPM, 60K.
	1.75	SHUT IN ON 10 BBL GAIN, 10% FLOW INCREASE, 0 PRESSURE. CIRC OUT ON CHOKE. MAX GAS 110 UNITS. OPEN WELL - NO FLOW. BREAK CIRC 220 UNITS GAS.
	7.00	DRLG F/ 12,691 - 12,722' W/ 70 RPM, 30K, AVG 4.4 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$16,381	\$1,769,324	\$2,310,600	1040368	12722	78		

Activity Date 7/19/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	8.00	DRLG F/ 12,722 - 12,761' W/ 70 RPM, 30K, AVG 4.9 FPH.
	0.25	BOP DRILL. WELL SECURED 1:12, SPR 1100 PSI @ 40 SPM (THRU CHOKES).
	0.50	SAFETY MTG. SERVICE RIG.
	0.25	DRLG F/ 12,761 - 12,763' W/ 70 RPM, 30K, AVG 8 FPH.
	0.50	SAFETY MTG. CHANGE BITS, FUNCTION BLINDS.
	4.50	SAFETY MTG. TIH W/ BIT #10 TO 11,574' (NEW DERRICK MAN).
	1.25	SAFETY MTG. CUT DRLG LINE.
	0.50	SAFETY MTG. FINISH TIH.
	0.25	SAFETY MTG. BREAK CIRC. WASH F/ 12,713 - 12,763' (NO FILL).
	2.50	DRLG F/ 12,763 - 12,769' W/ 70 RPM, 30K (AVG 2 FPH).

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$21,855	\$1,791,179	\$2,310,600	1040368	12763	41		

Activity Date 7/20/2004
Description DRLG 1.25 FPH.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	9.00	DRLG F/ 12,769 - 12,793' W/ 70 RPM, 30K, AVG 2.7 FPH.
	0.25	BOP DRILL. WELL SECURED 1:33, SPR 1050 PSI @ 40 SPM (THRU CHOKE).
	0.75	SAFETY MRG. RAN WLS @ 12,745' - 1 DEG. CALCULATE BOTTOMS UP 4127 STKS, ACTUAL 3440'. GAS 700 UNITS.
	14.00	DRLG F/ 12,793 - 12,813' W/ 70 RPM, 30K, AVG 1.4 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$22,304	\$1,813,483	\$2,310,600	1040368	12813	44		

Activity Date 7/21/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	10.75	DRLG F/ 12,813 - 12,825' W/ 70 RPM, 10K, AVG 1.2 FPH.
	0.25	SAFETY MTG. PUMP SLUG. PREPARE FLOOR FOR TRIP.
	5.00	SAFETY MTG. TOH W/ BIT #10. CHECK FLOW EVERY 30 STANDS.
	0.50	SAFETY MTG. CHANGE BITS. FUNCTION BLINDS, HCR, LOWER PIPE.
	4.50	SAFETY MTG. TIH W/ BIT #11 (HIGH WINDS, HEAVY RAIN).
	0.50	SAFETY MTG. BREAK CIRC, WASH 48' TO BOTTOM (NO FILL).
	2.50	DRLG F/ 12,825 - 12,852' W/ 70 RPM, 30K, AVG 10.8 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$23,756	\$1,837,239	\$2,310,600	1040368	12852	39		

Activity Date 7/22/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	8.00	DRLG F/ 12,852 - 12,921' W/ 70 RPM, 30K, AVG 8.6 FPH.
	0.25	BOP DRILL, WELL SECURED 1:03, SPR 1000 PSI @ 40 SPM (THRU CHOKE).
	15.50	DRLG F/ 12,921 - 13,048' W/ 70 RPM, 30K, AVG 8.2 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$13,960	\$1,851,199	\$2,310,600	1040368	13048	196		

Activity Date 7/23/2004
Description DRLG 8 FPH.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	4.00	DRLG F/ 13,048 - 13,080'.
	0.50	SAFETY MTG.
	19.50	DRLG F/ 13,080 - 13,220'.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$14,670	\$1,865,869	\$2,310,600	1040368	13220	172		

Activity Date 7/24/2004
Description DRLG.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	12.00	DRLG F/ 13,220 - 13,302' W/ 70 RPM, 30K, AVG 6.8 FPH.
	0.25	BOP DRILL, WELL SECURED 2:05, SPR = 1100 PSI @ 40 SPM (THRU CHOKE).
	11.75	DRLG F/ 13,302 - 13,382' W/ 70 RPM, 30K, AVG 6.8 FPH.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$15,801	\$1,881,670	\$2,310,600	1040368	13382	162		

Activity Date 7/25/2004
Description CIRC - WAITING ON BAKER ATLAS.

Type of Report: DRILLING

PROGRESS REPORT

Times	Hours	Remarks
	2.50	DRLG F/ 13,382 - 13,397' W/ 70 RPM, 30K, AVG 6 FPH.
	0.50	SAFETY MTG. SERVICE RIG.
	5.00	DRLG F/ 13,397 - 13,429' W/ 70 RPM, 30K, AVG 6.4 FPH.
	0.25	BOP DRILL, WELL SECURED 1:34, 1100 PSI @ 40 SPM (THRU CHOKE).
	11.50	DRLG F/ 13,439 - 13,500' W/ 70 RPM, 30K, AVG 6.2 FPH.
	3.00	CIRC SAMPLES.
	1.25	CIRC - WAITING ON BAKER ATLAS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.	
\$23,089	\$1,904,759	\$2,310,600	1040368	13429	47		

Activity Date 7/26/2004

Type of Report: DRILLING

PROGRESS REPORT

Description TESTING LOGGING TOOLS.

Times	Hours	Remarks
	12.50	CIRC - WAITING ON BAKER ATLAS.
	0.50	SAFETY MTG - PUMP SLUG, DROP SURVEY, PREPARE FLOOR FOR TRIP.
	4.50	SAFETY MTG. TOH W/ BIT #11 FOR LOGS.
	2.50	WAITING ON BAKER ATLA.
	2.00	SAFETY MTG. RU LOGGERS.
	2.25	1ST RUN - DLL, MICRO ACOUSTIC/ DENSITY, NEUTRON, GR. SPECTRA TOOLS WOULD NOT TEST. LD ACOUSTIC TOOLS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$14,785	\$1,919,544	\$2,310,600	1040368	13500		

Activity Date 7/27/2004

Type of Report: DRILLING

PROGRESS REPORT

Description RD LOGGERS.

Times	Hours	Remarks
	5.00	1ST RUN: NEUTRON/DENSITY POROSITY TOOL, GAMMA RAY, CALIPER RESISTIVITY F/ TD 13,502 - 11,579'. TD @ 6.4 HRS.
	10.75	2ND RUN: STAR RESISTIVITY IMAGING TOOL, LONG SPACE SONIC TOOL, STAR TOOL F/ 13,000 TO 13,655'.
	7.25	3RD RUN: RFT NO QUALITY DATA. HOLE CALIPERED 6" OVER PTS OF INTEREST.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$12,176	\$1,931,720	\$2,310,600	1040368	13500		

Activity Date 7/28/2004

Type of Report: DRILLING

PROGRESS REPORT

Description TIH W/ LINER & FILL EVERY 20 STANDS.

Times	Hours	Remarks
	0.50	SAFETY MTG. LOAD OUT LOGGERS.
	3.50	SAFETY MTG. TIH TO 11,575'.
	1.75	SAFETY MTG. FIISH TIH.
	0.60	
		SAFETY MTG. WASH 53' TO BOTTOM (12' FILL). GAS TO FURFACE 2130 STKS.
	3.50	SAFETY MTG - CIRC C9OND HOLE. PUMP 50 BBLs SLUG. DTOP 2" RABBIT.
	5.25	SAFETY MTG. TOH. CHECK FLOW EVERY 30 STANDS.
	1.00	SAFETY MTG. RU CSG CREW, PU MACHINE.
	1.75	SAFETY MTG. RAN 1939.63', 45 JTS 5-1/2" 13.5# P-110 LT&C.
	0.75	SAFETY MTG. PU HANGER. CIRC LINER,. RD CSG CREW.
	5.00	SAFETY MTG. TIH W/ LINER. FILL EVERY 20 STANDS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$47,170	\$1,978,890	\$2,310,600	1040368	13500		

Activity Date 7/29/2004

Type of Report: DRILLING

PROGRESS REPORT

Description DISPLACING HOLE W/ 7% KCL.

Times	Hours	Remarks
	3.50	SAFETY MTG. FINISH TIH W/ LINER. FILL EVERY 20 STANDS.
	2.50	SAFETY MTG. RU CMT HEAD & CEMENTERS. CIRC HOLE.
	1.25	SAFETY MTG. HANG LINER. MIX WEIGHTED SPACER. CIRC HOLE.
	1.25	SAFETY MTG. CMT W/ 200 SX.
	0.75	SAFETY MTG. REVERSE OUT 67 SX.
	0.25	SAFETY MTG. TEST TO 1500 PSI.
	1.25	SAFETY MTG. RD CMT HEAD & CEMENTERS.
	3.50	SAFETY MTG. TOH W/ STINGER.
	0.75	SAFETY MTG. RD POWER TONGS, PU MACHINE.
	2.00	SAFETY MTG. PU 3-5/8" MILL, 2386.07' 2-3/8" 4.7#.
	0.50	SAFETY MTG. RD POWER TONGS, PU MACHINE.
	5.00	SAFETY MTG. TIH TO 13,304'.
	1.25	SAFETY MTG. RU DISPLACED HOLE W/ 7% KCL.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$54,889	\$2,033,779	\$2,310,600	1040368	13500		

Activity Date 7/30/2004

Type of Report: DRILLING

FINAL REPORT

Description RIG RELEASED.

Times	Hours	Remarks
	2.00	DISPLACE HOLE W/ 2% KCL. PREPARE FLOOR TO LD.
	8.00	LD 3-1/2" DP, 2-3/8" TBG.
	0.50	RD POWER TONGS. PREPARE FLOOR FOR TRIP.
	3.50	TIH W/ EXCESS DP & DC'S.
	1.00	BREAK KELLY. PREPARE FLOOR TO LAY DOWN.
	2.50	SAFETY MTG. LD DRILL STRING.
	0.50	RD LAY DOWN MACHINE.
	6.00	ND BOP (CHANGE RAMS). NU DRY HOLE FLANGE.
		RIG RELEASED @ 6:00 A.M. 7/30/04.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
\$61,301	\$2,095,080	\$2,310,600	1040368	13500		

Activity Date 8/9/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description SDON.

Times	Hours	Remarks
		DROVE CREW TO LOC. SET ANCHORS, MIRU UNIT. NU BOP, LOAD 4 1/2 CASING, TEST TO 2000 PSI FOR 15 MIN. RUN CCL/CBL/GR FROM PBTD AT 13.300 FT TO TOP OF LINER AT 11,538 W/2000 PSI ON CASING. UNLOAD 2 3/8 PROD TBG ON RACKS. CLOSE IN WELL, SHUT DOWN, PREP TO RUN TCP ASSEMBLY.
		TOTAL MAN HRS 98.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$53,538	\$2,148,618	\$2,310,600	1040368

Activity Date 8/11/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description CLOSE IN WELL. SHUT FOWN.

Times	Hours	Remarks
		ROAD TO LOC. 5 MIN. SAFETY MEETING. PICKUP & TEST REMAINING TBG IN HOLE. TOTAL 392 JTS 2 3/8" L-80 TBG+ 3 SUBS ABOVE PKR, 3 JTS BELOW PKR - 395 JTD TOTAL. ND BOP, NU TREE. CLOSE IN WELL, SHUT DOWN. PREP TO MIRU N2, TBG SAVER & FIRE TCP GUNS.
		TOTAL MAN HRS 134.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$41,240	\$2,189,858	\$2,310,600	1040368

Activity Date 8/13/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description SDON.

Times	Hours	Remarks
		ROAD TO LOCATION, 5 MIN SAFETY MTG, MIRU EQUIPMENT TO FIRE TCP GUNS. GUNS FIRED AT 10,612 PSI W/12,000 N2 PUMPED. PUMPED 2 MIN TO CLEAR GUNS. TOTAL N2 PUMP 137,200 SCF. RDMO, TREE SAVER/PUMP TRUCK/N2 EQUIPMENT. OPEN UP AT 10:30 W/6000 PSI N2 ON 8/64 CHOKE, 11:30/2100 N2, 12:30/1880 N2, 1:30/700 N2, 2:30/500 UNLOAD @ 2 BBLs FLUID BURNABLE GAS, 3:30/1600, 4:30/1400, 5:30/1240 PSI DRY GAS.
		TOTAL MAN HRS 126.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$6,100	\$2,195,958	\$2,310,600	1040368

Activity Date 8/14/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description SDON.

Times	Hours	Remarks
		ROAD TO LOC. 5 MIN SAFETY MTG
		6:30/1200 8/64 DRY GAS, 7:30/900 UNLOAD 1 BBL, 8:30/TAG FLUID 2500', 2 RUNS TO PKR AT 10,900' = 3 BBLs. NO PRESSURE ON BACKSIDE; 10:30 TAG FLUID @ 2500', SCATTERED TO PKR = 5 BBLs; 11:00/200 24/64 CHOKED DRY GAS; 12:00/38 PSI; 1:00/40 PSI DRY; 1:30 TAG FLUID 2500' TO PKR, RECOVER 2 BBLs; 2:00/35 DRY; 3:00/50 DRY; 4:00/100 UNLOAD 1/4 BBL; 5:00/220 UNLOAD 1/2 BBL; 6:00/220 1/4 BBL; 8:00/20 DRY; 9:00/10 PSI DRY. CLOSE IN WELL FOR 4 HOURS TO BUILD PRESSURE. 1:00/1500 OPEN OM 24/64 CHOKE DRY GAS; 2:00/200 PSI DRY; 3:00/50 PSI DRY; 4:00/60 PSI TRACE FLUID; 5:00/50 PSI TRACE FLUID.
		TOTAL MAN HRS 74.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$5,050	\$2,201,008	\$2,310,600	1040368

Activity Date 8/15/2004
Description SDON.

Type of Report: COMPLETION

PROGRESS REPORT

Times

Hours

Remarks

ROAD TO LOC, 5 MIN SAFETY MTG. 6:00/0 PSI, TAG FLUID @ 9000', SCATTERED TO PKR @ 12,819'. RECOVERED 2 BBLS W/TRACE CONDENSATE; 8:00/50 PSI DRY GAS; 9:00/20 PSI DRY GAS; 10:00/40 PSI, SLIGHT MIST. SET PRESSURE SURVEY BOMB IN F NIPP;E @ 12,819'. SHUT IN PRESSURE 50 PSI ON 25/64 CHOKE. SHUT IN WELL.
TOTAL MAN HRS 50.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$3,660	\$2,204,668	\$2,310,600	1040368

Activity Date 8/18/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description SHUT IN FOR PRESSURE TEST.

Times

Hours

Remarks

ROAD TO LOC, 5 MIN SAFETY MTG. RDMO UNIT, RELEASE RENTAL EQUIPMENT. SHUT DOWN. WELL SHUT IN FOR PRESSURE TEST.
TOTAL MAN HRS 32.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$2,500	\$2,207,168	\$2,310,600	1040368

Activity Date 8/22/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description RDMO SLICKLINE CREW.

Times

Hours

Remarks

ROAD TO LOC. 5 MIN SAFETY MTG. MIRU SLICKLINE CREW. SITP = 3000'. TAGGED FLUID @ 11,500'. PULL PRESSURE SURVEY TOOLS. RELEASE TCP GUN ASSEMBLY. GUN ASSEMBLY 59'. TAG @ 12,280'. CLOSE IN WELL. RDMO SLICKLINE CREW. TBG PRESS @ 3000 PSI.
TOTAL MAN HRS 38.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$4,791	\$2,211,959	\$2,310,600	1040368

Activity Date 8/24/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description

Times

Hours

Remarks

ROAD TO LOC. 5 MIN SAFETY MTG. SITP = 3000 PSI. SET BLANK LOG PLUG IN 1.875' NIPPLE @ 12,820'. BLOW DOWN TBG. LOAD TBG W/27 BBLS 7% KCL FLUID LEVEL @ 7000'. N/D TREE, NU BOP, RORATE AND TOH W/ 2 3/8 TBG + ON/OFF TOOL. CLOSED IN WELL, SHUT DOWN, PREP TO TIH WITH ON/OFF TOOL, PICKING UP FRAD STRING.
TOTAL MAN HRS 103.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$9,043	\$2,221,002	\$2,310,600	1040368

Activity Date 8/25/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description

Times

Hours

Remarks

ROAD TO LOC. 5 MIN SAFETY MTG. UNLOAD FRAC STRING. TIH W/ON-OFF TOOL PICKING UP THE STRING TO 9000'. CLOSE IN WELL, SHUT DOWN. PREP TO RESIME TIH, SWAB DOWN TBG + PULL BLANKING PLUG.
TOTAL MAN HRS 120.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$8,000	\$2,229,002	\$2,310,600	1040368

Activity Date 8/26/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description

Times

Hours

Remarks

ROAD TO LOC. 5 MIN SAFETY MTG. TIH W/FRAC STRING, LATCH ON PKR, ND BOP. NU TRAC TEST CASING TO 2000 PSI. SWAB TBG DOWN TO 5000'. PULL BLANKING PLUG. TBG DID NOT BUILD PRESSURE. CLOSE IN WELL, SHUT DOWN. PREP TO FRAC.
TOTAL MAN HRS 104.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$7,917	\$2,236,919	\$2,310,600	1040368

Activity Date 8/30/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description

Times

Hours

Remarks

ROAD TO LOC. 5 MIN SAFETY MTG. 12:00 MIDNIGHT TO 6:00AM PRESSURE AT 60 PSI ON 24/64THS CHOKE. RECOVERED 18 BBLS. TOTAL FLUID RECOVERED 208 BBLS W/100% BURNABLE GAS. MIRU SLICKLINE, TAG FILL AT 13,275. SET BLANKING PLUG AT 12,115' , BLOW DOWN TBG, LOAD TBG W/7% KCL. N/D TREE, N/U BOP, RELEASE ON/OFF TOOL, CLOSE IN WELL, SHUT DOWN. PREP TO LAY DOWN FRAC STRING.
TOTAL MAN HRS 94.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$6,600	\$2,243,519	\$2,310,600	1040368

Activity Date 8/31/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description

Times

Hours

Remarks

ROAD TO LOCATION, 5 MIN SAFETY MTG. TOH LAYING DOWN FRAC STRING. CLOSE IN WELL, SHUT DOWN. PREP TO LAY DOWN REMAINING FRAC STRING. TIH W/2 3/8 PRO STRING.
TOTAL AMN HRS 84.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$4,000	\$2,247,519	\$2,310,600	1040368

Activity Date 9/1/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description

Times

Hours

Remarks

ROAD TO LOC, 5 MIN SAFETY MTG, LAY DOWN REAMINING FRAC STRING. TIH W/2 3/8 PROD TBG W/ON-OFF TOOL. ENGAGE PKR AT 12,820'. ND BOP. NU TREE. TEST BACKSIDE TO 1000 PSI FOR 15 MIN. CLOSE IN WELL, SHUT DOWN. PREP TO PULL BLANKING PLUG.
TOTAL MAN HRS 92.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$8,300	\$2,255,819	\$2,310,600	1040368

Activity Date 9/2/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description PREP TO MAKE SWAB RUN.

Times

Hours

Remarks

ROAD TO LOC. 5 MIN SAFETY MTG. MIRU SLICKLINE UNIT, PULL BLANKING PLUG. MAKE 4 SWAB RUNS, RECOVER 13 BBLS. WELL KICKED OFF W/300 PSI ON 24/64 CHOKE, UNLOADING 5 BBLS, 2:00PM = 100 - 24/64 CHOKE 3 BBLS, 3:00 40 PSI = 2 BBLS, 4:00 1 SWAB RUN RECOVERED 6 BBLS, 5:00 = 40 PSI 16/64 CHOKE 3 BBLS, 6:00PM = 125 PSI 16/64 CHOKE 3 BBLS, 10:00PM SHUT IN ,PRESSURE UP TO 520 PSI. OPEN ON 16/64 CHOKE, 11:00PM = 500/3BBLS, 12:00AM = 475/3 BBLS, 1:00AM 420/2BBLS, 2:00 = 375/2 BBLS, 3:00 = 350/2 BBLS, 4:00 = 120/1 BBLS, 5:00 = 90/ 1/2 BBL, 6:00 = 80/ 1/2 BBLS. PREP TO MAKE SWAB RUN.
TOTAL MAN HRS 96.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$5,900	\$2,261,719	\$2,310,600	1040368

Activity Date 9/3/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description

Times

Hours

Remarks

ROAD TO LOC. 5 MIN SAFETY MTG. 7/8:00 = 40 PSI 3/4 CHOKE , 9:00= 2 RUNS 6 BBLS , 10:00 /12:00 CLOSE TBG, BUILD UP TO 200 PSI . 1:00 pm 100 PSI 1 BBL, 2:00= 40 PSI 1/2 BBL, 3:00 = 1 RUN, 3 BBLS , 4:00 = 50 PSI 1 BBL , 5:00 , 50 PSI = 1 BBL , 6:00 = 60 PSI 1 BBL, 7:00 = 70 PSI 1 BBL , 8:00 50 PSI = 1 BBL , 9:00 PM THRU 6:00 AM 40 PSI 3/4 CHOKE, RECOVERED 10 BBLS.
TOTAL MAN HRS 96.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$5,900	\$2,267,619	\$2,310,600	1040368

Activity Date 9/4/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description

Times

Hours

Remarks

ROAD TO LOCATION, 5 MIN SAFETY MTG.
 7:00 TO 9:00AM SHUT IN TBG, BUILD UP TO 330 PSI
 10:00AM 3/4 CHOKE - 150N PSI, 1 BBL
 11:00AM 40 PSI, 1/2 BBL
 12:00-1:00PM SHUT IN TBG, BUILD TO 200 PSI
 1:00 20 PSI, 1/2 BBL
 2:00-4:00PM SHUT IN, BUILD TO 260 PSI
 4:00 180 PSI, 1 BBL
 5:00 20 PSI, 1/2 BBL
 5:00-7:00PM 60 PSI, 2 BBL
 8:00-11:00PM 40 PSI TO 4 BBL
 12:00-2:00AM SHUT IN TBG BUILD TO 340 PSI
 3:00AM 190 PSI, 1 BBL
 4:00-6:00AM 40 PSI

ALL TEST ON 3/4 CHOKE.
 TOTAL MAN HRS 60.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$3,500	\$2,271,119	\$2,310,600	1040368

Activity Date 9/5/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description SHUT DOWN.

Times

Hours

Remarks

ROAD TO LOC, 5 MIN SAFETY MTS.
 7:00AM 20 PSI, SLIGHT MIST
 8:00-9:00AM CLOSE IN, BUILD UP TO 320 PSI
 10:00AM 180 3/4 CHOKE, 1/2 BBL
 11:00AM 40 PSI 3/4 CHOKE, 1/2 BBL
 12:00-1:00PM 20 PSI, CLIGHT MIST.

CLOSE IN WELL, SHUT DOWN TO CHECK PRESSURE BUILD UP.
 TOTAL MAN HRS 60.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$3,400	\$2,274,519	\$2,310,600	1040368

Activity Date 9/6/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description PREP TO MOCE UP HOLE.

Times

Hours

Remarks

ROAD TO LOCATION. 5 MIN SAFETY MTG. SITP - 1700 PSI
 8:00AM 20 PSI, 3 BBL
 9:00-10:00AM 2 RUNS 7,000/12,000' 10 BBL
 11:00AM 20 PSI 3/4 CHOKE, 1/2 BBL
 12:00-1:00PM SLIGHT BLOW W/SLIGHT MIST
 2:00PM 1 RUN 9,000/12,000' 4 BBL
 3:00-5:00PM SLIGHT BLOW W/SLIGHT MIST

CLOSE IN WELL SHUT DOWN. PREP TO MOVE UP HOLE.
 TOTAL MAN HRS 82.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$5,900	\$2,280,419	\$2,310,600	1040368

Activity Date 9/7/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description

Times

Hours

Remarks

WELL SHUT IN FOR PRESSURE BUILD UP TEST.
 TOTAL MAN HRS 82.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$40,982	\$2,321,401	\$2,310,600	1040368

Activity Date 9/8/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description

Times

Hours

Remarks

ROAD TO LOCATION , 5 MIN SAFETY MEETING . SITP 1100 PSI , DOWN TO 0 PRESSURE IN 5 MIN . TAG FLUID AT 9000 FT TO PKR , RECOVERED 4 BBLS . PRESSURE 20 PSI FOR 2 MIN . LOAD TBG , TOH W/ PKR . MIRU WIRELINE , SET CIBP AT 12,900 FT . CAP W/25 FT OF CEMENT . CLOSE IN WELL , SHUT DOWN . PREP TO PERFORATE + RUN PKR .
TOTAL MAN HRS 90.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$7,000	\$2,328,401	\$2,310,600	1040368

Activity Date 9/9/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description PREP TO TEST UPPER MORROW.

Times

Hours

Remarks

ROAD TO LOCATION , 5 MIN SAFETY MEETING . PERFORATE UPPER MORROW 12,677 TO 12,69 = 28 HOLES , 12,711 TO 12,731 = 42 HOLES . TOTAL OF 70 HOLES . TIH W/ PKR , SPOT 2 BBLS 15 % NEFE ACID ACROSS PERFS . PULL PKR TO 12,603 FT , REVERSE 15 BBLS TO CLEAR TOOLS . SET PKR , N/D BOP , N/U TREE , TEST TO 1000 PSI . ACIDIZE W/ 3000 GAL 15% NE/FE ACID W/ 60 BALL SEALERS . BREAK = 4750 , A/RATE= 3 BPM , MAX/RATE = 3.4 BPM . A/PRESSURE = 6400 PSI , MAX / PRESSURE = 7000 PSI . ISIP = 4750 PSI , 5 MIN = 4726 PSI , 10 MIN = 4691 PSI , 15 MIN = 4675 PSI . TOTAL LOAD 216 BBLS TO RECOVER . CLOSE IN WELL , RDMO ACID CREW . SHUT DOWN . PREP TO TEST UPPER MORROW .
TOTAL MAN HRS 135.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$18,639	\$2,347,040	\$2,310,600	1040368

Activity Date 9/11/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description SHUT DOWN.

Times

Hours

Remarks

ROAD TO LOCATION , 5 MIN SAFETY MEETING . SITP = 420 PSI , OPEN ON 3/8 CHOKE , DOWN TO 0 PRESSURE IN 20 MIN . TAG FLUID AT 10,500 FT SCATTERED TO PKR , RECOVERED 3 BBLS W/ SLIGHT BLOW AFTER SWAB RUN . WAIT FOR 1 HR , TAG FLUID AT 10,500 FT , RECOVERED 3 BBLS W/ SLIGHT BLOW . DROP 5 SOAP STICKS , CLOSE IN WELL FOR 3 HRS . PRESSURE BUILT U TO 60 PSI . TAG FLUID AT 11,000 FT SCATTERED TO PKR , RECOVERED 1 BBL . RECOVERED 7 BBLS TODAY , TOTAL OF 58 BBLS . DROP 6 SOAP STICKS , CLOSE IN WELL , SHUT DOWN .
TOTAL MAN HRS 60.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$3,800	\$2,350,840	\$2,310,600	1040368

Activity Date 9/12/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description SUT IN,

Times

Hours

Remarks

WELL SHUT IN FOR PRESSURE BUILD UP.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$600	\$2,351,440	\$2,310,600	1040368

Activity Date 9/13/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description PREP TO PERFORATE ATOKA ZONE.

Times

Hours

Remarks

ROAD TO LOCATION , 5 MIN SAFETY MEETING . SITP = 600 PSI , OPEN ON 3/8 CHOKE . TBG PRESSURE DOWN TO 0 IN 20 MIN . MAKE 1 SWAB RUN , TAG FLUID AT 10,500 FT . SCATTERED TO PKR , RECOVERED 2 BBLS . LOAD TBG , N/D TREE , N/U BOP . RELEASE + TOH W/ PKR . SET 4 1/2 CIBP AT 12,625 FT , CAP W/ 20 FT CEMENT . CLOSE IN WELL , SHUT DOWN . PREP TO PERFORATE ATOKA ZONE .
TOTAL MAN HRS 104.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$10,900	\$2,362,340	\$2,310,600	1040368

Activity Date 9/14/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description PREP TO PERFORATE ATOKA ZONE.

Times

Hours

Remarks

SHUT DOWN DUE TO RIG REPAIRS. PREP TO PERFORATE ATOKA ZONE.

Daily Cost	Cum Cost	AFE Amount	AFE #
\$2,000	\$2,364,340	\$2,310,600	1040368

Activity Date 9/15/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description

Times

Hours

Remarks

ROAD TO LOCATION , 5 MIN SAFETY MEETING . MIRU WIRELINE , PERFORATE ATOKA LIME 12,082 TO 12,102 = 80 HOLES . TIH W/ ON+OFF TOOL TO TOP OF PKR . WORK OFF GAS KICK . CLOSE IN WELL , SHUT DOWN . PREP TO DISPLACE HOLE W/ PKR FLUID .
TOTAL MAN HRS 180.

Daily Cost

Cum Cost

AFE Amount

AFE #

\$390,100

\$2,754,440

\$2,310,600

1040368

Activity Date 9/16/2004

Type of Report: COMPLETION

PROGRESS REPORT

Description PREP TO ACIDIZE.

Times

Hours

Remarks

ROAD TO LOCATION , 5 MIN SAFETY MEETING . DISPLACE HOLE W/PKR FLUID . N/D BOP , N/U TREE + TEST BACKSIDE TO 1000 PSI FOR 15 MIN . PRESSURE UP ON TBG TO 5000 PSI TO BUST DISC. SWAB BACK 12 BBLS W/ SLIGHT FLOW BACK ON TBG . CLOSE IN WELL W/ 0 PRESSURE . SHUT DOWN . PREP TO ACIDIZE.
TOTAL MAN HRS 98.

Daily Cost

Cum Cost

AFE Amount

AFE #

\$11,100

\$2,765,540

\$2,310,600

1040368

TUBING BREAKDOWN AS OF

ROD BREAKDOWN AS OF

FAILURES AS OF

CASING HISTORY REPORT

SURFACE LEVEL

Location 660' FN & WL, SEC 15, 22S, 35E

TD Date 6/20/2004

TD Hole Time

Total Depth: 5801

Hole Size: 12-1/4"

Joints Ran

Joint Description

Total Footage

Running Ftg.

9-5/8" 40# NS-80HC LT&C

5801.00

5801.00

Total Joints Ran

5801.00

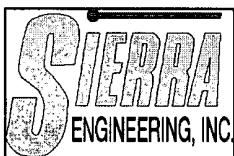
Cemented as follows:

Top Cement:

Stage 1 - 1500 SX LEAD (YLD:, WT:)

Stage 2 - 1500 SX LEAD (YLD:, WT:)

Comments



Well Name: Lehigh "15" State #1 Date: 7/28/2004 Page: 1 of 1

CASING DETAIL FROM BOTTOM TO TOP

Measured Depth 13,500'

Bit Size 6-1/8"

[illegible]

	<u>1971.81</u>	Total Pipe Run in Hole
-	<u> </u>	Less Cutoff Piece
=	<u>1971.81</u>	Total Pipe Left in Hole
+	<u>11528.19</u>	RKB to Cutoff
=	13500	Total Setting Depth

Centralizers # Run Placement Depths :

Other Cementing Aids:

Primary Cementing Detail	Cementing Company	Halliburton
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Lead Type Super "H" Vol 220sx PPG13 Yield 1.66 ft/sk Mix Wtr 8.72Gal/sk
Additives: .5% Halad @ 344, .4% CFR-3, .2% HR-7 1lb sx salt

Tail Type _____ Vol _____ PPG _____ Yield _____ ft3/sk Mix Wtr _____ Gal/sk
Additives: _____

Displaced cement w/460	bbls	7% KCL(type fluid).Bump plug(Y)	with	PSI
Returns (Full)		Reciprocated pipe N	Circ cmt (Y)	
Job complete @ 14:45		hours, Date 7/28/	Sx Circ	67

Remarks:

10' tie back sleeve