

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <u>Injection</u> ✓		5. Lease Serial No. LC-066126-C
2. Name of Operator BURK ROYALTY CO., LTD.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 94903, WICHITA FALLS, TX 76308	3b. Phone No. (include area code) 940-397-8638	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R. M., or Survey Description) 330' FSL, 1655 FWL, SEC 26, T20S, R34E ✓		8. Well Name and No. CRUCES FEDERAL #3 ✓
		9. API Well No. 30-025-02459 ✓
		10. Field and Pool, or Exploratory Area LYNCH YATES SEVEN RIVERS ✓
		11. County or Parish, State LEA COUNTY, NM ✓

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

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

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

ATTACHED ARE DAILY REPORTS ON THE CRUCES FEDERAL #3WIV FROM BEGINNING OF WORK TO COMPLETION WITH RUNNING LINER AND TESTING. ALSO ATTACHED IS THE MIT RECORDED CHART.

RECEIVED

AUG 23 2010

HOBBSOCD

ACCEPTED FOR RECORD

AUG 13 2010

/s/ Roger Hall

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

JON H. BEAR

Title ENGINEER

Signature

Date 07/13/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

ELG 8-24-10

Title

Date

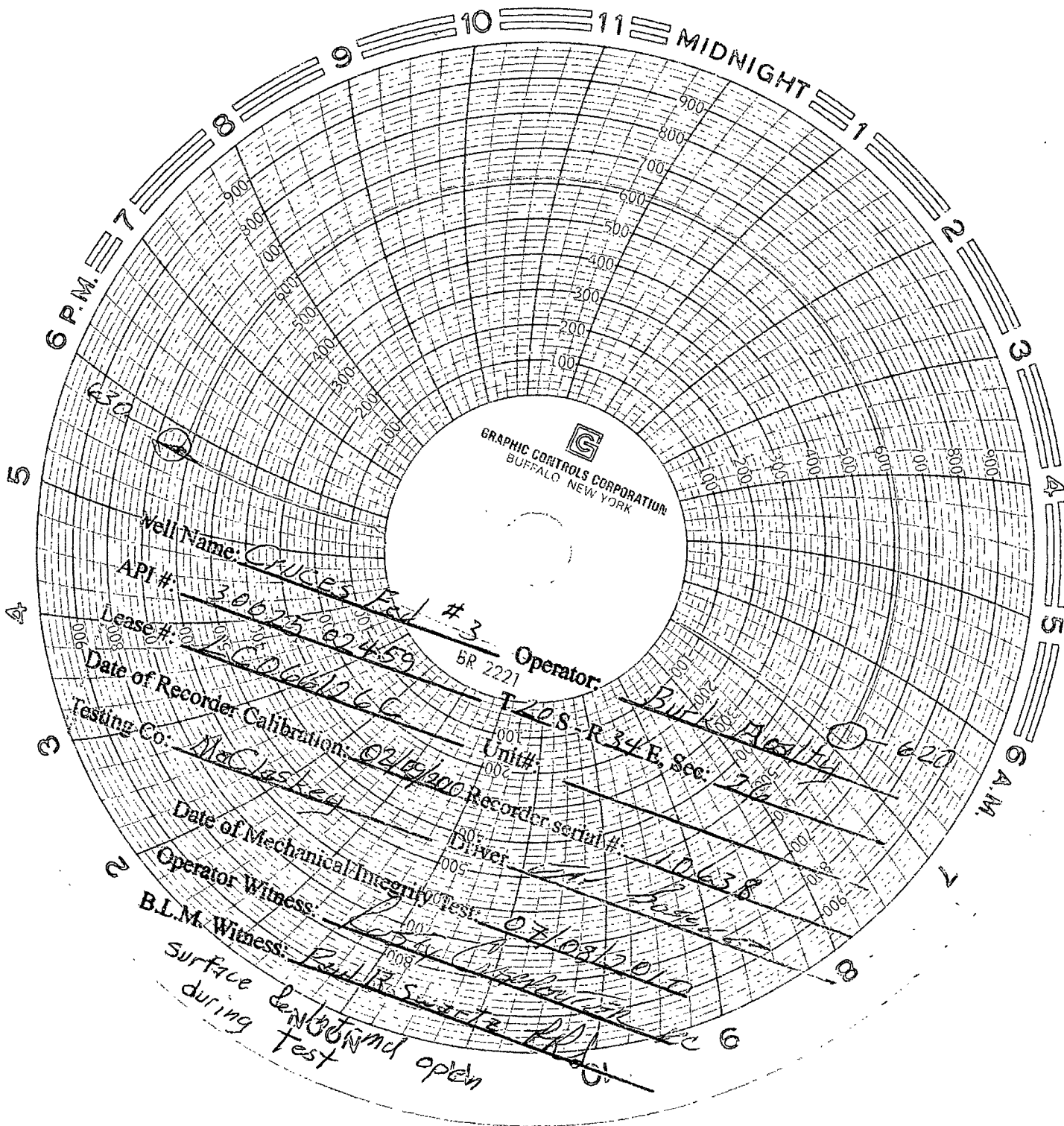
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

COPY



Well Name: CRUCES Rd #3
API #: 30025-02459
Lease #: 228CD0661266
Operator: BURKS AGENCY

Date of Recorder Calibrations: 02/09/2000
Testing Co.: McCluskey
Unit #: BR 2221
Recorder serial #: 10638

Date of Mechanical Integrity Test: 07/08/2010
Operator Witness: [Signature]
B.L.M. Witness: Paul R. Swartz
Surface Not and open during test

COPY



Daily Well Status Report

25610A03.01
05/27/2010

Cruces Federal #3 WIW

Burk Royalty Co., LTD.

Remarks: MIRU VIVA WELL SER. FB 450 BBLs 5 HRS. SENT RIG CREW HOME. MADE 65 BBLs. FLOWING FROM TBG & CSG SWI. DC \$3200 - RC

05/28/2010

Remarks: 100# TP, 120# CP; OPN WELL; FB 50 BBLs; RU, WELL FLWG; RELS PKR, PULLED ON TBG; TBG JUMPED; TOO H W/102-1/2 JTS 2-3/8" TBG (3317"); CALLED OFFICE; SDFN. RC

06/01/2010

Remarks: 200# SIP; BLEW DWN TO PIT; GIH W/OVERSHOT, 1 MILL CONTROL, GRAPPLE & 2-3/8" TBG; TAGGED FISH; TURNED TOOLS W/TONGS FOR 1 HR; COOH W/TOOLS, END OF OVERSHOT WAS BENT IN; CALLED FOR MORE TOOLS; 1-1/2" TOOLS ON LOC; RIG BROKE DOWN 3 HRS, GIH W/4-1/8" GUIDE SHOE W/CUT RITE ON BTM & ID, 1 JT WASHOVER PIPE, BUMPER SUB, 102 JTS 2-3/8" TBG; TAG @ 3315'; RU SWIVEL; START DRLG; MILLED 1', GIH 8"; TAG MILLED 10" GIH W/35' TBG, DID NOT TAG; COOH W/2-3/8" TBG, BUMPER SUB, 1 JT WASHOVER PIPE & GUIDE SHOE; PACK WELL OFF, SDFN. DWC: \$10,400; AWC: \$15,700 - RC

VIVA WELL SERV INVOICE: OPN TO TNK; 200# CP & TP, RIH W/GRAPPLE & 103 JTS 2-3/8" MILL W/TONGS, POOH W/TBG; GRAPPLE WAS BENT - FOUND CSG IS COLLAPSED; WO TOOLS & SWIVEL; NO AIR TO THROTTLE - DOWN TIME WO MECH 2-1/2 HRS; REPAIRED (REPLACED VALVE; RIH W/SHOE, WASH PIPE & 101 JTS; TIE BACK, PU SWIVEL, START MILLING CSG; PU 1 MOR JT; MAKE CONNECTION; PULLED REST, LD SWIVED; POOH W/TBG & WASH PIPE; LD WASH PIPE; NU WELL; SWIFN.

06/02/2010

Remarks: 70 # SIP; BLEW DWN TO PIT, GIH W/ 4-1/8" OVERSHOT, 2-3/8" GRAPPLE, BUMPER SUB, 102 JTS. 2-3/8" TBG; TAGGED FISH, PUSHED PKR DWN 116' - END OF PKR. @ 3580' (48' PERFS. COVERED) USED TONGS TO DRESS UP TBG; RU SWIVEL, DRESS UP TBG, WORK GRAPPLE OVER TBG 2 TIMES, JUMPED OFF, 3RD, 4TH ATTEMPT WOULD NOT GRAB TBG; COOH W/2-3/8" TBG. BUMPER SUB, OVERSHOT, HAD 3.5 JTS. 2-3/8" IN GRAPPLE, TOTAL TBG. 106 JTS. & COLLAR OFF TOP OF AD-1 PKR. CALLED FOR IMPRESSION BLOCK, CALLED OFFICE, GIH W/ IMPRESSION BLOCK, 109 JTS 2-3/8" TBG. SET DOWN ON BLOCK W/ 7 PTS COOH W/ TBG & BLOCK. HAD CRESENT SHAPE MARK ON BLOCK, GIH W/ 1-1.992" SPEAR, BUMPER SUB, 109 JTS 2-3/8" TBG; WORKED SPEAR INTO PKR. COOH W/ 2 3/8 TBG. FIRST 10-12 STANDS WAS WET, COOH W/ SPEAR; NO PKR NO GRAPPLE, CALLED OFFICE, PACK WELL OFF SDFN. DC 10,450 CC 26,150 -RC

VIVA WELL SERV INVOICE: 80# CP; BLED WELL DWN TO TANK; VAC TRK CONNECTED TO CSG; ND WELL; RIH W/SHOE TO MILL JT; PU SWIVE; (TIE BACK) PU 5 JTS; PUSH DWN PKR MILL; GOT ORDERS TO COOH & LD SWIVEL; POOH W/TBG; DID HAVE 3-1/2 JTS OF TBG ON FISHING TOOL; WOO & TOOLS; RIH W/IMPRESSION BLOCK, 112 JTS 2-3/8" TBG; POOH, HAVE MOON SHAP ON BLOCK; RIH W/SPEAR TO FISH PKR; WORKED IT; POOH W/TBG, HAVE SPEAR BUT NOTHING ELSE; NU WH; SDFN

06/03/2010

Remarks: 30# SIP, RU TO RUN TBG. GIH W/111 JTS 2-3/8 TBG; TAG PKR @ 3580' (LEFT OLD PKR IN HOLE). COOH W/2-3/8" TBG; GIH W/ NEW AD-1 P/C PKR, 106 JTS P/C TBG. SET PKR @ 3433'; MIRU P/T, RU TO TST ANNULUS; TOOK 10 BBLs TO LOAD 1.5 BPM; INCREASE RATE TO 3 BPM @ 250#; PMPD 15 BBLs TTL PMPD 25 BBLs ANNULUS; CHARGED UP BLEW DWN TO PIT; RLSD PKR; COOH W/2-3/8 TBG & PKR. GIH W/2-3/8: X 5-1/2" RBP & 2-3/8" TBG; SET RBP @ 3438', COOH W/2-3/8" TBG, UNLOAD 2-3/8" WORK STRING ON LOC, SDFN. DWC: \$7,850; AWC: \$34,000 -RC

VIVA WELL SERV INVOICE. CONNECT VAC TRK TO CSG; ND WH; RIH W/TBG & COLLAR ON BTM END TO PUSH DOWN PKR (112 JTS), POOH W/TBG, LD 7 JTS, RIH W/AD1 PKR & 106 JTS 2-3/8" TBG; SET PKR @ 3548'; NU; WO PMP TRK; CONNECT TRK TO CSG; LOAD CSG; PMP 25 BBLs - DIDN'T HOLE; WOO; ND WH, UNSET PKR; POOH W/TBG & PKR; RIH W/PLUG, SET PLUG @ 3548'; POOH W/TBG; NU; SECURE WELL; WO WORK STRING PIPE TO TALLY; SDFN.

06/04/2010

COPY



Daily Well Status Report

Remarks: 40# SIP, BLEW DWN TO PIT; GIH W/ 2-3/8" X 5-1/2" TENSION PKR & 26 JTS 2-3/8" TBG; SET PKR @ 858'; TSTD BELOW PKR; PMPG 6 BPM @ 100#; GIH W/2-3/8" TBG; TST RBP @ 3430' - HELD 750#; COOH W/2-3/8" TBG; SET PKR @ 2106'; TSTD BELOW PKR; PMPG 6 BPM @ 100#; RU TO TST ABOVE PKR, HELD 400#; RELS'D PKR; GIH W/PKR SET @ 3237'; TSTD BELOW PKR; PMPG 1 6 BPM @ 300#; RELS'D PKR; GIH W/PKR SET @ 3301'; PMPD 1.7 BPM @ 300#; RELS'D PKR; GIH W/PKR, SET @ 3365' - HELD 550#. COOH W/PKR, SET PKR @ 3333'; TSTD BELOW PKR; HELD 500# (HOLE BETWEEN 3333' - 3301') COOH W/PKR; SET @ 3301' TSTD ABOVE PKR TO SURF, HELD 450#; COOH W/2-3/8" TBG & TENSION PKR; TOOL CO WILL NOT LET US DUMP SAND ON A RENTAL RPB FOR SQUEEZE JOB; GIH W/RBP CATCHER & 2-3/8" TBG; RELS'D RBP; COOH W/2-3/8" TBG & RBP. PACK WELL OFF; SDFN. DWC: \$6,500; AWC \$40,500 - RC.

VIVA WELL SERV INVOICE: OW TO VAC TRK; TALLY 120 JTS NEW 2-3/8" TBG; RIH W/PLUG, SET @ 3550'; POOH W/TBG; RIH W/PKR & 26 JTS; SET PKR; LOAD - HOLD; RIH TO 104 JTS - TST - LEAKED; 3303' - 3330' BAD PART; POOH W/PKR; RIH W/ TBG TO LATCH ONTO PLUG; POOH W/PLUG; NU WELL; SDFN.

06/07/2010

Remarks: RU BOP; GIH W/5.5" CIPB & 105 JTS 2-3/8" TBG; SET PLUG @ 3424'; COOH W/2-3/8" TBG; GIH W/5.5" CMT RETAINER & 98 JTS 2-3/8" TBG; SET CMT RET @ 3198'; STING OUT OF RETAINER (O-TEX HAD DRLG RIG CALL IN, WILL SQUEEZE WELL IN THE MORNING), PACK WELL OFF; SDFN. DWC: \$4,925; AWC. \$45,425 - RC.

VIVA WELL SERV INVOICE. BLED WELL DWN TO TNK, ND WH, INSTALLED BOP; RUP FLOOR & TONGS; RIH W/TBG & PLUG 106 JTS; SET PLUR @ 3429'; POOH W/TBG, RIH W/RETAINER; SET RETAINER @ 3200'; SWIFN.

06/08/2010

Remarks: STILL HAVE SMALL FLOW ON ANNULUS. 7 A.M. O-TEX CALLED, THEY WILL NOT MAKE THE SQUEEZE JOB. STARTED CALLING OTHER CMTG COS. RISING STAR WILL DO THE JOB; 1ST CREW BACK TO YARD. MIRU RISING STAR FOR SQUEEZE JOB, EST RATE 1.5 BPM @ 300#, START ON CMT; PMPD 200 SXS 14.8# CLASS C 2% CACL, 150 SXS CLASS C NEAT (CMT PMPG 1 BPM @ 300#); START DISPLACING; PMPD 3.8 BBLs FRES WTR; SHUT DWN 15 MIN, PMPD 4 BBLs FRESH WTR; 450# TP; SHUT DOWN 15 MIN, PMPD 4 BBLs FRESH WTR; 550# TP; TOTAL DISPLACEMENT 11.8 BBLs; STING OUT OF CMT RETAINER, PULLED 30 STDS 2-3/8" TBG; PACK WELL OFF; SDFN. DWC: \$17,300, AWC: \$62,725 - RC.

VIVA WELL SERV INVOICE. BLED DWN TO TNK; WO CMT TRK; CMT TRK ARRIVED AFTER 6 P.M.; CONNECT CMT TRK TO WELL; PMPD CMT; RD TRKS; WELL PRESS 400 PSI; SWIFN. POOH W/10 JTS; SDFN. CLEAN TOOLS; CHGD BACK UP TO TBG TONGS.

06/09/2010

Remarks: ANNULUS HAS SMALL FLOW; COOH W/REMAINING 2-3/8" TBG & STRINGER; GIH W/2-3/8" X 5-1/2" AD-1 PKR, 26 JTS 2-3/8" TBG; SET PKR @ 851'; TSTD BELOW PKR TO 500#; LOST 8-10# IN 30 MIN (AIR?); RU TO TST ANNULUS; PRESS'D UP ANNULUS TO 480# PMPG IN @ .4 BBL; LOST 200# IN 1 MIN; TALKED TO OFFICE; (RECORDS SHOW WELL SQUEEZED IN YEAR 2003 @ 575-735'); INCRS'D RATE 1.5 BPM @ 650#, COOH W/TBG; SET PKR @ 655'; TSTD BELOW PKR TO 500# - GOOD; COOH W/TBG SET PKR @ 524'; FLOWING OUT OF TBG, TSTD 524' TO SURF TO 500# - GOOD; GIH W/TBG; SET PKR @ 589'; FLOWING OUT OF TBG; TSTD 589' TO SURF - GOOD; GIH W/TBG; PKR HUNG UP; WORKED FREE, GIH W/TBG; SET PKR @ 622'; TSTD 622' TO SURF PMPG IN @ 4 BPM @ 400# - LEAKED BETWEEN 622'-589'; COOH W/TBG & PKR - LARGE PIECE OF RUBBER GONE OFF PKR; PACKED WELL OFF, SDFN. DWC: \$5,000; AWC. \$67,725 - RC.

VIVA WELL SERV INVOICE: POOH W/TBG 14 JTS W/CMT; LAY THEM DWN, RIH W/PKR & 26 JTS (855'); SET PKR; LOAD TBG; HELD 500 PSI - LOAD CSG 500 PSI - IT WOULD DROP; WOO; WTR TRK ARRIVED, LOOK FOR HOLES; RIH W/PKR & 26 JTS, LOAD TBG - HOLE 500 PSI; LOAD CSG 500 PSI IT WOULD DROP; WOON, WTR TRK ARRIVE - LOOK FOR LEAKS; RIH W/PKR & 26 JTS, LOAD TBG - HOLD 500 PSI; LOAD CSG - HOLD; PULL 3 STDS - LEAKED, RIH W/4 JTS, FOUND LEAK 589'-622'; POOH W/PKR; SWIFN.

06/10/2010

Remarks: 40# SIP, BLEW DOWN TO PIT; GIH W/2-3/8" X 5-1/2" TENSION PKR, 8 JTS 2-3/8" TBG; SET PKR @ 265'; RISING STAR WILL DO CMT JOB THIS AFTERNOON. 1 P.M. RISING STAR CALLED WILL NOT MAKE IT; CALLED MORE CMTG COS. BASIS OUT OF MIDLAND WILL BE HERE IN THE MORN - HOPEFULLY. SDFN. DWC: \$2,400; AWC: \$70,125 - RC

VIVA WELL SERV INVOICE: OPN WELL TO TNK; RIH W/PKR & 8 JTS; SET PKR; WO CMT TRK; GOT ORDERS THAT CMT TRK WOULD BE HERE TOMORROW MORN; SWI.

06/11/2010



Daily Well Status Report

Remarks: 30# SIP; BLEW WELL DWN TO PIT, MIRU BASIC FOR CMT JOB; EST RATE @ 2.5 BPM @ 800#; START ON CMT PMP 150 SXS CLASS C 14.8# 1.32 YIELD W/2% CC @ 2 BPM @ 500#; START DISPLMT; PMPD 2.5 BBL @ 1.5 BPM @ 500#; SI 15 MIN 300#; PMPD 1 BBL @ .25 BPM @ 480#; SI 15 MIN 350#; PMPD 1 BBL @ .25 BPM @ 450#; SI 30 MIN 350#; PMPD 1 BBL @ .25 BPM @ 450# SI 30 MIN 380#; PMPD .5 BBL @ 450#; SI 30 MIN 380#; PMPD .75 BPM @ 550#; SI 30 MIN 380#; PMPD .75 BPM @ 550#; TOTAL DISPLMT 7.5 BBL; SWI; SDFN. DWC: \$6,900; AWC: \$77,025 - RC

VIVA WELL SERV INVOICE: CMT TRK ARRIVED; HSM ON PMPG CMT, CONNECTED TRK; PMP CMT - WAIT 30 MIN, PMPD AGAIN - PRESS'D TO 400 PSI; PMP CMT AGAIN; WAIT 1 HR - 700 PSI; RD CMT TRK, SWIFN.

06/14/2010

Remarks: MIRU VIVA REVERSE UNIT; RELS'D PKR, COOH W/2-3/8" TBG & PKR; GIH W/4-3/4" BIT, BIT SUB, 4 - 3-1/8" DRILL COLLARS, 13 JTS 2-3/8" TBG; TAG CMT @ 538', VIVA PMP MOTOR WILL NOT START, CALLED FOR MECHANIC; STARTED DRLG @ 12:30 P.M., DRLD 582' SOFT CMT, TAG HARD CMT @ 587', 590' BROKE THRU CMT; GIH W/TBG TO 642'; TST'D 5-1/2" CSG TO 525#; LOST 25# IN 3 MINS (TWICE); PRESS'D UP ANNULUS TO 700#, BROKE BACK TO 600#, INCREASED RATE TO 1 BPM @ 700#; RD SWIVEL; COOH W/2-3/8" TBG, COLLARS & 4-3/4" BIT; GIH W/2-3/8" X 5-1/2" TENSION PKR, 20 JTS TBG; SET PKR @ 655'; TST'D BELOW PKR TO 500#, LOST 25# IN 5 MINS (TWICE) INCRS'D PSI TO 700#; LOST 35# IN 5 MINS; RELS'D PKR; GIH W/TBG; SET PKR @ 2023' (62) TST'D BELOW PKR TO 560# - GOOD; COOH W/10 JTS, SET PKR @ 1696' (52) TST'D BELOW PKR TO 520# - GOOD; COOH W/10 JTS; SET PKR @ 1371' (42) TST'D BELOW PKR TO 540# - GOOD; COOH W/10 JTS; SET PKR @ 1047' (32) TST'D BELOW PKR TO 510# - GOOD; COOH W/10 JTS, SET PKR @ 720' (22) TST'D BELOW PKR TO 510# - GOOD; COOH W/14 JTS SET PKR @ 265' PMPD DWN TBG; EST RATE OF 1 BPM @ 650#; RU FOR SQUEEZE JOB; SDFN (CALLED FOR CMT - BASIC TO BE HERE TUES MORN @ 7 A.M.) DWC: \$7,800; AWC: \$84,825 - RC

06/15/2010

Remarks: MIRU BASIC FOR SQUEEZE JOB; PRESS'D UP ON ANNULUS TO 500 PSI; ESTABLISH RATE OF 1 BPM @ 600#; START ON CMT; PMPD 150 SXS CLASS C W/2% CC, 15.4#, 1.32 YIELD @ 1.5 BPM @ 800#; START ON DISPLACEMENT; PMPD 4.7 BBL FRESH WTR @ .25 BPM (PSI TO 1000#); SD 10 MIN. (900#) PMP .25 BBL (PSI TO 1000#) - HELD, SWI; SDFN. TOTAL DISPLACEMENT 5 BBL DWC: \$7,000; AWC: \$91,825 - RC.

06/16/2010

Remarks: 0# SIP; RELS'D PKR; COOH W/2-3/8" TBG & TENSION PKR, RU VIVA SWIVEL; GIH W/4-3/4" BIT, BIT SUB, 4 - 3-1/8" DRILL COLLARS, 9 JTS 2-3/8" TBG; TAG CMT @ 420'; START DRLG, DRLD HARD CMT TO 600', SOFT CMT TO 615' - BROKE THRU CMT; TOTAL CMT DRLD 195'. RU TO TST TBG; PRESS'D UP CSG TO 520# - LOST 40# IN 2 MIN; PRESS'D UP CSG TO 500# - LOST 50# IN 2.5 MIN; PRESS'D UP CSG TO 490# - LOST 40# IN 2 MINS. (CALLED OFFICE). COOH W/2-3/8" TBG, DRILL COLLARS & 4-3/4" BIT. SWI, SDFN. DWC: \$5,850; AWC: \$97,675 - RC

06/17/2010

Remarks: 30# SIP; BLEW DWN TO PIT; GIH W/4-3/4" BIT, BIT SUB, 4 - 3-1/8" DRILL COLLARS & 94 JTS 2-3/8" TBG; TAG @ 3180' (18' CMT ON CMT RETAINER); START DRLG ON CMT RETAINER @ 3198' (9 A.M.); AT 11:30 A.M. DRLG ON CMT; 5 P.M. DRLD THRU CMT @ 3340'; GIH W/TBG; TAG CIBP @ 3423'; START DRLG ON PLUG; DRLD THRU PLUG @ 7 P.M.; GIH W/TBG; TAG OLD PKR @ 3580'; CIRC HOLE CLEAN; COOH W/5 STANDS; SWIFN. DWC: \$6,200; AWC: \$103,875 - RC.

06/18/2010

Remarks: 30# SIP; BLEW DWN TO PIT; COOH W/106 JTS 2-3/8" TBG, 4 - 3-1/8" DRILL COLLARS, 1 - 4-3/4" BIT; GIH W/1 - 5' SHOE, SET OF JARS, 4 - 3-1/8" DRILL COLLARS, 106 JTS 2-3/8" TBG; TAG ON PKR; STARTED DRLG; DRLD ON PKR 7 HRS; RECOVERED SMALL AMOUNT OF METAL; PULL UP OFF BTM; CIRC CLEAN; SWIFN. DWC: \$10,725; AWC: \$114,600 - RC

06/19/2010

Remarks: GIH W/TBG; TAG BTM; START DRLG; DRLD 5 HRS - GOOD RETURNS, NO CUTTING. COOH W/2-3/8" TBG & DRILL COLLARS TO CHECK SHOE. SHOE PACKED FULL OF METAL FROM BP & GRAPPLE. GIH W/NEW 5-1/2" SHOE, DRILL COLLARS, 2-3/8" TBG; START DRLG, DRLD 4 HRS; RECOVERING SMALL AMOUNT OF METAL; CIRC WELL CLEAN; SWIFN. DWC: \$10,550; AWC: \$125,150 - RC

06/21/2010



Daily Well Status Report

Remarks: GIH W/TBG; TAG BT, ' START DRLG; DRLD 5 HRS W/GOOD RETURNS - NO CUTTINGS COOH W/2-3/8" TBG & DRILL COLLARS TO CHECK SHOW (SHOE PACKED FULL OF METAL FROM BP & GRAPPLE); GIH W/NEW 5.5" SHOE, DRILL COLLARS & 2-3/8" TBG; START DRLG; DRLD 4 HRS - RECOVERED SMALL AMOUNT OF METAL; CIRC CLEAN; SWIFN. DWC: \$10,550; AWC: \$125,150 -RC

06/22/2010

Remarks: GIH W/TBG, TAG; START DRLG; DRLD 6 HRS - RECOVERING SMALL AMOUNT OF METAL, GOOD RETURNS, NO CUTTINGS. COOH W/2-3/8" TBG, DRILL COLLARS & SHOE, HAD 3 LARGE PIECES OF METAL IN SHOE (DRAG BLOCK ASSEMBLY); GIH W/NEW SHOE, DRILL COLLARS & 2-3/8" TBG; TAG; START DRLG; DRLD 2.5 HRS - RECOVERING METAL (SLIPS); CIRC CLEAN; SWIFN. DWC: \$9,550; AWC: \$134,700 -RC

06/23/2010

Remarks: GIH W/TBG; START DRLG; RECOVERING METAL; DRLD 2 HRS; STARTED RECOVERING RUBBER, CIRC CLEAN; COOH W/64 JTS 2-3/8" TBG; TONGS ON RIG BROKE; CALL FOR NEW SET OF RIG TONGS (DOWN 4 HRS WO TONGS); COOH W/4 JTS; RIG LOST AIR; HOOK UP AIR LINE TO SWIVEL UNIT; WILL NOT RUN RIG; SWI (DOWN 4 HRS); COOH W/REMAINING 2-3/8" TBG, DRILL COLLARS & SHOE; SWIFN. DWC: \$5,900; AWC: \$140,600 -RC

06/24/2010

Remarks: GIH W/SHORT CATCH OVERSHOT, BUMPER SUB, 4 - 3-1/8" DRILL COLLARS & 106 JTS 2-3/8" TBG; WORK OVERSHOT OVER PKR, COOH W/2-3/8" TBG & BHA, HAD REMAINING BTM HALF OF PKR; GIH W/ 4.75" BIT, 4 - 3-1/8" DRILL COLLARS, 106 JTS 2-3/8" TBG, TAG FILL @ 3580'. START DRLG; CLEAN OUT TO TD @ 3665'; RECOVERED FRAC SAND & IRON SULFIDE; CIRC CLEAN; COOH W/ 10 JTS. SWIFN. DWC: \$9,200; AWC: \$149,800 -RC

06/25/2010

Remarks: GIH W/2-3/8" TBG; TAG @ 3665' TD; NO FILL; TALLY OOH W/2-3/8" TBG, DRILL COLLARS & BIT. RD SWIVEL; MOL GIH W/1 - 5 5" CIBP, 107 JTS 2-3/8" TBG; SET PLUG @ 3492', TOP PERF @ 3509'; COOH W/2-3/8" TBG; SWIFN. DWC: \$5,725; AWC: \$15,525 -RC

06/28/2010

Remarks: TOOK OFF BOP; ADDED 8-5/8" X 4" CSG HEAD & 10-3/4" FLANGE, RU BOP; TOOK OUT 2-3/8" PIPE RAMS; ADDED 4" PIPE RAMS; RU SLIPS & ELEVATOR; PIPE RACKS ON LOC. WAITING ON BLM TO APPROVE LINER SZ. SWIFN. DWC: \$2,950; AWC: \$158,475. -RC

06/29/2010

Remarks: STANDBY; WAITING FOR 4" LINER; WILL BE HERE IN THE MORN. SWIFN. DWC: \$ 3,100; AWC: \$161,575. -RC

06/30/2010

Remarks: UNLOAD 82 JTS 4" 9.50# J-55 UFJ-KSC, R-3 COPPEL SEAMLESS ULTRA FLUST JTS (ID 3.548); TIH W/79 JTS (3484'), RD BOP; SET 4" LINER IN WELLHEAD SLIPS, RDMO PIPE RACKS; SWIFN. WILL PMP CMT THURSDAY MORN). DWC: \$47,050; AWC: \$208,625. -RC

07/01/2010

Remarks: MIRU BASIC FOR CMT JOB; BASIC BROKE DWN 3 HRS, EST RATE PMP 5 BBLS FRESH WTR @ 2 BPM @ 100#; START ON CMT; PMPD 200 SXS CLASS H 2 2/10% FRICTION REDUCER + 2% CC 15.6#, LOAD 4" RUBBER PLUG, FLUSH W/41.5 BBLS FRESH WTR TO 3400' 1 BPM @ 1500# SWI; CIRC 23 SXS CMT TO PIT DWC: \$9,475, AWC. \$218,100. -RC

07/06/2010



Daily Well Status Report

Remarks: FIELD RPT TSTD 4" LINER TO 1500# - HELD 30 MIN OK, WELD ON 4" X 4-1/2" BELL NIPPLE; RU 4-1/2" X 2-3/8" WH, GIH W/3-1/4" BLADE BIT, 104 JTS 2-3/8" TBG; TAG CMT @ 3390'; MIRU VIVA SWIVEL; START DRLG; DRLD OUT RUBBER & CMT TO CIBP @ 3492', CIRC CLEAN; COOH W/TBG & BIT; GIH W/BLADED MILL W/CUT RITE & 2-3/8" TBG; TAG CIBP; START DRLG; DRLD 1 HR, SDFN. DWC: \$5,850; AWC: \$223,950 -RC

07/07/2010

Remarks: GIH W/TBG; TAG CIBP; START DRLG; DRLD 4 HRS (RIG BROKE DWN - REPAIRED BRAKE SYSTEM - DOWN 4 HRS) START BACK TO DRLG; DRLD OUT CIBP; GIH TO TD 3665'; COOH W/2-3/8' TBG & 3-1/4" MILL BIT; 4" ARROW-SET PKR ON LOC (OD 3-1/4"); GIH W/1 - 3-3/8" BIT & 2-3/8" TBG; CLEAN OFF REMAINING CMT 3390'-3492'; CIRC HOLE CLEAN; SWIFN. DWC: \$5,700; AWC: \$229,659. - RC

07/08/2010

Remarks: GIH W/TBG TO TD 3665'; CIRC CLEAN, COOH LD WORK STRING; MIRU TBG TSTRS; GIH W/ 4" X 2-3/8" ARROW SET PKR; TSTD 107 JT 2-3/8" CERAMIC COATED TBG TO 6500#; MIRU PMP TRK; CIRC 60 BBLs PKR FLD; SET PKR @ 3466'; PAUL SWARTZ W/BLM ON LOC. RAN MIT INTEGRITY TST ON WELL - 615# - HELD 30 MIN. OK; RU FOR INJ. RDMO. DWC: \$18,225; AWC: \$247,875. -RC

Begin Date = '01/01/2010 12:00:00AM'

End Date = '07/31/2010 12:00:00AM'

Morning Report Entity = 25610A03.01 Cruces

Federal #3 WIW