

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN
 b. TYPE OF WELL
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE
 2. NAME OF OPERATOR
 Conoco Inc.

CONFIDENTIAL

5. LEASE DESIGNATION AND SERIAL NO
 UTU-63100
 6 IF INDIAN, ALLOTTEE OR TRIBE NAME
 7 UNIT AGREEMENT NAME
 8 FARM OR LEASE NAME WELL NO
 Muley Creek Fed. 29, Well #1
 9 API WELL NO
 10. FIELD AND POOL, OR WILDCAT
 Wildcat
 11. SEC. T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 29, T36S, R10E, S1.B. & M.
 12 COUNTY OR PARISH
 Garfield
 13. STATE
 Utah

3. ADDRESS AND TELEPHONE NO
 10 Desta Dr. Ste 430E, Midland, Tx. 79705-4500 915-686-5794

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *)
 At surface 2505' FNL & 623' FEL, SE4NE4
 764 190
 At proposed prod. zone 2505' FNL & 623' FEL, SE4NE4

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approximately 13.4 miles Northwest of Bullfrog, Utah

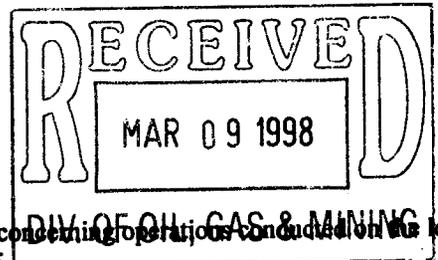
5. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if Any)	623'	16 NO OF ACRES IN LEASE	3218	17. NO. OF ACRES ASSIGNED TO THIS WELL	640
8. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	N/A	19. PROPOSED DEPTH	12,600	20. ROTARY OR CABLE TOOLS	Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc)				22. APPROX. DATE WORK WILL START*	
4910' GR				4-15-98	

23 PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8" L-80 BTC	68#	0' to 1100'	650 SXS
12 1/4"	9 5/8" L-80 LTC	40#	0' to 3700'	855 SXS
8 3/4"	7" L-80 LTC	26#	0' to 7800'	545 SXS
6 1/8"	4 1/2" P-110 LTC	11.6#	10,000' to 12,600'	513 SXS

Conoco Inc. proposes to drill this well as a wildcat to a depth of 12,600' according to the plan submitted in the following attachments:

1. Appropriate survey plat
2. Location layout with cut and fill plat
3. Typical rig layout plat
4. TOPO Map "A" and "B"
5. Proposed well plan outline with BOP diagrams (3000 & 5000 PSI)
6. Surface use plan
7. H2S drilling operations plan
8. Miscellaneous casing design information



The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof, as described above and as covered by BLM Bond File No. ES-0085.

#8015-16-69

See Form 3160-3 attachment for Hazardous Material Declaration

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Mike L. Mankin DATE 2-11-98
Right-of-Way Agent

(This space for Federal or State office use)
 PERMIT NO 43-017-30136 APPROVAL DATE _____

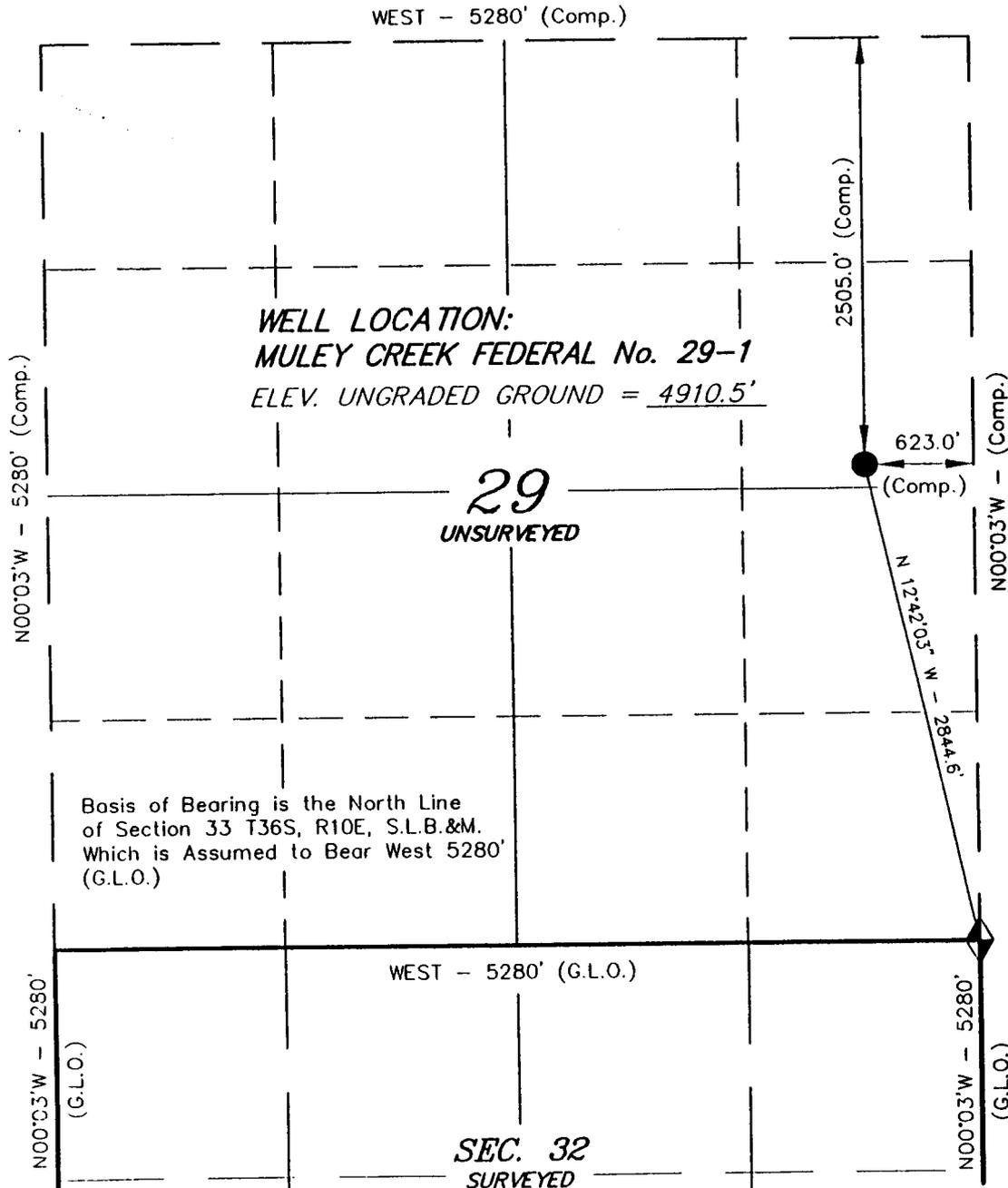
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY: Federal Approval of this
Approval Necessary
 APPROVED BY [Signature] TITLE BRADLEY G. HILL DATE 10/22/98
RECLAMATION SPECIALIST III

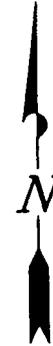
*See Instructions On Reverse Side

T36S, R10E, S.L.B.&M.

CONOCO, INCORPORATED



WELL LOCATION, MULEY CREEK FEDERAL No. 29-1, LOCATED AS SHOWN IN THE SE 1/4 NE 1/4 OF SECTION 29, T36S, R10E, S.L.B.&M. GARFIELD COUNTY, UTAH.



CONFIDENTIAL



= SECTION CORNERS LOCATED

BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (CLAY POINT UT)

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

STACY W. STEWART

REGISTERED LAND SURVEYOR
REGISTRATION NO. 189377
STATE OF UTAH

TRI STATE LAND SURVEYING & CONSULTING

38 WEST 100 NORTH - VERNAL, UTAH 84078
(801) 781-2501

SCALE: 1" = 1000'

SURVEYED BY: SS BS

DATE: 1/19/98

WEATHER:

NOTES:

FILE # 29-1

LEASE NO: UTU-63100
WELL NAME & NO: Muley Creek Federal 29, WELL #1
LOCATION: 2505' FNL & 623' FEL, SEC. 29, T36S, R10E, S.L.B. & M
COUNTY & STATE: Garfield, County, Utah

HAZARDOUS MATERIAL DECLARATION FOR APPLICATION TO DRILL SUBJECT WELL

No chemical subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, stored, produced, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities will be used, produced, stored or transported, or disposed of in association with the drilling of this well.

DRILLING PLAN - Muley Creek Federal #29-1

1. **Location:** Section 29, R10E, T36S 623' FEL & 2505' FNL
2. **Geological Marker Tops:** (RKB: 4923' est. - GL: 4910est)

Formation	Drilled Depth (RKB)	Datum	Estimated Pressure	Fluid / Mineral
RKB	0.00	+4923		
Summerville	143.00	+4780	Normal / Subnormal	
Entrada	288.00	+4635	"Ditto"	
Carmel	955.00	+3968	"Ditto"	
Navajo	1,223.00	+3700	"Ditto"	
Kayenta	2,198.00	+2725	"Ditto"	
Wingate	2,445.00	+2478	"Ditto"	
Chinle	2,708.00	+2215	"Ditto"	
Shinarump	3,363.00	+1560	"Ditto"	
Moenkopi	3,407.00	+1516	"Ditto"	
Kaibab	3,693.00	+1230	"Ditto"	
Coconino	3,709.00	+1214	"Ditto"	
Organ Rock	4,010.00	+913	"Ditto"	
Cedar Mesa	4,503.00	+420	"Ditto"	
Hermosa	6,173.00	-1250	"Ditto"	
Molas Redbeds	6,773.00	-1850	"Ditto"	
Redwall	6,937.00	-2014	"Ditto"	
Ouray	7,643.00	-2720	"Ditto"	
Elbert	7,762.00	-2839	"Ditto"	
Lynch	8,113.00	-3190	"Ditto"	
Bright Angel	9,435.00	-4512	"Ditto"	

Tapeats	9,707.00	-4784	"Ditto"	Oil / Gas
Sixtymile Redbeds	9,910.00	-4987	"Ditto"	
Carbon Butte	12,203.00	-7280	"Ditto"	Oil / Gas
TD	12,600.00	-7677	"Ditto"	

3. **Casing Program:** (all new):

Depth	Size	Weight	Grade	Thread	Collapse	Burst	Tension
0 - 1000'	13-3/8"	68#	L-80	BTC	2260	5020	1,545,000
0 - 3700'	9-5/8"	40#	L-80	LTC	3090	5750	727,000
0 - 7800	7"	26#	L-80	LTC	5410	7240	604,000
7500 - 12600'	4-1/2"	11.6#	P-110	LTC	7580	10690	279,000

4. **Cementing Program:**

Casing	Coverage	Slurry	Weight (#/gal)	Volume	Type & Additives
13-3/8"	0-931'	Lead	12.1	600sx 1264cuft	35:65 Poz (35% Poz:65% Class B) + 2%CaCl2 + 0.25#/sx cello flake + 8% Gel + 6.25#/sx gilsonite
	931-1000'	Tail	15.6	50sx 60cuft	Class B + .25#/sx cello flake + 2.0% CaCl2
9-5/8"	0 - 3547'	Lead	12.1	805sx 1691cuft	35:65 Poz (35% Poz:65% Class B) + 2%CaCl2 + 0.25#/sx cello flake + 8% Gel + 6.25#/sx gilsonite
	3547-3700'	Tail	15.6	50sx 60cuft	Class B + .25#/sx cello flake + 2.0% CaCl2

DRILLING PLAN

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7"	3500-7205'	Lead	12.1	445sx 928cuft	35:65 Poz (35% Poz:65% Class B) + 2%CACL2 + 0.25#/sx cello flake + 8% Gel + 6.25#/sx gilsonite
	7205-7800'	Tail	16.0	100sx 112cuft	Class H + 0.25#/sx cello flake
4-1/2"	7500-10000'	Lead	12.0	180sx 383cuft	35:65 Poz (35% Poz:65% Class H) + 0.25#/sx cello flake + 8% Gel + 6.25#/sx gilsonite
	10000- 12600'	Tail	16.0	330sx 367cuft	Class H + 0.7% BA-56 Bonding + 0.25#/sx cello flake + 0.3% CD-32

Note: 1. Actual Cement Volumes will be calculated from caliper logs.

5. **Pressure Control Equipment:**

- A. BOP: 3000 psi w.p. Double ram blowout preventer with appropriate extension handwheels to 7800'. 5000 psi w.p. Double ram blowout preventer with appropriate extension handwheels from 7800 to 12,600. The pipe rams will be on top and blind rams on the bottom.
- B. A function test and visual inspection of the BOP will be performed daily.
- C. BOP equipment will be tested at least every 14 days. The BOP and casing test will conform to Onshore order No. 2.
- D. The surface casing string will be tested to a minimum of 1500 psi and the production casing string to 2500 psi or 0.22 psi/ft, whichever is greater, for 15 minutes prior to drilling the casing float collar, or perforating, whichever applies. Test pressure shall not exceed 70% of the internal yield of the casing.

6. **Auxiliary Equipment:**

- A. Kelly cock
- B. Drill pipe float
- C. Visual monitoring of the mud system.

D. Rotating head

7. **Variance Request:**

A. Conoco request a variance from the requirement to use a straight run blooie line. Where possible a straight blooie line will be used. Where it is not possible, any tees or ells in the lines will be targeted.

8. **Drilling Fluids Program:**

Interval	Mud Type	Density (lb/gal)	Funnel Viscosity (Sec/Qt)	Water Loss
0 - 3700'	Gel/Lime / Aerated Mud	8.5-8.8	28 - 50	30 cc
3700 - 7800'	Gel/Lime / Aerated Mud	8.5-8.8	28 - 50	20 cc
7800 - 12,600'	Gel/Lime	8.5-8.8	32 - 50	10 cc

9. **Testing, Logging and Coring:**

A. Logging - Open hole:

DIL/GR/Sonic/LDT/CNL from TD to 1000'

Dipmeter - Tapeats to TD

Rotary Sidewall Cores - As per Geologist

B. No Cores planned

C. Possible DST's in the Tapeats and Carbon Butte Sandstone

D. Final determination of the completion interval will be made by analysis of logs.

E.. Directional control shall be maintained by running a drift shot survey after every 1,000' of drilling.

10. **Abnormal Pressure or Temperatures: Potential Hazards.**

A. Lost circulation is possible throughout wellbore.

B. Due to the exploratory nature of the well an H2S contingency planned will be developed and implemented prior to reaching a depth of 2500'. H2S monitoring and air breathing apparatus will be rigged up and available prior to reaching 2500'.

11. **Additional Information:**

DRILLING PLAN
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It is Conoco's intention to bury the cuttings on location once the pit has evaporated naturally.

Multi-Point Surface Use and Operations Plan

CONOCO INC.
MULEY CREEK FEDERAL 29, WELL #1
SE4 NE4 SEC. 29, T36S, R10E
GARFIELD COUNTY, UTAH

1. Existing Roads: Refer to maps "A" & "B"

- A. The proposed wellsite is staked and four reference stakes are present.
- B. The Muley Creek Federal 29, Well #1 is located approximately fourteen (14) miles Northwest of Bullfrog Utah in the SE4 NE4 of Sec. 29, T36S, R10E, S.L.B. & M., Garfield County Utah. To reach the Muley Creek Federal 29, Well #1 proceed North from Bullfrog on State Hwy 276 for 4.5 miles. Turn left on Burr Trail and continue 8.9 miles. Turn left on to the proposed location.
- C. Access roads - refer to maps "A" and "B"
- D. Access roads within a one mile radius - refer to map "B"
- E. The existing roads will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of the well location.

2. Planned Access Roads: Refer to Map "B"

No new access road will be needed.

3. Location of Existing Wells within a One Mile Radius

None known.

4. Location of Existing and/or Proposed Facilities Owned by Conoco Inc. within a One Mile Radius:

A. Existing

None known.

B. New Facilities Contemplated: In the event of production the following will be shown.

- 1. Proposed location and attendant lines, by flagging, if off well pad.
- 2. Dimensions of facilities.

3. Construction methods and materials.
4. Protective measures and devices to protect livestock and wildlife.
5. All buried pipelines will be buried to depth of three (3) feet except at road crossings where they will be buried to a depth of four (4) feet.
6. Construction width of the right-of-way/pipeline route shall be restricted to fifty (50) feet of disturbance.
7. Pipeline location warning signs shall be installed within ninety (90) days after construction is completed.
8. Conoco Inc. shall condition pipeline right-of-ways in a manner to preclude vehicular travel upon said rights-of-way, except for access to pipeline drips and valves.
9. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable, arrangements will be made to acquire appropriate materials from private sources.
10. A dike will be constructed completely around any of those production facilities which contain fluids (i.e. production tanks, produced water tanks etc.). These dikes will be constructed of compacted subsoil, be impervious, hold 110% of the capacity of the largest tank and be independent of the back cut.
11. All permanent (onsite for six (6) months or longer) above-the-ground constructed or installed, including pumping units, will be painted a flat non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Five State Rocky Mountain Interagency Committee. All production facilities will be painted within six (6) months of installation. Facilities required to comply with Occupational Health and Safety Act Rules and Regulations will be excluded from this painting requirement.

The required paint color is Spinach Green (12-D-32 SOL Komac Colorizer) or equivalent or as specified by the authorized officer.

- C. The production (emergency) pit will be eight (8) feet in diameter and eight (8) feet deep. It will be lined with corrugated steel with a steel mesh cover.
- D. During drilling and subsequent operations, all equipment and

vehicles will be confined to the access road right-of-way and any additional areas as specified in the approved Application for Permit to Drill.

- E. Reclamation of disturbed areas no longer needed for operation will be accomplished by grading, leveling and seeding as recommended by the Bureau of Land Management.
- F. Any proposed pipeline will be submitted to the authorized officer via Sundry Notice for approval of subsequent operations.
- G. Conoco Inc. will be responsible for road maintenance from the beginning to completion of operations.

5. Location and Type of Water Supply

- A. Water to be used for the drilling of this well will be hauled by truck over the roads described in Item #1 from the closest commercial source available.
- B. A water well may be drilled on this location if it is determined to be more viable than hauling water.

6. Source of Construction Materials

- A. No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from a local gravel pit over existing access roads to the area.
- B. All access roads crossing Federal land are described under Item #2, and shown on Topo #A.

All construction material for the drilling site shall be borrow material accumulated during the construction of the location site. No additional construction material from other sources is anticipated at this time. If in the future it is required the appropriate actions will be taken to acquire it from private sources.

- C. All surface disturbance area is on Federal surface.
- D. All trees on the location shall be purchased prior to construction from the Bureau of Land Management and disposed of by one of the following methods:
 - i. Trees shall be cut with a maximum stump height of six inches (6"), and cut to four foot (4') lengths and stacked off location. Trees will not be dozed off the location except on private surface where trees may be

dozed.

ii. Limbs may be scattered off location but not dozed off.

Rootballs shall be buried or placed off location to be scattered back over the disturbed area as part of final reclamation.

7. Methods of Handling Waste Materials:

A. Cuttings - the cuttings will be deposited in the reserve/blooiie pit.

B. Drilling fluids - including salts and chemicals will be contained in the reserve/blooiie pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within one hundred and eighty (180) days after termination of drilling and completion activities.

In the event adverse weather conditions prevent removal of the fluids from the reserve pit within this time period, an extension may be granted by the Authorized Officer upon receipt of a written request from Conoco Inc.

The reserve pit will be constructed so as not to leak, break, or allow discharge.

C. Produced fluids - liquid hydrocarbons produced during completion operations will be placed in test tanks on the location. Produced waste water will be confined to a lined pit (reserve pit) or storage tank for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with the required water analysis, shall be submitted for the Authorized Officer's approval. Failure to file an application within the time frame allowed will be considered an incidence of noncompliance.

Any spills of oil, gas, salt water or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

D. Sewage - self-contained, chemical toilets will be provided for human waste disposal. Upon completion of operations, or as needed, the toilet holding tanks will be pumped and the contents thereof disposed of in the nearest, approved, sewage disposal facility.

E. Garbage and other waste material - will be collected in a

portable, self-contained and fully-enclosed trash cage during drilling and completion operations. Upon completion of operations (or as needed) the accumulated trash will be disposed of at an authorized sanitary landfill. No trash will be burned on location or placed in the reserve pit.

- F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No adverse materials will be left on the location. Any open pits will be fenced during the drilling operation and the fencing will be maintained until such time as the pits are backfilled.
- G. The reserve and/or production pit will be constructed on the existing location and will not be located in natural drainages where a flood hazard exists or surface runoff will destroy or damage the pit walls. All pits will be constructed so as not to leak, break, or allow the discharge of liquids therefrom.

8. Ancillary Facilities:

None anticipated.

9. Wellsite Layout:

- A. Plat #1 shows the drill site layout as staked. Cross sections have been drafted to visualize the planned cuts and fills across the location. An average minimum of eight (8) inches of topsoil will be stripped from the location (including areas of cut, fill, and/or subsoil storage) and stockpiled for future reclamation of the well site. Refer to Figure #1 for the location of the topsoil and subsoil stockpiles.
- B. Plat #2 is a diagram showing the rig layout. No permanent living facilities are planned. There will be four (4) trailers on location during drilling operation for the drilling personnel.
- C. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (Form 3160-5) for approval of subsequent operations.
- D. If determined to be necessary the reserve pit will be lined with a plastic liner.
- E. Prior to the commencement of drilling operations, the flare pit will be fenced on three (3) sides using three strands of barbed wire according to the following minimum standards:
 - 1. Corner posts shall be cemented and/or braced in such a

manner as to keep the fence tight at all times.

2. Standard steel, wood, or pipe posts shall be used between the corner braces. The maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.
3. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

The fourth side of the reserve pit will be fenced immediately upon removal of the drilling rig and the fencing will be maintained until the pit is backfilled.

- F. Any hydrocarbons on the pit will be removed from the pit as soon as possible after drilling operations are completed.

10. Plans for Reclamation of the Surface:

The B.L.M. will be contacted prior to commencement of any reclamation operations.

A. Production

1. Immediately upon well completion, the well location and surrounding area(s) will be cleared of all debris, materials, trash and junk not required for production.
2. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.
3. If a plastic or nylon reinforced pit liner is used, the plastic liner with the cuttings will be folded in the liner without puncturing or perforating the liner, and buried.
4. Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed.

Other waste and spoil materials will be disposed of immediately upon completion of drilling and workover activities.

5. The flare pit and that portion of the location not needed for production facilities/operations will be reclaimed within ninety (90) days from the date of well completion, weather permitting.
6. If the well is a producer, Conoco will:
Upgrade and maintain access roads as applicable and as necessary to prevent soil erosion, and accommodate year round traffic. Reshape areas unnecessary to operations,

distribute topsoil, disk and seed all disturbed areas outside the work area according to the BLM-recommended seed mixture.

If the well is abandoned/dry hole, Conoco will: Restore the location to approximately the original contours. During reclamation of the site, push the fill material into cuts and up over the backslope. Leave no depressions that will trap water or form ponds. Distribute topsoil evenly over the location, and seed according to the BLM-recommended seed mixture. The location shall be ripped or disked prior to seeding. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.

Seedbed will be prepared by disking. Seed will be drilled on contours at a depth no greater than one-half inch (1/2"). In areas that cannot be drilled, seed will be broadcast at double the seeding rate and harrowed into soil. Certified seed will be used whenever available.

Fall seeding will be completed after September 1 and prior to prolonged ground frost. Spring seeding, to be effective, will be completed after the frost has left the ground and prior to May 15th.

7. Upon completion of backfilling, leveling and recontouring, the stockpiled topsoil will be evenly spread over the reclaimed area(s). Prior to reseeding, all disturbed surfaces will be scarified and left with a rough surface. No depressions will be left that would trap water and form ponds. All disturbed surfaces will be reseeded with a seed mixture to be recommended by the Bureau of Land Management.

Seed will be drilled on the contour to an approximate depth of one-half (1/2) inch. All seeding will be conducted after September 1 and prior to ground frost. Spring seeding will be done after the frost leaves the ground and no later than May 15. If the seeding is unsuccessful, Conoco Inc. may be required to make subsequent seedings.

B. Dry Hole/Abandoned Location

1. On lands administered by the Bureau of Land Management, the abandoned well site or other disturbed areas will be restored to near their original condition. This procedure will include:
 - (a) re-establishing drainage systems where applicable,

- (b) re-establishing soil conditions to approximately their natural state and,
- (c) ensuring revegetation of the disturbed areas to the specifications of the Bureau of Land Management at the time of abandonment.

2. All disturbed surfaces will be recontoured to the approximate natural contours and reseeded according to BLM specifications. Reclamation of the well pad will be performed as soon as practical after final abandonment and reseeded operations will be performed in the fall or spring following completion of reclamation operations.

11. Surface Ownership:

The well site is situated on surface lands administered by:

Bureau of Land Management
Richfield, Utah

12. Other Information:

- A. Topographic and geologic features of the area (reference Topographic Map #A) are:

The Muley Creek Smoky Mountain area lies West of Ticaboo Utah. The area is bounded on the South by the Bullfrog Basin of Lake Powell, on the West by Capital Reef National Park and on the Northeast by the Henry Mountains.

Bullfrog Creek, a perennial stream, drains the area southerly from the top of the Henry Mountains. This area has a steep gradient and is highly eroded, typical of the semi-arid rimrock and canyon regions of South Central Utah.

Bullfrog Creek carries most drainage from this area Southerly to the Colorado River (Lake Powell).

Long Canyon and Halls Creek provide major intermittent drainage to the Colorado River and the Burr Trail provides access to the area.

The area is accessed via the Burr Trail from State Highway 276 to the East. (See Topos #A and #B).

The area slopes from the top of the Henry Mountains to the North to the Colorado River to the South. The area is interlaced with numerous canyons and ridges which are extremely steep with numerous ledges formed in sandstone, conglomerates and shale deposits.

The soils in the semi-arid area of the Williams Fork Formation (Upper Cretaceous) and Wasatch Formation (Eocene) consist of light brownish gray clay (OL) to sand soil (SM-ML) type with poorly graded gravels.

Outcrops of sandstone ledges, conglomerate deposits and shale are common in this area.

The topsoils in the area range from a sandy clay (SM-ML) type soil to a clayey (OL) soil.

The majority of the numerous washes and draws in the area are of a non-perennial nature flowing during the early spring run-off and heavy rain storms of long duration which are rare as the normal annual rainfall in the area is only eight (8) inches.

The flora of the area includes pinon and juniper trees, sagebrush, mountain mahogany, serviceberry, rabbit brush, greasewood, four-wing saltbush, Gambel scrub oak, willow, tamarack, shadscale, Spanish bayonet, indian rice grass, cheatgrass, wheatgrass, curly grass, crested wheatgrass, sweet clover, gum weed, foxtail, mustard, Canadian thistle, Russian thistle, Kochia, sunflowers and cacti.

The fauna of the area includes cattle, horses, elk, deer, coyotes, rabbits, rodents, lizards, bull snakes, rattle snakes, water snakes and horned toads. Birds of the area are ground sparrows, bluejays, bluebirds, magpies, ravens, raptors, morning doves, swallows, nighthawks, hummingbirds, and chukar.

- B. The surface ownership is Federal. The surface use is grazing.
- C.
 1. The nearest live water is the Colorado River, (Lake Powell), which lies approximately four (4) miles Southeasterly of the area.
 2. There are no known occupied dwellings in the area.
 3. An archaeological report will be forwarded upon completion.
 4. There are no reported restrictions or reservations noted on the oil and gas lease.

13. Lessee's or Operator's Representative:

Mike L. Mankin
Right of Way and Claims
Conoco Inc.
10 Desta Drive, Suite 430E
Midland, Texas 79705-4500
(915) 686-5794

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

Conoco Inc. will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Conoco Inc., its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Authorized Signature

Date

Title

**CONOCO, INC.
MULEY CREEK FEDERAL NO. 29-1
GARFIELD COUNTY, UTAH**

**A CONTINGENCY PLAN FOR
HYDROGEN SULFIDE CONTROL
(REF. CFR 3160; ONSHORE ORDER #6)**

CONOCO MULEY CREEK FEDERAL NO. 29-1

**2,505' FNL & 623.0' FEL
SECTION 29 TOWNSHIP 36S RANGE 10E
GARFIELD COUNTY, UTAH**

DATED: FEBRUARY 1998

RECEIVED

FEB 03 1998

**CONOCO
ROW&C**

A Contingency Plan for Hydrogen Sulfide Control

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A Contingency Plan for Hydrogen Sulfide Control

INTRODUCTION

Conoco, Inc. is submitting applications to the State of Utah Department of Natural Resources, Division of Oil, Gas and Mining, for approval to drill and complete the Muley Creek Federal No. 29-1. The well will be located 2,505.0' FNL & 623.0' FEL of Section 29, Township 36S, Range 10E in Garfield County, Utah. Conoco is proposing this well to the Tapeats formation at approximately 12,600 feet. It is anticipated while drilling below 2,500 feet hydrogen sulfide gas may be encountered.

Hydrogen Sulfide (H₂S) is a colorless, flammable, toxic gas which is heavier than air and is sometimes found in fluids encountered in oil and gas production and gas processing operations. Inhalation at certain concentrations can lead to injury or death. The following contingency plan has been developed to protect the public health and safety and those personnel who are essential to maintaining the control of the well.

This Plan is developed according to 43 CFR 3160, Onshore Order No. 6.

I. GENERAL INFORMATION

Due to the hazardous nature of hydrogen sulfide gas, this plan has been developed to define Conoco's precautionary measures to protect and provide a safe working environment for employees and contractors responsible for controlling the well site (**See Hydrogen Sulfide Drilling Operations Plan**).

The drilling and completion operations for Muley Creek Federal No. 29-1 will be supervised by a Conoco drilling supervisor from Conoco's Drilling Department, Midland, Texas. Additional supervisory support will be provided from the Rangely, Colorado Central Rockies Operating Unit and from the Mid-Continent E&P Region Office located in Midland, Texas.

II. LOCATION

The Plan is contingent for Conoco operated oil and gas producing facilities located at or near:

**2505.0' FNL & 623.0' FEL
Section 29, Township 36S, Range 10E
Garfield County, Utah**

III. NAME AND ADDRESS OF OPERATOR

Local Operations Office

Address:

Telephone: 801- -

Rig Supervisor: Pearl Turner

Conoco, Inc
Muley Creek Federal No. 29-1
Sec 29 T36S R10E
Garfield County, UT

Regional Operations Office

Telephone: 970-675-4400

Project Lead: Kelvin Edsall
Telephone: 970-675-4412

Conoco, Inc
Central Rockies Operating Unit
1125 Escalante Drive
Rangley, CO 81648

Division Operations Office

Telephone: 915-686-5400

Drilling Engineer: Doug Keithly
Telephone: 915-686-5434

Conoco, Inc
Mid-Continent E&P Region
10 Desta Drive, Suite 100
Midland, TX 79705

Contact

Name

Telephone

Drilling Supervisor:

Paul Ericsson

915-686-5471

Staff Drilling Engineer:

Doug Keithly

915-686-5434

Assets/Services Manager:

John Sutey

915-686-6529

Safety/Health Coordinator:

Henry Veltman

915-686-6580

IV. EMERGENCY TELEPHONE NUMBERS

A. Conoco Office /Personnel Telephone Numbers

Local Operations Office:

Muley Creek Federal No. 29-1
Rig Supervisor:
Telephone: 801- -

Muley Creek Federal No. 29-1 Rig Phone
Muley Creek Federal No. 29-1 Rig FAX

Regional Operations Office:

Central Rockies Operating Unit
Project Lead: Kelvin Edsall
Telephone: 970-675-4412

Foreman: Tom Lentz
Telephone: 970-675-4400

Division Operations Office:

Mid-Continent E&P Region
Emergency Only: 915-499-4771

Drilling Supervisor: Paul Ericsson
Telephone: 915-686-5471
Cellular: 915-634-0762
Pager: 800-999-6710 #9890109
Home: 915-699-1925

Staff Drilling Engineer: Doug Keithly
Telephone: 915-686-5430
Pager: 800-999-6710 #9890108
Home: 915-697-6976

Asset/Services Manager: John Sutey
Telephone: 915-686-6529
Home: 915-699-0488

Safety/Health Coordinator: Henry Veltman
Telephone: 915-686-6580
Pager: 915-499-4771
Home: 915-694-7173

Right-of-Way Agent: Mike L. Mankin
Telephone: 915-686-5794
Pager: 800-587-0655
Home: 915-570-7227

B. Contractor Emergency Numbers

	<u>Company</u>	<u>Telephone</u>
Pump Trucks:	Lincoln Lyman	801-826-4429
	Target	801-789-5756
Dirt Contractors:	Lincoln Lyman	801-826-4229
Cementing Services:	BJ Services	801-781-2294
H ₂ S Service Company:	Safety Alliance, Inc.	505-325-7233
Mud Company:	Baroid	801-789-1678
Drilling Contractor:	Nabors	303-832-2898

C. County Sheriff/ Police Departments

Emergency - 911

Garfield County Sheriff	Emergency	435-676-2411
	Non-Emergency	435-676-8826
State Patrol, Richfield, Utah		435-896-6471

D. Fire Departments

Emergency - 911

Garfield County Fire Department	435-676-8826
---------------------------------	--------------

E. Ambulances

Emergency - 911

Garfield County Ambulance	800-582-4351
	435-676-2411
Air Care	800-582-4351
	435-676-2411
Poison Control	800-582-4351
	435-676-2411
Bullfrog Bay Recreation Emergency Dispatch	800-582-4351

F. Public Agencies

Telephone:

State of Utah Department of Natural Resources
Division of Oil, Gas & Mining
Three Triad Center, Suite 350
355 W. North Temple
Salt Lake City, UT 84180-1203

801-538-5303/
801-538-5340

Utah Department of Health
Garfield County Health Department
Contact:

801-644-2537

Southwest Public Health Department
Contact:

435-676-8800

Garfield County Planning Department
Contact:

435-676-8826

Bureau of Land Management
Contact: Greg Christensen

435-826-4291

G. Hospitals/Clinics

Garfield Memorial Hospital

435-676-8811

H. Public Utilities

Utah Power & Light
#1 N. 600 E.
Richfield, UT 84701

435-896-4211

V. HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

A. Purpose

The purpose of this plan is to provide guidelines for procedures to be followed with drilling operations in areas of known or suspected concentrations of hydrogen sulfide bearing gas. It is expected that all personnel working at the well site will familiarize themselves with these general guidelines and be prepared in the event an emergency condition develops. Emergency conditions developing during drilling operations will require immediate action.

B. General Criteria

1. Location

- a. The location is of sufficient size to accomplish each job safely.
- b. Two cleared areas are located 150' from the wellhead and will be designated as "safe briefing areas." At least one area will always be upwind. During an emergency, personnel will assemble in the "upwind area" to receive instructions from the Conoco Drilling Supervisor. The "upwind area" will be designated by a green pennant.
- c. Safe briefing areas will be lighted and will have a breathing air charging station.
- d. Wind indicators (socks) will be located at the end of the catwalk, at the pit by the mud-hopper, at the accumulator and by the 'well condition sign' at the location entrance.
- e. A yellow, orange or red metal flag will be attached to a well condition sign at the location entrance. The metal flag will be displayed at all times to indicate operating conditions.
- f. Caution/danger signs will be located at the entrance to the well-site beginning 100 yards from the location. The following signs will be utilized:
 - 'Well Condition' - 100 yards
 - 'No Smoking' - 75 yards
 - 'Respiratory Protection May Be Required' - 50 yards
 - 'H₂S May Be Present' - 25 yards
- g. All work areas will be illuminated at night.
- h. A list of current emergency telephone numbers and, if applicable, the Public Protection Plan, will be located on the rig bulletin board and in the Conoco Drilling Supervisor's trailer.

2. Rig Equipment

- a. The mud tanks will be equipped with a degasser.
- b. The well location will have telephone and 2-way radio communications to carry out emergency evacuation procedures.
- c. BOP closing equipment will be located remotely from the rig. There will be both scheduled and periodic testing of the equipment.

C. Safety Procedure, Equipment and Training

1. General Operations

- a. All personnel must carry their H₂S Certification Card at all times to enter the location. Protective breathing apparatus shall be worn when conditions warrant.
- b. Every effort shall be made to pull a dry drill string while maintaining well control. If it is necessary to pull the drill string wet after penetration of H₂S bearing zones, increased monitoring of the work area shall be provided and protective breathing apparatus shall be worn.
- c. After penetration of an H₂S bearing zone, increased monitoring of the working area shall be provided and protective breathing apparatus shall be worn by those personnel in working areas where H₂S gas is present. Example: Circulating bottoms-up from a drilling break, cementing operations, logging operations, or well circulating while not drilling.
- d. During coring activities in H₂S bearing zones, protective breathing apparatus shall be worn 5 stands in advance of retrieving the core barrel. Cores to be transported shall be sealed and marked for the presence of H₂S.

2. Warning Devices

- a. A kick indicator will be located on the rig floor near the driller with trip-guard and mud return rate indicator.
- b. Pit volume totalizer will continually register pit volume and will sound an alarm when a pre-set gain or loss in pit is indicated.
- c. A visual and audible H₂S detection and alarm system will be activated when the H₂S concentration exceeds 10 ppm.
- d. H₂S alarms will be located at the rig floor, air compressor skid, accumulator and camp site.
- e. H₂S sensors will be located at the driller's console, rig floor bell nipple, shale shaker and cellar.
- f. Personal H₂S monitors will be available to monitor for H₂S gas in areas not covered by the fixed-point sensors.
- g. Alarms will be sounded daily and the monitoring system will be calibrated weekly to verify operational condition.
- h. All BOP equipment and choke manifolds will be designed for sour service.
- i. A 2" line will be installed as straight as possible from the choke manifold to the flare pit.
- j. A 3" line will be run off of the gas buster to the flare pit. The flare will be equipped with automatic ignition.
- k. The BOP and choke manifold will be pressure tested every 14 days according to Conoco testing procedures.
- l. The BOP will be operationally tested every 24 hours.

3. Safety and Training

Every person who will be on location, in any capacity, will be required to be familiar with emergency procedures and to participate in a training program. This includes company personnel, rig personnel, and service company personnel. New employees must be immediately trained in the use of protective equipment and techniques for combating H₂S. **All untrained personnel will be kept OFF location.** A safety meeting will be conducted a minimum of once per week per tour in which the following will be reviewed:

Training Subjects:

- a. First-Aid procedure if a person is overcome by H₂S:
 - **GET HELP - CALL 911**
 - Wear protective breathing apparatus if rescuing person in contaminated area.
 - Immediately move person to fresh air and if not breathing, give mouth to mouth resuscitation.
 - Replace mouth to mouth resuscitation with resuscitator. Continue to administer oxygen when person begins breathing
 - Treat for shock.
- b. Seriousness of H₂S exposure
- c. Prevailing winds, importance of ventilation, use of the windssock, movement upwind, and evacuation routes.
- d. Use and care of protective breathing apparatus, portable H₂S detection monitors, SO₂ detection equipment, resuscitation equipment, portable fire extinguishers, and alarm indicators
- e. Test before entering area suspected of being contaminated with H₂S.
- f. Use of "buddy system" while working in potential H₂S area.
- g. Never enter an enclosed place where H₂S may have accumulated without wearing protective breathing apparatus. If the employee is over an arm's length away, a full-body harness should be secured to a life-line and held by a responsible person in the clear. **Do not** remove protective breathing apparatus after being in an enclosed area which contains H₂S until absolutely certain air is safe to breathe.
- h. Explanation of the effects of H₂S on metal.
- i. Emergency instruction - sudden gas release **Without Prior Warning:**
 - **DO NOT PANIC;**
 - Hold breath;
 - Put on emergency escape breathing apparatus (EEBA);
 - Evacuate to the upwind "safe briefing area" and follow instructions.

4. Hydrogen Sulfide Exposure Effects at Various Concentrations

The chart below describes the effects of exposure to H₂S:

<u>Hydrogen Sulfide Concentration (ppm)</u>	<u>Potential Effect</u>
10 to 20	Eye irritation, especially in hypersensitive workers
20 to 100	Inflammation, corneal blistering and opacity of the eye, loss of the sense of smell, headache, cough, nausea
100 to 300	Respiratory difficulty, pulmonary edema, respiratory depression and irritation (within 30 minutes to 8 hours)
300 to 600	Central and peripheral nervous system effects; e.g. tremors, weakness, numbness of extremities, unconsciousness, and convulsions (within several minutes to 8 hours)
600 to 1000	Rapid unconsciousness (from one breath to several minutes) resulting in death if emergency aid is not promptly administered
1000 and greater	Instantaneous cessation of breathing and death

Poison Symptoms.

- Burning of eyes, nose and throat
- Coughing
- Conjunctivitis (inflammation of mucous membrane under eyelids)
- Gastritis (inflammation of mucous membrane of stomach)
- Dyspnea (difficult or labored breathing)
- Dumbness (not having the usual accompaniment of speech and sound)
- Slow pulse
- Headache
- Perspiration
- Contracted pupils
- Convulsions
- Paralysis/Unconsciousness

5. Definitions of Operating Conditions

Condition I - No Danger to Human Life - Warning Pennant - YELLOW

Characterized by:

- a. H₂S monitor indicates 10 ppm or less;
- b. No drilling breaks, kicks, gas cut mud, etc., have occurred to indicate that formation fluids may have entered the well bore;
- c. Drilling or completion operations are normal.

General Action:

- a. Periodically check safety equipment (masks, air bottles, sensors, alarms);
- b. Be alert for any changes in drilling and completion conditions which may indicate intrusion of formation fluids.

Condition II - Potential Danger to Life - Warning Pennant - ORANGE

Characterized by:

- a. H₂S monitor indicates exposure level between 10 -15 ppm;
- b. Drilling breaks, kicks, gas cut mud, etc., have occurred to indicate that formation fluids may have entered the well bore.

General Action:

- a. Supplied air respirators (SAR) work units connected to the breathing air cascade system should be worn or placed in an area so they are readily assessable;
- b. Check all other safety equipment for proper operation;
- c. Verbally alert all crew members and service personnel to Condition II. Review Operations Plan and identify upwind "safe briefing area."

Condition III - DANGER TO LIFE - Warning Pennant - RED

Characterized by:

- a. H₂S monitor indicates exposure level above 15 ppm;
- b. Drilling breaks, kicks, gas cut mud, etc., are clearly indicated by alarms and other observation. Well control procedures are implemented.

General Action:

- a. All personnel should begin using their protective breathing apparatus ;
- b. The "buddy system" will immediately go into effect;
- c. Non-essential personnel should go to the upwind "safe briefing area."

6. Emergency Conditions

a. In the event an emergency situation occurs **Without Prior Warning:**

1. **DO NOT PANIC;**
2. Hold your breath and put on your emergency escape breathing apparatus (EEBA);
3. Evacuate to the upwind "safe briefing area" to be counted;
4. Before searching or helping anyone who may be affected by H₂S gas, put on protective breathing apparatus. A self-contained breathing apparatus (SCBA) and "buddy system" is required before helping anyone. THEN move the patient to the upwind "safe briefing area" and administer oxygen;
5. Get instructions from the Drilling Supervisor or the safety contractor.

b. **With Prior Warning** - Condition II will be in effect. If the situation suddenly worsens:

1. **DO NOT PANIC;**
2. Put on your protective breathing apparatus (SCBA or SAR);
The driller will secure the rig and close the blowout preventer, if necessary;
3. Help anyone who may be affected by H₂S gas;
4. Evacuate quickly to the upwind "safe briefing area."
5. The Drilling Supervisor will assess the situation and assign duties to various persons to bring the situation under control. The success of this plan depends on your cooperation. When the severity of the situation has been determined, all persons will be advised and a pennant indicating one of the three conditions will be displayed near the site entrance and on the rig floor. The purpose of these pennants/flags is to apprise everyone of the current operating condition.

7. Loss of Well Control

a. Instruction

1. The Drilling Supervisor will determine if existing conditions require abandoning the location and if the well should be ignited;
2. All necessary operations will be conducted with the minimum of personnel. All non-essential personnel will stay in the upwind "safe briefing area." In the event of a blowout, the decision to ignite the well is the responsibility of the Drilling Supervisor. However, the decision should be made only as a last resort, and in a situation where it is clear that human life and property are endangered or there is no hope of controlling the blowout under the prevailing conditions at the well.

In all cases, an attempt should be made to notify the Division of the plans to ignite the well, if time permits. However, the Drilling Supervisor must not delay the decision if human life is threatened.

3. If the well is ignited, the burning H₂S will be converted to sulfur dioxide (SO₂) which is also highly toxic. Do not assume that the area is safe after the well is ignited. Follow through with all plans to evacuate endangered persons. The following steps will be taken to ignite the well:

b. Igniting the Well

1. Persons remaining in the upwind "safe briefing area" will closely watch both ignition team members. Should either ignition team member be overcome by fumes, they will immediately pull the ignition team member to safety by the life-line.
2. The primary method for igniting the well will be with a 12 gauge meteor type flare gun. These guns have a range of approximately 300 feet. If this method fails, or well conditions are such that a safer or better method is apparent, after evaluation of the situation, an alternate method should be used.

TABLE I
Breathing Apparatus Inventory

<u>Location of Breathing Apparatus</u>	<u>Number</u>	<u>Type</u>	<u>Maintenance</u>
Briefing Area 1	2	SCBA - 30 Min	Safety Contractor will check equipment each 12-hour tower and after each use as recommended by manufacturer.
	1	Cascade System*	
Briefing Area 2	2	SCBA - 30 Min	
	1	Cascade System*	
Mud Logger Trailer	1	SCBA - 30 Min	
Tool Pusher Trailer	1	SCBA - 30 Min	
Drilling Supervisor Trailer	1	SCBA - 30 Min	
Rig Workers	5	EEBA - 10 Min	

Additional Safety Equipment on Location

Rig Workers	5	SAR - 10 Min. w/air hose and manifold
All Location Personnel	8	Personal H ₂ S Monitors
Safety Trailer	1	First Aid Kit
Safety Trailer	1	Eye Wash Station
Safety Trailer	1	Fire Blanket
Safety Trailer	1	Stretcher
Safety Trailer	1	Oxygen Resuscitator Kit
Safety Trailer	1	Hand held gas detector pump (w/tubes for H ₂ S and SO ₂)
Flare Pit	1	Flare Ignitor (auto)
Both Briefing Areas	4	Life-lines (50 foot)
Both Briefing Areas	2	Harness (full-body)
Both Briefing Areas	2	Fire Extinguishers (20# ABC)
Briefing Area 1	1	Flare gun w/spare shells
Briefing Area 1	1	Megaphone voice gun

* Cascade System equipped with 2 - 300 cf bottles breathing air with pig-tail, filler whip, pressure gauge, air regulator, audible low pressure alarm. Four (4) wind socks ('condition' sign, derrick stand, pit and floor), one (1) alarm system 3-station (rig floor, pit and accumulator), and one (1) 6-channel H₂S monitor (sensors at cellar, rig floor, shale shaker and air jammer). Four (4) 5-man manifolds (pit and 2 at rig floor with 1 spare). Two (2) 2-man manifolds (derrick and air jammer).

TABLE II
Mud Program

<u>Est. Interval (RKB ft)</u>	<u>Type Mud</u>	<u>Mud Weight (lb/gal)</u>	<u>Visc. sec/qt</u>	<u>Fluid Loss (cc)</u>	<u>Remarks</u>
0-1,000'	Air/Air Mist	Conductor	-		
1,000'-3700'	Air/Air Mist				
3700'-7,800'	Gel/Lime/ Aerated Mud	8.5-8.8	28-50	20	Circ reserve pit
7,800-12,600'	Gel/Lime/Mud	8.5-8.8	32-50	10	Circ steel pit

Notes:

Potential Hazards:

1. Lost circulation is possible throughout wellbore
2. Due to the exploratory nature of the well, an a Hydrogen Sulfide Contingency Plan has been developed and will be implemented prior to reaching a depth of 2,500 feet. H₂S monitoring equipment and protective breathing apparatus will be rigged up and available prior to reaching 2,500 feet.

Pressure Control Equipment (trimmed for H₂S service):

1. BOP: 3,600 psi w.p. Double ram, blowout preventer with appropriate extension bandwheels to 12,600 feet. The pipe rams will be on top and blind rams on the bottom.
2. A function test and visual inspection of the BOP will be performed daily.
3. BOP equipment will be tested at least every 14 days. The BOP and casing will conform to Onshore Order No. 2.

Well Control Equipment:

1. Remote controlled choke (Swaco or equivalent)
2. Mud gas separator (Swaco or equivalent)

TABLE III
Metallurgy

Note: All casing approved for H₂S service. When applicable, mud pH will be controlled to mitigate H₂S effect on casing.

Drill Pipe

	<u>17 1/2" Hole</u>	<u>12 1/4" Hole</u>	<u>8 3/4" Hole</u>	<u>6 1/8" Hole</u>
Size, Weight	5", 19.5#	5", 19.5#	5", 19.5#	3 1/2", 15.5# & 13.3#
Grade	X-95	X-95	X-95	E

Casing Program

Conductor

Casing: 30" conductor to ± 80' MD

Surface

Casing: 13 3/8", 68#, L-80, BT&C (Surface - 3,100')

Intermediate

Casing (1): 9 5/8", 40#, L-80, LT&C (Surface - 3,700')

Intermediate

Casing (2): 7", 26#, L-80, LT&C (Surface - 7,800')

Production

Liner: 4 1/2", 11.6#, P-110, LT&C, (7,500'-12,600')

Casing Test Pressures

			<u>Burst</u>	<u>Collapse</u>	<u>Tension</u>
30" Conductor					
13 3/8"	68 ppf	L-80	3,450	2,330	718,000
9 5/8"	40 ppf	L-80	5,750	3,090	727,000
7"	26 ppf	L-80	8,600	5,870	593,000
4 1/2"	11.6 ppf	P-110	10,690	7,580	279,000

VI. PUBLIC PROTECTION PLAN

Note: There are no known occupied dwellings within three (3) miles of the planned well-site.

A. Purpose

The following is Conoco's plan for 1) educating the public of the dangers associated with H₂S and 2) how Conoco will alert the public in the event of an uncontrolled release. Actual H₂S concentrations have not been measured on Muley Creek Federal No. 29-1. However, this plan has been designed to assume the worst case scenario. When actual concentrations and volumes are known, revisions will be submitted.

B. Alert and Action Procedures

The following Alert and Action Procedure will immediately become effective upon recognition by a Conoco employee or contractor of any release of H₂S from this well.

C. First Employee Aware of H₂S Release

Any employee observing a release of gas containing H₂S must immediately attempt, using proper safety procedures, to eliminate the source and contain the release. The Drilling Supervisor should be notified of the situation to determine if the Hydrogen Sulfide Contingency Plan should be put into effect.

D. Drilling Supervisor

1. The Drilling Supervisor is responsible for implementing the Hydrogen Sulfide Contingency Plan.
2. The Plan, along with the attached H₂S Radius of Exposure Map, is available at the Muley Creek Federal No. 29-1 location rig dog house and the Midland, Texas office. The Plan notes there are no known occupied dwellings in the area of Muley Creek Federal No. 29-1. In a situation where the H₂S source cannot be controlled, and the public could be exposed to H₂S, the Drilling Supervisor will notify appropriate local, county, state, federal and Bureau of Land Management enforcement agencies and begin evacuation of the exposed area. The Drilling Supervisor will also be responsible for barricading the roads, if necessary, until appropriate law enforcement officials arrive.

E. Asset/Services Manager

1. The Asset/Services Manager will ensure that all the necessary regulatory agencies have been notified and brief them of the situation.

F. Control and Isolation

- a. If H₂S is detected above 10 ppm ANYTIME during operations on Muley Creek Federal No. 29-1, Conoco employees are instructed to control and isolate the source of H₂S gas.

Procedure:

1. Upon detection of H₂S, the first responder finding the leak establishes an isolation area by noting source of H₂S, wind direction, suspected volume, and potential maximum concentration of H₂S.
2. First responder informs supervisor of the situation and advises if the area and source can be repaired.
3. Backup personnel are sent to the location for assistance and further isolation of the source if necessary. All applicable public officials are notified.
4. A perimeter is established and monitored.
5. Self-contained breathing apparatus (SCBA) is worn at all times within the perimeter until levels of H₂S fall below 10 ppm.

G. Emergency Call-Out Procedures

In case of a H₂S release, the following personnel will be contacted:

<u>Title</u>	<u>Home</u>	<u>Cellular</u>	<u>Pager</u>
Doug Keithly Drilling Engineer	915-697-6976		800-999-6710 #9890108
Paul Ericsson Drilling Supervisor	915-699-1925	915-634-0762	800-999-6710 #9890109
John Sutey Asset/Services Manager	915-699-0488		
Kelvin Edsall Project Lead	970-675-2734	801-790-0173	
Henry Veltman Safety/Health Coordinator	915-694-7173		915-499-4771

Notify applicable emergency personnel (fire and medical) from emergency numbers listed in Section IV.

The following information will be collected and given to supervisors and emergency responders:

- Location of the H₂S leak;
- Information concerning casualties or damage;
- Is the H₂S leak under control?
- Is the location secured with barricades, etc.?
- Approximate concentration of H₂S;
- Estimated flow rate;
- Wind direction and velocity;
- Has monitoring been established?

H. Special Work Conditions

When confined space entry or hot work is being performed, the following safety procedures will be in effect:

1. Area will be thoroughly inspected to ensure equipment to be worked on and system components are completely understood by all affected personnel.
2. All equipment to be worked on is locked and tagged out.
3. A permit, signed by the responsible supervisor, will be prepared and posted to confirm all safety precautions have been taken and permissible levels of H₂S, oxygen and combustible gas are within safe limits.
4. An attendant will be assigned to continually monitor for H₂S, oxygen and combustible gas during the work project.

I. Personnel Evacuation Plan

Procedure:

1. County Sheriff's Department or State Police will be notified immediately of the emergency condition and their assistance requested to notify and evacuate the area personnel. (A copy of this contingency plan will be furnished to all enforcement agencies).
2. Evacuate personnel within the one mile radius of the well starting with downwind personnel first.
3. Area personnel will be notified by telephone. If the personnel do not have a telephone or the use of the rig telephone is not possible, the personnel will be contacted in person. The Drilling Supervisor will dispatch at least two persons with safe breathing and monitoring equipment, and a location map, to aid in the evacuation.
4. As soon as possible after the evacuation is complete, at least two persons equipped with self-contained breathing equipment and an intrinsically safe radio will be stationed in the downwind area to monitor H₂S concentrations.

J. Advance Briefing

Personnel in the vicinity of a potential area of exposure will receive an advance briefing. In this briefing, personnel will be informed about:

Hazards and characteristics of hydrogen sulfide gas:

- “Poisonous Gas”
- Colorless gas
- By-product of oil production
- Smells like “rotten” eggs
- Can “smell” it at very low levels (1 ppm)
- Employees work in less than 10 ppm for 8 hours safely

Necessity for a Hydrogen Sulfide Contingency Plan:

- No immediate danger for personnel. All precautions have been taken.

Possible sources of H₂S within the area of exposure:

- All areas that have H₂S are marked with appropriate “DANGER” signs. Individuals are instructed not to go past these signs without a personal H₂S monitor and self-contained breathing apparatus (SCBA).

Instructions for reporting a H₂S leak:

- All personnel should notify a Conoco employee immediately if H₂S is detected.

The manner in which the public will be notified of an emergency:

- Telephone
- Door-to-Door

Steps to be taken in case of an emergency:

- Evacuation

ATTACHMENT

I

MULEY CREEK FEDERAL NO. 29-1

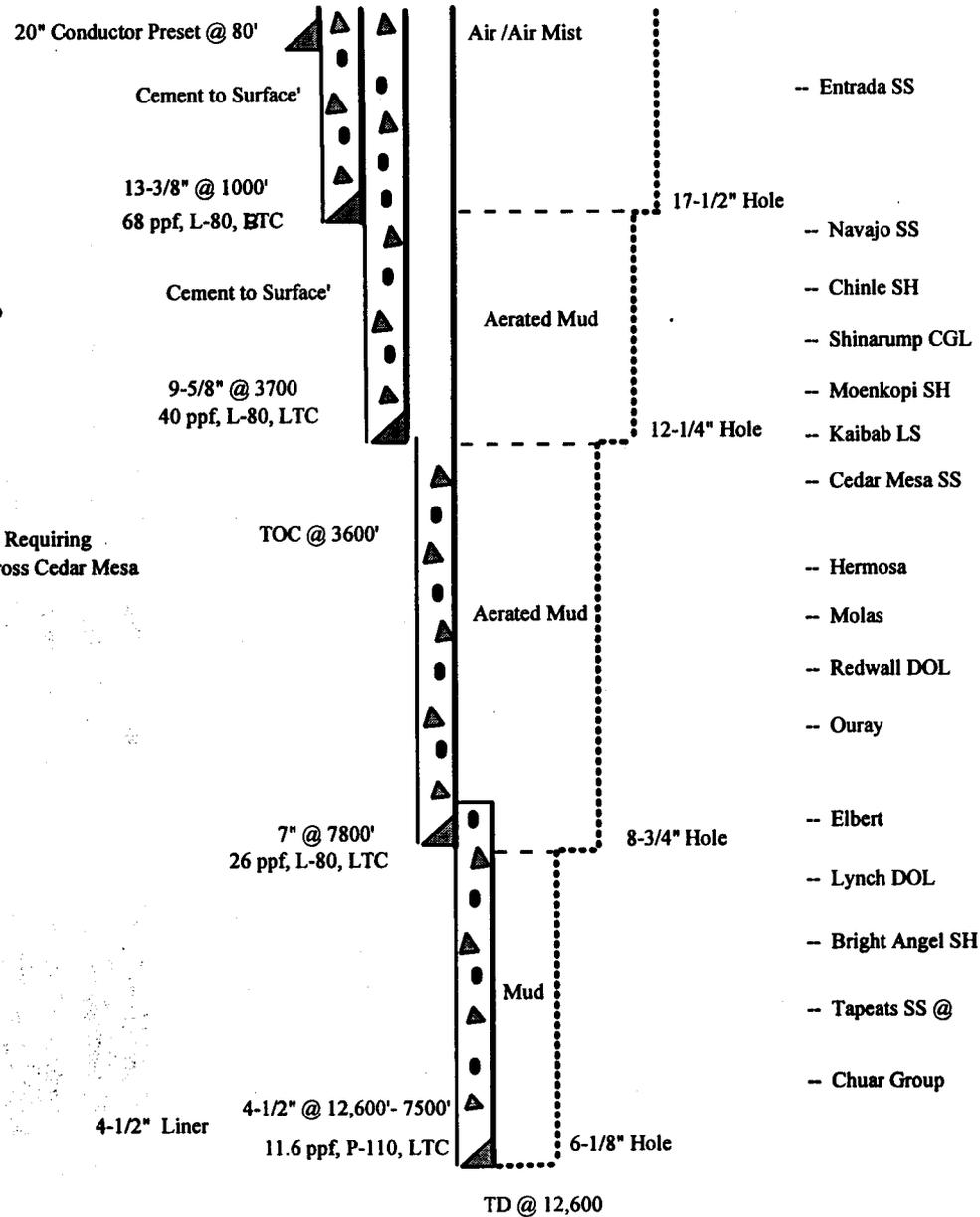
**H₂S RADIUS OF EXPOSURE MAP
100 and 500 ppm**

Muley Creek Federal 29-1 Section 29, R10E, T36S

Note: All Lead Cement Slurries
Must exceed 500 psi compressive
and must have lab test showing
compressive strength.

Note: State Requiring
Cement across Navajo

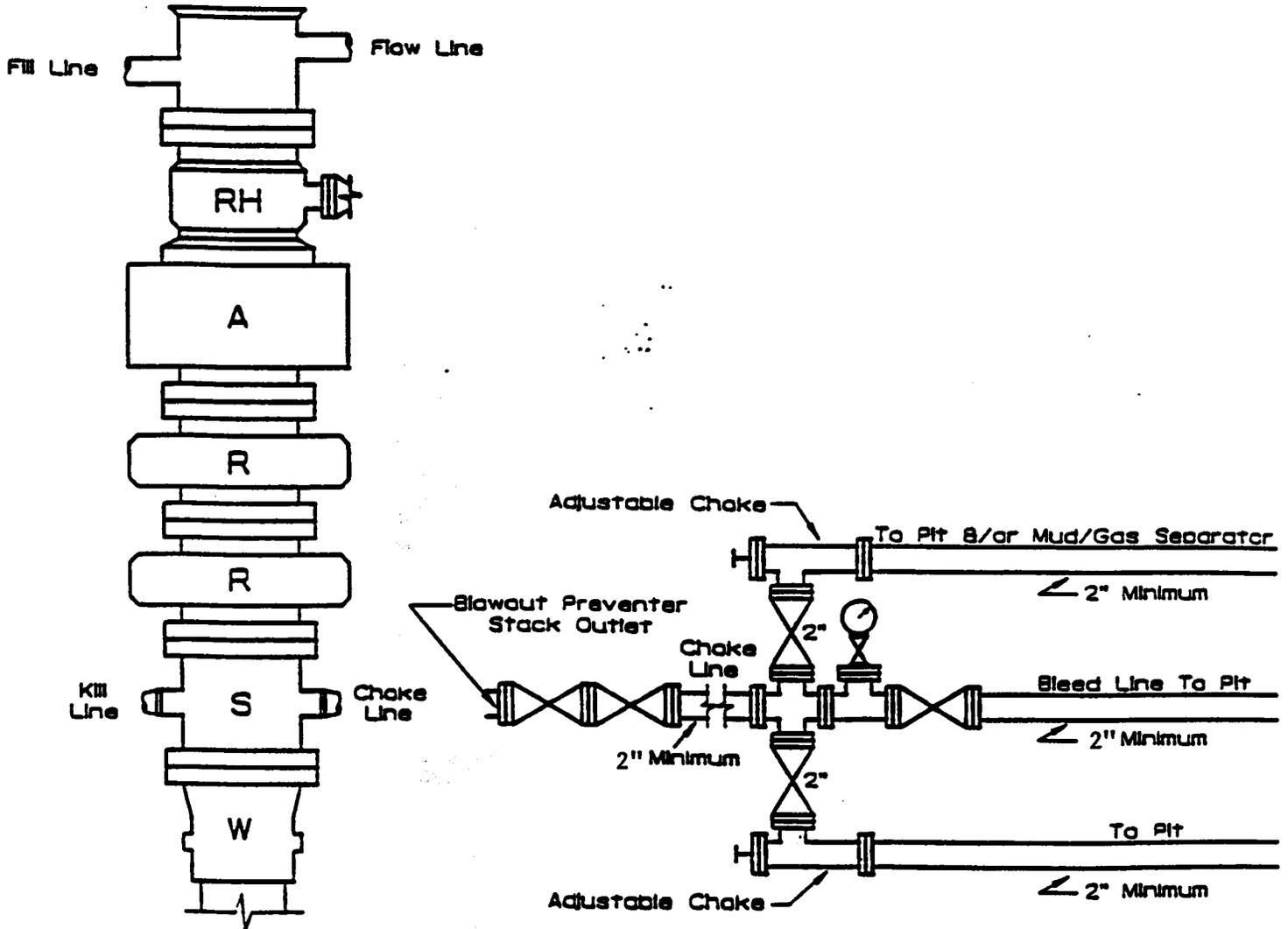
Note: State Requiring
Cement across Cedar Mesa





DOUBLE RAM TYPE PREVENTERS WITH ROTATING HEAD

(3000 psi System)



Minimum BOP Stack

3000 psi Working Pressure

One Pipe Ram

3000 psi Working Pressure

One Blind Ram

3000 psi Working Pressure

One Annular

3000 psi Working Pressure

Well Head

3000 psi Working Pressure

Manifold

3000 psi Working Pressure

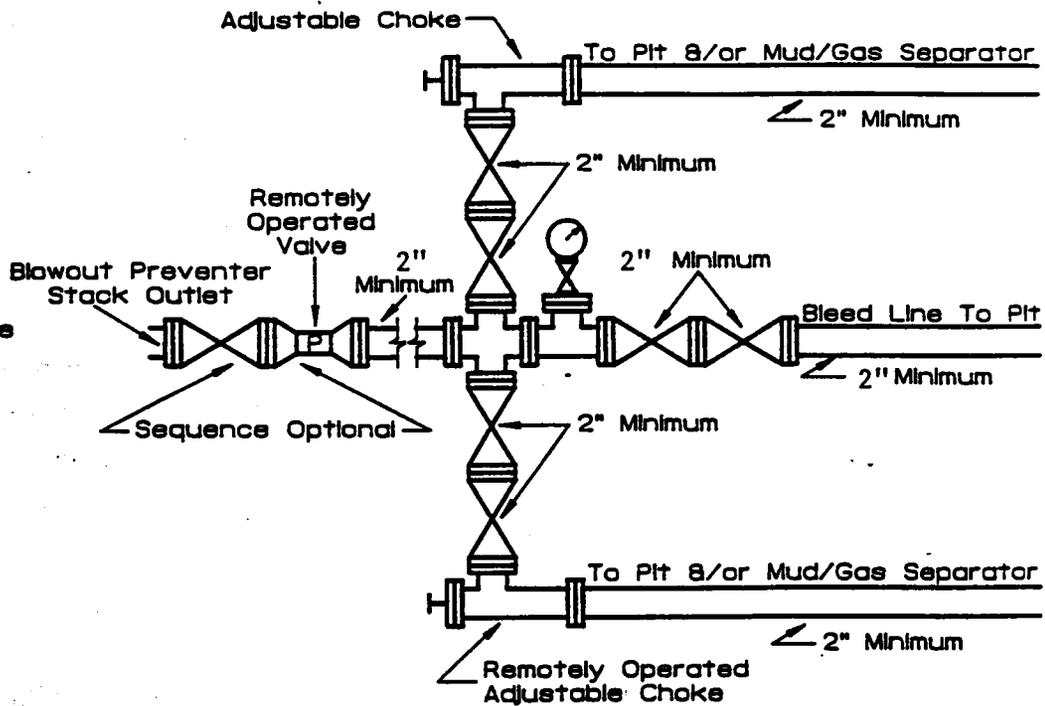
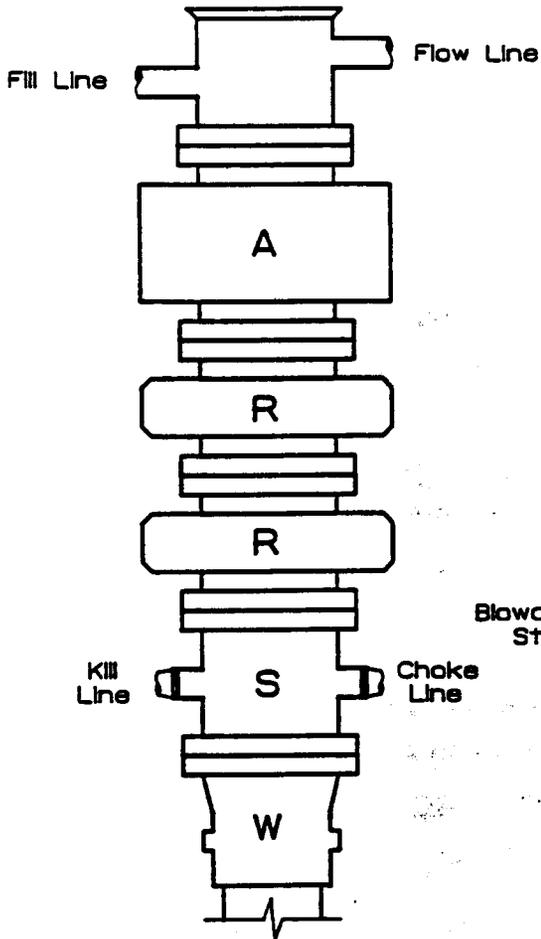
Rotating Head

500 psi Working Pressure



DOUBLE RAM TYPE PREVENTERS

(5000 psi System)



Minimum BOP Stack

Two Pipe Ram

One Blind Ram

One Annular

Well Head

Manifold

5000 psi Working Pressure

5000 psi Working Pressure

5000 psi Working Pressure

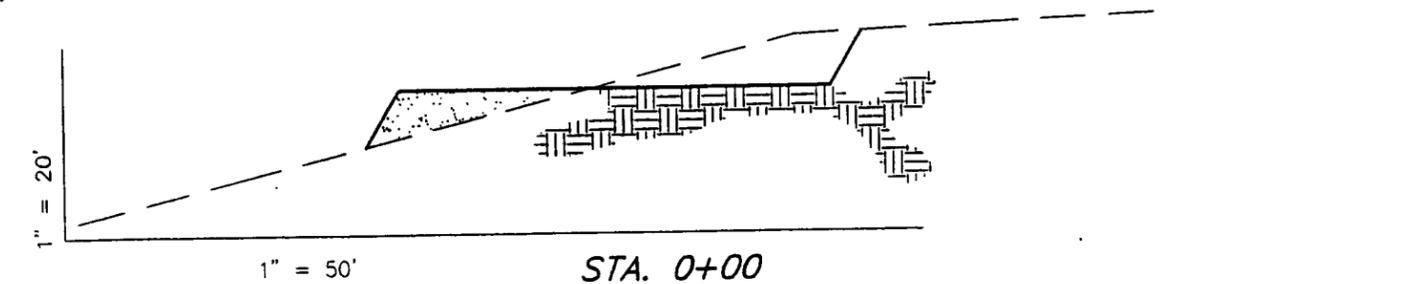
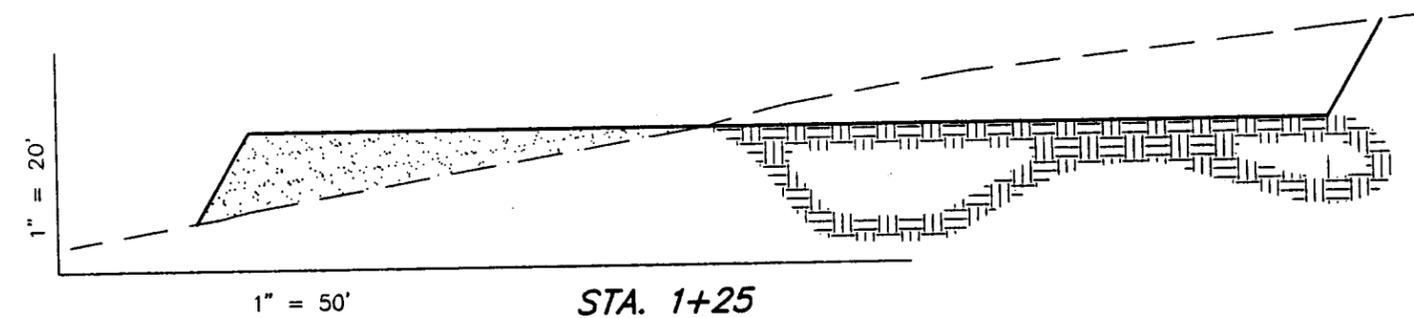
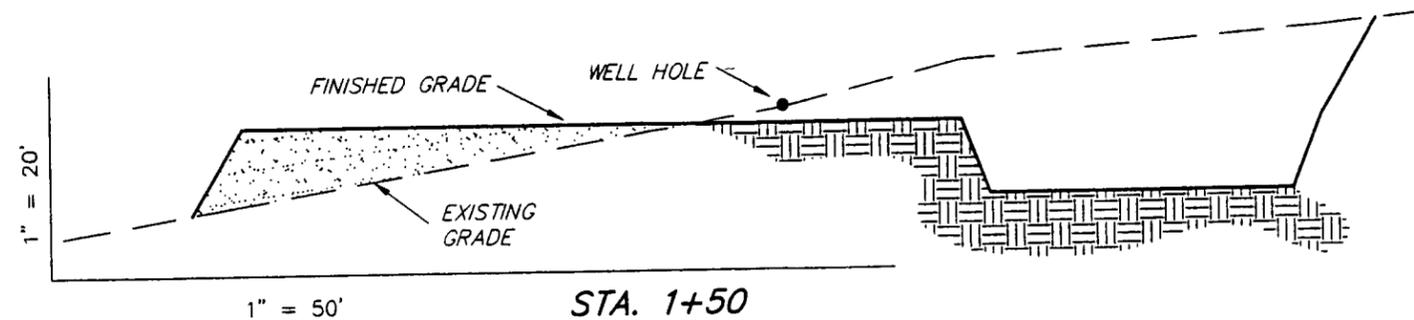
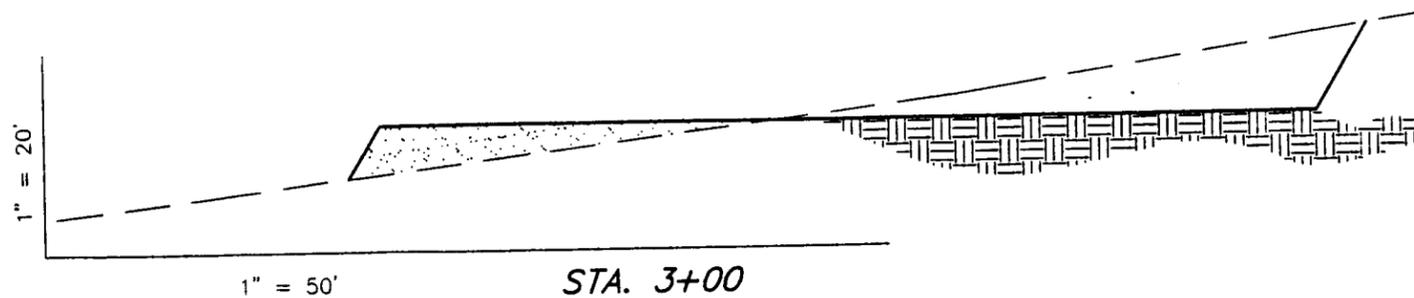
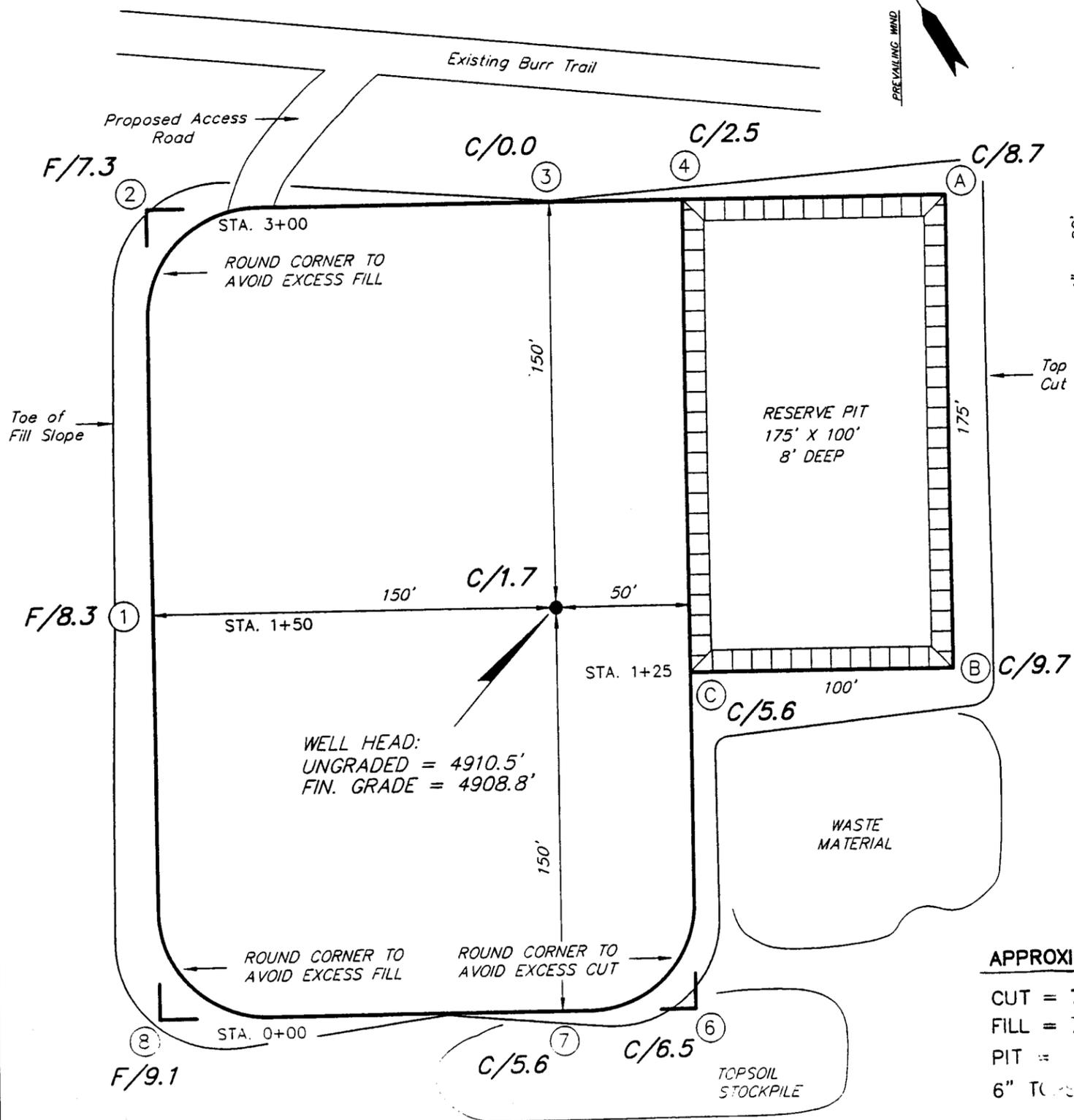
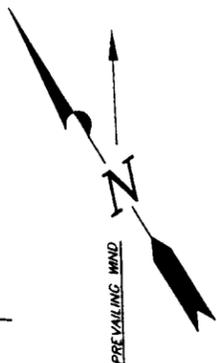
3500 psi Working Pressure

5000 psi Working Pressure

5000 psi Working Pressure

CONOCO, INC.

MULEY CREEK FEDERAL No. 29-1
SEC. 29, T36S, R10E, S.L.B.&M.



APPROXIMATE YARDAGES

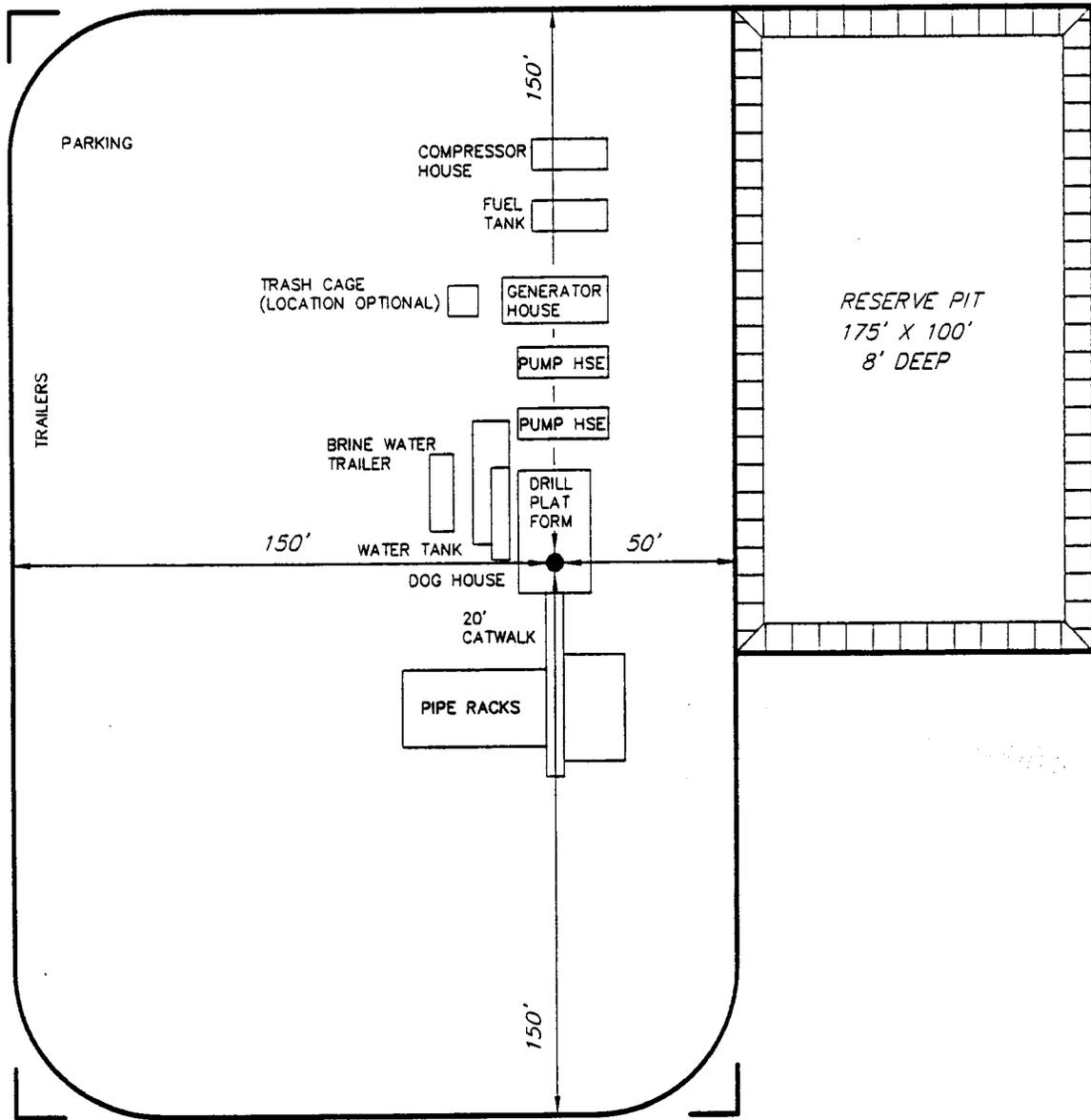
CUT = 7,570 Cu. Yds.
FILL = 7,560 Cu. Yds.
PIT = 570 Cu. Yds.
6" TOPSOIL = 1,760 Cu. Yds.

SURVEYED BY:	SS BG
DRAWN BY:	B.R.W.
DATE:	1/19/98
SCALE:	1" = 50'
FILE:	29-1

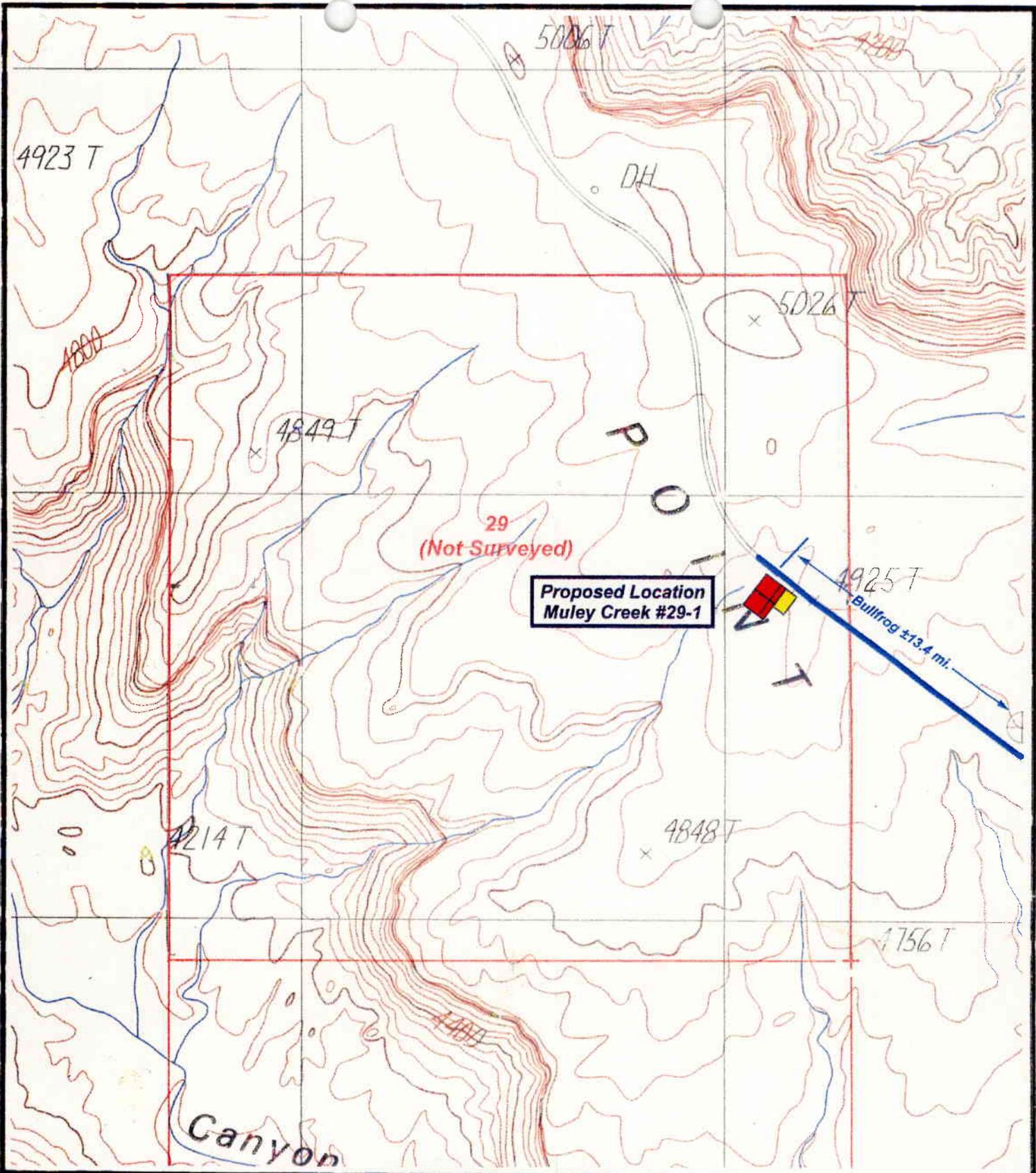
Tri State
Land Surveying, Inc.
(301) 781-2501
38 WEST 100 NORTH VERNAL, UTAH 84078

TYPICAL RIG LAYOUT

MULEY CREEK FEDERAL No. 29-1



Tri State
Land Surveying, Inc.
(801) 781-2501
38 WEST 100 NORTH, VERNAL, UTAH 84078



**Proposed Location
Muley Creek #29-1**

**29
(Not Surveyed)**

13.4 mi.
Bullfrog

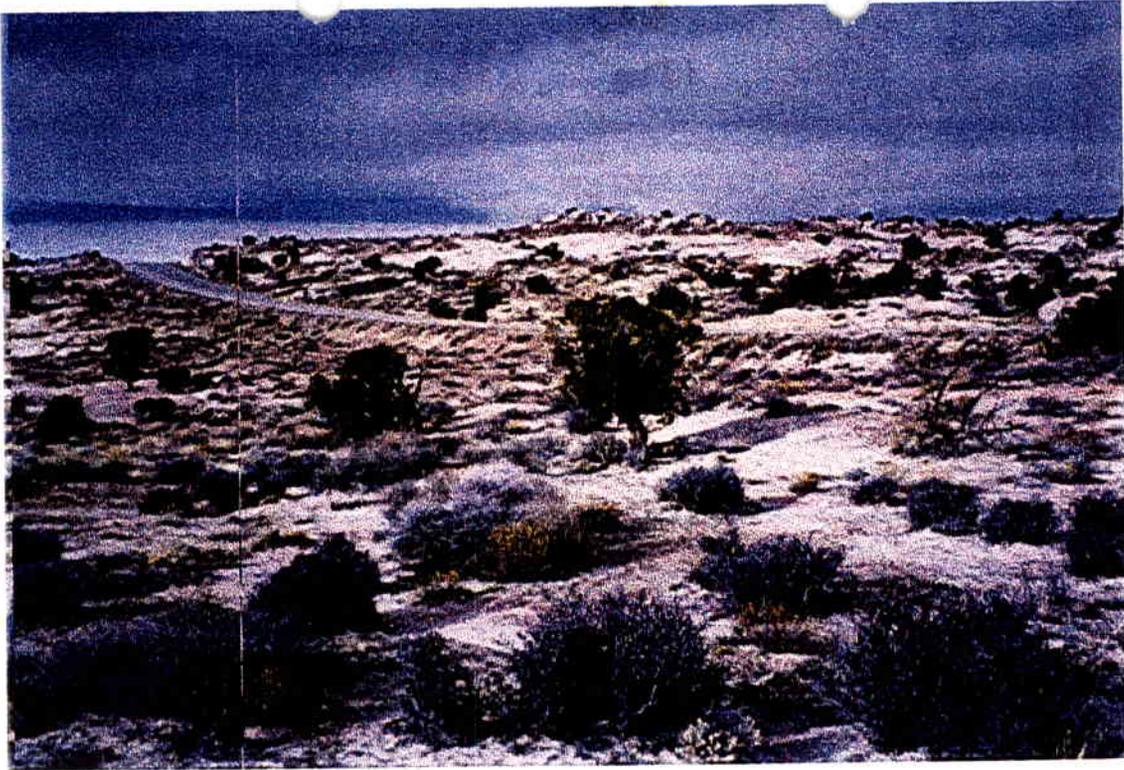


**MULEY CREEK #29-1
SEC. 29, T36S, R10E, S.L.B.&M.
TOPO "B"**



SCALE 1" = 1000'

*Tri-State
Land Surveying Inc.*
(801) 781-2501
38 WEST 100 NORTH VERNAL, UTAH 84078



LOOKING NORTH



LOOKING SOUTH



LOOKING EAST



LOOKING WEST

ATTACHMENT

II

MULEY CREEK FEDERAL NO. 29-1

H₂S RADIUS OF EXPOSURE DATA

Conoco, Inc.
Muley Creek Federal No. 29-1
Hydrogen Sulfide Contingency Plan
Attachment II

H₂S RADIUS OF EXPOSURE (ROE) DATA*

100 ppm

2,900'

500 ppm

1,350'

*Based on 4% H₂S concentration

ATTACHMENT

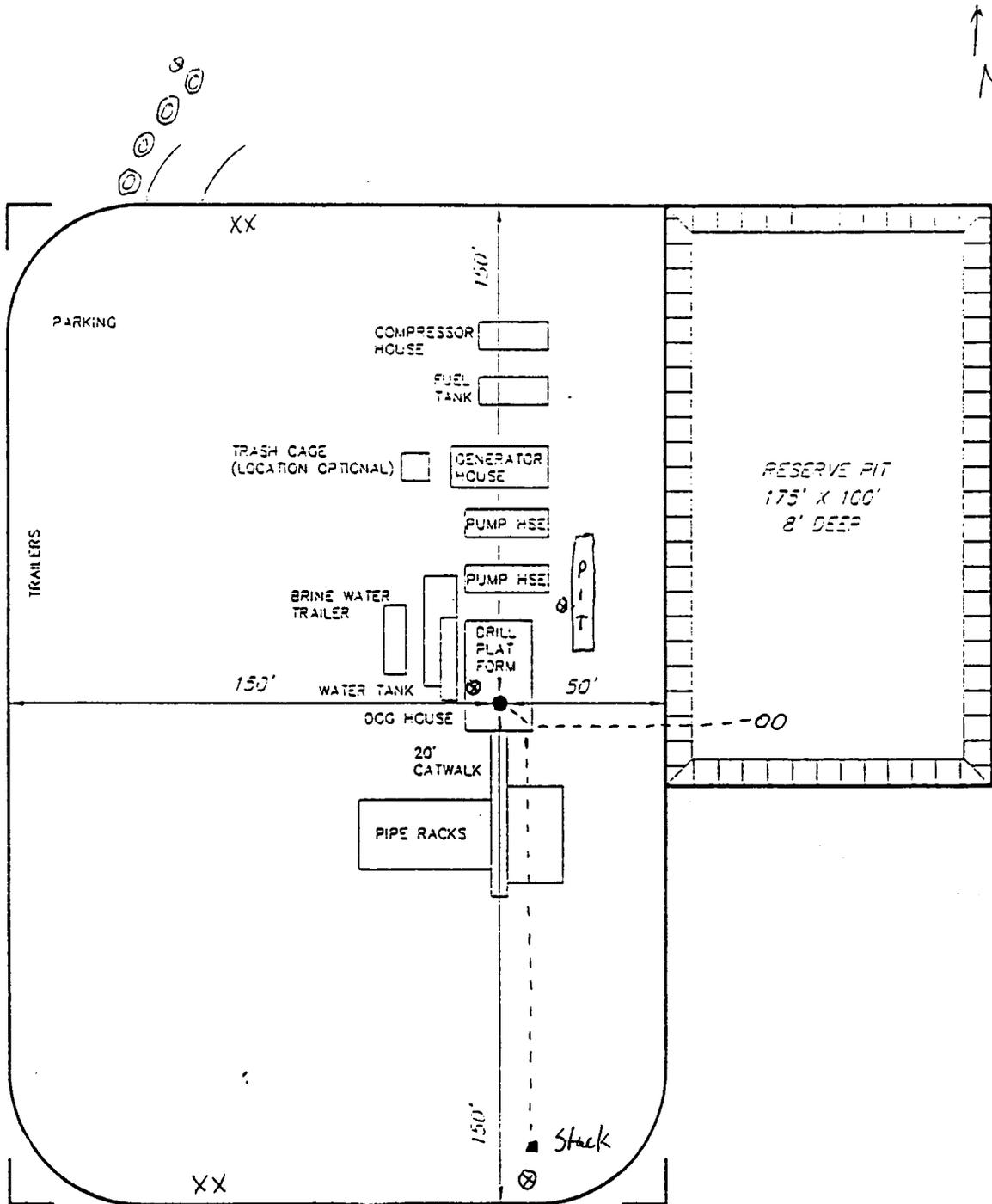
III

MULEY CREEK FEDERAL NO. 29-1

WELLSITE LAYOUT(S)

TYPICAL RIG LAYOUT

MULEY CREEK FEDERAL No. 29-1



- X - WIND INDICATORS
- O - CAUTION/DANGER SIGNS
- XX - BRIEFING AREAS
- OO - PITS
- - FLARE LINES

Note: Access roads and terrain are shown on the attached cut/slope map

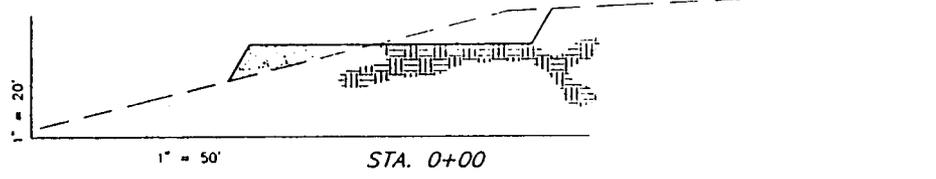
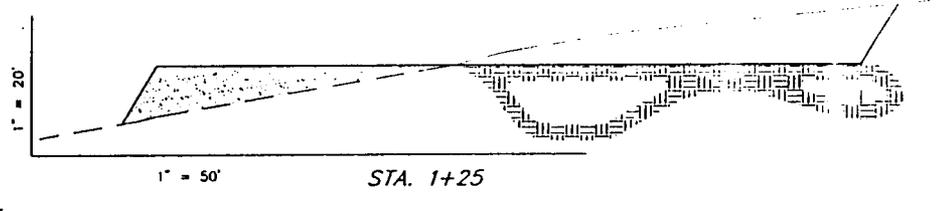
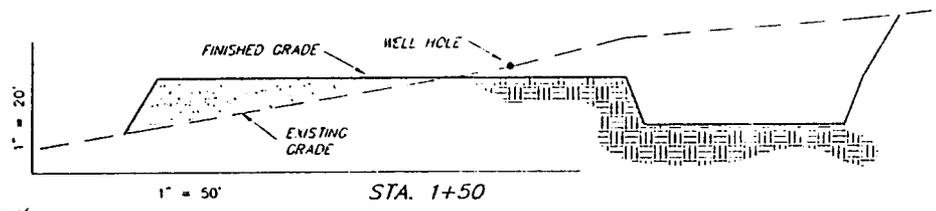
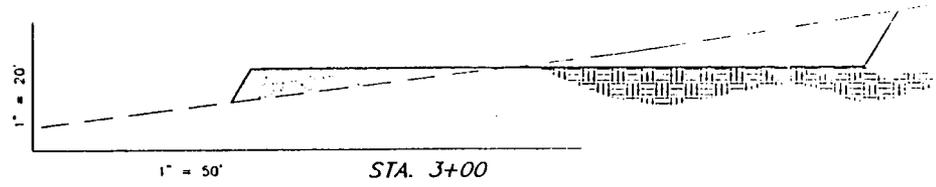
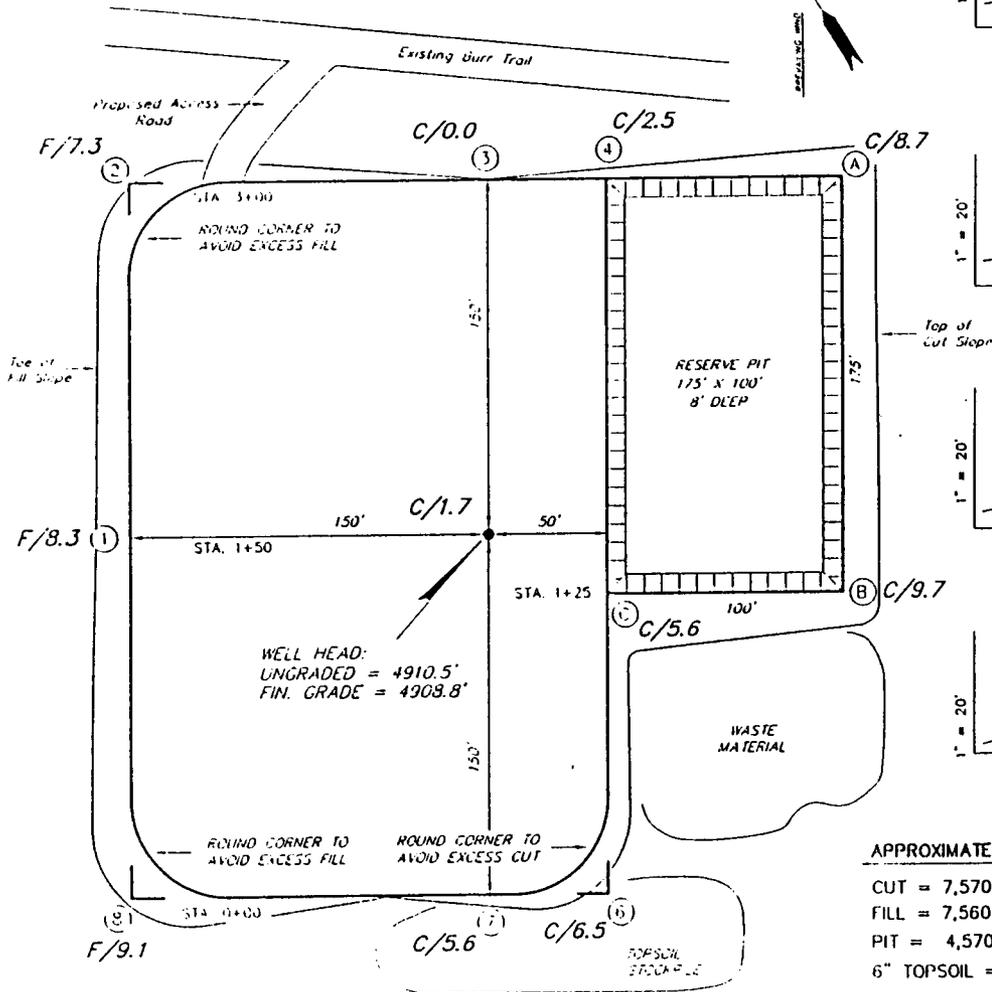
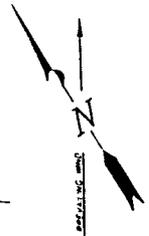
Tri State
Land Surveying, Inc.

(301) 781-2501

33 WEST 100 NORTH, VERNAL, UTAH 84078

CONOCO, INC.

MULEY CREEK FEDERAL No. 29-1
SEC. 29, T36S, R10E, S.L.B.&M.



APPROXIMATE YARDAGES

- CUT = 7,570 Cu. Yds.
- FILL = 7,560 Cu. Yds.
- PIT = 4,570 Cu. Yds.
- 6" TOPSOIL = 1,760 Cu. Yds.

SURVEYED BY	SS BC
DRAWN BY	EPW
DATE	1/19/88
SCALE	1" = 50'
FILE	208-1

Tri State
Land Surveying, Inc.

ATTACHMENT

IV

MULEY CREEK FEDERAL NO. 29-1

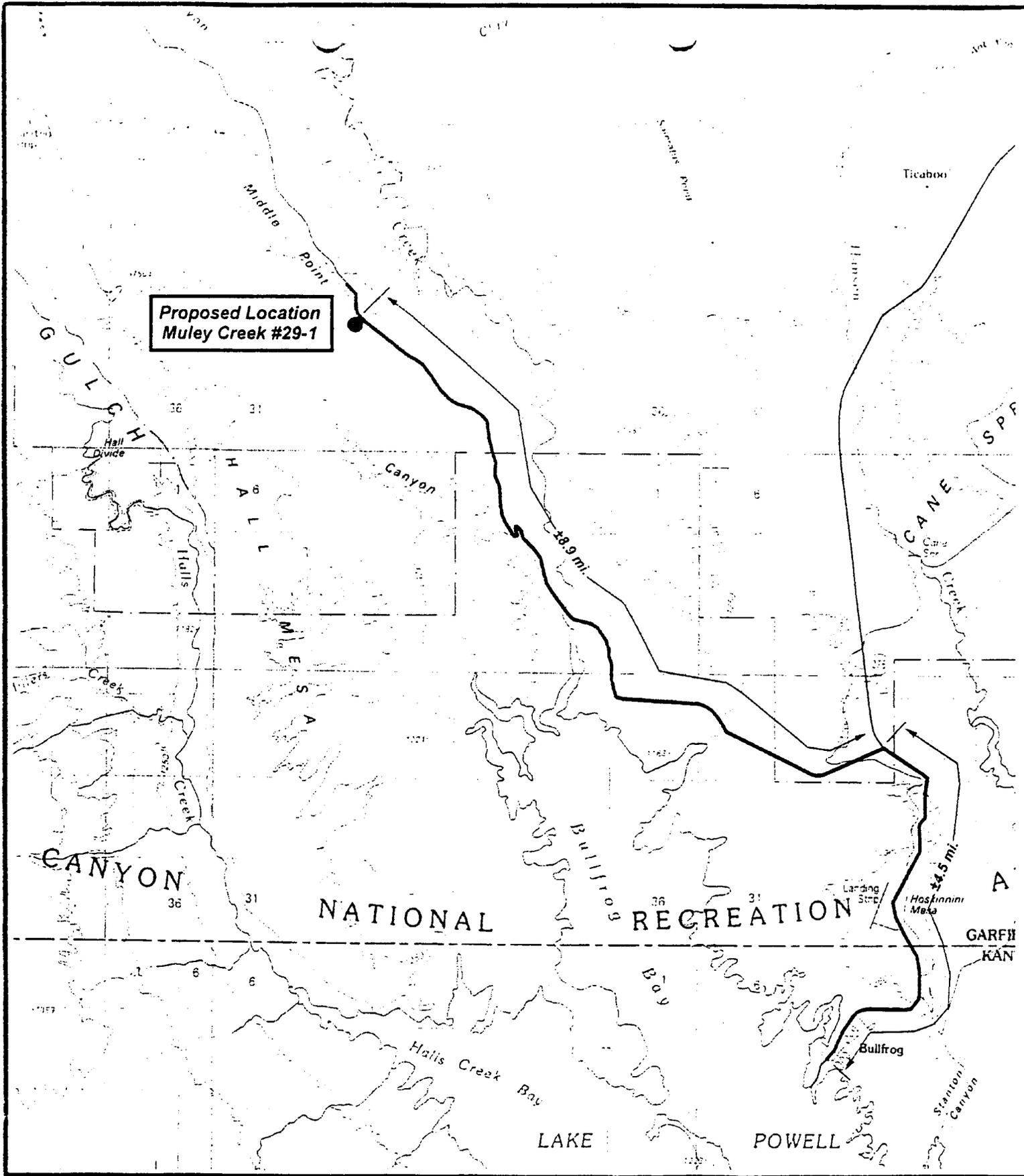
LOCATION DIAGRAM

ATTACHMENT

V

MULEY CREEK FEDERAL NO. 29-1

GENERAL REFERENCE MAP



MULEY CREEK #29-1
SEC. 29, T36S, R10E, S.L.B.&M.
TOPO "A"



Tri-State
Land Surveying Inc.
 (801) 781-2501
 58 WEST 100 NORTH VERNAL, UTAH 84078

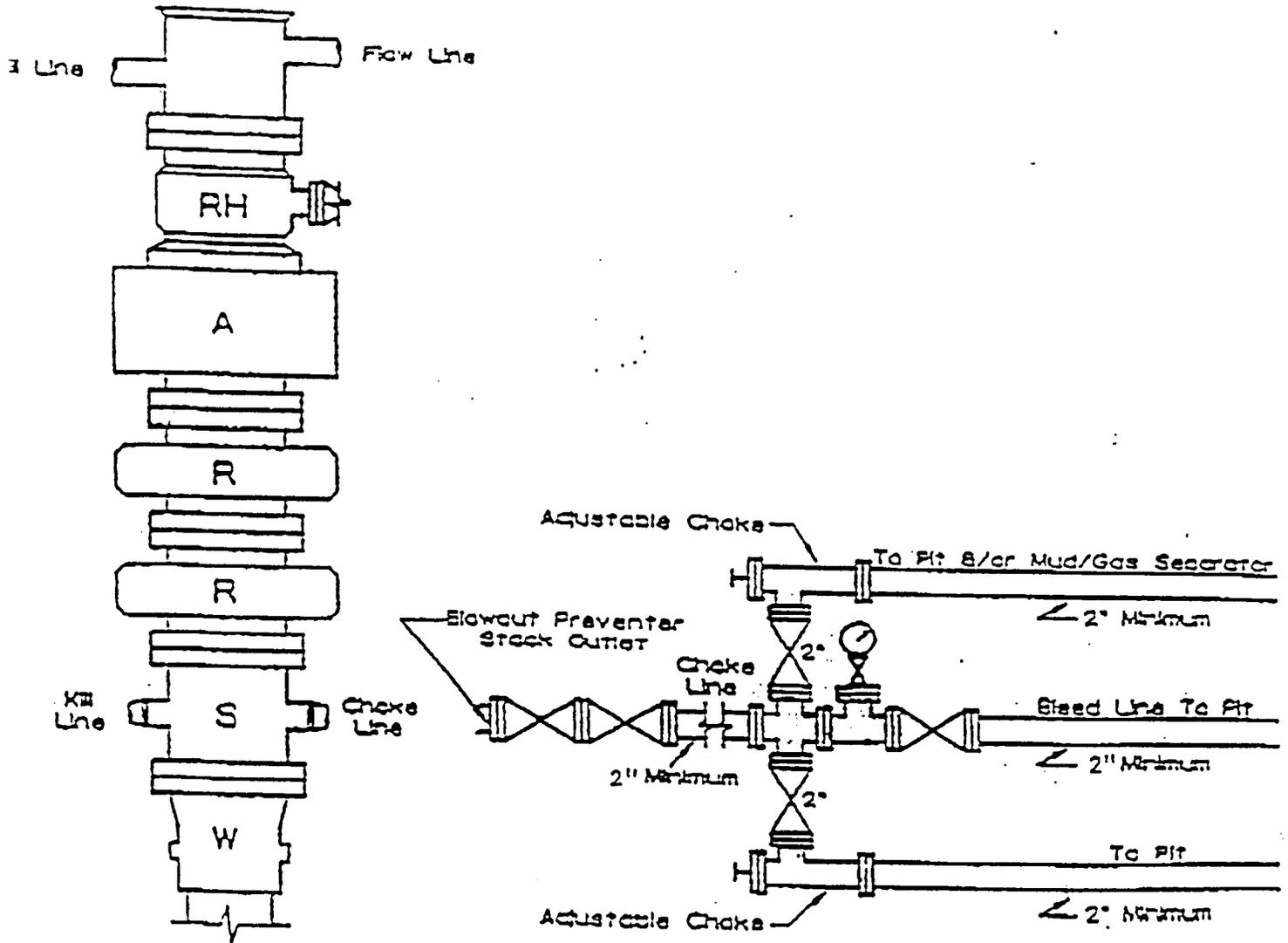
ATTACHMENT

VI

MULEY CREEK FEDERAL NO. 29-1

**H₂S BOP STACK
&
CHOKE MANIFOLD
CONFIGURATION**

DOUBLE RAM TYPE PREVENTERS WITH ROTATING HEAD (3000 psi System)



Minimum BOP Stack	3000 psi Working Pressure
One Pipe Ram	3000 psi Working Pressure
One Blind Ram	3000 psi Working Pressure
One Annular	3000 psi Working Pressure
Well Head	3000 psi Working Pressure
Manifold	3000 psi Working Pressure
Rotating Head	500 psi Working Pressure

**ARCHAEOLOGICAL SURVEY OF
CONOCO INCORPORATED'S
MULEY CREEK FEDERAL NUMBER 29-1 WELL PAD
AND ACCESS ROAD
GARFIELD COUNTY, UTAH**

LAC REPORT 9802

by

Steven L. Fuller

**LA PLATA ARCHAEOLOGICAL CONSULTANTS
26851 County Road P
Dolores, Colorado 81323
(970) 565-8708**

**BUREAU OF LAND MANAGEMENT CULTURAL RESOURCE USE PERMIT 97UT57626
UTAH STATE PERMIT U98-LA-0006b**

February 11, 1998

Prepared For:

**Conoco Incorporated
10 Desta Drive, Suite 450E
Midland, Texas 79705-4500**

ABSTRACT

The archaeological survey of Conoco Incorporated's Muley Creek Federal Number 29-1 well pad and access road was conducted by personnel of La Plata Archaeological Consultants on January 26, 1998. The project is located in Garfield County, Utah, on lands managed by the Henry Mountain Resource Area of the Bureau of Land Management's Richfield District. A 660- by 660-ft area (10 acres) was surveyed surrounding the well center stake. No archaeological sites were encountered during the survey and archaeological clearance is recommended for the project.

INTRODUCTION

On January 26, 1998, the archaeological survey of Conoco Incorporated's proposed Muley Creek Federal Number 29-1 well pad and access road was conducted by Steven Fuller of La Plata Archaeological Consultants. The survey was requested by Mr. Mike Mankin of Conoco Incorporated. The project was staked and flagged by a survey team from Tri State Land Surveying. The well pad is located on lands managed by the BLM Richfield District's Henry Mountain Resource Area. All work on this project was conducted under the terms of Bureau of Land Management Cultural Resource Use Permit Number 97UT57626, issued to La Plata Archaeological Consultants.

The well pad is located in T36S, R10E, Section 29, Garfield County, Utah (Figure 1). The actual center stake is in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ (2505 FNL, 623 FEL), and is included on the U.S.G.S. Clay Point, Utah 7.5' series topographic map (Figure 2). A 10-acre block was surveyed surrounding the proposed well pad on land managed by the BLM's Henry Mountain Resource Area. The 660- by 660-foot block was surveyed to cover the 300- by 275-foot well pad and a buffer zone that measured about 150-200 feet in width. A total of 10 acres were surveyed for this project. The access route will extend to the existing Burr Trail road approximately 50 feet to the north of the pad and no additional survey was required for this access route. No archaeological sites or other cultural phenomena were encountered within the survey area. Archaeological clearance is recommended for the project.

PHYSIOGRAPHY AND ENVIRONMENT

The project area is located on a Middle Point that separates Long Canyon from Bullfrog Canyon in the area about 10 miles northwest of Bullfrog Marina. The location is on a rocky northwest facing slope between a higher ridge to the southeast and a tributary canyon to Long Canyon to the northwest. The ground surface on the project area contains very thin sediments with sandstone ledges and outcrops dominating the area. Some wind-blown sandy and silty material has accumulated in the lee of ledges or on ridges. Vegetation is comprised of very sparse juniper, ephedra, narrowleaf yucca, fourwing saltbush, shadscale, rabbitbrush and snakeweed with a few grasses. Except for disturbance along the edge of the Burr Trail road and some old prospect trails, the area is mostly undisturbed.

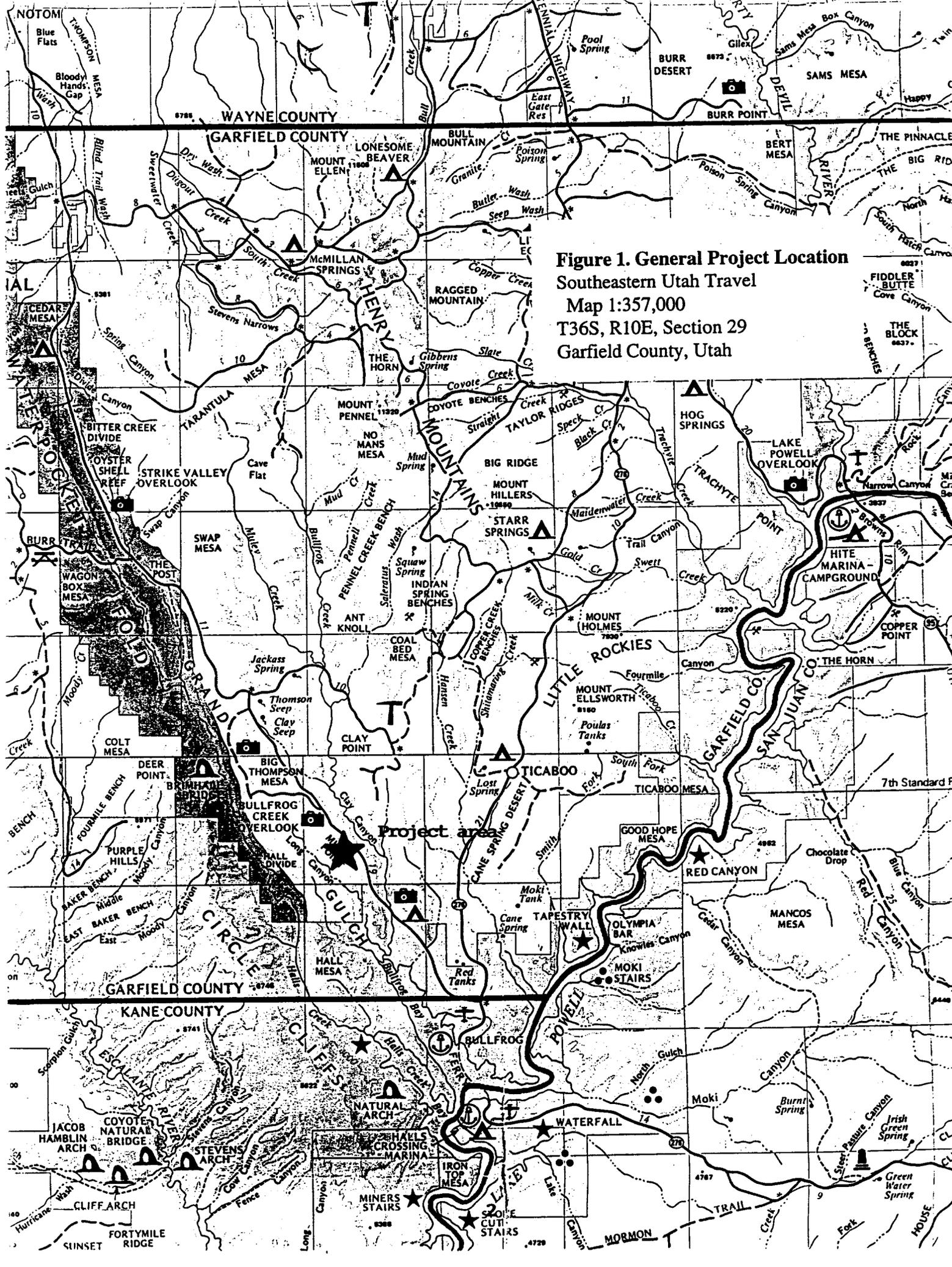
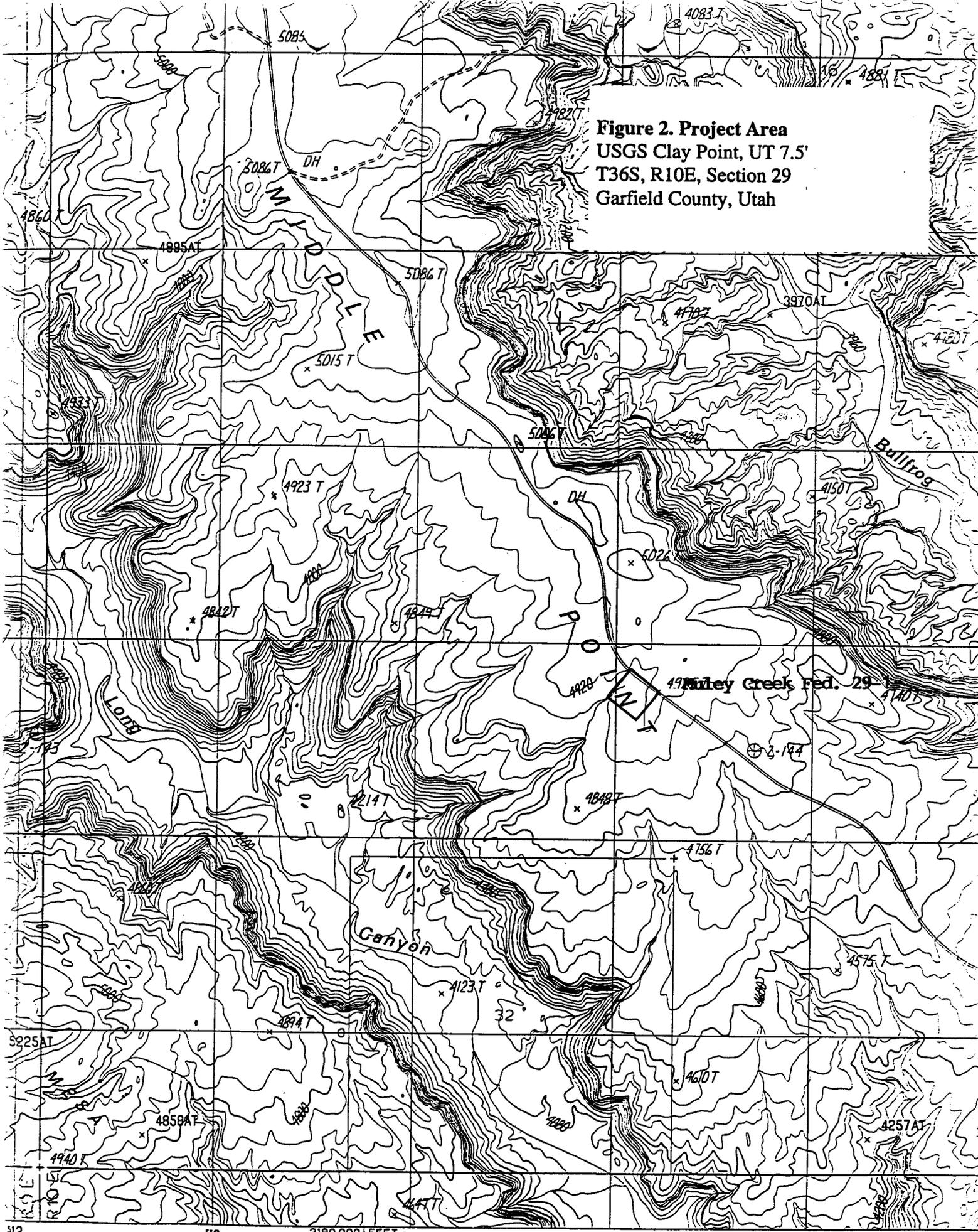


Figure 1. General Project Location
 Southeastern Utah Travel
 Map 1:357,000
 T36S, R10E, Section 29
 Garfield County, Utah

Figure 2. Project Area
USGS Clay Point, UT 7.5'
T36S, R10E, Section 29
Garfield County, Utah



SURVEY METHODS

A records search was conducted for this project using the records maintained by the Division of State History in January, 1998. Based on the search conducted by Evie Seelinger, only a survey for the Burr Trail has been conducted in the vicinity of the project and no sites are apparently previously recorded in this area. No additional site information has been received from BLM District Archaeologist Craig Harmon.

The well pad was surveyed after it was staked by personnel of Tri State Land Surveying. Parallel pedestrian transects spaced about 15 m apart were used to cover the project area.

SURVEY RESULTS

During the survey no archaeological sites or other cultural materials or phenomena were encountered in the 10-acre block survey area.

CONCLUSIONS AND RECOMMENDATIONS

The archaeological survey for Conoco Incorporated's proposed Muley Creek Federal Number 29-1 well pad was conducted January 26, 1998, by personnel of La Plata Archaeological Consultants. The project is located on lands managed by the Bureau of Land Management's Richfield District, Henry Mountain Resource Area. A total of 10 acres were surveyed. No archaeological sites were encountered during the survey and archaeological clearance is recommended for the project.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/09/98

API NO. ASSIGNED: 43-017-30136

WELL NAME: MULEY CREEK FEDERAL 29 #1
 OPERATOR: CONOCO INC (N0260)
 CONTACT: Bill Keathly (915) 686-5794

PROPOSED LOCATION:
 SENE 29 - T36S - R10E
 SURFACE: 2505-FNL-0623-FEL
 BOTTOM: 2505-FNL-0623-FEL
 GARFIELD COUNTY
 WILDCAT FIELD (001)

INSPECT LOCATION BY: / /		
TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: FED
 LEASE NUMBER: UTU - 63100
 SURFACE OWNER: Federal

PROPOSED FORMATION: PRCAM

RECEIVED AND/OR REVIEWED:

Plat

Bond: Federal State Fee
 (No. 8015-116-69)

Potash (Y/N)

Oil Shale (Y/N) *190-5(B)

Water Permit
 (No. Commercial Source)

RDCC Review (Y/N)
 (Date: _____)

N/A St/Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3. Unit _____

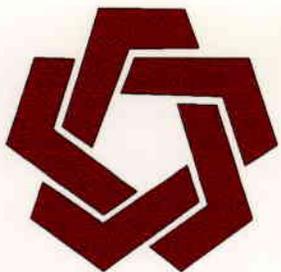
R649-3-2. General

R649-3-3. Exception

Drilling Unit
 Board Cause No: _____
 Date: _____

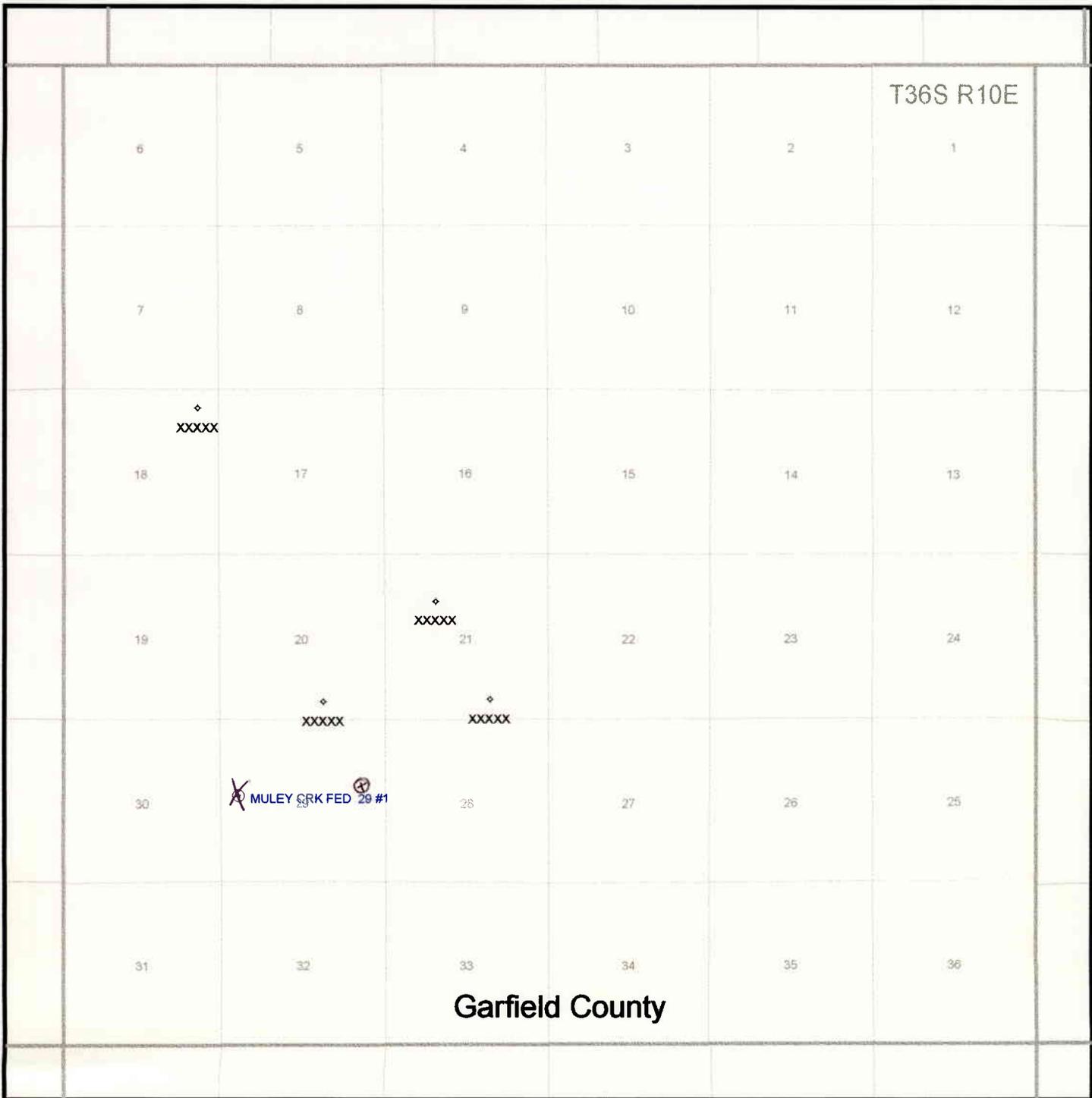
COMMENTS: *Need add'l info. "Except. Loc." (Rec'd 6-25-98) (Rec'd 10-22-98)
(Non Monument Well - BLM aprv. "Richfield office" required)

STIPULATIONS: ① FEDERAL APPROVAL



DIVISION OF OIL, GAS & MINING

OPERATOR: CONOCO INC. (N0260)
FIELD: WILDCAT (001)
SEC. 29, TWP. 36S, RNG. 10E,
COUNTY: GARFIELD UAC: R649-3-3 EXCEPTION SPACING



DATE PREPARED:
17-MAR-1998



P.O. BOX 533
VERNAL, UTAH 84078

May 15, 1998

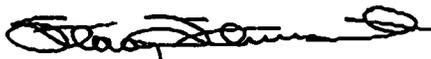
Conoco Inc.
10 Desta Drive, Suite 430E
Midland, TX 79705-4500

Attn: Mike Mankin

Dear Mike:

The Conoco Muley Creek #29-1 proposed location was staked at the platted footages of 2505.0' FNL and 623.0' FEL to minimize surface damage by bringing the pad adjacent to the existing road, and to avoid a drainage on the Northwest side of the pad. To move this location enough to make it a standard location would require blocking a major drainage as well as incurring substantial additional surface disturbance.

Sincerely,



Stacy Stewart
Vice Pres. R/S

268480
1.1.03
75%

7

9

10

8

UTU-70841

18

17

15

19

20 United States
100%

United States
100%

21

22

T36S R10E

257490
5.1.98
75%

30

United States
100%

United States
100%

28

All minerals in Sections
20, 21, 28, & 29 are
owned by the United
States of America and
are administered by the
Bureau of Land Management

UTU-63100

31

MULEY CREEK FED.
29 No. 1

33

34



Jimmy D. Carlile
Sr. Conservation Coordinator
Mid-Continent Region
Exploration-Production North America

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5425 Fax: (915) 686-5780

June 15, 1998

Mr. Verlin L. Smith
United States Department of the Interior
Bureau of Land Management
Kanab Resource Area
318 North 100 East
Kanab, UT 84741

Dear Mr. Smith,

Re: Muley Creek Federal 29 No. 1,
Non-Standard Location

This is to inform you as mineral owner of Sections 20, 21, 28 and 29, T36S, R10E, Garfield County, Utah of the non-standard location for Conoco's Muley Creek Federal 29 No. 1. This well is located 2505' FNL and 623' FEL of Section 29, T36S, R10E. We were unable to spot a location as standard under the State of Utah regulations due to a drainage to the northwest. A plat and letter from the surveyor are attached for your information.

If you have any questions concerning this location please give me a call at the number shown above.

Yours very truly,

A handwritten signature in cursive script that reads "Jimmy D. Carlile".

Jimmy D. Carlile
Sr. Conservation Coordinator

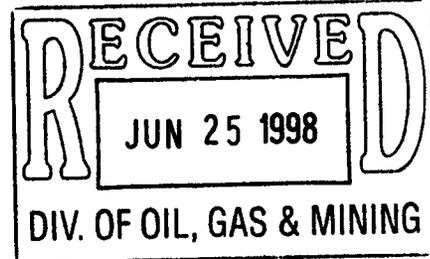


Jimmy D. Carlile
Sr. Conservation Coordinator
Mid-Continent Region
Exploration-Production North America

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5425 Fax: (915) 686-5780

June 16, 1998

Mr. K. Michael Hebertson
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203



Dear Mr. Hebertson,

Re: Muley Creek Federal 29 No. 1,
Non-Standard Location

Conoco requests your approval of the non-standard location for the Muley Creek Federal 29 No. 1 located at 2505' FNL, 623' FEL, Section 29 T36S, R10E, Garfield County, Utah. This location is non-standard due a drainage area to the northwest where a standard location would have been. A copy of a letter from the surveyor is enclosed. Also enclosed is a plat showing mineral ownership within 1/2 mile of the location. All minerals are owned by the United States of America and administered by the Bureau of Land Management. A letter has been sent to the BLM office in Kanab advising them of this non-standard location. A copy of that letter is also attached.

If you have any questions concerning this application, please give me a call at the number shown above.

Yours very truly,

Jimmy D. Carlile
Sr. Conservation Coordinator

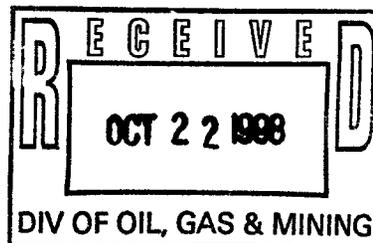


Jimmy D. Carlile
Sr. Conservation Coordinator
Mid-Continent Region
Exploration-Production North America

Conoco Inc.
10 Dests Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5425 Fax: (915) 686-5780

October 22, 1998

Ms. Lisha Cordova
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203



Dear Ms. Cordova,

Re: Muley Creek Federal 29 No. 1,
Non-Standard Location

As agreed in our discussions yesterday afternoon, enclosed is Conoco's request for a non-standard location for the Muley Creek Federal 29 No. 1 located at 2505' FNL, 623' FEL, Section 29, T36S, R10E, Garfield County, Utah. This location is non-standard due to a drainage area to the northwest where a standard location would have been. All working interest within 460' of this proposed wellbore is held by Conoco, thus making notice to other parties unnecessary.

Conoco had originally filed for this exception location by letter dated June 16, 1998. If you need any additional information please call me at the number listed on the letterhead.

Yours very truly,

Jimmy D. Carlile
Sr. Conservation Coordinator



Conoco Inc.

Request for Facsimile
Transmission

Date
10/22/98

From

Employee Jimmy D. Carlile	Ext. (915) 686-5425 Phone (915) 686-5780 FAX
City, State, Country Midland, TX 79705	Room No.
Acct. No.	

To

Name Lisha Cordova	Phone No. (801) 538-5296 phone (801) 359-3940 fax
Department Utah Division of Oil, Gas and Mining	Room No.
City, State Country Salt Lake City, Utah	

No. of Pages
3 Total

Note:

1. Your originals must have good contrast (dark detail on light background).
2. Legible.
3. 1/2 inch margin on all sides of sheet.
4. Number all pages.

Special Instructions

Attached are two letter applications for exception locations for the Muley Creek Federal 29 No. 1 and the Stud Horse State 36 No. 1. If you have any questions or need additional information please give me a call at (915) 686-5425.



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

October 22, 1998

Conoco, Inc.
10 Desta Drive, Suite 430E
Midland, Texas 79705-4500

Re: Muley Creek Federal 29 #1 Well, 2505' FNL, 623' FEL, SE NE,
Sec. 29, T. 36 S., R. 10 E., Garfield County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-017-30136.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza".

John R. Baza
Associate Director

lwp

Enclosures

cc: Garfield County Assessor
Bureau of Land Management, Cedar City Field Office

Operator: Conoco, Inc.
Well Name & Number: Muley Creek Federal 29 #1
API Number: 43-017-30136
Lease: Federal Surface: Federal
Location: SE NE Sec. 29 T. 36 S. R. 10 E.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well. Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or Robert Krueger at (801) 538-5274.

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval which must be obtained prior to drilling.

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: CONOCO INC

Well Name: MULEY CREEK FED 29 #1

Api No. 43-017-30136 Lease Type: FEDERAL

Secton 29 Township 36S Range 10E County GARFIELD

Drilling Contractor AZTEC DRILLING CO RIG # 222

SPUDDED:

Date 02/10/99

Time 11:25 AM

How ROTARY

Drilling will commence _____

Reported by BOB HOSFIELD

Telephone # 1-406-580-1989

Date 2/10/99 Signed: CHD

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

OPERATOR Clifford Atkinson III (CONOCO)
ADDRESS 900 N.E. Loop 410, D-100
San Antonio, TX 78209

OPERATOR ACCT. NO. N-8035

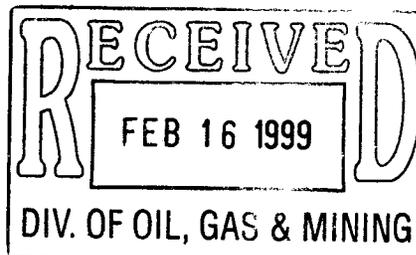
ENTITY ACTION FORM - FORM 6

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A	99999	12529	43-017-30136	MULEY CREEK FED. #29-1	SENE	29	36S	10E	GARFIELD	2/10/99	2/10/99
WELL 1 COMMENTS: <i>090226 entity added; KDR</i>											
CONFIDENTIAL											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.



[Signature]
Signature
Consultant _____ 2/11/99
Title _____ Date
Phone No. (303) 221-0234

RECEIVED
 DIV. OF OIL, GAS & MINING

CONFIDENTIAL

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

FORM APPROVED
 Budget Bureau No. 1004-0315
 Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
 Use "APPLICATION FOR PERMIT" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Clifford Atkinson III

3. Address and Telephone No.
900 N.E. Loop 410, D-100

4. Location of Well (Footage, Sec., T., R., M, or Survey Description)
2505' FNL, 623' FEL (SENE) Sec. 29, T36S-R10E

5. Lease Designation and Serial No.
UTU-63100

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and NO.
Muley Creek Fed. #29-1

9. API Well No.
43-017-30136

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State
Garfield, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Alter Casing
	<input checked="" type="checkbox"/> Other Setting of Conductor & NU
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

MIRU Unzicker & Wells Rig. Operations commenced at 11:30 hrs February 10, 1999. Drilled 5-7/8" hole to 202' GL with air (did not encounter any water) and opened hole to 21" to 202'. Ran 202' of 16" 62.58#/ft X-42 P.E. pipe. Circulated hole full of gelled water. Cemented with Dowell with 330 sxs of Class G + 2% CaCl2 + 1/2#/sx CelloFlake. Wt=15.8 ppg, Yld=1.16 cuft/sx. Displaced cement with 42 bbls water. Circulated 28 Bbls (130 sxs) cement to pit. Cement stayed at surface. Cement in place at 00:24 hrs Feb 19, 1999. Welded on 16" casing head and tested welds for 15 min, OK. Drilled rat and mouse holes with rig. NU 16" drilling spool, 16-3/4" x 3M Annular, and 16-3/4" Rotating Head. PU 14-3/4" bit and 10" DC and TIH. Tested surface equipment to 250 psi for 10 min, OK with rig pump. Drilled cement in shoe and new formation at 2100 hrs on Feb 20, 1999

14. I hereby certify that the foregoing is true and correct.

Signed *Gary Koenig* Title Consultant Date February 22, 1999

Approved by _____ Title _____ Date _____
 Conditions of approval, if any;

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

From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

Page 1 of 1

Monday, March 01, 1999 8:12:41 AM To: TONY KOENIG

T. 369 R. 10E, Sec. 29
43-019-30136

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 40 DEGREES F. 8-10 mph NORTH WIND, PARTLY CLOUDY.

BBG = 0 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 0 UNITS.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1		DATE: 01 MAR 1999	RIG DAYS: 10	FOOTAGE:	DAYWORK: 10	COMPLETION:
PRESENT OPERATION: RUN IN HOLE WITH 14-3/4 INCH AIR HAMMER.		DEPTH: 1,685 FT	PROGRESS LAST 24 HRS: 0 FT	DAILY PRODUCTION:		
FORMATION: NAVAJO 90 % SD 10 % SH 1/4 LM 1/4 DOLO. RKB-GL 12.0 FT GLELE 4,910 FT		PROP TD: 7,800 FT				
SUMMARY OF DAILY OPERATIONS		ACTIVITY		TROUBLE TIME		
06:00-09:00 3 Hrs PULL OUT OF HOLE. NO PROBLEMS.		1 DRILLING				
09:00-11:00 2 Hrs LAY DOWN 3-PT & 6-PT REAMERS, 1-10" DRILL COLLAR, & MUD MOTOR. CHANGE BITS.		2 REAMING OR WASHING		1.25		
11:00-12:00 1 Hr PICK UP 6-PT REAMER & 1-10" DRILL COLLAR.		3 COARING				
12:00-15:30 3-1/2 Hrs RUN IN HOLE. 5-10M DRAG AT 670. WORK CLEAN.		4 CIRC. & COND MUD/LOST CIRC./SET PITS		0.75		
15:30-16:00 1/2 Hr RIG SERVICE. TIE-IN WATER WELL PUMP TO LIGHT PLANT. WATER WELL PUMPING 40-45 GPM.		5 TRIPPING & PULL DRILL STRING		12.50		
16:00-17:15 1-1/4 Hrs WASH & REAM FROM 1,568 TO 1,685 FT. LAST 10 FT TOOK WEIGHT.		6 RIG SERVICE		0.50		
17:15-18:00 3/4 Hr CIRCULATE AND CONDITION HOLE.		7 RIG REPAIR				
18:00-20:30 2-1/2 Hrs PULL OUT OF HOLE. NO PROBLEMS.		8 SLIP & CUT DRILL LINE				
20:30-21:00 1/2 Hr LAY DOWN 6-PT REAMER. CLEAR FLOOR.		9 DEVIATION & DIRECTIONAL SURVEYS				
21:00-06:00 9 Hrs REMOVE FLOWLINE. MODIFY ROTATING HEAD DISCHARGE NIPPLE. WELD FLANGES. HOOK UP BLOOIE LINE.		10 LOGGING				
NOTE: WATER WELL TEST = 40-45 GPM. 50 PPM CL, 100 PPM CA.		11 RUN CASING/SEY SLIPS & CUT OFF				
		12 CEMENTING OR SQUEEZING				
		13 TEST CSG. OR SHOE/DRLO. OUT CEMENT				
		14 WOC				
		15 NU OR ND BOP/TEST BOP/CHG. RAMS				
		16 DRILL STEM TEST				
		17 WAIT ON ORDERS - CONSULT GEOLOGIST				
		18 WAIT ON EQUIPMENT				
		19 PLUGGING BACK				
		20 FISHING/TIGHT HOLE/STUCK PIPE				
		21 DIRECTIONAL WORK/ORIENTING TOOLS				
		22 COMPLETION				
		23 WELD CASING HEAD				
		24 SAFETY MEETING				
		25 RIG UP BLOOIE LINE		9.00		
		TOTAL HOURS		24.00		

BIT RECORD

BIT NO	SIZE	MFG.	TYPE	SERIAL NO	JETS-3264			FROM	TO	FTC	HRS.	CONDITION			BIT WT.	RPM
					T	B	G									
2	14-3/4	HTC	ATM33CG	W23XM	20	20	20	1,141'	1,685'	544	52.50	6	7	1/16	1020	65/98
3	14-3/4	SEC	SS82CG	673542	14	14	14	1,568'	1,685'	117	1.25	1	1	1	0-5	85-95

HYDRAULICS

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	PS% EFF	Ann Vol		PWR	Flow AT SPM
						DP	DC		
1	GD PZ8	6-1/2 X 8	100	1,000	285	72	121	318	
2	OPI 700	6 X 8	106	1,000	292	72	121	318	

MUD PROPERTIES

Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 09:15 AM													
TYPE	NW in	VIS in	PI	YP	GELS	PH	WL-API	WL-HPHT	F.C.	Fm	PPM	% LIME	CHLORIDES
LSND	8.6	41	13	7	2/5	10.0	12.0		2/32	5	4/.85		400
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW SH	VIS SH	F L TEMP	CALCIUM	PHPA-EXCESS			
TRACE	2.70		97.3			8.6	41		NIL				

CASING

CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	at	" at	" at to	" at

DRILL STRING

DP SIZE	WEIGHT	GRADE	CONN	LENGTH	NO. OF DC	OD	ID	CONN	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	1,191.52 FT	2	10.00"	2-7/8"	7-5/8 REG	45,600 LBS
8	6-3/8"	2.0"	4-1/2 XH		4	7.00"	2-3/8"	4-1/2 XH	

BHA LENGTH-493.48 FT

DESCRIPTION BIT, BIT SUB, 9-1/2" MOTOR, CROSSOVER, 6 FT REAMER, 1-10 INCH DRILL COLLAR, 3 PT REAMER, 1-10 INCH DRILL COLLAR, CROSSOVER, CROSSOVER, 4-7 INCH DRILL COLLARS, 8-6-3/8 INCH DRILL COLLARS.

DEVIATION

at at at at

PICK UP WEIGHT 96,000 LBS	SLACK OFF WEIGHT 88,000 LBS	ROTATING WEIGHT 92,000 LBS
ROTATING HOURS ON DRILL COLLARS 121.50	LAST INSPECTION 10 FEBRUARY 1999	COST DAILY CUMULATIVE
DAYS ON JARS SER NO	DAYS ON SHOCK SUB. SER NO	MUD 405 6,130
CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222	FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS	WATER 0 10,693
	AFB No.: 1999-01	DIESEL/OIL 0 3,923
		TANGIBLE 0 6,543
		RIG COST 7,320 149,815
		INTANGIBLE 5,630 160,700
		COMPLETION 0 0
		TOTAL 13,355 337,804

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC; No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 34 DEGREES F, 0-5 mph NORTH WIND, PARTLY CLOUDY.

BG = 8-14 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 18 UNITS AT 1,545 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 28 FEB 1999	RIG DAYS: 9	FOOTAGE	DAYWORK 9	COMPLETION
	SPUD DATE: 10 FEB 1999				
PRESENT OPERATION: PULL OUT OF HOLE TO PICK UP AIR HAMMER.	DEPTH: 1,685 FT	PROGRESS LAST 24 HRS: 165 FT	DAILY ROP (FT/HR): 9.04		
	PROP. TD: 7,800 FT				
FORMATION: NAVAJO	90 % SD	10 % SH	1/4 LM	1/4 DOLO.	RKB-GL. 12.0 FT GL ELE 4,910 FT

FORMATION: NAVAJO	90 % SD	10 % SH	1/4 LM	1/4 DOLO.	RKB-GL. 12.0 FT	GL ELE 4,910 FT	TROUBLE TIME
SUMMARY OF DAILY OPERATIONS							
ACTIVITY							
1 DRILLING							18.25
2 REAMING OR WASHING							
3 CORING							
4 CIRC. & COND MUD/LOST CIRC./JET PITS							0.50
5 TRIPPING & PULD DRILL STRING							2.00
6 RIG SERVICE							1.50
7 RIG REPAIR							1.25
8 S/WP & CUT DRILL LINE							
9 DEVIATION & DIRECTIONAL SURVEYS							0.50
10 LOGGING							
11 RUN CASING/SET SLIPS & CUT OFF							
12 CEMENTING OR SQUEEZING							
13 TEST CSG OR SHO/DRLO OUT CEMENT							
14 WOC							
15 NU OR ND BOP/TEST BOP/CHG. RAMS							
16 DRILL STEM TEST							
17 WAIT ON ORDERS - CONSULT GEOLOGIST							
18 WAIT ON EQUIPMENT							
19 PLUGGING BACK							
20 FISHING/TIGHT HOLE/STUCK PIPE							
21 DIRECTIONAL WORK/ORIENTING TOOLS							
22 COMPLETION							
23 WELD CASING HEAD							
24 SAFETY METTING							
25 INSTALL ROTATING HEAD							
TOTAL HOURS							24.00

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS- 32nd	FROM	TO	FTG.	HRS.	CONDITION	BIT WT.	RPM
2	14-3/4	HTC	ATM33CG	W23XM	20 20 20	1,141'	1,685'	544	52.50		10/20	65/98

PUMP NO.	MAKE/MODEL	SIZE	SFM	PRESSURE	55% EFF. OPM	Ann Vel DP	DC	PH	P law AT SFM
1	GD PZ8	6-1/2 X 8	100	1,000	285	72	121	318	
2	ORI 700	6 X 8	106	1,000	292	72	121	318	

MUD PROPERTIES													
Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 10:00 AM													
TYPE	MW lb	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHY	F.C	Pa	PPMC	3% LIME	CHLORIDES
LSND	8.8	38	12	6	2/5	10.5	10.8		2/32	6	5/1.2		300
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW wt	VIS wt	FL TEMP	CALCIUM	PHPA-EXCESS			
0.25	3.20		96.8			8.8	38		60				

CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16 "at 212 FT	at	" at	" at to	" at

DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC.	OD	ID	CONN.	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	1,191.52 FT	2	10.00"	2-7/8"	7-5/8 REG	45,600 LBS
8	6-3/8"	2.0"	4-1/2 XH		4	7.00"	2-3/8"	4-1/2 XH	

BHA LENGTH= 493.48 FT DESCRIPTION: BIT, BIT SUB, 9-1/2" MOTOR, CROSSOVER, 6 FT REAMER, 1 - 10 INCH DRILL COLLAR, 3 FT REAMER, 1 - 10 INCH DRILL COLLAR, CROSSOVER, CROSSOVER, 4 - 7 INCH DRILL COLLARS, 8 - 6-3/8 INCH DRILL COLLARS.

DEVIATION 1 DEG at 1,499 FT at at at

PICK UP WEIGHT 96,000 LBS	SLACK OFF WEIGHT 88,000 LBS	ROTATING WEIGHT 92,000 LBS
ROTATING HOURS ON DRILL COLLARS 121.50		COST DAILY CUMULATIVE
DAYS ON JARS SER. NO.		MUD 553 5,099
DAYS ON SHOCK SUB SER. NO.		WATER 167 10,693
CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG No. 222		DIESEL/OIL 0 3,923
FOREMAN: ROBERT L. HOSFIELD		TANGLE 0 6,543
GEOLOGIST: BILL ELLIS		RIG COST 7,320 135,175
AFE No.: 1999-01		INTANGLE 7,319 146,765
		COMPLETION 0 0
		TOTAL 15,359 308,198

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 34 DEGREES F, CALM, CLOUDY.

BEG = 8-14 UNITS, CG = 0 UNITS, TG = 0 UNITS, MAXG = 20 UNITS AT 1,405 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1		DATE: 27 FEB 1999	RIG DAYS: 8	FOOTAGE	DAYWORK 8	COMPLETION										
PRESENT OPERATION: DRILL 14-3/4 INCH HOLE AT 1,520 FT WITH ABRATED MUD		DEPTH: 1,520 FT	PROGRESS LAST 24 HRS. 147 FT	DAILY ROP (FT/HR): 9.48												
FORMATION: NAVAJO		70 % SD	30 % SH	WLM	% DOLO.	RKB-GL: 12.0 FT										
						GLEF: 4,910 FT										
SUMMARY OF DAILY OPERATIONS		ACTIVITY		TIME		TROUBLE										
06:00-08:00 2 Hrs WASH & REAM FROM 1,020 TO 1,240 FT.		1 DRILLING		15.50												
08:00-09:30 1-1/2 Hrs LAY DOWN 7 SINGLES. RUN IN HOLE 4 STANDS.		2 REAMING OR WASHING		4.75												
09:30-12:15 2-3/4 Hrs WASH & REAM FROM 1,240 TO 1,373 FT.		3 CORING														
12:15-13:15 1 Hr DRILL 14-3/4" HOLE FROM 1,373 TO 1,393 FT.		4 CIRC. & COND MUD/LOST CIRC./JET FITS														
13:15-13:45 1/2 Hr RIG SERVICE.		5 TRIPPING & PULD DRILL STRING		1.50												
13:45-23:00 9-1/4 Hrs DRILL 14-3/4" HOLE FROM 1,393 TO 1,493 FT.		6 RIG SERVICE		0.50												
23:00-23:45 3/4 Hr ATTEMPT TO INSTALL ROTATING HEAD RUBBER. HOLD DOWN CLAMP NEEDS TO BE MODIFIED.		7 RIG REPAIR														
23:45-04:00 4-1/4 Hrs DRILL 14-3/4" HOLE FROM 1,493 TO 1,514 FT.		8 SLIP & CUT DRILL LINE														
04:00-05:00 1 Hr MODIFY ROTATING HEAD HOLD DOWN CLAMP. INSTALL ROTATING HEAD RUBBER.		9 DEVIATION & DIRECTIONAL SURVEYS														
05:00-06:00 1 Hr DRILL 14-3/4" HOLE FROM 1,514 TO 1,520 FT.		10 LOGGING														
NOTE: WATER WELL CLEANED OUT BELOW CASING TO TOTAL DEPTH ESTIMATE INSTALLING PUMP SUNDAY MORNING 28 FEB.		11 RUN CASING /SET SLIPS & CUT OFF														
		12 CEMENTING OR SQUEEZING														
		13 TEST CEG. OR SHOZ DRLG. OUT CEMENT														
		14 WOC														
		15 NU OR ND BOP/TEST BOP/CHG RAMS														
		16 DRILL STEM TEST														
		17 WAIT ON ORDERS - CONSULT GEOLOGIST														
		18 WAIT ON EQUIPMENT														
		19 PLUGGING BACK														
		20 FISHING/TIGHT HOLE/STUCK PIPE														
		21 DIRECTIONAL WORK/ORIENTING TOOLS														
		22 COMPLETION														
		23 WELD CASING HEAD														
		24 SAFETY MEETING														
		25 INSTALL ROTATING HEAD		1.75												
		TOTAL HOURS		24.00												
BIT RECORD																
BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS - 2nd			FROM	TO	FTO.	HRS.	CONDITION			BIT WT.	RPM
												T	B	G		
2	14-3/4	HTC	ATM33CG	W23XM	20	20	20	1,141'	1,520'	379	34.25				10/20	65/98
HYDRAULICS																
PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	GPM	% EFF.	Ann Val.		PH	Flow AT SPM						
1	GD PZ8	6-1/2 X 8	100	1,000	285		DP	DC	318							
2	OPI 700	6 X 8	106	1,000	292		72	121	318							
MUD PROPERTIES							Mud Co. ROCKY MTN FLUID		Mud Engr. DANNY REID		Time Sample Taken 09:30 AM					
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Pm	PFMC	SE LIME	CHLORIDES			
LSND	8.6	42	8	4	1/2	10.0	14.0		2/32	.5	4/9		300			
% SAND	% SOLIDS	% OIL	% WATER	ELEG. STAB	MBO	MW em	%8 est	F.L. TEMP	CALCIUM	FHPA-EXCESS						
TRACE	2.40		97.6			8.6	42		20							
CASING																
CONDUCTOR		SURFACE		PROTECTION		LINER		PRODUCTION								
16" at 212 FT		at		" at		" at		to		" at						
DRILL STRING																
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC	OD	ID	CONN.	BHA WEIGHT							
4-1/2	16.60	E	4-1/2 XH	1,026.52 FT	2	10.00"	2-7/8"	7-5/8 REG	45,600 LBS							
8	6-3/8"	2.0"	4-1/2 XH		4	7.00"	2-3/8"	4-1/2 XH								
BHA LENGTH = 493.48 FT																
DESCRIPTION: BIT, BIT SUB, 9-1/2" MOTOR, CROSSOVER, 6 FT REAMER, 1 - 10 INCH DRILL COLLAR, 6 FT REAMER, 1 - 10 INCH DRILL COL CROSSOVER, CROSSOVER, 4 - 7 INCH DRILL COLLARS, 8 - 6-3/8 INCH DRILL COLLARS.																
DEVIATION																
at at at at																
PICK UP WEIGHT 92,000 LBS				SLACK OFF WEIGHT 86,000 LBS				ROTATING WEIGHT 87,000 LBS								
								COST								
								DAILY								
								CUMULATIVE								
ROTATING HOURS ON DRILL COLLARS 103.25				LAST INSPECTION 10 FEBRUARY 1999				MUD 553								
DAYS ON JARS SER. NO.								WATER 167								
DAYS ON SHOCK SUB. SER. NO.								DIESEL/OIL 0								
								TANGIBLE 0								
								RIG COST 7,320								
								INTANGIBLE 7,319								
								COMPLETION 0								
								TOTAL 15,359								
								308,198								
CONTRACTOR and RIG No.:				FOREMAN:				AFE No.:								
AZTEC WELL SERVICING CO.				ROBERT L. HOSFIELD				1999-01								
RIG NO. 222				GEOLOGIST: BILL ELLIS												

From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

Page 1 of 1

Thursday, February 25, 1999 8:48:17 AM To: TONY KOENIG

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 35 DEGREES F, 0-5 mph NORTH WIND, PARTLY CLOUDY.

BEG = 8-10 UNITS. CG=0 UNITS. TG=0 UNITS. MAXG=11 UNITS AT 1,205 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 25 FEB 1999 SPUD DATE: 10 FEB 1999	RIG DAYS: 6	FOOTAGE	DAYWORK 6	COMPLETION
PRESENT OPERATION: DRILLING 14-3/4 INCH HOLE AT 1,320 FT.	DEPTH: 1,320 FT PROP TD: 7,800 FT	PROGRESS LAST 24 HRS: 235 FT	DAILY ROP (FT/HR): 15.67		
FORMATION: CARMEL ¹¹⁴¹ 70% SD. 30% SH. %LM %DOLO. PKB-GL. 12.0 FT. CL. FILE 4.910 FT.	% PYRITE % CHERT % ANHYDRITE	ACTIVITY			TROUBLE TIME
SUMMARY OF DAILY OPERATIONS		1 DRILLING	15.00		
		2 REAMING OR WASHING	0.50		
06:00-06:30 1/2 Hr REPAIR POP-OFF ON NO. 1 PUMP.		3 CORING			
06:30-08:00 1-1/2 Hrs DRILL 14-3/4" HOLE FROM 1,085 TO 1,118 FT.		4 CIRC. & COND MUD/LOST CIRC/GET PITS			
08:00-08:15 1/4 Hr RIG SERVICE.		5 TRIPPING & PULD DRILL STRING	6.50		
08:15-08:45 1/2 Hr DRILL 14-3/4" HOLE FROM 1,118 TO 1,136 FT.		6 RIG SERVICE	0.25		
08:45-09:15 1/2 Hr LAY DOWN DAMAGED JOINT DRILL PIPE.		7 RIG REPAIR	1.50		
09:15-10:00 3/4 Hr DRILL 14-3/4" HOLE FROM 1,136 TO 1,141 FT.		8 SLIP & CUT DRILL LINE			
10:00-13:30 3-1/2 Hrs PULL OUT OF HOLE. NO PROBLEMS.		9 DEVIATION & DIRECTIONAL SURVEYS	0.25		
13:30-14:30 1 Hr CHANGE BITS.		10 LOGGING			
14:30-16:30 2 Hrs RUN IN HOLE. NO PROBLEMS. NO FILL.		11 RUN CASING/BET SLIPS & CUT OFF			
16:30-17:00 1/2 Hr INSTALL REPLACEMENT PARTS IN NO.1 PUMP POP-OFF.		12 CEMENTING OR SQUEEZING			
17:00-17:30 1/2 Hr PRECAUTIONARY WASH & REAM 1,106 TO 1,141 FT.		13 TEST CSG. OR SHOE/DRUG. OUT CEMENT			
17:30-03:30 10 Hrs DRILL 14-3/4" HOLE FROM 1,141 TO 1,292 FT.		14 WOC			
03:30-03:45 1/4 Hr WIRELINE SURVEY AT 1,212 FT - 1 DEGREE.		15 NU OR ND BOP/TEST BOP/CHG. RAMS			
03:45-06:00 2-1/4 Hrs DRILL 14-3/4" HOLE FROM 1,292 TO 1,320 FT.		16 DRILL STEM TEST			
NOTE: WATER WELL RIG POOH TO RUN 6 INCH CASING AT 1,300 FT.		17 WAIT ON ORDERS. CONSULT GEOLOGIST			
		18 WAIT ON EQUIPMENT			
		19 FLUGGING BACK			
		20 FISHING/TIGHT HOLE/STUCK PIPE			
		21 DIRECTIONAL WORK/ORIENTING TOOLS			
		22 COMPLETION			
		23 WELD CASING HEAD			
		24 SAFETY METTING			
		25 DRILL RAT HOLE/MOUSE HOLE			
		TOTAL HOURS	24.00		

BIT RECORD

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS- 32nd	FROM	TO	FTG.	HRS.	CONDITION			RH WT.	RPM
										T	B	G		
1	14-3/4	SEC	SS82G	669682	20 20 20	212'	1,141'	929	69.00	7	E	I	15/25	55/98
2	14-3/4	HTC	ATM33CG	W23XM	20 20 20	1,141	1,320'	179	12.25				20/30	55/98

HYDRAULICS

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF	Ann Vel.		Pbk	Flow AT SPM
						DP	DC		
1	GD P28	6-1/2 X 8	100	900	285	72	121	318	
2	OPI 700	6 X 8	106	900	292	72	121	318	

MUD PROPERTIES		Mud Co ROCKY MTN FLUID Mud Engr. DANNY REID						Time Sample Taken 09:00 AM					
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Pm	P/ME	RES LIME	CHLORIDES
LSND	8.8	35	8	4	2/4	10.5	14.0		2/32	7	7/1.6		200
% BARD	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS			
TRACE	2.80		97.2			8.8	35		20				

CASING		
CONDUCTOR	SURFACE	PROTECTION

LSND	8.8	35	8	4	2/4	10.5	14.0	2/32	7	7/1.6	200
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW OUT	VIB OUT	TEMP	CALCIUM	PHPA-EXCESS	CHLORIDES
TRACE	2.80		97.2			8.8	35		20		
CASING											
CONDUCTOR			SURFACE		PROTECTION		LINER			PRODUCTION	
16 "at 212 FT			at		" at		" at to			" at	
DRILL STRING											
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC.	OD	ID	CONN.	BHA WEIGHT		
4-1/2	16.60	E	4-1/2 XH	833.58 FT	2	10.00"	2-7/8"	7-5/8 REG	45,600 LBS		
8	6-3/8"	2.0"	4-1/2 XH		4	7.00"	2-3/8"	4-1/2 XH			
BHA LENGTH-486.42 FT											
DESCRIPTION: BIT, BIT SUB, 9-1/2" MOTOR, CROSSOVER, IB STABILIZER, 1 - 10 INCH DRILL COLLAR, IB STABILIZER, 1 - 10 INCH DRILL COI CROSSOVER, CROSSOVER, 4 - 7 INCH DRILL COLLARS, 8 - 6-3/8 INCH DRILL COLLARS.											
DEVIATION 1 DEG at 1,212 FT at at at											
PICK UP WEIGHT 92,000 LBS				SLACK OFF WEIGHT 84,000 LBS				ROTATING WEIGHT 87,000 LBS			
ROTATING HOURS ON DRILL COLLARS 81.25 DAYS ON JARS SER. NO. _____ DAYS ON SHOCK SUB. SER. NO. _____ LAST INSPECTION 10 FEBRUARY 1999				COST		DAILY		CUMULATIVE			
				MUD		451		3,794			
				WATER		490		10,526			
				DIESEL/OIL		0		3,923			
				TANGLE		0		6,543			
				RIG COST		7,320		120,535			
				INTANGIBLE		31,850		134,273			
				COMPLETION		0		0			
TOTAL		40,111		279,594							
CONTRACTOR and RIG No.:			FOREMAN:			AFE No.:					
AZTEC WELL SERVICING CO.			ROBERT L. HOSFIELD			1999-01					
RIG NO. 222			GEOLOGIST: BILL ELLIS								

CONFIDENTIAL

From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

Page 1 of 1

Wednesday, February 24, 1999 8:46:00 AM To: TONY KOENIG

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 34 DEGREES F, CLEAR, CLEAR.

BGG = 8-10 UNITS. CG=0 UNITS. TG=0 UNITS. MAXG=12 UNITS AT 945 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1		DATE: 24 FEB 1999	RIG DAYS: 5	FOOTAGE	DAYWORK 5	COMPLETION
PRESENT OPERATION: DRILLING 14-3/4 INCH HOLE AT 1,085 FT.		SPUD DATE: 10 FEB 1999	DEPTH: 1,085 FT PROP TD: 7,800 FT	PROGRESS LAST 24 HRS: 282 FT	DAILY ROP (FT/HR): 15.45	
FORMATION: ENTRADA SANDSTONE 75 % SD.		25 % SH	% LM	% DOLO	RKB-GL: 12.0 FT	GLELE 4,910 FT
% PYRITE		% CHERT	% ANHYDRITE	ACTIVITY		TROUBLE TIME
SUMMARY OF DAILY OPERATIONS		1 DRILLING		18.25		
06:00-08:00 2 Hrs DRILL 14-3/4" HOLE FROM 803 TO 838 FT.		2 REAMING OR WASHING				
08:00-08:15 1/4 Hr RIG SERVICE		3 CORING				
08:15-08:30 1/4 Hr DRILL 14-3/4" HOLE FROM 838 TO 844 FT. 24		4 CIRC & COND MUD/LOET CIRC/SET PITS		0.25		
08:30-08:45 1/4 Hr CIRCULATE		5 TRIPPING & PUL/D DRILL STRING		1.00		
08:45-09:15 1/2 Hr PULJ. OUT OF HOLE TO DRILL COLLARS		6 RIG SERVICE		0.25		
09:15-13:15 4 Hrs REPLACE BEARING ON DRIVE SHAFT TO COMPOUND		7 RIG REPAIR		4.00		
13:15-13:45 1/2 Hr RUN IN HOLE		8 SLIP & CUT DRILL LINE				
13:45-14:45 1 Hr DRILL 14-3/4" HOLE FROM 844 FT TO 857 FT.		9 DEVIATION & DIRECTIONAL SURVEYS		0.25		
14:45-20:30 5-3/4 Hrs DRILL 14-3/4" HOLE FROM 857 TO 895 FT WITH ONE PUMP.		10 LOGGING				
20:30-02:30 6 Hrs DRILL 14-3/4" HOLE FROM 895 TO 1,013 FT.		11 RUN CASING/SET SLIPS & CUT OFF				
02:30-02:45 1/4 Hr WIRELINE SURVEY AT 933 FT - 1 DEGREE.		12 CEMENTING OR SQUEEZING				
02:45-06:00 3-1/4 Hrs DRILL 14-3/4" HOLE FROM 1,013 TO 1,085 FT.		13 TEST CPG. OR SHOE/ DRLG. OUT CEMENT				
NOTE: WATER WELL TD = 1,400 FT WITH 5" HOLE. ESTIMATE RATE OF 50-60 GPM. PRESENTLY OPENING HOLE TO 8-3/4 INCH AT 460 FT.		14 WOC				
		15 NU OR ND BOP/TEST BOP/CHG. RAMPS				
		16 DRILL STEM TEST				
		17 WAIT ON ORDERS. CONSULT GEOLOGIST				
		18 WAIT ON EQUIPMENT				
		19 PLUGGING BACK				
		20 FISHING/TIGHT HOLE/STUCK PIPE				
		21 DIRECTIONAL WORK/ORIENTING TOOLS				
		22 COMPLETION				
		23 WELD CASING HEAD				
		24 SAFETY MEETING				
		25 DRILL RAT HOLE/MOUSE HOLE				
				TOTAL HOURS	24.00	

BIT RECORD

BIT NO.	SIZE	MFG	TYPE	SERIAL NO.	JETS-3rd			FROM	TO	FTG.	HRS.	CONDITION			RPM	
					20	20	20					T	B	G		
1	14-3/4	SEC	SS82G	669682	20	20	20	212'	1,085'	873	66.25				1325	55/98

HYDRAULICS

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	99% EFF	Ann Vel.		Pbk	Flow AT SPM
						DP	DC		
1	GD PZ8	6-1/2 X 8	100	900	285	72	121	318	
2	OPI 700	6 X 8	106	900	297	72	121	318	

MUD PROPERTIES Mud Co. ROCKY MTN FLUID Mud Eng. DANNY REID Time Sample Taken 09:30 AM

TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Fm	FOME	YS LIME	CHLORIDES
LSND	8.7	35	13	4	1/3	9.0	13.6		2/32	.2	.15/45		200
% SAND	% SOLIDS	% OIL	% WATER	ELEC STAB	MBC	MW out	VIS out	F.L TEMP	CALCIUM	PHPA-EXCEE			
TRACE	2.50		97.5			8.7	36		20				

CASING	CONDUCTOR	SURFACE	PROTECTION

LSND	8.7	35	13	4	1/3	9.0	13.6		2/32	2	15/45	200
% SAND	% SOLIDS	% OIL	% WATER	ELEC STAB	MBC	MW out	VIS out	MP	CALCIUM	PHPA-EXCESS		
TRACE	2.50		97.5			8.7	36		20			

CASING			
CONDUCTOR	SURFACE	PROTECTION	LINER
16 " at 212 FT	at	" at	" at to

DRILL STRING									
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC.	OD	ID	CONN.	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	598.58 FT	2	10.00"	2-7/8"	7-5/8 REG	45,600 LBS
8	6-3/8"	2.0"	4-1/2 XH		4	7.00"	2-3/8"	4-1/2 XH	

BHA LENGTH- 486.42 FT DESCRIPTION: BIT, BIT SUB, 9-1/2" MOTOR, CROSSOVER, IB STABILIZER, 1 - 10 INCH DRILL COLLAR, IB STABILIZER, 1 - 10 INCH DRILL COI CROSSOVER, CROSSOVER, 4 - 7 INCH DRILL COLLARS, 8 - 6-3/8 INCH DRILL COLLARS.

DEVIATION 1 DEG at 933 FT at at at

PICK UP WEIGHT 86,000 LBS	SLACK OFF WEIGHT 82,000 LBS	ROTATING WEIGHT 84,000 LBS																											
ROTATING HOURS ON DRILL COLLARS 66.25 LAST INSPECTION 10 FEBRUARY 1999 DAYS ON JARS SER. NO. _____ DAYS ON SHOCK SUB. SER. NO. _____		<table border="1"> <tr> <td>COST</td> <td>DAILY</td> <td>CUMULATIVE</td> </tr> <tr> <td>MUD</td> <td>494</td> <td>3,343</td> </tr> <tr> <td>WATER</td> <td>0</td> <td>10,036</td> </tr> <tr> <td>DIESEL/OIL</td> <td>0</td> <td>3,923</td> </tr> <tr> <td>TANGIBLE</td> <td>0</td> <td>6,543</td> </tr> <tr> <td>RIO COST</td> <td>7,320</td> <td>113,215</td> </tr> <tr> <td>INTANGIBLE</td> <td>20,778</td> <td>102,423</td> </tr> <tr> <td>COMPLETION</td> <td>0</td> <td>0</td> </tr> <tr> <td>TOTAL</td> <td>28,592</td> <td>239,483</td> </tr> </table>	COST	DAILY	CUMULATIVE	MUD	494	3,343	WATER	0	10,036	DIESEL/OIL	0	3,923	TANGIBLE	0	6,543	RIO COST	7,320	113,215	INTANGIBLE	20,778	102,423	COMPLETION	0	0	TOTAL	28,592	239,483
COST	DAILY	CUMULATIVE																											
MUD	494	3,343																											
WATER	0	10,036																											
DIESEL/OIL	0	3,923																											
TANGIBLE	0	6,543																											
RIO COST	7,320	113,215																											
INTANGIBLE	20,778	102,423																											
COMPLETION	0	0																											
TOTAL	28,592	239,483																											
CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222	FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS	AFE No.: 1999-01																											

CONFIDENTIAL

From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

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Tuesday, February 23, 1999 9:09:09 AM To: TONY KOENIG

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 34 DEGREES F, 10-15 mph NORTH WIND, CLEAR.

BBG = 5-10 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 13 UNITS AT 745 FT.

WELL NAME: MULBY CREEK FEDERAL 29 NO. 1	DATE: 23 FEB 1999	RIG DAYS: 4	FOOTAGE	DAYWORK 4	COMPLETION
PRESENT OPERATION: DRILLING 14-3/4 INCH HOLE AT 803 FT.		DEPTH: 803 FT. PROP. T.D.: 7,800 FT	PROGRESS LAST 24 HRS.: 331 FT	DAILY POP. (FT/HR) 16.35	
FORMATION: ENTRADA SANDSTONE 65 1/2 SD		35 1/2 SH	1/4 LM	1/4 DOLO	PKB-GL 12.0 FT
				GLELE 4.910 FT	
SUMMARY OF DAILY OPERATIONS		ACTIVITY			TRouble TIME
06:00-09:30 3-1/2 Hrs DRILL 14-3/4" HOLE FROM 472 TO 517 FT.		1 DRILLING			20.25
09:30-09:45 1/4 Hr WIRELINE SURVEY AT 437 FT - 1 DEGREE.		2 REAMING OR WASHING			
09:45-10:00 1/4 Hr RIG SERVICE.		3 CORING			
10:00-15:30 5-1/2 Hrs DRILL 14-3/4" HOLE FROM 517 TO 652 FT.		4 CIRC. & COND MUD/LOST CIRC/RET PITS			
15:30-17:00 1-1/2 Hrs CHANGE SWIVEL WASH PIPE AND PACKING.		5 TRIPPING & PUL/D DRILL STRING			
17:00-22:00 5 Hrs DRILL 14-3/4" HOLE FROM 652 TO 735 FT.		6 RIG SERVICE			0.25
22:00-23:00 1Hr CHANGE VALVE SEAT ON NO. 1 PUMP.		7 RIG REPAIR			3.00
23:00-24:00 1 Hr DRILL 14-3/4" HOLE FROM 735 TO 740 FT W/ 1 PUMP.		8 SLIP & CUT DRILL LINE			
24:00-00:30 1/2 Hr REPAIR LEAK ON MUD LINE VALVE.		9 DEVIATION & DIRECTIONAL SURVEYS			0.50
00:30-02:30 2 Hrs DRILL 14-3/4" HOLE FROM 740 TO 763 FT.		10 LOGGING			
02:30-02:45 1/4 Hr WIRELINE SURVEY AT 683 FT - 1 DEGREE.		11 RUN CASING /SET SLIPS & CUT OFF			
02:45-06:00 3-1/4 Hrs DRILL 14-3/4" HOLE FROM 763 TO 803 FT.		12 CEMENTING OR SQUEEZING			
NOTE: 5 INCH PILOT HOLE ON WATER WELL AT 1,140 FT. WATER SAND STARTED AT 1,120 FT. ESTIMATED RATE - 5 GPM.		13 TEST CSG. OR SHOW DRUG. OUT CEMENT			
		14 WOC			
		15 NU OR ND BOP/TEST BOP/CHG. RAMS			
		16 DRILL STEM TEST			
		17 WAIT ON ORDERS - CONSULT GEOLOGIST			
		18 WAIT ON EQUIPMENT			
		19 PLUGGING BACK			
		20 FISHING/TIGHT HOLE/STUCK PIPE			
		21 DIRECTIONAL WORK/ORIENTING TOOLS			
		22 COMPLETION			
		23 WELD CASING HEAD			
		24 SAFETY MEETING			
		25 DRILL RAT HOLE/MOUSE HOLE			
				TOTAL HOURS	24.00

BIT RECORD

BIT NO.	SIZE	MPG	TYPE	SERIAL NO.	JETS: #2nd	FROM	TO	FTG.	HRS.	CONDITION			FIT WT.	RPM
										T	B	G		
1	14-3/4	SEC	SS82G	669682	20 20 20	212'	803'	591	48.0				20-23	45/94

HYDRAULICS

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF. CPM	Ann. Vol.		Pbr	Flow AT SPM
						DP	DC		
1	GD P28	6-1/2 X 8	110	525	314	69	115		
2	OPI 700	6 X 8	86	525	237	69	115		

MUD PROPERTIES		Mud Co. ROCKY MTN FLUID						Mud Eng. DANNY REID		Time Sample Taken 09:30 AM			
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Fm	F/MF	RES TIME	CHLORIDES
LSND	8.7	38	16	7	1/3	9.0	12.0		2/32	.25	0.2/0.5		300
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS			
TRACE	2.20		97.8			8.7	38		40				

CASING		
CONDUCTOR	SURFACE	PROTECTION

LSND	8.7	38	16	7	1/3	9.0	12.0	2/32	25	0.2/0.5	300		
%SAND	%SOLIDS	%OIL	%WATER	ELEC. STAB	MBC	MW out	VIS out	TEMP	CALCIUM	PHPA-EXCESS			
TRACE	2.20		97.8			8.7	38		40				
CASING													
CONDUCTOR		SURFACE		PROTECTION		LINER			PRODUCTION				
16 "at 212 FT		at		" at		" at to			" at				
DRILL STRING													
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC	OD	ID	CONN.	BHA WEIGHT				
4-1/2	16.60	E	4-1/2 XH	316.58 FT	2	10.00"	2-7/8"	7-5/8 REG	45,600 LBS				
8	6-3/8"	2.0"	4-1/2 XH		4	7.00"	2-3/8"	4-1/2 XH					
BHA LENGTH= 486.42 FT													
DESCRIPTION: BIT, BIT SUB, 9-1/2" MOTOR, CROSSOVER, IB STABILIZER, 1 - 10 INCH DRILL COLLAR, IB STABILIZER, 1 - 10 INCH DRILL COI CROSSOVER, CROSSOVER, 4 - 7 INCH DRILL COLLARS, 8 - 6-3/8 INCH DRILL COLLARS.													
DEVIATION 1 DEG at 437 FT 1 DEG at 683 FT at at													
PICK UP WEIGHT 78,000 LBS				SLACK OFF WEIGHT 70,000 LBS				ROTATING WEIGHT 74,000 LBS					
ROTATING HOURS ON DRILL COLLARS 48.00 DAYS ON JARS SER. NO. _____ DAYS ON SHOCK SUB. SER. NO. _____				LAST INSPECTION 10 FEBRUARY 1999				COST		DAILY		CUMULATIVE	
								MUD		523		2,849	
								WATER		0		10,036	
								DIESEL/OIL		0		3,923	
								TANGIBLE		0		6,543	
								RIG COST		7,320		105,895	
								INTANGIBLE		5,340		81,645	
COMPLETION		0		0									
TOTAL		13,183		210,891									
CONTRACTOR and RJG No.:			FOREMAN:			AFE No.:							
AZTEC WELL SERVICING CO.			ROBERT L. HOSFIELD			1999-01							
RIG NO. 222			GEOLOGIST: BILL ELLIS										

CONFIDENTIAL

From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

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Monday, February 22, 1999 7:51:52 AM To: TONY KOENIG

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 34 DEGREES F, 10-15 mph NORTHWEST WIND, PARTLY CLOUDY.

BGG = 3-6 UNITS. CG=0 UNITS. TG=0 UNITS. MAXG=11 UNITS AT 340 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1		DATE: 22 FEB 1999	RIG DAYS: 3	FOOTAGE	DAYWORK 3	COMPLETION
PRESENT OPERATION: DRILLING 14-3/4 INCH HOLE AT 472 FT.		SPUD DATE: 10 FEB 1999	DEPTH: 472 FT PROP TD.: 7,800 FT	PROGRESS LAST 24 HRS. 197 FT	DAILY POP (FT/HR) 10.51	
FORMATION: ENTRADA SANDSTONE ³⁴⁰ 75% SD 25% SH % LM % DOLO. RKB-GL: 12.0 FT GLELE 4.910 FT						
% PYRITE % CHERT % ANHYDRITE		ACTIVITY				TROUBLE TIME
SUMMARY OF DAILY OPERATIONS		1 DRILLING 18.75				
06:00-09:30 3-1/2 Hrs DRILL 14-3/4" HOLE FROM 275 TO 301 FT.		2 REAMING OR WASHING 0.50				
09:30-10:00 1/2 Hr CIRCULATE AND DROP SURVEY.		3 CORING				
10:00-11:30 1-1/2 Hrs PULL OUT OF HOLE. CHANGE BIT NOZZLES. RECOVER SURVEY. 1 DEGREE AT 221 FT.		4 CIRC & COND MUD/LOST CIRC/SET PITS 0.50				
11:30-12:00 1/2 Hr RIG SERVICE.		5 TRIPPING & PU/LD DRILL STRING 3.50				
12:00-14:00 2 Hrs RUN IN HOLE. PICK UP 2 - 14-3/4 INCH INTEGRAL BLADE STABILIZERS.		6 RIG SERVICE 0.50				
14:00-14:30 1/2 Hr PRECAUTIONARY WASH AND REAM 212 TO 301 FT.		7 RIG REPAIR				
14:30-24:00 9-1/2 Hrs DRILL 14-3/4" HOLE FROM 301 TO 403 FT.		8 SLIP & CUT DRILL LINE				
24:00-00:15 1/4 Hr WIRELINE SURVEY AT 323 FT - 1 DEGREE.		9 DEVIATION & DIRECTIONAL SURVEYS 0.25				
00:15-06:00 5-3/4 Hrs DRILL 14-3/4" HOLE FROM 403 TO 472 FT.		10 LOGGING				
		11 RUN CASING/SET SLIPS & CUT OFF				
		12 CEMENTING OR SQUEEZING				
		13 TEST CSG. OR SHO/ DRLG. OUT CEMENT				
		14 WOC				
		15 NU OR NO BOP/TEST BOP/CHG. RAMS				
		16 DRILL STEM TEST				
		17 WAIT ON ORDERS - CONSULT GEOLOGIST				
		18 WAIT ON EQUIPMENT				
		19 PLUGGING BACK				
		20 FISHING/TIGHT HOLE/STUCK PIPE				
		21 DIRECTIONAL WORK/ORIENTING TOOLS				
		22 COMPLETION				
		23 WELD CASING HEAD				
		24 SAFETY MEETING				
		25 DRILL RAT HOLE/MOUSE HOLE				
TOTAL HOURS					24.00	

BIT RECORD

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO	R/Ts - 32nd			FROM	TO	FTS.	HKS.	CONDITION			BIT WT.	RPM
					T	B	C					T	B	C		
1	14-3/4	SEC	SS82G	669682	20	20	20	212'	472'	260	27.75				15-20	45/94

HYDRAULICS

PUMP NO	MAKE/MODEL	SIZE	RPM	PRESSURE	55% EFF. OPM	Ann Vol		Pth	Flow AT RPM
						DP	DC		
1	GD PZ8	6-1/2 X 8	110	525	314	69	115		
2	OPI 700	6 X 8	86	525	237	69	115		

MUD PROPERTIES													
Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 08:50 AM													
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-KPHT	F.C.	Pm	FUME	XS TIME	CHLORIDES
LSND	8.6	34	9	3	1/3	10.5	15.2		2/32	0.7	0.6/1.2		300
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS			
TRACE	2.50		97.5			8.6	34		40				

CASING	CONDUCTOR	SURFACE	PROTECTION
--------	-----------	---------	------------

LSND	8.6	34	9	3	1/3	10.5	15.2		2/32	07	0.6/1.2	300
% SAND	% SOLIDS	% OIL	% WATER	% STAB	MBC	MW out	VIS out	F.L.	CALCIUM	BHPA-EXCESS		
TRACE	2.50		97.5			8.6	34		40			

CASING														
CONDUCTOR			SURFACE			PROTECTION			LINER			PRODUCTION		
16 "at 212 FT			at			" at			" at			to " at		

DRILL STRING											
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC	OD	ID	CONN.	BHA WEIGHT		
4-1/2	16.60	E	4-1/2 XH		2	10.00"	2-7/8"	7-5/8 REG	45,600 LBS		
7	6-3/8"	2.0"	4-1/2 XH		4	7.00"	2-3/8"	4-1/2 XH			

BHA LENGTH= 460.32 FT DESCRIPTION: BIT, BIT SUB, 9-1/2" MOTOR, CROSSOVER, IB STABILIZER, 1 - 10 INCH DRILL COLLAR, IB STABILIZER, 1 - 10 INCH DRILL COL CROSSOVER, CROSSOVER, 4 - 7 INCH DRILL COLLARS, 7 - 6-3/8 INCH DRILL COLLARS.

DEVIATION 1 DEG at 221 FT 1 DEG at 323 FT at at

PICK UP WEIGHT 78,000 LBS SLACK OFF WEIGHT 70,000 LBS ROTATING WEIGHT 74,000 LBS

STARTING HOURS ON DRILL COLLARS 27.75 DAYS ON JARS SER. NO. _____ DAYS ON SHOCK SUB SER. NO. _____	LAST INSPECTION 10 FEBRUARY 1999		COST	DAILY	CUMULATIVE
			MUD	566	2,326
			WATER	490	10,036
			DIESEL/OIL	0	3,923
			TANGIBLE	0	6,543
			RIG COST	7,320	88,575
			INTANGIBLE	9,260	76,305
			COMPLETION	0	0
			TOTAL	17,636	197,708

CONTRACTOR and RIG No.:
 AZTEC WELL SERVICING CO.
 RIG NO. 222

FOREMAN:
 ROBERT L. HOSFIELD

GEOLOGIST: BILL ELLIS

AFE No.:
 1999-01

CONFIDENTIAL

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From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

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Sunday, February 21, 1999 10:26:50 AM To: TONY KOENIG

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC.: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 34 DEGREES F, 0-5 mph SOUTHWEST WIND, PARTLY CLOUDY.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1		DATE: 21 FEB 1999	RIG DAYS: 2	FOOTAGE	DAYWORK 2	COMPLETION
PRESENT OPERATION: DRILLING 14-3/4 INCH HOLE AT 275 FT.		SPUD DATE: 10 FEB 1999	DEPTH: 275 FT	PROGRESS LAST 24 HRS: 63 FT	DAILY POP.(FT/HR): 7.00	
FORMATION MORROSON - SALT WASI 90 % SD		10 % SH	% LM	% DOLO	RKB-CL 12.0 FT	GR-ELF 4.910 FT
% PYRITE		% CHERT	% ANHYDRITE		ACTIVITY	
SUMMARY OF DAILY OPERATIONS		1 DRILLING		9.00		TROUBLE TIME
06:00-11:45 5-3/4 Hrs NIPPLE UP BOP EQUIPMENT AND CHOKE MANIFOLD.		2 REAMING OR WASHING				
11:45-12:15 1/2 Hr HELD SAFETY AND PRE-JOB MEETING WITH ALL PEOPLE ON LOCATION.		3 CORING				
12:15-17:15 5 Hrs PICK UP AND MAKE UP BOTTOM HOLE ASSEMBLY.		4 CIRC. & COND MUD/LOST CIRC./NET PITS		0.50		
17:15-17:45 1/2 Hr PICK UP KELLY. TAG CEMENT AT 198 FT - RKB, 186 FT GROUND LEVEL. BREAK CIRCULATION.		5 TRIPPING & PULD DRILL STRING		5.00		
17:45-19:45 2 Hrs TEST ANNULAR AND 16 INCH CONDUCTOR TO 250 PSI. BLED OFF. TIGHTEN BOLTS BETWEEN ANNULAR AND DRILLING SPOOL. RE-TEST TO 250 PSI FOR 10 MIN. - OKAY.		6 RIG SERVICE				
19:45-21:00 1-1/4 Hrs DRILL SOFT CEMENT FROM 198 TO 208 FT. DRILL FIRM TO HARD CEMENT FROM 208 TO 212 FT.		7 RIG REPAIR				
21:00-06:00 9 Hrs DRILL 14-3/4 INCH HOLE FROM 212 TO 275 FT.		8 SLIP & CUT DRILL LINE				
NOTE: ALL DEPTHS HAVE BEEN CHANGED TO DRILLING RIG RKB.		9 DEVIATION & DIRECTIONAL SURVEYS				
		10 LOGGING				
		11 RUN CASING /NET SLIPS & CUT OFF				
		12 CEMENTING OR SQUEEZING				
		13 TEST CSG OR SHOW DRLG. OUT CEMENT		3.25		
		14 WOC				
		15 NU OR NO EGP/TEST BOP/CHG RAMP		5.75		
		16 DRILL STEM TEST				
		17 WAIT ON ORDERS - CONSULT GEOLOGIST				
		18 WAIT ON EQUIPMENT				
		19 PLUGGING BACK				
		20 FISHING/TIGHT HOLE/STUCK PIPE				
		21 DIRECTIONAL WORK/ORIENTING TOOLS				
		22 COMPLETION				
		23 WELD CASING HEAD				
		24 SAFETY NETTING		0.50		
		25 DRILL RAT HOLE/MOUSE HOLE				
		TOTAL HOURS		24.00		

BIT RECORD

BIT NO.	SIZE	MFG	TYPE	SERIAL NO.	JETS- 32nd			FROM	TO	FTG.	HRS	CONDITION			RHT. WT.	RPM
					24	24	24					T	B	G		
1	14-3/4	SEC	SS82G	669682	24	24	24	212'	275'	63	9				10-15	40/62

HYDRAULICS

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF. GPM	Ann Vcl.		PH	Flow AT SPM
						DP	DC		
1	GD PZ8	6-1/2 X 8	132	250	364	45	76		
2	OPI	6 X 8							

MUD PROPERTIES

Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 05:00 AM

TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-RPHY	F.C.	Fm	P/ME	XS LINE	CHLORIDES
GELLED WATER	8.6	34											
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS			
						8.6	34						

CASING

CONDUCTOR	SURFACE	PROTECTION	1 INFR	PRODUCTION
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GELLED WATER 8.6		34																					
% SAND		% SOLIDS		% OIL		% WATER		ELEC. STAB		MBC		MW out		VIS out		MP		CALCIUM		PHPA EXCESS			
												8.6		34									
CASING																							
CONDUCTOR				SURFACE				PROTECTION				LINER				PRODUCTION							
16 "at 212 FT				at				" at				" at				to				" at			
DRILL STRING																							
DP SIZE		WEIGHT		GRADE		CONN		LENGTH		NO. OF DC.		OD		ID		CONN.		BHA WEIGHT					
4-1/2		16.60		E		4-1/2 XH				2		10.00"		2-7/8"		7-5/8 REG		45,600 LBS					
1		6-3/8"		2.0"		4-1/2 XH				4		7.00"		2-3/8"		4-1/2 XH							
BHA LENGTH=271.32 FT				DESCRIPTION				BIT, BIT SUB, 9-1/2" MOTOR, CROSSOVER, 2 - 10 INCH DRILL COLLARS, CROSSOVER, CROSSOVER, 4 - 7 INCH DRILL COLLARS, 1 - 6-3/8 INCH DRILL COLLAR.															
DEVIATION																							
at at at at																							
PICK UP WEIGHT 60,000 LBS						SLACK OFF WEIGHT 60,000 LBS						ROTATING WEIGHT 45,000 LBS											
												COST		DAILY		CUMULATIVE							
												MUD		280		1,760							
												WATER		822		9,546							
												DIESEL/OIL		0		3,923							
												TANGIBLE		0		6,543							
												RIG COST		7,320		91,255							
												INTANGIBLE		19,524		67,045							
												COMPLETION		0		0							
												TOTAL		27,946		180,072							
CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG No. 222						FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS						AFE No.: 1999-01											

CONFIDENTIAL

From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

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Saturday, February 20, 1999 7:43:44 AM To: TONY KOENIG

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CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 34 DEGREES F, 8-10 mph NORTHWEST WIND, CLEAR.

WELL NAME MULEY CREEK FEDERAL 29 NO. 1		DATE 20 FEB 1999	RIG DAYS 1	FOOTAGE	DAYWORK 1	COMPLETION
PRESENT OPERATION: NIPPLE UP BOP EQUIPMENT.		SPUD DATE: 10 FEB 1999				
		DEPTH: 210 FT	PROGRESS LAST 24 HRS: 0		DAILY PROG. (FT/HR): 0	
		PROP TD: 7,800 FT				
FORMATION:		$\frac{1}{4}$ SD.	$\frac{1}{4}$ SH.	$\frac{1}{4}$ LM.	$\frac{1}{4}$ DOLO.	RKB-OL. 12.0 FT
		$\frac{1}{4}$ PYRITE	$\frac{1}{4}$ CHEPT	$\frac{1}{2}$ ANHYDRITE		GLELE 4,910 FT
SUMMARY OF DAILY OPERATIONS				ACTIVITY		TRAVEL TIME
06:00-09:00 3 Hrs DRILL RAT HOLE WITH RIG.				1 DRILLING		
09:00-13:00 4 Hrs CUT OFF CONDUCTOR, WELD ON 16-3/4 INCH CASINGHEAD.				2 REAMING OR WASHING		
13:00-14:30 1-1/2 Hrs CONTROL COOL CASINGHEAD WELDS. <i>TEST TO</i>				3 CORING		
14:30-16:00 1-1/2 Hrs DRILL RAT HOLE WITH RIG.				4 CIRC & COND MUD/LOST CIRC./SET PITS		
16:00-17:00 1 Hr DRILL MOUSE HOLE WITH RIG.				5 TRIPPING & PUL/D DRILL STRING		
17:00-18:15 1-1/4 Hrs WORK ON LIGHT PLANT, MOTOR SHUT DOWN ON LOW OIL PRESSURE.				6 RIG SERVICE		
18:15-19:30 1-1/4 Hrs DRILL MOUSE HOLE WITH RIG.				7 RIG REPAIR		1.25
19:30-06:00 10-1/2 Hrs NIPPLE UP DRILLING SPOOL CROSS WITH VALVES, 16-3/4 INCH ANNULAR, AND 16-3/4 INCH ROTATING HEAD.				8 SLIP & CUT DRILL LINE		
NOTE: STARTED DAYWORK RATE AT 05:00 AM 19 FEBRUARY 1999. START OF DRILLING RAT HOLE AS PER CONTRACT.				9 DEVIATION & DIRECTIONAL SURVEYS		
				10 LOGGING		
				11 RUN CASING/SET SLIPS & CUT OFF		
				12 CEMENTING OR SQUEEZING		
				13 TEST CSG. OP. #HOB/DRLO OUT CEMENT		
				14 WOC		
				15 NU OR ND BOP/TEST BOP/CHG. RAMS		10.50
				16 DRILL STEM TEST		
				17 WAIT ON ORDERS - CONSULT GEOLOGIST		
				18 WAIT ON EQUIPMENT		
				19 PLUGGING BACK		
				20 FISHING/TIGHT HOLE/STUCK PIPE		
				21 DIRECTIONAL WORK/ORIENTING TOOLS		
				22 COMPLETION		
				23 WELD CASING HEAD		5.50
				24 DRILL CMT & FLOAT EQUIPMENT		
				25 DRILL RAT HOLE/MOUSE HOLE		6.75
				TOTAL HOURS		24.00

BIT RECORD

BIT NO.	SIZE	MPG	TYPE	SERIAL NO.	JETS 32nd	FROM	TO	FTG	HRS	CONDITION			EIT WT.	PPM
										T	B	G		
1	14-3/4													

HYDRAULICS

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF GPM	Ann Val.		Pnt	Flow AT SPM
						DP	DC		
1	GD PZ8	6-1/2 X 8							
2	OPI	6 X 7							

MUD PROPERTIES

Mud Co. **ROCKY MTN FLUID** Mud Engr. **DANNY REID**

Time Sample Taken

TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	FC	Pnt	FOMC	WELTIME	CHLORIDES
FRESH WATER													
$\frac{1}{4}$ SAND	$\frac{1}{2}$ SOLIDS	$\frac{1}{4}$ OIL	$\frac{1}{4}$ WATER	ELEC STAB	MBC	MW out	VIS out	F L TEMP	CALCIUM	PHFA-EXCESS			

CASING

CONDUCTOR

SIZE/AGE

PRODUCTION

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 40 DEGREES F, 8-10 mph NORTHWEST WIND, CLEAR.

BGG = 6-8 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 0 UNITS.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1		DATE: 02 MAR 1999	RIG DAYS: 11	FOOTAGE	DAYWORK	COMPLETION									
		SPUD DATE: 10 FEB 1999			11										
PRESENT OPERATION: RUN IN HOLE.			DEPTH: 1,840 FT	PROGRESS LAST 24 HRS.: 155 FT	DAILY ROP (FT/HR): 22.14										
			PROP TD: 7,800 FT												
FORMATION: NAVAJO	90 % SD.	10 % SH	1/4 LM	1/4 DOLO	REB-GL: 12.0 FT	GL ELE 4,910 FT									
1/4 PYRITE			1/4 GHERT			1/4 ANHYDRITE									
SUMMARY OF DAILY OPERATIONS			ACTIVITY			TROUBLE TIME									
			1 DRILLING			7.00									
			2 REAMING OR WASHING												
			3 CORING												
06:00-08:00 2 Hrs RUN IN HOLE WITH AIR HAMMER.			4 CIRC. & COND MUD/LOST CIRC /SET PITS			2.00									
08:00-08:45 3/4 Hr RIG SERVICE. INSTALL ROTATING HEAD RUBBER.			5 TRIPPING & BUILD DRILL STRING			10.50									
08:45-09:15 1/2 Hr RUN IN HOLE TO 1,618 FT. NO PROBLEMS.			6 RIG SERVICE			0.75									
			7 RIG REPAIR												
09:15-11:15 2 Hrs PICK UP KELLY. UNLOAD HOLE. SWITCH TO AIR MIST. WASH FROM 1,618 TO 1,685 FT.			8 SLIP & CUT DRILL LINE												
11:15-18:15 7 Hrs HAMMER DRILL W/AIR MIST FROM 1,685 TO 1,840 FT.			9 DEVIATION & DIRECTIONAL SURVEYS												
			10 LOGGING												
18:15-21:15 3 Hrs PULL OUT OF HOLE. NO PROBLEMS. STRAP DRILL STRING. NO CORRECTION.			11 RUN CASING /SET SLIPS & CUT OFF												
21:15-01:00 3-3/4 Hrs NIPPLE DOWN BLOOIE LINE. RIG UP FLOWLINE.			12 CEMENTING OR SQUEEZING												
			13 TEST CSG ON SHOUL DRUG. OUT CEMENT												
01:00-02:00 OFF LOAD DRILL COLLARS & ROLLER REAMERS.			14 WOC												
			15 NU OR WD BOP/TEST BOP/CHG RAMS												
02:00-05:00 3 Hrs PICK UP AND MAKE UP BOTTOM HOLE ASSEMBLY.			16 DRILL STEM TEST												
			17 WAIT ON ORDERS - CONSULT GEOLOGIST												
05:00-06:00 1 Hr RUN IN HOLE.			18 WAIT ON EQUIPMENT												
			19 PLUGGING BACK												
NOTE: STOPPED AIR HAMMER OPERATION DUE TO EXCESSIVE WATER FLOW.			20 FISHING/TIGHT HOLE/STUCK PIPE												
			21 DIRECTIONAL WORK/ORIENTING TOOLS												
			22 COMPLETION												
			23 WELD CASING HEAD												
			24 SAFETY METTING												
			25 RIG DOWN BLOOIE LINE RIG UP FLOWLINE			3.75									
			TOTAL HOURS			24.00									
BIT RECORD															
BIT NO.	SIZE	MFG.	TYPE	SERIAL NO	JETS- 3/4	FROM	TO	FTG.	HRS.	CONDITION			BIT WT.	RPM	
4	14-3/4	STC	H42R2R3	KJ8156	5- 8's	1,685'	1,840'	155	7.00	T	B	G	2-6	35-40	
5(3RR)	14-3/4	SEC	SS82CG	673542	14 14 14	1,840'		117							
HYDRAULICS HAMMER WITH AIR MIST.															
PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF. GPM	Ann Val.		Pst	P low AT SPM						
1	GD PZR	6-1/2 X 8				DP	DC								
2	OPI 700	6 X 8													
MUD PROPERTIES							Mud Co. ROCKY MTN FLUID		Mud Engr. DANNY REID		Time Sample Taken 09:15 AM				
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-MPH	F.C	Pm	P/MT	XE LIME	CHLORIDES		
LSND	8.6	41	13	7	2/5	10.0	12.0		2/32	.5	.4/85		400		
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA EXCESS					
TRACE	2.70		97.3			8.6	41		NIL						
CASING															
CONDUCTOR		SURFACE		PROTECTION		LINER		PRODUCTION							
16" at 212 FT		at		" at		" at		" at							
DRILL STRING															
DP SIZE	WEIGHT	GRADE	CONN	LENGTH	NO. OF DC	OD	ID	CONN	BHA WEIGHT						
4-1/2	16.60	E	4-1/2 XH	1,355.00 FT	3	10.00"	2-7/8"	7-5/8 REG	59,500 LBS						
8	6-3/8"	2.0"	4-1/2 XH		4	7.00"	2-3/8"	4-1/2 XH							
BHA LENGTH= 530.09 FT															
DESCRIPIC: BIT, 6 FT REAMER, 1 - 10" SHORT DRILL COLLAR, 3 PT REAMER, 2 - 10" DRILL COLLARS, 3 PT REAMER, 1 - 10" DRILL COLLAR, XOVER, XOVER, 4 - 7" DRILL COLLARS, 5 - 6-3/8" DRILL COLLARS, DRUG JARS, 3 - 6-3/8" DRILL COLLARS.															
DEVIATION															
at at at at															
PICK UP WEIGHT 96,000 LBS				SLACK OFF WEIGHT 88,000 LBS				ROTATING WEIGHT 92,000 LBS							
												COST	DAILY	CUMULATIVE	
												MUD			
												WATER			
												DIESEL/OIL			
												TANGIBLE			
												RIG COST			
												INTANGIBLE			
												COMPLETION			
												TOTAL			
CONTRACTOR and RIG No.:		FOREMAN:		APE No.:											
AZTEC WELL SERVICING CO.		ROBERT L. HOSFIELD		1999-01											
RIG NO. 222		GEOLOGIST: BILL ELLIS													

Wednesday, March 03, 1999 7:57:39 AM To: TONY KOENIG

m: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

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CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 36 DEGREES F, 4-8 mph NORTHWEST WIND, CLEAR.

BBG = 611 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 13 UNITS AT 2,231 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 03 MAR 1999	RIG DAYS: 12	FOOTAGE	DAYWORK 12	COMPLETION
PRESENT OPERATION: DRILLING 14-3/4 INCH HOLE AT 2,320 FT.	SPUD DATE: 10 FEB 1999	DEPTH: 2,324 FT	PROGRESS LAST 24 HRS.: 480 FT		DAILY ROP (FT/HR): 30.48
FORMATION: KAYENTA		85 % SD	10 % SH	% LM	5 % DOLO
				RKB-GL: 12.0 FT	GLELE 4910 FT

SUMMARY OF DAILY OPERATIONS	ACTIVITY	TIME	TROUBLE TIME
06:00-08:00 2 Hrs RUN IN HOLE TO 1,675 FT.	1 DRILLING	15.75	
08:00-10:30 2-1/2 Hrs PRECAUTIONARY WASH & REAM 1,675 TO 1,840 FT.	2 REAMING OR WASHING	2.50	
10:30-13:00 2-1/2 Hrs DRILL 14-3/4 INCH HOLE FROM 1,840 FT TO 1,910 FT.	3 CORING		
13:00-13:15 1/4 Hr CIRCULATE.	4 CIRC. & COND MUD/LOST CIRC.GET PITS	1.00	
13:15-13:30 1/4 Hr WIRELINE SURVEY AT 1,870 FT - 3/4 DEGREE.	5 TRIPPING & PUL/D DRILL STRING	2.00	
13:30-15:45 2-1/4 Hrs DRILL 14-3/4 INCH HOLE FROM 1,910 TO 2,001 FT.	6 RIG SERVICE		
15:45-16:00 1/4 Hr CIRCULATE.	7 RIG REPAIR	1.00	
16:00-16:30 1/2 Hr WIRELINE SURVEY AT 1,991 FT - 1/2 DEGREE.	8 SLIP & CUT DRILL LINE		
16:30-23:00 6-1/2 Hrs DRILL 14-3/4 INCH HOLE FROM 2,001 TO 2,249 FT.	9 DEVIATION & DIRECTIONAL SURVEYS	1.75	
23:00-23:30 1/2 Hr CIRCULATE.	10 LOGGING		
23:30-00:30 1 Hr WIRELINE SURVEY AT 2,239 FT - 3/4 DEGREE.	11 RUN CASING/SET SLIPS & CUT OFF		
00:30-04:00 3-1/2 Hrs DRILL 14-3/4 INCH HOLE FROM 2,249 TO 2,312 FT.	12 CEMENTING OR SQUEEZING		
04:00-05:00 1 Hr PUMP REPAIR. POP-OFF.	13 TEST CSO. OR SHO/ DRLG. OUT CEMENT		
05:00-06:00 1 Hr DRILL 14-3/4 INCH HOLE FROM 2,312 TO 2,324 FT.	14 WOC		
	15 NU OR NO BOP/TEST BOP/CHG RAMS		
	16 DRILL STEM TEST		
	17 WAIT ON ORDERS - CONSULT GEOLOGIST		
	18 WAIT ON EQUIPMENT		
	19 PLUGGING BACK		
	20 FISHING/TIGHT HOLE/STUCK PIPE		
	21 DIRECTIONAL WORK/ORIENTING TOOL		
	22 COMPLETION		
	23 WELD CASING HEAD		
	24 SAFETY METTING		
	25 RIG DOWN BLOCIE LINE. RIG UP FLOWLINE		
	TOTAL HOURS	24.00	

BIT RECORD												CONDITION			BIT WT.	RPM
BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS- 32nd			FROM	TO	FTG.	HRS.	T	B	G		
5 (3RR)	14-3/4	SEC	SS82CG	673542	14	14	14	1,840'	2,320'	480	15.75				16-24	50-60

HYDRAULICS										Ann Vel.		P _{bit}	Flow AT BPM
PUMP NO.	MAKE/MODEL	SIZE	SFM	PRESSURE	OPM	DP	DC						
1	GD PZ8	6-1/2 X 8	100	1,550	285	72	121	1,296					
2	OPI 700	6 X 8	106	1,550	292	72	121	1,296					

MUD PROPERTIES														Time Sample Taken 10:15 AM	
TYPE	NW in	VIS in	PV	YP	GELS	pH	WL-API	WL-NPHT	F.C.	Pm	PFMT	XB LIME	CHLORIDES		
LSND	8.6	38	12	7	1/4	10.0	12.6		2/32	.4	4/9		200		
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	NBC	MW gm	VIS gm	F.L TEMP	CALCIUM	PHPA-EXCESS					
NIL	2.50		97.5			8.6	39	76	40						

TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-MPH	F.C.	Pin	PERM	XS LIME	CHLORIDES		
LSND	8.6	38	12	7	1/4	10.0	12.6		2/32	.4	4/9		200		
% SAND	% SOLIDS	% OIL	%		ELEC. STAB	MBC	MW out	VIS out		L TEMP	CALCIUM	PHPA-EXCESS			
NIL	2.50		9				8.6	39		76	40				
CASING															
CONDUCTOR				SURFACE				PROTECTION				LINER		PRODUCTION	
16 "at 212 FT				at				" at				" at		" at	
DRILL STRING															
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC.	OD	ID	CONN.	BHA WEIGHT						
4-1/2	16.60	E	4-1/2 XH	1,749.91 FT	3	10.00"	2-7/8"	7-5/8 REG	59,500 LBS						
8	6-3/8"	2.0"	4-1/2 XH		4	7.00"	2-3/8"	4-1/2 XH							
BHA LENGTH= 530.09 FT															
DESCRIPTION: BIT, 6 FT REAMER, 1 - 10" SHORT DRILL COLLAR, 3 FT REAMER, 2 - 10" DRILL COLLARS, 3 FT REAMER, 1 - 10" DRILL COLLAR, XOVER, XOVER, 4 - 7" DRILL COLLARS, 3 - 6-3/8" DRILL COLLARS, DRLG JARS, 3 - 6-3/8" DRILL COLLARS.															
DEVIATION 3/4 DEG at 1,870 FT 1/2 DEG at 1,991 FT 3/4 DEG at 2,239 FT at															
PICK UP WEIGHT 108,000 LBS						SLACK OFF WEIGHT 102,000 LBS				ROTATING WEIGHT 104,000 LBS					
										COST		DAILY		CUMULATIVE	
										MUD					
										WATER					
										DIESEL/OIL					
										TANGIBLE					
										RIG COST					
										INTANGIBLE					
										COMPLETION					
										TOTAL					
CONTRACTOR and RIG No.:					FOREMAN:			APE No.:							
AZTEC WELL SERVICING CO.					ROBERT L. HOSFIELD			1999-01							
RIG NO. 222					GEOLOGIST: BILL ELLIS										

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CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC.: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 42 DEGREES F, 4-6 mph NORTHWEST WIND, CLEAR.

BBG = 6-10 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 14 UNITS AT 2,645 FT.

WELL NAME: 43-017-30136 MULEY CREEK FEDERAL 29 NO. 1 <i>S-29.1 365 R/O F SENT</i>		DATE: 04 MAR 1999	RIG DAYS: 13	FOOTAGE:	DAYWORK: 13	COMPLETION:
PRESENT OPERATION: DRILLING 14-3/4 INCH HOLE AT 2,744 FT.		DEPTH: 2,744 FT	PROGRESS LAST 24 HRS.: 424 FT		DAILY ROF (FT/HR): 19.27	
FORMATION: WINGATE		65 % SD.	5 % SH.	% LM.	30 % DOLG.	RKB-GL 12.0 FT
					GLELE 4,910 FT	
SUMMARY OF DAILY OPERATIONS		ACTIVITY			TROUBLE TIME	
06:00-08:00 2 Hrs DRILL 14-3/4 INCH HOLE FROM 2,320 TO 2,345 FT.		1 DRILLING			22.00	
08:00-08:15 1/4 Hr RIG SERVICE.		2 REAMING OR WASHING				
08:15-16:00 7-3/4 Hrs DRILL 14-3/4 INCH HOLE FROM 2,345 TO 2,495 FT.		3 CORING				
16:00-16:15 1/4 Hr RIG SERVICE.		4 CIRC. & COND MUD/LOST CIRC./JET PITS			0.50	
16:15-19:30 3-1/4 Hrs DRILL 14-3/4 INCH HOLE FROM 2,495 TO 2,556 FT.		5 TRIPPING & PULD DRILL STRING				
19:30-20:00 1/2 Hr CIRCULATE.		6 RIG SERVICE			1.00	
20:00-20:30 1/2 Hr WIRELINE SURVEY AT 2,516 FT - 3/4 DEGREE.		7 RIG REPAIR				
20:30-24:00 3-1/2 Hrs DRILL 14-3/4 INCH HOLE FROM 2,556 TO 2,650 FT.		8 SLIP & CUT DRILL LINE				
24:00-00:30 1/2 Hr RIG SERVICE.		9 DEVIATION & DIRECTIONAL SURVEYS			0.50	
00:30-06:00 5-1/2 Hrs DRILL 14-3/4 INCH HOLE FROM 2,650 TO 2,744 FT.		10 LOGGING				
		11 RUN CASING/SET SLIPS & CUT OFF				
		12 CEMENTING OR SQUEEZING				
		13 TEST CSG. OR SHO/ DRLO. OUT CEMENT				
		14 WOC				
		15 NU OR ND BOP/TEST BOP/CHQ. RAMS				
		16 DRILL STEM TEST				
		17 WAIT ON ORDERS - CONSULT GEOLOGIST				
		18 WAIT ON EQUIPMENT				
		19 PLUGGING BACK				
		20 FISHING/TIGHT HOLE/STUCK PIPE				
		21 DIRECTIONAL WGR./ORIENTING TOOLS				
		22 COMPLETION				
		23 WELD CASING HEAD				
		24 SAFETY METTING				
		25 RIG DOWN BLOOIE LINE. RIG UP FLOWLINE.				
TOTAL HOURS					24.00	

BIT RECORD																
BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS- 32nd			FROM	TO	FTG.	HRS	CONDITION			BIT WT.	RPM
					14	14	14					T	B	G		
5 (3RR)	14-3/4	SEC	SS82CG	673542	14	14	14	1,840'	2,744'	904	37.75				25-42	40-60

HYDRAULICS											
PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF. GPM	Ann Vel.		PWT	P low AT SPM		
						DP	DC				
1	GD P28	6-1/2 X 8	100	1,550	285	72	121	1,296			
2	OPI 700	6 X 8	106	1,550	292	72	121	1,296			

MUD PROPERTIES													
Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID												Time Sample Taken 10:15 AM	
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Fm	P/MC	X3 LIME	CHLORIDES
LSND	8.6	38	11	5	1/4	10.0	10.0		2/32	.3	25/75		400
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	NEC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS			
NIL	2.50		97.5			8.6	39	86	60				

CASING

TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Pm	POME	XS LIME	CHLORIDES
LSND	8.6	38	11	5	1/4	10.0	10.0		2/32	3	25/75		400
% SAND	% SOLIDS	% OIL	% WAT	ELEC. STAB	MBC	MW out	VIS out	TEMP	CALCIUM	FHPA-EXCESS			
NIL	2.50		97.5			8.6	39	86	60				

CASING				
CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16 "at 212 FT	at	" at	" at to	" at

DRILL STRING									
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC.	OD	ID	CONN.	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	1,749.91 FT	3	10.00"	2-7/8"	7-5/8 REG	59,500 LBS
8	6-3/8"	2.0"	4-1/2 XH		4	7.00"	2-3/8"	4-1/2 XH	

BHA LENGTH= 530.09 FT DESCRIPTION: BIT, 6 PT REAMER, 1 - 10" SHORT DRILL COLLAR, 3 PT REAMER, 2 - 10" DRILL COLLARS, 3 PT REAMER, 1 - 10" DRILL COLLAR, XOVER, XOVER, 4 - 7" DRILL COLLARS, 5 - 6-3/8" DRILL COLLARS, DRLG JARS, 3 - 6-3/8" DRILL COLLARS.

DEVIATION 3/4 DEG at 2,516 FT at at at

PICK UP WEIGHT 112,000 LBS SLACK OFF WEIGHT 107,000 LBS ROTATING WEIGHT 110,000 LBS

ROTATING HOURS ON DRILL COLLARS 162.25 LAST INSPECTION 10 FEBRUARY 1999 2 DAYS ON JARS SER. NO D - 604 - XA DAYS ON SHOCK SUB SER. NO	COST	DAILY	CUMULATIVE
	MUD		
	WATER		
	DIESEL/OIL		
	TANGIBLE		
	RIG COST		
	INTANGIBLE		

CONTRACTOR and RIG No.:	FOREMAN:	AFE No.:
AZTEC WELL SERVICING CO. RIG NO. 272	ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS	1999-01
		TOTAL

om: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

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Friday, March 05, 1999 7:29:10 AM To: TONY KOENIG

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC.: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 36 DEGREES F, 10-15 mph NORTHWEST WIND, CLOUDY.

BBG = 4 UNITS CG = 0 UNITS TG = 10 UNITS MAXG = 10 UNITS AT 2,823 FT.

WELL NAME: 43-017-30136 MULEY CREEK FEDERAL 29 NO. 1 <i>Sec 29, T36S R10E SENE</i>	DATE: 05 MAR 1999 SPUD DATE: 10 FEB 1999	RIG DAYS: 14	FOOTAGE	DAYWORK: 14	COMPLETION
PRESENT OPERATION: DRILLING 14-3/4 INCH HOLE AT 2,858 FT.	DEPTH: 2,858 FT PROP T.D.: 7,800 FT	PROGRESS LAST 24 HRS: 114 FT	DAILY ROP (FT/HR): 10.60		

FORMATION: CHINLE 10% SD. 15% SH. % LM. 65% DOLO. RKB-GL: 12.0 FT. OLELE 4.910 FT.

SUMMARY OF DAILY OPERATIONS			ACTIVITY	TIME	TROUBLE
06:00-08:00	2 Hrs	DRILL 14-3/4 INCH HOLE FROM 2,744 TO 2,794 FT.	1 DRILLING	10.75	
08:00-08:30	1/2 Hr	RIG SERVICE.	2 REAMING OR WASHING	0.75	
08:30-09:30	1 Hr	RIG REPAIR. WELD STANDPIPE. BREAKOUT CATHEAD	3 CORING		
09:30-13:30	4 Hrs	DRILL 14-3/4 INCH HOLE FROM 2,794 TO 2,823 FT.	4 CIRC. & COND. MUD/LOST CIRC./NET PITS		
13:30-14:00	1/2 Hr	CIRCULATE AND DROP SURVEY.	5 TRIPPING & PUL/D DRILL STRING	8.25	
14:00-16:00	2 Hrs	PULL OUT OF HOLE. NO PROBLEMS.	6 RIG SERVICE	0.75	
16:00-16:15	1/4 Hr	RIG SERVICE.	7 RIG REPAIR	3.00	
16:15-17:45	1-1/2 Hrs	PULL OUT OF HOLE. NO PROBLEMS. DROPPED SURVEY AT 2,785 FT - 1/2 DEGREE.	8 SLIP & CUT DRILL LINE		
17:45-18:45	1 Hr	CHANGE LOWER CUTTERS ON 6-PT ROLLER REAMER. 5/32" UNDER-GAUGE.	9 DEVIATION & DIRECTIONAL SURVEYS	0.50	
18:45-20:45	2 Hrs	RIG REPAIR. MAKE-UP CATHEAD.	10 LOGGING		
20:45-00:30	3-3/4 Hrs	RUN IN HOLE. NO PROBLEMS.	11 RUN CASING/GET SLIPS & CUT OFF		
00:30-01:15	3/4 Hr	PRECAUTIONARY WASH & REAM 90 FT TO BOTTOM. NO FILL.	12 CEMENTING OR SQUEEZING		
01:15-06:00	4-3/4 Hrs	DRILL 14-3/4 INCH HOLE FROM 2,823 TO 2,825 FT.	13 TEST CSG. OR SHOES/DRLG. OUT CEMENT		
			14 WOC		
			15 NU OR ND BOP/TEST BOP/CHG RAME		
			16 DRILL STEM TEST		
			17 WAIT ON ORDERS - CONSULT GEOLOGIST		
			18 WAIT ON EQUIPMENT		
			19 PLUGGING BACK		
			20 FISHING/TIGHT HOLE/STUCK PIPE		
			21 DIRECTIONAL WORK/ORIENTING TOOLS		
			22 COMPLETION		
			23 WELD CASING HEAD		
			24 SAFETY METTING		
			25 RIG DOWN BLOODIE LINE RIG UP FLOWLINE.		
TOTAL HOURS				24.00	

BIT RECORD

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS- 3rd	FROM	TO	FTG.	MRS.	CONDITION			BIT WT.	RPM
										T	B	G		
5 (3RR)	14-3/4	SEC	SS82CG	673542	14 14 14	1,840'	2,823'	983	43.75	4	4	1/32	25-42	40-60
6	14-3/4	RTC	HP53ACC	N09025	14 14 14	2,823'	2,858'	35	4.75				32-42	35-40

HYDRAULICS

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF. GPM	Ann Vel		PHI	P low AT SPM
						DP	DC		
1	GD PZ8	6-1/2 X 8	100	1,550	285	72	121	1,296	
2	OPI 700	6 X 8	106	1,550	297	72	121	1,296	

MUD PROPERTIES

Mud Co. **ROCKY MTN FLUID** Mud Engr. **DANNY REID** Time Sample Taken **10:00 AM**

TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Pm	FBMF	XS LIME	CHLORIDES
LSND	8.6	38	11	5	1/3	9.5	9.6		2/32	3	25/55		300
% BAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS			
NIL	2.70		97.3			8.6	38	87	60				

CASING

TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Pm	F/MT	XE LIME	CHLORIDES
LSND	8.6	38	11	5	1/3	9.5	9.6		2/32	3	25/55		300
% SAND	% SOLIDS	% OIL	% WATI	LEG. STAB	MBC	MW out	VIS out	MP	CALCIUM	PHPA-EXCESS			
NIL	2.70		97.3			8.6	38	37	60				

CASING			
CONDUCTOR	SURFACE	PROTECTION	LINER
16 "at 212 FT	at	" at	" at to
PRODUCTION			
" at			

DRILL STRING									
DP SIZE	WEIGHT	GRADE	CONN	LENGTH	NO. OF DC.	OD	ID	CONN.	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	2,287.91 FT	3	10.00"	2-7/8"	7-5/8 REG	59,500 LBS
8	6-3/8"	2.0"	4-1/2 XH		4	7.00"	2-3/8"	4-1/2 XH	

BHA LENGTH= 530.09 FT DESCRIPTION: BIT, 6 PT REAMER, 1 - 10" SHORT DRILL COLLAR, 3 PT REAMER, 2 - 10" DRILL COLLARS, 3 PT REAMER, 1 - 10" DRILL COLLAR, XOVER, XOVER, 4 - 7" DRILL COLLARS, 5 - 6-3/8" DRILL COLLARS, DRLG JARS, 3 - 6-3/8" DRILL COLLARS.

DEVIATION 1/2 DEG at 2,785 FT at at at

PICK UP WEIGHT 112,000 LBS SLACK OFF WEIGHT 107,000 LBS ROTATING WEIGHT 110,000 LBS

ROTATING HOURS ON DRILL COLLARS 173.00		LAST INSPECTION 10 FEBRUARY 1999	
3	DAYS ON JARS SER. NO. D-604-XA		
DAYS ON SHOCK SUB. SER. NO.			

CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222	FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS	AFE No.: 1999-01	COST	DAILY	CUMULATIVE
			MUD		
			WATER		
			DIESEL/OIL		
			TANGIBLE		
			INTANGIBLE		
			COMPLETION		
			TOTAL		

from: ROBERT L. HOFFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

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Saturday, March 06, 1999 7:37:08 AM To: TONY KOENIG

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings

WEATHER: 33 DEGREES F, 5-10 mph NORTHWEST WIND, CLOUDY.

BBG = 6 UNITS CG = 0 UNITS TG = 10 UNITS MAXG = 10 UNITS AT 3,023 FT

WELL NAME	DATE	RIG DAYS	FOOTAGE	DAYWORK	COMPLETION
MULEY CREEK FEDERAL 29 NO. 1	06 MAR 1999 SPUD DATE: 10 FEB 1999	15		15	
PRESENT OPERATION: DRILLING 14-3/4 INCH HOLE AT 3,125 FT.	DEPTH: 3,125 FT PROP. T.D. 7,800 FT	PROGRESS LAST 24 HRS: 267 FT	DAILY ROP (FT/HR): 12.56		
FORMATION: CHINLE	5 1/4 SD	15 1/4 SH	1/4 LM	80 1/4 DOLO	REB-GL 12.0 FT GLELS 4,910 FT
SUMMARY OF DAILY OPERATIONS			ACTIVITY		TROUBLE TIME
06:00-06:15 1/4 Hr DRILL 14-3/4 INCH HOLE FROM 2,858 TO 2,862 FT.			1 DRILLING		21.25
06:15-08:15 2 Hrs RIG REPAIR. ROTARY TABLE CHAIN.			2 REAMING OR WASHING		
08:15-17:45 9-1/2 Hrs DRILL 14-3/4 INCH HOLE FROM 2,862 TO 2,960 FT.			3 CORING		
17:45-18:00 1/4 Hr RIG SERVICE.			4 CIRC & COND MUD/LOST CIRC/RET PIPE		
18:00-22:15 4-1/4 Hrs DRILL 14-3/4 INCH HOLE FROM 2,960 TO 3,010 FT.			5 TRIPPING & PULL DRILL STRING		
22:15-22:45 1/2 Hr RIG REPAIR. MUD PUMP.			6 RIG SERVICE		0.25
22:45-06:00 7-1/4 Hrs DRILL 14-3/4 INCH HOLE FROM 3,022 TO 3,125 FT.			7 RIG REPAIR		2.50
			8 SLUR & CUT DRILL LINE		
			9 DEVIATION & DIRECTIONAL SURVEYS		
			10 LOGGING		
			11 RUN CASING / SET SLIPS & CUT OFF		
			12 CEMENTING OR SQUEEZING		
			13 TEST CEG OR SHO/ DRUG OUT CEMENT		
			14 WOC		
			15 NU OR ND BOP/TEST BOP/CHG RAMS		
			16 DRILL STEM TEST		
			17 WAIT ON ORDERS - CONSULT GEOLOGIST		
			18 WAIT ON EQUIPMENT		
			19 PLUGGING BACK		
			20 FISHING TIGHT HOLE/STUCK PIPE		
			21 DIRECTIONAL WORK/ORIENTING TOOLS		
			22 COMPLETION		
			23 WELD CASING HEAD		
			24 SAFETY MEETING		
			25 RIG DOWN BLOOE LINE-RIG UP FLOWLINE		
TOTAL HOURS					24.00

BIT RECORD										CONDITION			BIT WT.	RPM		
BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS- 32nd			FROM	TO	FTG	HRS.	T			B	G
6	14-3/4	RTC	HP53ACC	NO9025	14	14	14	2,823	3,125	302	26.00				35-50	40-60

HYDRAULICS									
PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF	Am Vel.		PMR	Flow AT SPM
					OPM	DF	DC		
1	GD PZ8	6-1/2 X 8	100	1,550	285	72	121	1,296	
2	OPI 700	6 X 8	106	1,550	292	70	121	1,296	

MUD PROPERTIES										Mud Co. ROCKY MTN FLUID		Mud Engr. DANNY REID		Time Sample Taken 10:00 AM	
TYPE	MW lb	VIS in	FV	YP	GELS	pH	WL API	WL RPHI	FC	Pm	PMV	SE LIME	CHLORIDES		
LSND	-8.6	38	10	5	1/2	9.5	10:0		2/32	3	25/55		300		
1/2 SAND	1/2 SOLIDS	1/2 OIL	1/2 WATER	ELEC. STAB	MBC	NET GR	VIS in	FL TEMP	CALCIUM	PHPA-EXCESS					
NIL	2.70		97.3			8.6	38	82	60						

CASING:

TYPE	MW in	VIS in	FV	TP	GELS	PH	WL-AP	WL-EPHT	PC	PH	PH/ME	XS LIME	CHLORIDES
LSND	-8.6	38	10	5	1/2	9.5	10:0		2/32	3	25/55		300
% SAND	% SOLIDS	% OIL	% WA	ELEC. STAB	MBC	MPH	VELOCITY	EMP	CALCIUM	PHPA-EXCESS			
NIL	2.70		97.3			8.6	38	82	60				

CASING														
CONDUCTOR			SURFACE			PROTECTION			LINER			PRODUCTION		
16" at 212 FT			at			" at			" at			to		

DRILL STRING										BHA WEIGHT		
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC	OD	ID	CONN				
4-1/2	16.60	E	4-1/2 XH	2,554.91 FT	3	10.00"	2-7/8"	7-5/8 REG	59,500 LBS			
8	6-3/8"	2.0"	4-1/2 XH		4	7.00"	2-3/8"	4-1/2 XH				

BHA LENGTH: 530.09 FT DESCRIPTION: BIT, 6 FT REAMER, 1 - 10" SHORT DRILL COLLAR, 3 FT REAMER, 2 - 10" DRILL COLLARS, 3 FT REAMER, 1 - 10" DRILL COLLAR, XOVER, XOVER, 4 - 7" DRILL COLLARS, 3 - 6-3/8" DRILL COLLARS, DRG JARS, 3 - 6-3/8" DRILL COLLARS.

DEVIATION	at	at	at	at
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PICK UP WEIGHT 118,000 LBS	SLACK OFF WEIGHT 108,000 LBS	ROTATING WEIGHT 114,000 LBS
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ROTATING HOURS ON DRILL COLLARS 194.25	LAST INSPECTION 10 FEBRUARY 1999	COST	DAILY	CUMULATIVE
4 DAYS ON JARS SER. NO. D-604-XA		MUD		
DAYS ON SHOCK SUB. SER. NO.		WATER		
		DIESEL OIL		
		TANGIBLE		
		INTANGIBLE		
		COMPLETION		
		TOTAL		

CONTRACTOR and RIG No.:	FOREMAN:	AFE No.:
AZTEC WBLE SERVICING CO.	ROBERT L. HOSFIELD	1999-01
RIG NO. 222	GEOLOGIST: BILL ELLIS	

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 36 DEGREES F, 0-5 mph NORTH WIND, PARTLY CLOUDY.

BBG = 0 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 0 UNITS AT FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1		DATE: 10 MAR 1999	RIG DAYS: 19	FOOTAGE:	DAYWORK: 19	COMPLETION:
PRESENT OPERATION: RUNNING 8-5/8 INCH AND 2-1/16 INCH CASING AT 2,990 FT.		DEPTH: 3,760 ft	PROGRESS LAST 24 HRS: 0	DAILY ROP (FT/HR):		
FORMATION: MOENKOPI		1/4 SD	1/4 SH	1/4 LM	1/4 DOLO	RKB-GL: 12.0 FT GLEBLE 4.910 FT
1/4 PYRITE		1/4 CHERT		1/4 SILTSTONE		ACTIVITY
SUMMARY OF DAILY OPERATIONS		1 DRILLING		TROUBLE TIME		
06:00-07:45 1-3/4 Hrs RUN NEUTRON DENSITY/DUAL INDUCTION/GAMMA RAY-CALIPER.		2 REAMING OR WASHING				
07:45-09:15 1-1/2 Hrs RIG DOWN LOGGERS.		3 CORING				
09:15-10:30 1-1/4 Hrs PICK UP 6-PT. LAY DOWN 2-3 PTREAMERS.		4 CIRC. & COND MUD/LOST CIRC./JET FITS		1.75		
10:30-13:30 3 Hrs RUN IN HOLE. NO PROBLEMS. NO FILL.		5 TRIPPING & PUL/D DRILL STRING		9.00		
13:30-15:15 1-3/4 Hrs CIRCULATE AND CONDITION HOLE.		6 RIG SERVICE				
15:15-15:30 1/4 Hr DROP SURVEY.		7 RIG REPAIR				
15:30-18:15 2-3/4 Hrs PULL OUT OF HOLE. NO PROBLEMS. DROPPED SURVEY AT 3,750 FT - 3/4 DEGREE.		8 SLIP & CUT DRILL LINE				
18:15-18:30 1/4 Hr HOLD PRE-JOB & SAFETY MEETING.		9 DEVIATION & DIRECTIONAL SURVEYS		0.25		
18:30-20:15 1-3/4 Hrs LAY DOWN 4-7 INCH & 3-10 INCH DRILL COLLARS.		10 LOGGING		3.25		
20:15-21:15 1 Hr RIG UP CASING CREW.		11 RUN CASING /SET SLIPS & CUT OFF		9.75		
21:15-21:30 1/4 Hr HOLD PRE-JOB AND SAFETY MEETING.		12 CEMENTING OR SQUEEZING				
21:30-06:00 8-1/2 Hrs RUN 73 JTS (APPROX. 2,990 FT) 8-5/8 INCH CASING WITH 2-1/16 INCH PARASITE STRING.		13 TEST CQG OR SHO/DRUG OUT CEMENT				
		14 WOC				
		15 NU OR ND BOP/TEST BOP/CHG NAME				
		16 DRILL STEM TEST				
		17 WAIT ON ORDERS. CONSULT GEOLOGIST				
		18 WAIT ON EQUIPMENT				
		19 PLUGGING BACK				
		20 FISHING/TIGHT HOLE/STUCK PIPE				
		21 DIRECTIONAL WORK/ORIENTING TOOLS				
		22 COMPLETION				
		23 WELD CASING HEAD				
		24 SAFETY MEETING				
		25 RIG DOWN BLOCIE LINE. RIG UP FLOWLINE.				
		TOTAL HOURS		24.00		
BIT RECORD						
BIT NO.	SIZE	MPS	TYPE	SERIAL NO.	JETS-32nd	FROM TO FTG. HRS.
6	14-3/4	RTC	HP53ACC	NO9025	14 14	2,823' 3,760' 937 75.75
CONDITION						
I B C BIT WT. RPM.						
5 5 1/16 35-50 40-60						
HYDRAULICS						
PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF.	Ann Val
1	GD PZ8	6-1/2 X 8	100	1,550	OPM	DP DC Pwr Flow AT SPM
2	OPI 700	6 X 8	106	1,550	292	72 121 1,296
MUD PROPERTIES Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 09:00 AM						
TYPE	MW in	VIS in	FV	YP	GELS	pH WL-API WL-HPHT F.C. Pm PSMF XS LIME CHLORIDES
LSND	8.9	52	14	17	3/7	9.5 6.4 2/32 4 3/7 400
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	NBC	MW out VIS out FL. TEMP CALCIUM MPMA-EXCESS
NIL	3.50		96.5			8.9 52 76 40
CASING						
CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION		
16 "at 212 FT	at	" at	" at	to	" at	
DRILL STRING						
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	No. OF DC.	OD ID CONN. BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	3,199.91 FT	3	10.00" 2-7/8" 7-5/8 REG 59,500 LBS
8	6-3/8"	2.0"	4-1/2 XH		4	7.00" 2-3/8" 4-1/2 XH
BHA LENGTH- DESCRIPTION						
DEVIATION 3/4 DEG at 3,750 FT at at						
PICK UP WEIGHT 122,000 LBS		SLACK OFF WEIGHT 119,000 LBS		ROTATING WEIGHT 120,000 LBS		
ROTATING HOURS ON DRILL COLLARS: 251.00		LAST INSPECTION 10 FEBRUARY 1999		COST DAILY CUMULATIVE		
9 DAYS ON JARS SER. NO. D-604-XA				MUD		
DAYS ON SHOCK SUB. SER. NO.				WATER		
				DIESEL/OIL		
				TANGIBLE		
				RIG COST		
				INTANGIBLE		
				COMPLETION		
				TOTAL		
CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222		FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS		AFE No.: 1999-01		

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 36 DEGREES F, 0-5 mph NORTH WIND, PARTLY CLOUDY.

BGG = 0 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 0 UNITS AT FT.

WELL NAME MULEY CREEK FEDERAL 29 NO. 1		DATE: 11 MAR 1999	RIG DAYS: 20	FOOTAGE	DAYWORK 20	COMPLETION
PRESENT OPERATION: PREPARE 8-5/8 INCH CASING FOR CASING HEAD.		DEPTH: 3,760 ft	PROGRESS LAST 24 HRS.: 0	DAILY REP. (T/HR):		
FORMATION: MOENKOPI		PROP. T.D.: 7,800 FT	REC-GL: 12.0 FT		GL-ELE 4,910 FT	
SUMMARY OF DAILY OPERATIONS		ACTIVITY		TROUBLE TIME		
06:00-07:00 1 Hr RUN 3,768.73 FT 8-5/8 INCH CASING PLUS 3,238.53 FT 2-1/16 INCH PARASITE STRING. GUIDE SHOE AT 3,760 FT.		1 DRILLING				
07:00-08:00 1 Hr RIG UP DOWELL. RIG DOWN CASING CREW.		2 REAMING OR WASHING				
08:00-10:30 2-1/2 Hrs CIRCULATE & CONDITION FOR CEMENTING.		3 CORING				
10:30-13:30 3 Hrs CEMENT 8-5/8 INCH CASING. CEMENT IN PLACE AT 01:30 PM 10 MARCH 1999. BUMP PLUG AT 1,250 PSI. FLOAT HELD. CEMENT STAYED AT SURFACE.		4 CIRC. & COND MUD/LOFT CIRC./JET FITS		2.50		
13:30-15:00 1-1/2 Hrs RUN 1 INCH TO 190 FT. DISPLACE 11.0 PPG CEMENT WITH CLASS G NEAT. CEMENT STAYED AT SURFACE.		5 TRIPPING & PULD DRILL STRING				
15:00-20:00 5 Hrs WAIT ON CEMENT.		6 RIG SERVICE				
20:00-24:00 4 Hrs CUT OFF 16 INCH CONDUCTOR. NIPPLE DOWN.		7 RIG REPAIR				
24:00-01:00 1 Hr WELD BASE PLATE FOR 8-5/8 + 2-1/16 INCH CASINGS BY 16 INCH CONDUCTOR. CUT-OFF 8-5/8 & 2-1/16".		8 SLIP & CUT DRILL LINE				
01:00-04:00 NIPPLE DOWN 16-3/4 INCH BOP STACK.		9 DEVIATION & DIRECTIONAL SURVEYS				
04:00-06:00 2 Hrs MAKE FINAL CUT ON 8-5/8" CASING & 2-1/16" PARASITE STRING.		10 LOGGING				
		11 RUN CASING/SET SLIPS & CUT OFF		1.00		
		12 CEMENTING OR SQUEEZING		5.50		
		13 TEST CEG. OR SHO/ DRLO. OUT CEMENT				
		14 WAIT ON CEMENT		5.00		
		15 NU OR ND BOP/TEST BOP/CHG. RAMS		10.00		
		16 DRILL STEM TEST				
		17 WAIT ON ORDERS. CONSULT GEOLOGIST				
		18 WAIT ON EQUIPMENT				
		19 FLUGGING BACK				
		20 FINISH/TIGHT HOLE/STUCK PIPE				
		21 DIRECTIONAL WORK/ORIENTING TOOLS				
		22 COMPLETION				
		23 WELD CASING HEAD				
		24 SAFETY MEETING				
		25 RIG DOWN BLOCIE LINE. RIG UP FLOWLINE				
		TOTAL HOURS		24.00		

BIT RECORD											CONDITION			BIT WT.	RPM
BIT NO.	SIZE	MFC	TYPE	SERIAL NO.	JET. J24	FROM	TO	FTG.	HRS.	T	B	G			
7	7-7/8"														

HYDRAULICS										
LINE NO.	MAKE/MODEL	SIZE	SPM	EFFICIENCY	AVG VEL	DP	DC	PSI	FLOW AT SURF	
1	GD PZB	6-1/2 X 8								
2	OPI 700	6 X 8								

MUD PROPERTIES											Time Sample Taken		
TYPE	MW in	VIS in	PV	YP	GELS	PH	WL-API	WL-HPHT	F.C.	Pm	POME	XS LINE	CHLORIDES
LSND													
% SAND	% SOLIDS	% OIL	% WATER	ELEC STAB	MBC	MW out	VIS out	F.L TEMP	CALCIUM	PHPA-EXCESS			

CASING					LINER		PRODUCTION	
CONDUCTOR	SURFACE	PROTECTION			to		at	
16" at 212 FT	8-5/8" at 3,760 FT	" at					" at	

DP SIZE	WEIGHT	GRADE	CONN	LENGTH	NO. OF DC.	OD	ID	CONN	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH		8	6-3/8"	2.00"	4-1/2" XH	

BHA LENGTH-	DESCRIPTION

DEVIATION	at	at	at	at

PICK UP WEIGHT		SLACK OFF WEIGHT		ROTATING WEIGHT		
				COST	DAILY	CUMULATIVE
ROTATING HOURS ON DRILL COLLARS <u>251.00</u>		LAST INSPECTION <u>10 FEBRUARY 1999</u>		MUD		
DAYS ON JARS SER. NO. <u>D-604-XA</u>				WATER		
DAYS ON SHOCK SUB. SER. NO.				DIESEL/OIL		
				TANGIBLE		
				RIG COST INTANGIBLE		
				COMPLETION		
				TOTAL		

CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222	FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS	AFE No.: 1999-01
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CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC.: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 34 DEGREES F, 15-20 mph NORTHWEST WIND, PARTLY CLOUDY.

BEG = 0 UNITS, CG = 0 UNITS, TG = 0 UNITS, MAXG = 0 UNITS AT FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 12 MAR 1999	RIG DAYS: 21	FOOTAGE	DAYWORK 21	COMPLETION
PRESENT OPERATION: RUN IN HOLE WITH 7-7/8 INCH BIT.	SPUD DATE: 10 FEB 1999	DEPTH: 3,760 FT	PROGRESS LAST 24 HRS: 0	DAILY ROP (FT/HR)	
FORMATION: KAIBAB		% SD.	% SH.	% LM.	% DOLO.
		RKB-OL: 12.0 FT		GLELE 4,910 FT	

SUMMARY OF DAILY OPERATIONS		ACTIVITY	TRouble TIME
		1 DRILLING	
		2 REAMING OR WASHING	
		3 CORING	
		4 CIRC. & COND MUD/LOST CIRC./ET FITE	
06:00-10:30 4-1/2 Hrs WELD ON 8-5/8" CASINGHEAD. TEST WELDS TO 1,500 PSI FOR 10 MIN. - OKAY.		5 TRIPPING & PLUD DRILL STRING	6.00
10:30-12:00 1-1/2 Hrs WELD FLOWLINE NIPPLE & PARASITE STRING ADAPTOR.		6 RIG SERVICE	
12:00-18:00 6 Hrs NIPPLE UP BOP EQUIPMENT & CHOKE MANIFOLD.		7 RIG REPAIR	
		8 SLIP & CUT DRILL LINE	
18:00-24:00 6 Hrs TEST BOP STACK, CHOKE MANIFOLD, AND FLOOR VALVES TO 500 & 3,000 PSI FOR 10 MIN, OKAY. TEST 8-5/8 INCH CASING TO 1,500 PSI FOR 30 MIN, OKAY.		9 DEVIATION & DIRECTIONAL SURVEYS	
		10 LOGGING	
24:00-03:00 3 Hrs INSPECT DRILL COLLAR CONNECTIONS. RIH.		11 RUN CASING/SET SLIPS & CUT OFF	
		12 CEMENTING OR SQUEEZING	
03:00-05:00 2 Hrs PICK UP 12 6-3/8 INCH DRILL COLLARS.		13 TEST CSG OR SHO/ DRLG. OUT CEMENT	
		14 WAIT ON CEMENT	
05:00-05:45 3/4 Hr CHANGE OUT UPPER KELLY VALVE.		15 NU OR ND BOP/TEST BOP/CHG RAMP	12.00
		16 DRILL STEM TEST	
05:45-06:00 1/4 Hr RUN IN HOLE WITH 7-7/8 INCH BIT.		17 WAIT ON ORDERS - CONSULT GEOLOGIST	
		18 WAIT ON EQUIPMENT	
		19 PLUGGING BACK	
		20 FISHING/TIGHT HOLE/STUCK PIPE	
		21 DIRECTIONAL WORK/ORIENTING TOOLS	
		22 COMPLETION	
		23 WELD CASING HEAD	6.00
		24 SAFETY NETTING	
		25 RIG DOWN BLOC/LINE RIG UP FLOWLINE	
		TOTAL HOURS	24.00

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS- 32nd			FROM	TO	FTG.	HRS.	CONDITION			BIT WT.	RPM
					11	11	11					T	B	G		
7	7-7/8"	SEC	BRA 25C	688174	11	11	11	3,760'								

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	P% EFF.	Amp Vct		FHE	FLOW AT RPM
						OPM	DC		
1	GD PZ8	6-1/2 X 8							
2	OPI 700	6 X 8							

MUD PROPERTIES												Mud Co. ROCKY MTN FLUID			Mud Engr. DANNY REID			Time Sample Taken		
TYPE	MW in	VIS in	FV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Pm	PPM	XS LIME	CHLORIDES							
LSND																				
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS										

CONDUCTOR		SURFACE		PROTECTION		LINER		PRODUCTION	
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at	" at	" at	to	" at	" at	" at

DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC.	OD	ID	CONN.	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH		20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH = 651.32 FT DESCRIPTION: BIT, BIT SUB, 17 - 6-3/8 INCH DRILL COLLARS, DAILY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION: at at at at

PICK UP WEIGHT		SLACK OFF WEIGHT		ROTATING WEIGHT		
ROTATING HOURS ON DRILL COLLARS <u>0.00</u>		LAST INSPECTION <u>11 MARCH 1999</u>		COST	DAILY	CUMULATIVE
DAYS ON JARS SER. NO. <u>D-604-XA</u>				MUD		
DAYS ON SHOCK SUB SER. NO. <u></u>				WATER		
				DIESEL/OIL		
				TANGIBLE		
				RIG COST		
				INTANGIBLE		
				COMPLETION		
				TOTAL		

CONTRACTOR and RIG No.: **AZTEC WELL SERVICING CO. RIG NO. 222** FOREMAN: **ROBERT L. HOSFIELD** GEOLOGIST: **BILL ELLIS** AFE No.: **1999-01**

Experienced Since
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• Pressure & Vessel Testing
• Nipple Up
• Blow-off Testing

DATE 3-11-99 *Attn Carol Daniels*

RIG NAME AND #
CL 4125 222

OPERATOR
Clifford Atkinson III

WELL NAME AND NO.
Mud Lake 29-1

COUNTY Hartfield STATE Utah

SECTION
29

TOWNSHIP 36-S RANGE 10-E

EQUIPMENT TESTED

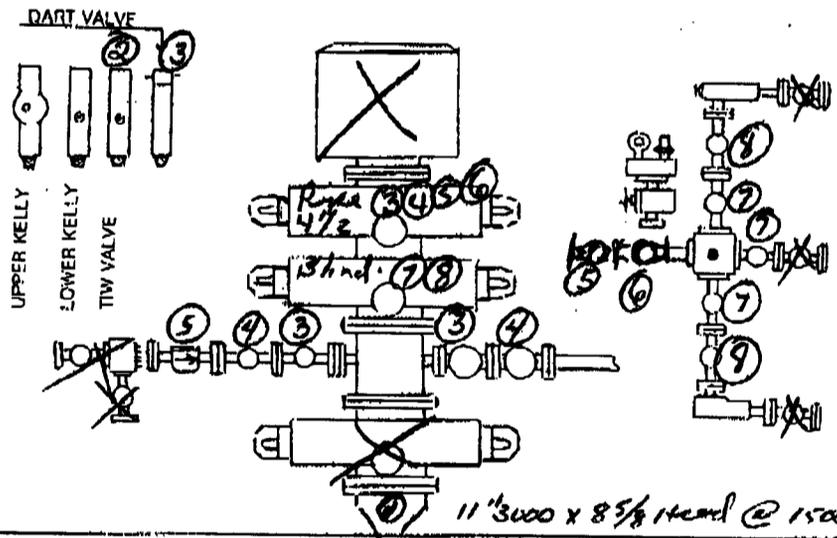
<u>Pipe 4 1/2</u>	RAMS	<u>500psi 10 min</u>	<u>3,000 psi 10 min</u>
<u>Blind</u>	RAMS	<u>"</u>	<u>"</u>
	RAMS		
	ANNULAR B.O.P.		
	CHOKE LINE	<u>"</u>	<u>"</u>
	KILL LINE	<u>"</u>	<u>"</u>
	UPPER KELLY		
	LOWER KELLY	<u>"</u>	<u>"</u>
	SAFETY VALVES	<u>"</u>	<u>"</u>
	CHOKE MANIFOLD	<u>"</u>	<u>"</u>
	SUPER CHOKE		

ADDITIONAL TESTS & COMMENTS

ACCUMULATOR TEST

TYPE Koony #80 CONTROLS LABELED CORRECTLY yes
 NITROGEN BACK-UP OK 1000 psi PSI AIR 120 ELECTRIC Triplex
 REMOTE ok BLIND GUARDS INSTALLED yes
 ACCUMULATOR PRESSURE 1500 MANIFOLD PSI 1500 ANNULAR PSI 11/11

Close time Pipe rams 4 sec.
Close time 13 blind rams 43 sec.
CCC Recovery time 38 sec.



Load Time		TEST PLUG	<u>10" 2-22</u>	<u>150.00</u>
Start Travel Time	End	RET. TOOL	<u>on location</u>	
Arrival Time <u>4:00 PM</u>	Dep Time <u>12:00 AM</u>	TOP SUB.	<u>4 1/2 x 14</u>	
Single Jack Rep. <u>Don</u>	<u>3/12</u>	KELLY SUB.	<u>4 1/2 x 14 + 0.125 Sub.</u>	<u>150.00</u>
Pusher:		X-OVER SUB.		

RATES			
UNIT RATES	<u>7 Hr Setup @</u>		<u>800.00</u>
ADDITIONAL	<u>3760' 8 1/2" casing to 1500psi 30min</u>		<u>400.00</u>
MILEAGE	<u>420 miles Round trip out of Cortez @ 1.25 per mi</u>		<u>525.00</u>
METHANOL			
OTHER			

Robert S. Hoofield CO. REP. Don Morris TESTED BY
111 SINGLE JACK TESTING UNIT NUMBER SUB TOTAL 2025.99
 TAX _____ TOTAL 2025.00

NOTICE TO ALL CUSTOMERS

If this account shall not be paid when due and it is placed with an attorney for collection, (the undersigned agrees) to pay in full or other good, reasonable expense of collection including attorney's fees and court cost in compliance with TRUTH IN LENDING AND THE UNIFORM CONSUMER CREDIT CODE, the following information disclosure. Under the terms of our regular accounts, all amount for service due and payable within THIRTY (30) DAYS from the receipt of an invoice for such services. A LATE CHARGE will be assessed when accounts are not paid when due. THE LATE CHARGE is computed by a "periodic rate" 1-3/4% PER MONTH which is an ANNUAL PERCENTAGE RATE OF 21% to the previous balance in the account on the billing date. No further credit can be extended on unpaid delinquent accounts until the delinquent account is paid in full. The contractor will not be held liable for damages caused by acts of God, or unforeseen circumstances that could not be reasonably anticipated in performing the work done.

From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

Page 1 of 1

Saturday, March 13, 1999 8:28:46 AM To: TONY KOENIG

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 33 DEGREES F, 10-15 mph NORTHWEST WIND, clear.

BBG = 6-9 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG - 10 UNITS AT 3,810 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1		DATE: 13 MAR 1999	RIG DAYS: 22	FOOTAGE	DAYWORK 22	COMPLETION
PRESENT OPERATION: CIRCULATE SAMPLES AT 3,935 FT.		SPUD DATE: 10 FEB 1999	DEPTH: 3,760 ft	PROGRESS LAST 24 HRS.: 175 FT	DAILY ROP (FT/HR): 14.00	
FORMATION: WHITE RIM		90 % SD.	10 % SH.	% LM.	% DOLO.	RKB-OL: 12.0 FT
% PYRITE		% CHERT	% SILTSTONE	GL ELE 4,910 FT		TROUBLE TIME
SUMMARY OF DAILY OPERATIONS				ACTIVITY		
06:00-07:45 1-3/4 Hrs RUN IN HOLE. TOP OF CEMENT AT 3,656 FT.				1 DRILLING	12.50	
07:45-11:15 3-1/2 Hrs DRILL HARD CEMENT & FLOAT EQUIPMENT FROM 3,656 TO 3,760 FT.				2 REAMING OR WASHING		
11:15-11:30 1/4 Hr DRILL 7-7/8 INCH HOLE FROM 3,760 TO 3,764 FT.				3 CORING		
11:30-12:15 3/4 Hr CIRCULATE BOTTOMS UP.				4 CIRC. & COND MUD/LOST CIRC./SET PITS	4.00	
12:15-12:45 1/2 Hr PERFORM EMW TEST TO 10.4 PPG.				5 TRIPPING & P/ULD DRILL STRING	1.75	
12:45-14:15 1-1/2 Hrs DRILL 7-7/8" HOLE 3,764 TO 3,775 FT. 10M WOB.				6 RIG SERVICE		
14:15-14:45 1/2 Hr CIRCULATE SAMPLES.				7 RIG REPAIR	0.50	
14:45-16:00 1-1/4 Hrs DRILL 7-7/8" HOLE 3,775 TO 3,785 FT. 15M WOB.				8 SLIP & CUT DRILL LINE		
16:00-17:30 1-1/2 Hrs CIRCULATE SAMPLES. PUMP SWEEP.				9 DEVIATION & DIRECTIONAL SURVEYS	0.50	
17:30-18:30 1 Hr DRILL 7-7/8" HOLE 3,785 TO 3,795 FT. 20M WOB.				10 LOGGING		
18:30-19:00 1/2 Hr RIG REPAIR. ROTARY CHAIN.				11 RUN CASING/SET SLIPS & CUT OFF		
19:00-19:45 3/4 Hr DRILL 7-7/8" HOLE 3,795 TO 3,812 FT. 25M WOB.				12 CEMENTING OR SQUEEZING		
19:45-20:30 3/4 Hr CIRCULATE SAMPLES.				13 TEST CSG. OR SHOE/DRLG. OUT CEMENT	4.00	
20:30-21:45 1-1/4 Hrs DRILL 7-7/8" HOLE 3,812 TO 3,833 FT. 25M WOB.				14 WAIT ON CEMENT		
21:45-22:30 3/4 Hr INSTALL ROTATING HEAD RUBBER.				15 NU OR ND BOP/TEST BOP/CHG RAME	0.75	
22:30-00:30 2 Hrs DRILL 7-7/8" HOLE 3,833 TO 3,864 FT. 30M WOB.				16 DRILL STEM TEST		
00:30-00:45 1/4 Hr CIRCULATE FOR SURVEY.				17 WAIT ON ORDERS - CONSULT GEOLOGIST		
00:45-01:15 1/2 Hr WIRELINE SURVEY AT 3,854 FT - 3/4 DEGREE.				18 WAIT ON EQUIPMENT		
01:15-05:45 4-1/2 Hr DRILL 7-7/8" HOLE 3,864 TO 3,935 FT. 30M WOB.				19 PLUGGING BACK		
05:45-06:00 1/4 Hr CIRCULATE SAMPLES.				20 FISHING/TIGHT HOLE/STUCK PIPE		
NOTE: CONTROLLED DRILLED WITH 10-25,000 LBS. 3,760 TO 3,833 FT.				21 DIRECTIONAL WORK/ORIENTING TOOLS		
NOTE: ATTEMPTED AIR AT 3,875'. PARTED 7" LINE TO GAS BUSTER.				22 COMPLETION		
BIT RECORD				23 WELD CASING HEAD		
				24 SAFETY MEETING		
				25 RIG DOWN BLOCIE LINE. RIG UP FLOWLINE.		
				TOTAL HOURS	24.00	

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS: 32nd			FROM	TO	FTG.	HRS.	CONDITION			BIT WT.	RPM
					T	B	G									
7	7-7/8"	SEC	ERA 25C	688174	11	11	11	3,760'	3,935'	175	12.50				10-30	50-60

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF. GPM	Ann Vel.		Pm	P low AT SPM
						DP	DC		
1	GD P28	6-1/2 X 8	100	1,000	285	166	300	760	
2	OPI 700	6 X 8							

MUD PROPERTIES												Time Sample Taken: 12:00 NOON	
Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID													
TYPE	MW in	VIS in	PY	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Pm	POMF	XS LIME	CHLORIDES
LSND	8.5	36	6	2	0/1	12.0	19.6		2/32	1.7	1.2/1.45		400
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW g/cc	VIS cm	F.L. TEMP	CALCIUM	PHPA-EXCESS			
1/4	2.50		97.5			8.5	36	76		120			

CASING	CONDUCTOR	SURFACE	PROTECTION	I.NFR	PRODUCTION
--------	-----------	---------	------------	-------	------------

LSND	8.5	36	6	2	0/1	12.0	19.6	2/32	1.7	1.2/1.45	400
% SANE	% SOLIDS	% OIL	% WA	ELEC. STAB	MBC	MW DR	VIS DR	TEMP	CALCIUM	PHPA-EXCESS	
1/4	2.50		97.5			8.5	36		120		

CASING													
CONDUCTOR			SURFACE			PROTECTION			LINER			PRODUCTION	
16" at 212 FT			8-5/8" at 3,760 FT			" at			" at			to	
												" at	

DRILL STRING											
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC	OD	ID	CONN.	BHA WEIGHT		
4-1/2	16.60	E	4-1/2 XH	3,243.68 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.		

BHA LENGTH-651.32 FT DESCRIPTION: BIT, BIT SUB, 17 - 6-3/8 INCH DRILL COLLARS, DAILY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION: 3/4 DEG at 3,854 FT at at at

PICK UP WEIGHT 120,000 LBS. SLACK OFF WEIGHT 118,000 LBS. ROTATING WEIGHT 119,000 LBS.

ROTATING HOURS ON DRILL COLLARS	13.50	LAST INSPECTION	11 MARCH 1999	COST	DAILY	CUMULATIVE
DAYS ON JARS	SER. NO. D-604-XA			MUD		
DAYS ON SHOCK SUB.	SER. NO.			WATER		
				DIESEL/OIL		
				TANGIBLE		
				RIG COST		
				INTANGIBLE		
				COMPLETION		
				TOTAL		

CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222

FOREMAN: ROBERT L. HOSFIELD
GEOLOGIST: BILL ELLIS

AFE No.: 1999-01

CONFIDENTIAL

from: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

Page 1 of 1

Sunday, March 14, 1999 8:14:30 AM To: TONY KOENIG

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 39 DEGREES F, CALM, CLEAR.

BBG = 6-9 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 14 UNITS AT 4,176 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1		DATE: 14 MAR 1999	RIG DAYS: 23	FOOTAGE	DATWORK 23	COMPLETION										
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 4,241 FT.		DEPTH: 4,241 FT	PROGRESS LAST 24 HRS.: 306 FT	DAILY ROP.(FT/HR): 15.30												
FORMATION: ORGAN ROCK		20 % SD.	70 % SH	% LM	% DOLO.	RKB.GL: 12.0 FT GLELE 4,910 FT										
% PYRITE		% CHERT	10 % SILTSTONE		TROUBLE TIME											
SUMMARY OF DAILY OPERATIONS				ACTIVITY												
06:00-06:15 1/4 Hr CIRCULATE SAMPLES. NO SHOWS.				1 DRILLING		20.00										
06:15-08:15 2 Hrs DRILL 7-7/8 INCH HOLE FROM 3,935 TO 3,989 FT.				2 REAMING OR WASHING												
08:15-08:30 1/4 Hr RIG SERVICE. FUNCTION TEST PIPE RAMS.				3 CORING												
08:30-09:45 3/4 Hr DRILL 7-7/8 INCH HOLE FROM 3,989 TO 4,020 FT.				4 CIRC. & COND MUD/LOST CIRC./JET PITS		0.75										
09:45-11:30 1-3/4 Hrs REPLACE FLOWLINE NIPPLE TO GAS BUSTER.				5 TRIPPING & PUL/D DRILL STRING												
11:30-12:30 1 Hr DRILL 7-7/8 INCH HOLE FROM 4,020 TO 4,051 FT.				6 RIG SERVICE		0.50										
12:30-13:00 1/2 Hr UNLOAD WELL WITH AIR.				7 RIG REPAIR		2.25										
13:00-16:30 3-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 4,051 TO 4,114 FT.				8 SLIP & CUT DRILL LINE												
16:30-17:00 1/2 Hr WIRELINE SURVEY AT 4,104 FT - 3/4 DEGREE.				9 DEVIATION & DIRECTIONAL SURVEYS		0.50										
17:00-05:00 12 Hrs DRILL 7-7/8 INCH HOLE FROM 4,114 TO 4,238 FT.				10 LOGGING												
05:00-05:15 1/4 Hr RIG SERVICE.				11 RUN CASING/SET SLIPS & CUT OFF												
05:15-05:45 1/2 Hr RIG REPAIR. MUD PUMP.				12 CEMENTING OR SQUEEZING												
05:45-06:00 1/4 Hr DRILL 7-7/8 INCH HOLE FROM 4,238 TO 4,241 FT.				13 TEST CEG. OR SHCE/DRLG OUT CEMENT												
NOTE: DRILLED WITH PARASITE STRING AIR WITH NO DRILLING RATE INCREASE. BOOSTER DOWN WITH DRIVE SHAFT FAILURE.				14 WAIT ON CEMENT												
				15 NU OR ND BOP/TEST BOP/CHG RAMS												
				16 DRILL STEM TEST												
				17 WAIT ON ORDERS - CONSULT GEOLOGIST												
				18 WAIT ON EQUIPMENT												
				19 PLUGGING BACK												
				20 FISHING/TIGHT HOLE/STUCK PIPE												
				21 DIRECTIONAL WORK/ORIENTING TOOLS												
				22 COMPLETION												
				23 WELD CASING HEAD												
				24 SAFETY MEETING												
				25 RIG DOWN BLOODIE LINE RIG UP FLOWLINE												
TOTAL HOURS						24.00										
BIT RECORD																
BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS-3rd			FROM	TO	FTG.	HRS.	CONDITION			BIT WT	RPM
					11	11	11					T	B	G		
7	7-7/8"	SEC	ERA 25C	688174	11	11	11	3,760'	4,241'	481	32.50				40-45	50-60
HYDRAULICS																
PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF. GPM	Ann Vel.		P/R	P law AT SPM							
						DP	DC									
1	GD P28	6-1/2 X 8	100	1,000	285	166	300	760	200 psi at 40 spm							
2	OPI 700	6 X 8														
MUD PROPERTIES																
Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 09:45 AM																
TYPE	MW in	VIS in	FV	VP	GELS	pH	WL-API	WL-HPHT	F.C.	Fm	PP/MI	XS LIME	CHLORIDES			
LSND	8.4	38	11	7	1/3	11.5	8.8		2/32	1.0	.6/1.1		400			
% SAND	% SOLIDS	% OIL	% WATER	ELEC STAB	MBC	MW out	VIS out	F.L TEMP	CALCIUM	PHPA-EXCESS						
TR	2.20		97.8			8.4	38	82	NIL							
CASING																
CONDUCTOR		SURFACE		PROTECTION		LINER		PRODUCTION								

LSND	8.4	38	11	7	1/3	11.5	8.8	2/32	1.0	6/1.1	400
% SAND	% SOLIDS	% OIL	% WATER	ELEC STAB	MBC	MW out	VIS out	TEMP	CALCIUM	PHPA-EXCESS	
TR	2.20		97.8			8.4	38		NIL		

CASING													
CONDUCTOR			SURFACE			PROTECTION			LINER			PRODUCTION	
16" at 212 FT			8-5/8" at 3,760 FT			" at			" at to			" at	

DRILL STRING											
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC	OD	ID	CONN.	BHA WEIGHT		
4-1/2	16.60	E	4-1/2 XH	3,545.39 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.		

BHA LENGTH=655.61 FT DESCRIPTION: BIT, BIT SUB, 17 - 6-3/8 INCH DRILL COLLARS, DAILY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION 3/4 DEG at 4,104 FT at at at

PICK UP WEIGHT 128,000 LBS. SLACK OFF WEIGHT 126,000 LBS. ROTATING WEIGHT 127,000 LBS.

ROTATING HOURS ON DRILL COLLARS 32.50				LAST INSPECTION 11 MARCH 1999				COST		DAILY		CUMULATIVE	
9		DAYS ON JARS SER. NO. D-504-XA						MUD					
DAYS ON SHOCK SUB. SER. NO.								WATER					
								DIESEL/OIL					
								TANGIBLE					
								RIG COST					
								INTANGIBLE					
								COMPLETION					
								TOTAL					

CONTRACTOR and RIG No.:	FOREMAN:	AFE No.:
AZTEC WELL SERVICING CO.	ROBERT L. HOSFIELD	1999-01
RIG NO. 222	GEOLOGIST: BILL ELLIS	

CONFIDENTIAL

43-017-30136

T36S R10E Sec 29

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 38 DEGREES F, 0-5 mph NORTHWEST WIND, CLOUDY.

BBG=6 UNITS. CG=0 UNITS. TG=11 UNITS. MAXG=11 UNITS AT 4,291 FT.

WELL NAME MULEY CREEK FEDERAL 29 NO. 1		DATE 15 MAR 1999	RIG DAYS 24	FOOTAGE	DAYWORK 24	COMPLETION
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 4,421 FT.		DEPTH: 4,421 FT	PROP T.D.: 7,800 FT	PROGRESS LAST 24 HRS.: 180 FT		DAILY ROP (FT/HR): 12.63
FORMATION: ORGAN ROCK		10 1/4 SD	70 1/4 SH	1/4 LM	1/4 DQD	RKB-GL 12.0 FT
GLELE 4,910 FT						
SUMMARY OF DAILY OPERATIONS		ACTIVITY				TROUBLE TIME
06:00-09:00 3 Hrs DRILL 7-7/8 INCH HOLE FROM 4,241 TO 4,259 FT.		1 DRILLING				14.25
09:00-09:15 1/4 Hr RIG SERVICE.		2 REAMING OR WASHING				2.00
09:15-16:30 7-1/4 Hrs DRILL 7-7/8 INCH HOLE FROM 4,259 TO 4,331 FT.		3 CORING				
16:30-19:15 2-3/4 Hrs DROP SURVEY. PULL OUT OF HOLE. NO PROBLEMS. DROPPED SURVEY AT 4,290 FT - 3/4 DEGREE.		4 CIRC. & COND MUD/LOST CIRC/SET PITS				1.00
19:15-20:15 1 Hr CLEAN DESILTER PIT.		5 TRIPPING & PULL DRILL STRING				6.25
20:15-20:30 1/4 Hr FUNCTION TEST PIPE AND BLIND RAMS.		6 RIG SERVICE				0.25
20:30-23:30 3 Hrs MAKE UP BIT & BHA. RIH. NO PROBLEMS. SLM = 60 FT CORRECTION TO 4,391 FT.		7 RIG REPAIR				
23:30-24:00 1/2 Hr LAY DOWN 3 SINGLES.		8 SLIP & CUT DRILL LINE				
24:00-02:00 2 Hrs PRECAUTIONARY WASH & REAM 4,261 TO 4,391 FT.		9 DEVIATION & DIRECTIONAL SURVEYS				
02:00-06:00 4 Hrs DRILL 7-7/8 INCH HOLE FROM 4,391 TO 4,421 FT.		10 LOGGING				
NOTE: AT 02:30 AM STARTED AIR DOWN PARASITE STRING.		11 RUN CASING/SET SLIPS & CUT OFF				
		12 CEMENTING OR SQUEEZING				
		13 TEST CSG OR SHO/DRG OUT CEMENT				
		14 WAIT ON CEMENT				
		15 NU OR ND BOR/TEST BOR/CHG. RAME				0.25
		16 DRILL STEM TEST				
		17 WAIT ON ORDERS - CONSULT GEOLOGIST				
		18 WAIT ON EQUIPMENT				
		19 FLUOGING BACK				
		20 FISHING/TIGHT HOLE/STUCK PIPE				
		21 DIRECTIONAL WORK/ORIENTING TOOLS				
		22 COMPLETION				
		23 WELD CASING HEAD				
		24 SAFETY MEETING				
		25 RIG DOWN BLOWIE LINE RIG UP FLOWLINE				
TOTAL HOURS					24.00	

BIT RECORD

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS: 2nd			FROM	TO	FTG.	MNS.	CONDITION			BIT WT.	RPM
					T	B	G									
7	7-7/8"	SEC	ERA 25C	688174	11	11	11	3,760'	4,391'	631	42.75	6	6E	1/16	40-45	50-60
8	7-7/8"	RTC	HP53A	R25629	11	11	11	4,391'	4,421'	30	4.00				15-32	50-70

HYDRAULICS

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	93% EFF	Ann Vcl.		PWR	Flow AT SPM
					OPM	DP	DC		
1	GD PZ8	6-1/2 X 8	80	800	278	135	250	498	
	AIR COMPRESSOR			800	650 CFM				

MUD PROPERTIES

Mud Co. **ROCKY MTN FLUID** Mud Engr. **DANNY REID** Time Sample Taken **10:00 AM**

TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-AP1	WL-HPHT	F.C.	Pm	PPM	XS LIME	CHLORIDES
LSND	8.5	37	13	6	1/4	10.0	9.0		2/32	5	4/8		400
1/2 SAND	1/2 SOLIDS	1/2 OIL	1/2 WATER	ELEC STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS			
TR	2.20		97.8			8.5	37	82		40			

CASING

CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at	" at

DRILL STRING

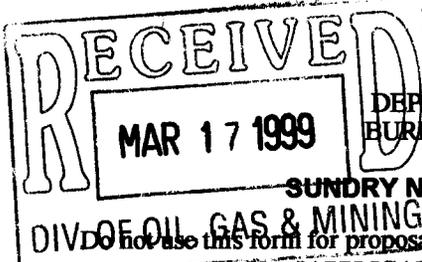
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC.	OD	ID	CONN.	BHA WEIGHT
4-1/2	16.60	B	4-1/2 XH	3,715.74 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH-665.26 FT DESCRIPTION: BIT, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION 3/4 DEG at 4,350 FT at at at

PICK UP WEIGHT 128,000 LBS. SLACK OFF WEIGHT 126,000 LBS. ROTATING WEIGHT 127,000 LBS.

ROTATING HOURS ON DRILL COLLARS 46.75	LAST INSPECTION 11 MARCH 1999	COST	DAILY	CUMULATIVE
		MUD		
10 DAYS ON JARS SER. NO. D-604-XA		WATER		
		DIESEL/OIL		
DAYS ON SHOCK SUB SER. NO.		TANGIBLE		
		RIG COST		
CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222		FOREMAN: ROBERT L. HOSFIELD	AFB No.: 1999-01	
		GEOLOGIST: BILL ELLIS	COMPLETION TOTAL	



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0315
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

5. Lease Designation and Serial No.
UTU-63100

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and NO.
Muley Creek Fed. #29-1

9. API Well No.
43-017-30136

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State
Garfield, Utah

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT---" for such proposals

SUBMIT IN TRIPLICATE

CONFIDENTIAL

1. Type of Well
 Oil Well
 Gas Well
 Other

2. Name of Operator
Clifford Atkinson III

3. Address and Telephone No.
900 N.E. Loop 410, D-100

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2505' FNL, 623' FEL (SENE) Sec. 29, T36S-R10E

12 CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Alter Casing
	<input checked="" type="checkbox"/> Other Running 8-5/8" Casing
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

Drilled 14-3/4" hole from 212' to 3760'. Logged hole with FDC/CNL/DIL/GR/CAL. LD 10" collars and BHA. Ran 85 Jts of 8-5/8" 32#/ft J-55 8rd ST&C casing to 3760'. Ran Parasite injection sub at 3284'. Ran 100 jts of 2-1/16" 3.25#/ft J-55 10rd IJ tubing as parasite tubing. Circulated casing and cemented with 905 sxs of class G + 5% salt, + 12% Gel, + 1% extender, + 0.25% Fluid Loss+ 1/2 #/sx CelloFlake + 0.2% antifoamer + 10#/sx Kolite (LCM). Wt = 11.0 ppg, Yld=4.02cuft/sx. Tailed in with 540 sxs of Class G + 1/2#/sx CelloFlake, + 10#/sx Kolite (LCM) + 1% CaCl2. Wt=15.4 ppgg, Yld=1.27cuft/sx. Displaced with 226 Bbls of water. Bumped plug and pressured casing to 1300 psi, OK. Released pressure, floats held. Full returns thru-out job, circulated 110 Bbls (189 sxs) to pit. Ran 190' of 1" and displaced 11.0 ppg cement out with 180 sxs of Class G + 3% Cacl2 + 2% Salt. Cement at surface. Cut off 16" casing head and welded on base plate for 8-5/8" casing. Cutoff 8-5/8" casing and welded on 8-5/8" x 3M head. Tested welds to 1500 psi for 15 min, OK. NU 3M Bop stack and choke manifoldw/Rotating Head. Tested stack and manifold to 3M, OK. Tested 8-5/8" casing to 1500 psi for 15 min, OK. Drilled cement and shoe. Performed F.I.T. to 10.4 ppg, OK. Drilling ahead at 11:30 hrs on March 12, 1999.

14. I hereby certify that the foregoing is true and correct.

Signed *Gary Koening* Title Consultant Date March 15, 1999

(This space for Federal or State official)

Approved by _____ Title _____ Date _____

Conditions of approval, if any;

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

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 38 DEGREES F, 5-8 mph NORTH WIND, PARTLY CLOUDY.

BBG=6-8 UNITS. CG=0 UNITS. TG=0 UNITS. MAXG=14 UNITS AT 4,641 FT.

Table with columns: WELL NAME, DATE, RIG DAYS, FOOTAGE, DAYWORK, COMPLETION, PRESENT OPERATION, DEPTH, PROGRESS LAST 24 HRS., DAILY ROP (FT/HR), FORMATION, SUMMARY OF DAILY OPERATIONS, ACTIVITY, TROUBLE TIME.

BIT RECORD

Table with columns: BIT NO., SIZE, MFG., TYPE, SERIAL NO., SETS, FROM, TO, FTG., HRS., CONDITION, BIT WT., RPM.

HYDRAULICS

Table with columns: PUMP NO., MAKE/MODEL, SIZE, RPM, PRESSURE, 95% EFF., AIR YEL., PWB, F W W AT RPM.

Table with columns: MUD PROPERTIES, Mud Co. ROCKY MTN FLUID, Mud Ener. DANNY REID, Time Sample Taken 10:30 AM.

Table with columns: CASING, CONDUCTOR, SURFACE, PROTECTION, LINER, PRODUCTION.

Table with columns: DRILL STRING, DP SIZE, WEIGHT, GRADE, CONN., LENGTH, NO. OF DC, OD, ID, CONN., BHA WEIGHT.

BHA LENGTH= 665.26 FT DESCRIPTION: BIT, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION at at at at

PICK UP WEIGHT 138,000 LBS. SLACK OFF WEIGHT 136,000 LBS. ROTATING WEIGHT 134,000 LBS.

Table with columns: ROTATING HOURS ON DRILL COLLARS, LAST INSPECTION, CONTRACTOR and RIG No., FOREMAN, AFE No., COST, DAILY, CUMULATIVE, MUD, WATER, DIESEL/OIL, TANGIBLE, RIG COST, INTANGIBLE, COMPLETION, TOTAL.

408
21

From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

Page 1 of 1

Wednesday, March 17, 1999 8:26:25 AM To: TONY KOENIG

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 38 DEGREES F, 10-15 mph NORTHWEST WIND, PARTLY CLOUDY.

BEG = 6-8 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 11 UNITS AT 4.944 FT.

WELL NAME:	DATE:	RIG DAYS:	FOOTAGE:	DATEWORK:	COMPLETION:
MULEY CREEK FEDERAL 29 NO. 1	17 MAR 1999 SPUD DATE: 10 FEB 1999	26		26	
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 5090 FT.	DEPTH: 5,090 FT PROP. T.D.: 7,800 FT	PROGRESS LAST 24 HRS.: 408 FT	DAILY ROP, FT/HR: 19.43		
FORMATION: CEDAR MESA	95% SD, 5% SH, 1% LM	% DOLO:	RKB-GL: 12.0 FT	GLE-LE: 4,910 FT	
SUMMARY OF DAILY OPERATIONS		ACTIVITY		TROUBLE TIME	
06:00-07:30 1-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 4,682 TO 4,704 FT.		1 DRILLING		21.00	
07:30-08:00 1/2 Hr CIRC. WIRELINE SURVEY AT 4,693 FT - 3/4 DEGREE.		2 REAMING OR WASHING			
08:00-08:15 1/4 Hr RIG SERVICE FUNCTION TEST PIPE RAMS. HELD BOP DRILL.		3 CORING			
08:15-09:30 1-1/4 Hrs DRILL 7-7/8 INCH HOLE FROM 4,704 TO 4,735 FT.		4 CIRC. & COND MUD/LOST CIRC./JET PITS			
09:30-10:30 1 Hr CHANGE ROTATING HEAD RUBBER.		5 TRIPPING & PUL/D DRILL STRING			
10:30-11:30 1 Hr DRILL 7-7/8 INCH HOLE FROM 4,735 TO 4,756 FT.		6 RIG SERVICE		0.50	
11:30-12:30 1 Hr RIG REPAIR. ROTARY TABLE CHAIN.		7 RIG REPAIR		1.00	
12:30-01:30 13 Hrs DRILL 7-7/8 INCH HOLE FROM 4,756 TO 5,016 FT.		8 SLIP & CUT DRILL LINE			
01:30-01:45 1/4 Hr RIG SERVICE.		9 DEVIATION & DIRECTIONAL SURVEYS		0.50	
01:45-06:00 4-1/4 Hrs DRILL 7-7/8 INCH HOLE FROM 5,016 TO 5,090 FT.		10 LOGGING			
		11 RUN CASING/RET SLIP & CUT OFF			
		12 CEMENTING OR SQUEEZING			
		13 TEST CSG OR SHO/ DRLO. OUT CEMENT			
		14 WAIT ON CEMENT			
		15 HU OR ND BOP/TEST BOP/CHG. RAMS		1.00	
		16 DRILL STEM TEST			
		17 WAIT ON ORDERS - CONSULT GEOLOGIST			
		18 WAIT ON EQUIPMENT			
		19 PLUGGING BACK			
		20 FISHING/TIGHT HOLE/STUCK PIPE			
		21 DIRECTIONAL WORK/ORIENTING TOOLS			
		22 COMPLETION			
		23 WELD CASING HEAD			
		24 SAFETY MEETING			
		25 RIG DOWN BLOCIE LINE, RIG UP FLOWLINE			
		TOTAL HOURS		24.00	

BIT NO	SIZE	MPG	TYPE	SERIAL NO.	JETS: 3rd	FROM	TO	FTS.	HRS	CONDITION			BIT WT.	RPM
										T	B	G		
8	7-7/8"	RTC	HP53A	R25629	11 11 11	4,391'	5,090'	699	46.75				45-50	50-60

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF. GPM	Ann Vol.		Psh	Flow AT SPM
						DP	DC		
1	GD PZ8	6-1/2 X 8	80	800	228	135	250	498	
AIR COMPRESSOR									
800 650 CFM									

MUD PROPERTIES													Mud Co. ROCKY MTN FLUID		Mud Engr. DANNY REID		Time Sample Taken 10:00 AM	
TYPE	MW in	VIS in	FV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Pm	POMI	XS LIME	CHLORIDES					
LSD	8.7	37	13	6	0/2	10.5	6.0		2/32	.7	6/1.0		400					
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW eq	VIS eq	F.L. TEMP	CALCIUM	PHPA-EXCESS								
1/4	2.70		97.3			8.7	37	82	60									

CONDUCTOR		SURFACE		PROTECTION		LINER		PRODUCTION	
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at	" at	" at	to	" at	" at	" at

DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC.	OD.	ID.	CONN.	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	4,384.74 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH=665.26 FT DESCRIPTION: BIT, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION 3/4 DEG at 4,693 FT at at at

PICK UP WEIGHT 138,000 LBS. SLACK OFF WEIGHT 132,000 LBS. ROTATING WEIGHT 134,000 LBS.

ROTATING HOURS ON DRILL COLLARS		LAST INSPECTION		COST	
12	DAYS ON JARS SER. NO. D-604-XA	11	MARCH 1999	DAILY	CUMULATIVE
DAYS ON SHOCK SUB. SER. NO.				MUD	
				WATER	
				DIESEL OIL	
				TANGIBLE	
				RIG COST	
				INTANGIBLE	
				COMPLETION	
				TOTAL	

CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222 FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS AFE No.: 1999-01

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings

WEATHER: 39 DEGREES F, 2-5 mph NORTH WIND, CLEAR.

BBG = 6 UNITS. CQ = 0 UNITS. TG = 0 UNITS. MAXG = 14 UNITS AT 5,046 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 18 MAR 1999	RIG DAYS 27	FOOTAGE	DAYWORK 27	COMPLETION
	SPUD DATE: 10 FEB 1999				

PRESENT OPERATION: CUT AND SLIP DRILLING LINE.	DEPTH: 5,287 FT	PROGRESS LAST 24 HRS.: 197 FT	DAILY ROP (FT/HR): 16.77
	PROP. TD: 7,800 FT		

FORMATION CEDAR MESA	98 % SD	2 % SH	% LM	% DOLO	RKB-GL: 12.0 FT	GLELE 4,910 FT
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% PYRITE	TR% CHERT	% SILTSTONE	ACTIVITY	TROUBLE TBAE
SUMMARY OF DAILY OPERATIONS			1 DRILLING	11.75
			2 REAMING OR WASHING	
			3 CORING	
06:00-06:30 1/2 Hr DRILL 7-7/8 INCH HOLE FROM 5,090 TO 5,096 FT. 12			4 CIRC. & COND MUD/LOST CIRC./NET PITS	0.75
06:30-09:30 3 Hrs RIG REPAIR. ROTARY TABLE CHAIN.			5 TRIPPING & PULD DRILL STRING	7.50
			6 RIG SERVICE	0.25
09:30-11:30 2 Hrs DRILL 7-7/8 INCH HOLE FROM 5,096 TO 5,139 FT. 11.5			7 RIG REPAIR	3.00
11:30-12:15 3/4 Hr WIRELINE SURVEY AT 5,129 FT - 1-1/4 DEGREE.			8 SLIP & CUT DRILL LINE	
			9 DEVIATION & DIRECTIONAL SURVEYS	0.75
12:15-17:15 5 Hrs DRILL 7-7/8 INCH HOLE FROM 5,139 TO 5,222 FT. 14.6			10 LOGGING	
			11 RUN CASING /SET SLIPS & CUT OFF	
17:15-18:00 3/4 Hr CIRCULATE SAMPLES. NO SHOWS.			12 CEMENTING OR SQUEEZING	
18:00-18:30 1/2 Hr DRILL 7-7/8 INCH HOLE FROM 5,222 TO 5,231 FT. 14			13 TEST CSD. OR SHOW. DRUG. OUT CEMENT	
18:30-18:45 1/4 Hr RIG SERVICE.			14 WAIT ON CEMENT	
			15 NU OR ND BOP/TEST BOP/CHG RAMS	
18:45-22:30 3-3/4 Hr DRILL 7-7/8 INCH HOLE FROM 5,231 TO 5,287 FT. 14.9			16 DRILL STEM TEST	
			17 WAIT ON ORDERS - CONSULT GEOLOGIST	
22:30-01:00 2-1/2 Hrs DROP SURVEY. PULL OUT OF HOLE.			18 WAIT ON EQUIPMENT	
01:00-02:00 1 Hr LAY DOWN 32 JOINTS DRILL PIPE W/O HARD BAND.			19 PLUGGING BACK	
02:00-03:00 1 Hr PULL OUT OF HOLE. FUNCTION TEST BLIND RAMS.			20 FISHING/TIGHT HOLE/STUCK PIPE	
DROPPED SURVEY AT 5,253 FT - 1 DEGREE.			21 DIRECTIONAL WORK/ORIENTING TOOLS	
03:00-06:00 3 Hrs CHANGE BIT. CHANGE ROLLER REAMERS. RUN IN HOLE WITH DRILL COLLARS. PREPARE TO CUT AND SLIP DRILLING LINE.			22 COMPLETION	
			23 WELD CASING HEAD	
			24 SAFETY MEETING	
			25 RIG DOWN BLOCIE LINE RIG UP FLOWLINE	
			TOTAL HOURS	24.00

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS: 32nd	FROM	TO	FTG.	HRS.	CONDITION			BIT WT	RPM
										T	B	G		
8	7-7/8"	RTC	HP53A	R25629	11 11 11	4,391'	5,287'	896	58.50	8	5	3/32	45-50	50-60
9	7-7/8"	STC	F37H	LT4779	11 11 11	5,287'								

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF. GPM	Ann Val		PHW	Flow AT SPN
						DP	DC		
1	GD PZR	6-1/2 X 8	80	800	228	135	250	498	
AIR COMPRESSOR				800	650 CFM				

MUD PROPERTIES													
Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 09:45 AM													
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Fm	FPMI	XS LIME	CHLORIDES
LSD	8.7	38	16	6	1/3	10.5	6.0		2/32	.6	6/1.2		400
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW DR	VIS DR	F.L. TEMP	CALCIUM	PHPA-EXCESS			
NIL	2.40		97.6			8.7	38	82	40				

CASING				
CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at to	" at

DP SIZE	WEIGHT	GRADE	CONN	LENGTH	NO. OF DC	OD	ID	CONN	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	4,581.74 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH= 665.26 FT DESCRIPTION: BIT, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION 1-1/4 DEG at 5,129 FT 1 DEG at 5,253 FT at at

PICK UP WEIGHT 140,000 LBS	SLACK OFF WEIGHT 136,000 LBS.	ROTATING WEIGHT 138,000 LBS.
ROTATING HOURS ON DRILL COLLARS 101.25		COST DAILY CUMULATIVE
LAST INSPECTION 11 MARCH 1999		MUD
13 DAYS ON JARS SER. NO. D-404-XA		WATER
DAYS ON SHOCK SUB. SER. NO.		DIESEL/OIL
CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222		TANGIBLE
FOREMAN: ROBERT L. HOSFIELD		RIG COST
GEOLOGIST: BILL ELLIS		INTANGIBLE
AFE No.: 1999-01		COMPLETION
		TOTAL

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 39 DEGREES F, 2-5 mph NORTHEAST WIND, CLEAR.

BBG = 6-8 UNITS, CG = 0 UNITS, TG = 0 UNITS, MAXG = 11 UNITS AT 5,378 FT.

Table with columns: WELL NAME, DATE, RIG DAYS, FOOTAGE, DAYWORK, COMPLETION, PRESENT OPERATION, DEPTH, PROGRESS LAST 24 HRS., DAILY ROP, FORMATION, PERCENTAGE, ACTIVITY, TIME.

BIT RECORD table with columns: BIT NO, SIZE, MFG, TYPE, SERIAL NO, JETS, FROM, TO, FTG, HRS, CONDITION, BIT WT, RPM.

HYDRAULICS table with columns: PUMP NO, MAKE/MODEL, SIZE, RPM, PRESSURE, GPM, 55% EFF, Air Vol, Flow AT RPM.

MUD PROPERTIES table with columns: TYPE, MW in, VIS in, PV, YP, GELS, pH, WL-API, WL-NPHT, F.C., Pm, PPM, XS LIME, CHLORIDES.

CASING table with columns: CONDUCTOR, SURFACE, PROTECTION, LINER, PRODUCTION.

DRILL STRING table with columns: DP SIZE, WEIGHT, GRADE, CONN, LENGTH, NO. OF DC, OD, ID, CONN, BHA WEIGHT.

BHA LENGTH=665.63 FT DESCRIPTION: BIT, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION at at at at

PICK UP WEIGHT 159,000 LBS SLACK OFF WEIGHT 154,000 LBS. ROTATING WEIGHT 156,000 LBS.

Table with columns: ROTATING HOURS ON DRILL COLLARS, DAYS ON JARS, DAYS ON SHOCK SUB, FOREMAN, AFE No., COST, DAILY, CUMULATIVE.

From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

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Saturday, March 20, 1999 7:45:44 AM To: TONY KOENIG

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 41 DEGREES F, 2-5 mph NORTHEAST WIND, CLEAR.

BBG = 2-6 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 9 UNITS AT 5,578 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1		DATE: 20 MAR 1999	RIG DAYS: 29	FOOTAGE	DAYWORK 29	COMPLETION
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 5,897 FT.		SPUD DATE: 10 FEB 1999	DEPTH: 5,897 FT PROP. T.D.: 7,800 FT	PROGRESS LAST 24 HRS.: 407 FT	DAILY ROP.(FT/HR): 17.70	
FORMATION: CEDAR MESA	99 % SD	1 % SH	% LM	% DOLO	RKB-OL: 12.0 FT	OLELE 4,910 FT
SUMMARY OF DAILY OPERATIONS			ACTIVITY		TROUBLE TIME	
06:00-09:00 3 Hrs DRILL 7-7/8 INCH HOLE FROM 5,490 TO 5,552 FT. ^{20.7}			1 DRILLING		23.00	
09:00-09:15 1/4 Hr RIG SERVICE			2 REAMING OR WASHING			
09:15-17:30 8-1/4 Hrs DRILL 7-7/8 INCH HOLE FROM 5,552 TO 5,701 FT. ^{18.1}			3 CORING			
17:30-18:15 3/4 Hrs WIRELINE SURVEY AT 5,690 FT - 1/4 DEGREE			4 CIRC. & COND MUD/LOST CIRC./SET PITS			
18:15-06:00 11-3/4 Hrs DRILL 7-7/8 INCH HOLE FROM 5,701 TO 5,897 FT. ^{16.7}			5 TRIPPING & PULD DRILL STRING			
			6 RIG SERVICE		0.25	
			7 RIG REPAIR			
			8 SLIP & CUT DRILL LINE			
			9 DEVIATION & DIRECTIONAL SURVEYS		0.75	
			10 LOGGING			
			11 RUN CASING /SET SLIPS & CUT OFF			
			12 CEMENTING OR SQUEEZING			
			13 TEST CSQ. OR SHO/ DRLG. OUT CEMENT			
			14 WAIT ON CEMENT			
			15 NU OR ND BOP/TEST BOP/CHG RAMS			
			16 DRILL STEM TEST			
			17 WAIT ON ORDERS - CONSULT GEOLOGIST			
			18 WAIT ON EQUIPMENT			
			19 PLUGGING BACK			
			20 FISHING/TIGHT HOLE/STUCK PIPE			
			21 DIRECTIONAL WORK/ORIENTING TOOLS			
			22 COMPLETION			
			23 WELD CASING HEAD			
			24 SAFETY MEETING			
			25 AIR COMPRESSOR			
TOTAL HOURS					24.00	

BIT RECORD																
BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS- 3rd			FROM	TO	FTG.	HRS.	CONDITION			BIT WT.	RPM
					I	B	G									
9	7-7/8"	STC	F37M	LT4779	11	11	11	5,287	5,897	610	34				40-45	50-60

HYDRAULICS										
PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF. GPM	Ann Vel		Pink	Flow AT SPM	
1	GD PZ8	6-1/2 X 8	80	800	228	DP	DC	537	250 psi at 54 spm	
	AIR COMPRESSOR			1,000	900 CFM					

MUD PROPERTIES													
Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID										Time Sample Taken 11:30 AM			
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	FC	Pro	PUM	X8 LIME	CHLORIDES
LS DISP	8.6	37	15	5	1/2	10.0	8.8		2/32	.4	4.85		400
% SAND	% SOLIDS	% OIL	% WATER	ELEC STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM		PHPA-EXCESS		
TR	2.50		97.5			8.6	37	80	40				

CASINO															
CONDUCTOR			SURFACE			PROTECTION			LINER			PRODUCTION			

LS DISP	8.6	37	15	5	1/2	10.0	8.8	2/32	.4	4/85	400
% SAND	% SOLIDS	% OIL	% WA	ELEC STAB	MBC	MW out	VIS out	TEMP	CALCIUM	PHPA-EXCESS	
TR	2.50		97.1			8.6	37		40		
CASINO											
CONDUCTOR			SURFACE		PROTECTION		LINER			PRODUCTION	
16" at 212 FT			8-5/8" at 3,760 FT		" at		" at to			" at	
DRILL STRING											
DP SIZE	WEIGHT	GRADE	CONN	LENGTH	NO. OF DC	OD	ID	CONN	BHA WEIGHT		
4-1/2	16.60	E	4-1/2 XH	5,191.37 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.		
BHA LENGTH=665.63 FT			DESCRIPTION: BIT, 6-FT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-FT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.								
DEVIATION 1/4 DEG at 5,690 FT at at at											
PICK UP WEIGHT 164,000 LBS.			SLACK OFF WEIGHT 158,000 LBS.				ROTATING WEIGHT 160,000 LBS.				
ROTATING HOURS ON DRILL COLLARS 138.25			LAST INSPECTION 11 MARCH 1999			COST		DAILY		CUMULATIVE	
15 DAYS ON JARS SER. NO. D-804-XA						MUD					
DAYS ON SHOCK SUB. SER. NO.						WATER					
CONTRACTOR and RIG No.:			FOREMAN:			AFE No.:			DIESEL/OIL		
AZTEC WELL SERVICING CO.			ROBERT L. HOSFIELD			1999-01			TANGIBLE		
RIG NO. 222			GEOLOGIST: BILL ELLIS						RIG COST		
									INTANGIBLE		
									COMPLETION		
									TOTAL		

CONFIDENTIAL

From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

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Sunday, March 21, 1999 7:46:17 AM To: TONY KOENIG

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 41 DEGREES F. 10-15 mph SOUTHWEST WIND, CLEAR.

BG = 2.6 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 9 UNITS AT 5,956 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1		DATE: 21 MAR 1999	RIG DAYS: 30	FOOTAGE	DAYWORK 30	COMPLETION
PRESENT OPERATION: CIRCULATE TO DROP SURVEY & TRIP FOR BIT.		SPUD DATE: 10 FEB 1999	DEPTH: 6,091 FT	PROGRESS LAST 24 HRS. 194 FT		DAILY ROP (FT/HR) 8.26
ELEPHANT CANYON FORMATION: RECCO		30 % SD	10 % LM	% DOLO.	RKB-GL: 12.0 FT	GLE ELE 4.910 FT
SUMMARY OF DAILY OPERATIONS		ACTIVITY		TROUBLE TIME		
06:00-08:00 2 Hrs DRILL 7-7/8 INCH HOLE FROM 5,897 TO 5,920 FT. 2.5		1 DRILLING		23.50		
08:00-08:15 1/4 Hr RIG SERVICE		2 REAMING OR WASHING				
08:15-19:15 11 Hrs DRILL 7-7/8 INCH HOLE FROM 5,920 TO 6,012 FT. 2.9		3 CORING				
19:15-19:30 1/4 Hr RIG SERVICE		4 CIRC. & COND MUD/LOST CIRC./JET PITS				
19:30-06:00 10-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 6,012 TO 6,091 FT. 7.5		5 TRIPPING & PUL/D DRILL STRING		0.50		
		6 RIG SERVICE				
		7 RIG REPAIR				
		8 SLIP & CUT DRILL LINE				
		9 DEVIATION & DIRECTIONAL SURVEYS				
		10 LOGGING				
		11 RUN CASING /SET SLIPS & CUT OFF				
		12 CEMENTING OR SQUEEZING				
		13 TEST CSG. OR SHO/ DRLE. OUT CEMENT				
		14 WAIT ON CEMENT				
		15 NU OR NO ROP/FEET BOP/CHG RAMS				
		16 DRILL STEM TEST				
		17 WAIT ON ORDERS - CONSULT GEOLOGIST				
		18 WAIT ON EQUIPMENT				
		19 PLUGGING BACK				
		20 FISHING/TIGHT HOLE/STUCK PIPE				
		21 DIRECTIONAL WORK/ORIENTING TOOLS				
		22 COMPLETION				
		23 WELD CASING HEAD				
		24 SAFETY METTING				
		25 AIR COMPRESSORS				
TOTAL HOURS				24.00		

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS: 32nd			FROM	TO	FTG.	HRS.	CONDITION			BIT WT	RFM
					T	B	C									
9	7-7/8"	STC	F37H	LT4779	11	11	11	5,287'	6,091"	804	57.50				40-45	50-60

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF	Air Vel		FPH	P low AT SPM
						DP	DC		
1	GD P28	6-1/2 X 8	80	800	228	134	245	537	250 psi at 54 spm
	AIR COMPRESSOR			1,000	800 CFM				

MUD PROPERTIES													
Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 10:00 AM													
TYPE	MW lb	VIS in	FY	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Fm	FUME	XS LIME	CHLORIDES
LS DISP	8.6	37	15	5	1/2	10.0	9.0		2/32	.4	4/80		300
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW wgt	VIS wgt	F.L. TEMP	CALCIUM	PHPA EXCESS			
TR	2.50		97.5			8.6	37	82	40				

CASING	CONDUCTOR	SURFACE	PROTECTION	T.N.W.R	PROTECTION

LS DISP	8.6	37	15	5	1/2	10.0	9.0	2/32	4	4/80	300
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW out	VIS out	F	MP	CALCIUM	PHPA-EXCESS
TR	2.50		97.5			8.6	37			40	
CASING											
CONDUCTOR		SURFACE		PROTECTION		LINER			PRODUCTION		
16" at 212 FT		8-5/8" at 3,760 FT		" at		" at to			" at		
DRILL STRING											
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO OF DC.	OD	ID	CONN	BHA WEIGHT		
4-1/2	16.60	E	4-1/2 XH	5,385.37 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.		
BHA LENGTH= 665.63 FT		DESCRIPTION: BIT, 6-FT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-FT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.									
DEVIATION at at at at											
PICK UP WEIGHT 168,000 LBS.		SLACK OFF WEIGHT 160,000 LBS.				ROTATING WEIGHT 165,000 LBS.					
ROTATING HOURS ON DRILL COLLARS 158.75		LAST INSPECTION 11 MARCH 1999				COST		DAILY		CUMULATIVE	
16	DAYS ON JARS	SER. NO.	D - 604 - XA		MUD		WATER		DIESEL/OIL		
DAYS ON SHOCK SUB.		SER. NO.			TANGIBLE		RIG COST		INTANGIBLE		
CONTRACTOR and RIG No.:		FOREMAN:		AFE No.:		COMPLETION		TOTAL		CONFIDENTIAL	
AZTEC WELL SERVICING CO.		ROBERT L. HOSFIELD		1999-01							
RIG NO. 222		GEOLOGIST: BILL ELLIS									

CONOCO

From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

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Monday, March 22, 1999 8:25:22 AM To: TONY KOENIG

43-017-30136
T36S R10E sec 29

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 43 DEGREES F, 8-10 mph NORTHWEST WIND, CLEAR.

BBG = 2-6 UNITS. CG = 0 UNITS. TG = 12 UNITS. MAXG = 13 UNITS AT 6,125 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 22 MAR 1999	RIG DAYS: 31	FOOTAGE	DAYWORK 31	COMPLETION
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 6,148 FT.	SPUD DATE: 10 FEB 1999	DEPTH: 6,148 FT	PROGRESS LAST 24 HRS.: 57 FT	DAILY ROP (FT/HR): 5.07	
FORMATION: RECCO	30 % SD.	70 % LM	1/4 DOLO.	RKB-GL: 12.0 FT	GLELE 4,910 FT
1/4 PYRITE	1/4 CHERT	1/4 SILTSTONE	ACTIVITY		TROUBLE TIME
SUMMARY OF DAILY OPERATIONS			1 DRILLING	11.25	
			2 REAMING OR WASHING	2.00	
			3 CORING		
06:00-10:00 4 Hrs CIRCULATE. DROP SURVEY. LAY DOWN 31 JOINTS			4 CIRC. & COND MUD/LOST CIRC./JET PITS		
SMOOTH DRILL PIPE. PULL OUT OF HOLE. NO PROBLEMS.			5 TRIPPING & FUL/D DRILL STRING	10.25	
DROPPED SURVEY AT 6,051 FT - 2 DEGREES.			6 RIG SERVICE	0.50	
			7 RIG REPAIR		
10:00-11:00 1 Hr MAKE UP BIT AND JUNK SUB. FUNCTION TEST			8 SLIP & CUT DRILL LINE		
BLIND RAMS.			9 DEVIATION & DIRECTIONAL SURVEYS		
11:00-14:00 3 Hrs RUN IN HOLE WITH DRILL COLLARS. PICK UP 31			10 LOGGING		
JOINTS HARD BANDED DRILL PIPE.			11 RUN CASING /SET SLIP & CUT OFF		
14:00-16:15 2-1/4 Hrs RUN IN HOLE TO 6,043 FT. NO PROBLEMS.			12 CEMENTING OR SQUEEZING		
			13 TEST CSG. OR SHO/ DRLG. OUT CEMENT		
16:15-18:15 2 Hrs PICK UP KELLY. BREAK CIRCULATION. WASH &			14 WAIT ON CEMENT		
REAM 6,043 TO 6,091 FT. NO FILL. WORK JUNK BASKET.			15 NU OR ND BOP/TEST BOP/CHG. RAMS		
18:15-18:45 1/2 Hr RIG SERVICE. FUNCTION TEST PIPE RAMS.			16 DRILL STEM TEST		
18:45-06:00 11-1/4 Hrs DRILL 7-7/8 INCH HOLE FROM 6,091 TO 6,148 FT.			17 WAIT ON ORDERS - CONSULT GEOLOGIST		
			18 WAIT ON EQUIPMENT		
			19 PLUGGING BACK		
			20 FISHING/TIGHT HOLE/STUCK PIPE		
			21 DIRECTIONAL WORK/ORIENTING TOOLS		
			22 COMPLETION		
			23 WELD CASING HEAD		
			24 SAFETY METTING		
			25 AIR COMPRESSORS		
TOTAL HOURS				24.00	

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS- 32nd			FROM	TO	FTG.	HRS.	CONDITION			BIT WT.	RPM
					11	11	11					T	B	G		
9	7-7/8"	STC	F37H	LT4779	11	11	11	5,287'	6,091'	804	57.50	8	6E	1/32	40-45	50-60
10	7-7/8"	RTC	HP62A	C54658	12	12	12	6,091'	6,148'	57	11.25				30-35	60-70

PUMP NO.	MAKE/MODEL	SIZE	RPM	PRESSURE	95% EFF. GPM	Avg Vel.		PM	P low AT SPM
						DP	DC		
1	GD PZ8	6-1/2 X 8	80	850	252	162	276	458	250 psi at 54 spm
AIR COMPRESSOR					1,025	1,400 CFM			

MUD PROPERTIES														Mud Co. ROCKY MTN FLUID		Mud Eng. DANNY REID		Time Sample Taken 05:30 PM	
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Fm	PPMC	XS LIME	CHLORIDES						
LS DISP	8.6	37	15	5	1/3	9.5	10.0		2/32	.25	.25/.55		400						
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS									
TR	2.0		98.0			8.6	37	70	40										

CASING

LS DISP	8.6	37	15	5	1/3	9.5	10.0	2/32	.25	.25/.55	400						
% SAND	% SOLIDS	% OIL	% WATER	% EC. STAB	MBC	MW out	VIS out	F	P	CALCIUM	PHPA. EXCESS						
TR	2.0		98.0			8.6	37			40							
CASING																	
CONDUCTOR			SURFACE			PROTECTION			LINER			PRODUCTION					
16" at 212 FT			8-5/8" at 3,760 FT			" at			" at			" at					
DRILL STRING																	
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH		NO. OF DC.	OD	ID	CONN.	BHA WEIGHT							
4-1/2	16.60	E	4-1/2 XH	5,439.98 FT		20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.							
BHA LENGTH=668.02			DESCRIPTION: BIT, JUNK SUB, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.														
DEVIATION 2 DEG at 6.051 FT. at at at																	
PICK UP WEIGHT 168,000 LBS.				SLACK OFF WEIGHT 160,000 LBS.				ROTATING WEIGHT 165,000 LBS.									
ROTATING HOURS ON DRILL COLLARS 170.00						LAST INSPECTION 11 MARCH 1999						COST		DAILY		CUMULATIVE	
												MUD		WATER		DIESEL/OIL	
17 DAYS ON JARS SER. NO. D-604-XA												INTANGIBLE		COMPLETION			
DAYS ON SHOCK SUB. SER. NO.												TOTAL					
CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222				FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BIL ELLIS				AFE No.: 1999-01									

CONFIDENTIAL

From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

Page 1 of 1

Tuesday, March 23, 1999 7:43:09 AM To: TONY KOENIG

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC.: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 38 DEGREES F, 2-5 mph SOUTHEAST WIND, CLEAR.

BBG = 2-10 UNITS, CG = 0 UNITS, TG = 0 UNITS, MAXG = 17 UNITS AT 6,276 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1		DATE: 23 MAR 1999	RIG DAYS: 32	FOOTAGE	DAYWORK 32	COMPLETION
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 6,327 FT.		DEPTH: 6,327 FT	PROG. T.D.: 7,800 FT	PROGRESS LAST 24 HRS.: 179 FT	DAILY ROP (FT/HR): 8.04	
FORMATION: HERMOSA	1/4 SD	1/4 SH	95 1/2 LM	1/4 DOLO.	RKB-GL: 12.0 FT	GLELE 4,910 FT
1/4 PYRITE	5 1/4 CHERT	1/4 SILTSTONE	ACTIVITY		TROUBLE TIME	
SUMMARY OF DAILY OPERATIONS			1 DRILLING		22.25	
06:00-08:00 2 Hrs DRILL 7-7/8 INCH HOLE FROM 6,148 TO 6,164 FT.			2 REAMING OR WASHING			
08:00-08:15 1/4 Hr RIG SERVICE.			3 CORING			
08:15-11:45 3-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 6,164 TO 6,198 FT.			4 CIRC. & COND MUD/LOST CIRC./SET PITS		0.50	
11:45-12:15 1/2 Hr CIRCULATE FOR SURVEY.			5 TRIPPING & PUL/D DRILL STRING			
12:15-13:00 3/4 Hr WIRE LINE SURVEY AT 6,188 FT - 2-1/4 DEGREE.			6 RIG SERVICE		0.50	
13:00-17:15 4-1/4 Hrs DRILL 7-7/8 INCH HOLE FROM 6,198 TO 6,230 FT.			7 RIG REPAIR			
17:15-17:30 1/4 Hr RIG SERVICE.			8 SLIP & CUT DRILL LINE			
17:30-06:00 12-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 6,230 TO 6,327 FT.			9 DEVIATION & DIRECTIONAL SURVEYS		0.75	
			10 LOGGING			
			11 RUN CASING /SET SLIPS & CUT OFF			
			12 CEMENTING OR SQUEEZING			
			13 TEST CSG. OR SHO/ DRLG. CUT CEMENT			
			14 WAIT ON CEMENT			
			15 NU OR ND BOP/TEST BOP/CHG. RAME			
			16 DRILL STEM TEST			
			17 WAIT ON ORDERS - CONSULT GEOLOGIST			
			18 WAIT ON EQUIPMENT			
			19 PLUGGING BACK			
			20 FISHING/TIGHT HOLE/STUCK PIPE			
			21 DIRECTIONAL WORK/ORIENTING TOOLS			
			22 COMPLETION			
			23 WELD CASING HEAD			
			24 SAFETY METTING			
			25 AIR COMPRESSORS			
					TOTAL HOURS	24.00

BIT NO	SIZE	MFG.	TYPE	SERIAL NO.	JETS - 3rd			FROM	TO	FTO.	HRS.	CONDITION			BIT WT.	RPM
					12	12	12					T	B	G		
10	7-7/8"	RTC	HP62A	C54658	12	12	12	6,091'	6,327'	236	33.50				48	55

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	99% EFF. GPM	Air Vel		Pbit	P low AT SPM
						DP	DC		
1	GD PZ8	6-1/2 X 8	100	950	285	167	304	586	100 psi at 54 spm
AIR COMPRESSOR					1,025	1,400 CFM			

MUD PROPERTIES														Mud Co. ROCKY MTN FLUID		Mud Engr. DANNY REID		Time Sample Taken 09:00 AM						
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	P.C.	Fm	PPM	% LIME	CHLORIDES	% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW gal	VIS gal	P.L. TEMP	CALCIUM	PHPA-EXCESS
LS DISP	8.6	37	14	4	1/2	9.5	8.0		2/32	.30	25/55		400	TR	2.40		97.6			8.6	37	80	20	

CASING

LS DISP	8.6	37	14	4	1/2	9.5	8.0	2/32	.30	25/55	400
% SAND	% SOLIDS	% OIL	% WATER	EC STAB	MBC	MW out	VIS out	P	CALCIUM	PHPA-EXCESS	
TR	2.40		97.6			8.6	37	8	20		

CASING													
CONDUCTOR			SURFACE			PROTECTION			LINER			PRODUCTION	
16" at 212 FT			8-5/8" at 3,760 FT			" at			" at to			" at	

DRILL STRING											
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO OF DC.	OD	ID	CONN.	BHA WEIGHT		
4-1/2	16.60	E	4-1/2 XH	5,618.98 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.		

BHA LENGTH- 668.02	DESCRIPTION:	BIT. JUNK SUB. 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DALEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.									
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DEVIATION 2-1/4 DEG at 6,188 FT	at	at	at
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PICK UP WEIGHT	170,000 LBS.	SLACK OFF WEIGHT	162,000 LBS.	ROTATING WEIGHT	166,000 LBS.
				COST	DAILY CUMULATIVE

ROTATING HOURS ON DRILL COLLARS	192.25	LAST INSPECTION	11 MARCH 1999
18 DAYS ON JARS	SER. NO. D-604-XA		
DAYS ON SHOCK SUB.	SER. NO.		

CONTRACTOR and RIG No.:	FOREMAN:	AFE No.:
AZTEC WELL SERVICING CO.	ROBERT L. HOSFIELD	1999-01
RIG NO. 222	GEOLOGIST: BILL ELLIS	

MUD
WATER
DIESEL/OIL
TANGLE
RIG COST
ENTANGLE
COMPLETION
TOTAL

CONFIDENTIAL

From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

Page 1 of 1

Monday, March 29, 1999 7:48:03 AM To: TONY KOENIG

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS: DETAILS: All Crews Held Safety Meetings.

WEATHER: 42 DEGREES F, CALM, CLEAR.

BBG = 8-20 UNITS. CG = 0 UNITS. TG = 10 UNITS. MAXG = 22 UNITS AT 7,215 FT.

WELL NAME	DATE	RIG DAYS	FOOTAGE	DAYWORK	COMPLETION
MULEY CREEK FEDERAL 29 NO. 1	29 MAR 1999	38		38	
PRESENT OPERATION	SPUD DATE	DEPTH	PROGRESS LAST 24 HRS	DAILY ROP (FT/HR)	
DRILL 7-7/8 INCH HOLE AT 7,235 FT.	10 FEB 1999	7,235 FT	159 FT	9.64	
		PROP. TD.			
		7,800 FT			
FORMATION	REDWALL	% SD	25 % SH	75 % LM	% DOLO
					RKR-GL: 12.0 FT
					GLELE 4,910 FT
	% PYRITE	TRM	CHERT	% SILTSTONE	ACTIVITY
SUMMARY OF DAILY OPERATIONS					TROUBLE TIME
06:00-08:30 2-1/2 Hrs PULL OUT OF HOLE. NO PROBLEMS.					1 DRILLING
08:30-09:00 1/2 Hr RIG SERVICE. FUNCTION TEST BLIND RAMS.					2 REAMING OR WASHING
DROPPED SURVEY AT 7,055 FT - 1-1/2 DEGREE.					3 CORING
09:00-12:30 3-1/2 Hrs RUN IN HOLE. NO PROBLEMS.					4 CIRC. & BOND MUD/LOST CIRC. NET FITS
12:30-13:00 1/2 Hr INSTALL ROTATING HEAD RUBBER.					5 TRIPPING & P/LD DRILL STRING
13:00-13:30 1/2 Hr PICK UP KELLY. BREAK CIRCULATION. WASH					6 RIG SERVICE
30 FT TO BOTTOM.					7 RIG REPAIR
13:30-06:00 16-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 7,076 TO 7,235 FT.					8 SLIP & CUT DRILL LINE
					9 DEVIATION & DIRECTIONAL SURVEYS
					10 LOGGING
					11 RUN CASING/SET SLIPS & CUT-OFF
					12 CEMENTING OR SQUEEZING
					13 TEST CEG. OR SHOW DRUG. OUT CEMENT
					14 WAIT ON CEMENT
					15 NU OR ND. FOR TEST BOWCHG RAMS
					16 DRILL-STEM TEST
					17 WAIT ON ORDERS - CONSULT GEOLOGIST
					18 WAIT ON EQUIPMENT
					19 PLUGGING BACK
					20 HIRING TIGHT HOLE/TUCK PIPE
					21 DIRECTIONAL WORK/ORIENTING TOOLS
					22 COMPLETION
					23 WELD CASING HEAD
					24 SAFETY MEETING
					25 AIR COMPRESSORS
					ROTARY HOURS
					24.00

BIT RECORD

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS: 32nd			FROM	TO	FTG	HRS.	CONDITION			BIT WT.	RPM
					I	B	G									
11	7-7/8"	SEC	M89F	678157	12	12	12	6,491'	7,076'	585	76.50	4	4E	I	48	55
12	7-7/8"	SEC	S88F	662482	12	12	12	7,076'	7,235'	159	16.50				40-48	55-60

HYDRAULICS

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	99% EFF	Air Vol.		P _{in}	P _{low} AT SPM
					GPM	DF	DC		
1	GD-PZ8	6-1/2 X 8	100	950	285	167	304	586	250 psi at 58 spm
	AIR COMPRESSOR			1,100	1,400 GPM				

MUD PROPERTIES

Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken: 03:00 PM

TYPE	MW _{in}	VIS _{in}	PV	YP	GELS	pH	WL-APT	WL-HPT	FC	Pm	F _{0.01}	XS LIME	CHLORIDES
LS DISP	8.6	38	14	6	1/2	9.0	7.0		2/32	25	2/5		400
% SAND	% SOLIDS	% OIL	% WATER	ELEC STAB	MBC	NW _{in}	VIS _{in}	PL TEMP	CALCIUM	PHPA EXCESS			
TR	2.60		97.4			8.6	38	77	20				

CASING	CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION

LS DISP	8.6	38	14	6	1/2	9.0	7.0	2/37	.25	2/5	400
1/2 SAND	1/2 SOLIDS	% OIL	% W	ELEC STAB	MBC	MW	VIS	TEMP	CALCIUM	PHPA-EXGESS	
TR	2.60		97.4			8.6	38	17	20		

CASING													
CONDUCTOR			SURFACE			PROTECTION			LINER			PRODUCTION	
16" at 212 FT			8-5/8" at 3,760 FT			" at			" at			to	

DRILL STRING											
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC	OD	ID	CONN.	BHA WEIGHT		
4-1/2	16.60	E	4-1/2 XH	6,530.18 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.		

BHA LENGTH: 664.82 DESCRIPTION: BIT, 6-FT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 1-FT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION: 1-1/2 DEG at 7,055 FT

PICK UP WEIGHT	185,000 LBS.	SLACK OFF WEIGHT	177,000 LBS.	ROTATING WEIGHT	180,000 LBS.
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ROTATING HOURS ON DRILL COLLARS: 285.25				LAST INSPECTION: 11 MARCH 1999		<table border="1"> <tr> <td>COST</td> <td>DAILY</td> <td>CUMULATIVE</td> </tr> <tr> <td>MUD</td> <td></td> <td></td> </tr> <tr> <td>WATER</td> <td></td> <td></td> </tr> <tr> <td>DIESEL OIL</td> <td></td> <td></td> </tr> <tr> <td>TANGIBLE</td> <td></td> <td></td> </tr> <tr> <td>RIG COST</td> <td></td> <td></td> </tr> <tr> <td>INTANGIBLE</td> <td></td> <td></td> </tr> <tr> <td>COMPLETION</td> <td></td> <td></td> </tr> <tr> <td>TOTAL</td> <td></td> <td></td> </tr> </table>	COST	DAILY	CUMULATIVE	MUD			WATER			DIESEL OIL			TANGIBLE			RIG COST			INTANGIBLE			COMPLETION			TOTAL		
COST	DAILY	CUMULATIVE																															
MUD																																	
WATER																																	
DIESEL OIL																																	
TANGIBLE																																	
RIG COST																																	
INTANGIBLE																																	
COMPLETION																																	
TOTAL																																	
24	DAYS ON JARS	SER. NO.	D-604-XA																														
	DAYS ON SHOCK SUB	SER. NO.																															
CONTRACTOR and RIG No.:				FOREMAN:		AFE No.:																											
AZTEC WELL SERVICING CO.				ROBERT L. HOSFIELD		1999-01																											
RIG NO. 222				GEOLOGIST: BILL ELLIS																													

CONTRACTOR and RIG No.:				FOREMAN:		AFE No.:	
AZTEC WELL SERVICING CO.				ROBERT L. HOSFIELD		1999-01	
RIG NO. 222				GEOLOGIST: BILL ELLIS			

From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

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Saturday, March 27, 1999 7:37:06 AM To: TONY KOENIG

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 40 DEGREES F, 10-15 mph SOUTHWEST WIND, CLEAR.

BBG = 3-8 UNITS CG = 0 UNITS TG = 0 UNITS MAXG = 14 UNITS AT 6.814 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 27 MAR 1999 SPUD DATE: 10 FEB 1999	RIG DAYS: 36	FOOTAGE	DAYWORK 36	COMPLETION
PRESENT OPERATION: DRILLING 7-7/8 INCH HOLE AT 6,935 FT.	DEPTH: 6,935 FT PROP T.D. 7,800 FT	PROGRESS LAST 24 HRS. 151 FT	DAILY ROP (FT/HR): 7.46		
FORMATION: MOLAS	1/4 SD 25 % SH 75 % LM	1/4 DOLO	REB-GL: 12.0 FT	GL ELEF 4,910 FT	
SUMMARY OF DAILY OPERATIONS		ACTIVITY		TROUBLE TIME	
06:00-09:45 3-3/4 Hrs DRILL 7-7/8 INCH HOLE FROM 6,784 TO 6,816 FT.		1 DRILLING		20.25	
09:45-10:00 1/4 Hr RIG SERVICE.		2 REAMING OR WASHING			
10:00-10:45 3/4 Hr DRILL 7-7/8 INCH HOLE FROM 6,816 FT TO 6,825 FT.		3 CORING			
10:45-11:15 1/2 Hr AIR COMPRESSORS. REGAIN AIR CIRCULATION.		4 CIRC. & COND MUD/LOST CIRC /SET PITS			
11:15-17:00 5-3/4 Hrs DRILL 7-7/8 INCH HOLE FROM 6,825 TO 6,868 FT.		5 TRIPPING & PULD DRILL STRING			
17:00-17:15 1/4 Hr CHANGE PUMPS.		6 RIG SERVICE		0.50	
17:15-01:00 7-3/4 Hrs DRILL 7-7/8 INCH HOLE FROM 6,868 TO 6,918 FT.		7 RIG REPAIR		2.75	
01:00-03:45 2-3/4 Hrs RIG REPAIR. CHANGE U-JOINT ON ROTARY TABLE DRIVE LINE.		8 SLIP & CUT DRILL LINE			
03:45-06:00 2-1/4 Hrs DRILL 7-7/8 INCH HOLE FROM 6,918 TO 6,935 FT.		9 DEVIATION & DIRECTIONAL SURVEYS			
		10 LOGGING			
		11 RUN CASING /SET SLIPS & CUT OFF			
		12 CEMENTING OR SQUEEZING			
		13 TEST CBS. OR SHO/ DRLO. OUT CEMENT			
		14 WAIT ON CEMENT			
		15 NU OR ND BOP/TEST BOP/CHG. RAMS			
		16 DRILL STEM TEST			
		17 WAIT ON ORDERS - CONSULT GEOLOGIST			
		18 WAIT ON EQUIPMENT			
		19 PLUGGING BACK			
		20 FISHING/TIGHT HOLE/STUCK PIPE			
		21 DIRECTIONAL WORK/ORIENTING TOOLS			
		22 COMPLETION			
		23 WELD CASING HEAD			
		24 SAFETY MEETING			
		25 AIR COMPRESSORS		0.50	
		TOTAL HOURS		24.00	

BIT RECORD

BIT NO	SIZE	MFG.	TYPE	SERIAL NO.	JETS- 3rd	FROM	TO	FTG.	HRS.	CONDITION			BIT WT	RFM
										T	B	G		
11	7-7/8"	SEC	M89F	678157	12 12 12	6,491'	6,935'	444	54.25				48	55

HYDRAULICS

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	3% CPP	Ann Vel.		Pib	P low AT SPM
						DP	DC		
1	GD P28	6-1/2 X 8	100	950	285	167	304	586	250 psi at 58 SPM
	AIR COMPRESSOR			1,050	1,400 CFM				

MUD PROPERTIES

Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 10:00 AM

TYPE	NW in	VIR in	PV	YF	GELS	pH	WL-API	WL-HPHT	F.C.	Fm	PPMI	XS LIME	CHLORIDES
LS DISP	8.6	38	16	6	2/4	10.0	6.8		2/32	.5	4/95		300
% SAND	% SLIDS	% OIL	% WATER	ELEC. STAB	MBC	NW in	VIS in	F.L. TEMP	CALCIUM	PHPA-EXCESS			
1/8	2.70		97.3			8.6	38	82	40				

CASING

CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION

LS DISP	8.6	38	16	6	2/4	10.0	6.8	2/32	.5	4.95	300
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	NW cut	VIS cut	F.L. TEMP	CALCIUM	PHPA-EXCESS	
1/8	2.70		97.3			8.6	38		40		

CASING													
CONDUCTOR			SURFACE			PROTECTION			LINER			PRODUCTION	
16" at 212 FT			8-5/8" at 3,760 FT			" at			" at to			" at	

DRILL STRING											
DP SIZE	WEIGHT	GRADE	CONN	LENGTH	NO. OF DC	OD	ID	CONN	BHA WEIGHT		
4-1/2	16.60	E	4-1/2 XH	6,230.18 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.		

BHA LENGTH= 664.82 DESCRIPTION: BIT, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION	at	at	at	at		
PICK UP WEIGHT	184,000 LBS.	SLACK OFF WEIGHT	172,000 LBS.	ROTATING WEIGHT	178,000 LBS.	
				COST	DAILY	CUMULATIVE

ROTATING HOURS ON DRILL COLLARS	246.50	LAST INSPECTION	11 MARCH 1999
DAYS ON JARS	SER. NO. D-604-XA		
DAYS ON SHOCK SUB.	SER. NO.		

CONTRACTOR and RIG No.:	FOREMAN:	AFE No.:
AZTEC WELL SERVICING CO. RIG NO. 222	ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS	1999-01

MUD	
WATER	
DIESEL/OIL	
TANGIBLE	
RIG COST	
INTANGIBLE	
COMPLETION	
TOTAL	

CONFIDENTIAL

LS DISP	8.6	38	16	6	2/4	10.0	6.8	2/32	.5	4.95	300
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	NW cut	VIS cut	F.L. TEMP	CALCIUM	PHPA-EXCESS	
TR	2.40		97.6			8.7	37	84	60		

CASING													
CONDUCTOR			SURFACE			PROTECTION			LINER			PRODUCTION	
16" at 212 FT			8-5/8" at 3,760 FT			" at			" at to			" at	

DRILL STRING											
DP SIZE	WEIGHT	GRADE	CONN	LENGTH	NO. OF DC	OD	ID	CONN	BHA WEIGHT		
4-1/2	16.60	E	4-1/2 XH	5,782.98 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.		

BHA LENGTH= 668.02 DESCRIPTION: BIT, JUNK SUB, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION	1-3/4 DEG at 6,345 FT	at	at	at		
PICK UP WEIGHT	174,000 LBS.	SLACK OFF WEIGHT	168,000 LBS.	ROTATING WEIGHT	170,000 LBS.	
				COST	DAILY	CUMULATIVE

ROTATING HOURS ON DRILL COLLARS	19.00	LAST INSPECTION	11 MARCH 1999
DAYS ON JARS	SER. NO. D-604-XA		
DAYS ON SHOCK SUB.	SER. NO.		

CONTRACTOR and RIG No.:	FOREMAN:	AFE No.:
AZTEC WELL SERVICING CO. RIG NO. 222	ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS	1999-01

MUD	
WATER	
DIESEL/OIL	
TANGIBLE	
RIG COST	
INTANGIBLE	
COMPLETION	
TOTAL	

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC.: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 42 DEGREES F, CALM, CLEAR.

BBG = 3-10 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 15 UNITS AT 7,034 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 28 MAR 1999	RIG DAYS: 37	FOOTAGE	DAYWORK 37	COMPLETION
PRESENT OPERATION: PULL OUT OF HOLE FOR BIT.	DEPTH: 7,076 FT PROP. TD: 7,800 FT	SPUD DATE: 10 FEB 1999	PROGRESS LAST 24 HRS: 141 FT	DAILY ROP, FT/HR: 6.34	
FORMATION: MOLAS	1/4 SD. 65 1/4 SH. 30 1/4 LM	1/4 DOLO	RKB-GL: 12.0 FT	GL-ELF: 4,910 FT	
1/4 PYRITE 5 1/4 CHERT 1/4 SILTSTONE	SUMMARY OF DAILY OPERATIONS				TROUBLE TIME
06:00-11:00 5 Hrs DRILL 7-7/8 INCH HOLE FROM 6,935 TO 6,971 FT.		1 DRILLING		22.25	
11:00-11:15 1/4 Hr RIG SERVICE.		2 REAMING OR WASHING			
11:15-04:30 17-1/4 Hrs DRILL 7-7/8 INCH HOLE FROM 6,971 TO 7,076 FT.		3 CORING			
04:40-05:00 1/2 Hr DROP SURVEY.		4 CIRC. & COND MUD/LOST CIRC./NET PITS			
05:00-06:00 1 Hr PULL OUT OF HOLE FOR BIT.		5 TRIPPING & PULD DRILL STRING		1.00	
		6 RIG SERVICE		0.25	
		7 RIG REPAIR			
		8 SLIP & CUT DRILL LINE			
		9 DEVIATION & DIRECTIONAL SURVEYS		0.50	
		10 LOGGING			
		11 RUN CASING/SET SLIPS & CUT OFF			
		12 CEMENTING OR SQUEEZING			
		13 TEST CSG. OR SHOES/DRLG. OUT CEMENT			
		14 WAIT ON CEMENT			
		15 NU OR ND BOP/TEST BOP/CHG. RAMS			
		16 DRILL STEM TEST			
		17 WAIT ON ORDERS - CONSULT GEOLOGIST			
		18 WAIT ON EQUIPMENT			
		19 PLUGGING BACK			
		20 FISHING/TIGHT MOLE/STUCK PIPE			
		21 DIRECTIONAL WORK/ORIENTING TOOLS			
		22 COMPLETION			
		23 WELD CASING HEAD			
		24 SAFETY MEETING			
		25 AIR COMPRESSORS			
TOTAL HOURS				24.00	

BIT RECORD

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS: 3rd			FROM	TO	FTG.	HRS.	CONDITION			BIT WT.	RPM
					T	B	G									
11	7-7/8"	SEC	M89F	678157	12	12	12	6,491'	7,076'	585	76.50				48	55

HYDRAULICS

PUMP NO.	MAKE/MODEL	SIZE	RPM	PRESSURE	95% EFF	Ann Vel		PH	Flow AT RPM
						DP	DC		
1	GD PZ8	6-1/2 X 8	100	950	285	167	304	586	250 psi at 58 spm
	AIR COMPRESSOR			1,050	1,400 CFM				

MUD PROPERTIES

Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID												Time Sample Taken 11:00 AM			
TYPE	MF is	VIS in	PV	YP	OELS	pH	WL-API	WL-HPHT	F.C.	Fm	PPM	X% LIME	CHLORIDES		
LS DISP	8.6	38	13	6	1/3	9.5	7.6		2/32	.3	3/8		400		
1/2 SAND	2.40				97.6										

CASING

CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at to	" at

DRILL STRING

DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC	OD	ID	CONN.	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	6,371.18 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH=664.82

DESCRIPTION: BIT, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION at at at at

PICK UP WEIGHT 184,000 LBS. SLACK OFF WEIGHT 176,000 LBS. ROTATING WEIGHT 180,000 LBS.

ROTATING HOURS ON DRILL COLLARS	DAYS ON JARS	SER. NO.	DAYS ON SHOCK SUB.	SER. NO.	LAST INSPECTION	COST	
						DAILY	CUMULATIVE
268.75	23	D-604-XA			11 MARCH 1999		
						MUD	
						WATER	
						DIESEL OIL	
						TANGIBLE	
						RIG COST	
						INTANGIBLE	
						COMPLETION	
						TOTAL	

CONTRACTOR and RIG No.:
AZTEC WELL SERVICING CO.
RIG NO. 222

FOREMAN:
ROBERT L. HOSFIELD
GEOLOGIST: BILL ELLIS

AFE No.:
1999-01

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC.: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 45 DEGREES F, 0-5 mph NORTHWEST WIND, PARTLY CLOUDY.

BBG = 8-15 UNITS, CG = 0 UNITS, TG = 0 UNITS, MAXG = 23 UNITS AT 7.623 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 30 MAR 1999	RIG DAYS: 39	FOOTAGE:	DAYWORK: 39	COMPLETION:
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 7,701 FT.	SPUD DATE: 10 FEB 1999	DEPTH: 7,701 FT	PROGRESS LAST 24 HRS.: 466 FT	DAILY ROF (FT/HR): 20.94	
		PROP. T.D.: 7,800 FT			

FORMATION: REDWALL 1/4 SD. 2 1/4 SH 98 1/4 LM 1/4 DOLO RKB-GL: 12.0 FT OLE ELE 4,910 FT

FORMATION	% SD.	% SH	% LM	% DOLO	RKB-GL	OLE ELE	TROUBLE TIME
SUMMARY OF DAILY OPERATIONS							
ACTIVITY							
1 DRILLING							22.25
2 REAMING OR WASHING							
3 CORING							
4 CIRC. & COND MUD/LOST CIRC./JET PITS							1.50
5 TRIPPING & PULD DRILL STRING							
6 RIG SERVICE							0.25
7 RIG REPAIR							
8 SLIP & CUT DRILL LINE							
9 DEVIATION & DIRECTIONAL SURVEYS							
10 LOGGING							
11 RUN CASING/SET SLIPS & CUT OFF							
12 CEMENTING OR SQUEEZING							
13 TEST CPG. OR SHOW DRLO. OUT CEMENT							
14 WAIT ON CEMENT							
15 NU OR ND BOP/TEST BOP/CHG. RAME							
16 DRILL STEM TEST							
17 WAIT ON ORDERS - CONSULT GEOLOGIST							
18 WAIT ON EQUIPMENT							
19 PLUGGING BACK							
20 FISHING/TIGHT HOLE/STUCK PIPE							
21 DIRECTIONAL WORK/ORIENTING TOOLS							
22 COMPLETION							
23 WELD CASING HEAD							
24 SAFETY MEETING							
25 AIR COMPRESSORS							
TOTAL HOURS							24.00

BIT RECORD

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS 32nd			FROM	TO	FTG.	HRS.	CONDITION			BIT WT.	RPM
					12	12	12					T	B	G		
12	7-7/8"	SEC	S88F	662482	12	12	12	7,076'	7,701'	625	16.50				45	55-60

HYDRAULICS

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	99% EFF	Air Vel		FHR	P low AT SPM
					GPM	OP	DC		
1	GD PZ8	6-1/2 X 8	88	1,350	250	147	267	454	250 psi at 52 spm
	AIR COMPRESSOR			1,100	1,400 CFM				

MUD PROPERTIES

Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 03:00 PM													
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-NPMT	F.C.	Fm	PPMI	XF LIME	CHLORIDES
LS DISP	8.6	41	14	6	1/2	9.0	7.0		2/32	.25	2/5		400
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHRA EXCESS			
TR	2.60		97.4			8.6	41	72	20				

CASING

CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at to	" at

DRILL STRING

DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC.	OD	ID	CONN.	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	6,996.18 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH=664.82 DESCRIPTION: BIT, 6-FT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION at at at at

PICK UP WEIGHT 195,000 LBS. SLACK OFF WEIGHT 187,000 LBS. ROTATING WEIGHT 190,000 LBS.

ROTATING HOURS ON DRILL COLLARS	LAST INSPECTION	DAILY	CUMULATIVE
307.50	11 MARCH 1999		
25 DAYS ON JARS SER. NO. D. 504. XA			
DAYS ON SHOCK SUB. SER. NO.			

CONTRACTOR and RIG No.:	FOREMAN:	AFE No.:	COMPLETION
AZTEC WELL SERVICING CO. RIG NO. 222	ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS	1999-01	TOTAL

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 40 DEGREES F, 10-15 mph SOUTHWEST WIND, PARTLY CLOUDY.

BBG = 4-12 UNITS CG = 10-23 UNITS TG = 0 UNITS MAXG = 14 UNITS AT 7,857 FT.
CG AT 7,717', 7,748' & 7,780'

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 31 MAR 1999	RIG DAYS: 40	FOOTAGE:	DAYWORK: 40	COMPLETION:
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 8,035 FT.	DEPTH: 8,035 FT	PROG. I.D.: 7,800 FT	PROGRESS LAST 24 HRS.: 334 FT	DAILY ROP (T/HR): 16.10	
FORMATION: ELBERT	10% SD	40% LM	50% DOLO	RKB-GL: 12.0 FT	GLELE 4,910 FT
SUMMARY OF DAILY OPERATIONS		ACTIVITY		TROUBLE TIME	
06:00-06:30 1/2 Hr DRILL 7-7/8 INCH HOLE FROM 7,701 TO 7,717 FT.		1 DRILLING		20.75	
06:30-07:00 1/2 Hr CIRCULATE FOR SURVEY.		2 REAMING OR WASHING			
07:00-08:00 1 Hr WIRELINE SURVEY AT 7,677 FT - 1-1/2 DEGREE.		3 CORING			
08:00-13:30 5-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 7,717 TO 7,856 FT.		4 CIRC & COND MUD/LOST CIRC/JET PITS		2.00	
13:30-15:00 1-1/2 Hrs CIRCULATE SAMPLES FROM 7,850 TO 7,855 FT. NO SHOWS.		5 TRIPPING & PULD DRILL STRING			
15:00-15:45 3/4 Hr DRILL 7-7/8 INCH HOLE FROM 7,856 TO 7,873 FT.		6 RIG SERVICE		0.25	
15:45-16:00 1/4 Hr RIG SERVICE. FUNCTION TEST PIPE RAMS.		7 RIG REPAIR			
16:00-06:00 14 Hrs DRILL 7-7/8 INCH HOLE FROM 7,873 TO 8,035 FT.		8 SLIP & CUT DRILL LINE			
		9 DEVIATION & DIRECTIONAL SURVEYS		1.00	
		10 LOGGING			
		11 RUN CASING/SET SLIPS & CUT OFF			
		12 CEMENTING OR SQUEEZING			
		13 TEST CSG. OR SHO/ DRLE. OUT CEMENT			
		14 WAIT ON CEMENT			
		15 NU OR ND BOP/TEST BOP/CHG. RAMS			
		16 DRILL STEM TEST			
		17 WAIT ON ORDERS - CONSULT GEOLOGIST			
		18 WAIT ON EQUIPMENT			
		19 PLUGGING BACK			
		20 FISHING/TIGHT HOLE/STUCK PIPE			
		21 DIRECTIONAL WORK/ORIENTING TOOLS			
		22 COMPLETION			
		23 WELD CASING HEAD			
		24 SAFETY MEETING			
		25 AIR COMPRESSORS			
		TOTAL HOURS		24.00	

BIT RECORD																
BIT NO.	SIZE	MPG	TYPE	SERIAL NO.	JETS - INCH			FROM	TO	FTG.	HRS.	CONDITION			BIT WT.	RPM
					12	12	12					T	B	G		
12	7-7/8"	SEC	S88F	662482	12	12	12	7,076'	8,035'	959	59.50				45-48	55-60

HYDRAULICS										
PUMP NO.	MAKE/MODEL	SIZE	SFM	PRESSURE	95% EFF	Add Vel		PH	FLOW AT SFM	
1	GD PZ8	6-1/2 X 8	88	1,350	250	DF	DC			
AIR COMPRESSOR					1,100	1,400 CFM	147	267	454	250 psi at 52 spm

MUD PROPERTIES													
Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID										Time Sample Taken 09:30 AM			
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Fm	FUME	XS-LINE	CHLORIDES
LS DISP	8.6	42	15	11	2/5	9.0	7.4		2/32	.1	.05/.45		400
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW out	VIS out	FL TEMP	CALCIUM	PHPA-EXCESS			
1/8	2.50		97.5			8.6	42	82	20				

CASING				
CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at to	" at

DRILL STRING									
DP SIZE	WEIGHT	GRADE	CONN	LENGTH	NO. OF DC.	OD	ID	CONN	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	7,330.18 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH=664.82 DESCRIPTION: BIT, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION 1-1/2 DEG at 7,677 FT at at at

PICK UP WEIGHT	205,000 LBS.	SLACK OFF WEIGHT	195,000 LBS.	ROTATING WEIGHT	198,000 LBS.
ROTATING HOURS ON DRILL COLLARS 328.25		LAST INSPECTION 11 MARCH 1999		COST DAILY CUMULATIVE	
26 DAYS ON JARS SER. NO. D-604-XA		DAYS ON SHOCK SUB. SER. NO.		MUD	
CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222		FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS		WATER	
		AFENo.: 1999-01		DIESEL/OIL	
				TANGIBLE	
				RIG COST	
				INTANGIBLE	
				COMPLETION	
				TOTAL	

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC.: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 36 DEGREES F, 10-15 mph SOUTHWEST WIND, OVERCAST.

BBG = 4.8 UNITS CG = 0 UNITS TG = 0 UNITS MAXG = 12 UNITS AT 8,087 FT.

WELL NAME	DATE	RIG DAYS	FOOTAGE	DAYWORK	COMPLETION
MULEY CREEK FEDERAL 29 NO. 1	01 APR 1999	41		41	
PRESENT OPERATION	DEPTH	PROGRESS LAST 24 HRS	DAILY POP (FT/HR)		
RUN IN HOLE WITH BIT NO. 13.	8,128 FT	93 FT	9.79		
	PROP. T.D.				
	7,800 FT				
FORMATION: ELBERT	% SD.	50 % SH.	25 % LM.	25 % DOLO.	RKB-GL. 12.0 FT OLELE 4,910 FT
TR % ANHYDRITE	% CHERT	% SILTSTONE		ACTIVITY	TROUBLE TIME
SUMMARY OF DAILY OPERATIONS				1 DRILLING	9.50
				2 REAMING OR WASHING	
				3 CORING	
06:00-08:00 2 Hrs DRILL 7-7/8 INCH HOLE FROM 8,035 TO 8,055 FT.				4 CIRC. & COND MUD/LOGST CIRC/NET PITS	0.50
08:00-08:15 1/4 Hr RIG SERVICE.				5 TRIPPING & PULL DRILL STRING	13.75
				6 RIG SERVICE	0.25
08:15-15:45 7-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 8,055 TO 8,128 FT.				7 RIG REPAIR	
				8 SLIP & CUT DRILL LINE	
15:45-16:15 1/2 Hr CIRCULATE AND DROP SURVEY.				9 DEVIATION & DIRECTIONAL SURVEYS	
				10 LOGGING	
16:15-21:45 5-1/2 Hrs PULL OUT OF HOLE. LAY DOWN 19 JOINTS SMOOTH DRILL PIPE.				11 RUN CASING/SET SLIPS & CUT OFF	
21:45-22:45 1 Hr DROPPED SURVEY AT 8,098 FT - 2-1/2 DEGREE.				12 CEMENTING OR SQUEEZING	
CHANGE OUT 6 FT. MAKE UP BIT AND JUNK SUB.				13 TEST CBG OR SHOE/DRLG. OUT CEMENT	
22:45-03:45 5 Hrs INSPECT DRILL COLLARS, OKAY.				14 WAIT ON CEMENT	
				15 NU DR ND BOP/TEST BOP/CHG RAMS	
03:45-06:00 2-1/4 Hrs PICK UP 19 JOINTS HARD BAND DRILL PIPE.				16 DRILL STEM TEST	
RUN IN HOLE				17 WAIT ON ORDERS - CONSULT GEOLOGIST	
				18 WAIT ON EQUIPMENT	
				19 PLUGGING BACK	
				20 FISHING/TIGHT HOLE/STUCK PIPE	
				21 DIRECTIONAL WORK/ORIENTING TOOLS	
				22 COMPLETION	
				23 WELD CASING HEAD	
				24 SAFETY MEETING	
				25 AIR COMPRESSORS	
				TOTAL HOURS	24.00

BIT RECORD																
BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS 3 rd			FROM	TO	FTG	HRS.	CONDITION			BIT WT.	RPM
					1	2	3					T	B	G		
12	7-7/8"	SEC	S88P	662482	12	12	12	7,076'	8,128'	1,052	69.00	8	6	1/16	45-48	55-60
13	7-7/8"	SEC	S88CF	675005	12	12	12	8,128'								

HYDRAULICS									
PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	% EFF.	Ann Vel.		Pwr	P law AT SPM
1	GD PZ8	6-1/2 X 8	88	1,350	250	DF	DC	454	250 psi at 52 spm
AIR COMPRESSOR				1,100	1,400 CFM				

MUD PROPERTIES													
Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 09:00 AM													
TYPE	MW in	VIS in	FV	YP	GELS	pH	WL-API	WL-HFHT	F.C.	Pm	PDM	XB LIME	CHLORIDES
LS DISP	8.7	42	14	4	1/3	9.0	7.6		2/32	.15	.15/30		400
% SAND	% SOLIDS	% OIL	% WATER	ELEC STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS			
TR	2.50		97.5			8.7	42	83	100				

CASING				
CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at to	" at

DRILL STRING									
DP SIZE	WEIGHT	GRADE	CONN	LENGTH	NO. OF DC	OD	ID	CONN	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	7,423.18 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH = 664.82 DESCRIPTION: BIT, JUNK SUB, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION 2-1/2 DEG at 8,098 FT. at at at

PICK UP WEIGHT 205,000 LBS. SLACK OFF WEIGHT 195,000 LBS. ROTATING WEIGHT 198,000 LBS.

ROTATING HOURS ON DRILL COLLARS 337.75 27 DAYS ON JARS SER. NO. D-604-XA DAYS ON SHOCK SUB. SER. NO.	COST	DAILY	CUMULATIVE
	MUD		
	WATER		
	DIESEL/OIL		
	TANGIBLE		
	RIG COST		

CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 227
FOREMAN: ROBERT L. HOSFIELD
GEOLOGIST: BILL ELLIS
APE No.: 1999-01

	TOTAL
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CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 35 DEGREES F. 0-5 mph NORTHWEST WIND, OVERCAST.

BBG = 4-8 UNITS. CG = 0 UNITS. TG = 14 UNITS. MAXG = 41 UNITS AT 8,184 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1		DATE: 02 APR 1999	RIG DAYS: 42	FOOTAGE:	DATWORK: 42	COMPLETION:
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 8,305 FT.		DEPTH: 8,305 FT PROP. TD: 7,800 FT	PROGRESS LAST 24 HRS: 177 FT		DAILY ROP (FT/HR): 8.96	
FORMATION: LYNCH		1/4 SD	15 1/4 SR	1/4 LM	80 1/4 DOLO	PKB-GL 12.0 FT OLELE 4.910 FT
NOTE: TRACE DEAD OIL STAIN FROM 8,208 FT TO PRESENT. 5 1/4 ANHYDRITE 1/4 CHERT 1/4 SILTSTONE						
SUMMARY OF DAILY OPERATIONS				ACTIVITY		TROUBLE TIME
06:00-08:45 2-3/4 Hrs RUN IN HOLE. NO PROBLEMS.				1 DRILLING		19.75
08:45-09:30 3/4 Hr PICK UP KELLY. INSTALL ROTATING HEAD RUBBER. BREAK CIRCULATION. WORK JUNK BASKET ON BOTTOM. NO FILL.				2 REAMING OR WASHING		
09:30-11:15 1-3/4 Hrs DRILL 7-7/8 INCH HOLE FROM 8,128 TO 8,151 FT.				3 CORING		
11:15-11:30 1/4 Hr RIG SERVICE. FUNCTION TEST PIPE RAMS.				4 CIRC & COND MUD/LOST CIRC NET PITS		0.25
11:30-16:00 4-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 8,151 TO 8,204 FT.				5 TRIPPING & PULD DRILL STRING		3.25
16:00-16:30 1/2 Hr RIG SERVICE. CHANGE SHAKER SCREENS.				6 RIG SERVICE		0.75
16:30-06:00 13-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 8,204 TO 8,305 FT.				7 RIG REPAIR		
				8 SLIP & CUT DRILL LINE		
				9 DEVIATION & DIRECTIONAL SURVEYS		
				10 LOGGING		
				11 RUN CASING/SET SLIPS & CUT OFF		
				12 CEMENTING OR SQUEEZING		
				13 TEST CPG OR SHOE/DRLY OUT CEMENT		
				14 WAIT ON CEMENT		
				15 NU OR ND BOP/TEST BOP/CHK RAMS		
				16 DRILL STEM TEST		
				17 WAIT ON ORDERS - CONSULT GEOLOGIST		
				18 WAIT ON EQUIPMENT		
				19 PLUGGING BACK		
				20 FISHING/TIGHT HOLE/STUCK PIPE		
				21 DIRECTIONAL WORK/ORIENTING TOOLS		
				22 COMPLETION		
				23 WELD CASING HEAD		
				24 SAFETY MEETING		
				25 AIR COMPRESSORS		
				TOTAL HOURS		24.00

BIT RECORD																
BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS - 32nd			FROM	TO	FTG.	HRS.	CONDITION			BIT WT.	RFM
					12	12	12					T	B	O		
13	7-7/8"	SEC	S88CF	675005	12	12	12	8,128'	8,305'	177	19.75				45-48	55-60

HYDRAULICS										
PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	PSI EFF.	OPM	Ann Vel.		P bit	P low AT SPM
1	GD PZ8	6-1/2 X 8	100	900	285	167	167	304	586	250 psi at 58 spm
					1,100	1,400 CFM				

MUD PROPERTIES													
Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 10:30 AM													
TYPE	MW lb	VIS lb	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Pm	P/M	X5 LIME	CHLORIDES
LS DISP	8.7	42	14	7	1/3	10.0	7.0		2/32	.45	.4/8		400
% SAND	% SOLIDS	% OIL	% WATER	ELEC STAB	MBC	MW em	VIS em	F.L TEMP	CALCIUM	PHPA-EXCESS			
TR	2.30		97.5			8.7	42	70	20				

CASING				
CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at to	" at

DRILL STRING									
DR SIZE	WEIGHT	GRADE	CONN	LENGTH	NO. OF DC.	OD	ID	CONN.	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	7,597.95 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH=667.05 FT	DESCRIPTION:	BIT, JUNK SUB, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.				
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DEVIATION	at	at	at	at
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PICK UP WEIGHT	205,000 LBS.	SLACK OFF WEIGHT	195,000 LBS.	ROTATING WEIGHT	200,000 LBS.
				COST	DAILY CUMULATIVE
				MUD	
				WATER	
				DIESEL/OIL	
				TANGIBLE	
				RIG COST	
				INTANGIBLE	
				COMPLETION	
				TOTAL	

ROTATING HOURS ON DRILL COLLARS	19.75	LAST INSPECTION	01 APRIL 1999
DAYS ON JARS	SER NO D-504-XA		
DAYS ON SHOCK SUB.	SER NO.		

CONTRACTOR and RIG No.:	FOREMAN:	AFE No.:
AZTEC WELL SERVICING CO. RIG NO. 222	ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS	1999-01

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 29 DEGREES F, 0-5 mph NORTHWEST WIND, PARTLY CLOUDY.

BBG = 3-8 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 11 UNITS AT 8,302 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 03 APR 1999	RIG DAYS: 43	FOOTAGE	DAYWORK 43	COMPLETION
PRESENT OPERATION: RUN IN HOLE WITH MAGNET RUN NO. 2.	DEPTH: 8,313 FT PROP. TD.: 7,800 FT	PROGRESS LAST 24 HRS. 8 FT	DAILY ROP (FT/HR): 4.00		

FORMATION: LYNCH 5 1/4 SD. 20 1/4 SH. 1/4 LM. 75 1/4 DOLO. RKB-GL: 12.0 FT GLE ELE 4910 FT

TIME	ACTIVITY	TROUBLE TIME
TRACE - DEAD OIL STAIN.		
SUMMARY OF DAILY OPERATIONS		
06:00-08:00 2 Hrs	DRILL 7-7/8 INCH HOLE FROM 8,305 TO 8,313 FT.	
08:00-08:30 1/2 Hr	CHANGE ROTATING HEAD RUBBER.	
08:30-08:45 1/4 Hr	BIT QUIT DRILLING.	
08:45-13:15 4-1/2 Hrs	DROP SURVEY. PULL OUT OF HOLE, NO PROBLEMS.	
13:15-14:00 3/4 Hr	LAY DOWN 3 FT. SURVEY 1-1/2 DEGREE AT 8,283 FT. LOST 3 CONES ON BIT. CLEAN JUNK BASKET.	
14:00-14:30 1/2 Hr	RIG SERVICE. FUNCTION TEST BLIND RAMS.	
14:30-18:45 4-1/4 Hrs	MAKE UP MAGNET. RUN IN HOLE TO 8,300 FT.	
18:45-19:30 3/4 Hr	INSTALL ROT. HEAD RUBBER. BREAK CIRCULATION	
19:30-20:00 1/2 Hr	WORK MAGNET ON BOTTOM.	
20:00-02:15 6-1/4 Hrs	CHAIN OUT OF HOLE.	
02:15-03:00 3/4 Hr	RECOVERED 2 FULL CONES PLUS 5 BALL BEARINGS. CLEAN AND DRESS MAGNET.	
03:00-06:00 3 Hrs	MAKE UP MAGNET AND JUNK SUB. RUN IN HOLE WITH MAGNET RUN NO. 2.	
	1 DRILLING	2.25
	2 REAMING OR WASHING	
	3 CORING	
	4 CIRC. & COND MUD/LOST CIRC/LET PITS	
	5 TRIPPING & PUL/D DRILL STRING	5.25
	6 RIG SERVICE	1.00
	7 RIG REPAIR	
	8 SLIP & CUT DRILL LINE	
	9 DEVIATION & DIRECTIONAL SURVEYS	
	10 LOGGING	
	11 RUN CASING/SET SLIPS & CUT OFF	
	12 CEMENTING OR SQUEEZING	
	13 TEST CSG. OR BRDE/ DRLG. OUT CEMENT	
	14 WAIT ON CEMENT	
	15 NU OR ND BOP/TEST BOP/CHG RAMS	
	16 DRILL STEM TEST	
	17 WAIT ON ORDERS. CONSULT GEOLOGIST	
	18 WAIT ON EQUIPMENT	
	19 PLUGGING BACK	
	20 FISHING/TIGHT HOLE/STUCK PIPE	15.50
	21 DIRECTIONAL WORK/ORIENTING TOOLS	
	22 COMPLETION	
	23 WELD CASING HEAD	
	24 SAFETY MEETING	
	25 AIR COMPRESSORS	
	TOTAL HOURS	24.00

BIT RECORD

BIT NO.	SIZE	MFG	TYPE	SERIAL NO.	JETS- 32nd			FROM	TO	FTG.	HRS.	CONDITION			BIT WT.	RPM
					T	B	O									
13	7-7/8"	SEC	S88CF	675005	12	12	12	8,128'	8,313'	185	22.00				45-48	55-60

HYDRAULICS

PUMP NO	MAKE/MODEL	SIZE	RPM	PRESSURE	EFF. GPM	Ann Vel	DP	DC	Ph	P low AT SPM
1	GD PZ8	6-1/2 X 8	100	900	285	167	304	586		250 psi at 58 spm
	AIR COMPRESSOR			1,100	1,400 CFM					

MUD PROPERTIES

Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 08:00 PM													
TYPE	NW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Pm	PPM	XE LIME	CHLORIDES
LS DISP	8.7	38	14	7	1/3	9.0	8.0		2/32	2	21.45		400
% SAND	% SOLIDS	% OIL	% WATER	ELEC STAB	MBC	MW out	VIS out	F.L TEMP	CALCIUM	PHPA-EXCESS			
TR	2.50		97.5			8.7	38			20			

CASING

CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at to	" at

DRILL STRING

DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC	OD	ID	CONN.	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	7,605.95 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH- 667.05 FT DESCRIPTION: BIT, JUNK SUB, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION 1-1/2 DEG at 8,283 FT. at at at

PICK UP WEIGHT 205,000 LBS. SLACK OFF WEIGHT 195,000 LBS. ROTATING WEIGHT 200,000 LBS.

ROTATING HOURS ON DRILL COLLARS	LAST INSPECTION	COST	
		DAILY	CUMULATIVE
29	01 APRIL 1999		
DAYS ON JARS SER NO. D. 604 - KA		MUD	
DAYS ON SHOCK SUB. SER NO.		WATER	
		DIESEL/OIL	
		TANGIBLE	
		RIG COST	
		INTANGIBLE	
		COMPLETION	
		TOTAL	

CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222
 FOREMAN: ROBERT L. HOSFIELD
 GEOLOGIST: BILL ELLIS
 AFE No.: 1999-01

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC.: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 30 DEGREES F, 0-5 mph NORTHEAST WIND, OVERCAST, SNOWING, 1-1/2 INCHES NEW SNOW.

BBG = 3-8 UNITS. CG = 0 UNITS. TG = 81 UNITS. MAXG = 81 UNITS AT 8,313 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 04 APR 1999	RIG DAYS: 44	FOOTAGE	DAYWORK 44	COMPLETION
	SPUD DATE: 10 FEB 1999				
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 8,341 FT.	DEPTH: 8,341 FT.	PROGRESS LAST 24 HRS.: 28 FT	DAILY ROP (FT/HR): 5.89		
	PROP T.D.: 7,800 FT				

FORMATION LYNCH 40% SD. 10% SH. % L.M. 40% DOLO. KKB-GL: 12.0 FT. GLEBLE 4,910 FT.

TR% PYRITE	TR% CHERT	% SILTSTONE	ACTIVITY	TIME	TRouble TIME
SUMMARY OF DAILY OPERATIONS					
			1 DRILLING	4.25	
			2 REAMING OR WASHING	0.50	
			3 CORING		
06:00-08:30 2-1/2 Hrs RUN IN HOLE WITH MAGNET RUN NO. 2.			4 CIRC. & COND MUD/LOST CIRC/NET PITS	1.00	
08:30-09:15 3/4 Hr INSTALL ROTATING HEAD RUBBER. BREAK CIRC.			5 TRIPPING & PULD DRILL STRING	6.75	
09:15-09:45 1/2 Hr WORK MAGNET & JUNK BASKET ON BOTTOM.			6 RIG SERVICE		
09:45-15:00 5-1/4 Hrs CHAIN OUT OF HOLE. NO PROBLEMS.			7 RIG REPAIR	0.50	
15:00-16:00 1 Hr RECOVERED 3RD CONE & 21 BALL BEARINGS.			8 SLIP & CUT DRILL LINE		
16:00-18:30 2-1/2 Hrs MAKE UP BIT AND JUNK BASKET. PICK UP 3PT REAMER & SHOCK SUB. RUN IN HOLE.			9 DEVIATION & DIRECTIONAL SURVEYS		
18:30-19:00 1/2 Hr RIG REPAIR. MAKE-UP CATHEAD.			10 LOGGING		
19:00-20:00 1 Hr RUN IN HOLE.			11 RUN CASING/SET SLIPS & CUT OFF		
20:00-20:30 1/2 Hr FILL DRILL PIPE.			12 CEMENTING OR SQUEEZING		
20:30-23:15 2-3/4 Hrs RUN IN HOLE. INSTALL ROTATING HEAD RUBBER.			13 TEST CSG OR SHOB/DRLE OUT CEMENT		
23:15-24:00 3/4 Hr PICK UP KELLY. BREAK CIRCULATION.			14 WAIT ON CEMENT		
24:00-00:30 1/2 Hr WASH & REAM FROM 8,283 TO 8,313 FT. WORK BOTTOM CLEAN.			15 HU OR MD BOP/TEST BOP/CHG. RAMP		
00:30-02:00 1-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 8,313 TO 8,320 FT.			16 DRILL STEM TEST		
02:00-02:15 1/4 Hr WORK BOTTOM CLEAN.			17 WAIT ON ORDERS. CONSULT GEOLOGIST		
02:15-03:15 1 Hr TIME CORRECTION FOR DAYLIGHT SAVINGS TIME.			18 WAIT ON EQUIPMENT		
03:15-06:00 2-3/4 Hrs DRILL 7-7/8 INCH HOLE FROM 8,320 TO 8,341 FT.			19 PLUGGING BACK		
			20 FISHING/TIGHT HOLE/STUCK PIPE	10.00	
			21 DIRECTIONAL WORK/ORIENTING TOOLS		
			22 COMPLETION		
			23 WELD CASING HEAD		
			24 SAFETY MEETING		
			25 TIME CORRECTION	1.00	
			TOTAL HOURS	24.00	

BIT RECORD

BIT NO.	SIZE	MFG	TYPE	SERIAL NO	JETS 320d	FROM	TO	FTG.	HRS.	CONDITION			BIT WT	RPM
										T	B	G		
13	7-7/8"	SEC	S88CF	675005	12 12 12	8,128'	8,313'	185	22.00	S	8	I	45-48	55-60
14	7-7/8"	HTC	HR-50	D21ZM	12 12 12	8,313'	8,341'	28	4.25				30-45	50

HYDRAULICS

PUMP NO	MAKE/MODEL	SIZE	SPM	PRESSURE	9% EFF. GPM	Ann Vol	DP	DC	Fltd	P low 2T RPM
2	OPI 700	6 X 8	100	800	275		160	295	546	250 psi at 38 spm
AIR COMPRESSOR					1,100	1,400 CFM				

MUD PROPERTIES

Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 09:30 AM													
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-APT	WL-RFHT	F.C.	Fm	P/ME	SS LIME	CHLORIDES
LS DISP	8.6	38	15	4	1.2	9.0	10.0		2/32	.25	20/60		400
% SAND	% SOLIDS	% OIL	% WATER	ELEC STAR	MFC	MW est	VIS est	FL TEMP	CALCIUM	PNPA EXCESS			
TR	2.40		97.6			8.6	38		40				

CASING

CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at to	" at

DRILL STRING

DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC	OD	ID	CONN	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	7,621.65 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH-679.35

DESCRIPTION: BIT, JUNK SUB, 6-PT REAMER, 3 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, SHOCK SUB, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION at at at at

PICK UP WEIGHT 204,000 LBS. SLACK OFF WEIGHT 190,000 LBS. ROTATING WEIGHT 198,000 LBS.

ROTATING HOURS ON DRILL COLLARS 26.25		LAST INSPECTION 01 APRIL 1999		COST	
30 DAYS ON JARS SER NO. D-604-XA		DAYS ON SHOCK SUB. SER. NO.		DAILY	CUMULATIVE
				MUD	
				WATER	
				DIESEL/OIL	
				TANGIBLE	
				RIG COST	
				INTANGIBLE	
				COMPLETION	
				TOTAL	

CONTRACTOR and RIG No.:	FOREMAN:	AFE No.:
AZTEC WELL SERVICING CO. RIG NO. 222	ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS	1999-01

43-019-30136

T365 R10E S-29 CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 32 DEGREES F, 0-5 mph NORTHWEST WIND. PARTLY CLOUDY.

BBG = 3-8 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 12 UNITS AT 8,435 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 05 APR 1999	RIG DAYS 45	FOOTAGE	DAYWORK 45	COMPLETION
	SPUD DATE: 10 FEB 1999				
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 8,578 FT.	DEPTH: 8,578 FT	PROGRESS LAST 24 HRS.: 237 FT	DAILY ROP (FT/HR) 10.90		
	PROP. T.D.: 10,000 FT				

FORMATION: LYNCH 15% SD. 75% M.L.M. 10% DOLO. REB. GL. 12.0 FT. GLEIF 4.910 FT.

TRIP TIME	% CHERT	% SILTSTONE	ACTIVITY	TROUBLE TIME
SUMMARY OF DAILY OPERATIONS				
			1 DRILLING	21.75
			2 REAMING OR WASHING	
			3 CORING	
06:00-08:30 2-1/2 Hrs			4 CIRC. & COND MUD/LOST CIRC/SET PITS	
08:30-09:00 1/2 Hr			5 TRIPPING & FULD DRILL STRING	
			6 RIG SERVICE	0.25
09:00-10:45 1-3/4 Hrs			7 RIG REPAIR	1.00
10:45-11:00 1/4 Hr			8 SLIP & CUT DRILL LINE	
			9 DEVIATION & DIRECTIONAL SURVEYS	
11:00-16:00 5 Hrs			10 LOGGING	
			11 RUN CASING/SET SLIPS & CUT OFF	
16:00-17:00 1 Hr			12 CEMENTING OR SQUEEZING	
			13 TEST CEG OR SHOZ/DRUG OUT CEMENT	
17:00-22:00 5 Hrs			14 WAIT ON CEMENT	
			15 NU OR ND BOP/TEST BOWCHG. RAMS	
22:00-22:30 1/2 Hr			16 DRILL STEM TEST	
			17 WAIT ON ORDERS - CONSULT GEOLOGIST	
22:30-06:00 7-1/2 Hrs			18 WAIT ON EQUIPMENT	
			19 PLUGGING BACK	
			20 FISHING/TIGHT HOLE/STUCK PIPE	
			21 DIRECTIONAL WORK/ORIENTING TOOLS	
			22 COMPLETION	
			23 WELD CASING HEAD	
			24 SAFETY NETTING	
			25 AIR COMPRESSORS	1.00
			TOTAL HOURS	24.00

BIT RECORD

BIT NO	SIZE	MFG.	TYPE	SERIAL NO.	JETS - 32nd			FROM	TO	FTG.	HRS	CONDITION			BIT WT	RPM
					12	12	12					T	B	G		
14	7-7/8"	HTC	HR-50	D21ZM	12	12	12	8,313'	8,578'	265	26.00				45-48	55

HYDRAULICS

PUMP NO	MAKE/MODEL	SIZE	SPM	PRESSURE	PS% EFF	Add Vel		PHK	FLOW AT 58% SPM
						DP	DC		
2	OPI 700	6 X 8	100	800	275	160	295	546	250 psi at 58 spm
AIR COMPRESSOR						1,100	1,400 CFM		

MUD PROPERTIES

Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 10:00 AM													
TYPE	MW @	VIS @	PV	YP	DELS	pH	WL-API	WL-NPHT	F.C	Fm	FMM	ZS LIME	CHLORIDES
LS DISP	8.7	38	13	5	1/3	10.5	7.2		2/32	.55	.55/1.0		400
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW @	VIS @	F.L. TEMP	CALCIUM	PHFA-EXCESS			
TR	2.40		97.6			8.7	38		20				

CASING

CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at to	" at

DRILL STRING

DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC	OD	ID	CONN.	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	7,858.65 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH-679.35

DESCRIPTION: BIT, JUNK SUB, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, SHOCK SUB, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION

at at at at

PICK UP WEIGHT 220,000 LBS. SLACK OFF WEIGHT 200,000 LBS. ROTATING WEIGHT 212,000 LBS.

COST DAILY CUMULATIVE

MUD

WATER

DESELOIL

TANGIBLE

RIG COST

INTANGIBLE

COMPLETION

TOTAL

ROTATING HOURS ON DRILL COLLARS 48.00 LAST INSPECTION 01 APRIL 1999
31 DAYS ON JARS SER. NO. D-604-7A
DAYS ON SHOCK SUB. SER. NO.

CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222
FOREMAN: ROBERT L. HOSFIELD
GEOLOGIST: BILL ELLIS
AFE No.: 1999-01

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC.: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 42 DEGREES F, 2-5 mph NORTHWEST WIND, PARTLY CLOUDY.

BBG = 15-20 UNITS. CG = 0 UNITS. TG = 27 UNITS. MAXG = 27 UNITS AT 6,491 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1		DATE: 25 MAR 1999	RIG DAYS: 34	FOOTAGE	DAYWORK 34	COMPLETION
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 6,596 FT.		DEPTH: 6,596 FT	PROGRESS LAST 24 HRS.: 105 FT	DAILY ROP (FT/HR): 9.33		
FORMATION: HERMOSEA		1/4 SD	1/4 SH	98 1/4 LM	1/4 DOLO	REB-GL: 12.0 FT GL ELE: 4,910 FT
1/4 PYRITE		2 1/4 CHEPT	1/4 SILTSTONE		ACTIVITY	
SUMMARY OF DAILY OPERATIONS		1 DRILLING		11.25		
		2 REAMING OR WASHING		1.75		
		3 CORING				
06:00-10:30 4-1/2 Hrs DROP SURVEY. LAY DOWN 15 JOINTS SMOOTH DRILL PIPE. PULL OUT OF HOLE. NO PROBLEMS.		4 CIRC. & COND MUD/LOST CIRC./NET PITS		0.25		
10:30-12:45 2-1/4 Hrs RECOVER SURVEY. 1-1/2 DEGREE AT 6,451 FT. FUNCTION TEST BLIND RAMS. INSPECT WEAR BUSHING, OK. CHANGE 6-PT & 3-PT REAMERS. MAKE UP BIT.		5 TRIPPING & PULL DRILL STRING		10.75		
		6 RIG SERVICE				
		7 RIG REPAIR				
		8 SLIP & CUT DRILL LINE				
		9 DEVIATION & DIRECTIONAL SURVEYS				
		10 LOGGING				
		11 RUN CASING/SET SLIPS & CUT OFF				
		12 CEMENTING OR SQUEEZING				
		13 TEST CSG. OR SHOW DRUG. OUT CEMENT				
		14 WAIT ON CEMENT				
		15 NU OR NO BOP/TEST BOP/CHG RAMS				
		16 DRILL STEM TEST				
		17 WAIT ON ORDERS - CONSULT GEOLOGIST				
		18 WAIT ON EQUIPMENT				
		19 PLUGGING BACK				
		20 FISHING/TIGHT HOLE/STUCK PIPE				
		21 DIRECTIONAL WORK/ORIENTING TOOLS				
		22 COMPLETION				
		23 WELD CASING HEAD				
		24 SAFETY NETTING				
		25 AIR COMPRESSORS				
		TOTAL HOURS		24.00		

BIT RECORD																
BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS: 3rd			FROM	TO	FTG.	HRS.	CONDITION			BIT WT.	RPM
					12	12	12					T	B	G		
10	7-7/8"	RTC	HP62A	C54658	12	12	12	6,091'	6,491'	400	56.00	7	6E	3/64	48	55
11	7-7/8"	SEC	M89F	678157	12	12	12	6,491'	6,596'	105	11.25				30-48	50-60

HYDRAULICS									
PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	99% EFF. CPM	Ann Vol.		Phi	P INW AT 5PM
1	GD PZ8	6-1/2 X 8	100	950	285	DP	DC	586	100 psi at 54 spm
AIR COMPRESSOR					1,025	1,400 CPM			

MUD PROPERTIES													
Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 05:45 PM													
TYPE	NW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Fm	PPM	XS LIME	CHLORIDES
LS DISP	8.7	35	13	4	1/2	9.0	6.0		2/32	.25	20/50		400
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS			
TR.	2.40		97.6			8.7	35	70	60				

CASING				
CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at to	" at

DRILL STRING									
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC.	OD	ID	CONN.	RHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	5,891.18 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH: 664.82	DESCRIPTION: BIT, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.
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DEVIATION 1-1/2 DEG at 6,451 FT	at	at	at
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PICK UP WEIGHT 170,000 LBS.	SLACK OFF WEIGHT 160,000 LBS.	ROTATING WEIGHT 164,000 LBS.	
ROTATING HOURS ON DRILL COLLARS 203.50		LAST INSPECTION 11 MARCH 1999	
DAYS ON JARS SER. NO. D-604-XA		DAYS ON SHOCK SUB. SER. NO.	
CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222		FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS	
AFE No.: 1999-01		COST	
		DAILY	
		CUMULATIVE	
		MUD	
		WATER	
		DIESEL/OIL	
		TANGBLE	
		RIG COST	
		INTANGBLE	
		COMPLETION	
		TOTAL	

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC.: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 42 DEGREES F, 2-5 mph NORTHWEST WIND, CLEAR.

BBG = 15.22 UNITS CG = 0 UNITS TG = 0 UNITS MAXG = 27 UNITS AT 6,440 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 24 MAR 1999	RIG DAYS: 33	FOOTAGE	DAYWORK: 33	COMPLETION
	SPUD DATE: 10 FEB 1999				
PRESENT OPERATION: DROP SURVEY PULL OUT OF HOLE FOR BIT.	DEPTH: 6,491 FT	PROGRESS LAST 24 HRS.: 164 FT	DAILY ROP (FT/HR): 7.29		
	PROP. T.D.: 7,800 FT				

FORMATION: HERMOSA	$\frac{1}{4}$ SD	$\frac{1}{4}$ SH	95	$\frac{1}{4}$ LM	$\frac{1}{4}$ DOLO	RKB-GL: 12.0 FT	GLELE: 4.910 FT	
$\frac{1}{4}$ PYRITE	5	$\frac{1}{4}$ CHEST	$\frac{1}{4}$ SILTSTONE	ACTIVITY				TROUBLE TIME
SUMMARY OF DAILY OPERATIONS								
06:00-09:00 3 Hrs DRILL 7-7/8 INCH HOLE FROM 6,327 TO 6,355 FT. 9.3								
09:00-09:15 1/4 Hr CIRCULATE FOR SURVEY.								
09:15-10:00 3/4 Hr WIRELINE SURVEY AT 6,345 FT - 1-3/4 DEGREE.								
10:00-10:30 1/2 Hr RIG SERVICE. FUNCTION TEST PIPE RAMS.								
10:30-06:00 19-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 6,355 TO 6,491 FT. 4.0								
1 DRILLING 22.50								
2 REAMING OR WASHING								
3 CORING								
4 CIRC. & COHD MUD/LOST CIRC./NET PITS 0.25								
5 TRIPPING & PLUG DRILL STRING								
6 RIG SERVICE 0.50								
7 RIG REPAIR								
8 SLIP & CUT DRILL LINE								
9 DEVIATION & DIRECTIONAL SURVEYS 0.75								
10 LOGGING								
11 RUN CASING/SET SLIPS & CUT OFF								
12 CEMENTING OR SQUEEZING								
13 TEST CEG. OR SHOE/DRLG OUT CEMENT								
14 WAIT ON CEMENT								
15 NU OR ND BOP/TEST BOP/CHG. RAME								
16 DRILL STEM TEST								
17 WAIT ON ORDERS - CONSULT GEOLOGIST								
18 WAIT ON EQUIPMENT								
19 PLUGGING BACK								
20 FISHING/TIGHT HOLE/STUCK PIPE								
21 DIRECTIONAL WORK/ORIENTING TOOLS								
22 COMPLETION								
23 WELD CASING HEAD								
24 SAFETY MEETING								
25 AIR COMPRESSORS								
TOTAL HOURS							24.00	

BIT RECORD																
BIT NO	SIZE	MFG.	TYPE	SERIAL NO.	JETS - 3rd			FROM	TO	FTG.	HRE.	CONDITION			BIT WT.	RPM
					12	12	12					T	B	G		
10	7-7/8"	RTC	HP62A	C54658	12	12	12	6,091'	6,491'	400	56.00				48	55

HYDRAULICS									
PUMP NO	MAKE/MODEL	SIZE	SPM	PRESSURE	9% EFF. GPM	Ann. Vol.		Flow at SPM	
1	GD P28	6-1/2 X 8	100	950	285	DP	DC	586	100 psi at 54 SPM
AIR COMPRESSOR				1.025	1,400 CFM				

MUD PROPERTIES													
Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 09:00 AM													
TYPE	MW @	VIS @	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Fm	PPM	XF LIME	CHLORIDES
LS DISP	8.7	37	13	4	0/2	9.0	7.8		2/32	.25	25/80		400
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	NBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA EXCESS			
TR	2.40		97.6			8.7	37	84	60				

CASING				
CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at to	" at

DRILL STRING									
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC	OD	ID	CONN	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	5,782.98 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH - **668.02** DESCRIPTION: **BIT, JUNK SUB, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.**

DEVIATION **1-3/4 DEG** at **6,345 FT** at at at

PICK UP WEIGHT **174,000 LBS.** SLACK OFF WEIGHT **168,000 LBS.** ROTATING WEIGHT **170,000 LBS.**

ROTATING HOURS ON DRILL COLLARS 192.25 19 DAYS ON JARS SER. NO. D-604-XA DAYS ON SHOCK SUB. SER. NO.	LAST INSPECTION 11 MARCH 1999		COST	DAILY	CUMULATIVE
			MUD		
			WATER		
			DIESEL/OIL		
			TANGLE		
			RIG COST		

CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 272	FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS	AFE No.: 1999-01	INTANGIBLE	COMPLETION	TOTAL
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From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

Page 1 of 1

Friday, March 26, 1999 7:40:27 AM To: TONY KOENIG

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 42 DEGREES F, CALM, OVERCAST.

BBG = 6-15 UNITS CG = 15-27 UNITS TG = 0 UNITS MAXG = 22 UNITS AT 6,753 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 26 MAR 1999	RIG DAYS: 35	FOOTAGE	DAYWORK 35	COMPLETION
	SPUD DATE: 10 FEB 1999				
PRESENT OPERATION DRILLING 7-7/8 INCH HOLE AT 6,784 FT.	DEPTH: 6,784 FT	PROGRESS LAST 24 HRS.: 188 FT	DAILY POP. (FTHR): 8.26		
	PROP. TD.: 7,800 FT				

FORMATION: **HERMOSA** 1/4 SD 10 1/4 SH 80 1/4 LM 1/4 DOLO RKB-GL 12.0 FT GLEBLE 4.910 FT

SUMMARY OF DAILY OPERATIONS	ACTIVITY	TIME	TROUBLE TIME
06:00-14:00 8 Hrs DRILL 7-7/8 INCH HOLE FROM 6,596 TO 6,670 FT. 9.3	2 REAMING OR WASHING		
14:00-14:30 1/2 Hr AIR BOOSTER REPAIR.	3 CORING		
14:30-01:00 10-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 6,670 TO 6,753 FT. 7.9	4 CIRC & COND MUD/LOST CIRC/JET PITS	0.25	
01:00-01:15 1/4 Hr CIRCULATE FOR SURVEY.	5 TRIPPING & PUL/D DRILL STRING		
01:15-01:45 1/2 Hr WIRELINE SURVEY AT 6,743 FT - 1-1/2 DEGREE.	6 RIG SERVICE		
01:45-06:00 4-1/4 Hrs DRILL 7-7/8 INCH HOLE FROM 6,753 TO 6,784 FT. 7.3	7 RIG REPAIR		
	8 SLIP & CUT DRILL LINE		
	9 DEVIATION & DIRECTIONAL SURVEYS	0.50	
	10 LOGGING		
	11 RUN CASING/SET SLIPS & CUT OFF		
	12 CEMENTING OR SQUEEZING		
	13 TEST CSG. OR SHO/ DRLG. OUT CEMENT		
	14 WAIT ON CEMENT		
	15 NU OR ND BOP/TEST BOP/CHG. RAMS		
	16 DRILL STEM TEST		
	17 WAIT ON ORDERS - CONSULT GEOLOGIST		
	18 WAIT ON EQUIPMENT		
	19 PLUGGING BACK		
	20 FISHING/TIGHT HOLE/STUCK PIPE		
	21 DIRECTIONAL WORK/ORIENTING TOOLS		
	22 COMPLETION		
	23 WELD CASING HEAD		
	24 SAFETY METTING		
	25 AIR COMPRESSORS	0.50	
	TOTAL HOURS	24.00	

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS- 32nd			FROM	TO	FTG.	HRS.	CONDITION			BIT WT.	RPM
					T	B	G									
11	7-7/8"	SEC	M89F	678157	12	12	12	6,491'	6,784'	293	34.00				48	55

PUMP NO	MAKE/MODEL	SIZE	SPM	PRESSURE	PS% EFF.	Airs Vol		Fbit	Flow AT SPM
						DF	DC		
1	GD PZ8	6-1/2 X 8	100	950	285	167	304	586	100 psi at 54 spm
	AIR COMPRESSOR			1,050	1,400 CFM				

MUD PROPERTIES													
Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 10:30 AM													
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Fm	PDM	XS LIME	CHLORIDES
LS DISP	8.6	39	15	7	1/4	10.5	7.6		2/32	.6	5/1.1		300
% SAND	% SOLIDS	% OIL	% WATER	ELEC STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS			
TR	2.40		97.6			8.6	39	80					

CASING			
CONDUCTOR	SURFACE	PROTECTION	INNER

LS DISP	8.6	39	15	7	1/4	10.5	7.6	2/32	5/1.1	300
% SAND	% SOLIDS	% OIL	% WATER	STAB	MBC	MW out	VIS out	F.L.	CALCIUM	PHPA EXCESS
TR	2.40		97.6			8.6	39	80	80	

CASING										
CONDUCTOR		SURFACE		PROTECTION		LINER			PRODUCTION	
16" at 212 FT		8-5/8" at 3,760 FT		" at		" at to			" at	

DRILL STRING										
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC.	OD	ID	CONN.	BHA WEIGHT	
4-1/2	16.60	E	4-1/2 XH	6,079.18 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.	

BHA LENGTH- 664.92 DESCRIPTION: BIT, 6-FT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-FT REAMER, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION 1-1/2 DEG at 6,743 FT at at at

PICK UP WEIGHT	178,000 LBS.	SLACK OFF WEIGHT	168,000 LBS.	ROTATING WEIGHT	175,000 LBS.
				COST	DAILY CUMULATIVE

ROTATING HOURS ON DRILL COLLARS 226.25 LAST INSPECTION 11 MARCH 1999
 21 DAYS ON JARS SER NO D-604-XA
 DAYS ON SHOCK SUB. SER. NO. _____

CONTRACTOR and RIG No.:	FOREMAN:	AFE No.:
AZTEC WELL SERVICING CO.	ROBERT L. HOSFIELD	1999-01
RIG NO. 222	GEOLOGIST: BILL ELLIS	

MUD
WATER
DIESEL/OIL
TANGIBLE
RIG COST
INTANGIBLE
COMPLETION
TOTAL

CONFIDENTIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT---" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well
 Gas Well
 Other

CONFIDENTIAL

2. Name of Operator
Clifford Atkinson III

3. Address and Telephone No.
900 N.E. Loop 410, D-100

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2505' FNL, 623' FEL (SENE) Sec. 29, T36S-R10E

FORM APPROVED
Budget Bureau No. 1004-0315
Expires: March 31, 1993

5. Lease Designation and Serial No.
UTU-63100

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and NO.
Muley Creek Fed. #29-1

9. API Well No.
43-017-30136

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State
Garfield, Utah

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

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent
 Subsequent Report
 Final Abandonment Notice

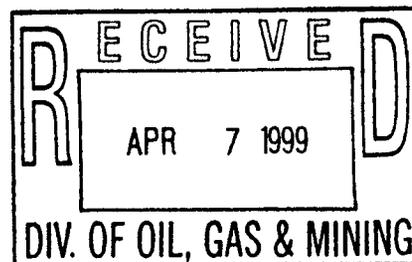
Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Alter Casing
 Other **Deepen Well**

Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut Off
 Conversion to Injection
 Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

Per verbal approval given to Mr. Bob Hosfield of Lynch Management Services Inc by Mr. Al Mckee of the Salt Lake City Office of BLM at 10:00 Hrs on March 30, 1999, Operator will continue drilling operations on this well to approximately 10,500' with the intent to penetrate and evaluate the Tapeats formation.



14. I hereby certify that the foregoing is true and correct.

Signed

Tony Koenig

Title **Consultant**

Date

April 02, 1999

(This space for Federal or State official)

Approved by

Title

Date

Conditions of approval, if any:

from: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

Page 1 of 1

Tuesday, April 06, 1999 8:44:51 AM To: TONY KOENIG

Sec 29 T36S R10E
43-017-30136

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 40 DEGREES F, 0-5 mph SOUTHEAST WIND. PARTLY CLOUDY.

BBG = 3-8 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 38 UNITS AT 8,724 FT.

WELL NAME:	DATE:	RIG DAYS:	FOOTAGE	DAYWORK	COMPLETION	
MULEY CREEK FEDERAL 29 NO.	06 APR 1999 SPUD DATE: 10 FEB 1999	46		46		
PRESENT OPERATION:	DEPTH:	PROGRESS LAST 24 HRS.	DAILY ROP (FT/HR)			
DRILL 7-7/8 INCH HOLE AT 8,779 FT.	8,779 FT PROP TD. 10,000 FT	201 FT	9.57			
FORMATION:	1/4 SD.	1/4 SH	90 1/4 LM	10 1/4 DOLO.	RKB-GL- 12.0 FT	GLELE 4,910 FT
LYNCH						
TR 1/4 PYRITE	1/4 CHERT	1/4 SILTSTONE	ACTIVITY			TROUBLE TIME
SUMMARY OF DAILY OPERATIONS			1 DRILLING	21.00		
			2 REAMING OR WASHING			
			3 CORING			
06:00-08:00 2 Hrs DRILL 7-7/8 INCH HOLE FROM 8,578 TO 8,601 FT. ^{11.5}			4 CIRC. & COND MUD/LOST CIRC./NET PITS			
08:00-08:30 1/2 Hr RIG SERVICE.			5 TRIPPING & PUL/D DRILL STRING			
08:30-09:00 1/2 Hr DRILL 7-7/8 INCH HOLE FROM 8,601 TO 8,605 FT. ¹			6 RIG SERVICE	1.75		
09:00-09:30 1/2 Hr RIG REPAIR. MUD PUMP.			7 RIG REPAIR	0.50		
09:30-10:15 3/4 Hr DRILL 7-7/8 INCH HOLE FROM 8,605 TO 8,614 FT. ¹²			8 SLIP & CUT DRILL LINE			
10:15-10:30 1/4 Hr AIR COMPRESSORS. REGULATE AIR.			9 DEVIATION & DIRECTIONAL SURVEYS			
10:30-15:45 5-1/4 Hrs DRILL 7-7/8 INCH HOLE FROM 8,614 TO 8,664 FT. ^{9.2}			10 LOGGING			
15:45-17:00 1-1/4 Hrs RIG SERVICE. HOOK UP AND TEST RUN STANDBY LIGHT PLANT.			11 RUN CASING/SET SLIPS & CUT OFF			
17:00-17:30 1/2 Hr REGAIN AIR AND CIRCULATION.			12 CEMENTING OR SQUEEZING			
17:30-06:00 12-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 8,664 TO 8,779 FT. ^{9.7}			13 TEST CSG. OR SHOE DRLG OUT CEMENT			
			14 WAIT ON CEMENT			
			15 NU OR ND BOP/TEST BOP/CHG. RAMS			
			16 DRILL STEM TEST			
			17 WAIT ON ORDERS - CONSULT GEOLOGIST			
			18 WAIT ON EQUIPMENT			
			19 PLUGGING BACK			
			20 FIRING/TIGHT HOLE/STUCK PIPE			
			21 DIRECTIONAL WORK/ORIENTING TOOLS			
			22 COMPLETION			
			23 WELD CASING HEAD			
			24 SAFETY METTING			
			25 AIR COMPRESSORS	0.75		
			TOTAL HOURS	24.00		

BIT RECORD

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS: 3rd			FROM	TO	FTS	HRS.	CONDITION			BIT WT.	RFM
					T	E	G									
14	7-7/8"	HTC	HR-50	D21ZM	12	12	12	8,313'	8,779'	466	47.00				45-48	55

HYDRAULICS

PUMP NO.	MAKE/MODEL	SIZE	SPN	PRESSURE	PSI EFF.	Ann Vel		Pbit	Pint AT SPM
						DP	DC		
2	OPI 700	6 X 8	100	600	275	160	295	546	250 psi at 58 spm
AIR COMPRESSOR					950	1,400 CFM			

MUD PROPERTIES

Mud Co. **ROCKY MTN FLUID** Mud Engr. **DANNY REID** Time Sample Taken **07:30 AM**

TYPE	MW in	VIS in	FY	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Pm	PDME	X% LIME	CHLORIDES
LS DISP	8.6	43	12	5	1/2	10.0	7.0		2/32	.25	2/5		400
1/2 SAND	1/2 SOLIDS	1/2 OIL	1/2 WATER	ELEC. STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS			
TR	2.0		98.0			8.6	43		20				

CASING

CONDUCTOR AIRRACE PROTECTION T TIES PRODUCTION

LS DISP	8.6	43	12	5	1/2	10.0	7.0	2/32	.25	2/5	400			
% SAND	% SOLIDS	% OIL	% WA	ELEC. STAB	MBC	MW out	VIS out	TEMP	CALCIUM	PHPA-EXCESS				
TR	2.0		98.0			8.6	43		20					
CASING														
CONDUCTOR			SURFACE			PROTECTION			LINER			PRODUCTION		
16" at 212 FT			8-5/8" at 3,760 FT			" at			" at			to		
DRILL STRING														
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC.	OD	ID	CONN.	BHA WEIGHT					
4-1/2	16.60	E	4-1/2 XH	8,059.65 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.					
BHA LENGTH-679.35 DESCRIPTION: BIT, JUNK SUB, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, SHOCK SUB, 15 - 6-3/8 INCH DRILL COLLARS, DALEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.														
DEVIATION at at at at														
PICK UP WEIGHT 220,000 LBS.			SLACK OFF WEIGHT 210,000 LBS.			ROTATING WEIGHT 214,000 LBS.								
ROTATING HOURS ON DRILL COLLARS 69.00			LAST INSPECTION 01 APRIL 1999			COST		DAILY		CUMULATIVE				
32 DAYS ON JARS SER. NO. D-504-XA						MUD								
DAYS ON SHOCK SUB SER. NO.						WATER								
						DIESEL/OIL								
						TANGIBLE								
						RIG COST								
CONTRACTOR and RIG No.:			FOREMAN:			AFE No.:		INTANGIBLE						
AZTEC WELL SERVICING CO.			ROBERT L. HOSFIELD			1999-01		COMPLETION						
RIG NO. 222			GEOLOGIST: BILL ELLIS					TOTAL						

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LS DISP	8.6	43	14	7	2/4	9.0	7.0	2/32	.25	.25/8	400
1/2 SAND	1/2 SOLIDS	1/2 OIL	1/2 WAT	ELEC. STAB	MBC	MW mt	VIS out	TEMP	CALCIUM	PHPA-EXCESS	
TR	2.0		98.0			8.6	43		20		

CASING													
CONDUCTOR			SURFACE			PROTECTION			LINER			PRODUCTION	
16" at 212 FT			8-5/8" at 3,760 FT			" at			" at			to " at	

DRILL STRING											
DP SIZE	WEIGHT	GRADE	CONN	LENGTH	NO. OF DC	OD	ID	CONN.	BHA WEIGHT		
4-1/2	16.60	E	4-1/2 XH	8,265.65 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.		

BHA LENGTH= 679.35 DESCRIPTION: BIT, JUNK SUB, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, SHOCK SUB, 15 - 6-3/8 INCH DRILL COLLARS, DALEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION at at at at

PICK UP WEIGHT 230,000 LBS. SLACK OFF WEIGHT 212,000 LBS. ROTATING WEIGHT 218,000 LBS.

ROTATING HOURS ON DRILL COLLARS 91.50 33 DAYS ON JARS SER. NO. D-604-XA DAYS ON SHOCK SUB SER. NO.	LAST INSPECTION 01 APRIL 1999		COST	DAILY	CUMULATIVE
			MUD		
			WATER		
			DIESEL/OIL		
			TANGIBLE		
			INTANGIBLE		
			COMPLETION		

CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222	FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS	AFE No.: 1999-01	TOTAL
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CONFIDENTIAL

from: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

Page 1 of 1

Thursday, April 08, 1999 8:34:53 AM To: TONY KOENIG

Sec 29 T 36S R 10E
43-019-30136

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 33 DEGREES F, 10-15 mph SOUTHWEST WIND. CLEAR.

BBG = 3-8 UNITS. CG = 0 UNITS. TG = 63 UNITS. MAXG = 63 UNITS AT 9,008 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 08 APR 1999 SPUD DATE: 10 FEB 1999	RIG DAYS: 48	FOOTAGE	DAYWORK 48	COMPLETION
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 9,023 FT.	DEPTH: 9,023 FT PROP. TD: 10,000 FT	PROGRESS LAST 24 HRS: 38 FT	DAILY ROP (FT/HR): 7.60		

FORMATION: LYNCH % SD 15 % SH 80 % LM 5 % DOLO. RKB-GL: 12.0 FT GLELE 4.910 FT

TR % PYRITE	% CHERT	% SILTSTONE	ACTIVITY	TROUBLE TIME
SUMMARY OF DAILY OPERATIONS			1 DRILLING	5.00
			2 REAMING OR WASHING	
			3 CORING	
06:00-09:00 3 Hrs DRILL 7-7/8 INCH HOLE FROM 8,985 TO 9,008 FT.			4 CIRC. & COND MUD/LOST CIRC/DET PITS	1.00
09:00-10:00 1 Hr CHECK GUYWIRES. MOVE NE CORNER GUYWIRE.			5 TRIPPING & PULD DRILL STRING	14.50
			6 RIG SERVICE	1.00
10:00-10:30 1/2 Hr DROP SURVEY.			7 RIG REPAIR	
			8 SLIP & CUT DRILL LINE	2.00
10:30-16:00 5-1/2 Hrs PULL OUT OF HOLE. NO PROBLEMS.			9 DEVIATION & DIRECTIONAL SURVEYS	0.50
			10 LOGGING	
16:00-17:00 1 Hr LAY DOWN SHOCK SUB & 3 PT. CLEAN JUNK SUB. OK. LAY DOWN 6 FT.			11 RUN CASING/RET SLIPE & CUT OFF	
17:00-18:00 1 Hr RECOVER SURVEY TOOL FROM SHOCK SUB. DROPPED SURVEY AT 8,917 FT - 1 DEGREE.			12 CEMENTING OR SQUEEZING	
18:00-20:30 2-1/2 Hrs MAKE UP BIT, JUNK SUB. 6 FT. RIH. PICK UP 3 PT & SHOCK SUB. RUN IN HOLE WITH DRILL COLLAR'S.			13 TEST CSG ON SHO/DRLG OUT CEMENT	
20:30-22:30 2 Hrs SLIP & CUT 100 FT DRILLING LINE.			14 WAIT ON CEMENT	
22:30-01:30 3 Hrs RUN IN HOLE. NO PROBLEMS.			15 NU OR HD BOP/TEST BOP/CHG RAMS	
01:30-02:00 1/2 Hr PICK UP KELLY. FILL DRILL PIPE.			16 DRILL STEM TEST	
			17 WAIT ON ORDERS. CONSULT GEOLOGIST	
02:00-03:30 1-1/2 Hrs RUN IN HOLE TO 8,998 FT. NO PROBLEMS.			18 WAIT ON EQUIPMENT	
			19 PLUGGING BACK	
03:30-04:00 1/2 Hr PICK UP KELLY & BREAK CIRCULATION.			20 FISHING/TIGHT HOLE/STUCK PIPE	
04:00-06:00 2 Hrs DRILL 7-7/8 INCH HOLE FROM 9,008 TO 9,023 FT.			21 DIRECTIONAL WORK/ORIENTING TOOLS	
			22 COMPLETION	
			23 WELD CASING HEAD	
			24 SAFETY METTING	
			25 AIR COMPRESSORS	
			TOTAL HOURS	24.00

BIT NO	SIZE	MFG	TYPE	SERIAL NO.	JETS - 32nd			FROM	TO	FTG	HRS	CONDITION			BIT WT.	RPM
					12	12	12					T	B	G		
14	7-7/8"	HTC	HR-50	D212M	12	12	12	8,313'	9,008'	695	72.50	5	5E	I	45-48	55
15	7-7/8"	SEC	M84CF	639548	11	11	11	9,008'	9,023'	15	2.00				30-48	40-50

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF. GPM	Ann Vol		Pwh	P low AT SPM
						DP	DC		
2	OPI 700	6 X 8	100	600	275	160	295	546	250 psi at 58 spm
AIR COMPRESSOR 950 1,400 CFM									

MUD PROPERTIES														Mud Co. ROCKY MTN FLUID		Mud Engr. DANNY REID		Time Sample Taken 09:30 AM			
TYPE	MW in	VIS in	PL	YP	GELS	pH	WL-AP	WL-HPHT	F.C.	Fm	PPME	X3 LINE	CHLORIDES								
LS DISP	8.6	43	15	11	2/5	10.5	6.0		2/32	.6	.55/1.2		400								
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS											
TR	2.20		97.8			8.6	43		20												

CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at to	" at

DRILL STRING	DP SIZE	WEIGHT	GRADE	CONN	LENGTH	NO. OF DC	OD	ID	CONN.	BHA WEIGHT
	4-1/2	16.60	E	4-1/2 XH	3,303.94 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH = 679.06 DESCRIPTION: BIT, JUNK SUB. 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, SHOCK SUB. 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION 1 DEG at 8,968 FT. at at at

PICK UP WEIGHT 228,000 LBS. SLACK OFF WEIGHT 210,000 LBS. ROTATING WEIGHT 222,000 LBS.

ROTATING HOURS ON DRILL COLLARS 96.50	LAST INSPECTION 01 APRIL 1999	COST	DAILY	CUMULATIVE
34 DAYS ON JARS SER NO D-604-XA		MUD		
DAYS ON SHOCK SUB. SER NO		WATER		
		DIESEL OIL		
		TANGIBLE		
		RIG COST		
		INTANGIBLE		
		COMPLETION		
		TOTAL		

CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222
FOREMAN: ROBERT L. HOSFIELD
GEOLOGIST: BILL ELLIS
AFE No.: 1999-01

Dec 29 T 365 R10E
43-017-30136

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 42 DEGREES F, 15-20 mph SOUTHEAST WIND, PARTLY CLOUDY.

BBG = 3-8 UNITS. CG = 10-18 UNITS. TG = 0 UNITS. MAXG = 11 UNITS AT 9,185 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO.	DATE: 09 APR 1999 SPUD DATE: 10 FEB 1999	RIG DAYS: 49	FOOTAGE	FACTORY	COMPLETION
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 9,242 FT.	DEPTH: 9,242 FT PROP. T.D.: 10,000 FT	PROGRESS LAST 24 HRS: 219 FT	DAILY ROP (FT/HR): 9.84		

FORMATION: MUAV 1/4 SD 5 1/4 SH 90 1/4 LM 5 1/4 DOLO RKB-GL 120 FT GLE ELE 4,910 FT

% PYRITE	% CHERT	% SILTSTONE	ACTIVITY	TRIPBLE TIME
SUMMARY OF DAILY OPERATIONS			1 DRILLING	22.25
06:00-07:45 1-3/4 Hrs DRILL 7-7/8 INCH HOLE FROM 9,023 TO 9,037 FT.			2 REAMING OR WASHING	
07:45-08:15 1/2 Hr RIG SERVICE.			3 CORING	
08:15-10:45 2-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 9,037 TO 9,061.			4 CIRC. & COND MUD/LOST CIRC./SET PITS	
10:45-11:00 1/4 Hr RIG REPAIR. SHALE SHAKER.			5 TRIPPING & PULD DRILL STRING	
11:00-11:45 3/4 Hr DRILL 7-7/8 INCH HOLE FROM 9,061 TO 9,069 FT.			6 RIG SERVICE	0.75
11:45-12:30 3/4 Hr RIG REPAIR. DRAWWORKS MOTORS.			7 RIG REPAIR	1.00
12:30-17:30 5 Hrs DRILL 7-7/8 INCH HOLE FROM 9,069 TO 9,108 FT.			8 SLIP & CUT DRILL LINE	
17:30-17:45 1/4 Hr RIG SERVICE. SWITCH MUD PUMPS.			9 DEVIATION & DIRECTIONAL SURVEYS	
17:45-06:00 12.25 Hrs DRILL 7-7/8 INCH HOLE FROM 9,108 TO 9,242 FT.			10 LOGGING	
			11 RUN CASING/SET SLIPS & CUT OFF	
			12 CEMENTING OR SQUEEZING	
			13 TEST CEG. OR SHO/ DRUG. QUT CEMENT	
			14 WAIT ON CEMENT	
			15 NU OR ND BOP/TEST BOP/CHG. RAMS	
			16 DRILL STEM TEST	
			17 WAIT ON ORDERS - CONSULT GEOLOGIST	
			18 WAIT ON EQUIPMENT	
			19 PLUGGING BACK	
			20 FISHING/TIGHT HOLE/STUCK PIPE	
			21 DIRECTIONAL WORK/ORIENTING TOOLS	
			22 COMPLETION	
			23 WELD CASING HEAD	
			24 SAFETY METTING	
			25 AIR COMPRESSORS	
			TOTAL HOURS	24.00

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO	JETS-32MA	FROM	TO	FTG.	MNR.	CONDITION			BIT WT	PFM
										T	B	G		
15	7-7/8"	SEC	M84CF	639548	11 11 11	9,008'	9,242'	234	24.25				48	45

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF. GPM	Ann Vel.		PH	Flow AT SPM
						DP	DC		
1	GD PZ-8	6-1/2 X 8	98	900	280	164	320	780	250 psi at 58 spm
AIR COMPRESSOR					1,400 CFM				

MUD PROPERTIES												Time Sample Taken: 09:30 AM		
TYPE	MW in	VIS in	YP	YP	GELS	pH	WL-AFI	WL-HPHT	F.C.	Pm	PEM	%S LIME	CHLORIDES	
LS DISP	8.6	43	15	11	2/5	10.5	6.0		2/32	.6	55/1.2		400	
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW in	VIS in	FL. TEMP	CALCIUM	PHPA-EXCESS				
TR	2.20		97.8			8.6	43		20					

CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at	" at

DRILL STRING	DP SIZE	WEIGHT	GRADE	CONN	LENGTH	NO. OF DC	OD	ID	CONN	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	8,522.94 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.	

BHA LENGTH=679.06 DESCRIPTION: BIT, JUNK SUB, 6-PT REAMER. 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, SHOCK SUB. 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION at at at at

PICK UP WEIGHT 240,000 LBS. SLACK OFF WEIGHT 220,000 LBS. ROTATING WEIGHT 225,000 LBS.

ROTATING HOURS ON DRILL COLLARS 118.75 LAST INSPECTION 01 APRIL 1999

CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222 FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS AFE No.: 1999-01

COST	DAILY	CUMULATIVE
MUD		
WATER		
DIESEL/OIL		
TANGIBLE		
RIG COST		
INTANGIBLE		
COMPLETION		
TOTAL		

From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

Page 1 of 1

Saturday, April 10, 1999 9:59:49 AM To: TONY KOENIG

Dec 29 T 365 R10E
43-017-30136

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 29 DEGREES F, 0-5 mph NORTHWEST WIND. CLEAR.

BBG = 3-8 UNITS. CG = 10-42 UNITS. TG = 0 UNITS. MAXG = 42 UNITS AT 9,410 FT. CONNECTION GAS.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 10 APR 1999 SPUD DATE: 10 FEB 1999	RIG DAYS: 50	FOOTAGE	DAYWORK 50	COMPLETION
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 9,441 FT	DEPTH: 9,441 FT PROP. TD: 10,000 FT	PROGRESS LAST 24 HRS: 199 FT	DAILY ROP (FT/HR) 8.75		
FORMATION: MUAV	% SD: 5 % SH: 90 % LM: 5 % DOLO: 5	RKB-GL: 12.0 FT	GL ELE: 4,910 FT		
SUMMARY OF DAILY OPERATIONS		ACTIVITY		TROUBLE TIME	
06:00-14:00 8 Hrs DRILL 7-7/8 INCH HOLE FROM 9,242 TO 9,317 FT.		1 DRILLING		22.75	
14:00-14:15 1/4 Hr RIG SERVICE. FUNCTION TEST PIPE RAMS.		2 REAMING OR WASHING			
14:15-19:45 5-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 9,317 TO 9,365 FT.		3 CLEARING			
19:45-20:15 1/2 Hr AIR COMPRESSORS. REGULATE AIR.		4 CIRC. & COND MUD/LOST CIRC NET PITS			
20:15-01:45 5-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 9,365 TO 9,410 FT.		5 TRIPPING & PULD DRILL STRING		0.75	
01:45-02:15 1/2 Hr RIG SERVICE. CLEAN SHAKER PIT.		6 RIG SERVICE			
02:15-06:00 3-3/4 Hrs DRILL 7-7/8 INCH HOLE FROM 9,410 TO 9,441 FT.		7 RIG REPAIR			
		8 SLIP & CUT DRILL LINE			
		9 DEVIATION & DIRECTIONAL SURVEYS			
		10 LOGGING			
		11 RUN CASING SET SLIPS & CUT OFF			
		12 CEMENTING OR SQUEEZING			
		13 TEST CEG. OR SHO. DRUG. OUT CEMENT			
		14 WAIT ON CEMENT			
		15 NU OR ND BOPT/TEST BOPT/CHG RAMS			
		16 DRILL STEM TEST			
		17 WAIT ON ORDERS - CONSULT GEOLOGIST			
		18 WAIT ON EQUIPMENT			
		19 PLUGGING BACK			
		20 FISHING/TIGHT HOLE/STUCK PIPE			
		21 DIRECTIONAL WORK/ORIENTING TOOLS			
		22 COMPLETION			
		23 WELD CASING HEAD			
		24 SAFETY METTING			
		25 AIR COMPRESSORS		0.50	
		TOTAL HOURS		24.00	

BIT RECORD

BIT NO	SIZE	MFG.	TYPE	SERIAL NO.	JETS: In			FROM	TO	FTG.	HRS.	CONDITION			BIT WT	RPM
					T	B	O									
15	7-7/8"	SEC	M84CF	639548	11	11	11	9,008'	9,441'	433	47.00				48	45

HYDRAULICS

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	GPM	95% EFF.		Pbit	Flow at 58 spm
						DP	DC		
1	GD PZ-8	6-1/2 X 8	98	900	280	164	320	780	250 psi at 58 spm
	AIR COMPRESSOR			1,050	1,400 CFM				

MUD PROPERTIES													Mud Co. ROCKY MTN FLUID			Mud Engr. DANNY REID		Time Sample Taken 09:30 AM						
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	FC	Pm	FOMT	XSLIME	CHLORIDES	% SAND	% SOLIDS	% OIL	% WATER	ELEG. STAB	MES	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS
LS DISP	8.6	43	16	6	2/5	10.0	5.0		2/32	45	40/1.1		400	TR	2.50		97.5			8.6	43	82	40	

CONDUCTOR		SURFACE		PROTECTION		LINER		PRODUCTION		
16"	at 212 FT	8-5/8"	at 3,760 FT	"	at	"	at	to	"	at

DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC.	OD	ID	CONN.	BHA WEIGHT
4-1/2"	16.60	E	4-1/2 XH	8,721.94 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH= 679.06 DESCRIPTION: BIT, JUNK SUB, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, SHOCK SUB, 15 - 6-3/8 INCH DRILL COLLARS, DALEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION	at	at	at	at	
PICK UP WEIGHT	240,000 LBS.	SLACK OFF WEIGHT	220,000 LBS.	ROTATING WEIGHT	226,000 LBS.

ROTATING HOURS ON DRILL COLLARS	141.59	LAST INSPECTION	01 APRIL 1999
36 DAYS ON JARS	SER NO	D. 604 - XA	
DAYS ON SHOCK SUB	SER NO.		

CONTRACTOR and RIG No.:	FOREMAN:	AFE No.:	
AZTEC WELL SERVICING CO.	ROBERT L. HOSFIELD	1999-01	
RIG NO. 222	GEOLOGIST: BILL ELLIS		

COST	DAILY	CUMULATIVE
MUD		
WATER		
DIESEL/OIL		
TANGIBLE		
FIG COST		
INTANGIBLE		
COMPLETION		
TOTAL		

Sec 29 T 36S R10E
43-017-30136

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 35 DEGREES F. 0-5 mph NORTHWEST WIND. CLEAR.

BBG = 3-8 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 11 UNITS AT 9,512 FT.

WELL NAME	DATE	RIG DAYS	FOOTAGE	DAYWORK	COMPLETION
MULEY CREEK FEDERAL 29 NO. 1	11 APR 1999 SPUD DATE: 10 FEB 1999	51		51	
PRESENT OPERATION:	DEPTH: 9,564 FT PROP. TD: 10,000 FT	PROGRESS LAST 24 HRS: 123 FT	DAILY ROP (FT/HR): 8.63		
FORMATION: BRIGHT ANGEL	80% SD 5% SH 1% LM 5% DOLO	RKB-GL: 12.0 FT	GL ELE: 4,910 FT		
SUMMARY OF DAILY OPERATIONS		ACTIVITY		TROUBLE TIME	
06:00-09:30 3-1/2 Hrs DRILL 7-7/8" HOLE FROM 9,441 TO 9,472 FT. 8 ²		1 DRILLING		14.25	
09:30-09:45 1/4 Hr RIG SERVICE. FUNCTION TEST PIPE RAMS.		2 REAMING OR WASHING			
09:45-13:00 3-1/4 Hrs DRILL 7-7/8" HOLE FROM 9,472 TO 9,503 FT. 9 ²		3 CORING			
13:00-14:00 1 Hr AIR COMPRESSOR CHANGE VALVES IN BOOSTER.		4 CIRC. & COND MUD/LOST CIRC./SET PITS		7.25	
14:00-21:30 7-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 9,503 TO 9,564 FT. 6 ²		5 TRIPPING & PULD DRILL STRING		0.25	
21:30-22:00 1/2 Hr DROP SURVEY.		6 RIG SERVICE			
22:00-04:30 6-1/2 Hrs PULL OUT OF HOLE. SLM. NO PROBLEMS		7 RIG REPAIR			
04:30-05:15 3/4 Hr LAY DOWN SHOCK SUB, 3 PT, & JUNK SUB. DROPPED SURVEY HUNG UP IN SHOCK SUB. MIS-RUN.		8 SLIP & CUT DRILL LINE		0.50	
05:15-05:45 1/2 Hr PULL WEAR BUSHING. NO WEAR.		9 DEVIATION & DIRECTIONAL SURVEYS			
05:45-06:00 1/4 Hr RIG UP BOP TESTER.		10 LOGGING			
		11 RUN CASING/SET SLIPS & CUT OFF			
		12 CEMENTING OR SQUEEZING			
		13 TEST CSG. OR SHO/ DRLO OUT CEMENT			
		14 WAIT ON CEMENT			
		15 NU OR NO BOP/TEST BOP/CHQ RAMS		0.75	
		16 DRILL STEM TEST			
		17 WAIT ON ORDERS - CONSULT GEOLOGIST			
		18 WAIT ON EQUIPMENT			
		19 PLUGGING BACK			
		20 FISHING/TIGHT HOLE/STUCK PIPE			
		21 DIRECTIONAL WORK/ORIENTING TOOLS			
		22 COMPLETION			
		23 WELD CASING HEAD			
		24 SAFETY MEETING			
		25 AIR COMPRESSOR		1.00	
		TOTAL HOURS		24.00	

BIT RECORD

BIT NO.	SIZE	MPG	TYPE	SERIAL NO.	JETS 3264			FROM	TO	FTG	HRG.	CONDITION			BIT.WT	RPM
					T	B	G									
15	7-7/8"	SEC	M84CF	639548	11	11	11	9,008'	9,564'	556	61.25	3	3E	I	48	45

HYDRAULICS

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	99% EFF. GPM	Ann Vd.		PWR	Flow AT SPM
						DP	DC		
1	GD PZ-8	6-1/2 X 8	98	900	280	164	320	780	250 psi at 58 spm
AIR COMPRESSOR						1,050	1,400 CFM		

MUD PROPERTIES														Mud Co. ROCKY MTN FLUID		Mud Eng. DANNY REID		Time Sample Taken 07:00 AM	
TYPE	MW in	VIS in	FV	TP	OELS	pH	WL-APJ	WL-RPHT	F.C.	Fm	P/MC	X5 LINE	CHLORIDES						
LS DISP	8.6	43	15	5	1/3	9.5	5.6		2/32	.35	3/1.0		600						
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PMMA-EXCESS									
TR	2.40		97.6			8.6	43	82	40										

CONDUCTOR		SURFACE		PROTECTION		LINER		PRODUCTION	
16" at 212 FT	8-5/8" at 9,760 FT	" at	" at	" at	" at	" at	" at	" at	" at

DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO OF DC	OD	ID	CONN.	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	8,844.94 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH- 679.06 DESCRIPTION: BIT JUNK SUB. 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, SHOCK SUB. 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION MIS-RUN at 9,463 FT at at at

PICK UP WEIGHT 240,000 LBS. SLACK OFF WEIGHT 220,000 LBS. ROTATING WEIGHT 230,000 LBS.

ROTATING HOURS ON DRILL COLLARS 155.75		LAST INSPECTION 01 APRIL 1999		COST	
37	DAYS ON JARS SER. NO. D-604-XA			DAILY	CUMULATIVE
4	DAYS ON SHOCK SUB. SER. NO.			MUD	
				WATER	
				DIESEL/OIL	
				TANGIBLE	
				RIG COST	
				INTANGIBLE	
				COMPLETION	
				TOTAL	

CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222 FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS AFE No.: 1999-01

Sec 29 T365 R10E
43-019-30136

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 45 DEGREES F. 0-5 mph WEST WIND. PARTLY CLOUDY.

EFG = 3-6 UNITS. CG = 12-13 UNITS. TG = 12 UNITS. MAXG = 13 UNITS AT 9,601 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO 1	DATE 12 APR 1999	RIG DAYS 52	FOOTAGE	DAYWORK 52	COMPLETION
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 9,650 FT	DEPTH: 9,650 FT PROP. TD: 10,000 FT	PROGRESS LAST 24 HRS.: 86 FT	DAILY ROP/FTHR: 7.48		
FORMATION: BRIGHT ANGEL	30% SD	70% SH	% LM	TR% DOLO	RKB-CL: 12.0 FT GL ELE: 4,910 FT
% PYRITE	% CHERT	% SILTSTONE	ACTIVITY		TROUBLE TIME
SUMMARY OF DAILY OPERATIONS			1 DRILLING		11.50
06:00-10:30 4-1/2 Hrs TEST BOP EQUIPMENT & CHOKE MANIFOLD TO 500 & 3,000 PSI FOR 10 MINUTES, OKAY. TEST KELLY & FLOOR VALVES TO 500 & 3,000 PSI FOR 10 MINUTES, OKAY.			2 REAMING OR WASHING		
10:30-12:00 1-1/2 Hrs MAKE UP BIT & BOTTOM HOLE ASSEMBLY.			3 CORING		
12:00-15:15 3-1/4 Hrs RUN IN HOLE. NO PROBLEMS.			4 CIRC & COND MUD/LOST CIRC/DET PITS		0.50
15:15-15:30 1/4 Hr FILL DRILL PIPE.			5 TRIPPING & P/LD DRILL STRING		7.50
15:30-16:45 1-1/4 Hrs RUN IN HOLE. NO PROBLEMS.			6 RIG SERVICE		
16:45-17:45 1 Hr INSTALL ROTATING HEAD RUBBER.			7 RIG REPAIR		
17:45-18:00 1/4 Hr RUN IN HOLE TO 9,530 FT. NO PROBLEMS.			8 SLIP & CUT DRILL LINE		
18:00-18:30 1/2 Hr PICK UP KELLY. BREAK CIRCULATION. NO FILL.			9 DEVIATION & DIRECTIONAL SURVEYS		
18:30-06:00 11-1/2 Hrs DRILL 7-7/8 INCH HOLE FROM 9,564 TO 9,650 FT.			10 LOGGING		
NOTE: NO CORRECTION ON TRIP SLM.			11 RUN CASING/BET SLIPS & CUT OFF		
			12 CEMENTING OR SQUEEZING		
			13 TEST CEG. GR SHO/DRG QUI CEMENT		
			14 WAIT ON CEMENT		
			15 MU OR ND BOP/TEST BOP/CHG RAMS		4.50
			16 DRILL STEM TEST		
			17 WAIT ON ORDERS. CONSULT GEOLOGIST		
			18 WAIT ON EQUIPMENT		
			19 PLUGGING BACK		
			20 FISHING/TIGHT HOLE/TUCK PIPE		
			21 DIRECTIONAL WORK/ORIENTING TOOLS		
			22 COMPLETION		
			23 WELD CASING HEAD		
			24 SAFETY MEETING		
			25 AIR COMPRESSORS		
				TOTAL HOURS	24.00

BIT NO.	SIZE	MFG	TYPE	SERIAL NO.	JETS: 3rd			FROM	TO	FT.	HRS.	CONDITION			BIT WT	RPM
					T	B	G									
16	7-7/8"	HTC	HR-44C	D822K	11	11	11	9,564'	9,650'	86	11.50				30-45	45-55

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF. GPM	Ann Vol		PWC	PWH AT SPM
						DP	DC		
1	GD FZ-8	6-1/2 X 8	100	900	285	164	320	780	250 psi at 58 spm
AIR COMPRESSOR				1,050	1,400 CFM				

MUD PROPERTIES													Mud Co. ROCKY MTN FLUID		Mud Engr. DANNY REID		Time Sample Taken 07:45 AM	
TYPE	MW lb	VIS in	PV	YP	OELS	pH	WL-API	WL-HPHT	FC	Pm	PPME	% LIME	CHLORIDES					
LS DISP	8.6	43	18	8	2/6	9.5	6.0		2/32	.40	35/1.0		600					
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA EXCESS								
NIL	2.60		97.4			8.6	43		40									

CASINGS					
CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION	
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at	to	" at

DF SIZE	WEIGHT	GRADE	CONH	LENGTH	NO OF DC	OD	ID	CONH	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	8,928.75 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH= 681.25 DESCRIPTION: BIT, JUNK SUB, 6-FT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-FT REAMER, SHOCK SUB, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION at at at at

PICK UP WEIGHT 240,000 LBS. SLACK OFF WEIGHT 220,000 LBS. ROTATING WEIGHT 230,000 LBS.

ROTATING HOURS ON DRILL COLLARS 167.25	LAST INSPECTION 01 APRIL 1999	COST DAILY	CUMULATIVE
39 DAYS ON JARS SER. NO. D-624-XA		MUD	
1 DAYS ON SHOCK SUB. SER. NO. DAILEY		WATER	
		DIESEL/OIL	
		TANGIBLE	
		RIG COST	
		INTANGIBLE	
		COMPLETION	
		TOTAL	

CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG No. 222 FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS AFE No.: 1999-01

04/12/99

First Security Bank
Payment Order/Remittance Advice
Detail

Page: 0001

CONFIDENTIAL

UTAH DPT NATURAL RES
ATTN: AGENCIES
1594 West North Temple
Salt Lake City, UT 84114-5801

Effective Entry Date: 04/09/99

Orig. Company : 3121036500

Supplemental Code (Orig. Company):

Handling Code : [I] Remittance Information Only

Payment Method: [ADC]

Payment Format: [CCP] Cash Concentration/Disbursement plus Addenda [CCD+] [ACH]

=====

TOTAL AMOUNT : \$ 2,417.44 Credit

=====

Originating Financial Institution

Receiving Financial Institution

12103650

<Bank Number> 124000012
< Account > 0600008726 [DA] Demand Deposit

Trace Number : 121036500370664
Reference Number: 876000545140609
Payer: BOR TREAS 312
Payee: STATE OF UTAH DIV OF W

[I] Current Transaction Trace Numbers
[AK] Sending Company Audit Number [Automated Clearinghouse Transf

Entity Assigned Number : 1

Ref. Num. Code : IV Seller's Invoice Number
Reference Number : 6FC4019470 PARTIAL3
Amount Paid :
Amount Invoiced :
Subj. to Terms :
Discount Due :
Discount Amount :
Adjustment Amount:
Adjustment Reason:
Adjustment Desc. : INVOICE DATE: 01/11/99

=====

Account 0600008726 CREDIT Total : \$ 2,417.44 DEBIT Total : \$ 0.00

=====

Experienced Since
1978 with
Double D
Double Jack
Now On My Own

SINGLE JACK TESTING & SERVICES INC.

FIELD TICKET # 1288

2292 1 1/4 Road • Grand Junction, Colorado 81505
(970) 245-9724
Vernal, Utah (435) 781-1357
Cortez, Colorado (970) 862-4918

- B.O.P. Testing
- B.O.P. Nipple Up
- Pipeline & Vessel Testing
- Leak-off Testing

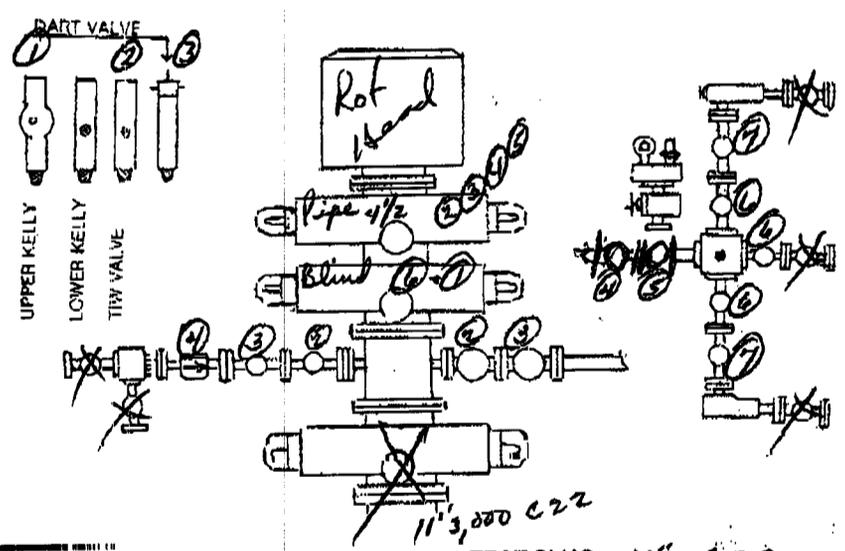
DATE 4/11/99 RIG NAME AND # Autotech Well Serv #222
 OPERATOR Clifford Atkinson III WELLS NAME AND NO. Mudley Creek Field -29-1
 COUNTY Garfield STATE Utah SECTION 29 TOWNSHIP 36-S RANGE 10-E

EQUIPMENT TESTED
Rigs 4 1/2 RAMS Low 500 10 min High 3,000 10 min
Blind RAMS _____
 RAMS _____
 ANNULAR B.O.P. _____
 CHOKE LINE _____ " _____
 KILL LINE _____ " _____
 UPPER KELLY _____ " _____
 LOWER KELLY _____ " _____
Tracked SAFETY VALVES _____ " _____
 CHOKE MANIFOLD _____ " _____
 SUPER CHOKE _____

CONFIDENTIAL

ADDITIONAL TESTS & COMMENTS

ACCUMULATOR TEST
 TYPE Rooney SD CONTROLS LABELED CORRECTLY yes
 NITROGEN BACK-UP OR PSI AIR 120 ELECTRIC Triphasic
 REMOTE yes BLIND GUARDS INSTALLED yes
 ACCUMULATOR PRESSURE 1500 MANIFOLD PSI 1500 ANNULAR PSI 1500



Load Time		TEST PLUG	11" C-22	150.00
Start Travel Time	12:30 AM 4/11	RET. TOOL	on spec	
Arrival Time	5:30 AM 4/11	TOP SUB.	4 1/2 XH	50.00
Single Jack Rep.	Don	KELLY SUB.	" "	50.00
Pusher:		TOP SUB.	circulating	50.00
RATES				800.00
UNIT RATES	7.14 min setup			
ADDITIONAL				
MILEAGE	130 miles Round trip out of Cortez CO		1.25 per mile	537.50
METHANOL				
OTHER				
		SUB TOTAL		1637.50
		TAX		0
		TOTAL		1637.50

Robert L. Hasfield
CO. REP.

Don & Jim Harris
TESTED BY
114 Brown Chan.
SINGLE JACK TESTING UNIT NUMBER

NOTICE TO ALL CUSTOMERS

If this account shall not be paid when due and it is placed with an attorney for collection, or if suit be instituted for collection, the undersigned agree(s) to pay in either case, reasonable expense of collection including attorney's fees and court cost in compliance with TRUTH IN LENDING AND THE UNIFORM COMMERCIAL CODE, the following information discloses: Under the terms of our regular contracts, all amounts for service due and payable within THIRTY (30) DAYS from the receipt of an invoice for such services. A LATE CHARGE will be assessed when accounts are not paid when due. THE LATE CHARGE is computed at 1 1/2% per month or 18% per annum, whichever is greater. No further credit can be extended on unpaid delinquent accounts until the delinquent account is paid in full. The contractor will not be held liable for damages caused by acts of God, or unforeseen circumstances that could not be reasonably anticipated in performing the work done as set forth above.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT---" for such proposals

SUBMIT IN TRIPLICATE

FORM APPROVED
Budget Bureau No. 1004-0315
Expires: March 31, 1993

5. Lease Designation and Serial No.
UTU-63100

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and NO.
Muley Creek Fed. #29-1

9. API Well No.
43-017-30136

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State
Garfield, Utah

1. Type of Well
 Oil Well
 Gas Well
 Other

2. Name of Operator
Clifford Atkinson III

3. Address and Telephone No.
900 N.E. Loop 410, D-100

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2505' FNL, 623' FEL (SENE) Sec. 29, T36S-R10E

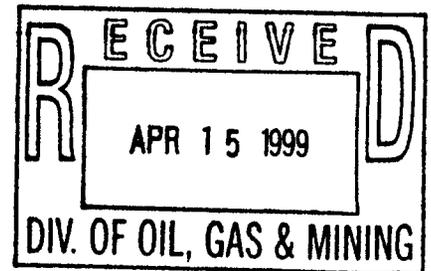
12 CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Alter Casing
	<input checked="" type="checkbox"/> Other 30 Day BOP Test
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

Drilling from under the shoe of the 8-5/8" surface casing at 3760' was commenced on March 12, 1999. In accordance with Onshore Order No. II, the BOP stack and all related equipment was re-tested on April 11, 1999 to 3000 psi, OK.



14. I hereby certify that the foregoing is true and correct.

Signed *Gary Koenig* Title Consultant Date April 13, 1999

(This space for Federal or State official)

Approved by _____ Title _____ Date _____

Conditions of approval, if any;

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT---" for such proposals

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Budget Bureau No. 1004-0315
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Muley Creek Fed. #29-1

9. API Well No.
43-017-30136

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State
Garfield, Utah

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Clifford Atkinson III

3. Address and Telephone No.
900 N.E. Loop 410, D-100

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2505' FNL, 623' FEL (SENE) Sec. 29, T36S-R10E

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

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent

Subsequent Report

Final Abandonment Notice

Abandonment

Recompletion

Plugging Back

Casing Repair

Alter Casing

Other **30 Day BOP Test**

Change of Plans

New Construction

Non-Routine Fracturing

Water Shut Off

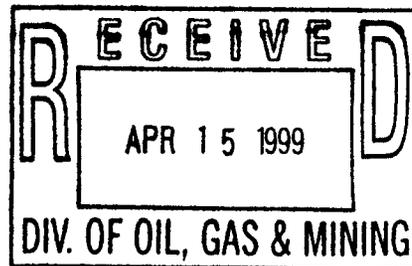
Conversion to Injection

Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

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14. I hereby certify that the foregoing is true and correct

Signed

Tony Koenig

Title **Consultant**

Date

April 13, 1999

(This space for Federal or State official)

Approved by

Title

Date

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From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

Page 1 of 1

Sunday, April 18, 1999 8:35:29 AM To: TONY KOENIG

T365 R10E Sec 29
43-019-30136

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 46 DEGREES F, 0-5 mph NORTHWEST WIND. CLEAR.

BBG=0 UNITS. CG=0 UNITS. TG=0 UNITS. MAXG=0 UNITS.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1		DATE: 18 APR 1999	RIG DAYS: 58	FOOTAGE	DAYWORK 58	COMPLETION
PRESENT OPERATION: RIG RELEASED. 08:15 PM SATURDAY 17 APRIL 1999.		SPUD DATE: 10 FEB 1999	DEPTH: 0 FT PBTD PROP TD: 10,000 FT	PROGRESS LAST 24 HRS.	DAILY ROP (FT/HR)	
FORMATION:	% SD	% SH	% LM	% DOLO	RKB-GL: 12.0 FT	GLELE 4910 FT
SUMMARY OF DAILY OPERATIONS			ACTIVITY		TROUBLE TIME	
06:00-06:30 1/2 Hr TAG TOC AT 3,800 FT. WILL RE-SET PLUG ACROSS 8-5/8" CASING SHOE.			1 DRILLING			
06:30-07:30 1 Hr PUMP PLUG NO. 4 FROM 3,800 TO 3,600 FT. 65 SKS CLASS G + 2-1/2% CACL2 AT 15.8 PPG.			2 REAMING OR WASHING			
07:30-11:30 4 Hrs PULL 10 STANDS. WAIT ON CEMENT.			3 CORING			
11:30-11:45 1/4 Hr TAG TOC AT 3,585 FT.			4 CIRC. & COND MUD/LCST CIRC. JET FITS		0.75	
11:45-14:15 2-1/2 Hrs LAY DOWN 12 JOINTS DRILL PIPE.			5 TRIPPING & PULD DRILL STRING		3.00	
14:15-15:00 3/4 Hr CIRCULATE & CONDITION HOLE WHILE WAITING ON ADDITIONAL CEMENT.			6 RIG SERVICE		4.00	
15:00-15:45 3/4 Hr PUMP 50 SKS CLASS G + 3% CACL2 DOWN PARASITE STRING. PUMP PLUG NO. 5 FROM 150 FT TO SURFACE. 50 SKS CLASS G + 3% CACL2 AT 15.8 PPG.			7 RIG REPAIR			
15:45-16:15 1/2 Hr LAY DOWN 5 JOINTS DRILL PIPE.			8 SLIP & CUT DRILL LINE			
16:15-20:15 4 Hrs CLEAN MUD TANKS.			9 DEVIATION & DIRECTIONAL SURVEYS			
RELEASED RIG AT 08:15 PM SATURDAY 17 APRIL 1999.			10 LOGGING			
			11 RUN CASING/SET SLIPS & CUT OFF			
			12 CEMENTING OR SQUEEZING		2.50	
			13 TEST CSG OR SHOE/DRLG. OUT CEMENT			
			14 WAIT ON CEMENT		4.00	
			15 NU OR NO BOP/TEST BOP/CHG. RAMS			
			16 DRILL STEM TEST			
			17 WAIT ON ORDERS. CONSULT GEOLOGIST			
			18 WAIT ON EQUIPMENT			
			19 PLUGGING BACK			
			20 FISHING/TIGHT HOLE/STUCK PIPE			
			21 DIRECTIONAL WORK/ORIENTING TOOLS			
			22 COMPLETION			
			23 WELD CASING HEAD			
			24 SAFETY METTING			
			25 AIR COMPRESSORS			
					TOTAL HOURS	14.25

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS. 32nd	FROM	TO	FTG	HRS.	CONDITION			BIT WT.	RPM
										T	B	G		

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF. GPM	Ann Vel.		Phi	Flow AT SPM
						DP	DC		
1	GD PZ-8	6-1/2 X 8							

Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID										Time Sample Taken			
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C	Fm	FPMt	XS LIME	CHLORIDES
% SAND	% SOLIDS	% OIL	% WATER	ELEC STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS			

CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION

% SAND	% SOLIDS	% OIL	% W/	ELEC STAB	MBC	NW out	VIS out	TEMP	CALCIUM	PHPA-EXCESS
--------	----------	-------	------	-----------	-----	--------	---------	------	---------	-------------

CASING											
CONDUCTOR			SURFACE			PROTECTION			LINER		PRODUCTION
16" at 212 FT			8-5/8" at 3,760 FT			" at			" at		" at

DRILL STRING										
DP SIZE	WEIGHT	GRADE	CONN	LENGTH	NO OF DC	OD	ID	CONN	BHA WEIGHT	
4-1/2	16.60	E	4-1/2 XH			6-3/8"	2.00"	4-1/2" XH		

BHA LENGTH-	DESCRIPTION:
-------------	--------------

DEVIATION	at	at	at	at
-----------	----	----	----	----

PICK UP WEIGHT	SLACK OFF WEIGHT	ROTATING WEIGHT
		COST
		DAILY
		CUMULATIVE

ROTATING HOURS ON DRILL COLLARS	211.75	LAST INSPECTION	01 APRIL 1999
DAYS ON JARS	SER NO.		
DAYS ON SHOCK SUB.	SER NO.		

CONTRACTOR and RIG No.:	FOREMAN:	AFE No.:
AZTEC WELL SERVICING CO.	ROBERT L. HOSFIELD	1999-01
RIG NO. 222		

MUD
WATER
DIESEL/OIL
TANGIBLE
RIG COST
INTANGIBLE
COMPLETION
TOTAL

CONFIDENTIAL

CONFIDENTIAL

CLIFFORD ATKINSON III, OIL OPERATOR

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 46 DEGREES F, 0-5 mph NORTHWEST WIND. CLEAR.

BGG=0 UNITS. CG=0 UNITS. TG=0 UNITS. MAXG=0 UNITS.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 17 APR 1999 SPUD DATE: 10 FEB 1999	RIG DAYS: 57	FOOTAGE	DAY WORK 57	COMPLETION
PRESENT OPERATION: WAIT ON CEMENT PLUG AT SHOE OF 8-5/8" CASING.	DEPTH: 9,995 FT PROP. TD: 10,000 FT	PROGRESS LAST 24 HRS:	DAILY ROP (FT/HR)		

FORMATION:	% SD	% SH	% LM	% DOLO	RYE-GL. 12.0 FT	GL ELE 4,910 FT	TRouble TIME
% PYRITE	% CHERT	% SILTSTONE		ACTIVITY			
SUMMARY OF DAILY OPERATIONS				1 DRILLING			
06:00-06:45 3/4 Hr RIG DOWN HALLIBURTON LOGGING SERVICE.				2 REAMING OR WASHING			
06:45-10:00 3-1/4 Hrs RUN IN HOLE WITH DRILL COLLARS. LAY DOWN SAME.				3 CORING			
10:00-15:30 5-1/2 Hrs RUN IN HOLE WITH OPEN ENDED DRILL PIPE.				4 CIRC & COND MUD/LOST CIRC/SET PITS		2.00	
15:30-16:30 1 Hr RIG REPAIR. ROTATING HEAD DRIVE BUSHING.				5 TRIPPING & PUL/D DRILL STRING		13.75	
16:30-17:00 1/2 Hr INSTALL ROTATING HEAD RUBBER.				6 RIG SERVICE			
17:00-18:30 1-1/2 Hrs BREAK CIRCULATION. CIRCULATE & CONDITION.				7 RIG REPAIR		1.00	
18:30-19:45 1-1/4 Hrs SET PLUG NO. 1 FROM TD TO 9,700 FT.				8 SLIP & CUT DRILL LINE			
113 SKS CLASS G NEAT AT 15.8 PPG.				9 DEVIATION & DIRECTIONAL SURVEYS			
19:45-21:15 1-1/2 Hrs LAY DOWN 71 JOINTS DRILL PIPE.				10 LOGGING		0.75	
21:15-22:00 3/4 Hr SET PLUG NO. 2 FROM 7,800 TO 7,000 FT.				11 RUN CASING/SET SLIPS & CUT OFF			
348 SKS CLASS G NEAT AT 15.8 PPG.				12 CEMENTING OR SQUEEZING		2.50	
22:00-01:00 3 Hrs LAY DOWN 127 JOINTS DRILL PIPE.				13 TEST CSG. OR SHOE DRLG. OUT CEMENT			
01:00-01:30 1/2 Hr FILL HOLE WITH DRILLING MUD & CIRCULATE.				14 WAIT ON CEMENT		4.00	
01:30-02:00 1/2 Hr SET PLUG NO. 3 FROM 3,860 TO 3,660 FT.				15 NU OR ND BOP/TEST BOP/CHG. RAMS			
78 SKS CLASS G + 2% CACL2 AT 15.8 PPG.				16 DRILL STEM TEST			
02:00-06:00 4 Hrs WAIT ON CEMENT. NEED TO VERIFY PLUG FOR BLM REPRESENTATIVE.				17 WAIT ON ORDERS - CONSULT GEOLOGIST			
				18 WAIT ON EQUIPMENT			
				19 FLUZZING BACK			
				20 FISHING/TIGHT HOLE/STUCK PIPE			
				21 DIRECTIONAL WORK/ORIENTING TOOLS			
				22 COMPLETION			
				23 WELD CASING HEAD			
				24 SAFETY MEETING			
				25 AIR COMPRESSORS			
TOTAL HOURS						24.00	

BIT RECORD

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS-32s	FROM	TO	FTG.	HRS.	CONDITION			BIT WT	RPM
										T	B	G		

HYDRAULICS

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF. GPM	Avg Vel	DP	DC	PH	P low AT SPM
1	GD PZ-8	6-1/2 X 8	100	500	285	164				250 psi at 58 spm
AIR COMPRESSOR				1,050	1,400 CFM					

MUD PROPERTIES												Time Sample Taken	
Mud Co: ROCKY MTN FLUID Mud Engr: DANNY REID													
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-RHPT	F.C.	Fm	PPMC	X3 LIME	CHLORIDES
% BANG	% SOLIDS	% CHL	% WATER	ELEC STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA-EXCESS			

CASING		CONDUCTOR		SURFACE		PROTECTION		LINER		PRODUCTION	
16"	at 212 FT	8-5/8"	at 3,760 FT	"	at	"	at	to	"	at	

DRILL STRING										
DP SIZE	WEIGHT	GRADE	CONN	LENGTH	NO OF DC	OD	ID	CONN	BHA WEIGHT	
4-1/2	16.60	E	4-1/2 XH			6-3/8"	2.00"	4-1/2" XH		

BHA LENGTH= 681.25	DESCRIPTION:
DEVIATION	at
	at
	at
	at

PICK UP WEIGHT	SLACK OFF WEIGHT	ROTATING WEIGHT	
		COST	DAILY CUMULATIVE
		MUD	
		WATER	
		DIESEL/OIL	
		TANGIBLE	
		RIG COST	
		INTANGIBLE	
		COMPLETION	
		TOTAL	
ROTATING HOURS ON DRILL COLLARS 211.75	LAST INSPECTION 01 APRIL 1999		
DAYS ON JARS SER NO			
DAYS ON SHOCK SUB. SER NO			
CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222	FOREMAN: ROBERT L. HOSFIELD	AFE No.: 1999-01	

From: ROBERT L. HOSFIELD LYNCH MANAGEMENT at: LYNCH MANAGEMENT

Page 1 of 1

Friday, April 16, 1999 8:43:06 AM To: TONY KOENIG

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 36 DEGREES F, 0-5 mph NORTHWEST WIND, CLEAR.

BBO=0 UNITS, CG=0 UNITS, TG=0 UNITS, MAXG=0 UNITS.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1		DATE: 16 APR 1999	RIG DAYS: 56	FOOTAGE	DAYWORK 56	COMPLETION
PRESENT OPERATION: RIG DOWN HALLIBURTON LOGGERS.		DEPTH: 9,995 FT	PROGRESS LAST 24 HRS.	DAILY ROP (TIME)		
FORMATION: PRE-CAMBRIAN		PROP TD: 10,000 FT	RKB-GL: 12.0 FT		GLELE 4,910 FT	
SUMMARY OF DAILY OPERATIONS		ACTIVITY		TROUBLE TIME		
06:00-09:00 3 Hrs CHAIN OUT OF HOLE TO 8-5/8" CASING. PULL OUT OF HOLE. DROPPED SURVEY AT 9,975 FT - 4-1/2 DEGREE.		1 DRILLING				
09:00-09:30 1/2 Hr CLEAR CAT WALK FOR LOGGERS.		2 REAMING OR WASHING				
09:30-10:15 3/4 Hr RIG UP HALLIBURTON LOGGERS.		3 CORING				
10:15-18:30 8-1/4 Hrs LOG RUN NO. 1. DUAL INDUCTION - SONIC GR/CAL. LOGGERS TD = 9,994 FT.		4 CIRC. & COND MUD/LOST CIRC./LET PITS				
18:30-23:00 4-1/2 Hrs LOG RUN NO. 3. DENSITY NEUTRON GR/CAL.		5 TRIPPING & PULO DRILL STRING		3.50		
23:00-06:00 7 Hrs LOG RUN NO. 3. SELECTIVE FORMATION TESTER. FOUR OF FIVE TESTS - SUCCESSFUL.		6 RIG SERVICE				
		7 RIG REPAIR				
		8 SLIP & CUT DRILL LINE				
		9 DEVIATION & DIRECTIONAL SURVEYS		20.50		
		10 LOGGING				
		11 RUN CASING/SET SLIPS & CUT OFF				
		12 CEMENTING OR SQUEEZING				
		13 TEST CSG. OR SHOPE/DPLG. OUT CEMENT				
		14 WAIT ON CEMENT				
		15 NU OR ND BOP/TEST BOP/CHG RAMS				
		16 DRILL STEM TEST				
		17 WAIT ON ORDERS - CONSULT GEOLOGIST				
		18 WAIT ON EQUIPMENT				
		19 FLUCCING BACK				
		20 FISHING/TIGHT HOLE/STUCK PIPE				
		21 DIRECTIONAL WORK/ORIENTING TOOLS				
		22 COMPLETION				
		23 WELD CASING HEAD				
		24 SAFETY NETTING				
		25 AIR COMPRESSORS				
		TOTAL HOURS		24.00		

BIT RECORD														
BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS: 3rd	FROM	TO	FTG.	HRS.	CONDITION			BIT WT.	RPM
17	7-7/8"	HTC	HR-80	Y68YT	11 11 11	9,736'	9,995'	259	30.25	T 3	B 3	G 1/16	40-48	40

HYDRAULICS									
PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	95% EFF. GPM	Ann Vel.		PSI	Flow at SPM
1	GD PZ-8	6-1/2 X 8	100	950	285	DP 164	DC 320	780	250 psi at 58 spm
AIR COMPRESSOR 1,050 1,400 CFM									

MUD PROPERTIES													
Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID										Time Sample Taken 09:00 AM			
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-HPHT	F.C.	Fm	PPMI	X% LIME	CHLORIDES
LS DISP	8.8	45	19	10	3/8	10.5	6.0		2/32	.6	.6/1.4		600
% SAND	% SOLIDS	% OIL	% WATER	ELEC STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHPA EXCESS			
TR	2.80		97.2			8.8	45		40				

CASING				
CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at to	" at

DRILL STRING									
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC	OD	ID	CONN.	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	9,273.75 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH-681.25		DESCRIPTION:	
		BIT, JUNK SUB, 6-FT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, SHOCK SUB, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.	

DEVIATION 4-1/2 DEG at 9,975 FT.		at	at	at
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PICK UP WEIGHT 240,000 LBS.	SLACK OFF WEIGHT 220,000 LBS.	ROTATING WEIGHT 230,000 LBS.
		COST DAILY CUMULATIVE
		MUD
		WATER
		DIESEL/OIL
		TANGIBLE
		RIG COST
		INTANGIBLE
		COMPLETION
		TOTAL

ROTATING HOURS ON DRILL COLLARS 211.75	LAST INSPECTION 01 APRIL 1999
41 DAYS ON JARS SER. NO. D 604 - 3A	
4 DAYS ON SHOCK SUB SER. NO. DAILEY	

CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222	FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS	AFE No.: 1999-01
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CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 42 DEGREES F, 10-15 mph NORTHWEST WIND. CLEAR.

BBG = 3-6 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 9 UNITS AT 9.915 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 15 APR 1999	RIG DAYS: 55	FOOTAGE	DAYWORK 55	COMPLETION
PRESENT OPERATION: PULL OUT OF HOLE TO RUN OPEN HOLE LOGS.		DEPTH: 9,995 FT PROP. TD: 10,000 FT	PROGRESS LAST 24 HRS. 135 FT	DAILY ROF (CTHR) 9.64	

FORMATION: PHYLLITE %SD %SH %LM %DOLO. P&G-GL: 12.0 FT. GLELE 4,910 FT

%PYRITE	%CHERT	%SILTSTONE	ACTIVITY	TRouble TIME
SUMMARY OF DAILY OPERATIONS			1 DRILLING	14.00
06:00-07:30 1-1/2 Hr DRILL 7-7/8" HOLE FROM 9,860 TO 9,875 FT.			2 REAMING OR WASHING	
07:30-08:30 1 Hr AIR COMPRESSOR. VALVE REPAIR.			3 CORING	
08:30-21:00 12-1/2 Hrs DRILL 7-7/8" HOLE FROM 9,875 TO 9,995 FT.			4 CING & COND MUD/LOST CIRC/NET PITS	3.50
21:00-22:30 1-1/2 Hrs CIRCULATE AND CONDITION HOLE.			5 TRIPPING & PULD DRILL STRING	5.00
22:30-24:00 1-1/2 Hrs SHORT TRIP TO 9,000 FT. NO PROBLEMS. NO FILL.			6 RIG SERVICE	
00:00-02:00 2 Hrs CIRCULATE AND CONDITION HOLE FOR LOGS.			7 RIG REPAIR	
02:00-02:30 1/2 Hr DROP SURVEY.			8 SLIP & CUT DRILL LINE	
02:30-06:00 3-1/2 Hrs PULL OUT OF HOLE TO RUN HALLIBURTON OPEN HOLE LOGS.			9 DEVIATION & DIRECTIONAL SURVEYS	0.50
			10 LOGGING	
			11 RUN CASING /SET SLIPS & CUT OFF	
			12 CEMENTING OR SQUEEZING	
			13 TEST CG. OR SHOES DRLG. OUT CEMENT	
			14 WAIT ON CEMENT	
			15 HU OR MD BOP/TEST BOP/CHG RAMS	
			16 DRILL STEM TEST	
			17 WAIT ON ORDERS - CONSULT GEOLOGIST	
			18 WAIT ON EQUIPMENT	
			19 PLUGGING BACK	
			20 FINISH/TIGHTY MOLE/STUCK PIPE	
			21 DIRECTIONAL WORK/ORIENTING TOOLS	
			22 COMPLETION	
			23 WELD CASING HEAD	
			24 SAFETY MEETING	
			25 AIR COMPRESSORS	1.00
			TOTAL HOURS	24.00

BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS-32nd			FROM	TO	FTG.	HRS.	CONDITION			BIT WT	RPM
					T	B	G									
17	7-7/8"	HTC	HR-80	Y68YT	11	11	11	9,736'	9,995'	259	30.25				40-48	40

PUMP NO.	MAKE/MODEL	SIZE	SPM	PRESSURE	97% EFF	Ain Yd.		Fnd	P locy AT SPM
						DP	DC		
1	GD PZ-8	6-1/2 X 8	100	950	285	164	320	780	250 psi at 58 spm
	AIR COMPRESSOR			1,050	1,400 CFM				

MUD PROPERTIES														Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID		Time Sample Taken 09:00 AM								
TYPE	MW in	VIS in	PV	YP	GELS	pH	WL-API	WL-NPHT	F.C.	Fm	PPPM	YS LIME	CHLORIDES	% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	MBC	MW out	VIS out	F.L. TEMP	CALCIUM	PHFA EXCESS
LS DISP	8.7	44	19	11	2/7	10.5	6.0		2/32	65	6/1.4		4		2.40		97.6			8.7	44		20	
TR																								

CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at to	" at

DRILL STRING	DF SIZE	WEIGHT	GRADE	CONN	LENGTH	NO. OF DC.	OD	ID	CONN.	BHA WEIGHT
	4-1/2	16.60	E	4-1/2 XH	9,273.75 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH=681.25 DESCRIPTION: BIT JUNK SUB, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, SHOCK SUB. 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION at at at at

PICK UP WEIGHT 240,000 LBS. SLACK OFF WEIGHT 220,000 LBS. ROTATING WEIGHT 230,000 LBS.

ROTATING HOURS ON DRILL COLLARS 211.75	LAST INSPECTION 01 APRIL 1999	COST DAILY CUMULATIVE
41 DAYS ON JARS SER NO D 604-XA		MUD
4 DAYS ON SHOCK SUB SER NO DAILEY		WATER
		DIESEL/OIL
		TANGIBLE
		RIG COST
		INTANGIBLE
		COMPLETION
		TOTAL

CONTRACTOR and RIG No.1 AZTEC WELL SERVICING CO. RIG NO. 222 FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS AFE No.: 1999-01

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 50 DEGREES F, 10-15 mph NORTHWEST WIND, CLEAR.

BEG = 3-6 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 9 UNITS AT 9.815 FT.

WELL NAME: MULEY CREEK FEDERAL 29 NO. 1	DATE: 14 APR 1999 SPUD DATE: 10 FEB 1999	RIG DAYS: 54	FOOTAGE	DAYWORK 54	COMPLETION
PRESENT OPERATION: DRILL 7-7/8 INCH HOLE AT 9,860 FT.	DEPTH: 9,860 FT PROP TD: 10,000 FT	PROGRESS LAST 24 HRS.: 124 FT	DAILY PROF. (FT/HR): 7.63		
FORMATION: TAPEATS	95% SD	5% SH	1/4 LM	1/4 DOLO	EXR. GL. 12.0 FT GLELE 4,910 FT
SUMMARY OF DAILY OPERATIONS		ACTIVITY		TROUBLE TIME	
06:00-06:30 1/2 Hr SLIP AND CUT 100 FT DRILLING LINE.		1 DRILLING		16.25	
06:30-08:30 2 Hrs RUN IN HOLE. NO PROBLEMS.		2 REAMING OR WASHING			
08:30-09:00 1/2 Hr FILL DRILL PIPE.		3 CORING			
09:00-10:15 1-1/4 Hr RUN IN HOLE TO 9,716 FT. NO PROBLEMS.		4 CIRC. & COND MUD/LOST CIRC./LET PITS		1.00	
10:15-11:15 1 Hr PICK UP KELLY. BREAK CIRCULATION. WORK JUNK BASKET ON BOTTOM. NO FILL.		5 TRIPPING & PULD DRILL STRING		3.75	
11:15-14:00 2-3/4 Hrs DRILL 7-7/8 INCH HOLE FROM 9,736 TO 9,758 FT.		6 RIG SERVICE			
14:00-16:30 2-1/2 Hrs AIR PACKAGE BOOSTER REPAIR.		7 RIG REPAIR			
16:30-06:00 13-1/2 Hrs DRILL 7-7/8" HOLE FROM 9,758 TO 9,860 FT.		8 SLIP & CUT DRILL LINE		0.50	
		9 DEVIATION & DIRECTIONAL SURVEYS			
		10 LOGGING			
		11 RUN CASING/SET SLIPS & CUT OFF			
		12 CEMENTING OR SQUEEZING			
		13 TEST CEG. OR SHOES/DRLG. OUT CEMENT			
		14 WAIT ON CEMENT			
		15 NU OR ND BOPT/TEST BOP/CHG. RAMS			
		16 DRILL STEM TEST			
		17 WAIT ON ORDERS - CONSULT GEOLOGIST			
		18 WAIT ON EQUIPMENT			
		19 FLUDDING BACK			
		20 FISHING/TIGHT HOLE/STUCK PIPE			
		21 DIRECTIONAL WORK/ORIENTING TOOLS			
		22 COMPLETION			
		23 WELD CASING HEAD			
		24 SAFETY NETTING			
		25 AIR COMPRESSORS		2.50	
		TOTAL HOURS		24.00	

BIT RECORD																
BIT NO.	SIZE	MFG.	TYPE	SERIAL NO.	JETS - In			FROM	TO	FTG.	HRS.	CONDITION			SIT WT.	RPM
					11	11	11					T	B	G		
17	7-7/8"	HTC	HR-80	Y68YT	11	11	11	9,736'	9,860'	124	16.25				40-48	40

HYDRAULICS									
PUMP NO.	MAKE/MODEL	SIZE	RPM	PRESSURE	95% EFF	Ann Vel		Pst	Flow AT RPM
1	GD FZ-8	6-1/2 X 8	100	950	OPM	DP	DC	780	250 psi at 58 spm
AIR COMPRESSOR				1,050	1,400 CFM				

MUD PROPERTIES													
Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 12:30 PM													
TYPE	MW in	VIS in	SP	YP	GELS	pH	WL-API	WL-HPT	F.C.	Fm	PPMI	XS LIME	CHLORIDES
LS DISP	8.6	43	18	9	2/8	10.0	6.0		2/32	.45	4/1.2		600
% SAND	% SOLIDS	% OIL	% WATER	ELPC STAB	MBC	MW OR	VIS OR	F.L. TEMP	CALCIUM	PHFA EXCESS			
TR	2.60		97.4			8.6	43		40				

CASINGS				
CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at	" at

DRILL STRING										
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	NO. OF DC.	OD	ID	CONN.	BHA WEIGHT	
4-1/2	16.60	E	4-1/2 XH	9,138.75 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.	

BHA LENGTH-681.25 DESCRIPTION: BIT, JUNK SUB, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, SHOCK SUB, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION at at at at

PICK UP WEIGHT 240,000 LBS. SLACK OFF WEIGHT 220,000 LBS. ROTATING WEIGHT 230,000 LBS.

ROTATING HOURS ON DRILL COLLARS 197.75	LAST INSPECTION 01 APRIL 1999	COST DAILY	CUMULATIVE
40 DAYS ON JARS SER. NO. E-504-XA		MUD	
3 DAYS ON SHOCK SUB SER. NO. DAILEY		WATER	
		DIESEL/OIL	
		TANGLE	
		RIG COST	
		INTANGIBLE	
		COMPLETION	
		TOTAL	

CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222 FOREMAN: ROBERT L. HOSFIELD AFE No.: 1999-01 GEOLOGIST: BILL ELLIS

CLIFFORD ATKINSON III, OIL OPERATOR

CONFIDENTIAL

SAFETY: No ACC: No NEAR MISS DETAILS: All Crews Held Safety Meetings.

WEATHER: 56 DEGREES F, 5-8 mph NORTHWEST WIND, PARTLY CLOUDY.

BBG = 3-6 UNITS. CG = 0 UNITS. TG = 0 UNITS. MAXG = 8 UNITS AT 9.732 FT.

WELL NAME: MULBY CREEK FEDERAL 29 NO. 1	DATE: 13 APR 1999	RIG DAYS: 53	FOOTAGE	DAYWORK	COMPLETION
	SPUD DATE: 10 FEB 1999			53	
PRESENT OPERATION SLIP AND CUT DRILLING LINE.	DEPTH: 9,736 FT	PROGRESS LAST 24 HRS.: 86 FT	DAILY ROP (FT/HR): 6.04		
	PROP. T.D.: 10,000 FT				

FORMATION: TAPEATS	80 % SD	15 % SH	5 % LM	% DOLO.	RKB-GL 12.0 FT	GLEIF 4.910 FT
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FORMATION	% PYRITE	% CHERT	% SILTSTONE	ACTIVITY	TRouble TIME
SUMMARY OF DAILY OPERATIONS					
06:00-08:00 2 Hrs DRILL 7-7/8 INCH HOLE FROM 9,650 TO 9,664 FT.				1 DRILLING	14.25
08:00-08:15 1/4 Hr RIG SERVICE. FUNCTION TEST PIPE RAMS.				2 REAMING OR WASHING	
08:15-20:30 12-1/4 Hrs DRILL 7-7/8 INCH HOLE FROM 9,664 TO 9,736 FT.				3 CORING	
20:30-02:30 6 Hrs CHAIN OUT OF HOLE. NO PROBLEMS.				4 CIRC. & COND MUD/LOST CIRC./ET PITS	
02:30-03:30 1 Hr WORK BHA. CLEAN JUNK BASKET.				5 TRIPPING & PUL/D DRILL STRING	8.25
03:30-04:45 1-1/4 Hrs MAKE UP BIT. RUN IN HOLE WITH DRILL COLLARS				6 RIG SERVICE	0.25
04:45-06:00 1-1/4 Hrs SLIP AND CUT 100 FT DRILLING LINE.				7 RIG REPAIR	
				8 SLIP & CUT DRILL LINE	1.25
				9 DEVIATION & DIRECTIONAL SURVEYS	
				10 LOGGING	
				11 RUN CASING /SET SLIPS & CUT OFF	
				12 CEMENTING OR SQUEEZING	
				13 TEST CEG OR SHO/ DRLO OUT CEMENT	
				14 WAIT ON CEMENT	
				15 MU OR ND BOP/TEST BOP/CHG. RAME	
				16 DRILL STEM TEST	
				17 WAIT ON ORDERS - CONSULT GEOLOGIST	
				18 WAIT ON EQUIPMENT	
				19 PLUGGING BACK	
				20 FISHING/TIGHT HOLE/STUCK PIPE	
				21 DIRECTIONAL WORK/ORIENTING TOOLS	
				22 COMPLETION.	
				23 WELD CASING HEAD	
				24 SAFETY MEETING	
				25 AIR COMPRESSORS	
				TOTAL HOURS	24.00

BIT RECORD																
BIT NO	SIZE	MFG.	TYPE	SERIAL NO	JEFS-32nd			FROM	TO	FTG.	HRS.	CONDITION			BIT WT.	RPM
					T	E	G					T	E	G		
16	7-7/8"	HTC	HR-44C	D82ZK	11	11	11	9,564'	9,736'	172	23.75	8	5E	1	45-48	45-55
17	7-7/8"	HTC	HR-80	Y68YT	11	11	11	9,736'								

HYDRAULICS									
PUMP NO.	MAKE/MODEL	SIZE	EPM	PRESSURE	% EFF.	Ann Vel		Pos	Flow AT 50M
1	GD PZ-8	6-1/2 X 8	100	950	285	DP	DC	780	250 psi at 58 spm
	AIR COMPRESSOR			1,050	1,400 CFM				

MUD PROPERTIES													Mud Co. ROCKY MTN FLUID Mud Engr. DANNY REID Time Sample Taken 09:30 AM	
TYPE	MW lb	VIS lb	PV	YP	GELS	pH	WL-API	WL-WPMT	F.C.	Fm	PERC	X3 LIME	CHLORIDES	
LS DISP	8.6	43	17	7	2/6	10.0	6.5		2/32	.45	.45/1.0		600	
% SAND	% SOLIDS	% OIL	% WATER	ELEC. STAB	NBC	MW out	VIS out	F.L. TEMP	CALCIUM	FHPA-EXCESS				
TR	2.60		97.4			8.6	43	86	40					

CASING				
CONDUCTOR	SURFACE	PROTECTION	LINER	PRODUCTION
16" at 212 FT	8-5/8" at 3,760 FT	" at	" at to	" at

DRILL STRING									
DP SIZE	WEIGHT	GRADE	CONN.	LENGTH	No OF DC	OD	ID	CONN.	BHA WEIGHT
4-1/2	16.60	E	4-1/2 XH	8,928.75 FT	20	6-3/8"	2.00"	4-1/2" XH	55,400 LBS.

BHA LENGTH-681.25 DESCRIPTION: BIT, JUNK SUB, 6-PT REAMER, 2 - 6-3/8 INCH DRILL COLLARS, 3-PT REAMER, SHOCK SUB, 15 - 6-3/8 INCH DRILL COLLARS, DAILEY DRILLING JARS, 3 - 6-3/8 INCH DRILL COLLARS.

DEVIATION at at at at

PICK UP WEIGHT 240,000 LBS.	SLACK OFF WEIGHT 220,000 LBS.	ROTATING WEIGHT 230,000 LBS.
ROTATING HOURS ON DRILL COLLARS 181.50		LAST INSPECTION 01 APRIL 1999
39 DAYS ON JARS SER. NO. D-604-XA		
3 DAYS ON SHOCK SUB. SER. NO. DAILEY		
CONTRACTOR and RIG No.: AZTEC WELL SERVICING CO. RIG NO. 222	FOREMAN: ROBERT L. HOSFIELD GEOLOGIST: BILL ELLIS	AFE No.: 1999-01
		COST
		DAILY
		CUMULATIVE
		MUD
		WATER
		DIESEL/OIL
		TANGIBLE
		RIG COST
		INTANGIBLE
		COMPLETION
		TOTAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0315
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT----" for such proposals

5. Lease Designation and Serial No.

UTU-63100

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and NO.

Muley Creek Fed. #29-1

9. API Well No.

43-017-30136

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

Garfield, Utah

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

CONFIDENTIAL

2. Name of Operator

Clifford Atkinson III

3. Address and Telephone No.

900 N.E. Loop 410, D-100, San Antonio TX 78290, (713)463-9891

4. Location of Well (Footage, Sec., T., R., M, or Survey Description)

2505' FNL, 623' FEL (SENE) Sec. 29, T36S-R10E

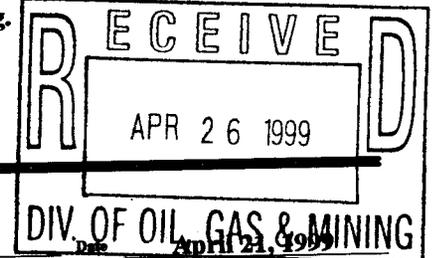
12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Per verbal approval received for Mr. Al McKee of the BLM to Mr. Robert Hosfield of Lynch Management Services, Inc. via phone conversation at 10:00 hrs on April 15, 1999, the well was plugged as follows; Plug #1 from TD of 9995' to 9700' with 113 sxs of class G neat @ 15.8 ppg. Set plug #2 from 7800-7000' with 348 sxs of Class G neat at 15.8 ppg. Set plug #3 1/2 in 1/2 out of surface at 3760' from 3860' to 3660' with 78 sxs of Class G + 2% CaCl @ 15.8 ppg. WOC to tag plug. Tagged at 3800'. Set plug #4 from 3800' to 3600' with 65 sxs of Class G + 2% CaCl at 15.8 ppg. WOC. Tagged top of plug at 3585'. Pumped 50 sxs Class G + 3% CaCl down parasite string. Set plug #5 from 150' to surface with 50 sxs Class G + 3% CaCl at 15.8 ppg. Hole between all cement plugs was filled with 8.7ppg mud. Ms. Patty Ramstetter of BLM witnessed plugging operations. RD rig and moved off. Removed cellar ring and cleaned location. Installed Dryhole marker. Fenced 4th side of reserve pit and bladed location. Temporarily abandoned water well on location. Will secure the location for rehabilitation this summer in anticipation of a fall reseeding.



14. I hereby certify that the foregoing is true and correct

Signed

Tony Koenig

Title **Consultant**

(This space for Federal or State office)

Approved by

Title

Date

Conditions of approval, if any:

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

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RECEIVED
MAY 3 1999

FORM 8

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

DIV OF OIL, GAS & MINING
63100

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

2. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESTR. Other D&A

3. LEASE DESIGNATION AND SERIAL NO. 63100

4. UNIT AGREEMENT NAME NA

5. FARM OR LEASE NAME MULEY CREEK FED.

6. WELL NO. #29-1

10. FIELD AND POOL OR WILDCAT WILDCAT

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Sec. 29 T36S-R10E

2. NAME OF OPERATOR CLIFFORD ATKINSON III

3. ADDRESS OF OPERATOR 900 NE LOOP 410 SAN ANTONIO TX 78290

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface 2505' FNL 623' FEL (SENE) Sec. 29, T36S-R10E

At top prod. interval reported below SAME

At total depth SAME

14. API NO. 43-017-30136 DATE ISSUED _____

12. COUNTY GARFIELD 13. STATE UT

15. DATE SPUNDED FEB 10 1999 16. DATE T.D. REACHED APRIL 14 1999 17. DATE COMPL. (Ready to prod.) APRIL 17 1999 (plug & back) 18. ELEVATIONS (OF. BER. RT. CR. ETC.) 4922 KB 19. ELEV. CASING HEAD 4910 GL

20. TOTAL DEPTH, MD & TVD 9995' MD/TVD 21. PLUG BACK T.D., MD & TVD _____ 22. IF MULTIPLE COMPL. HOW MANY _____ 23. INTERVALS DRILLED BY _____ ROTARY TOOLS X CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD) _____ 25. WAS DIRECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS RUN DI/SONIC/GR/CAL DN/GR/CAL RFT 27. WAS WELL CORED YES NO (Submit analysis) DRILL STEM TEST YES NO (See separate order)

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	MOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
16"	62.58	200		330 SY. G. + 2% CAC ₁₂	NONE
8 5/8"	32#	3760	14-3/4	905 SY. G. + 12% GEL / 540 SY. G. 12% CAC ₁₂	NONE

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	DEPTH SET (MD)	PAGES SET (MD)

31. PERFORATION RECORD (Interval, size and number) NONE

32. ACID, SROT, FRACTURE CEMENT SQUEEZE ETC. DEPTH INTERVAL (MD) _____ AMOUNT AND KIND OF MATERIAL USED _____

33. PRODUCTION

DATE FIRST PRODUCTION _____ PRODUCTION METHOD (Flowing, gas lift, pumping—use and type of pump) _____ WELL STATUS (Producing or shut-in) PROD

DATE OF TEST	HOURS TESTED	CROCK BILL	PROD'N. FOR TEST PERIOD	OIL—BBL	GAS—MCF	WATER—BBL	GAS-OIL RATIO

FLOW TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL	GAS—MCF	WATER—BBL	OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) _____ TEST WITNESSED BY _____

35. LIST OF ATTACHMENTS _____

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Tony Koenig TITLE CONSULTANT DATE APRIL 28 1999

See Spaces for Additional Data on Reverse Side

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INSTRUCTIONS

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachments.

ITEMS 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

ITEM 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

ITEM 33: Submit a separate completion report on this form for each interval to be separately produced (see instruction for items 22 and 24 above).

37. SUMMARY OF POROUS ZONES: Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth, interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.				38. GEOLOGIC MARKERS		
Formation	Top	Bottom	Description, contents, etc.	Name	Top	
					Meas. Depth	True Vert. Depth
SUMMERVILLE	306'		AIR			
ENTRADA	433'		AIR			
CARMEL	1050		AIR			
NAVAJO	1362		WATER			
WINGATE	2593		-			
CHINLE	2828		-			
SHINARUMP	3432		-			
MOENKOPI	3545		-			
WHITE RIM	3764		-			
CEDAR MESA	4582		-			
HERMOSA	6660		-			
REDWALL	7170		-			
ELBERT	7940		-			
LYNCH	8355		-			
BRIGHT ANGEL	9452		-			
TAPEATS	9680		-			
PRE CAMBRIAN	9835		-			

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0315
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT---" for such proposals

5. Lease Designation and Serial No.

UTU-63100

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE

7. If Unit or CA, Agreement Designation

8. Well Name and NO

Muley Creek Fed. #29-1

9. API Well No.

43-017-30136

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

Garfield, Utah

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Clifford Atkinson III

3. Address and Telephone No.

900 N.E. Loop 410, D-100, San Antonio TX 78290, (713)463-9891

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2505' FNL, 623' FEL (SENE) Sec. 29, T36S-R10E

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

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut Off
	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other: TITE HOLE STATUS	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

Atkinson respectfully requests that any and all information submitted regarding this well be held in TIGHT HOLE STATUS for as long as legally possible.

14. I hereby certify that the foregoing is true and correct

Signed

Title **Consultant**

Date

May 14, 1999

(This space for Federal or State office)

Approved by

Title

Date

Conditions of approval, if any:

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