

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.
30-025-20173

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Lea 4011 State

8. Well Number 1

9. OGRID Number

10. Pool name or Wildcat
Grayburg Jackson

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
Forest Oil Corporation

3. Address of Operator
707 17th Street, Suite 3600, Denver, Colorado 80202

4. Well Location

Unit Letter N : 330 feet from the South line and 1650 feet from the West line
Section 8 Township 18S Range 35E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3916' DF

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: ☐

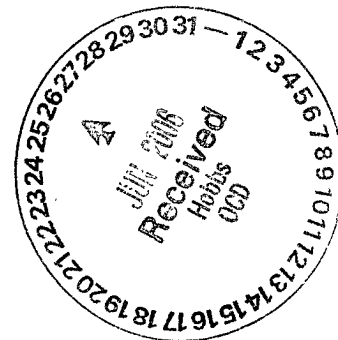
SUBSEQUENT REPORT OF:

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

OTHER: Recompletion & ~~Shut-In~~ ☒

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.

SEE ATTACHED SUMMARY



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 NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Cindy Bush TITLE Sr. Regulatory Tech DATE June 22, 2006

Type or print name Cindy Bush

E-mail address: cabush@forestoil.com

Telephone No. 303-812-1554

For State Use Only

APPROVED BY: Chris Williams

OCD DISTRICT SUPERVISOR/GENERAL MANAGER
TITLE

MAR 26 2008
DATE

Conditions of Approval (if any):

13-3/8" SFC CSG 13.380 @ 415
9-5/8" INTERMEDI 9.630 @ 4,000
7" CASING 7.000 @ 12,000

DATE: 05/05/2006 DAYS: 1 MW: VISC: WL:

RIG ON DAY RATE @ 09:00 HRS, REMOVE ESD ADAPTER. REMOVED 11" 3M X 7 1/16" 3M TUBG SPOOL, SHORTEN 7" CASG STUB, NOTE: 7" CASG PITTED, APPEARED TO BE CRYSTALIZED & BRITTLE. INSTALL 11" 3M X 11" 5M CAMERON CASG HEAD, TEST SAME TO 1500 PSI. N/U RENTAL 11" 5M DRILLING SPOOL, CH & KILL VALVES, 11" 5M CAMERON TYPE U DOUBLE & 11" 5M HYDRILL ANNULAR, 2 1/16" CHOKE MANIFOLD, TORQUE ALL CONNECTIONS. R/U RENTAL TYPE C RIG TONGS R/U TO TEST BOPS TESTING BOP'S 250 & 4000 PSI

DATE: 05/06/2006 DAYS: 2 MW: VISC: WL:

FIN TESTING STACK & CHOKE MANIFOLD 250 & 4000 PSI P/U SWIVEL & RENTAL KELLY, INSTALLING BELL NIPPLE M/U KELLY & KELLY VALVES, CONTRACT WELDER EXTENDING FLOWLINE. TESTING VALVES & KELLY TO 250 & 4000 PSI, STANDPIPE LEAKING @ CONN IN DERRICK. ATTEMPT TO TIGHTEN STANDPIPE CONN & TEST - FAILED, LOOSEN STANDPIPE CLAMPS IN UPPER SECTION, RAISE TOP SECTION, CLEAN & DOPE CONN, TIGHTEN SAME, FIN TESTING, R/D TEST PLUG. R/U L/D MACHINE, CALIPER & STRAP BHA AND TOP ROW OF TUBULARS. M/U 6 1/8" BIT, TIH P/U BHA & TWO JTS OF 3 1/2" DP. HOOKED UP KILL LINE & FILL ANNULUS W / 8 BBLS TIH P/U 3 1/2" 13.30 #/FT S-135 DP TO 5100', M/U PIPE W / SPINNING CHAIN.

DATE: 05/07/2006 DAYS: 3 MW: VISC: WL:

TIH P/U 3 1/2" - TAGGED OBSTRUCTION @ 5346' CIRC, DISP 8.3 PPG FLUID W / 8.9 PPG FSW (BRINE WATER) IBSTALL PVC TO FLOWLINE TO DISCHARGE IN RESERVE PIT FIN DISPLACING 8.3 PPG FLUID W / BRINE WATER. RIG REPAIR - DIESEL LINE & ROT CHAIN. ATTEMPT TO CLEAN OUT FM 5346' DOWN TO TOP OF CIBP @ 5560', NOTE: PERFS FM 5447' - 5464', UNABLE TO DRILL W / 5K / WOB, NO EXCESSIVE ROT TORQUE. TEST CASG TO 1000 PSI - OK ATTEMPT TO DRILL W / 15 K / WOB, FAILED, NO EXCESSIVE ROT TORQUE POOH, NO SCARS OR DAMAGE TO BIT. M/U SUBS & 6" IMPRESSION BLOCK, TIH, SET 20K DOWN @ 5346' & P/U POOH, UNABLE TO DETERMINE IMPRESSION, BLOCK HAD 5 INDENTIONS APPROX 3/16 DEEP, IMPRESSION AREA COVERED 2 3/4" X 2 1/2" OFF CENTER. NOTE MORNING TOUR CREW SHOWED UP ON LOCATION, ENTIRE CREW QUIT. LOCATE 6 1/8" JUNK MILL, SMOOTH ON SIDES & MAGNETS. TOOLS ARRIVED @ 05:00 HRS, M/U 6 1/8" MILL & TIH.

DATE: 05/08/2006 DAYS: 3 MW: VISC: WL:

TIH P/U 3 1/2" - TAGGED OBSTRUCTION @ 5346' CIRC, DISP 8.3 PPG FLUID W / 8.9 PPG FSW (BRINE WATER) IBSTALL PVC TO FLOWLINE TO DISCHARGE IN RESERVE PIT FIN DISPLACING 8.3 PPG FLUID W / BRINE WATER. RIG REPAIR - DIESEL LINE & ROT CHAIN. ATTEMPT TO CLEAN OUT FM 5346' DOWN TO TOP OF CIBP @ 5560', NOTE: PERFS FM 5447' - 5464', UNABLE TO DRILL W / 5K / WOB, NO EXCESSIVE ROT TORQUE. TEST CASG TO 1000 PSI - OK ATTEMPT TO DRILL W / 15 K / WOB, FAILED, NO EXCESSIVE ROT TORQUE POOH, NO SCARS OR DAMAGE TO BIT. M/U SUBS & 6" IMPRESSION BLOCK, TIH, SET 20K DOWN @ 5346' & P/U POOH, UNABLE TO DETERMINE IMPRESSION, BLOCK HAD 5 INDENTIONS APPROX 3/16 DEEP, IMPRESSION AREA COVERED 2 3/4" X 2 1/2" OFF CENTER. NOTE MORNING TOUR CREW SHOWED UP ON LOCATION, ENTIRE CREW QUIT. LOCATE 6 1/8" JUNK MILL, SMOOTH ON SIDES & MAGNETS. TOOLS ARRIVED @ 05:00 HRS, M/U 6 1/8" MILL & TIH.

DATE: 05/09/2006 DAYS: 4 MW: 8.9 VISC: 38 WL: 12
TIH, P/U DRLG JARS & 11 JTS OFF RACK. P/U KELLY, TAG CIBP @ 5346' MILLING CIBP F 5346' TO 5348', MILLED 18" OF PLUG

DATE: 05/10/2006 DAYS: 5 MW: 8.9 VISC: 38 WL: 12
POOH L/D JUNK MILL, M/U 6 1/8" MILLTOOTH BIT, TIH W/ BHA, L/D JARS SERVICE RIG. FIN TIH, P/U KELLY RIG Repair - NO POWER TO SHAKERS OR AGITATORS. DRILL CIBP @ 5347', BREAK IN CUTTING NEW PATTERN, W / 0 - 2 K WOB, INCREASE TO 10K, BRIKE THROUGH @ 5348 GIH TO CIBP BELOW PERFS, UNABLE TO GET BELOW 5547', PERFS @ 5447' - 5464' CIRC @ 5547', 8.9 PPG BRIAN WATER POOH, L/D JARS, MOVED HWDP TO OFF SIDE OF DERRICK. M/U 7" 23-26# SQUEEZE TOOL, TIH SLOW, P/U 3 1/2" DP

DATE: 05/11/2006 DAYS: 6 MW: 8.9 VISC: 38 WL: 12
FIN PU 3-1/2" DP & TIH w/ WEATHERFORD 7", 23-26# SQ PKR TO 5304' DPM. WAIT ON CEMENT EQUIPMENT; BJ & SCHLUMBERGER EST 48 hrs; HOWCO NOT AVAILABLE. CONTINUE LOCATING EQUIPMENT. POH & LD (17) JTS DP; SET SQ PKR @ 4765' DPM w/ 30k wt. TEST BACKSIDE CSG w/ 1650 psi-ok; BLEED PRESSURE TO 500 psi & HOLD. MU KELLY & ESTABLISH PIR w/ 8.9# MUD @ 3.2 bpm w/ 230 psi; PUMPED 5 bbls. BLEED PRESSURE, RELEASE TOOL, POH & LD (21) JTS DP. RE-SET SQ PKR @ 4102' DPM w/ 30k wt. LOCATE CEMENT EQUIPMENT; WAIT ON KEY ENERGY SERVICES. RU CEMENT EQUIPMENT; TEST LINES w/ 3500 psi. ATTEMPT TO TEST CSG w/ 500 psi, BLED TO 250 psi & HELD. TROUBLESHOOT SAME; VALVE LEAKING ON MANIFOLD & FLANGE LEAKING ON CSG VLV. ISOLATE MANIFOLD VLV w/ VLV FROM KEY & TIGHTEN CSG FLANGE. TEST CSG w/ 1000 psi FOR 5 min-OK. BLEED CP TO 400 psi. ESTABLISH PIR ON TBG: 0.5 bpm @ 1000 psi; 1.0 bpm @ 1200 psi; 2.0 bpm @ 1400 psi (note: obviously, previous pump-in rate was not taken correctly). CP INCR w/ TP WHILE PUMPING. BLEED PRESSURE, RELEASE PKR & PU (3') TO 4099' DPM. RE-SET PKR w/ 40k wt. TEST CSG w/ 1000 PSI- HELD OK. ATTEMPT TO ISOLATE CSG & ESTABLISH PIR, MANIFOLD LEAKING & EQUALIZING w/ TBG. WAIT ON NEW WEATHERFORD CMT MANIFOLD TO ARRIVE ON LOCATION; INSTALL SAME. HELD PJSA. TEST CSG w/ 1000 psi-OK; BLED TO 500 psi & HOLD. ESTABLISH PIR w/ 8.9# MUD: 0.5 bpm @ 1000 psi; 1.0 bpm @ 1200 psi; 2.0 bpm @ 1400 psi; 3.0 bpm @ 1600 psi. M&P 10 bw, 12 bbls (50sx) PREMIUM PLUS cmt w/ 0.4% CLF-4 @ 14.8 ppg + 12 bbls (50sx) PREMIUM PLUS neat @ 14.8 ppg, 5 bw; DISPL w/ 74 bbls 8.9# MUD. INITIAL INJ RATE @ 3.0 bpm/1200#; AFTER CMT & 30 bbls MUD, 3.0 bpm/1400#; AT 54 bbls MUD (CMT TO PFS) 3.0 bpm/1450#; AFTER 15 bbls CMT IN PFS, CUT RATE TO 2.5 bpm/1260#. PUMP 1 bbl & SD PUMP; AFTER 10 min, TP-1200#. PUMP 1 bbl @ .4 bpm/ 1309# & SD PUMP. AFTER 15 min, TP-1217#; PUMP 1 bbl @ .4 bpm/ 1380#; SD PUMP. AFTER 15 min, TP-1181#; PUMP 1 bbl @ .4 bpm/1532#, SD PUMP, CMT IN PLACE @ 2250 hrs; 20 bbls (83 sx)JIN PERFS; 4 bbls (17 sx) IN CSG. CALC TOC @ 5347'. ISOLATE MANIFOLD & MONITOR TP & CP. RD CEMENTERS. MONITOR PRESSURES; (1 hr) TP-1400#, CP-500#; (2hr) TP-1000#, CP-500#; (4hr) TP-900#, CP- 100#; (6hr) TP-500#, CP-50#.

DATE: 05/12/2006 DAYS: 7 MW: 8.9 VISC: 36 WL: 9.5
TP-500 psi; CP-50 psi; BLEED PRESSURE, RELEASE PKR & POH. LD PKR & RD SQ MANIFOLD. MU 6-1/8" RR BIT & BHA (1558.71'). TIH TO 5200'; LD 12 jts DP. WASH FOR SAFETY & TAG SOFT CMT @ 5325' DPM (CALC TOC @ 5347'). DRILL & WASH SOFT CMT TO 5346' DPM w/ 3-5K WOB (note: cmt in place 15+ hrs; surface sample hard). CONT DRLG SOFT CMT TO 5379' DPM & CIRC HOLE CLEAN. PULL 3 stds TO 5283' & WOC (total-20 hrs). RUN stds BACK IN HOLE. MU KELLY & DRL SOFT CMT f/ 5379'-5381'; CMT STARTED TAKING CONSISTENT WOB. DRL TO 5389' w/ 5-7k; MED-FIRM CMT; DRL TO 5409'; LAST 2' AVG 48 fph. CIRC HOLE CLEAN. PULL 1 std & WOC (total 24+ hrs); RE-RUN BACK IN HOLE. MU KELLY & CONT DRLG CMT f/ 5309'-5441' DPM w/ 5-7k WOB. ROP AVG 55-60 fph; HAD SOME HARD STREAKS WHILE DRLG. CONT DRLG FIRM CMT TO 5467' DPM & FELL THRU. WASH TO 5538' DPM & TAG FILL. CIRC HOLE CLEAN. RU PUMP TRUCK FOR PRESSURE TEST. CLOSE ANNULAR & LOWER KELLY VLV. PRESSURE UP TO 250# & HELD 2 min; INCR TO 750# & MONITOR PRESSURE; BLEED TO 680# IN 7 min. BLEED OFF PRESSURE & RE-PRESSURE TO 750#; DOWN TO 670# IN 10 min, 600# IN 20 min, 520# IN 30 min. CHECK FOR SURFACE LEAKS, NONE FOUND. BLEED PRESSURE; OPEN ANNULAR & SETBACK KELLY. INSTALL TIW VLV IN DP & CLOSE ANNULAR. RE-PRESSURE TO 750#; BLEED TO 580# IN 25 min.

DATE: 05/13/2006 DAYS: 8 MW: 8.9 VISC: 35 WL: 9.5

RD PUMP EQUIP; POH & STANDBACK BHA. MU WEATHERFORD 7", 23# 'HD' SQ PKR & TIH w/ 3-1/2" DP. PU 23 jts OFF RACK; SET PKR @ 4702' DPM. RU BJ CMT EQUIPMENT; HELD PJSA WITH RIG CREW & SERVICE PERSONNEL. TEST LINES w/ 3000 psi; TEST BACKSIDE w/ 500 psi & HOLD PRESSURE ON CSG-OK. PRESSURE UP TBG w/ 750 psi; BLED TO 650 psi IN 10 min. ESTABLISH PIR w/ 8.9# MUD: .3 bpm @ 1500#, TP CONT TO INCR TO 2100# & BROKE BACK TO 1750#; .5 bpm @ 1900#; 1 bpm @ 2140#; 2 bpm @ 2400#. SD PUMP, ISIP-1400#; AFTER 5 min, TP- 1260#. BLED TBG TO ZERO & REC 0.75 bbls; PUMPED TOTAL 6 bbls. RE-TEST LINES w/ 4000#; M&P 10 bw, 24 B (100 sx) PREMIUM PLUS NEAT CMT @ 14.8 ppg, 5 bw, 55 B 8.9# MUD. AVG RATE 2.1 bpm @ 2150#. AFTER CMT PUMPED, RATE 3 bpm @ 1500#; AT 15 B MUD, 3 bpm @ 1500#; AT 30 B MUD, 3 bpm @ 1970# (cmt CLEARED TOOL). AFTER 36 B MUD, CMT @ PERFS; CUT RATE TO 2.7 bpm @ 2100#; AT 45 B MUD, 2.7 bpm @ 2270#; CUT RATE TO 2 bpm @ 1940#; AT 48 B MUD, CUT RATE TO 1.1 bpm @ 1670#; .5 bpm @ 1650# (50 B MUD); .5 bpm @ 1750# (51 B MUD); SD PUMP 10 min-tp 1546#; PUMP 1 B @ .3 bpm @ 2000#; SD PUMP 15 min, TP-1600#. PUMP 1 B @ .3 bpm @ 2385#. SD PUMP 10 min, TP-2087#; PUMP 1 B @ .3 bpm @ 2500#, SD PUMP 15 min-TP 2134#. PUMP 1 B @ .3 bpm @ 2469#; SD PUMP, ISITP 2110# (CIP @ 2015 hrs). LEFT 4 B CMT IN CSG; 20 B (83 sx) IN FORMATION. CALC TOC @ 5346'. FLUSH LINES & RD CEMENT EQUIP. MONITOR PRESSURES WHILE WOC. AFTER (1 hr) TP-2000#, CP-400#; (4 hr) TP-1850#, CP-400#, (8 hr) TP-1400#, CP-400#. BLEED PRESSURE & RELEASE PKR. TEST SQUEEZE PERFS 5447'-5464'

DATE: 05/14/2006 DAYS: 9 MW: 8.9 VISC: 35 WL: 9.5

FINISH POH & LD SQUEEZE TOOL & RD SQ MANIFOLD. MU 6-1/8" RR BIT & BHA (1558.71'). TIH w/ 3-1/2" DP TO 5150' DPM; LD (12) JTS. MU KELLY & START WASHING FOR SAFETY. TAG CMT w/ 10k @ 5186' DPM (CALC TOC @ 5346'). DRILL FIRM CMT TO 5240' DPM (60 fph); CMT GOT HARD. CONTINUE DRLG HARD CMT @ 25-30 fph TO 5377' DPM; ROP INCR TO 40-45 fph (TOP PERF @ 5447' ELM). DRL CMT @ 40-45 fph TO 5472' & RAN OUT OF CMT (BOTTOM PERF @ 5464' ELM). WASH TO PBTD 5550' DPM & CIRC HOLE CLEAN. RU PUMP TRUCK, SETBACK KELLY & CLOSE ANNULAR. TEST SQUEEZE PERFS @ 5447'-5464' w/ 750# & 8.9# MW; PRESSURE DROPPING; NO VISIBLE SURF LEAKS. INSTALL VLV TO ISOLATE PUMP. PRESSURE UP TO 900#, DROP TO 850# IN 15 min. NO VISIBLE SURFACE LEAKS. PRESSURE UP w/ 1000#; AFTER 20 min- 1000#; GOOD TEST (12.4 ppg EMW).

DATE: 05/15/2006 DAYS: 10 MW: 8.8 VISC: 29 WL:

RD TEST TRUCK. MU KELLY & TAG CIBP @ 5550' DPM. DRILL (2') TO 5552' & PUSHED DOWNHOLE TO 5560' DPM; STARTED GETTING OIL ON PITS. CONTINUE DRILLING ON BRIDGE PLUGS w/ 5-15 k & 50+ rpm). DRILL TO 5564' & FELL THRU; LOST RETURNS. MIX & PUMP 80 B LCM PILL (15#/b FINE MICA & CEDAR FIBER). AFTER 60 B DISPLACED, HAD PARTIAL RETURNS FOR APPROX 5 min, THEN LOST AGAIN. PULL 3 stds & FILL CSG w/ 110 B; WAIT ON LCM PILL. TIH w/ 1 std & BREAK CIRC w/ 10 B; TIH w/ REMAINING 2 stds & BREAK CIRC w/ 3.5 B. SETBACK KELLY, PU DP & CONT TIH. RAN 30 jts TO 6505'; BREAK CIRC w/ 7.5 B. TIH w/ 29 jts TO 7447' DPM & HIT BRIDGE. PU KELLY & DRILL THRU BRIDGE w/ FULL RETURNS f/ 7447'-7450' DPM & BROKE THRU. WASH (1) SINGLE DOWN & SETBACK KELLY. CONT PU DP & TIH TO 8050'. WASH THRU PERFS 8163'-8800' w/ FULL RETURNS. CIRC HOLE CLEAN & SETBACK KELLY. CONT RIH w/ 3-1/2" DP; CURR AT 8700'. (LOST APPROX 20 B MUD WHILE TIH).

DATE: 05/16/2006 DAYS: 11 MW: 8.8 VISC: 29 WL:

CONTINUE PU 3-1/2" DP & RIH; HIT BRIDGE @ 8917'. WASH & REAM TO 9013'; RIH TO 9450'. CIRC HOLE CLEAN w/ FULL RETURNS. RECOVERED SOME LCM MATERIAL & OIL WHILE CIRC. CONTINUE PU DRILL PIPE & RIH; TAG @ 11,526' DPM (CIBP @ 11,540'). LD SINGLE & PU KELLY. MILL ON CIBP w/ 5-10k WOB & 45-50 rpm; MILL f/ 11,526'-11,530' & BROKE THRU (note: initial mud loss while milling was approx 12 bph; add paper to mud while milling; losses down to 5 bph). CONT REAMING & PU DRILL PIPE. TAG TOF @ 11,871' DPM w/ 12k. (TOF @ 11,870'). CIRC & PUMP LCM PILL.

DATE: 05/17/2006 DAYS: 12 MW: 8.8 VISC: 29 WL:

CIRC & PUMP (40 B) 15#/bbl, 45 vis, LCM PILL FOLLOWED w/ (40 B) 80 vis PILL TO CLEAN HOLE. HAD FULL RETURNS WHILE PUMPING @ 4.3 bpm w/ 600 psi. RECOVERED SOME LCM MATERIAL ON BOTTOMS UP. POH w/ BIT; STANDBACK BHA. MUD LOSS APPROX 4-5 bph. PU KEY (QTS) EQUIPMENT; MU FISHING ASS'Y (6-1/8" SHOE, TOP BSHG, 6- DC's, 21 HWDP, DRLG JARS, 9-HWDP); BHA=1129.96'. TIH & BREAK CIRC EVERY 30 stds. RIH TO 11,842' DPM & PU KELLY. CONT IN HOLE TO 11,865' DPM; HAD TO ROTATE THRU SEVERAL TITE SPOTS FROM 11,850'-11,865' DPM. RIH & TAG TOF @ 11,876' DPM w/ 10k; PP INCR f/ 850 psi TO 950 psi. ROTATE & BURN OVER FISH FROM 11,876'-11,884'; 150-250 ft-# TQ & 1100 psi PP. BOTTOM OUT ON TOF; NO PP INCR, TORQ STEADY @ +/- 150 ft-#. CIRC HOLE CLEAN.

DATE: 05/18/2006 DAYS: 13 MW: 8.8 VISC: 29 WL:

CIRC HOLE CLEAN; RECOVERED SLIGHT LCM MATERIAL. RIH & TAG TOF @ 11,884' DPM w/ 10k; POH w/ KELLY. STRING STARTED GAINING WT AS BSHG CLEARED ROTARY @ 11,874'. PULL, JAR & WORK PIPE OUT TO 11,854' DPM; PIPE STUCK. SETBACK KELLY & CONT WORKING & JARRING ON STUCK PIPE @ 11,854' DPM. PULL MAX 250k (70%=267k); JAR & WORK DOWN w/ 70k. CONT WORKING & JARRING ON PIPE WHILE WAIT ON E-LINE PIPE RECOVERY UNIT. FILL CSG w/ 17 B, 8.8# MUD. RU APOLLO E-LINE UNIT; MU 1-7/16" FREPOINT TOOL, CCL & WT BAR (8.0'). RIH, FOUND TOP OF JARS @ 10,978' ELM, BOTTOM OF JARS @ 11,008' ELM. RIH & CHECK FREE POINT @ 11,130' ELM w/ STRETCH & TORQUE; PIPE 100% FREE. CONT RIH TO TOP OF 4-3/4" DC's @ 11,644' ELM; CONT RIH TO 11,680' ELM. TAKE STRETCH & TORQUE READINGS; PIPE 100% FREE. RIH TO 11,810' ELM & TAKE STRETCH & TORQUE READINGS; 100% FREE (note: free dc's @ 11,675', 11,707', 11,738', 11,768' & 11,799'). POH & LD FREPOINT TOOL. RU PUMP ON DP; FILL w/ 22 B MUD & PRESSURE INCR TO 1500 psi, DID NOT CIRC. MU (5') 400 gr STRING SHOT, CCL & 1-3/8" WT BAR (13' L). RIH TO 11,004' ELM & SET DOWN (4' FROM BOTTOM OF JARS). ATTEMPT TO WORK THRU; NO SUCCESS. CLOSE JARS & CONT TO WORK E-LINE, NO SUCCE. PU ON JARS & HIT ONE TIME, SLACK-OFF TO NEUTRAL; STILL COULD NOT GET DOWN. CONT WORKING JARS & WIRELINE FOR 30 min & FELL THRU. CONT RIH w/ E-LINE TO 11,810' ELM. PU & LOCATE STRING SHOT FOR BACK-OFF @ 11,799' ELM. TRAP 6.5 rds OF LH TORQ IN PIPE & FIRE SHOT; DID NOT B/O. POH; TOOL DID NOT FIRE. MU NEW 400 gr STRING SHOT & RIH TO 11,799' ELM (no problem getting thru jars). MAKE 2nd ATTEMPT TO BACK-OFF; FIRE SHOT, DID NOT COME FREE. POH w/ EL; SHOT DID NOT FIRE. COULD NOT FIND ANY PROBLEM w/ 1st TOOL THAT DID NOT FIRE. CUT 100' OF LINE, RE-HEAD, MAKE UP NEW CCL & NEW TYPE OF FIRING CAP. RIH & MADE BACK-OFF @ 11,799' ELM. PU ON PIPE; STRING WT 160k. POH & RD E-LINE. LEFT BURNING SHOE, TOP BSHG & (1) 4-3/4" DC IN HOLE (38' of fish). NEW TOF @ 11,799' ELM (11,816' DPM). LD SINGLE & PU KELLY; BREAK CIRC. PUMP 60 B, 150 vis SWEEP & CIRC. RECOVERED LCM MATERIAL ON BU. POH w/ DRILL PIPE.

DATE: 05/19/2006 DAYS: 14 MW: 8.8 VISC: 29 WL:

FIN POH w/ DRILL PIPE; REC (5) DC's (TOF @ 11,816' DPM). LD SHOT DC (PIN LOOKED GOOD). MU NEW FISHING BHA (3-1/2" IF SCREW-IN SUB, 4-3/4" DRLG JARS, 19- DC's & 30-HWDP); 1524.61' L. CHECK MAKE-UP TORQ ON DC's. TIH TO 3000'. CUT 120' OF DRLG LINE & SERVICE RIG. FIN TIH; TAG TOF @ 11,816' DPM. WASH & CIRC ON TOF; SCREW INTO FISH & PULL 190k. JAR DOWN ON FISH FOR 1/2 hr; NO MOVEMENT. PULL & JAR UP ON FISH w/ MAX 250k. ATTEMPT TO CIRC; PRESSURED UP WITH 1500 psi. CONT WORKING & JARRING UP ON FISH WHILE HOLDING 700-900 psi TP. MAXIMUM PULL OF 250k. AFTER 1 hr JARRING UP, MADE APPROX (8"); JARS HITTING GOOD. CONT JARRING UP FOR 4-1/2 MORE hrs (5-1/2 hrs total); NO MOVEMENT. JARS GETTING WEAKER LAST 1/2 hr. RU APOLLO E-LINE UNIT; MU (5') 400 gr STRING SHOT, CCL & 1-3/8" WT BAR (13' L). RIH; FOUND TOP OF DC's @ 11,182' ELM; TOP OF JARS @ 11,765' ELM; SCREW-IN SUB @ 11,798' ELM. CONT RIH & TAG @ 11,836' ELM. PU STRING SHOT TO COLLAR @ 11,832' ELM (top bshg conn). TRAP 5-1/2 rds LH TORQ IN DP; FIRE SHOT; LOST 2-1/2 rds TORQ. POH w/ EL; SHOT FIRED-OK. ATTEMPT TO BACKOUT DC JOINT, NO SUCCESS. MU NEW (5') 400 gr STRING SHOT & RIH; LOCATE STRING SHOT @ 11,798' ELM & MAKE BACK-OFF. PU (5'), PIPE FREE; STRING WT 170k (SAME); DROP BACK DOWN, w/ CCL, PU & CHECK EOT @ 11,794' ELM (4' GAP) & SCREW-IN SUB. POH

DATE: 05/20/2006 DAYS: 15 MW: 8.8 VISC: 29 WL:

FIN RD APOLLO E-LINE EQUIP. PU KELLY & PUMP (60 B) 150 vis SWEEP & CIRC HOLE CLEAN; RECOVERED SLUG OF LCM (MEGA FIBER & MIX). POH w/ DRILL PIPE; LD SCREW-IN SUB & DRLG JAR (TOF @ 11,816' DPM). RU E-LINE EQUIP; MU 7", 26# CIBP, BAKER #20 SETTING TOOL & CCL (13.5' L). RIH & TAG TOF @ 11,806' ELM (ADJUST DEPTH TO TOF @ 11,798' ELM). RAN COLLAR LOG f/ 11,790'- 11,550' ELM. RIH & SET CIBP @ 11,735' ELM (4' ABOVE COLLAR; 63' ABOVE TOF). PU OFF PLUG, RIH & TAG PLUG-OK (NEW PBDT: 11,735' ELM). LOG COLLARS OFF PLUG-OK. POH; MU 'BJ' 7", 26# COMPOSITE BP & BAKER #20 SETTING TOOL. RIH TO 8500' ELM; RUN COLLAR LOG f/ 8050'-8500' ELM (HAD SOME INDICATION OF PERFS). RIH & SET COMPOSITE BP @ 8390' ELM (middle of joint). PU OFF PLUG, RIH & TAG-OK (BP approx 132' below bottom perf). POH & RD E-LINE UNIT. MU WEATHERFORD 7", 26# 'HD' SQ PKR & TIH w/ 3-1/2" DP TO 7500' DPM. WAIT ON 'BJ' CEMENT EQUIPMENT; ETA 10:00 am. (NOTE: HOLE STAYING FULL SINCE SETTING BP @ 8390').

DATE: 05/21/2006 DAYS: 16 MW: 8.8 VISC: 29 WL:

CONTINUE WAITING ON BJ CEMENT EQUIPMENT TO ARRIVE AT LOCATION (Total-12 hrs). NOTE: HOLE STAYING FULL, NO LOSSES. RU BJ CEMENT EQUIPMENT. PULL (2) stds & SET 7" 'HD' SQ PKR @ 7336' DPM. TEST LINES TO 5000 psi-OK; LOAD BACKSIDE w/ 1 B & TEST PKR w/ 500 psi-OK. PRESSURE UP ON DP w/ 8.8# MUD TO 970 psi & HELD 30 min-OK. TESTED DV TOOL @ 7800' & OPEN PERFS f/ 8163-73'; 8243-58' (11.1 ppg EMW @ mid-perfs). BLEED PRESSURE & RD BJ EQUIPMENT. RELEASE PKR & TOH w/ DRILL PIPE. LD PKR & RD SQ MANIFOLD. MU BIT #3RR & BHA; TIH & TAG BP @ 8400' DPM. DRILL COMPOSITE BP @ 8400' DPM. CIRC HOLE CLEAN; FULL RETURNS.

DATE: 05/22/2006 DAYS: 17 MW: 8.8 VISC: 29 WL:

FIN CIRC HOLE CLEAN; RECOVERED SLIGHT AMOUNT LCM MATERIAL & SMALL PIECES OF RUBBER. CONT TIH w/ DP & TAG CIBP @ 11,751' DPM (11,735' ELM). PUMP 40 B, 80 vis SWEEP & CIRC HOLE CLEAN w/ FULL RETURNS. RECOVERED APPROX 1/4 bbl LCM (Mega Fiber & Mix, same as previously recovered from TOF @ 11,816'). RU PUMP TRUCK ON CSG TO TEST PERFS: 11,490-504'; 11,506-28' & 11,552-80'. INSTALL TIW VLV & CLOSE ANNULAR. PRESSURE-UP ON CSG w/ 1.2 B, 8.8# MUD TO 500 psi; BLEED DOWN TO 350 psi IN 2 min. RE-PRESSURE TO 500 psi w/ 1.0 B (total 2.2 B); BLEED DOWN TO 350 psi IN 2 min. CHECK VLVS & SURFACE LINES; DRAIN SHAKER & FLOWLINE. PRESSURE-UP TO 500 psi w/ 1.8 B (total 4.0 B); BLEED TO ZERO IN 5 min; RE-PRESSURE (2) MORE TIMES TO 500 psi (total 6.6 B); BLEED TO ZERO IN 5 min. RD PUMP TRUCK. POH & LD BIT. MU WEATHERFORD 7", 26# 'HD' SQ PKR (7.80' L) & TIH w/ 3-1/2" DP TO 10,650' DPM. INSTALL TIW VLV & MONITOR WELL WHILE WAIT ON CEMENT EQUIP. WAIT ON BJ CEMENT EQUIP; ETA FOR PERSONNEL IS 0530 hrs. HOLE TAKING APPROX 4 bph.

DATE: 05/23/2006 DAYS: 18 MW: 8.8 VISC: 29 WL:

WAIT ON BJ CEMENT EQUIP & PERSONNEL. RU BJ CEMENT EQUIP; SET 'HD' SQ PKR @ 10,650' DPM w/ 30k SETDOWN WT. HELD PJSA w/ RIG CREW & SERVICE PERSONNEL. TEST LINES w/ 5000 psi; CLOSE ANNULAR & PRESSURE UP BACKSIDE w/ 3 B TO 450 psi; BLEED AIR FROM LINE. PRESSURE UP TO 500 psi; BLEED TO 200 psi AFTER 5 min. HAD SMALL DRIP IN NIPPLE AT CSG VLV; REPAIR SAME. RE-PRESSURE TO 500 psi & ISOLATE PUMP; BLEED TO 200 psi IN 5 min; NO VISIBLE SURFACE LEAKS. RE-PRESSURE CSG TO 500 psi & PRESSURE UP DP w/ 500 psi; DP BLEED TO 150 psi IN 5 min; CP DOWN TO 200 psi. RELEASE PKR; LD (1) jt & RE-SET PKR @ 10,618' DPM w/ 30k WT. PRESSURE CSG w/ 500 psi; BLEED TO 200 psi IN 5 min. RELEASE PKR & POH w/ 22 stds; RE-SET PKR @ 8520' DPM w/ 30k WT. PRESSURE CSG w/ 500 psi & HELD 5 min- GOOD TEST. RELEASE PKR & TIH w/ 10 stds; RE-SET PKR @ 9500' DPM w/ 30k WT. PRESSURE TEST CSG TWO TIMES w/ 500 psi ; BLEED TO 210 psi IN 5 min (APPEARS PREVIOUSLY SQUEEZED PERFS f/ 8758'-8856' NOT HOLDING). BLEED PRESSURE & RD BJ LINES FROM RIG FLOOR. RELEASE PKR & POH. LD PKR; LOOKED OK. RU PRECISION E-LINE UNIT. MU BJ 7", 26# COMPOSITE BP ON BAKER #20 SETTING TOOL. RIH & SET BP @ 8990' ELM (middle of jt). PU OFF PLUG, RIH & TAG PLUG. POH & RD E-LINE. MU NEW WEATHERFORD 7", 26# 'HD' SQ PKR & TIH. TAG BP @ 9005' DPM (8990' ELM). PU & SET PKR @ 8950' DPM; RU ON DP & TEST BP w/ 1000 psi- 5 min; GOOD TEST. RELEASE PKR & PULL 5 stds; SET PKR @ 8348' DPM. CLOSE ANNULAR & TEST BACKSIDE w/ 500 psi-HELD OK. PRESSURE UP DP w/ 500 psi; BLEED TO 200 psi IN 5 min. ESTABLISH PIR: 0.1 bpm @ 950#; 0.5 bpm @ 1490 psi; 0.7 bpm @ 2000 psi; RATE DECR TO 0.5 bpm @ 2000 psi (PUMP TOT 3 B). SD & CONSULT w/ FOC- DENVER & BJ ENGINEER. OPEN BY-PASS, M&P 10 bw, 15.7 B CMT (75 sx) CI H w/ FL-62 + ADDITIVES @ 15.6 ppg (4:11 pumping time), 5 bw & 38.2 B MUD. CLOSE BY-PASS & HOLD 450 psi ON CSG. SQ PERFS 8758'-8856' w/ 0.8 bpm @ 2200 psi (CP-450#). AFTER 14 B, RATE 0.6 @ 2700 psi. CMT CLEARED TOOL (ALSO AT TOP PERF) w/ 0.6 bpm @ 2880 psi. SQ (8) B CMT @ 0.5 bpm @ 3500 psi MAX; DECR RATE TO 0.3 bpm @ 3250 psi; PUMP 2 B & SD PUMP w/ 3370 psi; DROP TO 1100 psi IN 5 min. PUMP 2 B @ 0.25 bpm @ 2900 psi; SD PUMP; TP DECR TO 850 psi IN 10 min. CONT w/ SQ AT REPORT TIME.

DATE: 05/24/2006 DAYS: 19 MW: 8.8 VISC: 29 WL:

PUMP (1) B @ 0.25 bpm w/ 2550 psi & SD PUMP; TP DECR TO 1100 psi IN 15 min (CP-350 psi). LEAVE SHUT-IN; CIP @ 0600 hrs. DISPL 12.7 B (61sx) CMT IN FORMATION; 3.0 B (14sx) IN CSG. CALC TOC @ 8680' DPM. MAX PP-3500 psi; FPP-2550 psi. WOC (4 hrs); ISITP-1100 psi; FSITP- LESS THAN 50 psi. BLEED TP& CP TO ZERO; REC MINIMAL FLUID. RELEASE PKR & POH w/ DP. LD SQ PKR; MU 6-1/8" BIT & BHA (1558.62'). TIH TO 8100' DPM; LD (21) JTS DP. CONT TIH & TAG CMT w/ 10k @ 8631' DPM (CALC TOC @ 8680'). LD (1) JT & PU KELLY; WASH & DRILL SOFT CMT f/ 8631'-8678' (120+ fph). DRILL MED/ FIRM CMT TO 8709' DPM (80+ fph) w/ 5-7k WOB; DRILL FIRM CMT f/ 8709'-8750' (50-60 fph). DRILL FIRM/HARD CMT f/ 8750'-8825' DPM (40-50 fph). BOTTOM OF CMT @ 8825' DPM. CONT WASHDOWN TO TAG BP.

DATE: 05/25/2006 DAYS: 20 MW: 8.8 VISC: 29 WL:

WASH & TAG BP @ 9001' DPM & CIRC HOLE CLEAN. RU PUMP TRUCK ON CASING; INSTALL DP SAFETY VLV & CLOSE ANNULAR. LOAD CSG w/ 0.6 B OF 8.8# MUD. PRESSURE UP CSG w/ 500 psi-HELD 5 min; OK. INCR PRESSURE TO 900 psi; DROP TO 800 psi IN 10 min. INSPECT STACK & LINES; NO VISIBLE LEAKS. BLEED LINES & INSTALL ISOLATION VALVE AT PUMP. PRESSURE UP CSG w/ 500 psi & HELD 10 min-OK (BOTH GAUGES HELD, NO LEAK AT PUMP). INCR CP TO 700 psi & HELD 10 min- OK; INCR TO 900 psi; DROP TO 825 psi AFTER 15 min (10.6# EMW @ 8800'). CONT DECR TO 700 psi AFTER 30 min; 600 psi AFTER 50 min. CONSULT & GIVE RESULTS TO FOC-DENVER. BLEED PRESSURE & RD PUMP TRUCK. PU KELLY & TAG BP @ 9001' DPM. DRILL & PUSH PLUG TO 9025' DPM. TIH & PUSH PLUG TO BOTTOM. TAG CIBP @ 11,750' DPM. SET BACK KELLY & PULL (1) std. RU PUMP TRK ON CSG & CLOSE ANNULAR. ATTEMPT TO TEST CSG; PRESSURE UP w/ 300 psi & PUMP-IN w/ 1 bpm; NO pp. PUMP 2.2 B & SD PUMP; WELL ON VACUUM. RD PUMP TRUCK. FILL HOLE w/ 9 B; TOH & STRAP DP. HOLE TAKING FLUID APPROX 4 bph. STRAP= 11,741' (9' diff). MU WEATHERFORD 7", 26# 'HD' SQ PKR & TIH w/ 3-1/2" DP. BJ CEMENT EQUIP ON LOCATION.

DATE: 05/26/2006 DAYS: 21 MW: 8.8 VISC: 29 WL:

CONTINUE TIH w/ SQ PKR TO 10,300' DPM. RU BJ CEMENT EQUIP; SET SQ PKR @ 10,302' DPM w/ 30k SETDOWN WT. HELD PJSA; TEST LINES w/ 5000 psi. PRESSURE BACKSIDE w/ 400 psi. ESTABLISH PIR: 1.2 bpm @ 300#; 2.0 bpm @ 700#. M&P 10 bw, 43 B CMT (75 sx CI H w/ FL-62 + 125 sx CI H w/ FL-25 + EC-1) 15.6 ppg; PUMP TIME- 4:15; & 5 bw. INITIAL RATE 2.0 bpm @ 825#; AFTER CMT PUMPED, 2.0 bpm @ 125#. DISPL CMT w/ 8.8# MUD; AFTER 75 B DISPL, CMT CLEARED TOOL; PP 3.0 bpm @ 1850#. AFTER 92 B, (75 sx OUT) PP- 2.5 bpm @ 2000#; AFTER 106 B (150 sx OUT), PP-2.1 bpm @ 2440#. DROP RATE TO 1.5 bpm @ 2278#; AFTER 110 B DISPL, PP- 1.5 bpm @ 2330#. DECR RATE TO 1.1 bpm @ 2270#; AFTER 113 B (180 sx OUT), PP-1.0 bpm @ 2170#. SD PUMP, PRESSURE DROP TO 465# IN 5 min; ZERO IN 15 min. PUMP 4.5 B (1.5 B CAUGHT FL; (TOTAL 117.5 B), SD PUMP & SIDP; PRESSURE ZERO. PUMP 3.5 B & CAUGHT FLUID w/ 125#; SIDP; PRESSURE WENT TO ZERO (HAVE 0.8 B CMT LEFT IN CSG ABOVE TOP PERF). WAIT 5 min, CATCH FL w/ 1.5 B; PUMP 26 B (25 B OVERDISPL) w/ 1.6 bpm @ 875#; FPP- 1.3 bpm @ 2330#. (CP SLOWLY DROP TO '0' DURING SQ). SD PUMP, ISIP-1890#; BLEED PRESSURE & RELEASE PKR. PULL 5 stds & RE-SET PKR @ 9825' DPM. CLOSE DRILL PIPE VLV & WOC. WOC (3 hrs); ADDITIONAL 200 sx CMT DELIVERED TO LOCATION. LOAD BACKSIDE w/ 7.5 B, 8.8# MUD & TEST w/ 400 psi. FILL DP w/ 13 B (1750'), PP-340#; INCR TO 500#, PUMP-IN FORM @ 1 bpm; 1.5 bpm @ 900#; 2.0 bpm @ 2060# (PUMP TOTAL 9 B). SD PUMP & SIDP; DROP TO ZERO IN 10 min. CONSULT w/ FOC-DENVER; RELEASE PKR & TIH w/ 4 stds. RE-SET PKR @ 10,207' DPM w/ 30k SETDOWN WT. LOAD BACKSIDE w/ 7 B & PRESSURE UP w/ 600#. M&P 10 bw & 29 B CMT (125 sx; 15.6 ppg); IPP-2.0 bpm @ 2400#; AFTER CMT PUMPED, PP-1.3 bpm @ 2700#. DISPL w/ 8.4 ppg FW; AFTER 35 B DISPL; PP- 1.2 bpm @ 2900#. AFTER 75 B DISPL (CMT CLEARED TOOL), PP- 0.8 bpm @ 3300#. PUMP 95 B DISPL; CMT @ PERFS; PP- 0.8 bpm @ 3400#. DISPL w/ 98 B (3 B CMT OUT), PP- 0.6 bpm @ 2900#. DECR RATE TO 0.5 bpm @ 2850#; 101 B DISPL (6 B CMT OUT), AFTER 106 B, PP- 0.5 bpm @ 2500# (11 B CMT IN FORM). PP INCR TO 0.5 bpm @ 2550#; DISPL TOTAL 114 B (19 B CMT OUT), PP- 0.5 bpm @ 2600#. SD PUMP & CLOSE DP VLV. SIDPP: 1 min- 2000#; 2 min-1800#, 3 min- 1500#, 4 min- 1400#; 5 min- 1225#; 15 min- 300#; 27 min- 100#; 30 min- '0'. OPEN DP & PUMP .25 B & CAUGHT FL; PUMP 2.5 B (TOT- 21.5 B CMT OUT). IPP- .4 bpm; FPP- .25 bpm @ 1000#. SD PUMP & CLOSE DP VLV; ISIP- 800#; 2 min- 500#; 10 min- '0'. WOC 30 min; OPEN DP & PUMP 1 B; DID NOT CATCH FL. CLOSE DP VLV; BREAK & FLUSH CMT LINES. (22.5 B CMT IN FORM; 6.5 B LEFT IN CSG). CP SLOWLY DECR TO '0' DURING SQ. WOC (4.5 hrs); OPEN DP VLV & FILL DP w/ 2.0 B WTR (4.5 B CMT IN CSG); 24.5 B (106 sx) CMT IN FORM. CALC TOC @ 11,373' DPM (117' ABOVE TOP PERF). BREAK DP VLV & MONITOR FLUID LEVEL IN DP. DP FULL; BREAK LINES FROM FLOOR & OPEN ANNULAR. RD CEMENT EQUIP. RELEASE PKR & POH w/ DP.

DATE: 05/27/2006 DAYS: 22 MW: 8.8 VISC: 29 WL:

FIN POOH, L/D SQUEEZE PKR. SERVICE RIG. M/U 6 1/8" RR BIT, 6 5/32 WATERMELLON MILL & BIT SUB. TIH FILLING PIPE EVERY 30 STDS OFFLOAD & BACKLOAD WHIPSTOCK FM TRUCK. FIN TIH, TAG CMT @ 11,295, 195' ABOVE TOP OF PERFS, P/U KELLY & EST CIRC. DRILL SOFT CMT FM 11,295 TO 11,448', STOPPED DRLG CMT 42' ABOVE PERFS, ROP 120 FPH W / 50 RPM, S & 10K WOB. PULLED UP TO 11,394, CIRC B/U. W.O.C. DRLG 5' OF CMT FM 11,448' TO 11,453', ROP 120 FPH W / 50 RPM'S & 10K WOB, PULL UP TO 11,394' & CIRC 15 MIN. W.O.C., PUMP TRUCK AVAILABLE TO TEST CASG @ 06:00 HRS DRLG CMT FM 11,453 TO 11,485'

DATE: 05/28/2006 DAYS: 23 MW: 8.9 VISC: 29 WL:

DRLG CMT FM 11,485' TO 11,567' - NO CMT FM 11,567' TO 11,573' - DRLG CMT FM 11,573' TO 11,586, NOTE: PERFS INTERVALS (11,490'-11,504') (11,506'-11,528) (11,552-11,580) WH & RM FM 11,586' TO 11,570.51' - CIBP @ 11,751' DPM. PUMP 70 BBL HIGH VIS SWEEP & CIRC HOLE CLEAN, WORK & ROT BIT AND WM MILL SEVERAL TIMES FM 11,718' TO 11,751' SET KELLY BACK, PULLED UP TO 11,488', INSTALL TIW VALVE, FLUID LEVEL IN DP WAS FULL. PUMP TRUCK IS R/U ON CASG, CLOSE ANNULAR, PRESS UP 7" CASG TO 400 PSI - PUMPED 1 BBL @ 1/4 BPM, PRESS BROKE BACK TO 320 PSI, STOP PUMP, ISOLATE PUMP & MONITOR CASG PRESS, 4 MIN PRESS DROPPED 300 PSI - NO VISIBLE LEAKS, 8 MIN 280 - 12 MIN 270 - 16 MIN 230, REPORT TO FOC - DENVER - PRESS UP TO 300 PSI W / 1/4 BBL PUMPED - ISOLATE PUMP, MONITOR PRESS, 5 MIN 280 PSI - 10 MIN 260 - 15 MIN 240 - 20 MIN 220 - 25 MIN 200 - 27 MIN 190 PSI, BLEED OFF CASG PRESS SLOW. TIH TO 11,751' WORK FM 11,718 TO 11,751' SEVERAL TIMES, NO FILL, CIRC HOLE CLEAN. POOH NO DRILL CREW - SHUT DOWN - TP MONITOR WELL, HOLE TAKING 1/4 BBL/HR, TOTAL FLUID LOSS 1 3/4 BBLs. NOTE: DRILL CREW THAT COME ON TOUR @ 05:00 HRS WAS SHORT HANDED A DERRICKMAN, TP WILL RUN RIG, DRILLER WILL WORK AS DERRICKMAN.

DATE: 05/29/2006 DAYS: 24 MW: 8.9 VISC: 36 WL: 9.5

SLIP & CUT DRILL LINE. CHANGED OUT TWO DRAWWORKS BRAKE FLANGE COOLING HOSES. P/U WINDOW CUTTING ASSY & 5 1/2" QUICK CUT WHIPSTOCK, TIH W / WHIPSTOCK TO 11,725' P/U KELLY, SET WHIPSTOCK DOWN ON CIBP @ 11,751', SET 10K DOWN & SHEARED OFF WHIPSTOCK, SET 45K DOWN, SHEAR BOLT SHEARED, WE DID GET INDICATION SHEAR BOLT SHEARED, SET 90K ON WHIPSTOCK, P/U & S/O, TAGED TOP OF WHIPSTOCK @ 11,733', TOTAL LENGTH OF WHIPSTOCK = 17.42 EST CIRC, STARTED GELLING UP CUT BRINE IN ACTIVE PIT, NOTE THREE MAGNETS ARE BEING USED TO RECOVER METAL. STARTED CUTTING WINDOW SECTION @ 11,733' - CUT 13 FEET, TOP OF WINDOW @ 11,731 - BTM OF WINDOW @ 11,742' - MILLED 4' OF FORMATION FM 11,742' TO 11,746', REAMED WINDOW SECTION THREE TIMES, WASHED THROUGH WINDOW SECTION W / NO ROTARY, NO DRAG DOWN, REAMED SECTION ONE LAST TIME, P/U ABOVE WINDOW. NOTE: CHANGING MUD TYPE FM CUT BRINE TO SALT GEL STARCH. CIRC B/U, CK FLOW & SLUG PIPE. POOH L/D 1ST 21 JTS DP, 7 STANDS IN DERRICK WILL BE RIH W / DRILLING ASSY.

DATE: 05/30/2006 DAYS: 25 MW: 8.9 VISC: 32 WL: 8

POOH, L/D WINDOW MILLING ASSY. Normal rig service M/U BIT < GIH W BHA, P/U JARS, TIH FILLING DP TO 11,701', P/U KELLY, EST CIRC. WH FM 11,701 TO 11,737, TOOK 10K WT, RM WHIPSTOCK & WINDOW SECTION FM 10,737' TO 10,746' W 2K WOB DRILL NEW HOLE FM 11,746' TO 11,813'

DATE: 05/31/2006 DAYS: 26 MW: 9 VISC: 32 WL: 7.8

DRLG FM 11,813' TO 11,859, PUMPED 30 BBL SWEEP @ 11,842' SET KELLY BACK & PULLED UP INTO CASG ABOVE WHIPSTOCK & REPAIRED TORQUE GUIDE, GIH, P/U KELLY & EST CIRC. DRLG FM 11,859 TO 12,042 - FORMATION 100% LIMESTONE, PUMPING SWEEPS EVERY 100' - 2.5 LB/BBL FINE MICA - NOTE: MAINTAIN VIS @ 32 - 34 W / GEL 4 MIN SK, STARCH @ 10 SK TO MAINTAIN 8 WL, CAUSTIC @ 1 HR SK TO MAINTAIN 10 PH, LCM AS NEEDED FO SEEPAGE.

DATE: 06/01/2006 DAYS: 27 MW: 9.2 VISC: 32 WL: 7

DRLG FM 12,042' TO 12,089' = 11 FPH, PUMPED 40 BBL SWEEP 55+ VIS @ 12,068' CIRC W / FIN R/U RENTAL SLICKLINE UNIT. SURVEY @ 12,037 - 3.5 DEGREE DRLG FM 12,089 TO 12,246' = 157' AVG ROP = 8.4 FPH, FORMATION 60% LIMESTONE / 40% DOLOMITE - PUMPED 55+ VIS @ 12,190' - NOTE AVG ROP LAST 7.5 HRS = 5.2 FPH

DATE: 06/02/2006 DAYS: 28 MW: 9.3 VISC: 34 WL: 6.8

DRLG FM 12,216' TO 12,330, PUMPED SWEEP @ 12,310' CIRC HOLE CLEAN. SET KELLY BACK, LOAD & DROP SINGLE SHOT SURVEY. POOH DRLG FM 12,216' TO 12,330, PUMPED SWEEP @ 12,310' CIRC HOLE CLEAN. SET KELLY BACK, LOAD & DROP SINGLE SHOT SURVEY. POOH

DATE: 06/03/2006 DAYS: 29 MW: 9.3 VISC: 35 WL: 7

FIN POOH - NOTE: POOH DUE TO PENETRATION RATE. CREW ATE LUNCH & SERVICE RIG, HOLE TAKING 1 BBL/ HR RETRIEVE SURVEY, 2 1/4 DEGREE - P/U 4 3/4" (QUANTUM) MUD MOTOR - 7/8 LOBE - 3.8 STAGE - .50 REV / GAL TIH TO 12,300' FILLING DP EVERY 30 STANDS, P/U KELLY, EST CIRC, WASH FM 12,300' TO 12,330', NO FILL. DRLG FM 12,330' TO 12,479' - 149' - 14.9 FPH - FORMATION 100% DOLOMITE

DATE: 06/04/2006 DAYS: 30 MW: 9.2 VISC: 36 WL: 6.5

DRLG FM 12,479' TO 12,885' = 406' - AVG ROP = 16.9 FPH, FORMATION 100% DOLOMITE.

DATE: 06/05/2006 DAYS: 31 MW: 9.2 VISC: 34 WL: 6.8

DRLG FM 12,885' TO 13,178' - 293' = 12.2 FPH - FORMATION 100% DOLOMITE, JET & CLEAN SHALE PIT @ 12,910' & PUMPED 50 HIGH VIS SWEEP,

DATE: 06/06/2006 DAYS: 32 MW: 9.2 VISC: 35 WL: 6.8

DRLG FM 13,178' TO 13,285' CIRC @ 13,243' - SURVEY DEPTH 13,208' 6 DEGREES WH FM 13,243' TO 13,285' NO FILL, DRLG FM 13,285' TO 13,505' - FORMATION 100% DOLOMITE, NOTE: NO GAS ON B/U FM SURVEY

DATE: 06/07/2006 DAYS: 33 MW: 9.2 VISC: 36 WL: 6

DRLG FM 13,505' TO 13,658' - 153' = 18 FPH CIRC B/U @ 13,658', NO SAND OR INDICATION OF SHOW. DRLG FM 13,658' TO 13,858' (200') 13.8 F.P.H. PUMPED SWEEP @ 13,851' (85 BBLS)

DATE: 06/08/2006 DAYS: 34 MW: 9.2 VISC: 36 WL: 6

NOTE; AT REPORT TIME ON STAND 55 (7300')

DATE: 06/09/2006 DAYS: 35 MW: 9.2 VISC: 36 WL: 6.4

TOOH TO CHANGE OUT BIT, MUD MOTOR & JARS, P/U RE-RUN BIT # 3 (# 4 BIT GRADED SEALS EFFECTIVE, TEETH 2)
TIH TO 14,000', P/U KELLY, WASH AND REAM TO BOTTOM (NO FILL) DRILL F/ 14,039' TO 14,136' (97') 10.7 F P H, FORMATION IS 100 % DOLOMITE

DATE: 06/10/2006 DAYS: 36 MW: 9.2 VISC: 36 WL: 6

DRILLING F/ 14136' TO 14310' (174') 10.5 F P H SAMPLE @ 14,275= 80% DOLOMITE, 10% LIME, 10% CHERT SAMPLE @ 14,285 100% DOLOMITE, SAMPLE @ 14,295 = 100 % DOLOMITE 1 SAMPLE @ 14,305=100% DOLOMIT CIRCULATE BOTTOM UP WORKING PIPE, PUMPED 3 GEL SWEEPS, 50 BBLS EA. THROUGH OUT THE DAY..@14,134, 14,177., 14,310 SET KELLY BACK , MAKE SHORT TRIP TO 7" CSG.(26 STANDS) P/U KELLY AND TAG BOTTOM , NO FILL, NO DRAG OR PROBLEMS ON TRIP SET KELLY BACK, T O O H TO RUN LOGS, DEPTH @ REPORT TIME (9650)

DATE: 06/11/2006 DAYS: 37 MW: 9.2 VISC: 35 WL: 6

TRIP OUT OF HOLE TO LOG,BREAK BIT & LAYDOWN MUD MOTOR RIG UP SCHLUMBERGER GO IN HOLE W/ RUN # 1, F M I- GR. LOGGERS T.D.
14,311' W L M, LOG OUT , LAY DOWN TOOLS P/U AND GO IN HOLE W/ RUN # 2, HRLA-BHC-GR TO T.D., LOG UP TO 11,700, GR TO 11,000', POOH AND RIG DOWN LOGGERS SLIP AND CUT DRILL LINE 120' OF DRILL LINE GO IN HOLE W/ 125 STANDS DRILL PIPE TO 11,848(OPEN ENDED)

DATE: 06/12/2006 DAYS: 38 MW: 9.2 VISC: 35 WL: 6

RECIEVED 26 JOINTS 4 1/2 15.10 8 RD LT&C CASING F/PATTERSON 1000'

DATE: 06/13/2006 DAYS: 39 MW: 9.2 VISC: 35 WL: 6

TIH W/ 4 3/4 COLLARS COLLARS & 3 1/2 D. P. FROM DERRICK LAYING DOWN DRILL PIPE , LOADING OUT 4 1/2 CAS RELEASING RENTAL EQUIPMENT CHANGE OUT TONGS TO BREAK OUT KELLY, DP ALL LAYED DOWN, AND WASHING MUD TANKS LAY DOWN HEVI-WATE AND DRILL COLLARS RIG DOWN ALLENS LAY DOWN UNIT NIPPLE DOWN STACK AND INSTALL TUBING HEAD W/ CAP
INSTALLED UNLOAD FLOOR OF RENTAL TOOL AND PLACE IN SHIPPING BASKET
NOTE: RELEASE RIG @ 2300 HRS. 6/12/06 RIG DOWN BY HAND. Well is TA