Aviara Energy Corporation

VIA FEDERAL EXPRESS

16 December 1997

Mr. John Baza
State of Utah - Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
Salt Lake City, Utah 84114-5801

N/550

Dear Mr. Baza,

Enclosed for your approval, please find three (3) Applications for Permit to Drill in the Kane Springs Federal Unit near Moab, Utah. The surface to these locations are all on Federal (BLM) lands within that Unit and an onsite has been conducted with the BLM for each location. These three permits have also been submitted to the Moab District BLM for their approval. Should you have further questions, require additional information or need to meet with an Aviara Energy Representative onsite, please fell free to contact me at (713) 871-3445. Should you have engineering questions, please contact Mr. Mark Swisher at (713) 871-3413. All geologic questions should be directed to Mr. Jon Norman, at (713) 871-3411. We do ask that this information remain confidential. Thank you.

Respectfully,

Donny W. Worthington
Manager; Environmental, Safety and Regulatory

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: U-51239

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [XX] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [XX] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

7. UNIT AGREEMENT NAME: Kane Springs Federal Unit

8. FARM OR LEASE NAME: Kane Springs

2. NAME OF OPERATOR: Aviara Energy Corporation

9. WELL NO.: No. 1

3. ADDRESS OF OPERATOR: P. O. Box 1350, Houston, TX 77251-1350

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 2040' FWL & 1596' FNL Sec. 7, T25S, R19E
At proposed prod. zone: 2000' FEL & 2000' FSL Sec. 7, T25S, R19E

CONFIDENTIAL

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 7, T25S, R19E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 18 miles northwest of Moab, UT

12. COUNTY OR PARISH: Grand Co. | 13. STATE: UT

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): BHL (Ls) 2000' FEL Sec.7 (U) 2000' FEL Sec.7; Surf. (Ls) 1596' FNL Sec.7 (U) 1596' FNL Sec.7

16. NO. OF ACRES IN LEASE: 1227.77

17. NO. OF ACRES ASSIGNED TO THIS WELL: 640

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: NA

19. PROPOSED DEPTH: 8500' TVD

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 5162' GR

22. APPROX. DATE WORK WILL START*: September, 1998

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT

SEE ATTACHMENTS

RECEIVED
DEC 17 1997
DIV. OF OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 Danny W. Worthington TITLE Mgr; Envir., Safety & Reg. DATE 16 December 1997

(This space for Federal or State office use)

PERMIT NO. 43-019-31363 APPROVAL DATE

APPROVED BY TITLE DATE

CONDITIONS OF APPROVAL, IF ANY:

CONFIDENTIAL

*See Instructions On Reverse Side

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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(November 1983)
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b. TYPE OF WELL
OIL WELL [XX] GAS WELL [ ] OTHER SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR
Aviara Energy Corporation

3. ADDRESS OF OPERATOR
P. O. Box 1350, Houston, TX 77251-1350

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
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At proposed prod. zone
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18 miles northwest of Moab, UT

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U-51239

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

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Kane Springs Federal Unit

8. FARM OR LEASE NAME
Kane Springs

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No. 1

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Wildcat

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Sec. 7, T25S, R19E

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Grand Co.

13. STATE
UT

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8500' TVD

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5162' GR

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September, 1998

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PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

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Bureau of Land Management
Moab District

Application for Permit to Drill

On-Site Inspection Checklist

Company AVIARA ENERGY CORP. Well No. KANE SPRINGS FEDERAL #7-1

Location: Sec. 7, T. 25S, R. 19E, Lease No. UTU-51239

On-Site Inspection Date 8/19/97 (Held prior to NOS to screen VRM concerns)

All operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR δ 3100), Onshore Oil and Gas Orders, the approved plan of operations and the conditions of approval. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

A. DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops:

FORMATION TOPS	SUBSEA	DEPTH (RKB=25)
Alluvium	5163	0
Chinle	4445	743
Cutler	3600	1588
Hermosa	2320	2868
Paradox Salt	425	4763
Cane Creek	-2875	8063

2. Estimated Depth at Which Oil, Gas, Water or Other Mineral Bearing Zones are Expected to be Encountered:
Expected Oil Zones: Cane Creek - Subsea: -2875; TVD Depth (RKB=25'): 8063'
Expected Gas Zones:
Expected Water Zones: Kayenta/Wingate - Subsea: 5163; TVD Depth (RKB=25'): 0
Expected Mineral Zones:

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and will be cased and cemented. When possible, water flow rates will be measured and samples will be taken and analyzed with the results being submitted to BLM. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment -include schematics of the BOP and choke manifold, and describe testing procedures:
SURFACE (0-800') & UPPER INTERMEDIATE (800' - 5000') INTERVAL:
A rotating head and blooey line will be rigged up on the conductor and surface pipe. One (1) annular bag-type and preventer will be utilized while drilling the surface hole to 800' and intermediate hole to 5,000' in the air drilling interval of the hole (See Exhibit C-1).
LOWER INTERMEDIATE INTERVAL 5,000'-8486'
One (1) annular bag-type and (3) ram-type preventers will be utilized while drilling below the intermediate pipe. Ram preventers are to be tested to a minimum of seventy percent (70%) of working pressure or a minimum of seventy percent (70%) of burst rating of intermediate pipe. Annular preventer is to be tested to a minimum of fifty percent (50%) of working pressure. (See Exhibit C-2).

Choke Manifold will meet or exceed the requirements of the typical 5M manifold as in Onshore Order #2. Two remote operated hydraulic chokes installed prior to drilling into the Cane Creek. One panel will be located on the rig floor and the other panel on the ground (See Exhibit C-2).

HORIZONTAL INTERVAL 8486' - 9858'

While drilling horizontally through the Cane Creek formation a high pressure rotating head diverter will be installed on top of the annular preventer. The static working pressure will equal or exceed 2,500 psi and the rotating working pressure will equal or exceed 1,500 psi. The rotating head will be tested to 3,000 psi with a test cap. (See Exhibit C-3).

A large atmospheric gas buster rated at a minimum of 50 mmscf/day with a minimum of 8" x 150' flareline routed to flare pit. The flare line is to be equipped with an electric igniter.

This equipment will be utilized to safely control well pressures and produced fluids while drilling into the potentially fractured Cane Creek formation.

BOP systems will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers shall be inspected and operated each trip (no more than once a day is necessary), and annular preventers shall be inspected and operated weekly to ensure good mechanical working order. These inspections shall be recorded in the drilling log and in the dáily drilling report.

4. Casing Program and Auxiliary Equipment -include casing size, weight, grade, thread and coupling, setting depth and condition (new or acceptably reconditioned):

SURFACE PIPE:

0-800' INTERVAL; 13-3/8" SIZE; 54.5 WT; K-55 GR; STC CONN; 2730/9.5 BURST/SF; 1130/3.2 COLLAPSE/SF; 547/12.546 TENSION/SF. Set ± 50' below top of Chinle Red Beds. Tension safety factor calculated using air weight. Pressure test to 70% of casing burst or 1900 psi before drilling out of shoe.

INTERMEDIATE PIPE:

0-5000' INTERVAL; 9-5/8" SIZE; 40 WT; K-55 GR; STC CONN; 3950/1.23 BURST/SF; 2570/1.16 COLLAPSE/SF; 486,000/2.43 TENSION/SF. Set ± 30' below top of Paradox Salt. Tension safety factor calculated using air. Collapse design based on 8.5 ppg emw gradient with no backup fluid (casing evacuated). Collapse design neglects salt creep load in Paradox Salt. Burst design based on maximum surface pressure calculated by subtracting an oil gradient of 0.355 psi/ft from a fracture gradient of 1.0 psi/ft. A burst backup fluid of 8.5 ppg was used. Pressure test to 81% of casing burst or 3200 psi before drilling out of shoe.

PRODUCTION PIPE:

INTERVAL	SIZE	W T	GR	CONN	BURST/SF	DERATED COLLAPSE/SF	TENSION/SF
0-4500'	7	26	N-80	LTC	7240-1.52	5410/1.68	519,000/2.24
4500-8486'	7	32	HCN-80	LTC	9060/1.91	10400/1.18	738,000/2.34

Set ± 15' TVD below top of Cane Creek. Tension safety factor calculated using air. Bending stresses considered using 20°/100' dog leg severity. Collapse design based on 10 ppg emw gradient from 0 - 4500'

with casing evacuated. From 4500' to 8102' TVD/8486' MD, collapse design based on 1.04 psi/ft with casing evacuated. Collapse resistance is de-rated for bi-axial stresses. Burst design based on maximum surface pressure equal to a pore pressure of 18.0 ppg emw less an oil gradient of 0.355 psi/ft. The packer fluid density and burst backup fluid density are assumed to be equal. Pressure test to 5000 psi or 55% of casing burst before drilling out of shoe.

PRODUCTION LINER:

8386'-9855' INTERVAL; 4-1/2" SIZE; 13.5 WT; N-80 GR; BTC CONN; 9020/NA BURST/SF; 10380/1.89 COLLAPSE/SF; 359,000/3.5 TENSION/SF. Release ± 100' MD above 7" casing shoe. Every third joint will be pre-drilled with 3/4" diameter holes every two feet at 90° phasing. The holes will be plugged with drillable aluminum plugs. Tension design based on 100,000 lb. of over pull. Collapse design based on collapse gradient of 1.0 psi/ft.

AUXILIARY EQUIPMENT:

A. A kelly cock will be kept in the string at all times.

B. A stabbing valve will be kept on the derrick floor at all times.

C. Drill pipe floats will be used while air drilling.

D. Tandem floats will be placed above MWD and downhole motors in the drill string when drilling in the Cane Creek formation..

E. A large atmospheric gas buster rated at a minimum of 50 mmscf/day with a minimum of 8" x 150' flareline routed to flare pit. The flare line is to be equipped with an electric igniter.

F. Two remote operated hydraulic chokes installed prior to drilling into the Cane Creek. One panel will be located on the rig floor and the other panel on the ground.

G. Visulogger rigged up after drilling out of 9-5/8" casing.

H. Top Drive to be rigged up prior to drilling out of 7" casing.

5. Cement -include the cement type, density, yield, additives and amount used in setting each casing string. Also include the anticipated cement fill-up. If stage cementing, describe techniques:

SURFACE PIPE: Lead w/ 440 sks CL G (35:65) POZ + 6% gel + 3#/sk cello flakes, 12.6 ppg, 1.91 yield. Tail w/ 270 sks CL G + 2% $CaCl_2$, 15.8 ppg, 1.16 yield. TOC-surface.

INTERMEDIATE PIPE: Lead w/ 215 sks CL G (35:65) POZ + 6% gel + 3#/sk cello flakes, 12.6 ppg, 1.91 yield. Tail w/ 385 sks CL G neat, 15.8 ppg, 1.15 yield. TOC- 3050' w/ 35% excess.

PRODUCTION PIPE: Lead w/ 300 sks CL G (35:65) POZ + 6% gel + retarder + .25% cello flakes, 12.6 ppg, 1.89 yield. Tail w/ 145 sks CL G + 10% gypsum + 3% salt + fluid loss additive + retarder. TOC-4700' w/ 35% excess.

Surface casing shall be cemented back to surface. Centralizers shall be run, at a minimum, on the bottom three joints of each casing string.

6. Mud Program and Circulating Medium -include mud components and weights. When air drilling, also include: length and location of blooie line; description of the auto igniter; description of the de-duster equipment; and amounts, types and characteristics of stand-by mud:

DEPTH (MD)	WEIGHT	PV	YP	API WL	TYPE
0 - 800'					Air/Mist/Water
800' - 5000'					Air/Mist/Water
5000' - 8486'	12 - 18	35 - 60	20 - 24	<10	Oil Based Mud
8486' - 9858'	15 - 18	45 - 60	20 - 24	<10	Oil Based Mud

Blooie line will be to SW side of location and 100' from well. Igniter will be solar/battery powered.

Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.

Sufficient mud materials will be stored on location to maintain well control and combat lost circulation problems that might reasonably be expected.

7. Coring, Logging and Testing Program:
   A. Drill Stem Tests - none planned
   B. Well Logging and Intervals:

Induction/Sonic/CNL//Den/GR	5000' - 8103' TVD
SP/GR/Sonic	800' - 5000' TVD

   MWD/GR will be attempted from kick off point at 7490' TVD/MT to TD at 8103' TVD/9858' MD.
   C. Cores: A 30' oriented core will be attempted in the Cane Creek formation at the first sign of fractures.
   D. Directional Surveys: This well as proposed will be drilled vertically to 7490' and then drilled as a medium radius well at an azimuth of 144 DEG for a total displacement of 2091'. Inclination surveys will be taken at 500' and at 1000' maximum intervals until KOP. At KOP a multi-shot will be taken. During the angle build portion, surveys will be taken at 90' maximum intervals. During the horizontal portion of the hole, surveys will be taken at 200' maximum intervals.
   E. Samples: One sample will be taken at 10' intervals from 4500' to TVD.
   F. Mud Logger: There will be a mud logger on location at 4500' (500' above intermediate pipe depth) to TVD.
   G. Completion Procedure: To be submitted on form 5 under "Approval of Subsequent Operations".
   H. Where the well is completed as a dry hole or a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completions operations will be filed with form 3160-4.

Initial opening of drill stem test tools will be restricted to daylight hours.

8. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards - include anticipated bottomhole pressure and/or pressure gradient. Also list anticipated lost circulation zones, abnormal temperature zones and possible hydrogen sulfide bearing zones: Abnormal pressure is anticipated in the Cane Creek formation. The proposed casing program and pressure control equipment has been designed based on the anticipated abnormal pressures of the Cane Creek formation. Flow drilling techniques will be used to safely control surface pressures and well fluid influxes. Pore pressures up to 18.0 ppg are expected. Hydrogen Sulfide is not anticipated.

9. Any Other Aspects of this Proposal that should be Addressed:
   A. Construction of Location is scheduled to start immediately after approval of APD.
   B. No location will be constructed or moved, no well be plugged and no drilling or workover equipment will be removed from the well to be placed in a suspended status without prior approval of the AO.
   C. The spud date will be reported orally to the AO within 48 hours after spudding, or on the next business workday if the spud occurs on a weekend.
   D. Spills, blowouts, fires, leaks, accidents or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revisions.

E. If a replacement rig is contemplated for completion operations, a "Sundry Notice" to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

F. Should the well be successfully completed for production, the AO will be notified when the well is placed in a production status. Notification will be made no later than five days following the date on which the well is placed on production.

G. Venting/flaring of gas during initial well evaluation tests will not exceed a period of thirty days or the production of 50 MMCF/day of gas, whichever occurs first. An application will be filed with the District Engineer and approval received, for any venting or flaring beyond the initial 30 day authorized test period.

H. Well abandonment operations will commence only after prior approval has been received from the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" will be filed with the AO within 30 days following completion of the well abandonment operations.

I. There will be no deviation from the proposed drilling and/or workover program without prior approval of the AO. Safe drilling and operating practices will be observed.

J. This well whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.3-2.

B. THIRTEEN POINT SURFACE USE PLAN

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

1. Existing Roads:

a. Proposed route to location (submit a map depicting access and well location). See Map "A".

b. Location of proposed well in relation to town or other reference point:
From Moab, 11 miles N on Hwy. 191, left on SR 313 for 8.1 miles, right on Dubinky Well Road (County Rd. 137) for 1.6 miles, left (straight) on Spring Canyon Road (County Rd. 140) for 3.5 miles. Right on 2 track existing road for 1.5 miles, then right on proposed access road .2 miles to location.

c. Contact the County Road Department for use of county roads.

d. Plans for improvement and/or maintenance of existing roads: Maintenance of Grand County roads 137 and 140, during drilling operations. Improvement of 2 track from 140 to location as needed to support trucks during drilling operations.

e. Other: The access road will be constructed of native material. For production operations, surface of existing 2 track road will be upgraded as per BLM's Surface Operating Standards for Oil and Gas Exploration and Development.

2. Planned Access Roads:

a. Location (centerline): Flagged with surveyors ribbon from existing 2 track road between Cty Rd. 140 and location, to location.

b. Length of new access to be constructed: .6 miles, including new access around reservoir & 4-5 turnouts.

c. Length of existing roads to be upgraded: 1.3 miles

d. Maximum total disturbed width: 35 feet

e. Maximum travel surface width: 21 feet (except for turnouts)

f. Maximum grades: N/A

g. Turnouts: As needed on existing 2 track. 4 or 5 anticipated - total width of road approximately 35' x 150' therefore, approximately 15' x 150' new disturbance per turn out - total length of new disturbance approximately 750' or .15 mile.

h. Surface materials: Native soils during drilling. During production, as per BLM's Surface Operating Standards for Oil and Gas Exploration and Development.

i. Drainage (crowning, ditching, culverts, etc.): Flat bladed for drilling operations. Crowned & ditched for production as per BLM's Surface Operating Standards for Oil and Gas Exploration and Development. Culverts will be installed at all drainages where needed.

j. Cattleguards: None

k. Length of new and/or existing roads which lie outside the lease or unit boundary for which a BLM right-of-way is required: None

l. Other: Existing 2 track road will be moved upslope when parallel to reservoir to reduce impacts from runoff.

Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed must be approved by the Area Manager in advance.

If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligations determined by the authorized officer.

If the well is productive, the access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

3. Location of Existing Wells -on a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each. None

4. Location of Production Facilities:

a. On-site facilities: If well is productive, new on-well pad facilities and lines will be submitted as "as built" under the following guide lines. Facilities will be placed in cut as much as possible. All internal combustion engines associated w/ production facilities will be equipped w/ noise reducing mufflers. Fire prevention and suppression requirements for operations on Federal lands will be followed as per BLM guidelines. If productive, anticipate treater, flare pit, separator, 2-3 production tanks, 1 water tank, and a pumping unit 2-3 years after initial production.

b. Off-site facilities: None

c. Pipelines: No permanent pipelines are anticipated between this well and existing facilities at other Kane Springs Unit wells.

All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, non-reflective color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six months of installation. Facilities required by comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be as follows:
Match surrounding rocks, soils, vegetation.

All site security guidelines identified in 43 CFR δ 3162.7-5 and Onshore Oil and Gas Order No. 3 shall be followed.

If a gas meter run is constructed, it will be located on lease within 500 feet of the wellhead. The gas flowline will be buried from the separation equipment to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR δ 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

If a tank battery is constructed on this lease, it will be surrounded by a berm of sufficient capacity to contain the storage capacity of the largest tank and 1 day's production. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR δ 3162.7-3 and Onshore Oil and Gas Order No. 4.

Production facilities on location may include a lined or unlined produced water pit as specified in Onshore Order No. 7. If water is produced from the well, an Onshore Order No. 7 application must be submitted.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from (describe location and/or show on a map):
City of Moab
A temporary water use permit for this operation will be obtained from the Utah State Engineer in Price, Utah at (801) 637-1303.

Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of the land.

6. Source of Construction Material:

Pad construction material will be obtained from (if the source is Federally owned, show location on a map): Native on site materials for well pad.

The use of materials under BLM jurisdiction will conform to 43 CFR δ 3610.2-3.

7. Methods of Handling Waste Disposal:

Describe the methods and locations proposed for safe containment and disposal of waste material, e.g.

cuttings, produced water, garbage, sewage, chemicals, etc.

A. Drill cuttings will be deposited in either the blooie pit or the reserve pit. Cuttings from air drilling will be deposited into the blooie pit. After switching to the mud system, cuttings will be deposited into the reserve pit.

B. Drilling fluids will be confined to mud tanks and reserve pit if necessary. At rig release, mud will be removed from location for future use.

C. While testing the well, all produced water will be contained in a storage tank or temporary produced water pit. If well is a producer, a saltwater storage tank will be installed with the tank battery.

D. Sewage will be either treated on-site using an approved treatment unit or disposed of according to county and state requirements in a portable chemical toilet or in a hole at least 15" deep excavated in the cut portion of the well pad.

E. Portable dumpsters or "trash trailers" will be used for all trash. All trash will be hauled offsite.

F. If a fresh water flow is encountered during the air drilling operations, the water may be used for dust control on the location and access roads, provided the following conditions are met:

1. The BLM will be notified of our intent to use the fresh water for this purpose,

2. The chlorides content of the water will be 6060 ppm or less, which is essentially equivalent to or less than 10,000 mg/1 total dissolved solids. Water with higher chlorides content may be used for dust control with specific prior approval of the BLM.

3. The water will be tested by an independent lab or mud engineer and the results of the analysis will be provided to the BLM.

G. The reservoir pit shall be constructed so as not to leak, brake, or allow discharge. The reserve pit will be inspected by the BLM personnel during and after construction. If needed, the reserve pit will be lined with a synthetic liner consisting of a bentonite/soil mixture of 5# bentonite per square foot, mixed to a depth of 8" as specified by the BLM. An apron consisting of 12 mil plastic liner material will be placed under the mud tanks. The blooie pit will be lined with a 12 mil plastic liner or bentonite as described above, as needed.

H. After first production, produced waste water will be confined to a lined pit or storage tank for a period not to exceed 90 days. During the 90 day period, in accordance with NTL-2B, an application for approval of permanent disposal method and location, along with required water analysis, shall be submitted for the authorized officer's approval.

The reserve pit will be located: See location plat.
_____, and the pit walls will be sloped at no greater than 3 to 1, if using bentonite line.

The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. As soon as the reserve pit has dried, all areas not needed for production will be rehabilitated.

8. Ancillary Facilities: No camp, airstrip or other facilities will be built during the drilling of this well. Up to five trailers will be on location as temporary quarters for rig personnel during drilling operations.

9. Well Site Layout: -depict the pit, rig, cut and fill, topsoil, etc. on a plat with a scale of at least 1"=50'.

All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR δ 3162.6.

Access to the well pad will be from: See diagram

The blooie line will be located: SW side of well site.
, at least 100 feet from the well head.

To minimize the amount of fugitive dust and spray escaping from the blooie pit, the following blooie line deflection method will be employed: directed into length of casing and drill cuttings deflected downward.

10. Plans for Restoration of the Surface:

The top 6 inches of topsoil material will be removed from the location and stockpiled separately on: See diagram.

Topsoil along the access road will be reserved in place adjacent to the road.

Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.

The reserve pit and that portion of the location not needed for production will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

All road surfacing will be removed prior to the rehabilitation of roads.

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be re-contoured to replicate the natural slope.

The stockpiled topsoil will be evenly distributed over the disturbed area.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled between October 1 and December 31, or at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The following seed mixture will be used: (PLS) drill seeding rate

Indian rice grass	4#/Ac
Fourwing saltbush	4#/Ac
Galleta	4#/Ac
Sand dropseed	1#/Ac

Increase 50% if broadcast

The abandonment marker will be one of the following, as specified by BLM:

1) at least four feet above ground level,
2) at restored ground level, or
3) below ground level.

In any case the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

Additional requirements: None

11. Surface and Mineral Ownership: Fed/Fed

12. Other Information:

a. Archeological Concerns: Four Corners Archeology will complete Class III inventory

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five (5) working days, the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;

- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and

- a time frame for the AO to complete an expedited review under 36 CFR δ 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

b. Threatened and Endangered Species Concerns: None identified by BLM

c. Wildlife Seasonal Restrictions (yes/no): None identified by BLM. No lease stipulations.

d. Off Location Geophysical Testing: None

e. Drainage crossings that require additional State or Federal approval: None

f. Other: Well site orientation and VRM concerns discussed with BLM on 8/19/97.

13. Lessee's or Operator's Representative and Certification:

Representative:

Name: Donnie Worthington

Title: Environmental/Safety/Regulatory Manager

Address: P.O. Box 1350
Houston, TX 77251-1350

Phone No. (713) 871-3445

Certification:

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 make in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Aviara Energy Corporation and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under BLM bond no. 158798586. This statement is subject to the provisions of 18 U.S.C. δ 1001 for the filing of a false statement.

Mark Swisher
Signature

Staff Petroleum Engineer
Title

12-16-1997
Date

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Building Location- Contact the Resource Area, Natural Resource Protection Specialist at least 48 hours prior to commencing construction of location.

Spud- The spud date will be reported to the Resource Area Office 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within 24 hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the District Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR δ 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Authorized Officer. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the Resource Area in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Area Manager is to be notified.

First Production- Should the well be successfully completed for production, the District Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Resource Area Office. The Resource Area Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR δ 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the District Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the District Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomical is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- Produced waste water may be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along a water analysis, if required, will be submitted to the District Office for approval pursuant Onshore Oil and Gas Order No. 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the District Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the District Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Office, within thirty (30) days following plugging and abandonment of the well. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR δ 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify _____ of the _____ Resource Area, at _____ for the following:

2 days prior to commencement of dirt work, construction or reclamation;

1 day prior to spudding;

50 feet prior to reaching surface and intermediate casing depths;

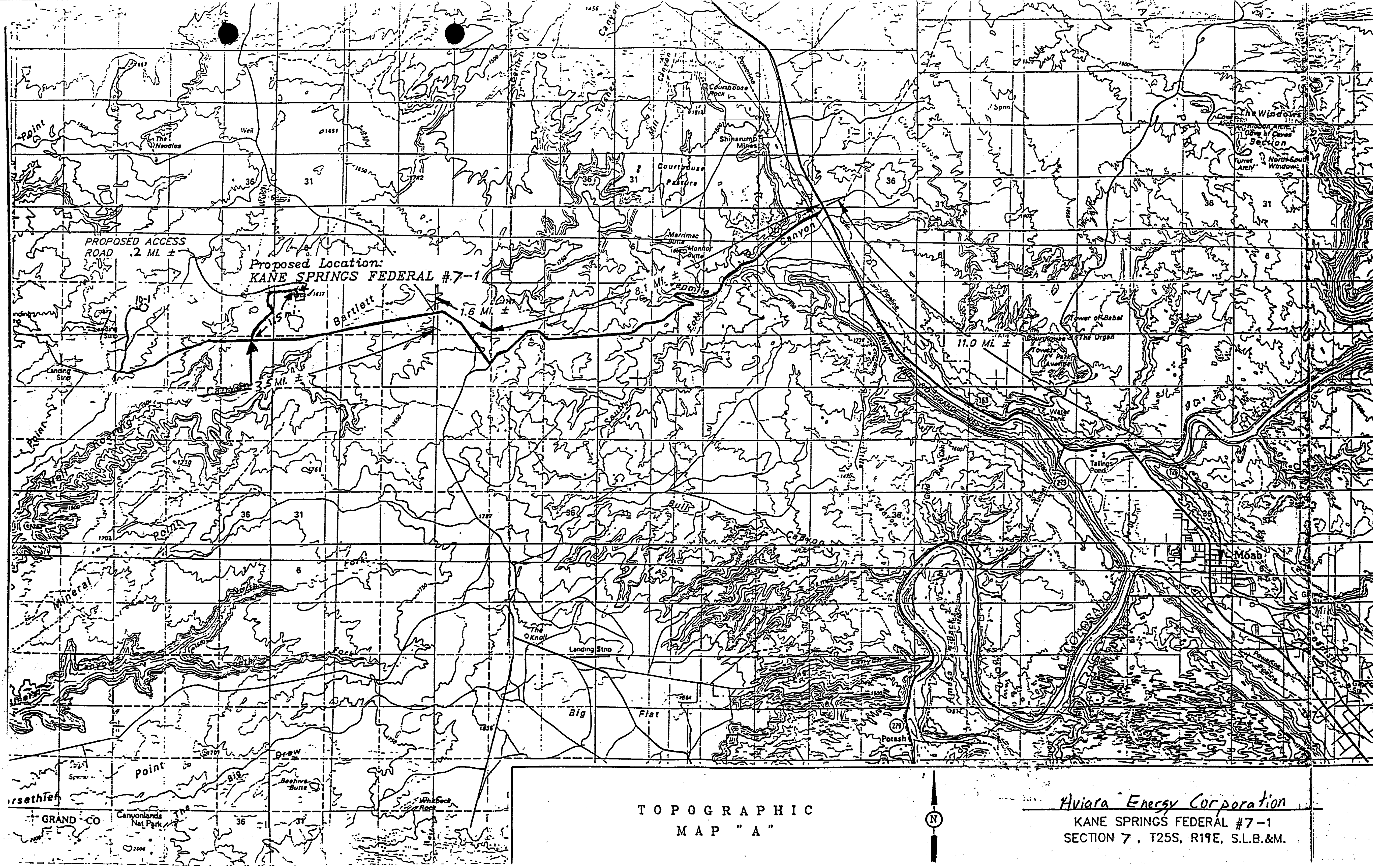
3 hours prior to testing BOPE;

12 hours prior to reaching kickoff point depth (if applicable).

If the person at the above number cannot be reached, notify the Moab District Office at (801) 259-6111. If unsuccessful, notify one of the people listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab District Office, Branch of Fluid Minerals at (801) 259-6111. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer Office: (801) 259-6111
Home: (801) 259-2214

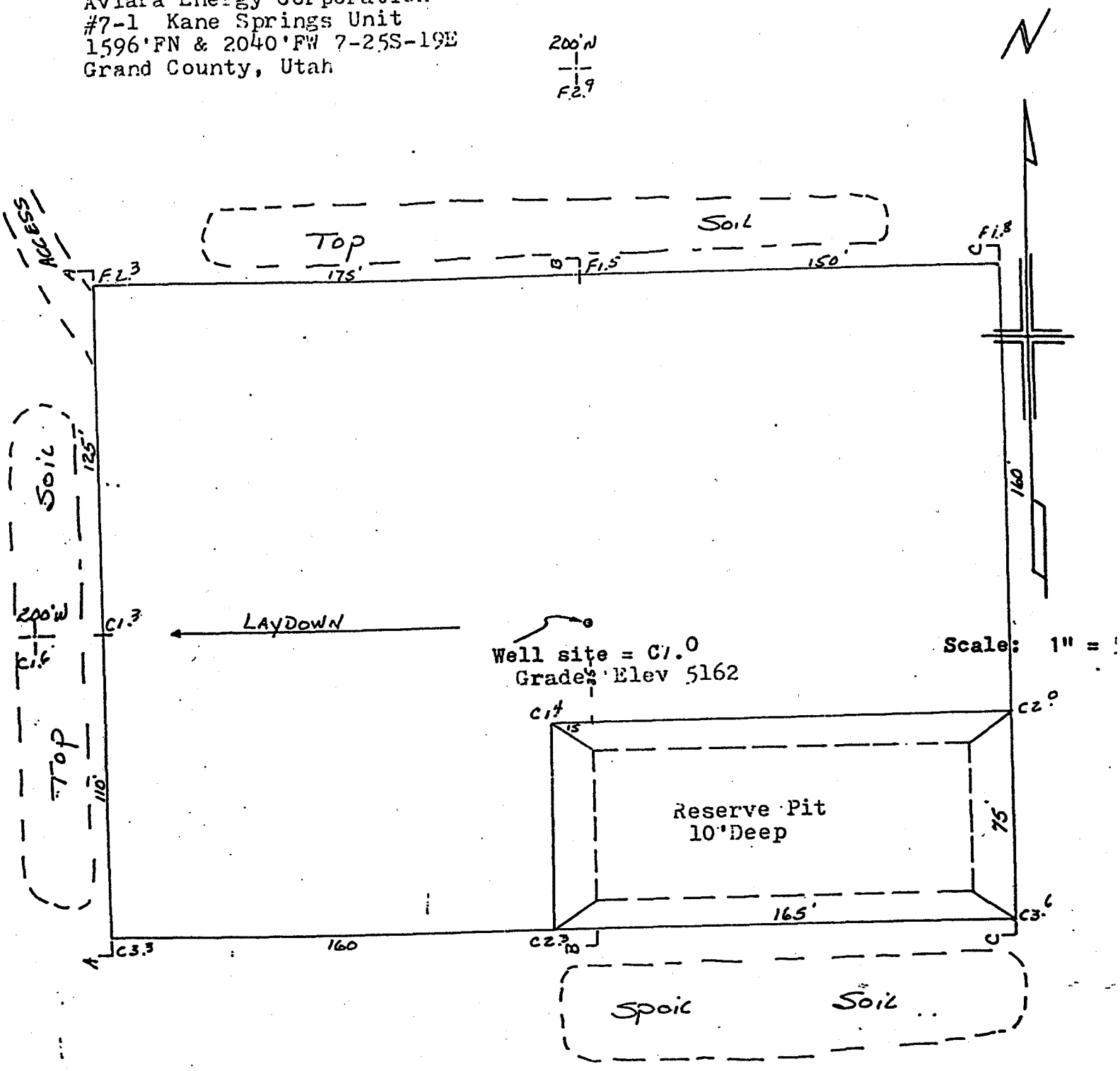

PROPOSED ACCESS ROAD .2 Mi. ±
Proposed Location:
KANE SPRINGS FEDERAL #7-1
1.6 Mi. ±
8.1 Mi. ±
11.0 Mi. ±
1.5 Mi.
3.5 Mi. ±
Bartlett
Canyon
The Needles
Courthouse Rock
Shinarump Mines
Courthouse Pasture
Merrimac Butte
Monitor Butte
The Windows Section
Turret Arch
North-South Window
Tower of Babel
Courthouse & The Organ
Water Tank
Tailings Pond
Moab
Landing Strip
The Knoll
Big Flat
Potash
Mineral
Beehive Butte
Whitbeck Rock
GRAND CO
Canyonlands Nat Park
Denver and Rio Grande Western
Colorado

TOPOGRAPHIC
MAP "A"

Aviara Energy Corporation
KANE SPRINGS FEDERAL #7-1
SECTION 7, T25S, R19E, S.L.B.&M.

TOPOGRAPHIC MAP

Aviara Energy Corporation
#7-1 Kane Springs Unit
1596'FN & 2040'FW 7-25S-19E
Grand County, Utah



by: Leonard K Chrisman
Powers Elevation
8-5-97

Exhibit C-1

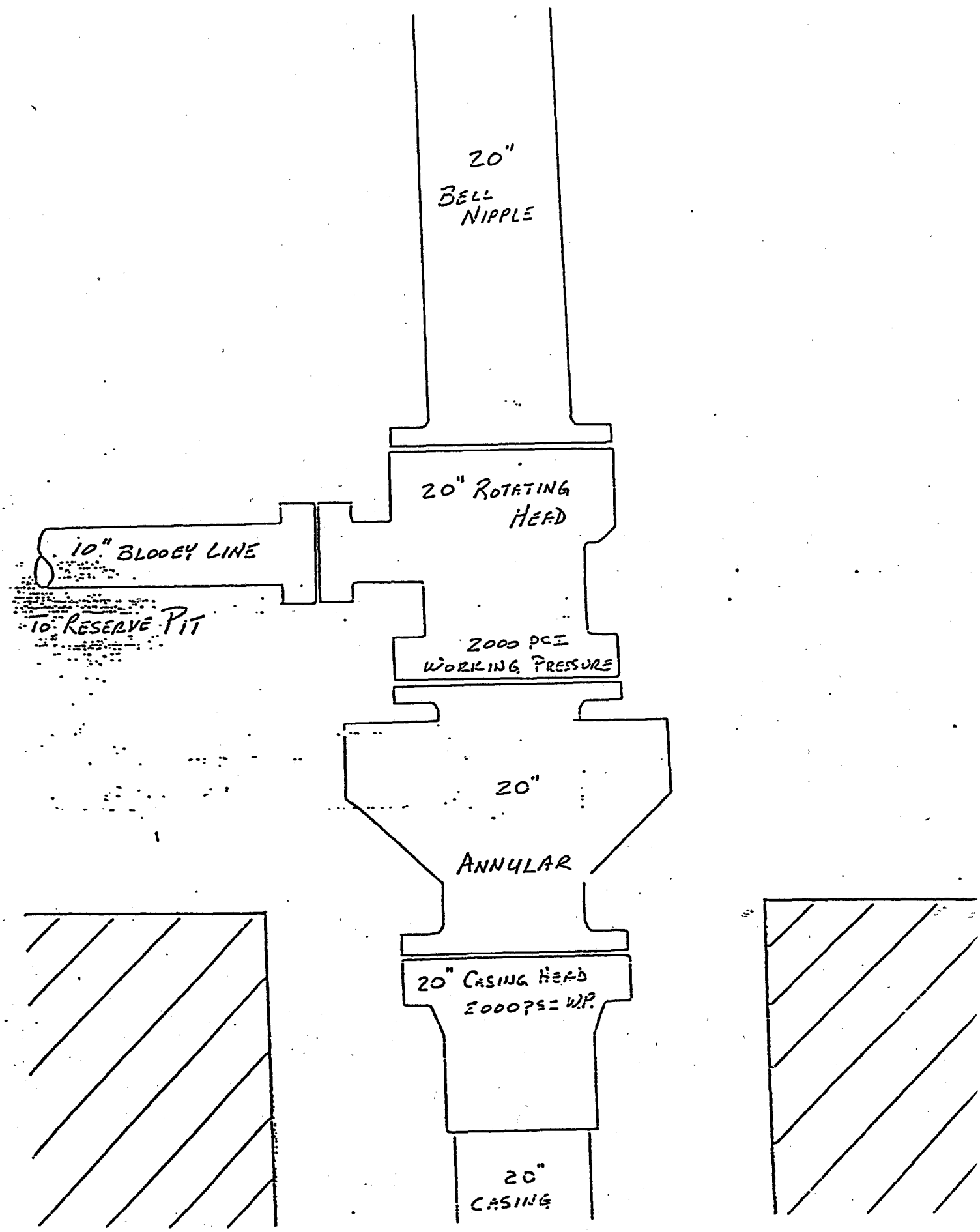

20"
BELL NIPPLE
20" ROTATING HEAD
10" BLOOEY LINE
TO RESERVE PIT
2000 PSI WORKING PRESSURE
20"
ANNULAR
20" CASING HEAD
2000PSI W.P.
20"
CASING

Exhibit C-2
pg. 1

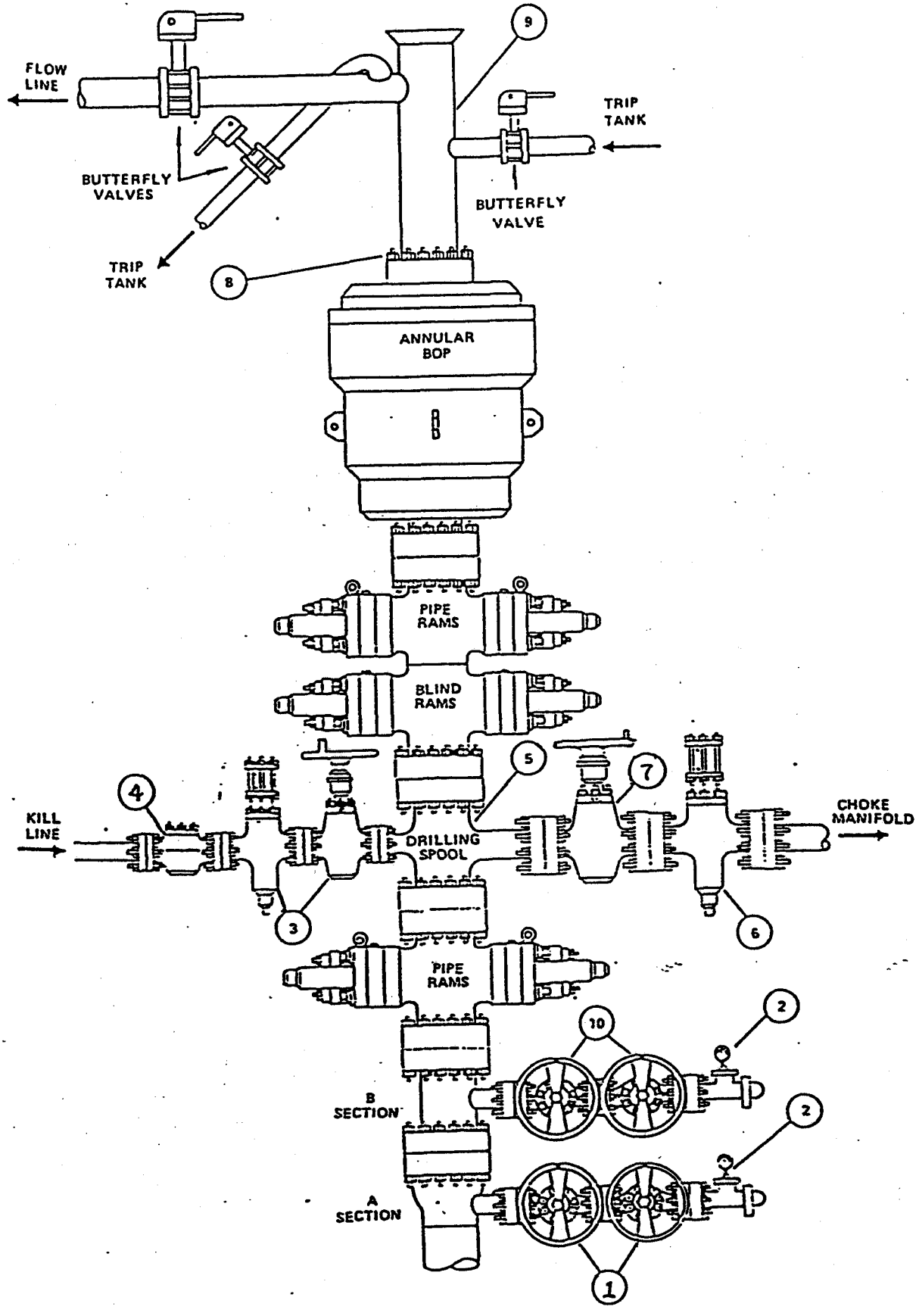


Exhibit C-2
Pg. 2

TYPICAL - 4 PREVENTOR BOPE ST
OFFSHORE LOUISIA

COMPONENT SPECIFICATIONS

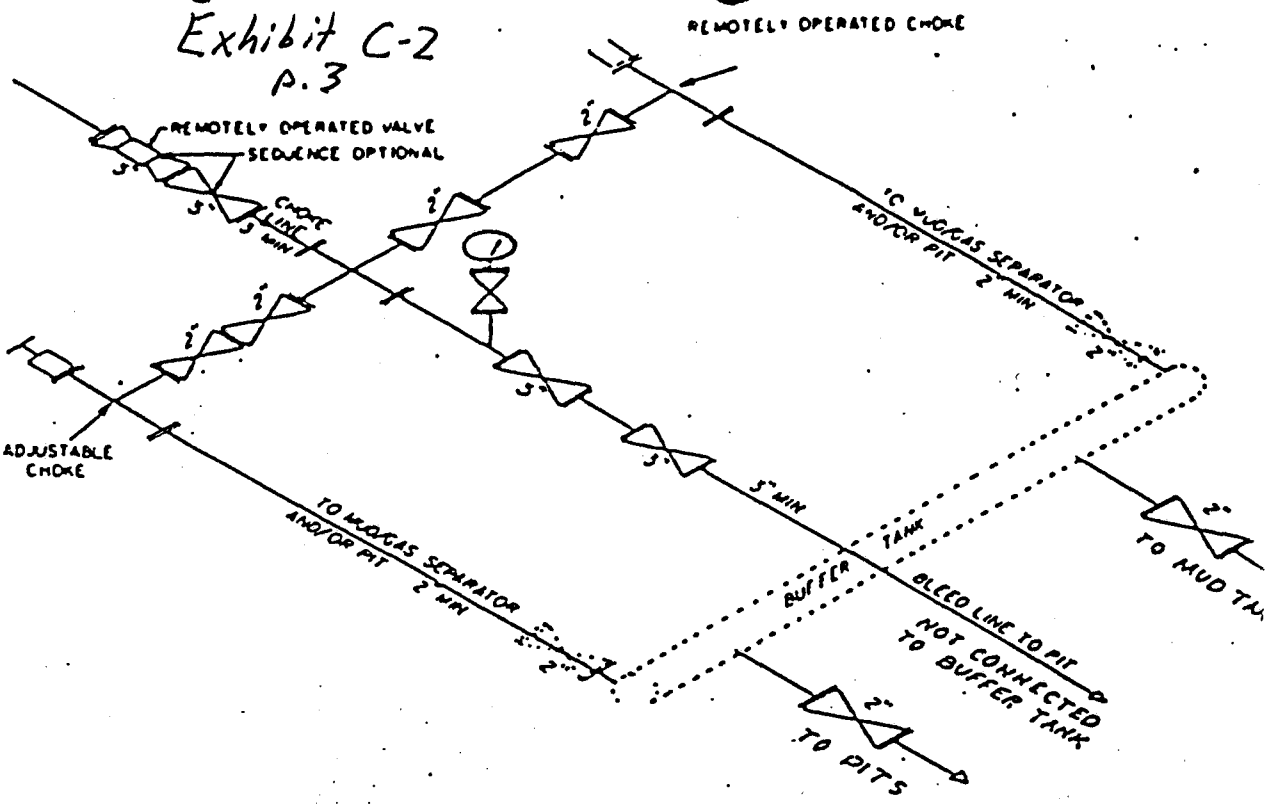
1. Screwed or flanged plug or gate valves — 2" minimum nominal dia. — same working pressure as "A" section.
2. Tee with tapped bullplug, needle valve, and pressure gauge.
3. Flanged plug or gate valve — 2" minimum nominal dia. — same working pressure as BOP stack. Second valve up stream may be hydraulically controlled,
4. Flanged flapper type check valve — 2" minimum nominal dia. — same working pressure as BOP stack.
5. Drilling spool of sufficient height to allow stripping with 2 flanged side outlets — 3" choke and 2" kill line minimum nominal dia. (See Table II-4 and Note D.)
6. Flanged hydraulically controlled gate valve — 3" minimum nominal dia. — same working pressure as BOP stack. (See Note D.)
7. Flanged plug or gate valve — 3" minimum nominal dia. — same working pressure as BOP stack.
8. Top of annular preventer must be equipped with an API flange ring gasket. All flange studs must be in place or holes filled in with screw type plugs.
9. The I.D. of the bell nipple must not be less than the minimum I.D. of the BOP stack.
10. Flanged plug or gate valve — 2" minimum nominal dia. — same working pressure as "B" section.

NOTE:

The choke line between the drilling spool and choke manifold should not contain any bend or turn in the pipe body. Any bend or turn required should be made with a running tee with a blind flange or welded bullplug. All connections should be flanged or welded. All fabrications requiring welding must be done by a certified welder. Welds should be stress relieved when required.

Plug valves should be equivalent to the Howco Lo-Torc and gate valves equivalent to the Cameron Type 'F'.

Exhibit C-2
P.3



5M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

Although not required for any of the choke manifold systems, buffer tanks are sometimes installed downstream of the choke assemblies for the purpose of manifolding the bleed lines together. When buffer tanks are employed, valves shall be installed upstream to isolate a failure or malfunction without interrupting flow control. Though not shown on 2M, 3M, 10M, or 15M drawings, it would also be applicable to those situations.

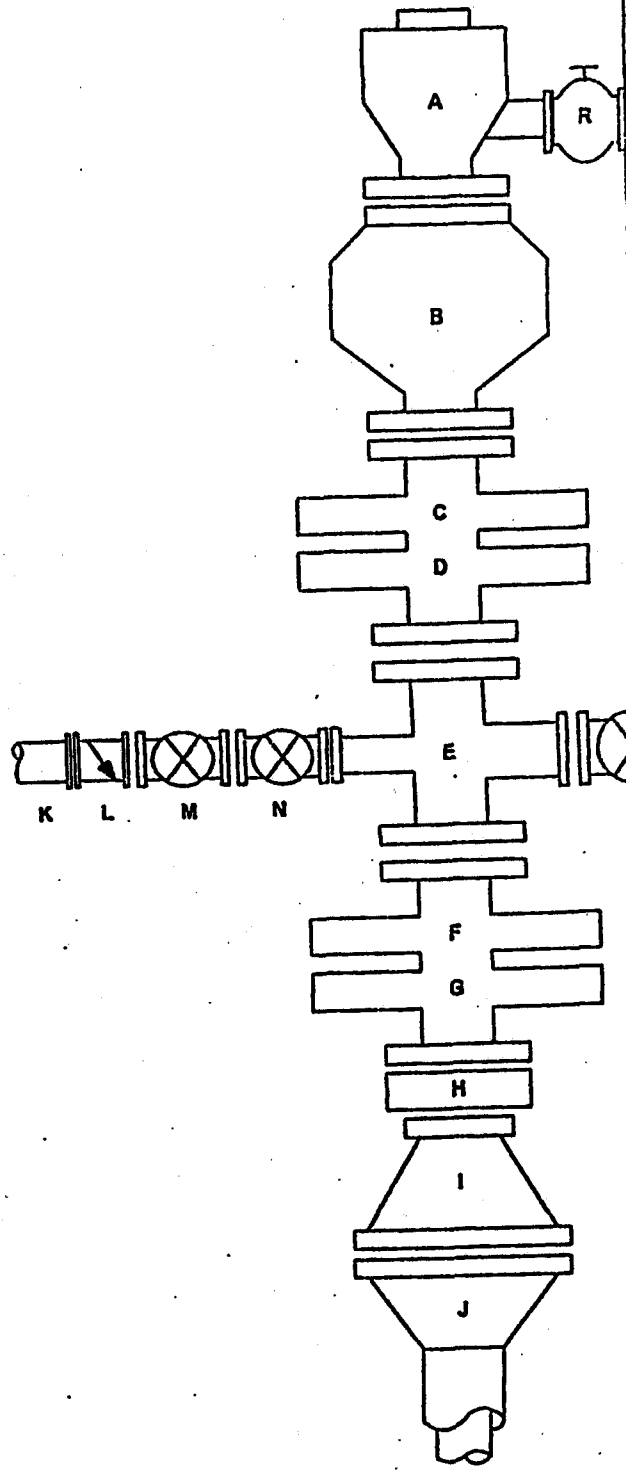
[FR Doc. 88-25736 Filed 11-17-88; 8:45 am]
BILLING CODE 4310-84-C

EXHIBIT C-3

BLOWOUT PREVENTOR SCHEMATIC

AVIARA ENERGY CORPORATION

WELL : KANE SPRINGS FEDERAL UNIT 51239 #7-1
FIELD : KANE SPRINGS
RIG : TO BE DETERMINED
COUNTY : GRAND COUNTY UTAH STATE: UTAH
OPERATION: DRILLING OUT BELOW 7" CSG



	SIZE	PRESSURE	DESCRIPTION
A	13-5/8"	3,000#	Rotating Head
B	13-5/8"	5,000#	Annular
C	13-5/8"	5,000#	3-1/2" Pipe Rams
D	13-5/8"	5,000#	Blind Rams
E	13-5/8"	5,000#	Drilling Spool (Ocl)
F	13-5/8"	5,000#	3-1/2" Pipe Rams
G	13-5/8"	5,000#	3-1/2" Pipe Rams
H	11" 5M x 13-5/8" 5M DSA		
I	13-5/8" 3M x 11" 5M Csg Spool "B"		
J	13-5/8"	3,000#	Bradenhead

Test Schedule

5,000#	BOP, & Choke Manifold
5,000#	7" Csg 55% of Burst
3,500#	Annular
2,000#	Rotating Head w/ Test Cap
	Function Test Every Day with Remote Unit; Test a Minimum of Every 14 Days (Exceptions Must Be Approved By Aviara Supervisor Personnel)

	SIZE	PRESSURE	DESCRIPTION
K	2"	5,000#	Kill Line
L	2"	5,000#	Check Valve
M	2"	5,000#	Gate Valve
N	2"	5,000#	Gate Valve
O	4"	5,000#	Gate Valve
P	4"	5,000#	HCR Valve
Q	4"	5,000#	Choke Line
R	4"	2,000#	Orbit Valve

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/17/97

API NO. ASSIGNED: 43-019-31363

WELL NAME: KANE SPRINGS UNIT 7-1
OPERATOR: AVIARA ENERGY CORP. (N5500)

PROPOSED LOCATION:
SENW 07 - T25S - R19E
SURFACE: 2040-FWL-1596-FNL
BOTTOM: ~~2000-FEL-2000-FSL~~ (NWSE)
GRAND COUNTY
WILDCAT FIELD (001)

LEASE TYPE: FED
LEASE NUMBER: U - 51239

PROPOSED PRODUCING FORMATION: CNCR

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

RECEIVED AND/OR REVIEWED:

✓ Plat
✓ Bond: Federal [✓] State [] Fee []
(Number 158798586)
N Potash (Y/N)
N Oil shale (Y/N)
✓ Water permit
(Number CITY OF MOAB)
N RDCC Review (Y/N)
(Date:)

LOCATION AND SITING: * Unit Contracted 8-5-2000 fc

✓ R649-2-3. Unit: KANE SPRINGS
___ R649-3-2. General.
___ R649-3-3. Exception.
___ Drilling Unit.
Board Cause no:
Date:

COMMENTS: CONFIDENTIAL

STIPULATIONS: (1) FEDERAL APPROVAL

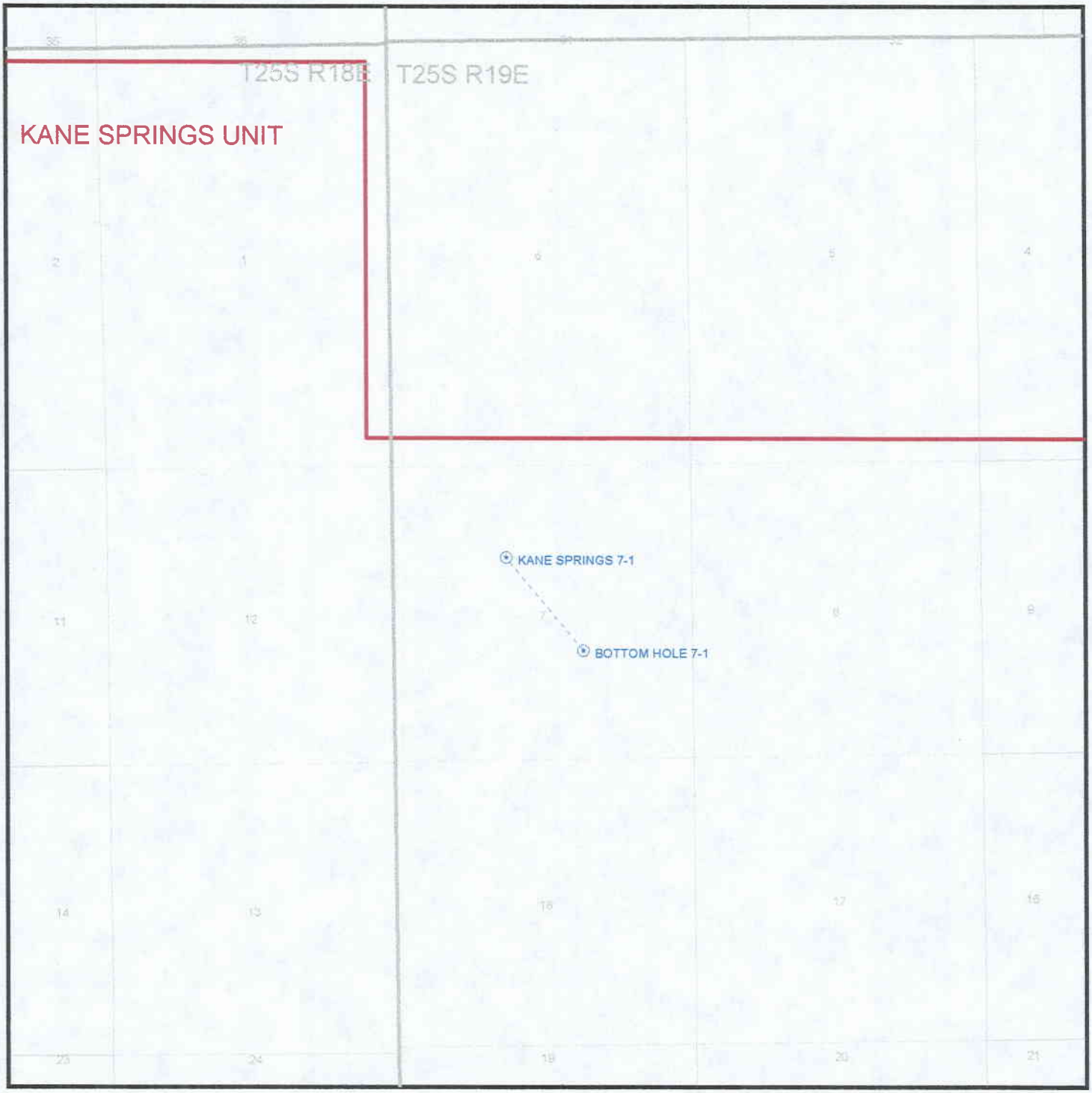
DIVISION OF OIL, GAS & MINING

OPERATOR: AVIARA ENERGY CORP. (N5500)

FIELD: WILDCAT (001)

SEC. TWP. RNG.: SEC. 7, T25S, R19E

COUNTY: GRAND UAC: R649-2-3 KANE SPRINGS UNIT



DATE PREPARED:
~~22-DEC-1997~~
4-5-2000 lc

Aviara Energy Corporation

December 22, 1997

Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114

Attention: Mr. Mike Hebertson

Dear Mr. Hebertson:

Please find attached the corrected copies of Form 3160-3, Application For Permit to Drill. Please substitute these for those filed with your office last week. We are sorry for any confusion that this may have caused.

If you require additional information or have any questions please contact Vicki Guidry, Production/Regulatory Coordinator or myself at 713-871-3400. Thank you for your assistance.

Sincerely,

Jon B. Norman
Sr. Geologist

Enclosures

JBN/vjg

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: U-51239

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [XX] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [XX] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

7. UNIT AGREEMENT NAME: Kane Springs Federal Unit

8. FARM OR LEASE NAME: Kane Springs

2. NAME OF OPERATOR: Aviara Energy Corporation

9. WELL NO.: No. 7-1

3. ADDRESS OF OPERATOR: P. O. Box 1350, Houston, TX 77251-1350

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 2040' FWL & 1596' FNL Sec. 7, T25S, R19E
At proposed prod. zone: 2000' FEL & 2000' FSL Sec. 7, T25S, R19E

CONFIDENTIAL

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 7, T25S, R19E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 18 miles northwest of Moab, UT

12. COUNTY OR PARISH: Grand Co. | 13. STATE: UT

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): Surf (LS) 1596' FNL Sec 7, BHL (LS) 2000' FEL Sec 7

16. NO. OF ACRES IN LEASE: 1227.77

17. NO. OF ACRES ASSIGNED TO THIS WELL: 640

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: NA

19. PROPOSED DEPTH: 8500' TVD

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 5162' GR

22. APPROX. DATE WORK WILL START*: September, 1998

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT

SEE ATTACHMENTS

This well is a Horizontal Test of the Cane Creek Formation.

CONFIDENTIAL

RECEIVED
DEC 23 1997
DIV. OF OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 Mgr; Envir., Safety & Reg. DATE 16 December 1997

(This space for Federal or State office use)

PERMIT NO. 43-019-31363 APPROVAL DATE

APPROVED BY [signature] TITLE BRADLEY G. HILL RECLAMATION SPECIALIST III DATE 4/8/98

CONDITIONS OF APPROVAL, IF ANY:
Federal Approval of this Action is Necessary

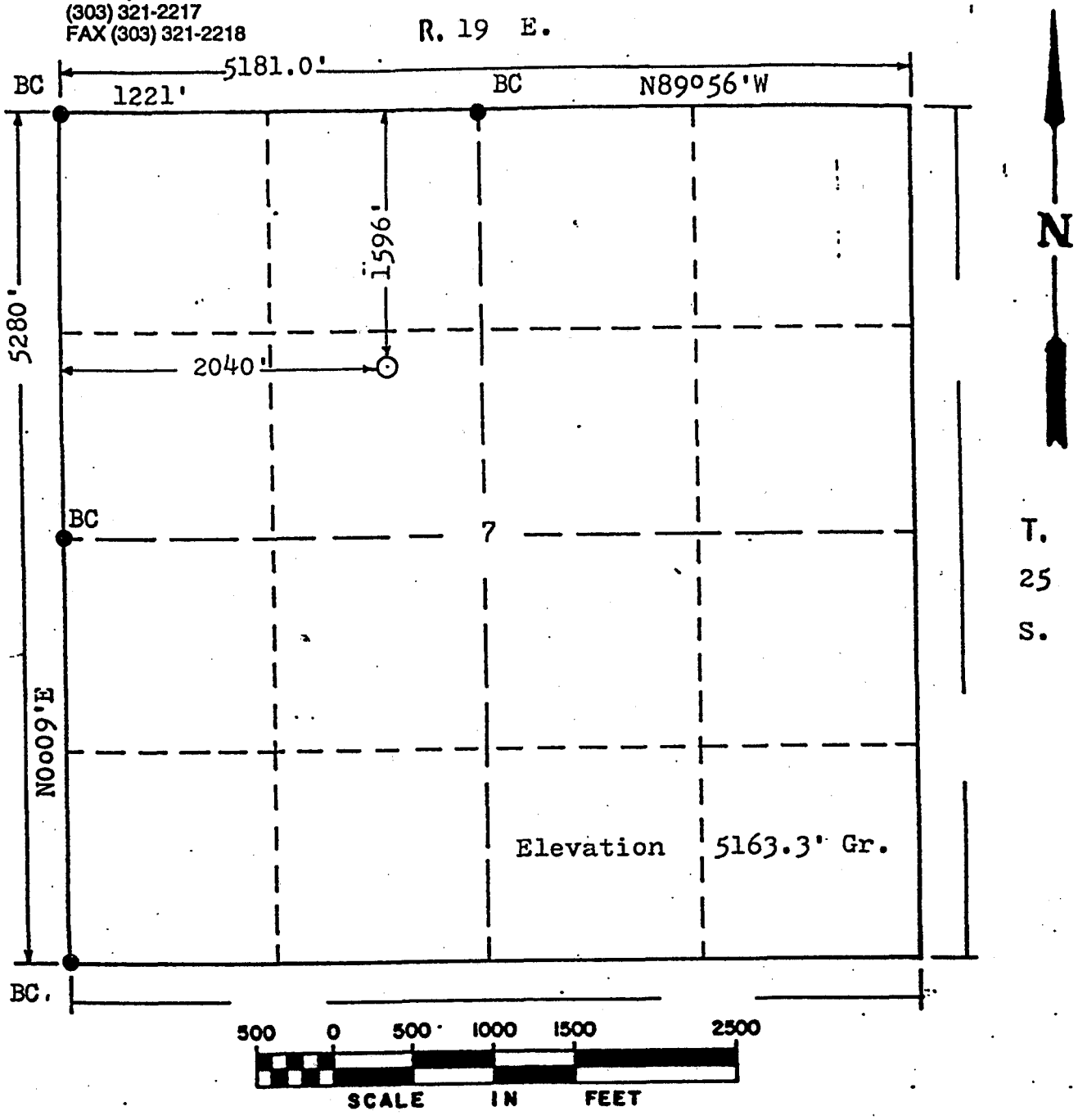
*See Instructions On Reverse Side

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.

Form PS 102B

POWERS ELEVATION CO., INC.
P.O. Box 440889
Aurora, CO 80044-0889
(303) 321-2217
FAX (303) 321-2218

ALL POWERS ELEVATION CO., INC. elevations originate from accepted U.S. Benchmarks



BASIS OF BEARING: West Line Sec 7 GLO

Powers Elevation Co., Inc. of Denver, Colorado has in accordance with a request from Mark Swisher for Aviara Energy Corp determined the location of #7-1 Kane Springs Unit to be 1596'FN & 2040'FW Section 7, Township 25 S. Range 19 E. of the Salt Lake Principal Meridian, Grand County, Utah

I hereby certify that this plat is an accurate representation of a correct survey showing the location of #7-1 Kane Springs Unit

REGISTERED LAND SURVEYOR 22-140833-2201 THOMAS E. NELSON STATE OF UTAH

Date: 8-5-97

T Nelson

Licensed Land Surveyor No. 22-140833-2201
State of Utah

From
Donny Worthington

Please call if you have questions - we hope to move soon.

Thanks Donny
713-871-3445

Drilling - Ed Ferguson
713-871-3441

Land - Jon Norman
713-871-3411

6.29.15

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/23/1997

API NO. ASSIGNED: 43-019-31363

WELL NAME: ~~KANE SPRINGS~~ Cane Creek 7-1

AMENDED

OPERATOR: AVIARA ENERGY (N5500)

CONTACT: DONNY WORTHINGTON

PHONE NUMBER: 713-871-3445

PROPOSED LOCATION:

SENW 07 250S 190E

SURFACE: 1596 FNL 2040 FWL

SESW BOTTOM: 0660 FSL 2040 FWL

GRAND

WILDCAT (1)

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-51239

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: CNCR

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 158798586)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. MUNICIPAL)

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

N/A Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3. Unit Cane Creek eff. 4-15-02

✓ R649-3-2. General *Horiz. / ~~Exc. Loc~~

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

___ Drilling Unit

Board Cause No:

Eff Date:

Siting:

___ R649-3-11. Directional Drill

COMMENTS: Contracted from Kane Springs Unit 8-5-2000. (U-51239)
Cane Creek Unit - Logical Unit eff. 1-30-02 / Not final 4-15-02
Rec'd BLM Aprv. Unit agreement 4-17-02; Unit eff. 4-15-02.

STIPULATIONS: ~~1 - Fed. Approval~~
~~2 - Horiz. Stip.~~
3 - Dir. Drl. Stip.

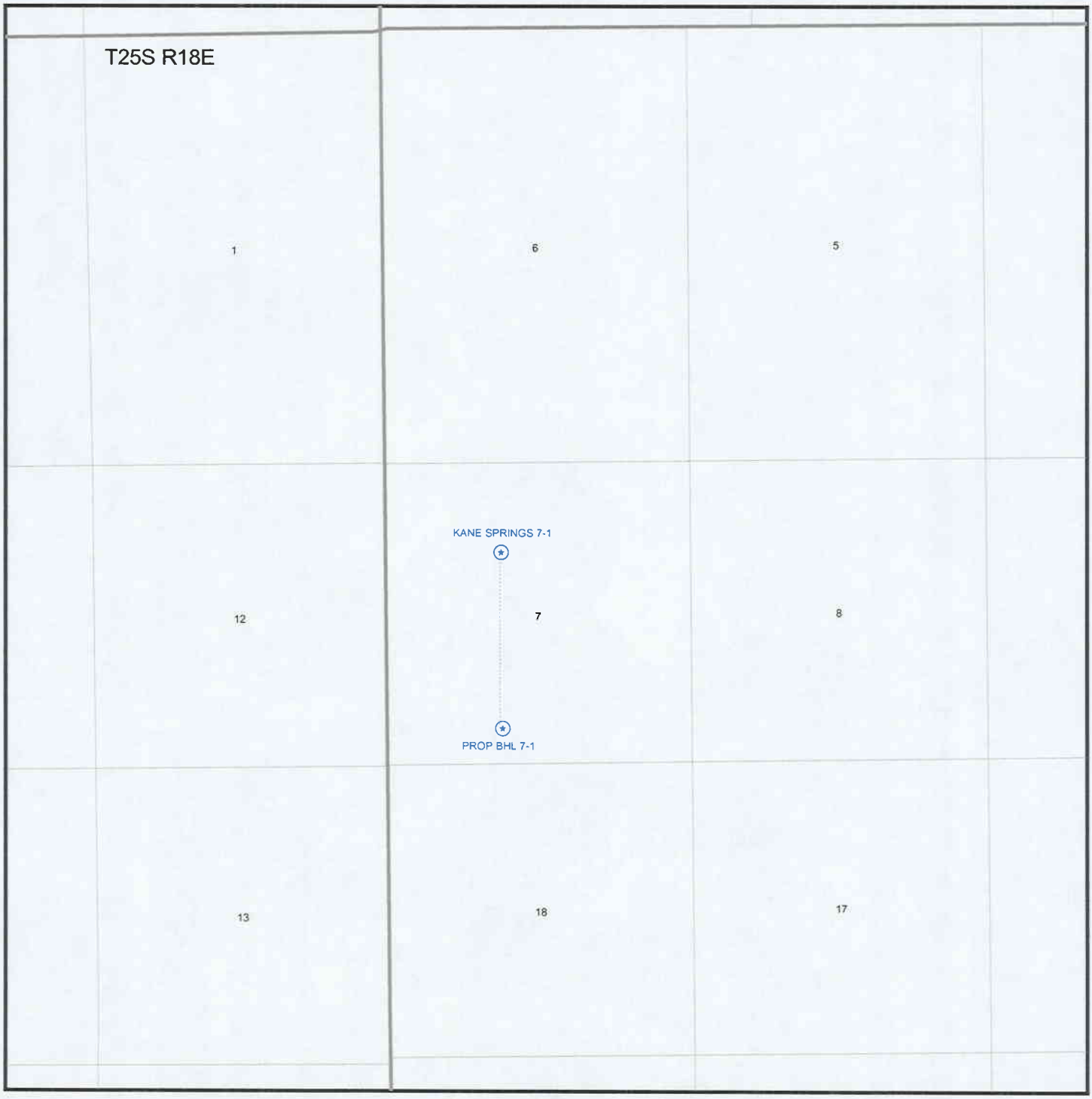
Utah Oil Gas and Mining

OPERATOR: AVIARA ENERGY CORP (N5500)

SEC. 7, T25S, R19E

FIELD: WILDCAT (001)

COUNTY: GRAND SPACING:R649-3-2/HORIZ DRL



PREPARED BY: LCORDOVA
DATE: 29-MARCH-2002

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab District
82 East Dogwood Avenue
Moab, Utah 84532

1790
(UT-062)

FEB 26 1998

Dear Reader:

Attached is a copy of a proposed action for an environmental assessment (EA) being prepared by the BLM Moab District. EA UT-062-98-054 will analyze the impacts of drilling five oil and gas wells in the Jug Rock, The Knoll, Big Flat, and Dee Pass areas of Grand County, Utah.

The proposed action is available for a 30-day public comment period. Comments must be submitted in writing by 4:30 p.m. on March 27, 1998 to be considered. Thank you for your participation.

Sincerely yours,

Assistant District Manager
Resource Management

Enclosure
1. EA # UT-062-98-054
(Proposed Action)

INTRODUCTION

The Grand Resource Area Resource Management Plan (RMP) was approved in June 1985. The RMP selected Alternative C from the 1983 Environmental Impact Statement (EIS) prepared for the RMP. Alternative C analyzed the cumulative impacts of drilling 145 wells annually throughout the Grand Resource Area (RMP, Appendix A, page A-11). In December 1988, the RMP Oil and Gas Supplemental Environmental Assessment (EA), EA# UT-060-89-025, was approved. The EA incorporated the Supplemental Program Guidance from Bureau of Land Management (BLM) Manual 1624.2 that was adopted in 1986. The Supplemental Program Guidance included the preparation of a Reasonably Foreseeable Development (RFD) based on historic drilling, current market trends, and industry forecasts. The RFD for EA# UT-060-89-025 projected or estimated 10 wells would be drilled within the Paradox Fold and Fault Belt between 1989 and 1995.

In June 1993, with the drilling of the Kane Springs 20-1 well, ten well sites had been constructed and nine wells had been drilled. When Applications for Permit to Drill (APDs) were submitted on Federal oil and gas leases after the drilling of the 20-1 well, the Grand Resource Area notified the operator that processing of the APD would be delayed: "any additional wells within the greater Big Flat area will be postponed until an EIS is prepared to address impacts from full field development." BLM further advised operators that future APDs could "conceivably result in the drilling of an 11th well in this area, putting us beyond the cumulative well threshold." However, BLM has always held that the ten well threshold could be exceeded to obtain information necessary to prepare a field development EIS. A list of pending APDs appears later in this document.

There are currently 5 producing wells within the Paradox Fold and Fault Belt of the Grand Resource Area that have been drilled since 1988. Four of these wells are within the Kane Springs Unit operated by Aviara Energy Corporation (formerly operated by Columbia Gas Development), the fifth is a non-unit well operated by Coastal within the unit boundary:

Kane Springs Unit 19-1A, T. 26 S., R. 20 E., section 19;
Kane Springs Unit 27-1, T. 25 S., R. 19 E., section 27;
Kane Springs Unit 34-1, T. 25 S., R. 19 E., section 34;
Kane Springs Unit 10-1, T. 25 S., R. 18 E., section 10;
Coastal 16-1, T. 25 S., R. 18 E., section 16 (State Lease).

There are 3 wells that have been drilled and temporarily abandoned since 1988:

Kane Springs Unit 28-1, T. 25 S., R. 19 E., section 28;
Kane Springs Unit 20-1, T. 26 S., R. 19 E., section 20;
Central Resources (drilled by Giant) Hatch Point #1, T. 29 S., R. 21 E., section 14.

There have been 2 wells drilled, plugged, and reclaimed since 1988:

Chevron 1-36, T. 27 S., R. 20 E., section 36 (State Lease);
Burlington Resources 22-33H, T. 27 S., R. 21 E., section 33.

One well site was constructed, not drilled, and reclaimed:

Exxon (constructed by Meridian) 33-4H, T. 26 S., R. 19 E., section 4.

Prior to 1997, Moab District had 8 APDs pending in the Paradox Fold and Fault Belt. None of those APDs were proposed in areas that would provide new geologic information to help determine the actual extent or boundaries of the Paradox Fold and Fault Belt, and the Moab BLM Office did not consider any of these proposed wells to be "rank wildcat wells", (i.e. wells located over one mile from any previous drilling outside of the Big Flat area). None of those APDs were processed, and several suspensions of lease operations and production were granted.

Between 1993 and 1997, BLM tried to determine the extent of the oil and gas resources that could be developed within the Paradox Fold and Fault Belt in order to delineate an area to analyze in a National Environmental Policy Act (NEPA) document for full field development. The wells that had been drilled since 1988 were located within the areas categorized in the RFD as having high and moderate potential for the occurrence of oil and gas, but it was not possible to delineate any specific areas for future development. The Paradox Fold and Fault Belt covers approximately 1/2 of the Grand Resource Area, and the drilling had been spread over 1/3 or more of the Paradox Fold and Fault Belt. It is not feasible to analyze full field development over an area of 250,000 to 500,000 acres, and further efforts for analyzing full field development have been postponed by BLM.

Early drilling success made Columbia Gas Development and other area lessees confident that the area would progress into development rather quickly. They advised BLM that they planned on preparing a field development EIS. At the time it appeared that ten wells would provide adequate exploration of the play. However, unexpected dry holes and inability to reduce drilling costs caused them to reconsider. Faced with geology and drilling conditions that were more complicated than originally thought, they concluded that development of the play was still in question, and it would be premature to invest in a field development EIS without more exploratory information.

Columbia Gas Development never concurred with BLM's determination that the Kane Springs Unit had entered a stage of full field development. When BLM rescinded the APD for the Kane Springs Unit 36-1 Well, based on BLM's determination that the Kane Springs Unit was entering a stage of full-field development; Columbia requested a State Director Review. Columbia maintained that the geologic and reservoir data indicated that drilling within the Kane Creek Unit was exploratory, not developmental. The State Director remanded the case back to Moab District on August 27, 1993, and directed Moab District to analyze additional geologic and reservoir data to determine if the well was exploratory or developmental. Although Columbia did not proceed with the drilling of the 36-1 Well based on business considerations, they maintained that geologic and reservoir data indicated that the 36-1 Well was exploratory, not developmental.

During May 1997, Aviara Energy Corporation (formerly Columbia Gas Development) met with BLM personnel in the Moab Office and presented information indicating that all of their producing wells were located in separate reservoirs, and that additional drilling adjacent to their producing wells was still exploratory, rather than developmental. Production histories and interference tests from the horizontal wells drilled during the 1990's confirm that no two of the existing wells are producing from the same reservoir.

The geologic target in this area is the Cane Creek zone of the Paradox Formation. The Cane Creek is a fractured shale, with oil accumulating in the fractures. Wells that intercept these fractures tend to produce very well whereas wells that do not intercept fractures do not produce. Available information indicates that these fracture systems are not interconnected over large distances, and to date, each producing well is in its own isolated fracture system. The fractures tend to be nearly vertical, so horizontal drilling is employed to dramatically increase the chances of intercepting a fracture. Because the target is not simply a geologic horizon, but rather, isolated fracture systems within a geologic horizon, exploration of the Cane Creek is particularly challenging. In addition to the physical data derived from drilling, the proposed wells are designed to contribute to the understanding of the influence of tectonic features on the fracture systems and the effectiveness of geophysical data interpretation in predicting fracture system occurrence and orientation. Such information will allow geologists to utilize existing data to more accurately map the target.

While lessees, operators and the BLM had several years to interpret data obtained in the early 1990's and the successful horizontal wells established a production history, we are still unable to define a reasonable scenario for future development to be carried forward in a NEPA document. Based on current information, any RFD or NEPA analysis prepared at this time would be short-sighted. Prior to initiating an amendment to the RMP (including new RFD, NEPA document), it would be beneficial to gather additional geologic data on the limits of the Paradox Fold and Fault Belt or on the existing producing reservoirs. Without additional information on the extent of the producible reservoirs or the parameters of the existing reservoirs; a NEPA analysis at this time would have to be of broad scope, would not be prepared on the actual potential for field developments, and would not have specific locations where wells or fields would be developed.

In summary, (1) the production histories from the horizontal wells do not support the concept that the 5 producing wells in the Big Flat - Bartlett Flat areas of the Kane Springs Unit have entered a stage of field development, and (2) BLM's 1993 assumption that the drilling in the Big Flat - Bartlett Flat areas of the Kane Springs Unit had reached a stage of full field development was not accurate. If BLM initiated the preparation of NEPA documentation, either an EA or EIS, for full field development at this time; there would not be enough geologic data to focus the analysis on site specific areas for full field development, and the analysis would be over a broad area encompassing over half a million acres within the Paradox Fold and Fault Belt of the Grand Resource Area. In order to develop a new RFD to focus the scope of future development, additional geologic information would be required. Based on this information, BLM reconsidered options for approving additional exploratory drilling to help collect geologic data on the extent of the oil and gas reserves within the Paradox Fold and Fault Belt and the parameters of the existing oil reservoirs which may be more isolated than originally assumed.

Following their meeting with BLM in May 1997, Aviara Energy Corporation located three potential well sites within the Kane Creek Unit that could be drilled to provide additional information that would be useful to test geologic theories and to confirm reservoir occurrence or reservoir production parameters. Aviara personnel worked with the BLM to select potential well sites that would reduce new surface disturbances and visual impacts.

On November 21, 1997, Moab District mailed a letter to the operators with pending APDs or lease suspensions within the Paradox Fold and Fault Belt. The letter notified operators that BLM was prepared to examine additional proposals which would help define a reasonable scenario for future development of the Cane Creek play or Paradox Fold and Fault Belt. BLM requested that lessees proposing to conduct operations in the play submit those proposals for evaluation, and the proposals would be evaluated on a case-by-case basis to determine whether the information to be obtained will provide specific information as to the feasibility of developing the Cane Creek as a producing field. The letter requested that proposals be submitted by December 31, 1997.

Aviara, Intrepid Oil and Gas, and Riata Energy, Inc. contacted BLM regarding options for exploratory drilling operations that could provide the types of information requested by BLM. On December 31, 1997, the Moab BLM Office had pending 12 APDs within the Paradox Fold and Fault Belt. BLM screened the 12 pending APDs to determine which of them could be classified as exploratory based on the distance from known production.

Six of the 12 APDs were for wells that could be classified as exploratory:

Riata, #5-1 Well, T. 23 S., R. 18 E., section 5;
Riata, #9-1 Well, T. 23 S., R. 18 E., section 9;
Aviara, Kane Springs Unit 7-1 Well, T. 25 S., R. 19 E., section 7;
Aviara, Kane Springs Unit 11-1 Well, T. 26 S., R. 19 E., section 11;
Exxon, Shafer #1 Well, T. 27 S., R. 20 E., section 11; and
Exxon, Hatch Point #1 Well, T. 27 S., R. 21 E., section 33.

The other 6 pending APDs were considered developmental in nature due to their proximity to producing wells:

S.W. Energy, #9-1 Well, T. 23 S., R. 17 E., section 9;
Coastal, Kane Springs Unit 21-1 Well, T. 25 S., R. 18 E., section 21;
Columbia (Aviara), Kane Springs Unit 36-1 Well, T. 25 S., R. 19 E., section 36;
Columbia (Aviara), Kane Springs Unit 18-1 Well, T. 26 S., R. 20 E., section 18;
Celsius, Largo #1 Well, T. 26 S., R. 20 E., section 15; and
Aviara, Kane Springs Unit 30-1 Well, T. 26 S., R. 20 E., section 30.

Although Exxon's Hatch Point #1 Well appeared to be exploratory, the well would be located within 1 mile of two plugged and abandoned wells and two temporarily abandoned wells. Based on the geologic and production information available for the adjacent wells, BLM determined that the Exxon Hatch Point #1 Well would not provide the types of information needed prior to revising the RFD or the RMP and that the APD would not be processed at this time.

The visibility of the proposed Exxon Shafer #1 Well may be screened from Dead Horse Point State Park; however, the well would be within the viewshed of Anticline Overlook. BLM considers the impacts and potential conflicts associated with drilling a well (and potentially developing an oil and gas field) in Shafer Basin as issues better addressed through the RMP. The potential impacts from locating a well anywhere within Shafer Basin would be beyond the scope of this EA, and BLM will postpone the processing of the APD for the Exxon Shafer #1 Well.

During the initial geologic screening of the pending APDs, Aviara's Kane Springs Unit 30-1 Well was considered developmental due to its proximity to a producing well, the Kane Springs Unit 19-1A Well. When originally staked by Aviara, using the existing geophysical data, this well was located in T. 26 S., R. 19 E., section 25 (Oil and Gas Lease UTU-67558), approximately 1/2 mile southwest of the 30-1 Well. Oil and Gas Lease UTU-67558 was issued with an oil and gas leasing stipulation for no surface occupancy in section 25. When reviewing options for horizontally drilling from adjacent locations to hit the target in section 25, Aviara considered two sites for relocating the well. BLM checked both of the options in the field with Aviara, and BLM preferred the location for the 30-1 Well (section 30) over the other option in section 24 which would have been over 1 mile west of the 30-1 Well. BLM considers the proposed location for the 30-1 Well as less of a visual impact than the other option which would be located closer to the road to Canyonlands National Park. As a result of following BLM's recommendation to reduce potential visual impacts, Aviara moved the surface location of the 30-1 Well from an area that would have been exploratory to an old drill site that is closer to a producing well (19-1A Well). The original subsurface target in section 25 was not changed by moving the surface location of the well into section 30. The drilling of the 30-1 would test the validity of geophysical data interpretation which would be used in selecting well locations across the area. This type of information would be useful prior to preparing a new RFD and RMP update, and BLM will analyze the 30-1 Well in this EA.

NEED FOR THE PROPOSED ACTION

Based on the BLM's screening and review of the pending APDs, as specified in the previous section; five APDs were selected for processing in this EA.

Aviara Energy submitted Applications for Permit to Drill (APD) three wells in the Kane Springs Unit, on December 17, 1997:

Kane Springs Federal 7-1 Well, Oil and Gas Lease UTU-51239;
Kane Springs Federal 11-1 Well, Oil and Gas lease UTU-65972; and
Kane Springs Federal 30-1 Well, Oil and Gas Lease UTU-46697.

On October 24, 1997, Riata submitted an APD for the #9-1 Well, and on November 20, 1997, Riata submitted an APD for the #5-1 Well:

#5-1 Well, Oil and Gas lease UTU-75891; and
#9-1 Well, Oil and Gas Lease UTU-75891.

All of the proposed wells would be located on Federal oil and gas leases with Federal surface locations administered by the BLM.

The APD is the mechanism whereby the lessee/operator requests approval to exercise their lease rights to explore for and possibly develop Federal oil and gas resources. The drilling of the proposed wells would determine if oil and gas reserves could be recovered at the proposed locations.

In addition to testing the feasibility of producing oil and gas reserves at the proposed locations, all five of the proposed wells would provide additional geologic and reservoir data. The drilling of the three Aviara wells would provide additional geologic and reservoir data that would help delineate the boundaries of the Paradox Fold and Fault Belt and help define the parameters of the oil and gas reservoirs. The Aviara wells would also test three different geological theories for predicting the location of reservoirs. The #5-1 and #9-1 Wells proposed by Riata would be 4 miles away from the nearest production, and these wells would test a new horizon. The geologic and reservoir information is needed for establishing a new RFD and for determining the boundaries of the productive areas within the Paradox Fold and Fault Belt.

This EA will document the impacts and mitigation for drilling the 5 wells and will update the cumulative impacts of drilling 5 wells within the Paradox Fold and Fault Belt of the Grand Resource Area.

CONFORMANCE WITH LAND USE PLAN

This proposed action has been determined to be in conformance with the terms and conditions of the Grand Resource Area Resource Management Plan (RMP), approved July 1985, as required by 43 CFR 1610.5. This is shown on page 15 of the plan and reads as follows: "to keep public lands open for exploration and development of mineral resources while protecting areas with sensitive resource values."

The proposed locations for the two Riata wells, Aviara 7-1 Well, and the Aviara 11-1 Well are in areas with no special oil and gas leasing stipulations identified in the RMP (Category 1 area). The Aviara 30-1 Well would be located in a Category 3 area with oil and gas leasing stipulations for no surface occupancy that were developed in the RMP. However, Oil and Gas Lease UTU-46697 at the proposed location for the 30-1 Well was issued prior to the approval of the RMP; and therefore, Lease UTU-46697 was issued without the no surface occupancy stipulation. Oil and Gas Lease UTU-46697 is held by production, and it is unlikely that a new lease would be issued in the near future.

The Supplemental Program Guidance (SPG) for fluid minerals (1624.22 C.) specify RFDs should be projected as number of wells and fields. The RFD projections are also linked to cumulative impacts, which are generally measured in acreage of surface disturbance for the construction of well sites, roads, and pipelines. The 1988 RMP Oil and Gas Supplemental EA estimated an average well would result in 6.5 acres of surface disturbance. In March of 1993, the average surface disturbance for a well within the Paradox Fold and Fault Belt was approximately 4 acres (EA# UT-068-93-031). The cumulative impacts of the drilling from 1988 through 1993 is less than the 65 acres estimated for 10 wells in the existing RFD for the Paradox Fold and Fault Belt. The 1988 RMP Oil and Gas Supplemental EA assumed that 50 percent of the wells would be productive and 50 percent would be abandoned and reclaimed. The EA also assumed revegetation would be successful within a scope of 10 years. Based on the drilling that has occurred within the Paradox Fold and Fault Belt since 1988, these assumptions from the existing RFD would still be valid.

The Potash-Confluence Habitat Management Plan (HMP) encompasses the areas of the proposed actions. The goals and objectives for the Potash-Confluence HMP have been developed to protect and enhance habitat for desert bighorn sheep, peregrine falcon, riparian habitat, Cycladenia humilis which is an endangered plant, deer, and elk.

All of the proposed wells would be in areas grazed as part of the Big Flat - Ten Mile allotment, and an Allotment Management Plan (AMP) has been developed for the area. The implementation of the AMP would not be affected by the proposed actions as long as the surface impacts from the proposed actions were properly mitigated.

This environmental assessment (EA) tiers to the Environmental Analysis Record for Proposed Oil and Gas Leasing in the Grand Resource Area (1975), the EIS for the Grand Resource Area Management Plan (1983), and the RMP Oil and Gas Supplemental EA UT-060-89-025 (December 14, 1988). EA UT-068-91-079 for the Western Gas Gathering Pipeline, EA UT-068-91-080 for the Chevron Green River Federal #1-20 Exploratory Well, EA UT-068-91-082 for the Columbia Gas Development Corporation Kane Springs Federal #10-1 and #20-1 Exploratory Oil Wells, and UT-068-93-031 for the Kane Springs Federal 25-19-34-1 Well provide additional information on affected environments and potential impacts from similar projects.

RELATIONSHIP TO STATUTES, REGULATIONS, OR OTHER PLANS

The exploration, development and production of Federal oil and gas leases is regulated by 43 CFR 3160, Onshore Oil and Gas Orders, and Notices to Lessees and operators (NTLs).

The proposed action is consistent with Grand County's 1979 Master Plan for Development.

The proposed action would meet the BLM's policy to manage energy and mineral resources on public lands in accordance with the provisions of the Mining and Minerals Policy Act of 1970 and the Federal Land Policy an Management Act of 1976 (FLPMA). The Mining and Minerals Policy Act of 1970 declares that it is the continuing policy of the Federal government to encourage and facilitate private enterprise in the development of a stable domestic minerals industry and the orderly and economic development of domestic mineral resources. FLMPA reiterates the Nation's need for domestic sources of mineral and other resources and requires that public lands be managed accordingly.

In keeping with these policies, the BLM actively facilitates the development by private industry of public land mineral resources in a manner that satisfies national and local needs and provides for economically and environmentally sound exploration, extraction, and reclamation practices (BLM Manual Section 3000.06).

PROPOSED ACTION AND ALTERNATIVES

The proposed action would require the construction and maintenance of a well pad to drill, produce and eventually plug/abandon an oil well at each of the proposed locations. The Surface Use Plans submitted with the APDs provide specifications for construction, operation, and restoration of the well sites. The Surface Use Plans were developed during onsite inspections of the proposed well sites. Representatives from the oil companies and BLM participated in the onsite inspections.

The Surface Use Plans for the Aviara wells and the Riata wells are substantially different from each other. Therefore, the information for the proposed action was separated into two headings; Aviara Wells and Riata Wells. Maps of the proposed wells and access routes are attached in Appendix A.

Aviara Wells

Kane Springs Federal 7-1 Well, T. 25 S., R. 19 E., section 7;
Kane Springs Federal 11-1 Well, T. 26 S., R. 19 E., section 11; and
Kane Springs Federal 30-1 Well, T. 26 S., R. 20 E., section 30.

Approximately 1.3 miles of an existing two-track road would be upgraded and 0.6 mile of new road would be constructed between the Spring Canyon road (Grand County Road #140) and the proposed location for the Kane Springs Unit 7-1 Well. The 11-1 Well would be located approximately 300 feet from State Route 313, and the proposed access would be constructed on a previous surface disturbance. The access for the 30-1 Well would follow 0.3 miles of the road to the 19-1A Well, and 0.7 miles of an existing two-track road would be upgraded. The existing roads and new roads would be flatbladed for the drilling operations. If a well was completed for production, the roads would require a road width of 35 feet to include the travel surface of 21 feet wide, ditches and topsoil berms.

The construction of a drilling location and well site would involve a surface disturbance of approximately 400 feet by 400 feet. The top 6 inches of soil would be removed and stockpiled. A lined reserve pit would be constructed within the surface disturbance of the proposed well site. Based on previous construction at Columbia wells, it is anticipated that the construction of a well pad could entail some blasting of rock.

The construction of a well site would require about 10 days, and the drilling operations would take approximately 50 days. Well testing and completion activities could take another 20-30 days.

Approximately 48 truckloads of equipment would be required to transport the drilling rig to the location. During the drilling phase, the use of 10-15 vehicles per day would be anticipated. Trucks hauling water for drilling would also be on the highway. One or two vehicles would travel to the well each day during production to inspect and maintain equipment. Depending on oil production and facilities constructed for production handling, one tanker truck would transport oil every 1-2 weeks.

Initially, drilling of the well would utilize an air drilling system, with cuttings contained in a blooie pit. The blooie line would be misted to control dust. An oil-base drilling mud would be used to finish the drilling. Oil-based muds have been the most successful when drilling horizontal wells, and any alternative muds would need to meet very specific parameters for the anticipated drilling conditions. All fluids used during the drilling or testing of the well would be contained in a fenced reserve pit. The reserve pit would be fenced on three sides during drilling operations and the fourth side would be fenced when the rig moves off the location. After the fluids have been removed or evaporated, the reserve pit contents would be stabilized, covered with the subsoil stockpiled during construction of the pit, and reclaimed. Sewage would be contained in a chemical toilet during the drilling operations. Trash would be stored in a portable self-contained trash cage and hauled to an approved sanitary landfill when the drilling is completed.

If commercial production is established, the production facilities would probably be located on the well pad. An area of approximately 400 feet by 300 feet (2.75 acres) would be needed for production operations. The majority of this area would be occupied by production facilities. It is anticipated that a wireline truck would be on location every 2-3 weeks to remove paraffin from the well. The entire well pad would be required during future down-hole maintenance operations.

It may be feasible to pipe production from the 30-1 Well to the 19-1A Well. In the event that oil can be piped to the 19-1A battery, there may be an opportunity to utilize some of the existing production facilities at the 19-1A Well and to eliminate some of the production facilities that would be located at the 30-1 Well.

The specific design and layout of a production facility would be based on the volume of production during the well tests, cut and fill logistics at the well site, and potential visual impacts from the equipment. The anticipated production facilities would include a tank battery, heater treater, separator, circulation pump and flare pit. A typical tank battery would include 3-4 tanks (500 barrel capacity per tank) to contain oil and an additional tank for produced water. The tank battery and production equipment would be surrounded by a berm adequate to contain any fluids lost during production handling or discharged in the event of a spill. The well pad (or certain portions of the tank battery, treater, and flare pit) would probably be fenced to exclude livestock. It is anticipated that a pumping unit would be needed to produce the well after 2 years of production. Internal combustion engines associated with production facilities would be equipped with noise reducing mufflers. All permanent production facilities would be painted a neutral non-reflective color. If the well is a producer, additional upgrading and maintenance would be needed for drainage control on the new road. Unless pipelines were constructed to this area, oil production would be hauled from the well site by tanker trucks and gas would be flared pursuant to the guidelines in NTL-4A. Any salt water produced at the well would be hauled to an approved disposal site unless alternate disposal methods were authorized according to Onshore Oil and Gas Order 7.

If the well is not developed into a producing well or when it is no longer commercially productive, the well would be plugged. Gravel would be removed from the areas requiring reclamation. The well pad and access road would be recontoured, topsoil replaced, scarified, and seeded as specified by BLM.

Riata Wells

#5-1 Well, T. 23 S., R. 18 E., section 5; and
#9-1 Well, T. 23 S., R. 18 E., section 9.

The #9-1 Well would be located approximately 300 feet from a Grand County Road #138, between the Ruby Ranch Road and the Moab Airport. The access for the #5-1 Well would follow an existing road that would be upgraded for approximately 1.8 miles, and approximately 0.3 miles of new road would be constructed to reach the well site for the #5-1 Well. The existing roads and new roads would be flatbladed for the drilling operations. If a well was completed for production, the roads would require a road width of 35 feet to include the travel surface of 18-20 feet wide, ditches and topsoil berms.

The construction of a drilling location and well site would involve a surface disturbance of approximately 300 feet by 175 feet. The top 6 inches of soil would be removed and stockpiled. A reserve pit of 40 feet by 20 feet would be constructed adjacent to the proposed well site.

The construction of a well site would require 2-5 days, and the drilling operations would take 5-10 20 days. Well testing and completion activities could take another 20-30 days.

During the drilling phase, there would be 3-5 vehicles driving to the well site each day. Trucks hauling water for drilling would also be using the Grand County roads. One or two vehicles would travel to the well each day during production to inspect and maintain equipment. Depending on oil production and facilities constructed for production handling, one tanker truck would transport oil every 1-2 weeks.

The Riata wells would be vertical wells; and the drilling operations would utilize an air drilling system. The blooie line would be misted with water to control dust, and cuttings would be contained in a pit. All fluids used during the drilling or testing of the well would be contained in a fenced reserve pit. The reserve pit would be fenced on three sides during drilling operations and the fourth side would be fenced when the rig moves off the location. After the fluids have been removed or evaporated, the reserve pit contents would be covered with the subsoil stockpiled during construction of the pit, and reclaimed. Sewage would be contained in a chemical toilet during the drilling operations. Trash would be stored in a portable self-contained trash cage and hauled to an approved sanitary landfill when the drilling is completed.

If commercial production is established, the production facilities would probably be located on the well pad. An area of approximately 300 feet by 160 feet (1.1 acres) would be needed for production operations. The majority of this area would be occupied by production facilities. It is anticipated that a wireline truck would be needed periodically to remove paraffin from the well. The entire well pad may be required during future down-hole maintenance operations.

As indicated in the previous section for the Aviara wells, the specific design and layout of a production facility would be based on the volume of production during the well tests, cut and fill logistics at the well site, and potential visual impacts from the equipment. The anticipated production facilities would probably include a tank battery, heater treater, separator, circulation pump and flare pit. A typical tank battery would include 2-3 tanks (200-500 barrel capacity per tank) to contain oil and an additional tank for produced water. The tank battery and production equipment would be surrounded by a berm adequate to contain any fluids lost during production handling or discharged in the event of a spill. It is anticipated that a pumping unit would be needed to produce the well after 2 years of production. All permanent production facilities would be painted a neutral non-reflective color. If the well is a producer, additional upgrading and maintenance would be needed for drainage control on the new road. Oil production would be hauled from the well site by tanker trucks and gas would be flared pursuant to the guidelines in NTL-4A. Any salt water produced at the well would be hauled to an approved disposal site unless alternate disposal methods were authorized according to Onshore Oil and Gas Order 7.

If the well is not developed into a producing well or when it is no longer commercially productive, the well would be plugged. Gravel would be removed from the areas requiring reclamation. The well pad and access road would be recontoured, topsoil replaced, scarified, and seeded as specified by BLM.

In addition to the Surface Use Plan, the APD includes a Drilling Program that provides specifications and mitigation for drilling through potential water and hydrocarbon zones, casing and cementing programs, pressure control equipment, drilling fluid programs, and well evaluation programs. The proposed Aviara wells would be drilled and completed as horizontal wells. The Riata wells would be drilled as vertical wells. The drilling information would be reviewed by a Geologist and Petroleum Engineer in the Moab District Office prior to the approval of the APD. The Moab District Engineer would also provide specifications for plugging the wells.

NO ACTION ALTERNATIVE

Under the no action alternative, an APD would not be approved for the proposed location. The existing environment would remain in its current condition, and there would be no new environmental consequences as a result of this alternative.

The lessee has the legal right to explore and develop oil and gas resources underlying the lease. Therefore, denying all efforts to exercise these lease rights is not a viable alternative. Selection of the no action alternative would likely result in the applicant submitting a new APD with a new surface location. This would be treated as a new proposed action requiring additional analysis.

ISSUE IDENTIFICATION AND ASSUMPTIONS

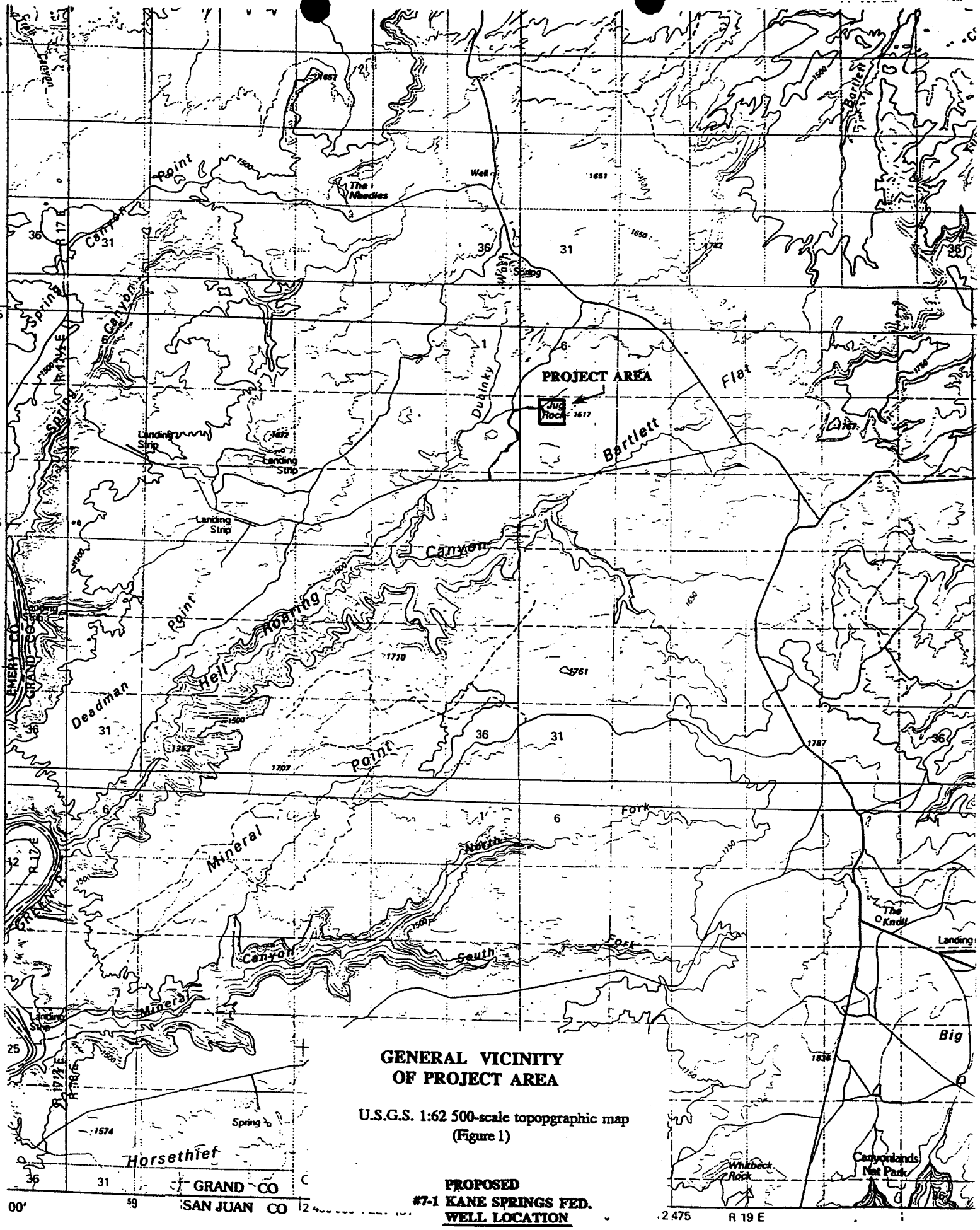
Based on previous public reviews and public comments received on wells in the Kane Springs Unit, BLM anticipates the majority of the issues for the Kane Springs wells will be related to visual or recreational valves. Personnel from Aviara Energy located the Kane Springs 11-1 and 30-1 Wells on old, reclaimed drilling locations to minimize new surface disturbances. BLM personnel checked proposed well sites with Aviara and discussed potential modifications for reducing impacts to visual resources.

The Reader can assume that potential impacts to threatened and endangered (T&E) species and cultural resources from the proposed action would be analyzed in the EA and mitigation would be consistent with the Federal laws and regulations. This information would be documented in the EA.

The EA would document the affected environment and environmental impacts to each affected resource. At this time, it is anticipated that the EA would have specific sections for Vegetation and Soil, Recreation, Visual Resources, Air Quality and Noise, Livestock Grazing, Wildlife/T&E Species, and Cultural Resources. Under the analysis for each resource, there would be headings for Affected Environment, Impacts, Mitigation, and Residual Impacts for the Proposed Action and No Action Alternatives. The cumulative impacts would be covered in a separate section of the EA and would address all affected resources.

Appendix

Appendix A - Two Maps for Each Proposed Well



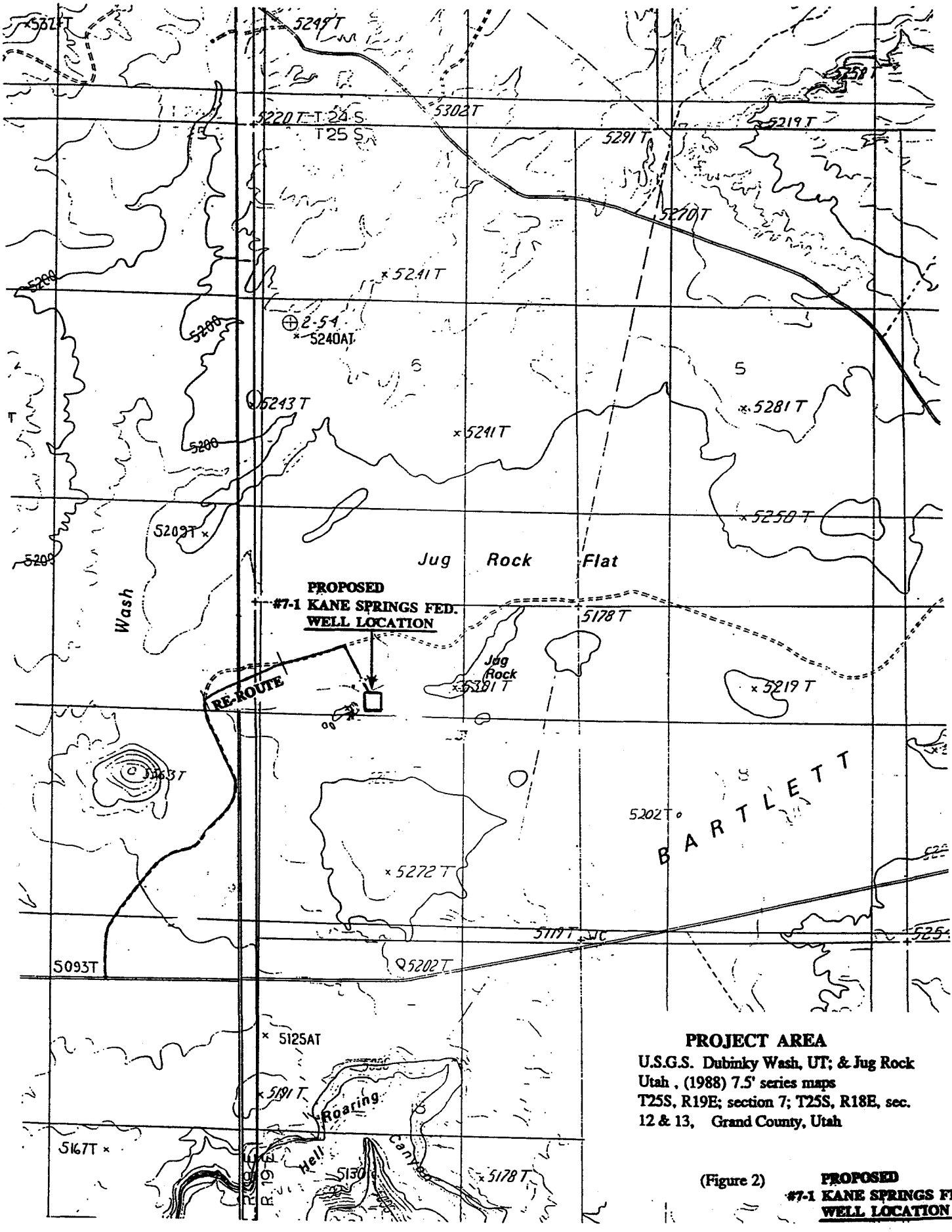
GENERAL VICINITY OF PROJECT AREA

U.S.G.S. 1:62 500-scale topopgraphic map
(Figure 1)

PROPOSED
#7-1 KANE SPRINGS FED.
WELL LOCATION

INTERIOR—GEOLOGICAL SURVEY RESTON VIRGINIA—1983

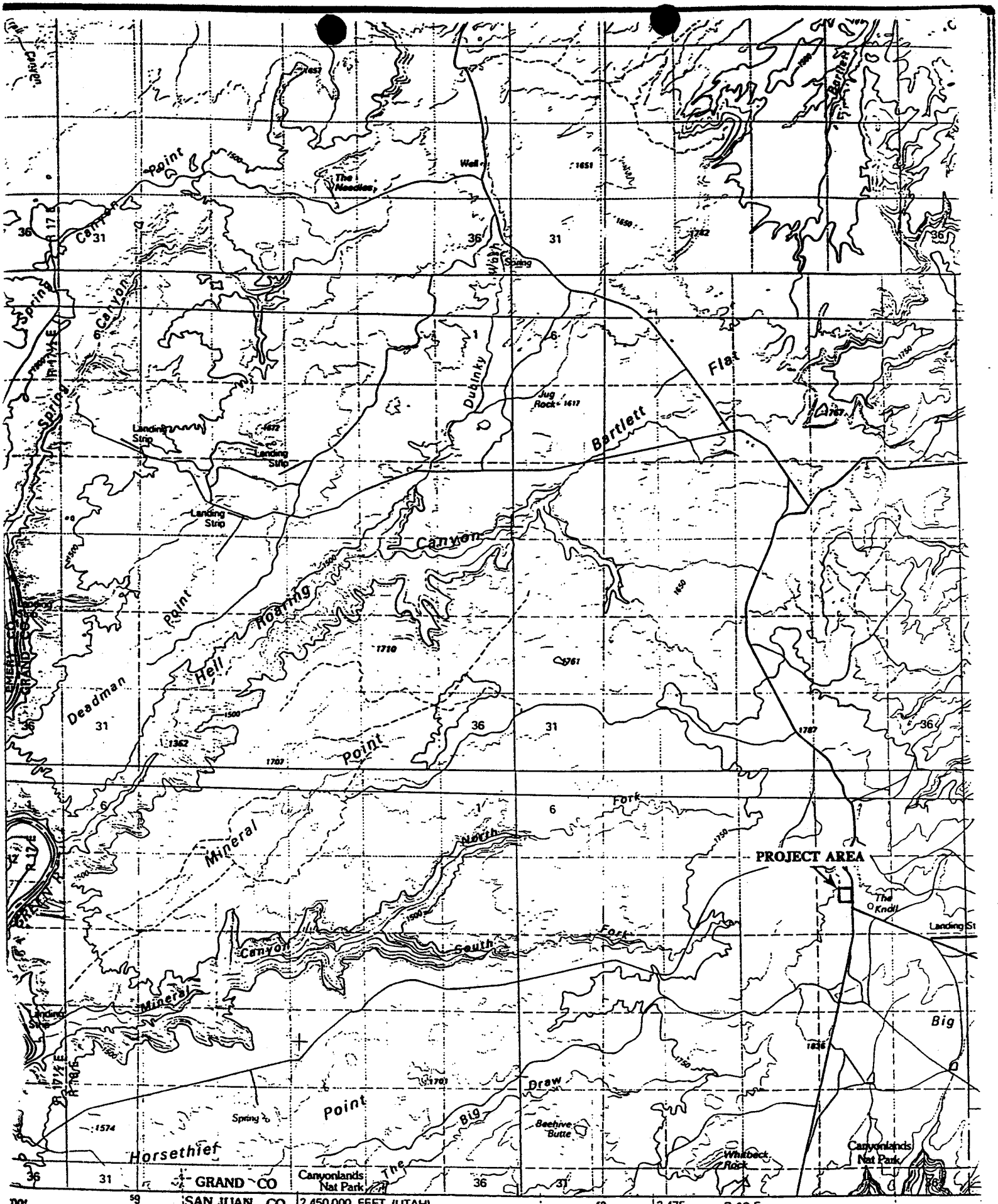
KILOMETERS 1 0 1 2
MILES 1 0 1



PROJECT AREA

U.S.G.S. Dubinky Wash, UT; & Jug Rock Utah , (1988) 7.5' series maps
T25S, R19E; section 7; T25S, R18E, sec. 12 & 13, Grand County, Utah

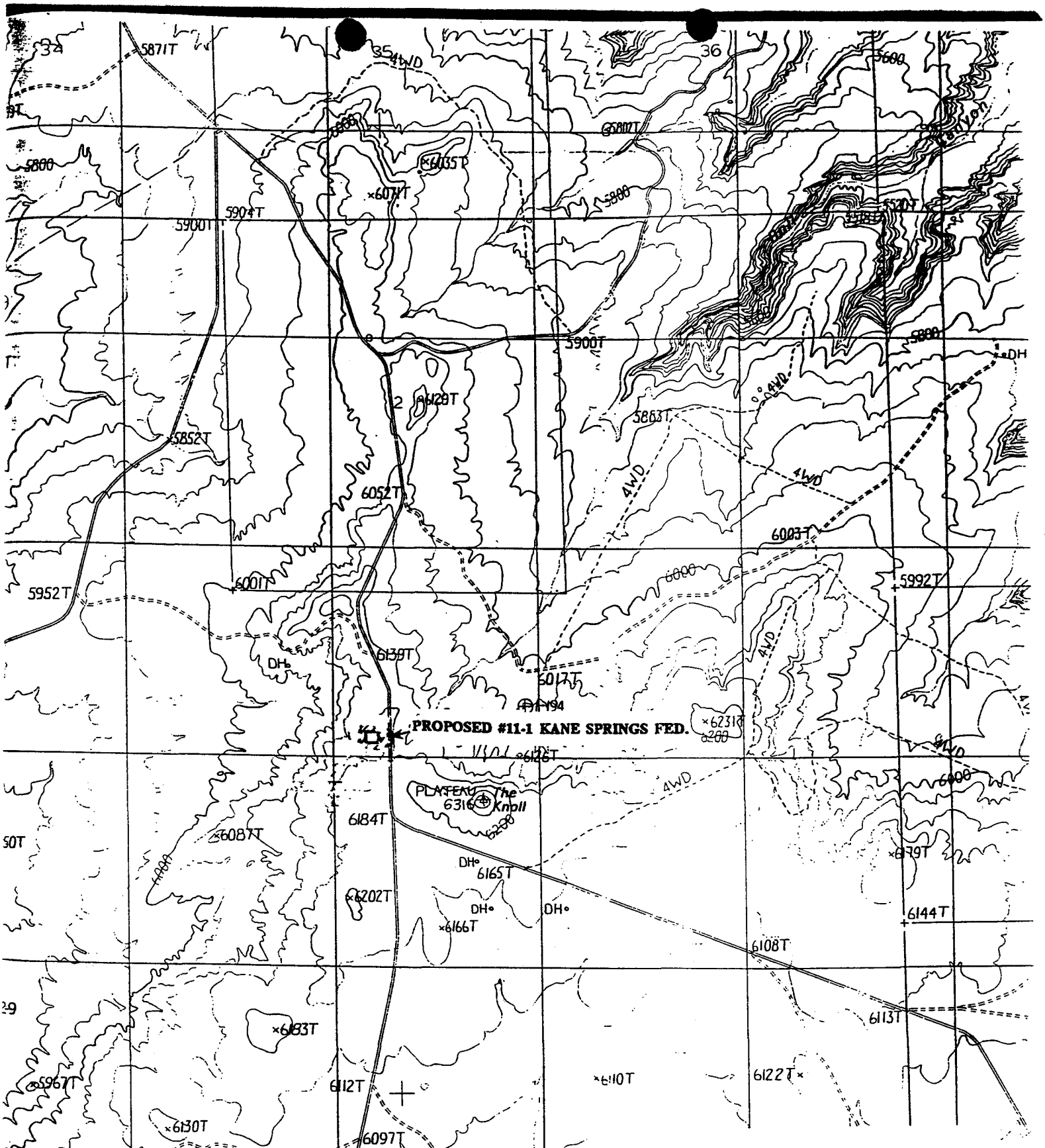
(Figure 2) **PROPOSED #7-1 KANE SPRINGS FED. WELL LOCATION**



(Figure 1)

1:100 000 - scale

PROPOSED #11-1 KANE SPRINGS FED.



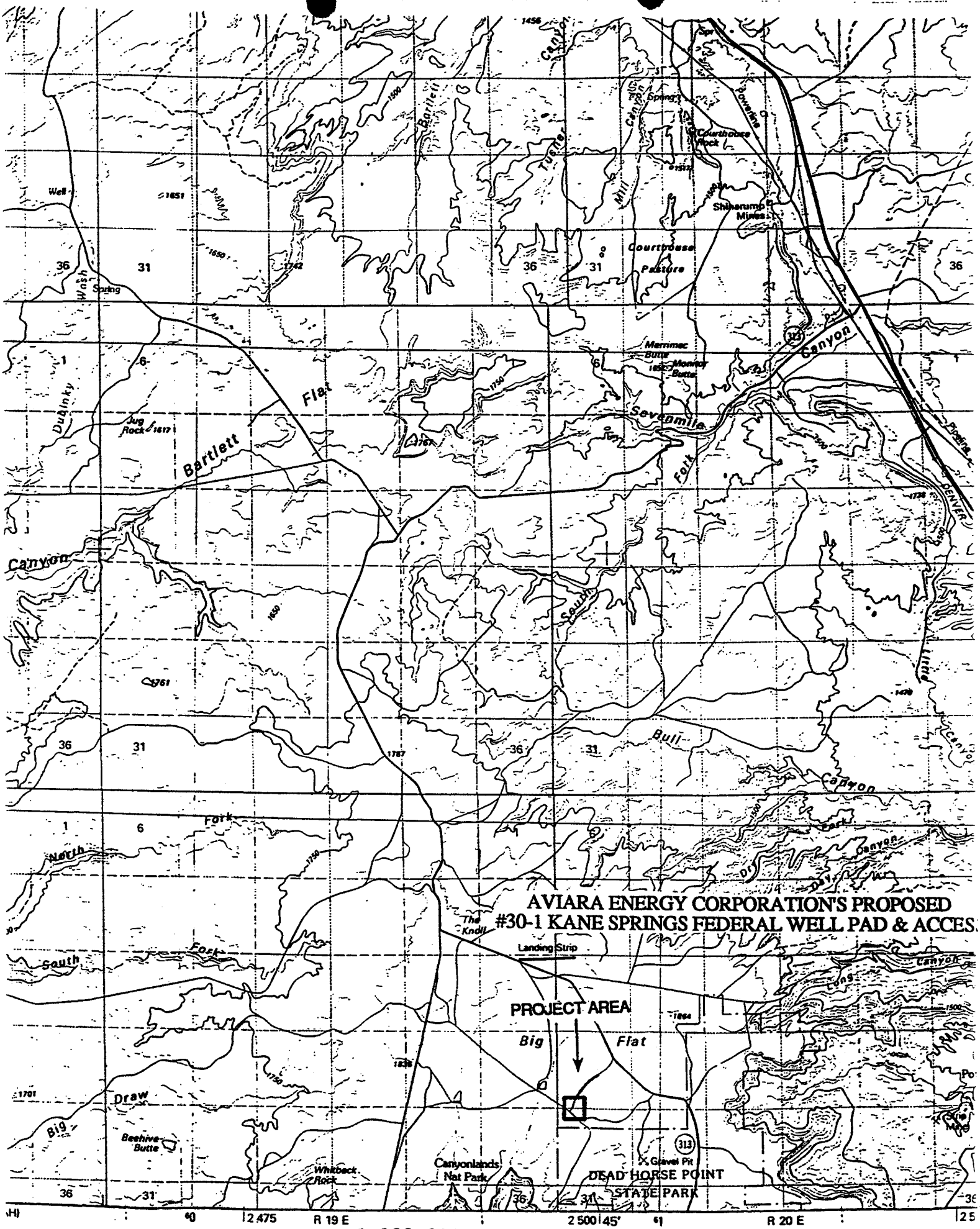
PROJECT AREA

U.S.G.S. The Knoll, UT
(1988) 7.5' series
T26S, R19E, section 11
Grand County, Utah

PROPOSED #11-1 KANE SPRINGS FED.

(Figure 2)

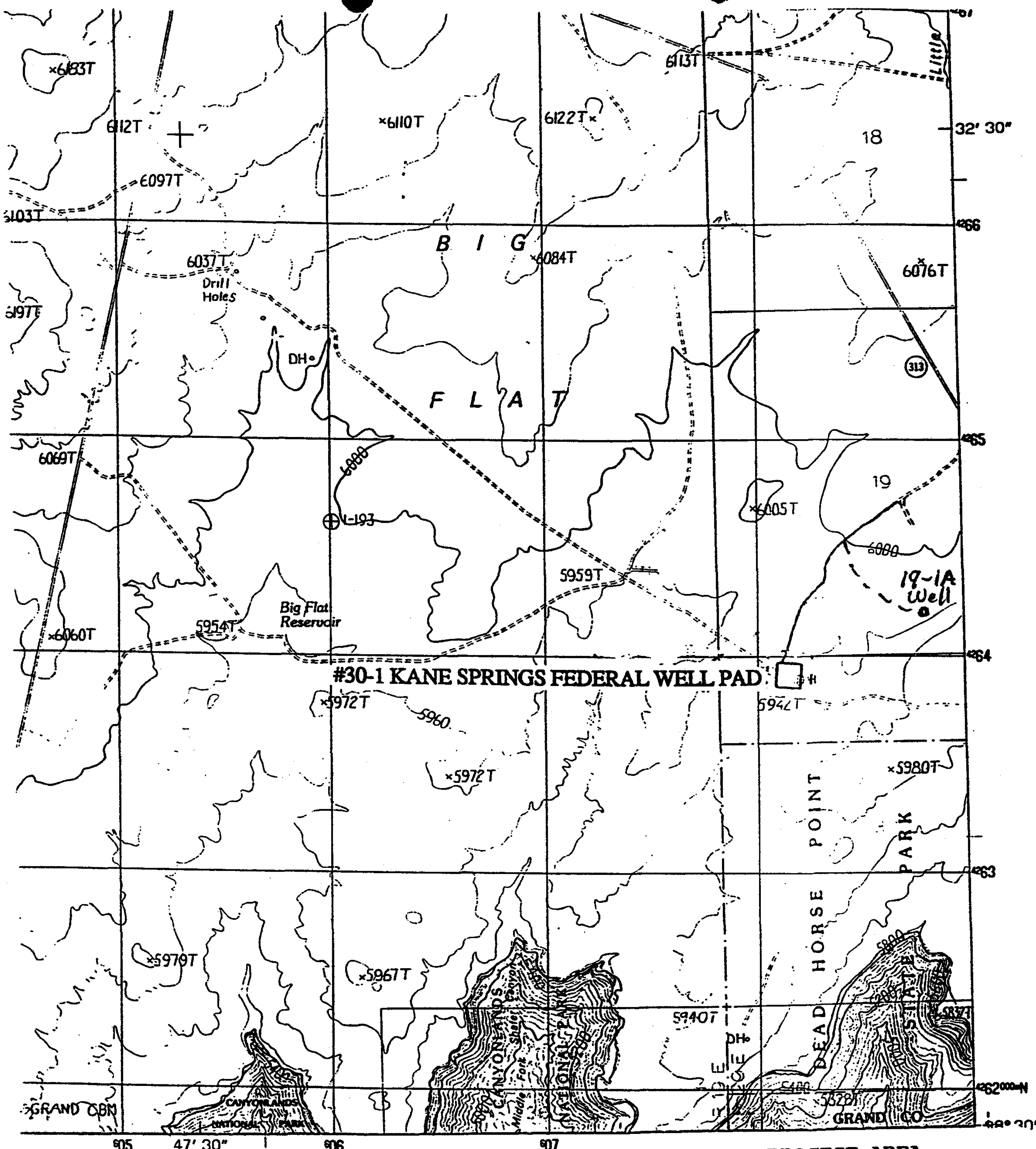
F L A T



1:100 000

KILOMETERS 1 0 1 2 3 4 5 6 7 8 9 10 11

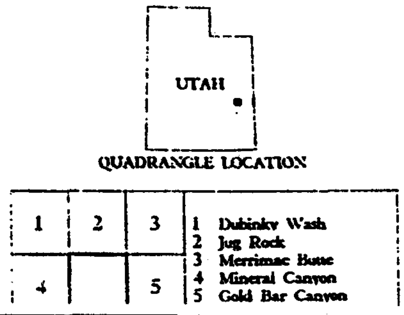
Figure 1



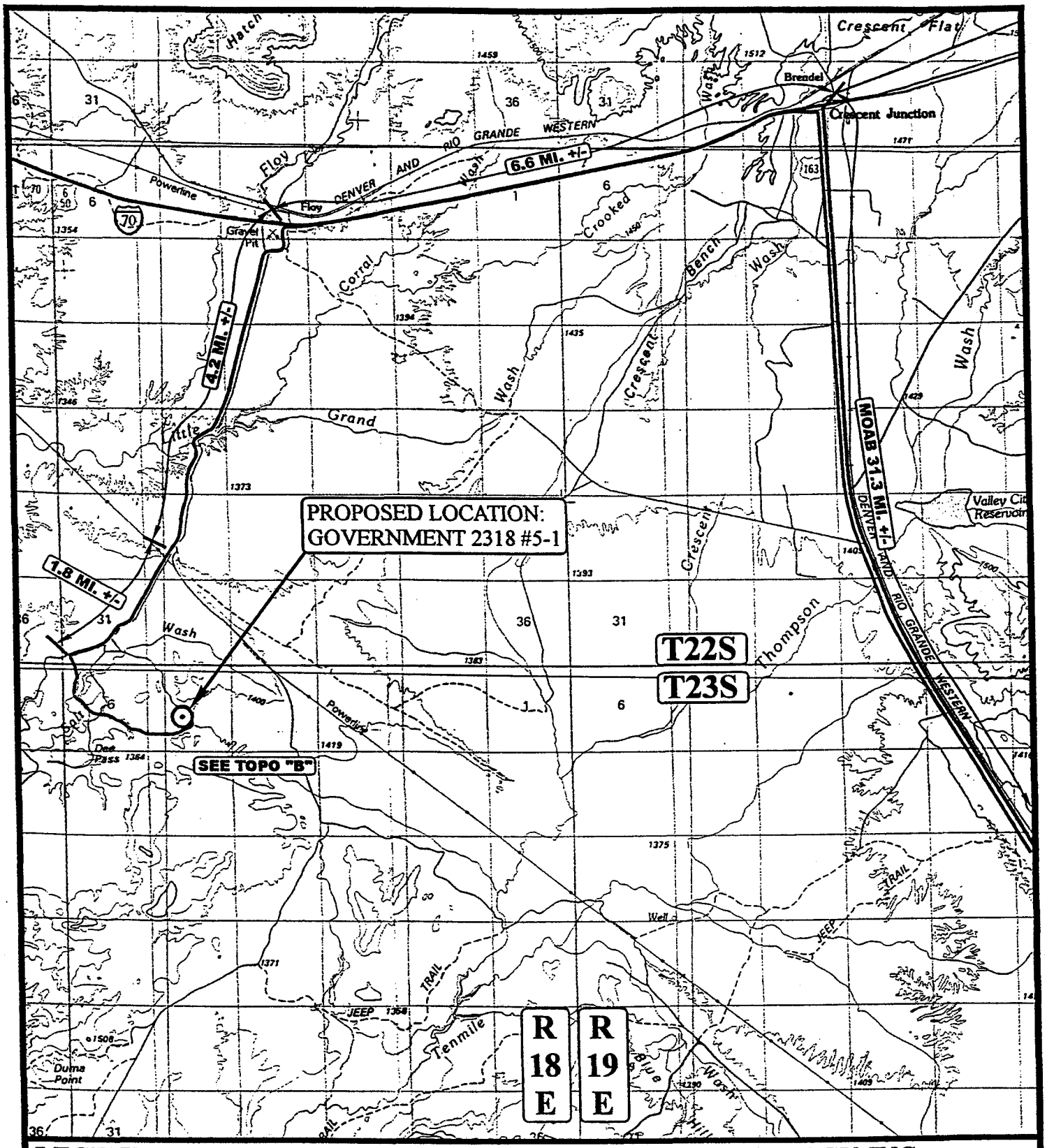
PROJECT AREA

U.S.G.S. The Knoll, Utah
7.5' (1988) series map
T26S, R20E, sec. 19 & 30;
Grand County, Utah

(Figure 2)



THE KNOLL, UTAH
PROVISIONAL EDITION 1988



LEGEND:

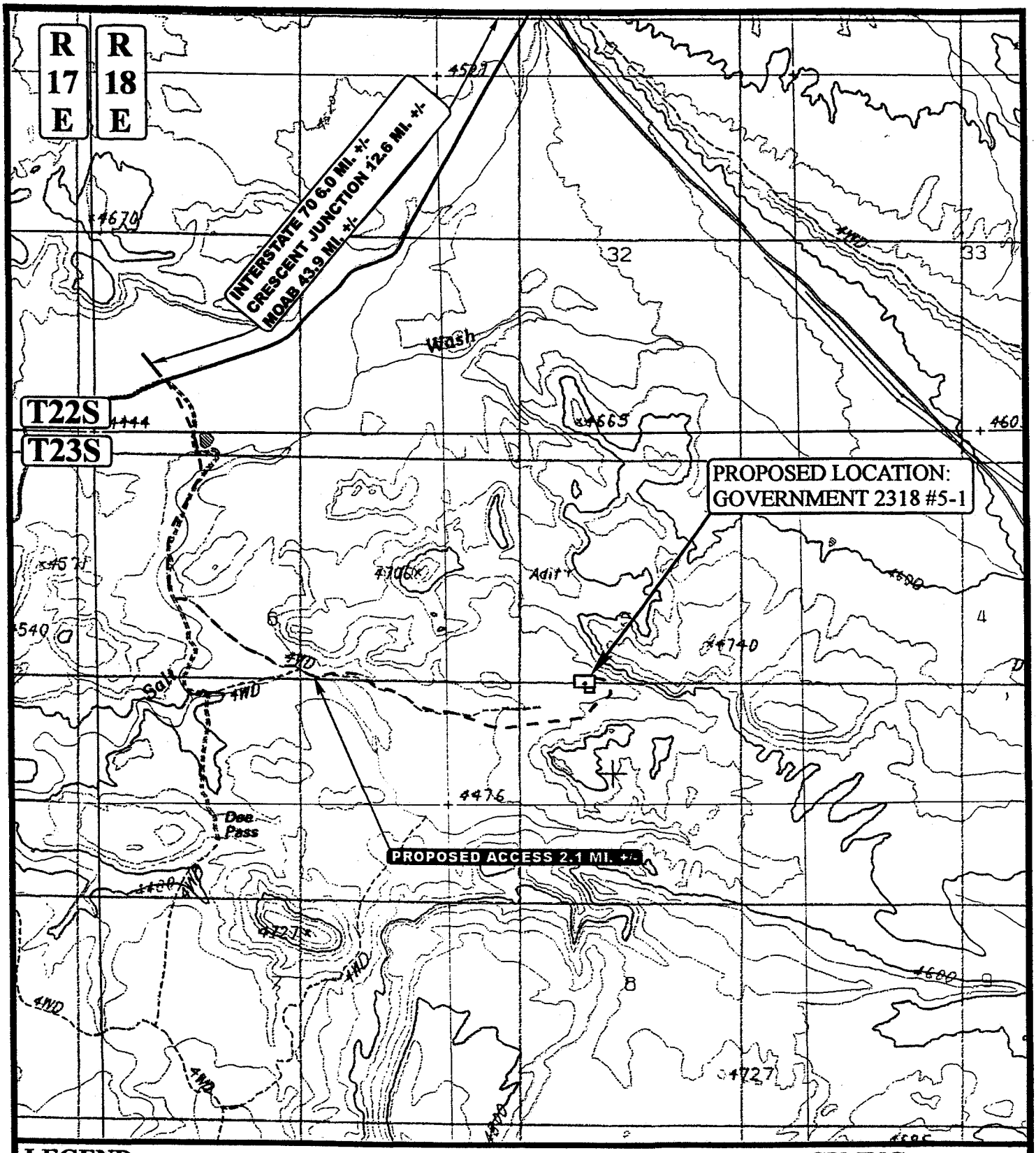
⊙ PROPOSED LOCATION

N

RIATA ENERGY, INC.
GOVERNMENT 2318 #5-1
SECTION 5, T23S, R18E, S.L.B.&M.
1784' FSL 2041' FWL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(801) 789-1017 * FAX (801) 789-1813
Email: uels@easilink.com

TOPOGRAPHIC MAP	9 MONTH	22 DAY	97 YEAR	A TOPO
SCALE: 1 : 100,000	DRAWN BY: C.G.	REVISED: 00-00-00		



LEGEND:

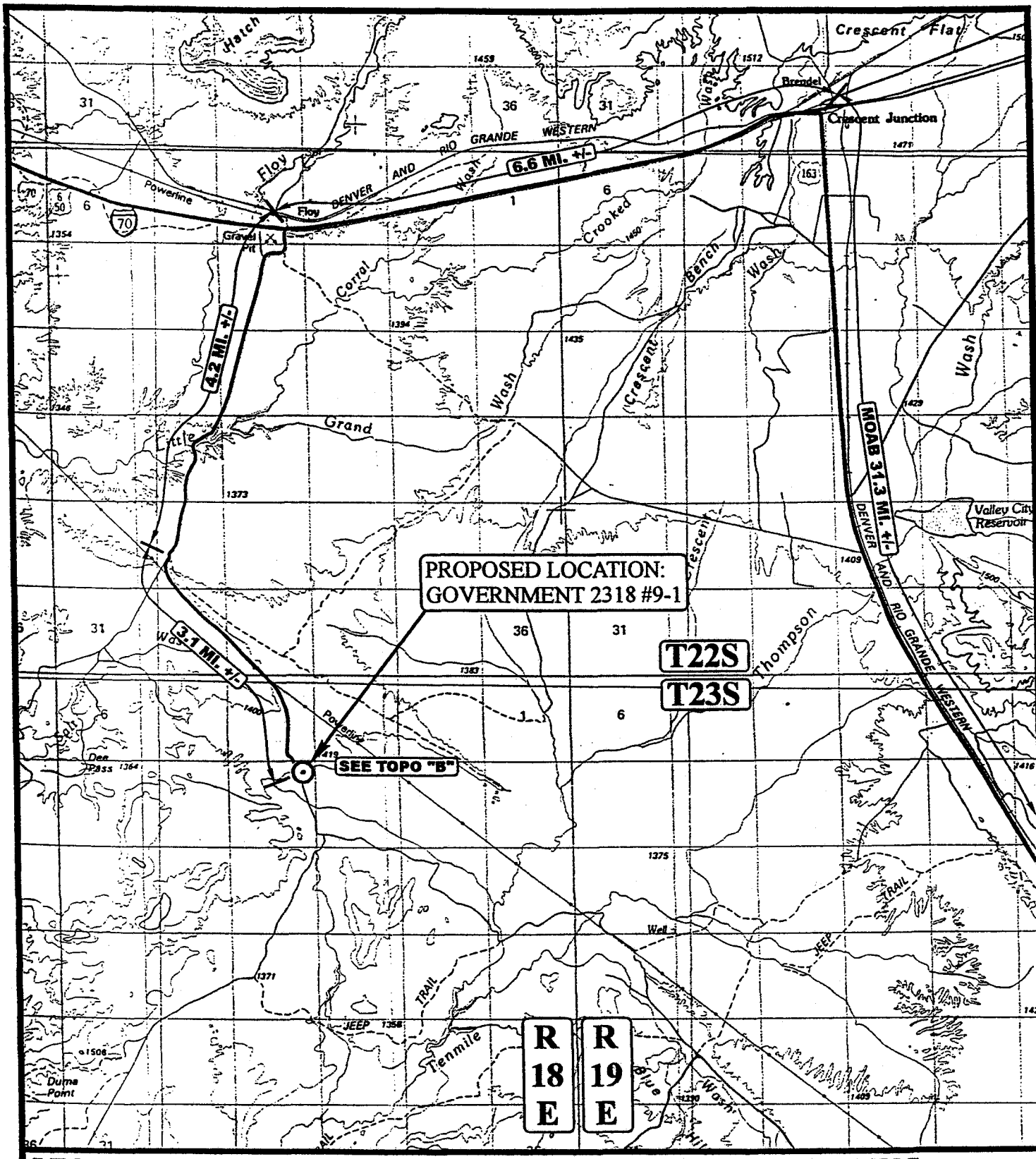
- - - - - - - - - - PROPOSED ACCESS ROAD
———— EXISTING ROAD

N

RIATA ENERGY, INC.
GOVERNMENT 2318 #5-1
SECTION 5, T23S, R18E, S.L.B.&M.
1784' FSL 2041' FWL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(801) 789-1017 * FAX (801) 789-1813
Email: uels@easilink.com

TOPOGRAPHIC MAP	9 MONTH	22 DAY	97 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: C.G.	REVISED: 00-00-00		



LEGEND:

⊙ PROPOSED LOCATION

N

RIATA ENERGY, INC.

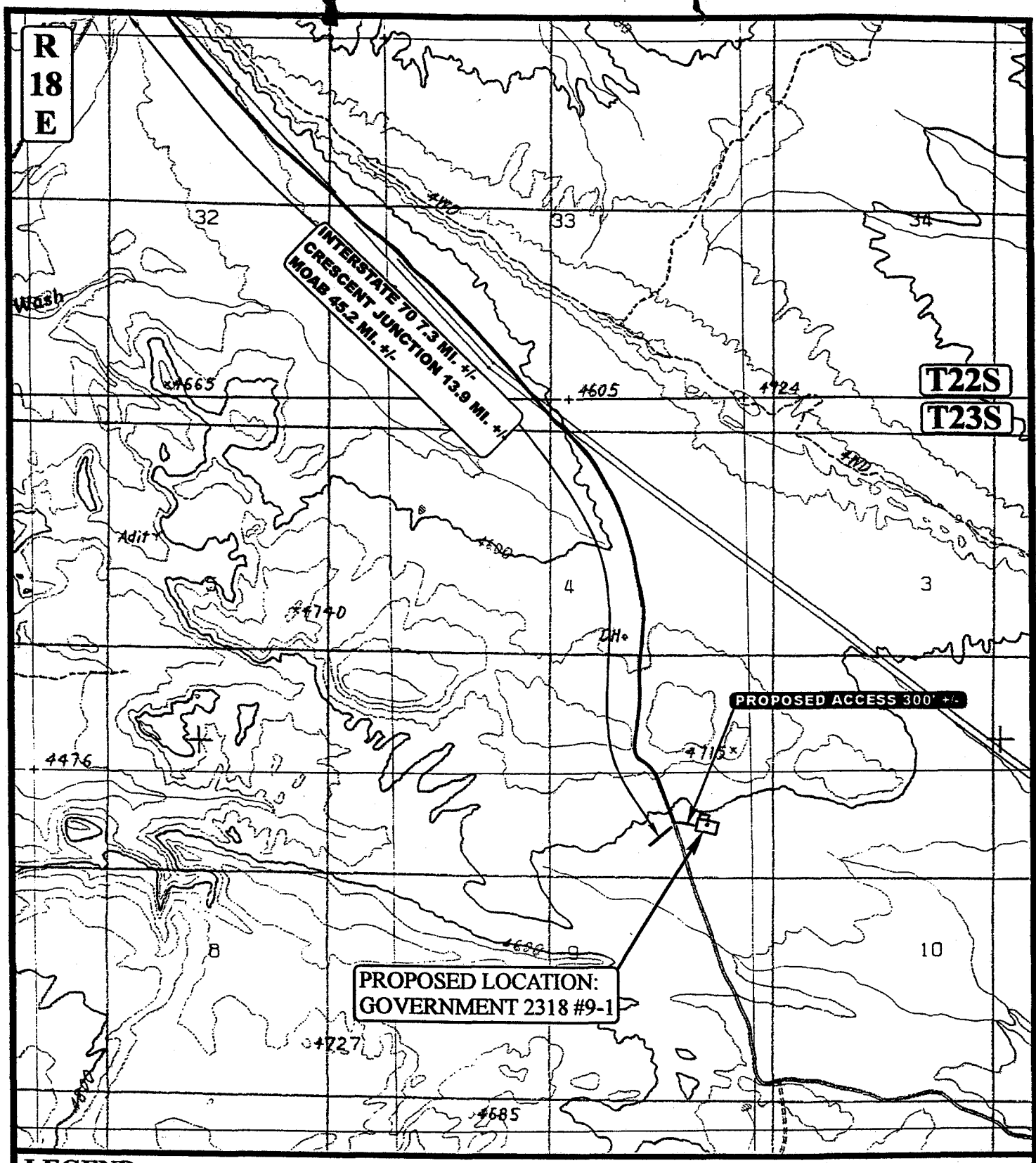
GOVERNMENT 2318 #9-1

SECTION 9, T23S, R18E, S.L.B.&M.

738' FNL 678' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(801) 789-1017 * FAX (801) 789-1813
Email: uels@easilink.com

TOPOGRAPHIC MAP	9 MONTH	22 DAY	97 YEAR	A TOPO
SCALE: 1 : 100,000	DRAWN BY: C.G.	REVISED: 00-00-00		



LEGEND:

PROPOSED ACCESS ROAD

EXISTING ROAD

N

RIATA ENERGY, INC.

GOVERNMENT 2318 #9-1

SECTION 9, T23S, R18E, S.L.B.&M.

738' FNL 678' FEL

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078

(801) 789-1017 * FAX (801) 789-1813

Email: uels@easilink.com

TOPOGRAPHIC MAP	9 MONTH	22 DAY	97 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: C.G.	REVISED: 00-00-00		

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

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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)

April 8, 1998

Aviara Energy Corporation
P.O. Box 1350
Houston, Texas 77251-1350

Re: Kane Springs 7-1 Well, 1596' FNL, 2040' FWL, SE NW, Sec. 7, T. 25 S., R. 19 E., Grand 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 43-019-31363.

Sincerely,

for John R. Baza
Associate Director

lwp
Enclosures
cc: Grand County Assessor
Bureau of Land Management, Moab District Office

Operator: Aviara Energy Corporation

Well Name & Number: Kane Springs 7-1

API Number: 43-019-31363

Lease: U-51239

Location: SE NW **Sec.** 7 **T.** 25 S. **R.** 19 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 following spudding the well or commencing drilling operations. Contact Jim Thompson at (801)538-5336.

   Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or John R. Baza at (801)538-5334.

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 supercede the required federal approval which must be obtained prior to drilling.

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: U-51239

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

7. UNIT AGREEMENT NAME: Kane Springs Federal Unit

8. FARM OR LEASE NAME: Kane Springs

2. NAME OF OPERATOR: Aviara Energy Corporation

9. WELL NO.: No. 7-1

3. ADDRESS OF OPERATOR: P. O. Box 1350, Houston, TX 77251-1350

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 2040' FWL & 1596' FNL Sec. 7, T25S, R19E
At proposed prod. zone: 2000' FEL & 2000' FSL Sec. 7, T25S, R19E

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 7, T25S, R19E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 18 miles northwest of Moab, UT

12. COUNTY OR PARISH: Grand Co. | 13. STATE: UT

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): Surf(LS)1596'FNL Sec 7 BHL(LS)2000'FEL Sec 7

16. NO. OF ACRES IN LEASE: 1227.77

17. NO. OF ACRES ASSIGNED TO THIS WELL: 640

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: NA

19. PROPOSED DEPTH: 8500' TVD

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 5162' GR

22. APPROX. DATE WORK WILL START*: September, 1998

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT

SEE ATTACHMENTS

This well is a Horizontal Test of the Cane Creek Formation.

RECEIVED
JUN 08 1998
DIV. OF OIL, GAS & MINING

FLARING OR VENTING OF GAS SUBJECT TO NTL 4-A
Dated 1/1/80

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 Danny W. Worthington TITLE Mgr; Envir., Safety & Reg. DATE 16 December 1997

(This space for Federal or State office use)

PERMIT NO. 43-019-31363 APPROVAL DATE

APPROVED BY /s/ Brad D. Palmer TITLE Assistant Field Manager, Resource Management DATE JUN 3 1998

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

*See Instructions On Reverse Side

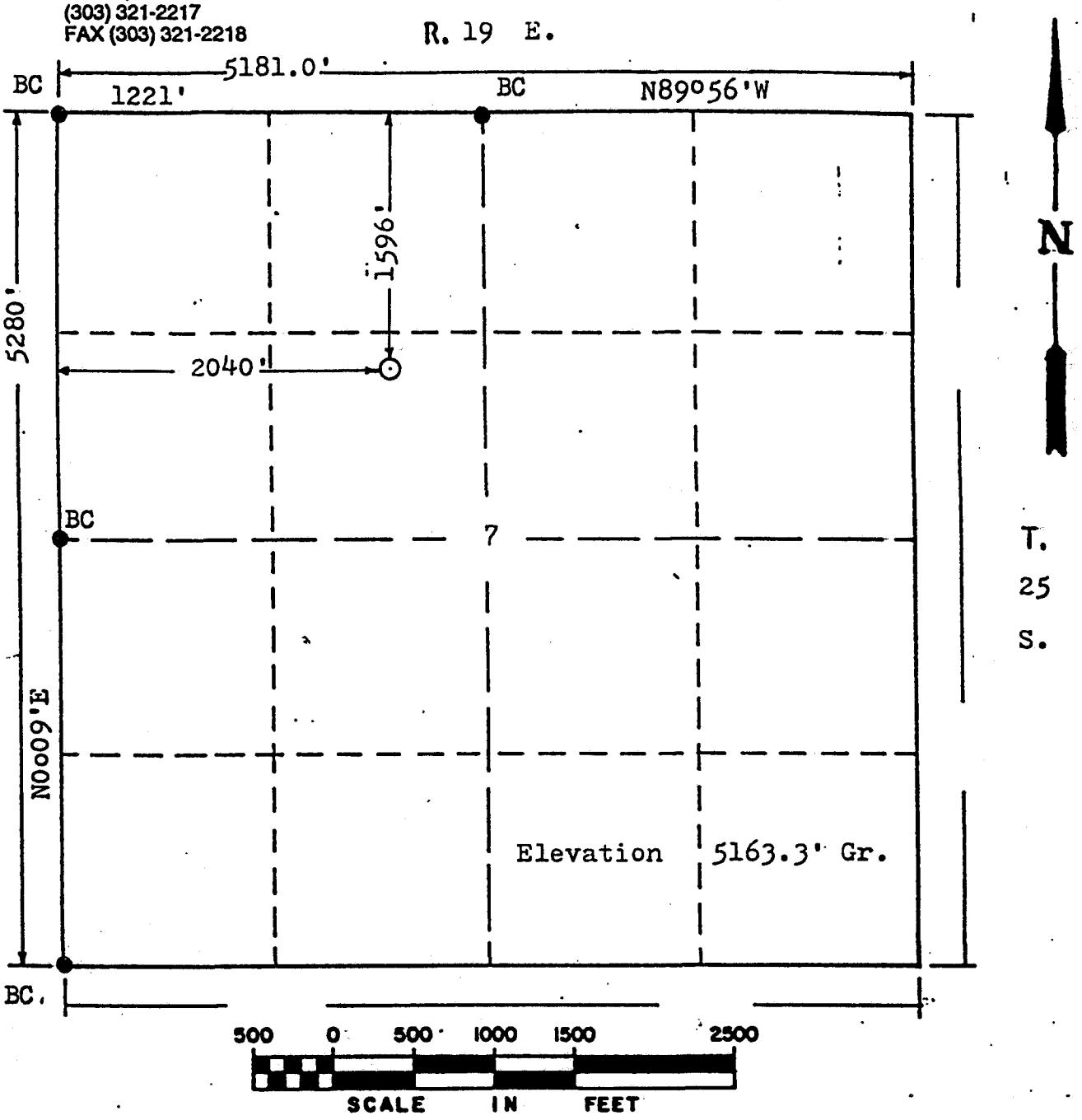
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Doom

Form PS 102B

POWERS ELEVATION CO., INC.
P.O. Box 440889
Aurora, CO 80044-0889
(303) 321-2217
FAX (303) 321-2218

ALL POWERS ELEVATION CO., INC. elevations originate from accepted U.S. Benchmarks



BASIS OF BEARING: West Line Sec 7 GLO

Powers Elevation Co., Inc. of Denver, Colorado has in accordance with a request from Mark Swisher for Aviara Energy Corp determined the location of #7-1 Kane Springs Unit to be 1596'FN & 2040'FW Section 7, Township 25 S. Range 19 E. of the Salt Lake Principal Meridian, Grand County, Utah

I hereby certify that this plat is an accurate representation of a correct survey showing the location of #7-1 Kane Springs Unit

REGISTERED LAND SURVEYOR 22-140833-2201 THOMAS E. NELSON STATE OF UTAH

Date: 8-5-97

T Nelson

Licensed Land Surveyor No. 22-140833-2201
State of Utah

Aviara Energy Corporation
Kane Springs Federal 7-1
Lease U-51239
Kane Springs Unit
Location: Surface - SE/NW Section 7, T25S, R19E
Bottomhole - NW/SE Section 7, T25S, R19E
Grand County, Utah

CONDITIONS OF APPROVAL

Approval of this application 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.

Be advised that Aviara Energy Corporation is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by CO 1274 (Principal - Aviara Energy Corporation) via surety consent as provided for in 43 CFR § 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR § 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR § 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to field representatives to insure compliance.

A. DRILLING PROGRAM

1. The requirements for air drilling, found in Onshore Oil and Gas Order No. 2, part III, E (Special Drilling Operations), shall be followed.

2. Prior to drilling out the production casing (7") shoe, the blow-out prevertion equipment shall be upgraded to a 10M system, as opposed to the 5M system that was proposed. The requirements for a 10M system are found in Onshore Oil and Gas Order No. 2 (part III.A.2.a.v). Prior to spudding this well, submit schematic diagrams of the stack and choke manifold which reflect this upgrade. Also submit a narrative description of the equipment and its testing, if they differ appreciably from your original proposal.

3. A cement bond log, or other appropriate tool for determining the top of cement, shall be run on the production casing (7").

B. SURFACE USE PLAN

1. No construction or drilling operations will be authorized between February 1 and July 15, unless additional raptor surveys are completed prior to initiating operations to identify and avoid raptor nesting sites within 1/2 mile of the proposed action. Any peregrine falcon nesting areas identified within the project area will be avoided by 1 mile. These limitations do not apply to maintenance and operation of existing wells, and these limitations do not apply to wells where drilling was initiated between July 16 and January 31.

2. In addition to procedures identified in the APD, these requirements will be followed during construction and reclamation of the reserve pit:

   a. The reserve pit will be lined with bentonite unless specifications for an alternate method of lining are approved by the authorized officer.

      Bentonite will be spread to a uniform depth over the reserve pit at an application rate of not less than 5 pounds per square foot. No bulk bentonite will be distributed when winds exceed 10 mph, and no sacked bentonite will be spread when winds exceed 20 mph unless approved in writing by the authorized officer.

      After bentonite has been uniformly applied over the reserve pit, the bentonite will be thoroughly mixed with the underlying soil to a depth of 4 inches. Disking, rototilling, or a similar technique will be used to mix the bentonite with the soil. A minimum of two passes at right angles to each other will be made at the full depth of mixing.

      If a synthetic liner is used, liner will be designed and installed in such a manner to assure it will not be punctured during installation or drilling operations.

   b. Upon completion of drilling operations, the reserve pit will be de-watered. Depending on the conditions at the time of disposal, the waste water will be (a) disposed of off-site at an approved disposal facility, (b) reinjected with the appropriate Underground Injection Control Permit from the State Division of Oil, Gas and Mining with concurrent approval by the Bureau of Land Management, Moab District Office, or (c) allowed to evaporate.

   c. The remaining reserve pit solids will be tested prior to stabilization. At least three samples will be taken from different areas of the pit. These samples will be analyzed by an independent laboratory for salt properties (electrical conductivity, sodium adsorption ratio and exchangeable sodium percentage), heavy metal content and oil and grease content. The results of these tests will be provided to the Moab District Office within 30 days of analysis.

   d. The reserve pit contents will then be mixed with fly ash, kiln dust, or bentonite to stabilize the salt adhered to the cuttings. Quantities of the mixing agent will be sufficient to assure the physical properties of the stabilized pit are similar to the physical properties of the native subsoils.

e. The mixed contents will be sampled and tested for leachability of salts and heavy metals. There will be a minimum of 5 samples taken from the mixed pit remains. The samples will come from each corner section of the pit and from the middle. These samples will also be analyzed by an independent laboratory. The results of this testing will be provided to the Moab District Office within 30 days of analysis.

f. If a synthetic liner is used, the remaining liner material will be folded over the edges of the mixed contents of the pit.

g. The mixed pit contents will be covered by a minimum of one foot of native subsoils. If required, a thicker application may be allowed to bring the top of this cap nearly up to grade. The pit will then be allowed to set up for a minimum of 5 days prior to additional work on the pit involving the bentonite cap.

h. A bentonite cap will be applied to the top of the pit. The bentonite will be a commercial grade and will be mixed with the native subsoils at the rate of 2-4 pounds per square foot of coverage. The cap will be at least 1 foot thick in the middle and grade to no less than 6 inches on the sides. The bentonite and subsoil mixture will be disked in to assure maximum effectiveness of the impervious cap. The cap will be crowned at the middle to allow proper drainage. The cap will extend at least 10 feet beyond the original pit boundaries to allow drainage away from the pit and prevent leaching of salts and heavy metals.

i. The bentonite cap will then be covered with approximately 2 feet of subsoil and topsoil. The intent is to bring the topsoil and subsoil mixture including the cap slightly above grade with enough soil to allow for revegetation and compensate for settling.

j. The Moab District Office will be kept informed of the timetables for all operations described above so that they can be witnessed.

k. Alternate closure procedures or methods using similar techniques that would meet the BLM objectives for pit closure may be submitted for review. No alternate pit closure techniques will be initiated prior to BLM review and approval.

3. Prior to using water encountered during drilling operations for dust control, an analysis of the salt content, or total dissolved solids (TDS), will be required for BLM for review. BLM will consider the use of water with TDS levels higher than 10,000 ppm on a case by case basis.

4. At the end of drilling operations and prior to reclamation of the reserve pit, the fourth side of the pit will be fenced and the top of the pit will be covered with netting of one inch or less to prevent access by birds.

5. Prior to installing production facilities, the operator will schedule an on-site inspection of the well site with BLM to determine the locations of the production equipment. The purpose of the on-site inspection is to reduce potential visual impacts to known observation points. During the on-site inspection, the following types of mitigation will be discussed and implemented as needed:

   a. Using equipment with neutral, non-reflective colors that blend with the surrounding rocks or trees; and using two neutral colors on an undulating or splotched (camo) pattern. (i.e. The lower portions of the equipment could be painted an earth-tone color and the upper portions could be painted to match the surrounding junipers.)

   b. The use of low profile production tanks (seamless tanks, not bolted tanks), low profile pumping units, off-site production facilities, or pipelines.

   c. The location and orientation of the equipment to help reduce the height of the facilities above the skyline and to help shield the moving components of the production equipment from view.

   d. Lowering the flare pipe, raising the pit berm, or shielding the flare from known observation points along the highways or designated campgrounds.

6. Prior to spraying weeds on public lands, the operator will submit a Pesticide Use Proposal (PUP) to BLM for review and approval of the herbicide and methods to be used.

7. The following mixture of pure live seed (PLS) will be seeded between October and December, or at a time specified by the authorized officer:

Indian Ricegrass	4 lbs/acre
Fourwing Saltbush	3 lbs/acre
Winterfat	2 lbs/acre
Scarlet globemallow	1 lbs/acre
Total	10 lbs

   If the seed is broadcast, the above rates will be doubled.

TABLE 1

NOTIFICATIONS

Notify Rich McClure at 435-259-2127 prior to starting dirt work, and contact Jack Johnson at 435-259-2129 for all other required notifications which follow:

2 days prior to commencement of dirt work, construction and reclamation;

1 day prior to spudding;

50 feet prior to reaching each casing setting depth;

upon reaching kick-off point;

3 hours prior to testing BOPE

If the people at the above number cannot be reached, notify the Moab Office at 435-259-6111. If unsuccessful, contact one of the people listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Office at 435-259-6111. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer	Office:	(435) 259-2117
	Home:	(435) 259-2214
Gary Torres, Petroleum Engineer	Office:	(435) 587-1524
	Home:	(435) 587-2705

Aviara Energy Corporation

CONFIDENTIAL

April 7, 1999

Bureau of Land Management
Attn: Eric Jones
82 E. Dogwood
Moab, UT 84532

State of Utah
Division of Oil, Gas, & Mining
Attn: John Baza
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114

Reference: Aviara Energy Corporation
Kane Springs #7-1
Kane Springs #11-1
Kane Springs #30-1
Grand County, Utah

Gentlemen:

Enclosed please find "Sundry Notices and Reports on Wells" requesting a one year extension of the approved "Application For Permit To Drill, Deepen, or Plug Back" for the above referenced wells.

Please contact me at 713-871-3400 should you have any questions or require additional information. Thank you for your assistance.

Very truly yours,

AVIARA ENERGY CORPORATION

Victoria Guidry

Victoria Guidry
Production/Regulatory Coordinator

/vjg

Enclosures

docs\reg\050

RECEIVED
APR 30 1999
DIV. OF OIL, GAS & MINING

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5. Lease Serial No.
U-51239

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Kane Springs Federal Unit

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

CONFIDENTIAL

8. Well Name and No.
Kane Springs 7-1

2. Name of Operator
Aviara Energy Corporation

9. API Well No.
43-019-31363

3a. Address
P.O. Box 1350, Houston TX 77251-1350

3b. Phone No. *(include area code)*
713-871-3400

10. Field and Pool, or Exploratory Area
Wildcat

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1596' FNL & 2040' FWL, SE NW
Sec. 7, T25S, R19E

11. County or Parish, State
Grand County, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[ ] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[X] Other Request for Extension of Approved APD
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] Plug Back	[ ] Water Disposal	

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

Aviara Energy Corporation respectfully requests a one year extension of the approved "Application For Permit to Drill" for the above referenced well. Aviara is currently evaluating the drilling program for the next year.

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 5/3/99
By:

COPY SENT TO OPERATOR
Date: 5-4-99
Initials: CHD

RECEIVED
APR 30 1999
DIV. OF OIL, GAS & MINING

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

Title Production/Regulatory Coordinator

Date 4/7/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

Title 18 U.S.C. Section 1001, 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.

(Instructions on reverse)

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5. Lease Serial No.
U-51239

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Kane Springs Federal Unit

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.
Kane Springs 7-1

2. Name of Operator
Aviara Energy Corporation

CONFIDENTIAL

9. API Well No.
43-019-31363

3a. Address
P.O. Box 1350, Houston TX 77251-1350

3b. Phone No. (*include area code*)
713-871-3400

10. Field and Pool, or Exploratory Area
Wildcat

4. Location of Well (*Footage, Sec., T., R., M., or Survey Description*)
1596' FNL & 2040' FWL, SE NW
Sec. 7, T25S, R19E

11. County or Parish, State
Grand County, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[ ] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[X] Other Request for Extension of Approved APD
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] Plug Back	[ ] Water Disposal	

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

Aviara Energy Corporation respectfully requests a one year extension of the approved "Application For Permit to Drill" for the above referenced well.

This well was not drilled in 1999 partially due to poor oil prices for most of the year as well as re-evaluation of new seismic and rock mechanics date. Evaluation of the drilling program for the next year is currently in progress and a drilling program is planned to begin toward the end of the 2nd quarter.

COPY SENT TO OPERATOR
Date: 4-20-00
Initials: CHD

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 4/19/00
By:

RECEIVED
APR 04 2000
DIVISION OF
~~OIL, GAS AND MINING~~

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

Title Production/Regulatory Coordinator

Date 4/3/00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

Title 18 U.S.C. Section 1001, 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.

(Instructions on reverse)

Aviara Energy Corporation

April 7, 2000

State of Utah
Division of Oil, Gas, & Mining
Attn: Lisha Cordova
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114

CONFIDENTIAL

Reference: Kane Springs #7-1 Sec. 7, 25S, 19E
API Well No. 43-019-31363
Grand County, Utah

Dear Ms. Cordova:

Please include this letter as an attachment to the Sundry Notice submitted on March 3, 2000 which requests a one year extension of the approved "Application For Permit to Drill" for the above referenced well.

R649-3-2 (#3) of The Oil and Gas Conservation General Rules of the Utah Division of Oil, Gas and Mining states that:

> "In the absence of special orders of the Board, no portion of the horizontal interval within the potentially productive formation shall be closer than six hundred-sixty (660) feet to a drilling or spacing unit boundary, federally unitized area boundary, uncommitted tract within a unit, or boundary line of a lease not committed to the drilling of such horizontal well."

This letter serves as notice that the Kane Springs #7-1 location complies with this rule.

Please contact me at 713-871-3400 should you have any questions or require additional information. Thank you for your assistance with this matter.

Very truly yours,

AVIARA ENERGY CORPORATION

Donny W. Worthington
Manager; Environmental, Safety And Regulatory Affairs

DW/VG/vjg

docs\reg\050c

RECEIVED
APR 10 2000
DIVISION OF
OIL, GAS AND MINING

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5. Lease Serial No.
U-51239

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Kane Springs Federal Unit

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.
Kane Springs 7-1

2. Name of Operator
Aviara Energy Corporation

3a. Address
P.O. Box 1350, Houston TX 77251-1350

3b. Phone No. *(include area code)*
713-871-3400

9. API Well No.
43-019-31363

10. Field and Pool, or Exploratory Area
Wildcat

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Surf. 1596' FNL & 2040' FWL, SE NW
Sec. 7, T25S, R19E BHL NWSE 2000 FSL 2000 FEL

11. County or Parish, State
Grand County, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[ ] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[X] Other Request for Extension of Approved APD
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
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13. Describe Proposed or Coommpleted Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Aviara Energy Corporation respectfully requests a one year extension of the approved "Application For Permit to Drill" for the above referenced well.

A drilling program is tentatively planned to begin the 3rd quarter of 2001.

COPY SENT TO OPERATOR
Date: 04-19-01
Initials: CHD

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 04-19-01
By:

RECEIVED
APR 0 2 2001
DIVISION OF
OIL, GAS AND MINING

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

Title Production/Regulatory Coordinator

Date 3/30/01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

Office

Title 18 U.S.C. Section 1001, 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.

(Instructions on reverse)

FORM 9

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

ORIGINAL

5. Lease Designation and Serial Number: U-51239

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such purposes

6. Indian, Allottee or Tribe Name: NA

7. Unit Agreement Name: NA

1. Type of Well: OIL [X] GAS [ ] OTHER:

8. Well Name and Number: Kane Springs #7-1

2. Name of Operator: Aviara Energy Corporation

9. API Well Number: 43-019-31363

3. Address and Telephone Number: P.O. Box 1350, Houston TX 77251-1350

AMENDED

10. Field and Pool, or Wildcat: Wildcat

4. Location of Well

Footages: 1596' FNL & 2040' FWL

County: Grand

QQ,Sec., T., R., M.: SE/NW Sec. 7, T25S, R19E

State: Utah

11. **CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

NOTICE OF INTENT (Submit in Duplicate)		SUBSEQUENT REPORT (Submit Original Form Only)	
[ ] Abandon	[ ] New Construction	[ ] Abandon*	[ ] New Construction
[ ] Repair Casing	[ ] Pull or Alter Casing	[ ] Repair Casing	[ ] Pull or Alter Casing
[X] Change of Plans	[ ] Recomplete	[ ] Change of Plans	[ ] Perforate
[ ] Convert to Injection	[ ] Perforate	[ ] Convert to Injection	[ ] Vent or Flare
[ ] Fracture Treat or Acidize	[ ] Vent or Flare	[ ] Fracture Treat or Acidize	[ ] Water Shut-Off
[ ] Multiple Completion	[ ] Water Shut-Off	[ ] Other	
[ ] Other			

Approximate date work will start: ASAP

Date of work completion:

Report results of **Multiple Completions** and **Recompletions** to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

* Amendments to the drilling program are attached.
Changes to be made are highlighted in red.

- The drilling pad will be lengthened north-south 65' to accommodate the drilling rig. (This may also facilitate a change in rig/pit orientation.) A close loop system will be used - cuttings will be buried in location pit.

- The bottom hole location has been changed ~~to 660' FSL & 2040 FWL~~ to optimize the chance of strinking fractures. (3024' lateral length) (Plat attached).

4277090 Y
598565 K

13. Name & Signature: Donny W. Worthington Title: Donny W. Worthington Mgr; Environmental, Safety & Reg. Date: 3/25/02

(This space for State use only)

RECEIVED

MAR 26 2002

DIVISION OF
OIL, GAS AND MINING

(5/94)

(See Instructions on Reverse Side)

Moab District

Company AVIARA ENERGY CORP. Well No. KANE SPRINGS FEDERAL #7-1

Location: Sec. 7, T. 25S, R. 19E, Lease No. UTU-51239

On-Site Inspection Date 8/19/97 (Held prior to NOS to screen VRM concerns)

All operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR δ 3100), Onshore Oil and Gas Orders, the approved plan of operations and the conditions of approval. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

A. DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops:

FORMATION TOPS	SUBSEA	DEPTH (RKB=25)
Alluvium	5163	0
Chinle	4445	743
Cutler	3600	1588
Hermosa	2320	2868
Paradox Salt	425	4763
Cane Creek	-2875	8063

2. Estimated Depth at Which Oil, Gas, Water or Other Mineral Bearing Zones are Expected to be Encountered:
Expected Oil Zones: Cane Creek - Subsea: -2875; TVD Depth (RKB=25'): 8063'
Expected Gas Zones:
Expected Water Zones: Kayenta/Wingate - Subsea: 5163; TVD Depth (RKB=25'): 0
Expected Mineral Zones:

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and will be cased and cemented. When possible, water flow rates will be measured and samples will be taken and analyzed with the results being submitted to BLM. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment -include schematics of the BOP and choke manifold, and describe testing procedures:
SURFACE (0-800') & UPPER INTERMEDIATE (800' - 4800~~4800~~') INTERVAL:
A rotating head and blooey line will be rigged up on the conductor and surface pipe. One (1) annular bag-type and preventer will be utilized while drilling the surface hole to 800' and intermediate hole to ~~5,000~~5,000' in the air drilling interval of the hole (See Exhibit C-1).
LOWER INTERMEDIATE INTERVAL ~~5,000~~4,800'-8177~~486~~'
One (1) annular bag-type and (3) ram-type preventers will be utilized while drilling below the intermediate pipe. Ram preventers are to be tested to a minimum of seventy percent (70%) of working pressure or a minimum of seventy percent (70%) of burst rating of intermediate pipe. Annular preventer is to be tested to a minimum of fifty percent (50%) of working pressure. (See Exhibit C-2).

Choke Manifold will meet or exceed the requirements of the typical 5M manifold as in Onshore Order #2. Two remote operated hydraulic chokes installed prior to drilling into the Cane Creek. One panel will be located on the rig floor and the other panel on the ground (See Exhibit C-2).

HORIZONTAL INTERVAL 8,177' – 10,920'~~8486' – 9858'~~

While drilling horizontally through the Cane Creek formation a high pressure rotating head diverter will be installed on top of the annular preventer. The static working pressure will equal or exceed 2,500 psi and the rotating working pressure will equal or exceed 1,500 psi. The rotating head will be tested to 3,000 psi with a test cap. (See Exhibit C-3).

A large atmospheric gas buster rated at a minimum of 50 mmscf/day with a minimum of 8" x 150' flareline routed to flare pit. The flare line is to be equipped with an electric igniter.

This equipment will be utilized to safely control well pressures and produced fluids while drilling into the potentially fractured Cane Creek formation.

BOP systems will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers shall be inspected and operated each trip (no more than once a day is necessary), and annular preventers shall be inspected and operated weekly to ensure good mechanical working order. These inspections shall be recorded in the drilling log and in the daily drilling report.

4. Casing Program and Auxiliary Equipment -include casing size, weight, grade, thread and coupling, setting depth and condition (new or acceptably reconditioned):

SURFACE PIPE:

0-800' INTERVAL; 13-3/8" SIZE; 54.5 WT; K-55 GR; BTC~~STC~~ CONN; 2730/5.06~~9.5~~ BURST/SF; 1130/3.02 COLLAPSE/SF; 103~~8547~~/7.23~~12.546~~ TENSION/SF. Set ± 50' below top of Chinle Red Beds. Tension safety factor calculated using air weight with 100 klbs overpull.. Pressure test to 70% of casing burst or 1900 psi before drilling out of shoe.

INTERMEDIATE PIPE:

0-4800~~5000~~' INTERVAL; 9-5/8" SIZE; 40 WT; N-80~~K-55~~ GR; LTC~~STC~~ CONN; 5750/1.46~~3950/1.23~~ BURST/SF; 3090/1.38~~2570/1.16~~ COLLAPSE/SF; 737/2.52~~486,000/2.43~~ TENSION/SF. Set ± 50~~30~~' below top of Paradox Salt. Tension safety factor calculated using air with 100 klbs overpull. Collapse design based on 9.0~~8.5~~ ppg emw gradient with no backup fluid (casing evacuated). Collapse design neglects salt creep load in Paradox Salt. Burst design based on maximum surface pressure calculated by subtracting an gas~~oil~~ gradient of 0.115~~0.355~~ psi/ft from a fracture gradient of 17.0 ppg + 1.0 ppg SF~~psi/ft~~. A burst backup fluid of 9.0~~8.5~~ ppg was used. Pressure test to 70~~81~~% of casing burst or 4000~~3200~~ psi before drilling out of shoe.

PRODUCTION PIPE:

INTERVAL	SIZE	WT	GR	CONN	BURST/SF	~~DERATED~~ COLLAPSE/SF	TENSION/SF
0-4500'	7	26	N-80	LTC	7240-1.36~~1.52~~	5410/1.44~~1.68~~	519~~,000~~/1.87~~2 .24~~
4500-8177~~486~~'	7	32	HCN-80	LTC	9060/1.88~~1 .91~~	10400/1.55~~1.18~~	738~~,000~~/3.91~~2 .34~~

Set ± 15' TVD below top of Cane Creek. Tension safety factor calculated in 16 ppg mud with 100 klbs

overpull~~using air~~. ~~Bending stresses considered using 20°/100' dog leg severity~~. Collapse design based on 16~~10~~ ppg emw gradient from 0 ~~–4500' with casing evacuated. From 4500'~~ to 8073~~102~~' TVD/8177~~486~~' MD, ~~collapse design based on 1.04 psi/ft~~ with casing evacuated. ~~Collapse resistance is de-rated for bi-axial stresses.~~ Burst design based on maximum surface pressure equal to a fracture~~pore~~ pressure of 18.5~~0~~ ppg + 1.0 ppg SF~~emw~~ less an oil gradient of 0.355 psi/ft. Production casing design exceeds drilling design. The packer fluid density and burst backup fluid density are assumed to be equal . Pressure test to 5000 psi or 70~~55~~% of casing burst before drilling out of shoe.

PRODUCTION LINER:

~~8386'-9855' INTERVAL; 4-1/2" SIZE; 13.5 WT; N-80 GR; BTC CONN; 9020/NA BURST/SF; 10380/1.89 COLLAPSE/SF; 359,000/3.5 TENSION/SF. Release ± 100' MD above 7" casing shoe. Every third joint will be pre-drilled with 3/4" diameter holes every two feet at 90° phasing. The holes will be plugged with drillable aluminum plugs. Tension design based on 100,000 lb. of over pull. Collapse design based on collapse gradient of 1.0 psi/ft.~~

AUXILIARY EQUIPMENT:

A. A kelly cock will be kept in the string at all times.
B. A stabbing valve will be kept on the derrick floor at all times.
C. Drill pipe floats will be used while air drilling.
D. Tandem floats will be placed above MWD and downhole motors in the drill string when drilling in the Cane Creek formation..
E. A large atmospheric gas buster rated at a minimum of 50 mmscf/day with a minimum of 8" x 150' flareline routed to flare pit. The flare line is to be equipped with an electric igniter.
F. Two remote operated hydraulic chokes installed prior to drilling into the Cane Creek. One panel will be located on the rig floor and the other panel on the ground.
G. Visulogger rigged up after drilling out of 9-5/8" casing.
H. Top Drive to be rigged up prior to drilling out of 7" casing.

5. Cement -include the cement type, density, yield, additives and amount used in setting each casing string. Also include the anticipated cement fill-up. If stage cementing, describe techniques:

SURFACE PIPE: Lead w/ ~~440 sks CL G (35:65) POZ + 6% gel + 3#/sk cello flakes, 12.6 ppg, 1.91 yield~~396 sks Premium Lite II + 2% $CaCl_2$ 0.25 #/sk Cello Flake + 3 #/sk gilsonitel + 8% Bentonite + 0.5% Sodium Metasilicate, 12.0 ppg 2.31 yield. Tail w/ ~~270 sks CL G + 2% $CaCl_2$, 15.8 ppg, 1.16 yield~~200 sks Class G + 2% $CaCl_2$ + 0.25 #/sk Cello Flake, 15.8 ppg, 1.17 yield . TOC-surface.

INTERMEDIATE PIPE: Lead w/ ~~215 sks CL G (35:65) POZ + 6% gel + 3#/sk cello flakes, 12.6 ppg, 1.91 yield~~403 sks Premium Lite + 3#/sk Silica Fume + 3% KCl + 0.25 #/sk Cello Flake + 3#/sk Gilsonite + 8% Bentonite + 0.5% Sodium Metesilicate, 12 ppg, 2.42 yield. Tail w/ 38~~5~~0 sks CL G neat, 15.8 ppg, 1.15 yield. TOC- ~~3050'~~1500' w/ 35% excess.

PRODUCTION PIPE: ~~Lead w/ 300 sks CL G (35:65) POZ + 6% gel + retarder + .25% cello flakes, 12.6 ppg, 1.89 yield.~~ Tail w/ ~~145 sks CL G + 10% gypsum + 3% salt + fluid loss additive + retarder~~630 sks Class G + 3% KCl + Fluid loss + Dispersant + Retarder, 16.8 ppg, yield . TOC- ~~4700'~~4000' w/ ~~35%~~ 20%excess.

Surface casing shall be cemented back to surface. Centralizers shall be run, at a minimum, on the bottom three joints of each casing string.

6. Mud Program and Circulating Medium -include mud components and weights. When air drilling, also include: length and location of blooie line; description of the auto igniter; description of the de-duster equipment; and amounts, types and characteristics of stand-by mud:

DEPTH (MD)	WEIGHT	PV	YP	API WL	TYPE
0 - 800'					Air/Mist/Water

800' - ~~5000'~~4800'					Air/Mist/Water
~~5000'~~ 4800' - ~~8486'~~8177'	12 - ~~18~~16	35 - 60	20 - 24	<10	Oil Based Mud
~~8486'~~ 8177' - ~~9858'~~10920'	15 - 18	45 - 60	20 - 24	<10	~~Oil~~ Water Based Mud

Blooie line will be to SW side of location and 100' from well. Igniter will be solar/battery powered.

Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.

Sufficient mud materials will be stored on location to maintain well control and combat lost circulation problems that might reasonably be expected.

7. Coring, Logging and Testing Program:
   A. Drill Stem Tests - none planned
   B. Well Logging and Intervals: Induction/Sonic/~~CNL//Den~~/GR ~~5000'~~ 4800' - ~~8103'~~ 7576' TVD
   ~~SP/GR/Sonic 800' - 5000' TVD~~
   MWD/GR will be attempted from kick off point at ~~7490'~~ 7576' TVD/MD~~T~~ to TD at ~~8103'~~ 8051' TVD/~~9858'~~ 10920' MD.
   C. Cores: A 30' oriented core will be attempted in the Cane Creek formation at the first sign of fractures.
   D. Directional Surveys: This well as proposed will be drilled vertically to 7490' and then drilled as a medium radius well at an azimuth of ~~144~~ 180 DEG for a total displacement of ~~2091'~~3024'. Inclination surveys will be taken at 500' and at 1000' maximum intervals until KOP. At KOP a multi-shot will be taken. During the angle build portion, surveys will be taken at 90' maximum intervals. During the horizontal portion of the hole, surveys will be taken at 200' maximum intervals.
   E. Samples: One sample will be taken at 10' intervals from 4300~~500'~~ to TVD.
   F. Mud Logger: There will be a mud logger on location at ~~4500'~~ 4300' (500' above intermediate pipe depth) to TVD.
   G. Completion Procedure: To be submitted on form 5 under "Approval of Subsequent Operations".
   H. Where the well is completed as a dry hole or a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completions operations will be filed with form 3160-4.

Initial opening of drill stem test tools will be restricted to daylight hours.

8. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards - include anticipated bottomhole pressure and/or pressure gradient. Also list anticipated lost circulation zones, abnormal temperature zones and possible hydrogen sulfide bearing zones: Abnormal pressure is anticipated in the Cane Creek formation. The proposed casing program and pressure control equipment has been designed based on the anticipated abnormal pressures of the Cane Creek formation. Flow drilling techniques will be used to safely control surface pressures and well fluid influxes. Pore pressures up to ~~18.0~~17.6 ppg are expected.

Hydrogen Sulfide is not anticipated.

9. Any Other Aspects of this Proposal that should be Addressed:
   A. Construction of Location is scheduled to start immediately after approval of APD.
   B. No location will be constructed or moved, no well be plugged and no drilling or workover equipment will be removed from the well to be placed in a suspended status without prior approval of the AO.
   C. The spud date will be reported orally to the AO within 48 hours after spudding, or on the next business workday if the spud occurs on a weekend.
   D. Spills, blowouts, fires, leaks, accidents or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revisions.
   E. If a replacement rig is contemplated for completion operations, a "Sundry Notice" to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
   F. Should the well be successfully completed for production, the AO will be notified when the well is placed in a production status. Notification will be made no later than five days following the date on which the well is placed on production.
   G. Venting/flaring of gas during initial well evaluation tests will not exceed a period of thirty days or the production of 50 MMCF/day of gas, whichever occurs first. An application will be filed with the District Engineer and approval received, for any venting or flaring beyond the initial 30 day authorized test period.
   H. Well abandonment operations will commence only after prior approval has been received from the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" will be filed with the AO within 30 days following completion of the well abandonment operations.
   I. There will be no deviation from the proposed drilling and/or workover program without prior approval of the AO. Safe drilling and operating practices will be observed.
   J. This well whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.3-2.

AVIARA
ENERGY CORPORATION

One Riverway, Suite 700
Houston, Texas 77056

April 2, 2002

State of Utah
Division of Oil, Gas, & Mining
Attn: Brad Hill
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114

Reference: ~~Kane Springs #7-1~~
Kane Springs #11-1
Kane Springs #30-1
Grand County, Utah

Dear Mr. Hill:

Enclosed please find "Sundry Notices and Reports on Wells" requesting a one year extension of the approved "Application For Permit To Drill, Deepen, or Plug Back" for the above referenced wells.

A drilling program is tentatively planned to begin sometime this month, April 2002. The program calls for drilling the Kane Spring 7-1 well first, then proceeding to drill the Kane Springs 30-1, and then the Kane Springs 11-1.

Please contact me at 713-871-3400 should you have any questions or require additional information. Thank you for your assistance.

Very truly yours,

AVIARA ENERGY CORPORATION

Victoria Guidry

Victoria Guidry
Production/Regulatory Coordinator

/vjg

Enclosures

H:\...\docs\Utah\002

FORM 9

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number: U-51239

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such purposes

6. Indian, Allottee or Tribe Name: NA

7. Unit Agreement Name: NA

1. Type of Well: OIL [X] GAS [ ] OTHER:

8. Well Name and Number: Kane Springs #7-1

2. Name of Operator: Aviara Energy Corporation

9. API Well Number: 43-019-31363

3. Address and Telephone Number: P.O. Box 1350, Houston TX 77251-1350 713-871-3400

10. Field and Pool, or Wildcat: Wildcat

4. Location of Well
Footages: 1596' FNL & 2040' FWL
QQ,Sec., T., R., M.: SE/NW Sec. 7, T25S, R19E
County: Grand
State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT (Submit in Duplicate)		SUBSEQUENT REPORT (Submit Original Form Only)	
[ ] Abandon	[ ] New Construction	[ ] Abandon*	[ ] New Construction
[ ] Repair Casing	[ ] Pull or Alter Casing	[ ] Repair Casing	[ ] Pull or Alter Casing
[ ] Change of Plans	[ ] Recomplete	[ ] Change of Plans	[ ] Perforate
[ ] Convert to Injection	[ ] Perforate	[ ] Convert to Injection	[ ] Vent or Flare
[ ] Fracture Treat or Acidize	[ ] Vent or Flare	[ ] Fracture Treat or Acidize	[ ] Water Shut-Off
[ ] Multiple Completion	[ ] Water Shut-Off	[ ] Other	
[X] Other Request for Extension of approved APD			

Approximate date work will start: April 2002

Date of work completion: _____

Report results of **Multiple Completions** and **Recompletions** to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Aviara Energy Corporation respectfully requests a one year extension of the approved "Application For Permit to Drill" for the above referenced well.

A drilling program is tentatively planned to begin sometime in April 2002. The program calls for drilling the Kane Springs 7-1 well first, then proceeding to drill the Kane Springs 30-1, and then the Kane Springs 11-1.

13. Name & Signature: Donny W. Worthington Title: Mgr; Environmental, Safety & Reg. Date: 4/02/02

(This space for State use only)

RECEIVED
APR 03 2002
DIVISION OF
OIL, GAS AND MINING

(5/94) (See Instructions on Reverse Side)

AVIARA
ENERGY CORPORATION

One Riverway, Suite 700
Houston, Texas 77056

April 10, 2002

State of Utah
Division of Oil, Gas, & Mining
Attn: Lisha Cordova
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114

Reference: Kane Springs #7-1
API Well No. 43-019-31363
Grand County, Utah

Dear Ms. Cordova:

March 25, 2002 Aviara Energy Corporation filed a Sundry Notice amending the approved APD for the above referenced well. Item #13 of that Sundry Notice stated:

> **Amendments to the drilling program are attached.*
> *Changes to be made are highlighted in red.*
>
> *The drilling pad will be lengthened north-south 65' to accommodate the drilling rig. (This may also facilitate a change in rig/pit orientation.) A close loop system will be used – cuttings will be buried in location pit.*
>
> *The bottom hole location has been changed to 660' FSL & 2040' FWL to optimize the chance of striking fractures. (3024' lateral length) (Plat attached).*

During our telephone conversation of April 9, 2002 you notified me that amendments to the approved APD should have been filed on a Form 3 "Application for Permit to Drill" by checking the Amended Report box and highlighting the changes. Enclosed please find that report.

In an effort to avoid confusion I did not include the attachments that were sent with the Sundry Notice. I would greatly appreciate it if you would see that they are attached to this Form 3 amendment.

Please contact me at 713-871-3444 should you have any questions or require additional information. Thank you for your assistance with this matter.

Sincerely,

Victoria Guidry
Production/Regulatory Coordinator

vjg

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT [X]
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO: U-51239	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL [XX] REENTER [ ] DEEPEN [ ]	7. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
B. TYPE OF WELL: OIL [X] GAS [ ] OTHER _____ SINGLE ZONE [XX] MULTIPLE ZONE [ ]	8. UNIT or CA AGREEMENT NAME: Cane Creek
2. NAME OF OPERATOR: Aviara Energy Corporation AMENDED	9. WELL NAME and NUMBER: ~~Kane Springs~~ 7-1
3. ADDRESS OF OPERATOR: P. O. Box 1350 CITY Houston STATE TX ZIP 77251 PHONE NUMBER: 713-871-3400	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2040' FWL & 1596' FNL (BHL: 2040' FWL & 660' FSL) AT PROPOSED PRODUCING ZONE: 2040' FWL & 660' FSL	11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE/NW Sec. 7 T25S R19E of the Salt Lake Principal
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 18 miles northwest of Moab, UT	12. COUNTY: Grand 13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): Surf(LS) 1596' FSL BHL(LS) 660' FSL	16. NUMBER OF ACRES IN LEASE: 1227.77
17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 640	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): 15,800' due West	19. PROPOSED DEPTH: 10920' MD 8057' TVD
20. BOND DESCRIPTION:	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5162' GR	22. APPROXIMATE DATE WORK WILL START: 4/22/02
23. ESTIMATED DURATION: 45 days	

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
NA	20" Drive Pipe	0 - 40'	
17-1/2	13-3/8" 54.5# K-55 BT&C	0 - 800	Lead: 396 sxs Premium Lite II 2.31 cf/sx, 12.0 ppg
			Tail: 200 sxs Class G, 1.17 cf/sx, 15.8 ppg
12-1/4	9-5/8" 40# N-80 LT&C	0 - 4800	Lead: 403 sxs Premium Lite, 2.42 cf/sx, 12.0 ppg
			Tail: 380 sxs Class G, 1.15 cf/sx, 15.8 ppg
8-3/4	7" 26# N-80 LT&C	0 - 4500	
	7" 32# HCN-80 LT&C	4500-8177	630 sxs Class G, 1.03 cf/sx, 16.8 ppg
6"	Open Hole	8177-10921	

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- [ ] WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- [ ] EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
- [ ] COMPLETE DRILLING PLAN
- [ ] FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Donny W. Worthington TITLE Manager; Environmental, Safety & Regulatory

SIGNATURE Donny W. Worthington DATE 3/25/02

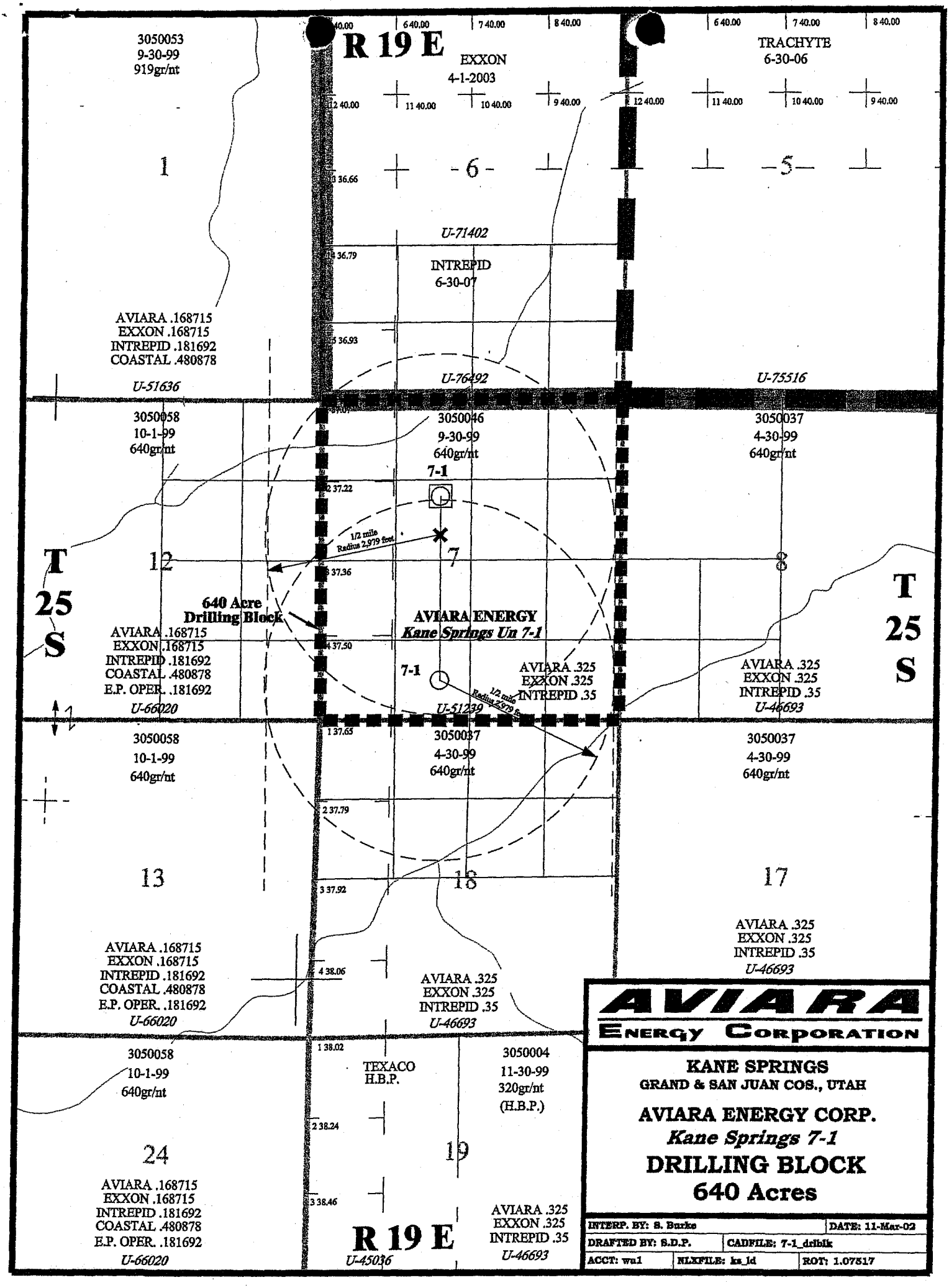
(This space for State use only)

API NUMBER ASSIGNED: 43-019-31363

Approved by the Utah Division of Oil, Gas and Mining
APPROVAL:
Date: 04-16-02
By: [illegible]

RECEIVED
APR 11 2002
DIVISION OF OIL, GAS AND MINING

(11/2001)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919gr/nt
AVIARA .168715
EXXON .168715
INTREPID .181692
COASTAL .480878
U-51636
U-71402
INTREPID
6-30-07
U-76492
U-75516
3050058
10-1-99
640gr/nt
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4-30-99
640gr/nt
1/2 mile
Radius 2,979 feet
T
25
S
640 Acre
Drilling Block
AVIARA ENERGY
Kane Springs Un 7-1
AVIARA .168715
EXXON .168715
INTREPID .181692
COASTAL .480878
E.P. OPER. .181692
U-66020
AVIARA .325
EXXON .325
INTREPID .35
U-46693
U-51239
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EXXON .168715
INTREPID .181692
COASTAL .480878
E.P. OPER. .181692
U-66020
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U-46693
AVIARA .325
EXXON .325
INTREPID .35
U-46693
3050058
10-1-99
640gr/nt
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320gr/nt
(H.B.P.)
AVIARA .168715
EXXON .168715
INTREPID .181692
COASTAL .480878
E.P. OPER. .181692
U-66020
R 19 E
U-45036
AVIARA .325
EXXON .325
INTREPID .35
U-46693
AVIARA
ENERGY CORPORATION
KANE SPRINGS
GRAND & SAN JUAN COS., UTAH
AVIARA ENERGY CORP.
Kane Springs 7-1
DRILLING BLOCK
640 Acres
INTERP. BY: S. Burke
DATE: 11-Mar-02
DRAFTED BY: S.D.P.
CADFILE: 7-1_drlblk
ACCT: wu1
NLXFILE: ks_ld
ROT: 1.07517

AVIARA ENERGY CORPORATION
1601 Elm Street, Suite 3400
Dallas, Texas 75201

Robert M. Donohue, Jr., Landman
Telephone: (214) 880-8924
Facsimile: (214) 922-1114

April 12, 2002

To: ALL OWNERS OF INTEREST
Lying within Section 7, Township 25 South
Range 19 East, Grand County, Utah
(Refer to attached address list)

VIA CERTIFIED MAIL

Re: Notice of Application for Permit to Drill
Cane Creek Federal #7-1 well

Gentlemen:

In accordance with Rule R649-3-2 of the Oil and Gas Conservation General Rules of the Utah Division of Oil, Gas and Mining, please consider this letter as notice of the filing by Aviara Energy Corporation ("Aviara"), as Operator, of an Application for Permit to Drill the Cane Creek Federal #7-1 well. This will be a horizontally drilled well with a surface location 1,596 feet FNL and 2,040 feet FWL of Section 7, Township 25 South, Range 19 East, and a proposed bottom-hole location 2,040 feet FWL and 660 feet FSL of Section 7.

A temporary six hundred and forty (640) acre spacing unit, consisting of governmental Section 7 in which the horizontal well is located, is established for the orderly development of the anticipated pool.

No portion of the horizontal interval within the Cane Creek formation shall be closer than 660 feet to a drilling or spacing unit boundary, federally unitized area boundary, uncommitted tract within a Unit, or boundary line of a lease not committed to the drilling of this horizontal well. Please be advised, however, that Aviara has applied to the Bureau of Land Management for final approval of the Cane Creek Federal Exploratory Unit to include Section 7 as a committed tract to the Unit. Upon such approval, the #7-1 well shall be exempt from certain conditions of Rule R649-3-2.

Should you have any questions, please contact the undersigned.

Yours very truly,

Bobby Donohue

BD/je

Bureau of Land Management
324 S. State, Suite 301
Salt Lake City, Utah 84111
Attn: Mr. Robert Henricks, Chief
Branch of Fluids

United States of America
C/o Bureau of Land Management
324 S. State, Suite 301
Salt Lake City, Utah 84111

Intrepid Oil & Gas, LLC
700 17th Street, Suite 1700
Denver, CO 80202
Attn: Mr. Robert Jornayvaz

Darleen J. Freitas
11942 So. Bluff View Drive
Sandy, Utah 84092

Dolar Oil Properties
9035 South 700 East, Suite 100
Sandy, Utah 84070-2418

James E. Powers
501 East Broadway
P O Box 1221
Williston, ND 58802-1221

The Esperanza Corporation
718 Seventeenth Street, Suite 808
Denver, CO 80202

Benson Mineral Group, Inc.
1560 Broadway, Suite 1900
Denver, CO 80202

Dale L. Schwarzhoff
c/o Benson Mineral Group, Inc.
1560 Broadway, Suite 1900
Denver, CO 80202

Leo B. Helzel or Florence Helzel, Trustees
c/o Benson Mineral Group, Inc.
1560 Braodway, Suite 1900
Denver, CO 80202

HHK-Wilcox Company, Inc.
c/o Benson Mineral Group, Inc.
1560 Broadway, Suite 1900
Denver, CO 80202

Lawrence E. Monley
760 Gaylord Street
Denver, CO 80206

Hugh E. Harvey, Jr.
700 17th Street, Suite 1700
Denver, CO 80202

Aspect Resources Limited Liability Co.
511 16th Street, Suite 300
Denver, CO 80202-4260
Attn: Mr. Alex Campbell

Exxon Corporation
P O Box 2024
Houston, TX 77252-2024

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114
Attn: Leisha Cordorva

AVIARA ENERGY CORPORATION
1601 Elm Street, Suite 3400
Dallas, Texas 75201

Robert M. Donohue, Jr., Landman
Telephone: (214) 880-8924
Facsimile: (214) 922-1114

April 12, 2002

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114
Attn: Leisha Cordova

VIA OVERNIGHT MAIL

Re: Affidavit of Mailing
Cane Creek Federal #1-7 well
Grand County, Utah

Dear Ms. Cordova:

Enclosed is the Affidavit of Mailing pertaining to Aviara Energy's Application for Permit to Drill the Cane Creek Federal #1-7 well. Also enclosed is a copy of the notification letter to the owners in Section 7.

Please let me know if you require anything further.

Yours very truly,

Bobby Donohue

BD/je
Enclosure

AFFIDAVIT OF MAILING

STATE OF TEXAS §

COUNTY OF DALLAS §

Robert M. Donohue, Jr., being duly sworn upon his oath, deposes and states:

1. I am a landman working on behalf of Aviara Energy Corporation ("Aviara").
2. Aviara intends to file with the State of Utah Division of Oil, Gas and Mining an Application for Permit to Drill its Cane Creek Federal #7-1 well as a horizontal well in Section 7, Township 25 South, Range 19 East, Grand County, Utah. The #7-1 horizontal well's location and spacing is governed by those rules as set forth in R649-3-2 of The Oil and Gas Conservation General Rules of the Utah Division of Oil, Gas and Mining.
3. In compliance with these rules, I have this date by certified mail given notice to all owners within the boundaries of Section 7, Township 25 South, Range 19 East, Grand County, Utah.
4. The matters stated herein are true of my own knowledge.

Dated this 12th day of April 2002.

ROBERT M. DONOHUE, JR.

Subscribed, sworn and acknowledged to any by Robert M. Donohue, Jr., before me this 12th day of April 2002.

KAREN S. BLACKBURN
Notary Public, State of Texas
My Commission Expires
12/04/2004

Notary Public

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE – Other instructions on reverse side

CONFIDENTIAL

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

2. Name of Operator
Aviara Energy Corporation

3a. Address
P.O. Box 1350, Houston TX 77251-1350

3b. Phone No. *(include area code)*
713-871-3400

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1596' FNL & 2040' FWL
SE NW Sec. 7, T25S, R19E

5. Lease Serial No.
U-51239

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
~~Kane Springs~~ #7-1
CANE CREEK

9. API Well No.
43-019-31363

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State
Grand County, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[ ] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[X] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[X] Other Notification of Spud
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] Plug Back	[ ] Water Disposal	

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

The above captioned well was spud @ 1700 hrs on 4/26/02 with Nabors Rig 266.

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MAY 0 2 2002
DIVISION OF
OIL, GAS AND MINING

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

Victoria Guidry

Title
Production/Regulatory Coordinator

Date 4/29/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

Title 18 U.S.C. Section 1001, 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.

(Instructions on reverse)

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5. Lease Serial No.
U-51239

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA/Agreement, Name and/or No.
Cane Creek Unit Agreement
UTU80000X

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

CONFIDENTIAL

8. Well Name and No.
Cane Creek Federal #7-1

2. Name of Operator
Aviara Energy Corporation

9. API Well No.
43-019-31363

3a. Address
P.O. Box 1350, Houston TX 77251-1350

3b. Phone No. *(include area code)*
713-871-3400

10. Field and Pool, or Exploratory Area
Wildcat

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1596' FNL & 2040' FWL
SE NW Sec. 7, T25S, R19E

11. County or Parish, State
Grand County, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[ ] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[X] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[X] Other Notification of Well Name Change
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] Plug Back	[ ] Water Disposal	

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

This well name has been changed from the previous name of Kane Springs #7-1 to the new name of Cane Creek Federal #7-1

RECEIVED

MAY 0 6 2002

DIVISION OF OIL, GAS AND MINING

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

Victoria Guidry

Title Production/Regulatory Coordinator

Date 4/30/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

Office

Title 18 U.S.C. Section 1001, 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.

(Instructions on reverse)

Hunt Petroleum Corporation
1601 Elm St., Suite 3400
Dallas, TX 75201
(214) 880-8800

Daily Activity Report

CONFIDENTIAL

Well='CANE CREEK FEDERAL #7-1' for 4/10/2002 to 4/29/2002

DAILY DRILLING REPORT

From :4/10/2002 To : 4/29/2002

Well Name :	CANE CREEK FEDERAL #7-1	AFE # :	022011D
Operator :	AVIARA ENERGY CORPORATION	WI : 1	NRI 0
Loc :	STR : 7 - 25S - 19E	AFEDHC :	$2,419,000
County :	GRAND, UT API Code : 43-019-31363	AFECWC :	$2,419,000
Field :	KANE SPRINGS	AFE Type :	DEV
		Proposed Depth :	10921 ft.
Spud Date :	4/27/2002 Rig Rel Date :	Total Depth :	0 ft.

Activity Date : 4/10/2002 — **Current Depth :** 0 ft.
Days Since Spud : -17 — **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other — **Weather:**

Operations : 06:00 to 06:00 - 21 - Other - DRIVE TO GRAND JET CO. VISIT MOUNTAIN AIR AND INSPECT AIR DRLG EQUIP. RETURNED RENTAL CAR. CONTACTING VENDORS. NOTIFIED RICH MCCLURE W/ MOAB BLM THAT EQUIP TO BE ON LOC TO START SAME THIS P.M. SCAMP EXCAVATION ON LOC W/ DOZER & GRADER @ 1800 HRS. START PUSHING DIRT ON LOC.

DC : $0 **Cumm DHC :** $0 **Cumm DHC+Suspended :** $0

Activity Date : 4/11/2002 — **Current Depth :** 0 ft.
Days Since Spud : -16 — **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other — **Weather:**

Operations : 06:00 to 06:00 - 21 - Other - FINISH DELIVERY OF LOCATION CONSTRUCTION EQUIPMENT TO LOCATION. SHOOT GRADES, STAKE OUTSIDE OF LOCATION REMOVING & STOCKPILING SOIL TO SOUTH END OF LOCATION. RICH MCCLURE W/ MOAB BLM ON LOCATION @ 1230 HRS. VIEWED STAKES & OPERATIONS. ALL OK. CONTACTING VENDORS. NO DUST. RAIN FELL PREVIOUS NIGHT. WATER TRUCK WILL BE @ LOCATION 4-12-02 IF NEEDED FOR DUST.

DC : $0 **Cumm DHC :** $0 **Cumm DHC+Suspended :** $0

Activity Date : 4/12/2002 — **Current Depth :** 0 ft.
Days Since Spud : -15 — **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other — **Weather:**

Operations : 06:00 to 06:00 - 21 - Other - FINISH STOCKPILE TOP SOIL. LEVELING & CUTTING LOCATION TO GRADE. RATHOLE DRILLERS DELIVERED EQUIP TO LOCATION. TWO LOADS WATER TO LOCATION (80 BBLS).

DC : $0 **Cumm DHC :** $0 **Cumm DHC+Suspended :** $0

Activity Date : 4/13/2002 — **Current Depth :** 0 ft.
Days Since Spud : -14 — **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other — **Weather:**

Operations : 06:00 to 06:00 - 21 - Other - LEVELING & WATERING LOCATION. STARTED RESERVE PIT. RATHOLE DRILLERS WORKING. HAVE 32' OF 24" HOLE & 6', 18" HOLE MADE AT DARK. FOUR LOADS WATER TO LOCATION (160 BBLS).

DC : $0 **Cumm DHC :** $0 **Cumm DHC+Suspended :** $0

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DAILY DRILLING REPORT

From : 4/[redacted]2002 To : 4/29/2002

Well='CANE CREEK FEDERAL #7-1' for 4/10/2002 to 4/29/2002

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Activity Date : 4/14/2002 **Current Depth :** 0 ft.
Days Since Spud : -13 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**

Operations : 06:00 to 06:00 - 21 - Other - FINISH RESERVE PIT. RIPPLING W/ D-8. ROCK UN-RIPPABLE @ 8 1/2' - 9'. FINSIH BLOOIE PIT & WATER PIT. RATHOLE DRILLERS FINISH & OPEN CONDUCTOR HOLE TO 40' OF 24" HOLE. BEARINGS IN MAIN DRIVE SHAFT BROKE, RIG DOWN AND DRIVE TO VERNAL. NEW RIG F/ VERNAL ON LOCATION @ 1700 HRS. START CELLAR.

DC : $0 **Cumm DHC :** $0 **Cumm DHC+Suspended :** $0

Activity Date : 4/15/2002 **Current Depth :** 0 ft.
Days Since Spud : -12 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**

Operations : 06:00 to 06:00 - 21 - Other - WATERING & BUILDING LOCATION ROAD. FINISHED 1 MILE - LACK 1/2 MILE. FINISH CELLAR. DIG RATHOLE. CREW HAD TO LEAVE, WIND & DUST TOO BAD. EXTREMELY SEVERE SANDSTORM INTERFERED WITH WORK THIS DAY. BLOWN SAND FILLING UP PITS. WILL HAVE TO CLEAN OUT SAME BEFORE BENTONITE CAN BE APPLIED TO RESERVE PIT.

DC : $0 **Cumm DHC :** $0 **Cumm DHC+Suspended :** $0

Activity Date : 4/16/2002 **Current Depth :** 0 ft.
Days Since Spud : -11 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**

Operations : 06:00 to 06:00 - 21 - Other - RATHOLE DRILLERS FINISHED RATHOLE. CLEAN OUT CELLAR, CLEAN OUT 20" HOLE F/ SAND STORM. RUN & SET 20" CONDUCTOR @ 40'. INSTALL 10' DIAMETER TINHORN IN 10' DEEP CELLAR. CMT 20" CSG F/ 40' TO BTTM OF CELLAR. MOVE OFF RATHOLE DRILLERS. CLEAN OUT 2 - 3' OF SAND FROM ALL PITS FROM SAND STORM. BENTONITE RESERVE PIT BTTM & WALLS. MIX IN SOIL. FINISH LOCATION ROAD. WATER & GRADE ROAD ALL DAY. RIG STARTED ARRIVING @ LOC THIS P.M. 6 LOADS RIG, CRANE, & R/U TRUCK. CONTACTING VENDORS.

DC : $33,708 **Cumm DHC :** $33,708 **Cumm DHC+Suspended :** $33,708

Activity Date : 4/17/2002 **Current Depth :** 0 ft.
Days Since Spud : -10 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**

Operations : 06:00 to 06:00 - 21 - Other - WATERING & MAINTAINING ROADS & LOCATION WHILE RIG MOVING IN. MOVING RIG IN FROM ROOSEVELT, UTAH. 18 LOADS IN @ 1700 HRS. 8 NABORS PERSONNEL & TRUCK CREWS TO START R/U A.M. 4-18-02. CONTACTING VENDORS.

DC : $17,555 **Cumm DHC :** $51,263 **Cumm DHC+Suspended :** $51,263

Activity Date : 4/18/2002 **Current Depth :** 0 ft.
Days Since Spud : -9 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**

Operations : 06:00 to 06:00 - 21 - Other - MOVING IN NABORS RIG 266. 22 LOADS @ 1700 HRS. 8 NABORS PERSONNEL & TRUCK CREW RIGGING UP @ LOCATION. HAVE SUBSTRUCTURE & EXTENSION SET & LEVELED ON MATS, POLYETHELENE LINER UNDER MATS. WATERING ROADS & LOCATION. LOCATION VISIT BY R. MCCLURE, E. JONES, M. MCGANN W/ MOAB BLM; EVERYTHING OK. CONTACTING VENDORS.

DC : $3,040 **Cumm DHC :** $54,303 **Cumm DHC+Suspended :** $54,303

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DAILY DRILLING REPORT

From :4/1[illegible]2002 To :4/29/2002

Well='CANE CREEK FEDERAL #7-1' for 4/10/2002 to 4/29/2002

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Activity Date : 4/19/2002 **Current Depth :** 0 ft.
Days Since Spud : -8 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**
Operations : 06:00 to 06:00 - 21 - Other - MOVING IN NABORS RIG 266. TRUCK W/ PUMP BROKE DOWN IN MTNS. 10 NABORS PERSONNEL RIGGING UP @ LOC. WATERING ROADS & LOC. 2 CRANES ON LOC FOR R/U. NEITHER CRANE LARGE ENOUGH TO P/U DRAWWORKS - 3RD CRANE ON LOC @ 1600 HRS.
DC : $22,238 **Cumm DHC :** $76,541 **Cumm DHC+Suspended :** $76,541

Activity Date : 4/20/2002 **Current Depth :** 0 ft.
Days Since Spud : -7 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**
Operations : 06:00 to 06:00 - 21 - Other - MOVING IN NABORS 266. R/U RIG. 3 CRANES ON LOC. LARGE CRANE DEPARTED LOC @ 1600 HRS. WATERING ROADS & LOC.
DC : $8,120 **Cumm DHC :** $84,661 **Cumm DHC+Suspended :** $84,661

Activity Date : 4/21/2002 **Current Depth :** 0 ft.
Days Since Spud : -6 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**
Operations : 06:00 to 06:00 - 21 - Other - FIN SPOTTING ALL TANKS & RIG PACKAGES. WEATHERFORD EQUIP ON LOC. 21 3/4" STARTER FLANGE, SPOOL, HYDRIL. SMITH EQUIP ON LOC. 21 3/4" ROTATING HD, X-O, 8 5/8 BLODIE LINE. M.I. EQUIP ON LOC. BULK TANKS, STANDS, BLIMP. ALL SET. SWACO SOLIDS EQUIP ON LOC. SET SAME. 1 CRANE DEPARTED LOC @ 1100 HRS.
DC : $7,710 **Cumm DHC :** $92,371 **Cumm DHC+Suspended :** $92,371

Activity Date : 4/22/2002 **Current Depth :** 0 ft.
Days Since Spud : -5 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**
Operations : 06:00 to 06:00 - 21 - Other - SETTING MI, SWACO EQUIP. START REBUILD ON PIT & TAKE OUT WELL INPIT. WELD ON STARTING FLANGE ON 20", PUT 8 5/8 LINE TOGETHER. RIG UP TRAILER HOUSE AND PHONE. RU ON RIG, RAISE DERRICK @ 17:30 HRS. GETTING RIG FIRE UP. 1 CRANE ON LOCATION 8 HRS. RED ROCK DIESEL.
DC : $28,713 **Cumm DHC :** $121,084 **Cumm DHC+Suspended :** $121,084

Activity Date : 4/23/2002 **Current Depth :** 0 ft.
Days Since Spud : -4 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**
Operations : 06:00 to 06:00 - 21 - Other - NABORS RU FLR WTR LINER. CHANGE FAN ON #3. HOOKUP LIGHT, HOOKUP #2 PUMP. WELD ON STARTED FLANGE & NU HYDRIL & ROTATING HD. LINE PIT W/ ROCK, DIG WTR PIT. SET SWACO DEGESSER. R/U SOLIDS CONTROL EQUIP.
DC : $26,184 **Cumm DHC :** $147,268 **Cumm DHC+Suspended :** $147,268

Activity Date : 4/24/2002 **Current Depth :** 0 ft.
Days Since Spud : -3 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**
Operations : 06:00 to 06:00 - 21 - Other - RU, WORK ON PUMP. INSTALL FANS. RU ROTARY CHAIN GUARD. NU HYDRIL TO ROTATING HEAD. STRING UP LIGHTS. REPAIR WATER LEAK. HOOK UP BOLUI LINE TO BRACE. WELD MUD PLATFORM.
DC : $23,124 **Cumm DHC :** $170,392 **Cumm DHC+Suspended :** $170,392

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DAILY DRILLING REPO[illegible] From :4/1[illegible]2002 To : 4/29/2002

Well='CANE CREEK FEDERAL #7-1' for 4/10/2002 to 4/29/2002

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Activity Date : 4/26/2002 **Current Depth :** 67 ft.
Days Since Spud : -1 **24 Hr. Footage Made :** 67 ft.
Activity : 21 - Other **Weather:**

Operations : 05:00 to 05:00 - 21 - Other - CONT TO RIG UP. RIG UP FLR, P/U KELLY, REPAIR WATER LEAKS IN TANKS, REPLACE VALVES AND SEATS IN PUMPS AND RIG UP SAME. RIT UP LIGHTS, WTR LINES, PUMP THRU POP OFF VALVES TO TEST REPAIR LEAKING CAP GASKETS, DISCHARGE. REPAIR SWIVEL PACKING. CLEAN RUS OUT OF WTR LINES. REPLACE BUSTED VALVES IN THE WTR LINES. REUILD MISSING AIR LINES. REPAIR KELLY SPINNER HOSE AND CLAMP ON STANDPIPE. ALL FOUND DURING RIG RUN-UP.

DC : $24,317 **Cumm DHC :** $194,709 **Cumm DHC+Suspended :** $194,709

Activity Date : 4/27/2002 **Current Depth :** 525 ft.
Days Since Spud : 0 **24 Hr. Footage Made :** 458 ft.
Activity : 02 - Drilling **Weather:**

Operations : 05:00 to 12:00 - 21 - Other - CONT RIGGING UP. LEVEL DERRICK. R/U ACCUMULATOR, AIR EQUIP. INSTALL LOWER KELLY VALVES, SAVER SUB. P/U XO'S, BIT SUB & HAMMER BIT. STRAP 8" & 6 1/2" DRILL COLLARS.
12:00 to 15:30 - 21 - Other - P/U 8" D.C. & TEST HAMMER.
15:30 to 17:00 - 21 - Other - R/U ROTATING EQUIPMENT.
17:00 to 17:30 - 21 - Other - RIH & TAG BTM @ 69'. DRILL TO 85'.
17:30 to 18:00 - 21 - Other - WORK & CLEAN HOLE.
18:00 to 18:30 - 21 - Other - ADJUST BLOOIE LINE.
18:30 to 05:00 - 02 - Drilling - DRLG F/ 85' TO 525'. NOTE: SPUDDED WELL AT 1700 HRS 4/26/02. NOTIFIED THE FOLLOWING: ERIC JONES, JACK JOHNSON W/ BLM. JIM THOMPSON, DAVID HECKFORD, STATE OF UTAH.

DC : $39,826 **Cumm DHC :** $234,535 **Cumm DHC+Suspended :** $234,535

Activity Date : 4/28/2002 **Current Depth :** 854 ft.
Days Since Spud : 1 **24 Hr. Footage Made :** 329 ft.
Activity : 21 - Other **Weather:**

Operations : 05:00 to 05:30 - 21 - Other - WLS 1/2 @ 512'.
05:30 to 06:00 - 02 - Drilling - DRLG, DUST F/ 525 TO 543 FTG 18' @ 36 FPH.
06:00 to 07:30 - 21 - Other - WORK TIGHT HOLE & BH CLEAN.
07:30 to 11:30 - 02 - Drilling - DRLG, DUST F/ 543 TO 657 FTG 114' @ 28.5 FPH (NOTE HOLE PACKING OFF BETWEEN CONNS PUMPING 3500 CFM @ 400 PSI.
11:30 to 13:00 - 21 - Other - WORK PIPE LOST DUST, HAD AIR RTNS BUILD MIST @ 15 BBLS/HR. 6 GAL SOAP WORK PIPE GOT RTNS BH CLEAN 3500 CFM @ 490 PSI.
13:00 to 17:30 - 02 - Drilling - DRLG, AIR MIST F/ 657 TO 854 FTG 197' @ 43.7 FPH.
17:30 to 18:00 - 21 - Other - BH CLEAN.
18:00 to 19:30 - 21 - Other - TOH LD HAMMER, NO DRAG.
19:30 to 21:00 - 21 - Other - RU T&M CSG CREW HOLE SAFETY MTG.
21:00 to 02:00 - 21 - Other - RUN 18 JTS OF 13 3/8" 54.5#. BUTTRESS THD CSG TO 827'.
02:00 to 03:00 - 21 - Other - RIG DOWN CASING CREW.
03:00 to 03:30 - 21 - Other - RIG UP FALSE ROTARY & DRILL PIPE TOOLS.
03:30 to 05:00 - 21 - Other - RUN 25 JTS 5" DRL PIPE TO STING INTO TAG IN FLOAT SHOE AT 779'. NOTE: CALL MR. JACK JOHNSON W/ BLM @ TD 854'.

DC : $31,514 **Cumm DHC :** $266,049 **Cumm DHC+Suspended :** $266,049

CONFIDENTIAL

DAILY DRILLING REPORT

From : 4/10/2002 To : 4/29/2002

Well='CANE CREEK FEDERAL #7-1' for 4/10/2002 to 4/29/2002

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Activity Date : 4/29/2002 **Current Depth :** 854 ft.

Days Since Spud : 2 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations : 05:00 to 05:30 - 21 - Other - TIH W/ DP TO CMT.
05:30 to 07:30 - 21 - Other - R/U BJ & CMT W/ 396 SKS. PREM-LITE LEAD & 200 SKS CLASS "G" TAIL. PUMP PLUG DOWN W/ 11 BBL FRESH WTR. CIRC 26 BBLS CMT. FLOATS HOLDING OK. PLUG DOWN @ 0730.
07:30 to 09:00 - 21 - Other - CLEAN CMT OUT OF STACK & BLOOIE LINE. POOH W/ DRL PIPE & STAND BACK SAME.
09:00 to 11:30 - 21 - Other - WOC. NPL DOWN. CLEAN STACK, PREPARE BOP FOR NPL UP. CUT 20" COND & 13 3/8" CSG. WELD ON 13 3/8" BRADENHD & TEST TO 600 PSI.
11:30 to 05:00 - 21 - Other - N/U 13 3/8" 3000# SPOOLS AND A 13 3/8" 3000# X 10.000# DSA AND SINGLE BOP & CONT TO N/U.

DC : $71,353 **Cumm DHC :** $337,402 **Cumm DHC+Suspended :** $337,402

CONFIDENTIAL

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE – Other instructions on reverse side

CONFIDENTIAL

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

2. Name of Operator
Aviara Energy Corporation

3a. Address
P.O. Box 1350, Houston TX 77251-1350

3b. Phone No. *(include area code)*
713-871-3400

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1596' FNL & 2040' FWL
SE NW Sec. 7, T25S, R19E

5. Lease Serial No.
U-51239

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA/Agreement, Name and/or No.
Cane Creek Unit Agreement
UTU80000X

8. Well Name and No.
Cane Creek Federal #7-1

9. API Well No.
43-019-31363

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State
Grand County, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[ ] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[ ] Other
	[X] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] Plug Back	[ ] Water Disposal	

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

Aviara plans to change the mud system from the previously planned water base to an oil base system while drilling the lateral protion of the hole (8177'-10920' MD).

Accepted by the
Utah Division of
Oil, Gas and Mining
Date: 5/15/02
By: [signature]

COPY SENT TO OPERATOR
Date: 5/15/02
Initials: CHD

Federal Approval Of This Action is Necessary

RECEIVED
MAY 06 2002
DIVISION OF
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* Victoria Guidry [signature]

Title Production/Regulatory Coordinator

Date 5/3/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

Title 18 U.S.C. Section 1001, 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.

(Instructions on reverse)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Aviara Energy Corporation

Operator Account Number: N - 5500

Address: P. O. Box 1350

city Houston

state TX zip 77251-1350

Phone Number: 713-871-3400

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-019-31363	Cane Creek Federal #7-1	SE NW	7	25S	19E	Grand

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date
A	99999	13477	4-26-02	5-6-02

Comments:
Well drilled in the Cane Creek Unit. Agreement No. UTU80000 CONFIDENTIAL

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date

Comments:

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date

Comments:

ACTION CODES:

- 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)

Victoria Guidry
Name (Please Print)

Victoria Guidry
Signature

Prod/Regulatory Coord. 5/2/02
Title Date

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DIVISION OF
OIL, GAS AND MINING

(5/2000)

Hunt Petroleum Corporation
1601 Elm St., Suite 3400
Dallas, TX 75201
(214) 880-8800

Daily Activity Report

CONFIDENTIAL

Well='CANE CREEK FEDERAL #7-1' for 4/30/2002 to 5/7/2002

DAILY DRILLING REPORT

From :4/30/2002 To : 5/7/2002

Well Name :	CANE CREEK FEDERAL #7-1	**AFE # :**	022011D
Operator :	AVIARA ENERGY CORPORATION	**WI :** 1	**NRI** 0
Loc :	**STR :** 7 - 25S - 19E	**AFEDHC :**	$2,419,000
County :	GRAND, UT **API Code :** 43-019-31363	**AFECWC :**	$2,419,000
Field :	KANE SPRINGS	**AFE Type :**	DEV
		Proposed Depth :	10921 ft.
Spud Date :	4/27/2002 **Rig Rel Date :**	**Total Depth :**	0 ft.

Activity Date : 4/30/2002 **Current Depth :** 854 ft.
Days Since Spud : 3 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**

Operations :
05:00 to 18:00 - 21 - Other - CONT NPL UP BOP, RAISE CHOKE HOUSE, INSTALL LOWER PIPE RAMS.
18:00 to 00:00 - 14 - Nipple up B.O.P. - FIN N/U BOP STACK & ROTATING HD. START RE-BUILDING CHOKE LINE & FLOW LINE.
00:00 to 05:00 - 21 - Other - START TESTING STACK. HYDRIL & UPPER RAMS FAILED FUNCTION TEST. ACCUMULATOR LINES WERE NOT TIGHT & LINES WERE NOT CONNECTED CORRECTLY. LINES WERE TIGHTENED AND CHANGED TO PROPER PLACES. HYDRIL & UPPER RAMS BEGAN FUNCTIONING PROPERLY. DART VALVE WOULD NOT TEST. WORKED ON SAME AND RE-TESTED OK. INSTALL MUFFLER ON BLOOIE LINE. CONNECT BLOOIE LINE TO ROTATING HEAD.

DC : $15,892 **Cumm DHC :** $353,294 **Cumm DHC+Suspended :** $353,294

Activity Date : 5/1/2002 **Current Depth :** 854 ft.
Days Since Spud : 4 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**

Operations :
05:00 to 11:00 - 21 - Other - TEST BOP 250/3000 HYDDRIL 250/2500 FOUND VALVE LEAKING BACK TO CUM.
11:00 to 13:30 - 21 - Other - TEST PLUG WOULD NOT PULL THRU SPOOL. WORK PLUG UP TO 50K. PUT ON KELLY ROATE. BACK OFF PLUG PUMP THRU KELLY TO WASH TRASH. ND TO RET TEST PLUG. LIFT STACK W/ DP & CABLES FOUND. WEATHFORD CSG SPOOL SN #1446 TO BE 13 3/8" ID. TEST PLUG ID IS 13 3/8".
13:30 to 17:00 - 21 - Other - WO ON WEATHFORD CSG SPOOL. CONT WHILE WAITING CALIPER ID NU SPOOL, NU STACK, CHOKE LINES, ROTATING HD, FLOW LINE, TEST CHK MANFOLD TO 250 LOW, 7500 HIGH. RETEST BOP STACK 250/3000 PSI. TEST KELLY, UPPER AND LOWER KELLY VALVES 250/3000 PSI.
17:00 to 01:30 - 21 - Other - TEST FLOOR SAFETY VALVE 250/3000 PSI.
01:30 to 02:30 - 21 - Other - INSTALL WEAR BUSHING.
02:30 to 04:00 - 21 - Other - RIH W/ 5 STDS OF DP. POOH & LAY DOWN SAME.
04:00 to 05:00 - 21 - Other - INSTALL ROTATING HEAD.

DC : $44,671 **Cumm DHC :** $397,965 **Cumm DHC+Suspended :** $397,965

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DIVISION OF
OIL, GAS AND MINING

DAILY DRILLING REPORT

From : 4/30/2002 To : 5/7/2002

Well='CANE CREEK FEDERAL #7-1' for 4/30/2002 to 5/7/2002

Activity Date : 5/2/2002 **Current Depth :** 854 ft.

Days Since Spud : 5 **24 Hr. Footage Made :** 0 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 08:30 - 21 - Other - PU BHA #2 TIH TO 680'.
08:30 to 09:30 - 21 - Other - INSTALL ROTATING HEAD.
09:30 to 10:00 - 21 - Other - TEST 13 3/8" CSG TO 1900', OK.
10:00 to 10:30 - 21 - Other - TIH TAG CMT @ 766' BH CLEAN.
10:30 to 11:00 - 21 - Other - DRLG CMT, FLOAT, SHOE F/ 766 TO 854'.
11:00 to 12:30 - 02 - Drilling - DRLG F/ 854 TO 863 FTG 9' BH DRY, WLS 863' @ 1/2 DEG.
12:30 to 16:00 - 02 - Drilling - DRLG DUST F/ 863 TO 1166 FTG 303' @ 86.6 FPH.
16:00 to 17:00 - 21 - Other - BH REPAIR FLOW TO PIT.
17:00 to 17:30 - 02 - Drilling - DRLG F/ 1166 TO 1229 FTG 63 - @ 126 FPH.
17:30 to 18:00 - 21 - Other - BH TO CHANGE OUT ROTATING RUBBER.
18:00 to 18:30 - 21 - Other - CHANGE OUT ROTATING RUBBER.
18:30 to 00:00 - 02 - Drilling - DRLG F/ 1229' TO 1724' FTG 495 @ 90 FPH.
00:00 to 01:00 - 21 - Other - HOLE WENT WET AT 1724. WORK PIPE AND BUILD MIST.
01:00 to 03:00 - 02 - Drilling - DRLG F/ 1724' TO 1815' FTG 91' @ 45 FPH.
03:00 to 03:30 - 21 - Other - SURVEY @ 1815 = 3/4 DEG.
03:30 to 05:00 - 02 - Drilling - DRLG F/ 1815' TO 1900' FTG 85' @ 57 FPH. NOTE: CALL ERIC JONES W/ BLM @ 07:45 HRS BACK TO NORMAL OPERATIONS.

DC : $17,490 **Cumm DHC :** $415,455 **Cumm DHC+Suspended :** $415,455

Activity Date : 5/3/2002 **Current Depth :** 3248 ft.

Days Since Spud : 6 **24 Hr. Footage Made :** 2394 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 09:00 - 02 - Drilling - DRLG (MIST) F/ 1900' T/ 2188' - 288' @ 72 FT/HR.
09:00 to 09:30 - 21 - Other - RIG SERVICE.
09:30 to 10:00 - 02 - Drilling - DRLG (MIST) F/ 2188' T/ 2219' - 31' @ 62 FT/HR.
10:00 to 11:00 - 21 - Other - BH. REPAIR BLOOIE LINE.
11:00 to 19:00 - 02 - Drilling - DRLG (MIST) F/ 2219' T/ 2810' - 591' @ 74 FT/HR.
19:00 to 19:30 - 21 - Other - SURVEY AT 2760' = 1 1/4 DEG.
19:30 to 02:00 - 02 - Drilling - DRLG (MIST) F/ 2810' T/ 3121' - 311' @ 48 FT/HR.
02:00 to 02:30 - 21 - Other - REPAIR BLOOIE LINE.
02:30 to 05:00 - 02 - Drilling - DRLG (MIST) F/ 3121' T/ 3248' - 127' @ 51 FT/HR. NOTE: CK WTR @ 1900 CLORIDES 5000 PPM. CK WTR AT 2400 CLORIDES 4500 PPM. CK WTR @ 0400 CLORIDES 6500 PPM. STARTED HAULING WTR TO THE DISPOSAL. CALLED ERIC J ONES (BLM) AND GOT PERMISSION TO SPREAD WTR FROM WELL ON ROADS. RAN 5 COMPRESSORS & 2 BOOSTERS ALL DAY. 3500SCUFT/MIN 480 PSI INJ 15 BBL WTR W/ 6 GALS OF SUFFACTANT PER HR.

DC : $55,145 **Cumm DHC :** $470,600 **Cumm DHC+Suspended :** $470,600

Activity Date : 5/4/2002 **Current Depth :** 4093 ft.

Days Since Spud : 7 **24 Hr. Footage Made :** 845 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 12:30 - 02 - Drilling - DRLG W/ MIST F/ 3248' T/ 3557' - 309' @ 41 FT/HR.
12:30 to 13:00 - 21 - Other - DIRECTIONAL SURVEY - MISS RUN.
13:00 to 14:00 - 02 - Drilling - DRLG W/ MIST F/ 3557' T/ 3590' - 33' @ 33 FT/HR.
14:00 to 14:30 - 21 - Other - DIRECTIONAL SURVEY - 1 1/2 DEG @ 3550'.
14:30 to 18:00 - 02 - Drilling - DRLG W/ MIST F/ 3590' T/ 3714' - 124' @ 35.4 FT/HR.
18:00 to 05:00 - 02 - Drilling - DRLG W/ MIST F/ 3714' T/ 4093' - 379' @ 34.5 FT/HR. NOTE: PUT THE SIXTH COMPRESSOR ON THE HOLE AT 1200 HRS. INJECTING 4200 SCUFT/MIN. AIR AT 480 PSI. ALSO INJECTING 15 BBL OF WTR PER HR W/ 8 GALS SOAP. RAN TWO BOOSTERS ALL DAY.

DC : $27,319 **Cumm DHC :** $497,919 **Cumm DHC+Suspended :** $497,919

CONFIDENTIAL

DAILY DRILLING REPORT

From :4/30/2002 To : 5/7/2002

Well='CANE CREEK FEDERAL #7-1' for 4/30/2002 to 5/7/2002

Activity Date : 5/5/2002 **Current Depth :** 4751 ft.

Days Since Spud : 8 **24 Hr. Footage Made :** 658 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 15:00 - 02 - Drilling - DRLG W/ MIST F/ 4093' T/ 4494' - 401' @ 40 FT/HR.
15:00 to 15:30 - 21 - Other - RIG SERVICE.
15:30 to 17:00 - 02 - Drilling - DRLG W/ MIST F/ 4494' T/ 4545' - 51' @ 34 FT/HR.
17:00 to 04:00 - 02 - Drilling - DRLG W/ MIST F/ 4545' T/ 4751' - 206' @ 19 FT/HR.
04:00 to 04:30 - 21 - Other - PIPE BECAME STUCK WHILE DRLG. WORKED PIPE LOOSE.
04:30 to 05:00 - 21 - Other - POOH. NOTE: DECISION WAS MADE TO POOH BECAUSE OF POOR PENETRATION RATE. AS THIS INFO WAS BEING PASSED ON TO THE DRILLER, THE DRILL STRING BECAME STUCK WHILE ROTATING. RAN 7 COMPRESSORS, 2 BOOSTERS AND 1 MIST PUMP. THE COMPRESSORS WERE PUMPING 4900 SCUFT/MIN @ 480 PSI. WE WERE INJECTING 15 BBL WTR PER HR W/ 8 GALS SOAP. WTR FLOW STILL 150 TO 200 BBL PER HR.

DC : $46,508 **Cumm DHC :** $544,427 **Cumm DHC+Suspended :** $544,427

Activity Date : 5/6/2002 **Current Depth :** 4751 ft.

Days Since Spud : 9 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 09:30 - 21 - Other - FIN POOH W/ 12 1/4" HAMMER ASSY. LEFT 4.5" OF 11 1/4" OD RET RING OFF HAMMER IN HOLE.
09:30 to 10:00 - 21 - Other - FUNC TEST BLIND RAMS.
10:00 to 17:00 - 21 - Other - WAITING ON FISHING TOOLS.
17:00 to 17:30 - 21 - Other - OFFLOAD FISHING TOOLS.
17:30 to 22:00 - 21 - Other - M/U 11 1/2" MAGNET W/ 11 1/2" OD X 9" ID CUT LIP GUIDE. TIH. INSTALL ROTATING HD. FIN TIH TO TOP OF FISH. TAG FISH @ 4746.
22:00 to 22:30 - 21 - Other - WORK OVER TOP OF FISH, FISH FELL TO 4751 ON FIRST ROTATION. WORK OVER TOP OF FISH @ 4751.
22:30 to 03:00 - 21 - Other - POOH SLOW W/ MAGNET. NO RECOVERY.
03:00 to 05:00 - 21 - Other - P/U 11 1/2" CONCAVE MILL, 6 1/2" OIL JARS, P/U 3 - 6 1/4' DC OFF RACK - M/U SAME.

DC : $35,687 **Cumm DHC :** $580,114 **Cumm DHC+Suspended :** $580,114

Activity Date : 5/7/2002 **Current Depth :** 4751 ft.

Days Since Spud : 10 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 09:30 - 21 - Other - FIN TIH W/ MILLING ASSY. INSTALL ROTATING HEAD RUBBER.
09:30 to 11:00 - 21 - Other - P/U KELLY. BLOW HOLE DOWN.
11:00 to 14:30 - 21 - Other - MILLING ON FISH F/ 4751 - 4754, MILL 2' FORMATION.
14:30 to 15:00 - 21 - Other - MADE 5 STD SHORT TRIP.
15:00 to 20:00 - 21 - Other - POOH, L/D JARS & MILL.
20:00 to 00:30 - 21 - Other - P/U 12 1/4" BIT & HAMMER. TIH T/ 3000'. INSTALL ROTATING HEAD RUBBER.
00:30 to 01:00 - 21 - Other - UNLOAD HOLE @ 3000.
01:00 to 01:30 - 21 - Other - TIH TO 4000'.
01:30 to 02:30 - 21 - Other - UNLOAD HOLE @ 4000'.
02:30 to 03:00 - 21 - Other - TIH TO 4731. TAG W/ NEW BIT 20' OFF BTM.
03:00 to 04:00 - 21 - Other - UNLOAD HOLE @ 4731.
04:00 to 05:00 - 21 - Other - REAMING 4731 - 4747 W/ AIR HAMMER.

DC : $54,090 **Cumm DHC :** $634,204 **Cumm DHC+Suspended :** $634,204

CONFIDENTIAL

Hunt Petroleum Corporation
1601 Elm St., Suite 3400
Dallas, TX 75201
(214) 880-8800

Daily Activity Report

Report Date : Monday, May 20, 2002

CONFIDENTIAL

Well='CANE CREEK FEDERAL #7-1' for 5/8/2002 to 5/20/2002

DAILY DRILLING REPORT

From : 5/8/2002 **To : 5/20/2002**

Well Name :	**CANE CREEK FEDERAL #7-1**	**AFE # :**	**022011D**
Operator :	AVIARA ENERGY CORPORATION	**WI :**	1 **NRI** 0
Loc :	**STR :** 7 - 25S - 19E	**AFEDHC :**	$2,419,000
County :	GRAND, UT **API Code :** 43-019-31363	**AFECWC :**	$2,419,000
Field :	KANE SPRINGS	**AFE Type :**	DEV
		Proposed Depth :	10921 ft.
Spud Date :	4/27/2002 **Rig Rel Date :**	**Total Depth :**	0 ft.

Activity Date : 5/8/2002 **Current Depth :** 4806 ft.
Days Since Spud : 11 **24 Hr. Footage Made :** 55 ft.
Activity : 21 - Other **Weather:**

Operations :
05:00 to 06:00 - 21 - Other - WASH & REAM 4747' T/ 4751' W/ AIR HAMMER & BIT.
06:00 to 06:30 - 02 - Drilling - DRLG W/ MIST F/ 4751' T/ 4772' - 21 FT @ 42 FT/HR. TOP OF PARADOX SALT FOUND AT 4767'.
06:30 to 07:30 - 21 - Other - WORKED THRU TIGHT HOLE F/ 4757' BACK T/ 4717'. WASHED & REAMED THRU TIGHT AREA SEVERAL TIMES UNTIL NO DRAG WAS OBSERVED.
07:30 to 08:30 - 02 - Drilling - DRLG W/ MIST F/ 4772' T/ 4806' - 34' @ 34 FT/HR.
08:30 to 16:00 - 21 - Other - BLOW HOLE DRY. LAY DOWN THREE SINGLES W/ KELLY. SET KELLY BACK & POOH STANDING REMAINING 5" DP & SIX INCH COLLARS. LAY DOWN THREE 8" DRL COLLARS, STAB, BIT SUB & AIR HAMMER W/ BIT.
16:00 to 16:30 - 21 - Other - PULL WEAR BUSHING.
16:30 to 18:00 - 21 - Other - HELD SAFETY MTG. R/U TO RUN CSG & R/U LAY DOWN MACHINE.
18:00 to 22:30 - 21 - Other - RUN 105 JTS 9 5/8" 40# L-80 LT&C CSG TO 4798.
22:30 to 23:00 - 21 - Other - R/U BJ CMT HD.
23:00 to 00:30 - 21 - Other - PUMP 700 BBLS WTR DOWN 9 5/8" CSG.
00:30 to 04:00 - 21 - Other - SAFETY MTG. R/U TO CMT. TEST LINES TO 4000. PUMP 20 BBLS FW. MIX & PUMP 403 SKS PREMIUM LITE II CMT + 3 PPS BA-90 + 3% KCL +.25 PPS CELLO FLAKE + 8% BENTONITE + .5% SODIUM SILICATE MIXED TO 12.0 PPG W/ 2.42 CFS YIELD FOLLOWED BY 377 SKS CL-G CMT W/ 3% KCL + .25 PPS CELLO FLAKE, FLAKE + .5% FL-25 + .2% SODIUM SILICATE MIXED TO 15.8 PPG W/ YIELD OF 1.17 CFS. PUMP PLUG DOWN W/ 340 BBLS 11.0 OIL, MUD & 11 BBLS WTR.
04:00 to 05:00 - 21 - Other - BUMP PLUG @ 0300 HRS 5/8/02 W/ 1000#. FLOATS HELD. R/D BJ. 400-500 1 - START BREAKING LINES LOOSE F/ BOP STACK TO P/U SAME.

DC : $63,620 **Cumm DHC :** $697,824 **Cumm DHC+Suspended :** $697,824

Activity Date : 5/9/2002 **Current Depth :** 4806 ft.
Days Since Spud : 12 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**

Operations :
05:00 to 18:00 - 21 - Other - NPL DOWN LINES. R/U & P/U SLING, NPL DOWN BOP, P/U BOP INSTALL CSG SLIPS W/ FULL WT HANGING ON SLIPS (175,000). ROUGH CUT CSG, LAY DOWN CUT OFF JT & FINISH DRESSING CSG. INSTALL "B" SECTION WELL HEAD & TEST TO 1550 PSI. N/U BOP STACK.
18:00 to 00:00 - 21 - Other - P/U TEST PLUG & TEST BOP'S. TEST RAMS. CHOKE MANIFOLD, CHOKES, CHOKE LINE VALVES. KILL LINE VALVES, FLOOR VALVES & PUMP LINES TO 250/5000.
00:00 to 05:00 - 21 - Other - R/U ROTATING HD, TURNBUCKLES, DRIP PANS. R/U TO TRANSFER OIL BASED MUD TO MUD TANKS. CLEAR PIPE RACKS TO GET READY FOR CRANE TO SET FLOWLINE & P/U TOP DRIVE.

DC : $322,162 **Cumm DHC :** $1,019,986 **Cumm DHC+Suspended :** $1,019,986

DAILY DRILLING REPORT

From :5/8/2002 To :5/20/2002

Well='CANE CREEK FEDERAL #7-1' for 5/8/2002 to 5/20/2002

Activity Date : 5/10/2002 **Current Depth :** 4806 ft.

Days Since Spud : 13 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations : 05:00 to 12:00 - 21 - Other - FIN INSTALLATION OF TURNBUCKLES. LAY DOWN KELLY & SWIVEL & RIGGING UP FLOWLINE.
12:00 to 13:30 - 21 - Other - SLIP DRLG LINE.
13:30 to 19:00 - 21 - Other - FIN RIG UP & FLANGE UP FLOWLINE TO SHALE SHAKER. WELDER & RST CREW RIGGING UP LINE FROM FLOWLINE TO GAS BUSTER.
19:00 to 19:30 - 21 - Other - MEASURE BHA & SET ON RIG FLOOR.
19:30 to 20:00 - 21 - Other - RESET & OPERATE CROWN-O-MATIC.
20:00 to 21:00 - 21 - Other - INSTALL WEAR RING.
21:00 to 03:00 - 21 - Other - M/U & TIH W/ BIT & BHA TO 4600'.
03:00 to 05:00 - 21 - Other - REMOVE V-DOOR & REMOVING HOOK F/ BLK TO START R/U FOR TOP DRIVE.

DC : $20,079 **Cumm DHC :** $1,040,065 **Cumm DHC+Suspended :** $1,040,065

Activity Date : 5/11/2002 **Current Depth :** 4806 ft.

Days Since Spud : 14 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations : 05:00 to 17:00 - 21 - Other - ATTEMPTING TO REMOVE BICKET (PIN) F/ BLK. WASH PIN OUT W/ CUTTING TORCH F/ 1000 HRS TO 1700 HRS. CREWS TRANSFERRED OIL MUD TO TANKS, CHANGED SHAKER SCREENS & PULLED DRIP PANS. REWORK DRIP PANS & REINSTALL. ROUSTABOUT & WELDER FIN R/U FLOWLINE TO GAS BUSTER.
17:00 to 05:00 - 21 - Other - P/U & R/U TOP DRIVE.

DC : $35,714 **Cumm DHC :** $1,075,779 **Cumm DHC+Suspended :** $1,075,779

Activity Date : 5/12/2002 **Current Depth :** 4806 ft.

Days Since Spud : 15 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations : 05:00 to 23:00 - 21 - Other - R/U TOP DRIVE. ELECTRICAL PROBLEMS. TWO REPRESENTATIVES FROM MANUFACTOR TO BE ON LOCATION THIS AM.
23:00 to 05:00 - 21 - Other - PICKING UP DRL PIPE OFF FACK & STANDING IN DERRICK WHILE WAITING ON REP'S.

DC : $76,535 **Cumm DHC :** $1,152,314 **Cumm DHC+Suspended :** $1,152,314

Activity Date : 5/13/2002 **Current Depth :** 4806 ft.

Days Since Spud : 16 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations : 05:00 to 07:30 - 21 - Other - FIN P/U DRL PIPE OFF RACK & STAND IN DERRICK, 35 STDS, 3255'.
07:30 to 13:00 - 21 - Other - WAITING ON TOP DRIVE REP'S W/ PARTS.
13:00 to 13:30 - 21 - Other - TEST 9 5/8" CSG W/ 4000# FOR 30 MINS.
13:30 to 01:30 - 21 - Other - WAITING ON TOP DRIVE REP'S W/ PARTS.
01:30 to 05:00 - 21 - Other - WORKING ON TOP DRIVE. CHANGING OUT LUBE PUMP.

DC : $18,137 **Cumm DHC :** $1,170,451 **Cumm DHC+Suspended :** $1,170,451

DAILY DRILLING REPORT

From : 5/8/2002 To : 5/20/2002

Well='CANE CREEK FEDERAL #7-1' for 5/8/2002 to 5/20/2002

Activity Date : 5/14/2002 **Current Depth :** 5175 ft.

Days Since Spud : 17 **24 Hr. Footage Made :** 369 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 08:30 - 21 - Other - WORKING ON TOP DRIVE. FIN CHANGE OUT LUBE PUMP & CHANGE OIL. WORKING TOP DRIVE. ATT TO CIRC. VALVE CLOSED & BLEW POP OFF ON RIG PUMPS.
08:30 to 09:00 - 21 - Other - WORKING ON PUMPS. REPLACE PINS IN POP OFF VALVES.
09:00 to 12:00 - 21 - Other - DRLG CMT PLUGS, FLOAT COLLAR & CMT F/ 4695 - 4778.
12:00 to 14:00 - 21 - Other - CIRC HOLE CLEAN.
14:00 to 14:30 - 21 - Other - TEST 9 5/8" CSG W/ 11.1 MUD TO 4000# FOR 30 MIN.
14:30 to 16:00 - 21 - Other - DRLG CMT FLOAT SHOE & CMT F/ 4778 - 4806.
16:00 to 16:30 - 21 - Other - DRLG FORMATION F/ 4806 - 4811.
16:30 to 18:00 - 21 - Other - CIRC HOLE CLEAN.
18:00 to 18:30 - 21 - Other - TEST FORMATION @ CSG SEAT W/ 11.1 MUD TO 1483 PSI. 17.03 PPG EMW.
18:30 to 20:30 - 02 - Drilling - DRLG F/ 4811 - 4845 @ 17.0 FPH. 20M BIT ST, 50 ROT, REAMERS INSIDE CSG.
20:30 to 21:00 - 21 - Other - WORK ON TOP DRIVE, SEALS LEAKING ON LOWER KELLY COCK.
21:00 to 21:30 - 21 - Other - CALIBRATE MONITORS, MAKE CONNECTION.
21:30 to 23:00 - 02 - Drilling - DRLG F/ 4845 - 4950. REAMERS OUT OF CSG W/ BIT @ 4903 - 85-90 ROT & 15M BIT WT.
23:00 to 00:00 - 21 - Other - CIRC & SURVEY @ 4935 - 1 3/4 DEG.
00:00 to 05:00 - 02 - Drilling - DRLG F/ 4940 - 5175 @ 47'/HR.

DC : $24,729 **Cumm DHC :** $1,195,180 **Cumm DHC+Suspended :** $1,195,180

Activity Date : 5/15/2002 **Current Depth :** 5570 ft.

Days Since Spud : 18 **24 Hr. Footage Made :** 395 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 15:00 - 02 - Drilling - DRLG F/ 5206 - 5500.
15:00 to 15:30 - 21 - Other - WIRE LINE SURVEY @ 5495 6 DEG.
15:30 to 16:00 - 21 - Other - S/R.
16:00 to 05:00 - 02 - Drilling - DRLG F/ 5500 - 5570, REAMING EVERY 10'.

DC : $28,881 **Cumm DHC :** $1,224,061 **Cumm DHC+Suspended :** $1,224,061

Activity Date : 5/16/2002 **Current Depth :** 5696 ft.

Days Since Spud : 19 **24 Hr. Footage Made :** 126 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 08:00 - 02 - Drilling - DRLG F/ 5570 - 5593. CONTROL DRL FOR DEVIATION PROBLEM. WOB 5K W/ 125 ROTARY.
08:00 to 08:30 - 21 - Other - S/R
08:30 to 09:00 - 21 - Other - W.L.S. @ 5683 5.0 DEG.
09:00 to 18:30 - 02 - Drilling - DRLG F/ 5593 - 5688. CONTROL DRL FOR DEVIATION PROBLEM. WOB 5K W/ 125 ROTARY.
18:30 to 19:30 - 21 - Other - W.L.S. @ 5683 5.25 DEG.
19:30 to 21:30 - 02 - Drilling - DRLG F/ 5688 - 5696. CONTROL DRL FOR DEVIATION PROBLEM. WOB 5K W/ 125 ROTARY.
21:30 to 22:00 - 21 - Other - MIX & PUMP SLUG.
22:00 to 03:00 - 21 - Other - POOH FOR STEERING ASSY, MUD MTR & MWD TOOL.
03:00 to 05:00 - 21 - Other - CHANGING OUT BHA. P/U MUD MTR SET @ 1.5 DEG W/ MWD TOOL.

DC : $68,504 **Cumm DHC :** $1,292,565 **Cumm DHC+Suspended :** $1,292,565

DAILY DRILLING REPORT

From : 5/8/2002 To : 5/20/2002

Well='CANE CREEK FEDERAL #7-1' for 5/8/2002 to 5/20/2002

Activity Date : 5/17/2002 **Current Depth :** 6175 ft.

Days Since Spud : 20 **24 Hr. Footage Made :** 479 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 08:00 - 21 - Other - FIN P/U 1.5 DEG MM & HANG OFF SUB. INSTALL MWD W/ GR, ORIENT & TEST SAME. FIN P/U BHA. INSTALLED DRLG JARS.
08:00 to 08:30 - 21 - Other - RIG SERVICE.
08:30 to 09:30 - 21 - Other - WORK ON TOP DRIVE - ELEVATOR LIFT.
09:30 to 12:30 - 21 - Other - TIH TO 4995.
12:30 to 17:00 - 21 - Other - GIH SURVEYING EA STD.
17:00 to 17:30 - 02 - Drilling - ROTARY DRLG 5696 - 5711.
17:30 to 18:00 - 21 - Other - SURVEY @ 5658 - 5.02 DEG - 66.81 AZ.
18:00 to 18:30 - 02 - Drilling - SLIDE DRLG F/ 5711 - 5719.
18:30 to 05:00 - 02 - Drilling - ROTARY & SLIDE DRLG F/ 5719 - 6175 (456').

DC : $39,217 **Cumm DHC :** $1,331,782 **Cumm DHC+Suspended :** $1,331,782

Activity Date : 5/18/2002 **Current Depth :** 7000 ft.

Days Since Spud : 21 **24 Hr. Footage Made :** 825 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 09:30 - 02 - Drilling - DRLG F/ 6175 - 6397.
09:30 to 10:00 - 21 - Other - RIG REPAIR, RELIEF VALVE ON MUD PUMPS.
10:00 to 12:30 - 02 - Drilling - DRLG F/ 6397 - 6490.
12:30 to 13:00 - 21 - Other - R/S
13:00 to 14:30 - 02 - Drilling - DRLG F/ 6490 - 6521.
14:30 to 15:00 - 21 - Other - RIG REPAIR. RELIEF VALVE ON MUD PUMPS.
15:00 to 01:30 - 02 - Drilling - DRLG F/ 6521 - 7000. NOTE: STARTED RAISING MUD WT @ 6780' F/ 11.5 TO 13.2.
01:30 to 05:00 - 21 - Other - CIRC @ 7000' RAISING MUD WT TO 13.2# BEFORE ENTERING CLASTIC #16 FORMATION.

DC : $37,965 **Cumm DHC :** $1,369,747 **Cumm DHC+Suspended :** $1,369,747

Activity Date : 5/19/2002 **Current Depth :** 7606 ft.

Days Since Spud : 22 **24 Hr. Footage Made :** 606 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 12:00 - 02 - Drilling - DRLG F/ 7000 - 7180.
12:00 to 12:30 - 21 - Other - S/R.
12:30 to 13:00 - 21 - Other - SERV TOP DRIVE. CHANGE HYD FILTERS.
13:00 to 20:30 - 02 - Drilling - DRLG F/ 7180 - 7362.
20:30 to 21:00 - 02 - Drilling - SLIDE DRL F/ 7362 - 7382.
21:00 to 03:00 - 02 - Drilling - DRLG F/ 7362 - 7606.
03:00 to 05:00 - 21 - Other - CIRC BTM UP. NOTES: RAISE MUD WT F/ 13.2 TO 13.5#.

DC : $47,709 **Cumm DHC :** $1,417,456 **Cumm DHC+Suspended :** $1,417,456

Activity Date : 5/20/2002 **Current Depth :** 7606 ft.

Days Since Spud : 23 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 06:00 - 21 - Other - FIN PUMPING GYRO TO BTM & SLUG DRL STRING.
06:00 to 13:30 - 21 - Other - POOH TO BHA. NOTE: LOST HIGH DRUM CHAIN ON DRAWWORKS, HAD TO POOH IN LOW.
13:30 to 14:30 - 21 - Other - RET GYRO TOOL W/ WIRE LINE.
14:30 to 15:30 - 21 - Other - FIN POOH W/ BHA.
15:30 to 19:00 - 21 - Other - R/U 7" LUB & SCHLUMBR LOGGING TOOLS. NOTE: LUB ADAPTER FOR ROTATING HD WOULD NOT FIT HAD TO FABRICATE ONE OUT OF 7" CSG.
19:00 to 23:30 - 21 - Other - LOGGING OPEN HOLE W/ INDUCTION/SONIC/GR LOG. LOGGER TD 7600'.
23:30 to 00:30 - 21 - Other - R/D SCHLUMBR LOGGING TOOLS.
00:30 to 02:00 - 21 - Other - CHANGE BAIL ON TOP DRIVE.
02:00 to 05:00 - 21 - Other - P/U & GIH W/ NEW BHA.

DC : $62,552 **Cumm DHC :** $1,480,008 **Cumm DHC+Suspended :** $1,480,008

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ORIGINAL

FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE – Other instructions on reverse side

CONFIDENTIAL

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

2. Name of Operator
Aviara Energy Corporation

3a. Address
P.O. Box 1350, Houston TX 77251-1350

3b. Phone No. *(include area code)*
713-871-3400

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Surface: 1596' FNL & 2040' FWL
SE NW Sec. 7, T25S, R19E
BHL: 660' FSL & 2040' FWL

5. Lease Serial No.
U-51239

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA/Agreement, Name and/or No.
Cane Creek Unit Agreement
UTU80000X

8. Well Name and No.
Cane Creek Federal #7-1

9. API Well No.
43-019-31363

10. Field and Pool, or Exploratory Area
Wildcat

11. County or Parish, State
Grand County, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[X] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[X] Other Sidetrack
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[X] Plug Back	[ ] Water Disposal	

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

As per verbal approval from Marie McGann (BLM) on 5/24/02 @ 0900 CDT:

1. Set cement plug 8000' - 7500'
2. Dress plug off
3. Expect to sidetrack @ 7855'
4. Deviate hole to 60 degree angle by Cane Creek Formation

Accepted by the
Utah Division of
Oil, Gas and Mining
Date: 5/28/02
By:

Federal Approval Of This
Action Is Necessary

COPY SENT TO OPERATOR
Date: 5-28-02
Initials: CHD

RECEIVED
MAY 28 2002
DIVISION OF
OIL, GAS AND MINING

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

Title
Manager; Environmental, Safety & Regulatory

Date 5/24/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

Office

Title 18 U.S.C. Section 1001, 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.

(Instructions on reverse)

Hunt Petroleum Corporation
1601 Elm St., Suite 3400
Dallas, TX 75201
(214) 880-8800

Daily Activity Report

CONFIDENTIAL

DAILY DRILLING REPORT

From : 5/21/2002 To : 5/28/2002

Well Name :	**CANE CREEK FEDERAL #7-1**	**AFE # :**	**022011D**
Operator :	AVIARA ENERGY CORPORATION	**WI :**	100.000% **NRI :** 0.000%
Location :	**Sec/Twp/Rge :** 7 / 25S / 19E	**AFEDHC :**	$2,419,000
County :	GRAND, UT **API Code :** 43-019-31363	**AFECWC :**	$2,419,000
Field :	KANE SPRINGS	**AFE Type :**	DEV
Water Depth :	0 ft. **Rig and No :** NABORS # 266	**Proposed Depth :**	10,921 ft.
Spud Date :	4/27/2002 **Rig Rel Date :**	**Total Depth :**	0 ft.

Ownership :
AEC 100.0000%

Casing History :

4/28/2002	13 "	54.5 #	K-55	Set at	827 '
5/9/2002	9.6 "	40 #	N-80	Set at	4,798 '

Activity Date : 5/21/2002 **Current Depth :** 7755 ft.
Days Since Spud : 24 **24 Hr. Footage Made :** 149 ft.
Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 10:00 - 21 - Other - FIN P/U BHA & TIH TO 4994.
10:00 to 12:00 - 21 - Other - FILL DRL STR & TEST MWD TOOL, TOOL FAILURE, MADE SEVERAL ATTEMPT TO GET TOOL TO GET TOOL TO WORK W/ NO SUCCESS.
12:00 to 15:00 - 21 - Other - SULG STR & POOH F/ FAILURE.
15:00 to 17:00 - 21 - Other - CHANGE TOOL & SURFACE TEST SAME.
17:00 to 23:30 - 21 - Other - TIH FILLING PIPE EVERY 35 STDS & CHECKING MWD TOOL.
23:30 to 00:00 - 02 - Drilling - DRLG F/ 7606 - 7615.
00:00 to 01:00 - 21 - Other - INSTALL ROTATING RUBBER DEW TO GAS BELCHING OVER ROTATING HD NPL.
01:00 to 02:30 - 02 - Drilling - DRLG F/ 7615 - 7668.
02:30 to 03:00 - 21 - Other - CHANGE SHAKER SCREENS.
03:00 to 05:00 - 02 - Drilling - DRLG F/ 7668 - 7755.

DC : $31,946 **Cumm DHC :** $1,511,954 **Cumm DHC+Suspended :** $1,511,954

Activity Date : 5/22/2002 **Current Depth :** 8197 ft.
Days Since Spud : 25 **24 Hr. Footage Made :** 442 ft.
Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 11:30 - 02 - Drilling - DRLG F/ 7755 - 7979 224' @ 34.4'.
11:30 to 05:00 - 02 - Drilling - SLIDE DRL F/ 7979 - 8197, TFO H/S 218' @ 12.4'.

DC : $43,665 **Cumm DHC :** $1,555,619 **Cumm DHC+Suspended :** $1,555,619

Activity Date : 5/23/2002 **Current Depth :** 8263 ft.

Days Since Spud : 26 **24 Hr. Footage Made :** 66 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 11:00 - 02 - Drilling - SLIDE DRL F/ 8,197 - 8,260 FTG 63' @ 10.5.
11:00 to 12:30 - 21 - Other - CIRC MIX & PUMP SLUG. TRIP FOR BHA WAS UNABLE TO GET BUILD RATE NEEDED FOR CURVE.
12:30 to 13:00 - 21 - Other - S/R
13:00 to 16:00 - 21 - Other - POOH TO CSG SHOE @ 4500'.
16:00 to 18:30 - 21 - Other - SLIP & CUT DRL LINE. TON MILES.
18:30 to 21:30 - 21 - Other - FIN POOH FOR BHA.
21:30 to 00:00 - 21 - Other - CHANGE BHA. P/U NEW MUD MOTOR SET @ 2.12 DEG W/ KICK PAD. SURFACE TEST MWD.
00:00 to 04:00 - 21 - Other - TIH FILLING DRL STR @ SHOE & RETESTING MWD.
04:00 to 04:30 - 21 - Other - BREAKING CIRC & ORIENT TFO.
04:30 to 05:00 - 02 - Drilling - SLIDE DRL F/ 8,260 - 8,263. FTG 3' TFO / HS.

DC : $41,121 **Cumm DHC :** $1,596,740 **Cumm DHC+Suspended :** $1,596,740

Activity Date : 5/24/2002 **Current Depth :** 8460 ft.

Days Since Spud : 27 **24 Hr. Footage Made :** 197 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to - - NOTE: NO ACC. FULL CREWS. D.S.L.L.T.A. 326
05:00 to 07:30 - 02 - Drilling - SLIDE DRL F/ 8.263-8.281'. FTG 18' @ 7.2'. TFO H/S
07:30 to 08:00 - 21 - Other - RIG REPAIR. RELIEF VALVE.
08:00 to 11:30 - 02 - Drilling - SLIDE DRILL F/ 8.281-8.334. FTG 53' @ 15.1'. TFO H/S
11:30 to 12:00 - 02 - Drilling - ROTATE DRILL F/ 8334-8344. FTG 10' @ 20'
12:00 to 13:00 - 02 - Drilling - SLIDE DRILL F/8.344-8.369. FTG 25'. TFO H/S
13:00 to 13:30 - 02 - Drilling - ROTATE DRILL F/ 8.369- 8.375. FTG 6' @ 12'
13:30 to 00:00 - 02 - Drilling - SLIDE DRILL F/ 8.369-8.439. FTG 70 @ 6.6'. TFO H/S
00:00 to 00:30 - 21 - Other - RIG REPAIR. VALVE CAP GASKET.
00:30 to 05:00 - 02 - Drilling - SLIDE DRILL F/8.439-8.460. FTG 26' @ 5.7' TFO H/S

DC : $46,478 **Cumm DHC :** $1,643,218 **Cumm DHC+Suspended :** $1,643,218

Activity Date : 5/25/2002 **Current Depth :** 8469 ft.

Days Since Spud : 28 **24 Hr. Footage Made :** 9 ft.

Activity : 05 - Condition Mud & Circ **Weather:**

Operations :
05:00 to 07:30 - 02 - Drilling - SLIDE DRL F/ 8,460 - 8,469 FTG 9' @ 3.6' TFO H/S.
07:30 to 09:00 - 21 - Other - CIRC, MIX & PUMP SLUG.
09:00 to 17:00 - 21 - Other - POOH FOR PLUG BACK ASSY.
17:00 to 18:00 - 21 - Other - L/D BHA.
18:00 to 20:30 - 21 - Other - P/U 22 JTS OF 3.5" TBG. 654' TAIL PIPE FOR SETTING CMT PLUG.
20:30 to 00:30 - 21 - Other - TIH W/ 5' DP TO 8,055'.
00:30 to 05:00 - 05 - Condition Mud & Circulate - CIRC, COND MUD @ 8,055' WHILE WAITING ON BJ CEMENTING EQUIP. ETA 09:00 HRS.

DC : $30,926 **Cumm DHC :** $1,674,144 **Cumm DHC+Suspended :** $1,674,144

Activity Date : 5/26/2002 **Current Depth :** 7430 ft.

Days Since Spud : 29 **24 Hr. Footage Made :** -1039 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 09:00 - 21 - Other - CIRC @ 8,055' WHILE WAITING ON BJ CMT EQUIP.
09:00 to 10:30 - 21 - Other - R/U BJ.
10:30 to 11:00 - 21 - Other - PRE-JOB SAFETY MTG.
11:00 to 12:00 - 21 - Other - MIX & PUMP 252 SKS CLASS G CMT. 16 BBL OF MUD CLEAN AHEAD 8.34#, 44.4 BBL CMT SLURRY MIX @ 17# .99 YLD 3.75 WTR GPS FOLLOW W/ 4 BBLS OF MUD CLEAN. DISP W/ 109 BBLS OF 15# MUD. PUMP TIME TWO HRS.
12:00 to 13:00 - 21 - Other - POOH W/ 10 STDS.
13:00 to 15:00 - 21 - Other - CIRC @ 7,125'.
15:00 to 18:00 - 21 - Other - POOH TO 3.5" TBG.
18:00 to 20:00 - 21 - Other - L/D 3.5" TBG.
20:00 to 22:00 - 21 - Other - REMOVE BEARING SECTION TO ROTATING HD & PULL WEAR BUSHING.
22:00 to 02:30 - 21 - Other - TEST BOPS, CHOKE MANIFOLD, SAFETY VALVES TO 250 LOW & 5M HIGH. ANN BOP 2500. ALL EQUIP TESTED OK.
02:30 to 04:00 - 21 - Other - INSTALL WEAR BUSHING & BEARING SECTION TO ROTATING HD.
04:00 to 05:00 - 21 - Other - P/U NEW BHA W/ BIT #5 & TIH TO DRESS OFF CMT PLUG.

DC : $56,571 **Cumm DHC :** $1,730,715 **Cumm DHC+Suspended :** $1,730,715

Activity Date : 5/27/2002 **Current Depth :** 7697 ft.

Days Since Spud : 30 **24 Hr. Footage Made :** 267 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 06:30 - 21 - Other - FIN TIH TO 4585.
06:30 to 12:30 - 21 - Other - CIRC @ 4485' WHILE WOC.
12:30 to 13:00 - 21 - Other - S/R
13:00 to 15:00 - 21 - Other - FIN TIH TAG CMT @ 7678.
15:00 to 15:30 - 21 - Other - TEST CMT PLUG TO SEE IF IT WAS HARD ENOUGH TO KICK OFF. DRLG F/ 7678 - 7690 WOB 4K. ROP 70'.
15:30 to 23:00 - 21 - Other - CIRC @ 7660 WHILE WOC.
23:00 to 23:30 - 21 - Other - TESET CMT PLUG TO SEE IF IT WAS HARD ENOUGH TO KICK OFF. SET 25K DOWN WHILE PUMPING 376 GPM. DID NOT PUMP OFF. DRL F/ 7678 - 7690 WOB 15K RPM 30 ROP 60' PER HR. GOOD FIRM CMT.
23:30 to 02:00 - 21 - Other - SLUG PIPE & POOH FOR KICK OFF ASSY.
02:00 to 03:00 - 21 - Other - P/U NEW BHA & SURF TEST MWD TOOL.
03:00 to 05:00 - 21 - Other - TIH.

DC : $32,646 **Cumm DHC :** $1,763,361 **Cumm DHC+Suspended :** $1,763,361

Activity Date : 5/28/2002 **Current Depth :** 7868 ft.

Days Since Spud : 31 **24 Hr. Footage Made :** 171 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 08:00 - 21 - Other - FIN TIH TO 7610.
08:00 to 11:00 - 21 - Other - WASH & REAM F/ 7610 - 7697.
11:00 to 11:30 - 21 - Other - ORIENT TFO.
11:30 to 21:30 - 02 - Drilling - TIME DRL SLIDE F/ 7697 - 7711 FTG 14' TFO 180 AZ.
21:30 to 00:00 - 02 - Drilling - SLIDE DRL F/ 7711 - 7750 FTG 39' TFO 180 AZ.
00:00 to 00:30 - 02 - Drilling - ROTATE DRL F/ 7750 - 7760 FTG 10'.
00:30 to 01:30 - 02 - Drilling - SLIDE DRL F/ 7760 - 7764 FTG 4' TFO H/S.
01:30 to 05:00 - 02 - Drilling - ROTATE DRL F/ 7764 - 7868 FTG 104.

DC : $32,821 **Cumm DHC :** $1,796,182 **Cumm DHC+Suspended :** $1,796,182

Hunt Petroleum Corporation
1601 Elm St., Suite 3400
Dallas, TX 75201
(214) 880-8800

Daily Activity Report

Report Date : Monday, June 03, 2002

CONFIDENTIAL

Well='CANE CREEK FEDERAL #7-1' for 5/29/2002 to 6/3/2002

DAILY DRILLING REPORT

From : 5/29/2002 To : 6/3/2002

Well Name :	**CANE CREEK FEDERAL #7-1**	**AFE # :**	**022011D**
Operator :	AVIARA ENERGY CORPORATION	**WI :**	1 **NRI** 0
Loc :	**STR :** 7 - 25S - 19E	**AFEDHC :**	$2,419,000
County :	GRAND, UT **API Code :** 43-019-31363	**AFECWC :**	$2,419,000
Field :	KANE SPRINGS	**AFE Type :**	DEV
		Proposed Depth :	10921 ft.
Spud Date :	4/27/2002 **Rig Rel Date :**	**Total Depth :**	0 ft.

Activity Date : 5/29/2002 **Current Depth :** 8248 ft.

Days Since Spud : 32 **24 Hr. Footage Made :** 380 ft.

Activity : 02 - Drilling **Weather:**

Operations :

05:00 to 06:30 - 02 - Drilling - ROTATE DRILL F/ 7868-7940 FTG 72'
06:30 to 08:00 - 02 - Drilling - SLIDE DRILL F/ 7940-7965, FTG 25'
08:00 to 08:30 - 02 - Drilling - ROTATE DRILL F/ 7965-7970, FTG 5'
08:30 to 09:00 - 02 - Drilling - SLIDE DRILL F/ 7970-7980, FTG 10'
09:00 to 10:00 - 02 - Drilling - ROTATE DRILL F/ 7980-8001, FTG 21'
10:00 to 11:00 - 02 - Drilling - SLIDE DRILL F/ 8001-8005, FTG 4'
11:00 to 12:00 - 02 - Drilling - ROTATE DRILL F/ 8005-8032, FTG 27'
12:00 to 15:30 - 02 - Drilling - SLIDE DRILL F/ 8032-8043, FTG 11'
15:30 to 16:30 - 02 - Drilling - ROTATE DRILL F/ 8043-8062, FTG 19'
16:30 to 20:30 - 02 - Drilling - SLIDE DRILL F/8062-8082, FTG 20'
20:30 to 21:00 - 02 - Drilling - ROTATE DRILL F/ 8082-8095, FTG 13'
21:00 to 21:30 - 02 - Drilling - S/R
21:30 to 22:30 - 02 - Drilling - SLIDE DRILL F/ 8095-8125, FTG 30'
22:30 to 23:00 - 02 - Drilling - ROTATE DRILL F/ 8125-8132, FTG 7'
23:00 to 00:00 - 02 - Drilling - SLIDE DRILL F/ 8132-8150, FTG 18'
00:00 to 00:30 - 02 - Drilling - ROTATE DRILL F/8150-8163, FTG 13'
00:30 to 01:30 - 02 - Drilling - SLIDE DRILL F/ 8163-8182, FTG 19'
01:30 to 02:00 - 02 - Drilling - ROTATE DRILL F/ 8182-8192, FTG 10'
02:00 to 03:30 - 02 - Drilling - SLIDE DRILL F/ 8192-8221, FTG 29'
03:30 to 04:00 - 02 - Drilling - ROTATE DRILL F/ 8221-8228, FTG 7'
04:00 to 05:00 - 02 - Drilling - SLIDE DRILL F/ 8228-8248, FTG 20'

DC : $40,997 **Cumm DHC :** $1,837,179 **Cumm DHC+Suspended :** $1,837,179

DAILY DRILLING REPORT

From : 5/29/2002 To : 6/3/2002

Well='CANE CREEK FEDERAL #7-1' for 5/29/2002 to 6/3/2002

Activity Date : 5/30/2002 **Current Depth :** 8524 ft.

Days Since Spud : 33 **24 Hr. Footage Made :** 276 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 08:00 - 02 - Drilling - SLIDE DRILL F/ 8248-8274, FTG 26'
08:00 to 08:30 - 02 - Drilling - ROTATE DRILL F/8274-8284, FTG 10'
08:30 to 09:00 - 21 - Other - S/R
09:00 to 09:30 - 02 - Drilling - SLIDE DRILL F/8284-8298, FTG 14'
09:30 to 10:00 - 02 - Drilling - ROTATE DRILL F/8298-8314, FTG 16'
10:00 to 12:00 - 02 - Drilling - SLIDE DRILL F/8314-8332, FTG, 18'
12:00 to 13:30 - 02 - Drilling - ROTATE DRILL F/8345-8369, FTG 24'
13:30 to 15:30 - 02 - Drilling - SLIDE DRILL F/8032-8043, FTG 11'
15:30 to 16:00 - 02 - Drilling - ROTATE DRILL F/8369-8375, FTG 6'
16:00 to 18:30 - 02 - Drilling - SLIDE DRILL F/8375-8400, FTG 25'
18:30 to 19:00 - 02 - Drilling - ROTATE DRILL F/8400-8407, FTG 7'
19:00 to 20:00 - 02 - Drilling - SLIDE DRILL F/8407-8432, FTG 25'
20:00 to 20:30 - 02 - Drilling - ROTATE DRILL F/8432-8439, FTG 7'
20:30 to 22:30 - 02 - Drilling - SLIDE DRILL F/8432-8465, FTG 26'
22:30 to 23:00 - 21 - Other - RIG REPAIR, #2 MUD PUMP
23:00 to 00:30 - 02 - Drilling - ROTATE DRILL F/8465-8474, FTG 9'
00:30 to 01:00 - 02 - Drilling - SLIDE DRILL F/8474-8488, FTG 14'
01:00 to 02:30 - 02 - Drilling - ROTATE DRILL F/8488-8519, FTG 31'
02:30 to 03:30 - 21 - Other - CIRC. OUT SAMPLES. SAMPLES SHOWED WE WERE IN SECOND ANHVD IN KANE CREEK FORMATION.
03:30 to 04:00 - 02 - Drilling - ROTATE DRILL F/8519-8524, FTG 5'
04:00 to 05:00 - 21 - Other - CIRC. OUT SAMPLES. NOTE: TOP OF KANE CREEK @ 8498' MD. 8369 TVD. NOTIFIED BLM 100' PRIOR TO DRLG INTO THE KANE CREEK FORMATION.

CONFIDENTIAL

DC : $46,550 **Cumm DHC :** $1,883,729 **Cumm DHC+Suspended :** $1,883,729

Activity Date : 5/31/2002 **Current Depth :** 8524 ft.

Days Since Spud : 34 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 05:30 - 21 - Other - CIRC OUT SAMPLES @ 8524'.
05:30 to 07:30 - 21 - Other - MADE A 9 STANDS WIPER TRIP. TIGHT HOLE F/ 8224 - 8209, NO PROBLEMS GOING IN HOLE.
07:30 to 10:30 - 21 - Other - C.B.U. @ 8524'
10:30 to 02:30 - 21 - Other - POOH LAY-DOWN DRILL PIPE & BHA.
02:30 to 03:30 - 21 - Other - PULL BEARING SECTION TO ROTATING HEAD. WEAR BUSHING.
03:30 to 05:00 - 21 - Other - R/U FRANKS WESTATES CSG TOOLS & AUTO FILL TOOL.

DC : $31,109 **Cumm DHC :** $1,914,838 **Cumm DHC+Suspended :** $1,914,838

Activity Date : 6/1/2002 **Current Depth :** 8524 ft.

Days Since Spud : 35 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 06:00 - 21 - Other - FINISH R/U CSG TOOLS
06:00 to 06:30 - 21 - Other - PRE-JOB SAFETY MTG.
06:30 to 14:00 - 02 - Drilling - P/U & RUN 7" CSG. RUN 97 JTS OF 32# HCN-80, 4189.93' & 101 JTS OF 26# N-80, 8557.15'. SET @ 8524'. NO PROBLEMS RUNNING CSG.
14:00 to 18:00 - 21 - Other - CIRC @ 8524' WHILE MIXING WEIGHTED CHEM WASH (MCS-3)
18:00 to 19:00 - 21 - Other - R/D AUTO FILL TOOL & R/U BJ CMT HEAD.
19:00 to 19:30 - 21 - Other - PREJOB SAFETY MTG.
19:30 to 22:00 - 21 - Other - MIX & PUMP CMT. TEST LINES 3M. PUMPED 40 BBLS OF MCS-3 MIX @ 16.3 5 BBLS WATER. 899 SKS CLASS "G" +.4% BWOC R-3+ 3% BWOW POTASSIUM CHLORID+ 0.2% BWOC CD-32 + .5% BWOC FL-25 + 35% FRESH WTR. MIX @ 16.8 VIELD 1.03 DISPLACE W/300 BBLS OF 15# OBM + 15 BBLS OF FREASH WTR. PLUG DOWN @ 21:45 HRS W/2060 PSI. 500 OVER. FLOATS OK.
22:00 to 23:00 - 21 - Other - R/D BJ CMT HEAD & LINES.
23:00 to 05:00 - 21 - Other - NIPPLE DOWN FLOW LINE, CHOKE LINE, NIPPLE DOWN BOP'S AT "B" SECTION. P/U BOP'S. SET CSG SLIPS W/ 205K, NOW MAKING ROUGH CUT ON 7".

DC : $221,823 **Cumm DHC :** $2,136,661 **Cumm DHC+Suspended :** $2,136,661

DAILY DRILLING REPORT

From : 5/29/2002 To : 6/3/2002

Well='CANE CREEK FEDERAL #7-1' for 5/29/2002 to 6/3/2002

CONFIDENTIAL

Activity Date : 6/2/2002 **Current Depth :** 8524 ft.

Days Since Spud : 36 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 07:00 - 21 - Other - FINISH CUTTING 7" CSG.
07:00 to 13:00 - 21 - Other - L/D CUT JT & LANDING JT. N/D SPACER SPOOL & DSA. INSTALL 7 1/16 10M TUBING HD. PACK OFF & TEST TO 4.500 PSI. TEST OKAY. INSTALL 7" 10 X 13 3/8 10M DSA & NIPPLE UP BOP'S ON SAME.
13:00 to 17:00 - 21 - Other - R/U HALLIBURTON WIRELINE TRUCK. P/U TEMPERATURE LOGGING TOOL W/ CCL. LOG HOLE F/ 3500' TO 7600'. LOG SHOWED TOP OF CMT @ 6800'. POOH & L/D TOOLS.
17:00 to 19:00 - 21 - Other - CHANGE RAMS IN BOP'S F/ 5" TO VBR RAMS. SIZE 2 3/8" TO 3 1/2".
19:00 to 21:30 - 21 - Other - INSTALL ORBIT VLV F/ FLOW LONE TO ROTATING HEAD & CHANGE OUT HANDLING TOOLS.
21:30 to 04:30 - 21 - Other - TEST BOP'S. CHOKE MANIFOLD & SAFETY VLVS TP 250 LOW & 7500 HIGH. HYDRIL 3500. ROTATING HEAD 2000#. NOTE: HAD TROUBLE W/ BEARING ASSY ON ROTATING HEAD. O'RING AREA ON BOWL WAS DAMAGED.
04:30 to 05:00 - 21 - Other - LOADING RACKS W/ 3 1/2" 13.3# DP. & 3 1/2" HWDP & R/D BOP TESTERS

DC : $52,444 **Cumm DHC :** $2,189,105 **Cumm DHC+Suspended :** $2,189,105

Activity Date : 6/3/2002 **Current Depth :** 8524 ft.

Days Since Spud : 37 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 07:00 - 21 - Other - FINISH LOADING RACKS W/ 3 1/2" DP & HWDP & STRAP SAME.
07:00 to 08:00 - 21 - Other - R/U LAY DOWN MACHINE.
08:00 to 14:00 - 21 - Other - GIH P/U 3 1/2" HWDP & 84 JT OF 3 1/2" DP.
14:00 to 15:00 - 21 - Other - POOH RACKING 28 STANDS OF 3 1/2" DP IN DRK TO BE USED FOR DRLG.
15:00 to 00:30 - 21 - Other - FIN GIH P/U 3 1/2" DP. TAG CMT @ 8416'.
00:30 to 01:30 - 21 - Other - R/D LAY DOWN MACHINE.
01:30 to 02:00 - 21 - Other - BREAK CIRC & DRILL CMT F/ 8416 - 8426'.
02:00 to 03:00 - 21 - Other - CIRC.
03:00 to 03:30 - 21 - Other - TEST CSG. 1 BBL 650 PSI. 2 BBLS 1485 PSI. 3 BBLS 2340 PSI. 3.5 BBLS 2880 PSI. 3.7 BBLS 3500. NOTE AFTER 20 MINUTES PRESSURE HAD DROPPED TO 3474 PSI.
03:30 to 05:00 - 21 - Other - DRILL CMT & F/C F/ 8426 - 8466'. RAISING MUD WT TO 16.2# WHILE DRLG CMT. NOTE: TAG F/C 10' HIGH @ 8428'.

DC : $37,832 **Cumm DHC :** $2,226,937 **Cumm DHC+Suspended :** $2,226,937

Hunt Petroleum Corporation
1601 Elm St., Suite 3400
Dallas, TX 75201
(214) 880-8800

Daily Activity Report

Report Date : Tuesday, June 11, 2002

CONFIDENTIAL

Well='CANE CREEK FEDERAL #7-1' for 6/4/2002 to 6/11/2002

DAILY DRILLING REPORT

From : 6/4/2002 **To : 6/11/2002**

Well Name :	**CANE CREEK FEDERAL #7-1**	**AFE # :**	**022011D**
Operator :	AVIARA ENERGY CORPORATION	**WI :**	1 **NRI** 0
Loc :	**STR :** 7 - 25S - 19E	**AFEDHC :**	$2,419,000
County :	GRAND, UT **API Code :** 43-019-31363	**AFECWC :**	$2,419,000
Field :	KANE SPRINGS	**AFE Type :**	DEV
		Proposed Depth :	10921 ft.
Spud Date :	4/27/2002 **Rig Rel Date :**	**Total Depth :**	0 ft.

Activity Date : 6/4/2002 **Current Depth :** 8524 ft.

Days Since Spud : 38 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 07:30 - 02 - Drilling - DRILL CMT F/ 8466' - 8488'.
07:30 to 08:30 - 21 - Other - CIRC BTMS UP.
08:30 to 09:00 - 21 - Other - PRESSURE TEST CSG TO 3550 PSI. HELD OK.
09:00 to 10:00 - 02 - Drilling - DRLG CMT F/ 8488' - 8502'.
10:00 to 13:30 - 21 - Other - CIRC & WEIGHT UP TO 16.2 PPG.
13:30 to 17:00 - 02 - Drilling - DRLG CMT F/ 8502' - 8520' & 5' OF FORMATION.
17:00 to 17:30 - 21 - Other - TEST CSG SEAT TO EMW 18.5 PPG. HELD OK.
17:30 to 19:30 - 21 - Other - CIRC - MIX & PUMP SLUG TWICE.
19:30 to 01:00 - 21 - Other - SLM O.O.H. FOR NEW BHA.
01:00 to 05:00 - 21 - Other - P/U & M/U BUILD ASSY. NOTE: TAGGED TOP OF FLOAT SHOE @ 8518' ---6FOOT HIGH.

DC : $39,441 **Cumm DHC :** $2,266,378 **Cumm DHC+Suspended :** $2,266,378

Activity Date : 6/5/2002 **Current Depth :** 8544 ft.

Days Since Spud : 39 **24 Hr. Footage Made :** 20 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 14:00 - 21 - Other - FIN M/U BHA - ORIENT & TEST MM & MWD - P/U 30 JTS DP OFF RACK. GIH W/ SAME TO BTTM OF CSG FILLING DP EVERY 30 STDS.
14:00 to 15:30 - 21 - Other - SLIP & CUT 106' DRL LINE.
15:30 to 16:00 - 21 - Other - SERV RIG & TOP DRIVE.
16:00 to 18:00 - 21 - Other - ORIENT TOOLS & RELOG 15' HOLE F/ 8461 - 8476.
18:00 to 19:30 - 21 - Other - CALIBRATING MWD SURF EQUIP TO HIGH PUMP PRESS - 3800 PSI @ 190 GPM. LOSING SIGNAL F/ SURF TRANSDUCER WHEN BIT ON BTM & PRESS GOES UP TO 4000# & UNABLE TO SEE MOTOR ORIENTATION. HAVE TO BACK OFF PUMP RATE TO 60 - 62 SPM W/ ONLY 100 - 200# DIFFERENTIAL.
19:30 to 05:00 - 21 - Other - SLIDE DRLG F/ 8529 - 8544 W/ REDUCED PUMP @ 200. INCREASED PUMP RATE TO 71 SPM. REPROGRAM SOFTWARE. NOTE: SLM OOH ON LAST TRIP SHOWED BTM TO BE @ 8529 - 5' BELOW CSG SEAT, WHICH MATCHES W/ PREVIOUS PIPE TALLY'S.

DC : $45,594 **Cumm DHC :** $2,311,972 **Cumm DHC+Suspended :** $2,311,972

CONFIDENTIAL

DAILY DRILLING REPORT

From : 6/4/2002 To : 6/11/2002

Well='CANE CREEK FEDERAL #7-1' for 6/4/2002 to 6/11/2002

Activity Date : 6/6/2002 **Current Depth :** 8557 ft.

Days Since Spud : 40 **24 Hr. Footage Made :** 13 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 11:30 - 02 - Drilling - SLIDE DRLG F/ 8544 - 8553.
11:30 to 13:30 - 21 - Other - CIRC, MIX & PUMP SLUG.
13:30 to 18:00 - 21 - Other - POOH FOR NEW BIT. PULL ROTATING HD.
18:00 to 21:00 - 21 - Other - PULL MWD TOOL. L/D MM. P/U NEW MM & ADJUST TO 2.60 DEG. ORIENT SAME. INSTALL NEW MWD. SURF TEST ALL TOOLS. M/U NEW BIT.
21:00 to 03:00 - 21 - Other - GIH W/ NEW BIT FILLING PIPE EVERY 30 STDS. INSTALL ROTATING HD.
03:00 to 03:30 - 21 - Other - FILL PIPE. TAKE PRESS READINGS. ORIENT TOOLS.
03:30 to 05:00 - 02 - Drilling - SLIDE DRLG F/ 8553 - 8557.

DC : $49,474 **Cumm DHC :** $2,361,446 **Cumm DHC+Suspended :** $2,361,446

Activity Date : 6/7/2002 **Current Depth :** 8620 ft.

Days Since Spud : 41 **24 Hr. Footage Made :** 63 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 13:30 - 02 - Drilling - SLIDE DRLG F/ 8557 - 8586.
13:30 to 14:00 - 21 - Other - R/S & SLOW PUMP RATES.
14:00 to 20:00 - 02 - Drilling - SLIDE DRLG F/ 8586 - 8610.
20:00 to 20:30 - 21 - Other - CIRC, CALIBRATING MONITORING EQUIP.
20:30 to 23:00 - 02 - Drilling - SLIDE DRLG F/ 8610 - 8620.
23:00 to 00:00 - 21 - Other - CIRC BTMS UP FOR SAMPLES.
00:00 to 05:00 - 21 - Other - PUMP SLUG, POOH FOR NEW BHA. PULLED DOUBLE ROTATING HD.

DC : $38,507 **Cumm DHC :** $2,399,953 **Cumm DHC+Suspended :** $2,399,953

Activity Date : 6/8/2002 **Current Depth :** 8691 ft.

Days Since Spud : 42 **24 Hr. Footage Made :** 71 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 07:00 - 21 - Other - FIN POOH - PULL MWD TOOL - L/D MM & BIT.
07:00 to 10:30 - 21 - Other - P/U MM - ADJUST TO 1.83 DEG - ORIENT MM - INSERT MWD TOOLS W/ GR @ BIT - SURFACE TEST TOOLS.
10:30 to 15:30 - 21 - Other - M/U BIT - TIH FILLING PIPE EVERY 30 STDS - INSTALL DOUBLE ROTATING HEAD.
15:30 to 19:00 - 02 - Drilling - ORIENT & SLIDE DRLG F/ 8620 - 8626'.
19:00 to 19:30 - 21 - Other - LOG 15' OF HOLE FROM 8566 - 8581'.
19:30 to 00:00 - 02 - Drilling - SLIDE DRLG F/ 8626 - 8655'
00:00 to 05:00 - 02 - Drilling - ROTARY DRLG F/ 8655 - 8691'.

DC : $35,304 **Cumm DHC :** $2,435,257 **Cumm DHC+Suspended :** $2,435,257

Activity Date : 6/9/2002 **Current Depth :** 8860 ft.

Days Since Spud : 43 **24 Hr. Footage Made :** 169 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 05:30 - 02 - Drilling - ROTARY DRLG F/ 8691 - 8700'.
05:30 to 06:30 - 21 - Other - WORKING ON PUMPS.
06:30 to 11:30 - 02 - Drilling - ROTARY DRLG F/ 8700-8755'.
11:30 to 13:00 - 21 - Other - CIRC BTMS UP FOR SAMPLES. DECISION MADE TO GO UP FOR KANE CREEK FORMATION.
13:00 to 19:00 - 02 - Drilling - SLIDE DRLG F/ 8755 - 8787'.
19:00 to 19:30 - 21 - Other - SVC RIG & TOP DRIVE.
19:30 to 00:00 - 02 - Drilling - SLIDE DRLG F/ 8787-8819'.
00:00 to 04:00 - 02 - Drilling - ROTARY DRLG F/ 8819 - 8850'.
04:00 to 05:00 - 02 - Drilling - SLIDE DRLG F/ 8850 - 8860'

DC : $43,578 **Cumm DHC :** $2,478,835 **Cumm DHC+Suspended :** $2,478,835

CONFIDENTIAL

DAILY DRILLING REPORT

From : 6/4/2002 **To : 6/11/2002**

Well='CANE CREEK FEDERAL #7-1' for 6/4/2002 to 6/11/2002

Activity Date : 6/10/2002 **Current Depth :** 9073 ft.

Days Since Spud : 44 **24 Hr. Footage Made :** 213 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 06:30 - 02 - Drilling - SLIDE DRLG F/ 8860 - 8882'.
06:30 to 07:00 - 21 - Other - SVC RIG & TOP DRIVE.
07:00 to 10:00 - 02 - Drilling - ROTARY DRLG F/ 8882 - 8911'.
10:00 to 11:30 - 02 - Drilling - SLIDE DRLG F/ 8911 - 8920'.
11:30 to 13:30 - 02 - Drilling - ROTARY DRLG F/ 8920 - 8944'.
13:30 to 14:00 - 02 - Drilling - SLIDE DRLG F/ 8944 - 8948'.
14:00 to 22:00 - 02 - Drilling - ROTARY DRLG F/ 8948 - 9041'.
22:00 to 01:30 - 02 - Drilling - SLIDE DRLG F/ 9041 - 9073'.
01:30 to 05:00 - 21 - Other - WORKING ON PUMPS.

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DC : $35,096 **Cumm DHC :** $2,513,931 **Cumm DHC+Suspended :** $2,513,931

Activity Date : 6/11/2002 **Current Depth :** 9283 ft.

Days Since Spud : 45 **24 Hr. Footage Made :** 210 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 14:30 - 02 - Drilling - SLIDE DRLG F/ 9073' - 9141'.
14:30 to 16:30 - 02 - Drilling - ROTARY DRLG F/ 9141' - 9168'
16:30 to 17:00 - 21 - Other - SVC RIG & TOP DRIVE - TAKE SLOW PUMP RATES.
17:00 to 05:00 - 02 - Drilling - ROTARY DRLG F/ 9168' - 9283'.

DC : $37,567 **Cumm DHC :** $2,551,498 **Cumm DHC+Suspended :** $2,551,498

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5. Lease Serial No.
U-51239

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA/Agreement, Name and/or No.
Cane Creek Unit Agreement
UTU80000X

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.
Cane Creek Federal #7-1 ST2

2. Name of Operator
Aviara Energy Corporation

9. API Well No.
43-019-31363-02

3a. Address
P.O. Box 1350, Houston TX 77251-1350

3b. Phone No. *(include area code)*
713-871-3400

10. Field and Pool, or Exploratory Area
Wildcat

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Surface: 1596' FNL & 2040' FWL BHL: 660' FSL & 2040' FWL
SE NW Sec. 7, T25S, R19E

11. County or Parish, State
Grand County, UT

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[X] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[X] Other Sidetrack
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] Plug Back	[ ] Water Disposal	

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

As per verbal approval from Al McKee (BLM-Salt Lake City) on 6/17/02 @ 0915 CDT:

1. Kickoff sidetrack @ 9100'
2. Build necessary angle (approx. 90 degrees) to enter Cane Creek Formation

COPY SENT TO OPERATOR
Date: 6-19-02
Initials: CHD

Federal Approval Of This Action Is Necessary

Accepted by the Utah Division of Oil, Gas and Mining
Date: 6/19/02
By: [signature]

RECEIVED
JUN 19 2002
DIVISION OF OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* Victoria Guidry
Title Production/Regulatory Coordinator
Date 6/17/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

Title 18 U.S.C. Section 1001, 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.

(Instructions on reverse)

Hunt Petroleum Corporation
1601 Elm St., Suite 3400
Dallas, TX 75201
(214) 880-8800

Daily Activity Report

CONFIDENTIAL

Well='CANE CREEK FEDERAL #7-1' for 6/12/2002 to 6/17/2002

DAILY DRILLING REPORT

From : 6/12/2002 To : 6/17/2002

Well Name :	**CANE CREEK FEDERAL #7-1**	**AFE # :**	**022011D**
Operator :	AVIARA ENERGY CORPORATION	**WI :**	1 **NRI** 0
Loc :	**STR :** 7 - 25S - 19E	**AFEDHC :**	$2,419,000
County :	GRAND, UT **API Code :** 43-019-31363	**AFECWC :**	$2,419,000
Field :	KANE SPRINGS	**AFE Type :**	DEV
		Proposed Depth :	10921 ft.
Spud Date :	4/27/2002 **Rig Rel Date :**	**Total Depth :**	0 ft.

Activity Date : 6/12/2002 **Current Depth :** 9432 ft.
Days Since Spud : 46 **24 Hr. Footage Made :** 149 ft.
Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 09:00 - 02 - Drilling - ROTARY DRLG F/ 9283' - 9321'. INCREASE TO 45 FPH PENETRATION RT @ 9320'.
09:00 to 10:30 - 21 - Other - CIRC BTMS UP FOR SAMPLES. CONFIRM HOT SHALE @ 9320'.
10:30 to 12:00 - 02 - Drilling - SLIDE DLRG F/ 9321' - 9332'.
12:00 to 15:00 - 02 - Drilling - ROTARY DRLG F/ 9332' - 9359'.
15:00 to 18:00 - 02 - Drilling - SLIDE DRLG F/ 9359' - 9383'.
18:00 to 19:30 - 02 - Drilling - ROTARY DRLG F/ 9383' - 9390'.
19:30 to 01:00 - 02 - Drilling - SLIDE DRLG F/ 9390' - 9410'.
01:00 to 03:00 - 02 - Drilling - ROTARY DRLF F/ 9410' - 9422'.
03:00 to 04:30 - 02 - Drilling - SLIDE DRLG F/ 9422' - 9427'.
04:30 to 05:00 - 02 - Drilling - ROTARY DRLG F/ 9427 - 9432'. NOTE: GAB FAILED @ 9409 MD - NOW LOGGING 35' BEHIND BIT.

DC : $35,340 **Cumm DHC :** $2,586,838 **Cumm DHC+Suspended :** $2,586,838

Activity Date : 6/13/2002 **Current Depth :** 9449 ft.
Days Since Spud : 47 **24 Hr. Footage Made :** 17 ft.
Activity : 21 - Other **Weather:**

Operations :
05:00 to 06:30 - 02 - Drilling - ROTARY DRLG F/ 9432 - 9449' - ALL GR TOOLS FAILED.
06:30 to 08:00 - 21 - Other - CIRC BTMS UP FOR SAMPLES - MIX & PUMP SLUG.
08:00 to 14:00 - 21 - Other - POOH FOR NEW MWD MM - PULL MWD - CK SAME & FAILED - GAMMA PROBE @ BIT CHECKED OK - L/D MM.
14:00 to 16:30 - 21 - Other - P/U NEW MM W/ GR @ BIT - INSTALL MWD.
16:30 to 17:00 - 21 - Other - SVC RIG & TOP DRIVE.
17:00 to 20:00 - 21 - Other - SURF TEST MM & MWD - GR @ BIT FAILED IN NEW MOTOR - P/U OLD MOTOR & REMOVE GR PROBE @ BIT. INSTALL IN NEW MOTOR - TEST SAME & FAILED - L/D BOTH MM.
20:00 to 03:30 - 21 - Other - WAITING ON NEW MMS FROM CASPER. TRUCK BROKE DOWN ENROUTE TO RIG. TRUCK ARRIVED @ RIG @ 0330 HRS. THESE HIGH PERFORMANCE MMS DELIVERED WILL NOT BE ABLE TO HAVE GR @ BIT CAPABILITY. THE TWO MMS ON LOCATION ARE THE ONLY TWO IN THE US WITH THAT CAPABILITY & BOTH ARE DEAD.
03:30 to 05:00 - 21 - Other - OFFLOAD TRUCK. P/U NEW MM & INSTALLING MWD.

DC : $33,527 **Cumm DHC :** $2,620,365 **Cumm DHC+Suspended :** $2,620,365

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RECEIVED
JUN 19 2002
DIVISION OF
OIL, GAS AND MINING

DAILY DRILLING REPORT

From : 6/12/2002 To : 6/17/2002

Well='CANE CREEK FEDERAL #7-1' for 6/12/2002 to 6/17/2002

Activity Date : 6/14/2002 **Current Depth :** 9562 ft.

Days Since Spud : 48 **24 Hr. Footage Made :** 113 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 06:00 - 21 - Other - GIH W/ NEW BHA.
06:00 to 06:30 - 21 - Other - S/R.
06:30 to 11:30 - 21 - Other - FINISH GIH TO 9449'. FILLING DRLG STRING EVERY 30 STANDS.
11:30 to 12:00 - 21 - Other - BRAKE CIRC & ORIENT TFO FOR SLIDE.
12:00 to 12:30 - 02 - Drilling - SLIDE DRL F/ 9449' - 9454'. 5' TFO 30 R.
12:30 to 16:00 - 02 - Drilling - ROTATE DRL F/ 9454' - 9494'. 40'
16:00 to 18:30 - 02 - Drilling - SLIDE DRL F/ 9494' - 9507'. 12' TFO 180.
18:30 to 22:00 - 02 - Drilling - ROTATE DRL F/ 9507' - 9526'. 19'.
22:00 to 23:00 - 02 - Drilling - SLIDE DRL F/ 9526' - 9530'. 4' TFO 180.
23:00 to 00:30 - 02 - Drilling - ROTATE DRL F/ 9530' - 9543'. 13'.
00:30 to 01:00 - 21 - Other - SVC TOP DRIVE.
01:00 to 02:30 - 21 - Other - RIG REPAIR. WORK ON MUD PUMPS.
02:30 to 03:00 - 02 - Drilling - SLIDE DRL F/ 9543' - 9548'. 5' TFO 180.
03:00 to 05:00 - 02 - Drilling - ROTATE DRL F/ 9548' - 9562'. 14'. NOTES: TRA @ 1884' VS 8373' TVD.

DC : $33,447 **Cumm DHC :** $2,653,812 **Cumm DHC+Suspended :** $2,653,812

Activity Date : 6/15/2002 **Current Depth :** 9775 ft.

Days Since Spud : 49 **24 Hr. Footage Made :** 213 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 06:30 - 02 - Drilling - ROT DRL F/ 9562 - 9574.
06:30 to 07:30 - 02 - Drilling - SLIDE F/ 9574 - 9579, 5' @ 150R.
07:30 to 10:00 - 02 - Drilling - ROT DRL F/ 9579 - 9604.
10:00 to 11:30 - 02 - Drilling - SLIDE DRL F/ 9604 - 9614, 10' @ 150R.
11:30 to 13:00 - 02 - Drilling - ROT DRL F/ 9614 - 9632.
13:00 to 13:30 - 21 - Other - S/R
13:30 to 19:00 - 02 - Drilling - ROT DRL F/ 9632 - 9701.
19:00 to 20:00 - 02 - Drilling - SLIDE DRL F/ 9701 - 9709, 8' @ 120R.
20:00 to 02:30 - 02 - Drilling - ROT DRL F/ 9709 - 9763.
02:30 to 05:00 - 02 - Drilling - SLIDE DRL F/ 9763 - 9775, 12' @ 120R. NOTES: TRG @ 1884' VS 8377' TVD. NO PROBLEMS. ALL EQUIP RUNNING OK.

DC : $32,465 **Cumm DHC :** $2,686,277 **Cumm DHC+Suspended :** $2,686,277

Activity Date : 6/16/2002 **Current Depth :** 9223 ft.

Days Since Spud : 50 **24 Hr. Footage Made :** -552 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 08:00 - 02 - Drilling - ROT DRL F/ 9775 - 9810.
08:00 to 10:30 - 21 - Other - CIRC OUT SAMPLE, WHILE MAKING DECISION ON SIDE TRACKING HOLE.
10:30 to 11:00 - 21 - Other - POOH TO 9200'.
11:00 to 11:30 - 21 - Other - S/R
11:30 to 13:00 - 21 - Other - TROUGH HOLE W/ TFO ORIENTED @ 180 DEG FROM H/S FROM 9170 - 9200'.
13:00 to 05:00 - 02 - Drilling - TIME DRL F/ 9200 - 9223. F/ 9200 - 9205, 5 MIN PER INCH. F/ 9205 - 9210, 4 MIN PER INCH, F/ 9210 - 9220, 3 MIN PER INCH, F/ 9220 - 9223, 2 MIN PER INCH. AT 9223' SHUT DOWN PUMP & STACKED 10K TO CK FOR LEG. LOOK GOOD. NOTE: REPORT 6/16/02 SHOWS A 182,000 DOLLAR CORRECTION, A MISTAKE WAS MADE ON REPORT 6/15/02.

DC : $42,375 **Cumm DHC :** $2,728,652 **Cumm DHC+Suspended :** $2,728,652

DAILY DRILLING REPORT

From : 6/12/2002 To : 6/17/2002

Well='CANE CREEK FEDERAL #7-1' for 6/12/2002 to 6/17/2002

Activity Date :	6/17/2002	**Current Depth :**	9103 ft.
Days Since Spud :	51	**24 Hr. Footage Made :**	-120 ft.
Activity :	02 - Drilling	**Weather:**	

Operations : 05:00 to 19:00 - 02 - Drilling - TIME DRL F/ 9218 - 9242. TFO 180 DEG. F/ 9218 - 9223, 5 MIN PER INCH. F/ 9223 - 9242, 3 MIN PER INCH. NO SUCCESS ON SIDE TRACKING HOLE AT THIS POINT IN HOLE.
19:00 to 19:30 - 21 - Other - POOH TO 9070'.
19:30 to 20:00 - 21 - Other - MAKE CK SHOT SURVEY @ 9070' & ORIENT TFO TO 180 DEG.
20:00 to 22:30 - 21 - Other - TROUGH HOLE F/ 9070 T/ 9100' HOLDING TFO @ 180 DEG.
22:30 to 02:00 - 21 - Other - RIG RPRS. CHANGE SUCTION VALVES & SEATS IN #1 & 2 PUMPS AND CLEAN TRASH OUT OF SUCTION LINES.
02:00 to 05:00 - 02 - Drilling - TIME DRL F/ 9100 - 9103 AT 5 MIN PER INCH.

DC :	$31,421	**Cumm DHC :**	$2,760,073	**Cumm DHC+Suspended :**	$2,760,073

CONFIDENTIAL

Hunt Petroleum Corporation
1601 Elm St., Suite 3400
Dallas, TX 75201
(214) 880-8800

Daily Activity Report

Report Date : Tuesday, June 25, 2002

CONFIDENTIAL

Well='CANE CREEK FEDERAL #7-1' for 6/18/2002 to 6/25/2002

DAILY DRILLING REPORT

From : 6/18/2002 To : 6/25/2002

Well Name :	**CANE CREEK FEDERAL #7-1**	**AFE # :**	**022011D**
Operator :	AVIARA ENERGY CORPORATION	**WI :**	1 **NRI** 0
Loc :	**STR :** 7 - 25S - 19E	**AFEDHC :**	$2,419,000
County :	GRAND, UT **API Code :** 43 019 31363	**AFECWC :**	$2,419,000
Field :	KANE SPRINGS	**AFE Type :**	DEV
		Proposed Depth :	10921 ft.
Spud Date :	4/27/2002 **Rig Rel Date :**	**Total Depth :**	0 ft.

Activity Date : 6/18/2002 **Current Depth :** 9153 ft.
Days Since Spud : 52 **24 Hr. Footage Made :** 50 ft.
Activity : 21 - Other **Weather:**

Operations : 05:00 to 19:00 - 02 - Drilling - TIME DRL F/ 9103 - 9120'. F/ 9103 - 9112, 5 MIN PER INCH. F/ 9112 - 9116, 3 MIN PER INCH. F/ 9116 - 9120, 3 MIN PER INCH.
19:00 to 05:00 - 21 - Other - CONTROL F/ 9120 - 9153, DRLG 2/3 FEET PER HRS. WOB 4/8K. STARTED ROLLING TOOL FACE TO THE RIGHT TO HIGH SIDE AT 9135'. VERBAL APPROVAL GIVEN TO K. COCKERHAM W/ AVIARA FROM AL MCKEE W/ SALT LAKE CITY BLM @ 0815 HRS 6-17-02 TO SIDETRACK WELL @ 9100'.

DC : $32,717 **Cumm DHC :** $2,792,790 **Cumm DHC+Suspended :** $2,792,790

Activity Date : 6/19/2002 **Current Depth :** 9380 ft.
Days Since Spud : 53 **24 Hr. Footage Made :** 227 ft.
Activity : 02 - Drilling **Weather:**

Operations : 05:00 to 06:00 - 02 - Drilling - CONTROL SLD DRLG F/ 9153 - 9157.
06:00 to 09:30 - 02 - Drilling - ROTARY DRLG F/ 9157 - 9190.
09:30 to 10:00 - 02 - Drilling - SLD DRLG F/ 9190 - 9196.
10:00 to 12:00 - 02 - Drilling - ROTARY DRLG F/ 9196 - 9222.
12:00 to 12:30 - 02 - Drilling - SLD DRLG F/ 9222 - 9227.
12:30 to 15:00 - 02 - Drilling - ROTARY DRLG F/ 9227 - 9254.
15:00 to 15:30 - 21 - Other - S/R & T/D.
15:30 to 01:30 - 02 - Drilling - ROTARY DRLG F/ 9254 - 9353.
01:30 to 03:00 - 02 - Drilling - SLD DRLG F/ 9353 - 9363. FTO 125 R.
03:00 to 05:00 - 02 - Drilling - ROTARY DRLG F/ 9363 - 9380. NOTES: DRLG AHEAD NO PROBLEMS. HAVE 10' DOWN & RIGHT TO CONTROL ANGLE. ALL EQUIPMENT RUNNING OK AT THIS TIME.

DC : $36,054 **Cumm DHC :** $2,828,844 **Cumm DHC+Suspended :** $2,828,844

CONFIDENTIAL

DAILY DRILLING REPORT

From : 6/18/2002 To : 6/25/2002

Well='CANE CREEK FEDERAL #7-1' for 6/18/2002 to 6/25/2002

Activity Date : 6/20/2002 **Current Depth :** 9618 ft.

Days Since Spud : 54 **24 Hr. Footage Made :** 238 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 06:30 - 02 - Drilling - SLD DRLG F/ 9380 - 9388
06:30 to 10:00 - 02 - Drilling - ROTARY DRLG F/ 9388 - 9411
10:00 to 10:30 - 02 - Drilling - SLD DRLG F/ 9411 - 9418
10:30 to 11:30 - 02 - Drilling - ROTARY DRLG F/ 9418 - 9444 - GR WENT DEAD WHILE ROTARY DRLG.
11:30 to 12:30 - 21 - Other - SURVEY @ 9396 - WHEN PUMPS RECYCLED. GR CAME BACK TO LIFE WHEN NON-ROTATIONAL. RELOG INTERVAL 9380 - 9405 - AFTER LOGGING, KICK ON ROTARY & GR WORKING.
12:30 to 13:00 - 21 - Other - SERV RIG & TOP DRIVE.
13:00 to 14:00 - 02 - Drilling - SLD DRLG F/ 9444 - 9461. TFO 45R.
14:00 to 15:00 - 02 - Drilling - ROTARY DRLG F/ 9461 - 9474
15:00 to 16:30 - 02 - Drilling - SLD DRLG F/ 9474 - 9484. TFO 30R.
16:30 to 17:30 - 02 - Drilling - ROTARY DRLG F/ 9484 - 9506
17:30 to 18:30 - 02 - Drilling - SLD DRLG F/ 9506 - 9511. TFO 10R.
18:30 to 05:00 - 02 - Drilling - ROTARY DRLG F/ 9512 - 9618

DC : $31,421 **Cumm DHC :** $2,860,265 **Cumm DHC+Suspended :** $2,860,265

Activity Date : 6/21/2002 **Current Depth :** 9635 ft.

Days Since Spud : 55 **24 Hr. Footage Made :** 17 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 06:00 - 02 - Drilling - SLD DRLG F/ 9618 - 9621, TOF 45 R.
06:00 to 06:30 - 02 - Drilling - ROTARY DRLG F/ 9621 - 9635 - GAMMA TOOL WENT DEAD.
06:30 to 07:00 - 21 - Other - RECYCLE PUMPS & WORKED PIPE 90' ATTEMPTING TO GET TOOL TO WORK, NO SUCCESS.
07:00 to 09:00 - 21 - Other - CIRC OUT SAMPLES & MIX SLUG.
09:00 to 15:00 - 21 - Other - POOH FOR MWD FAILURE.
15:00 to 18:30 - 21 - Other - L/D MTR & MWD TOOL. P/U NEW MTR W/ GAMMA @ LOAD MWD TOOL. SURFACE TEST TOOLS. TOOLS WOULD NOT TEST.
18:30 to 20:30 - 21 - Other - TROUBLE SHUT PROBLEM W/ TOOLS. WAS UNABLE TO CORRECT.
20:30 to 23:00 - 21 - Other - L/D MTR W/ GAMMA & P/U NEW PERFORMANCE MTR SET @ 1.5 DEGS & MWD W/ GAMMA ORIENT TOOLS & SURFACE TEST. TESTED OKAY.
23:00 to 00:30 - 21 - Other - MAKE UP BIT & TIH W/ BHA. FILL PIPE & NOTICED THAT BAFFLE THAT HELD MWD PROBE IN-PLACE HAD BEEN LEFT OUT.
00:30 to 03:00 - 21 - Other - PUMP SLUG & POOH TO MWD TOOL & INSTALL BAFFLE.
03:00 to 05:00 - 21 - Other - TIH FILLING DRL STG EVERY 35 STANDS.

DC : $42,404 **Cumm DHC :** $2,902,669 **Cumm DHC+Suspended :** $2,902,669

Activity Date : 6/22/2002 **Current Depth :** 9830 ft.

Days Since Spud : 56 **24 Hr. Footage Made :** 195 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 06:30 - 21 - Other - TIH TO 8500'
06:30 to 07:00 - 21 - Other - INSTALL ROTATING HD
07:00 to 08:00 - 21 - Other - TIH TO 9170'
08:00 to 08:30 - 21 - Other - FILL PIPE & ORIENT INTO SIDE TRACK #2 @ 9100'
08:30 to 09:00 - 21 - Other - FINISH TIH
09:00 to 09:30 - 21 - Other - REAM LOG F/ 9590 - 9603
09:30 to 15:30 - 02 - Drilling - SLD DRL F/ 9635 - 9688. TFO H/S
15:30 to 19:00 - 02 - Drilling - ROTARY DRL F/ 9688 - 9729
19:00 to 20:00 - 02 - Drilling - SLD DRL F/ 9729 - 9737. TFO 30/40 R
20:00 to 21:30 - 02 - Drilling - ROTARY DRL F/ 9737 - 9754
21:30 to 22:30 - 02 - Drilling - SLD DRL F/ 9754 - 9759. TFO 30/40 R
22:30 to 05:00 - 02 - Drilling - ROTARY DRL F/ 9759 - 9830. SHOWS REPORTED: F/ 9726/9730. 1.07 M/F PK GAS 345 UNITS. BG 72 TR OF C 3

DC : $31,586 **Cumm DHC :** $2,934,255 **Cumm DHC+Suspended :** $2,934,255

DAILY DRILLING REPORT

From : 6/18/2002 To : 6/25/2002

Well='CANE CREEK FEDERAL #7-1' for 6/18/2002 to 6/25/2002

Activity Date : 6/23/2002 **Current Depth :** 10046 ft.

Days Since Spud : 57 **24 Hr. Footage Made :** 216 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 06:00 - 02 - Drilling - ROTARY DRL F/ 9830 - 9840. WOB 12K 40 RPM
06:00 to 07:00 - 02 - Drilling - SLD DRL F/ 9840 - 9850, TFO 120R, 30K GAS 151 UNITS
07:00 to 10:30 - 02 - Drilling - ROTARY DRL F/ 9840 - 9878. WOB 12K 40 RPM
10:30 to 13:30 - 02 - Drilling - SLD DRL F/ 9878 - 9897, TFO 135R, 30K GAS 56 UNITS
13:30 to 15:30 - 02 - Drilling - ROTARY DRL F/ 9897 - 9921. WOB 12K 40 RPM
15:30 to 16:00 - 21 - Other - S/R
16:00 to 18:00 - 21 - Other - CIRC UP SAMPLES
18:00 to 19:30 - 02 - Drilling - SLD DRL F/ 9921 - 9931. TFO 150R, 30K GAS 186 UNITS
19:30 to 23:00 - 02 - Drilling - ROTARY DRL F/ 9931 - 9985. WOB 11K 40 RPM
23:00 to 23:30 - 02 - Drilling - SLD DRL F/ 9985 - 9994. TFO 45R, 30K GAS 84 UNITS
23:30 to 00:00 - 02 - Drilling - ROTARY DRL F/ 9994 - 10,002. WOB 11K 40 RPM
00:00 to 01:00 - 02 - Drilling - SLD DRL F/ 10,002 - 10,008. TFO 30R, 30K GAS 62 UNITS
01:00 to 04:00 - 02 - Drilling - ROTARY DRL F/ 10,008 - 10,041, WOB 12K 40 RPM
04:00 to 05:00 - 02 - Drilling - SLD DRL F/ 10,041 - 10,046, TFO 150R, 50K GAS 46 UNITS. SHOWS REPORTED: 9802 - 9806 MD PK GAS 151 UNITS; 9820 - 9825 MD. PK GAS 199 UNITS; 9841 - 9845 MD. PK GAS 151 UNITS;9948 - 9967 MD. PK GAS 230 UNITS; 9920 - 9923 MD. PK GAS 186 UNIT; NOTES: WENT INTO HOT SHALE @ 9805 MD & OUT @ 9865 MD ANGLE 92.11 TVD 8392 VS 1760'.

DC : $32,339 **Cumm DHC :** $2,966,594 **Cumm DHC+Suspended :** $2,966,594

Activity Date : 6/24/2002 **Current Depth :** 10280 ft.

Days Since Spud : 58 **24 Hr. Footage Made :** 234 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 05:30 - 02 - Drilling - ROTARY DRL F/ 10,046 - 10,048, 12K RMP 40 FTG 2' ROP 4'
05:30 to 07:00 - 02 - Drilling - SLD DRL F/ 10,048 - 10,053, TFO 180, 45/50K, GAS 35 UNITS, FTG 5' ROP 3.3'
07:00 to 09:00 - 02 - Drilling - ROTARY DRL F/ 10,053 - 10,065, 12K RPM 40 FTG 12' ROP 6.0'
09:00 to 10:00 - 02 - Drilling - SLD DRL F/ 10,065 - 10,070, TFO 180, 40/45K GAS 35 UNITS FTG 5' ROP 2.5'
10:00 to 14:00 - 02 - Drilling - ROTARY DRL F/ 10,070 - 10,112. 12K RPM 40 FTG 42' ROP 10.5
14:00 to 14:30 - 21 - Other - S/R & TOP DRIVE
14:30 to 15:30 - 02 - Drilling - ROTARY DRL F/ 10,112 - 10,126, 12K RPM 45 FTG 14' ROP 14.0'
15:30 to 16:00 - 21 - Other - CHECK SHOT SURVEY @ 10,080 ANGLE 85.8 & CHANGE OUT PRESS SENSOR ON STAND PIPE
16:00 to 16:30 - 02 - Drilling - SLD DRL F/ 10,126 - 10,131. TFO 180 40K GAS 149 UNITS FTG 5' ROP 10'
16:30 to 20:30 - 02 - Drilling - ROTARY DRL F/ 10,131 - 10,176, 12K RPM 45 FTG 45 ROP 11.25'
20:30 to 21:00 - 02 - Drilling - SLD DRL F/ 10,176 - 10,181. TFO 30R, 40K GAS 85 UNITS FTG 5' ROP 10'
21:00 to 22:30 - 02 - Drilling - ROTARY DRL F/ 10,181 - 10,198, 12K RPM 50 FTG 17' ROP 11.3
22:30 to 23:30 - 02 - Drilling - SLD DRL F/ 10,198 - 10,207. TFO 10R, 40K GAS 45 UNITS FTG 9' ROP 9'
23:30 to 00:00 - 21 - Other - CONNECTION & SURVEY
00:00 to 01:00 - 02 - Drilling - ROTARY DRL F/ 10,207 - 10,216, 12K RPM 45 FTG 9' ROP 9'
01:00 to 01:30 - 21 - Other - CHECK SHOT SURVEY & ORIENT TFO FOR SLIDE.
01:30 to 02:30 - 02 - Drilling - SLD DRL F/ 10,216 - 10,226. TFO 10R, 40K GAS 176 UNITS FTG 10' ROP 10'
02:30 to 05:00 - 02 - Drilling - ROTARY DRL F/ 10,226 - 10,280. 8/10K RPM 50 FTG 54' ROP 21.6'. NOTES: WENT INTO HOT SHALE @ 10,150' MD & OUT @ 10,200' MD. ANGLE 84.8 TVD 8401'.(CENTER OF SHALE) VS 2046' (CENTER OF SHALE) CALCULATED DIP 2.3 DEG. TAKING CK SHOT SURVEYS EVERY 15'; SHOWS: 10,015 - 10,020 PK GAS 106 UNITS BG GAS 42; 10,111 - 10,115 PK GAS 145 UNITS, BG GAS 37; 10,125 - 10,130 PK GAS 150 UNITS. BG GAS 26; 10,168 - 10,175 PK GAS 165 UNITS, BG GAS 50.

DC : $31,586 **Cumm DHC :** $2,998,180 **Cumm DHC+Suspended :** $2,998,180

DAILY DRILLING REPORT

From : 6/18/2002 To : 6/25/2002

Well='CANE CREEK FEDERAL #7-1' for 6/18/2002 to 6/25/2002

Activity Date : 6/25/2002 **Current Depth :** 10587 ft.

Days Since Spud : 59 **24 Hr. Footage Made :** 307 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 09:00 - 02 - Drilling - ROTARY DRL F/ 10280 - 10364 11K RPM 50 FTG 84' @ 21'
09:00 to 10:00 - 02 - Drilling - SLD DRL F/ 10363 - 10370, 40K, TFO 90 R, GAS, FTG 7 @ 7'
10:00 to 11:00 - 02 - Drilling - ROTARY DRL F/ 10370 - 10397 11K RPM 50 FTG 28' @ 28'
11:00 to 11:30 - 21 - Other - S/R & TOP DRIVE
11:30 to 12:00 - 02 - Drilling - ROTARY DRL F/ 10397 - 10405 11K RPM 50 FTG 8' @ 16'
12:00 to 12:30 - 21 - Other - SURVEY & ORIENT FOR SLIDE
12:30 to 14:30 - 02 - Drilling - SLD DRL F/ 10405 - 10421 TFO 90R 35K FTG 16' @ 8'
14:30 to 15:30 - 02 - Drilling - ROTARY DRL F/ 10421 - 10435 11K RPM 50 FTG 16' @ 16'
15:30 to 18:00 - 02 - Drilling - SLD DRL F/ 10435 - 10450 TFO 90R 35K FTG 15' @ 6'
18:00 to 18:30 - 02 - Drilling - ROTARY DRL F/ 10450 - 10465 11K RPM 50 FTG 15' @ 30'
18:30 to 19:00 - 21 - Other - CHECK SHOT SURVEY & ORIENT TFO FOR SLIDE
19:00 to 20:00 - 02 - Drilling - SLD DRL F/ 10465 - 10475 TFO 90R 30K FTG 10' @ 20'
20:00 to 20:30 - 02 - Drilling - ROTARY DRL F/ 10475 - 10485 11K RPM 50 FTG 10' @ 20'
20:30 to 21:00 - 02 - Drilling - SLD DRL F/ 10485 - 10492 TFO 90R 30K FTG 7' @ 14'
21:00 to 21:30 - 21 - Other - SURVEY & ORIENT FOR SLIDE
21:30 to 22:30 - 02 - Drilling - SLD DRL F/ 10492 - 10502 TFO 90R 25K FTG 10'
22:30 to 23:30 - 02 - Drilling - ROTARY DRL F/ 10502 - 10525 11K RPM 50 FTG 23' @ 23'
23:30 to 00:30 - 02 - Drilling - SLD DRL F/ 10525 - 10530 TFO 80R 30K FTG 5' @ 5'
00:30 to 01:00 - 02 - Drilling - ROTARY DRL F/ 10530 - 10535 11K RPM 50 FTG 5' @ 10'
01:00 to 01:30 - 02 - Drilling - SLD DRL F/ 10535 - 10540 TFO 80R 30K FTG 5' @ 10'
01:30 to 02:00 - 02 - Drilling - ROTARY DRL F/ 10540 - 10557 11K RPM 50 FTG 17' @ 34'
02:00 to 05:00 - 02 - Drilling - SLD DRL F/ 10557 - 10587 TFO 80R 30K FTG 30' @ 10'. SHOWS: 10228 - 10573' PK GAS 270 UNITS. BG GAS 37U. NOTES: HAVING PROBLEMS HOLDING DIRECTION. WELL WALKING HARD LEFT WHILE ROTATING. NO ANNULAR PRESSURE.

DC : $38,471 **Cumm DHC :** $3,036,651 **Cumm DHC+Suspended :** $3,036,651

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Daily Activity Report

Report Date : Tuesday, July 02, 2002

CONFIDENTIAL

Well='CANE CREEK FEDERAL #7-1' for 6/26/2002 to 7/2/2002

DAILY DRILLING REPORT

From : 6/26/2002 To : 7/2/2002

Well Name :	**CANE CREEK FEDERAL #7-1**	**AFE # :**	**022011D**
Operator :	AVIARA ENERGY CORPORATION	**WI :** 1	**NRI** 0
Loc :	**STR :** 7 - 25S - 19E	**AFEDHC :**	$2,419,000
County :	GRAND, UT **API Code :** 43 019 31363	**AFECWC :**	$2,419,000
Field :	KANE SPRINGS	**AFE Type :**	DEV
		Proposed Depth :	10921 ft.
Spud Date :	4/27/2002 **Rig Rel Date :**	**Total Depth :**	0 ft.

Activity Date : 6/26/2002 **Current Depth :** 10829 ft.

Days Since Spud : 60 **24 Hr. Footage Made :** 242 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 13:00 - 02 - Drilling - SLD DRLG F/ 10587 - 10665. TFO 90R 35K FTG 78 ROP 9.75 GAS 120/190U
13:00 to 14:00 - 02 - Drilling - ROT DRLG F/ 10665 - 10675, 12K RPM 50 FTG 10'
14:00 to 15:00 - 02 - Drilling - SLD DRLG F/ 10675 - 10683. TFO 90R 35K FTG 8' GAS 124/174U
15:00 to 15:30 - 21 - Other - S/R & TOP DRIVE
15:30 to 16:00 - 02 - Drilling - SLD DRLG F/ 10683 - 10686. TFO 90R 40K. HAVING PROBLEMS STACKING OUT FTG 3'
16:00 to 16:30 - 02 - Drilling - ROT DRLG F/ 10686 - 10692, 12K RPM 50 FTG 6'
16:30 to 01:30 - 02 - Drilling - SLD DRLG F/ 10692 - 10774. TFO 90R 30/35K, GAS 70/166U FTG 82'
01:30 to 02:30 - 02 - Drilling - ROT DRLG F/ 10774 - 10790, 12K RPM 45 TORQUE 6800 FTG 16'
02:30 to 05:00 - 02 - Drilling - SLD DRLG F/ 10790 - 10820. TFO 90R 25/27K GAS 120/160U FTG 30'. NOTES: NO SHOWS REPORTED, NO ANNULAR PRESSURE.

DC : $31,586 **Cumm DHC :** $3,068,237 **Cumm DHC+Suspended :** $3,068,237

Activity Date : 6/27/2002 **Current Depth :** 11020 ft.

Days Since Spud : 61 **24 Hr. Footage Made :** 191 ft.

Activity : 02 - Drilling **Weather:**

Operations :
05:00 to 07:00 - 02 - Drilling - SLD DRLG F/ 10829 - 10841, TFO 90R 27K FTG 12'
07:00 to 09:00 - 02 - Drilling - ROT DRLG F/ 10841 - 10855, 10K, 40 RPM, DIFF 450#, FTG 15' TORQUE 5800#
09:00 to 10:30 - 02 - Drilling - SLD DRLG F/ 10855 - 10873. TFO 90R 25K FTG 18'
10:30 to 11:00 - 21 - Other - S/R & T/D
11:00 to 12:00 - 02 - Drilling - ROT DRLG F/ 10873 - 10888. 10K 40 RPM. DIFF 450# FTG 15' TORQUE 5800#
12:00 to 14:00 - 02 - Drilling - SLD DRLG F/ 10888 - 10898. TFO 90R 22K FTG 10'
14:00 to 15:00 - 02 - Drilling - ROT DRLG F/ 10898 - 10905. 8K 40 RPM. DIFF 450# FTG 7' TORQUE 6100#
15:00 to 18:30 - 02 - Drilling - SLD DRLG F/ 10905 - 10929. TFO 90R 20K FTG 24'
18:30 to 19:00 - 02 - Drilling - ROT DRLG F/ 10929 - 10938. 8K RPM 45 DIFF 400# FTG 9' TORQUE 6200#
19:00 to 23:30 - 02 - Drilling - SLD DRLG F/ 10938 - 10969. TFO 90R 25K FTG 31'
23:30 to 00:00 - 02 - Drilling - ROT DRLG F/ 10969 - 10979. 8K RPM 45 DIFF 450# FTG 10' TORQUE 6200#
00:00 to 05:00 - 02 - Drilling - SLD DRLG F/ 10979 - 11020. TFO 90R 25K FTG 41'. NO SHOWS REPORTED, NO ANNULAR PRESSURE.

DC : $32,860 **Cumm DHC :** $3,101,097 **Cumm DHC+Suspended :** $3,101,097

CONFIDENTIAL

DAILY DRILLING REPORT

From : 6/26/2002 To : 7/2/2002

Well='CANE CREEK FEDERAL #7-1' for 6/26/2002 to 7/2/2002

Activity Date : 6/28/2002 **Current Depth :** 11115 ft.

Days Since Spud : 62 **24 Hr. Footage Made :** 95 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 05:30 - 02 - Drilling - SLD DRLG F/ 11020 - 11029, TFO 90R 27K FTG 9'
05:30 to 08:30 - 02 - Drilling - ROT DRLG F/ 11029 - 11064, 8K, DIFF 450# FTG 35'
08:30 to 09:00 - 21 - Other - S/R & T/D
09:00 to 12:00 - 02 - Drilling - ROT DRLG F/ 11064 - 11115, 8K, DIFF 450# FTG 51'
12:00 to 14:00 - 21 - Other - CIRC OUT SAMPLES
14:00 to 16:00 - 21 - Other - SLUG PIPE & POOH TO 8529'. NO PROBLEMS MAX DRAG 27K
16:00 to 20:30 - 21 - Other - CIRC & COND MUD
20:30 to 23:30 - 21 - Other - PUMP SLUG & POOH
23:30 to 00:00 - 21 - Other - REPAIR TO TOP DRIVE. (FUSE)
00:00 to 02:30 - 21 - Other - FIN POOH TO BHA
02:30 to 05:00 - 21 - Other - L/D DIRECTIONAL TOOLS. NOTES: TD WELL @ 12:00 HRS @ 11115' MD, TVD 8370.07' VS 3017.45' COORDINATES SOUTH 3017.45', EAST 252.15'

DC : $32,630 **Cumm DHC :** $3,133,727 **Cumm DHC+Suspended :** $3,133,727

Activity Date : 6/29/2002 **Current Depth :** 11115 ft.

Days Since Spud : 63 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 07:00 - 21 - Other - R/U LUB & TEST SAME TO 1000 PSI & R/U WIRE LINE UNIT.
07:00 to 09:30 - 21 - Other - P/U CCL GAUGE RING & JUNK BASKET & RIH TO 7750, RUN STRIP LOG W/ CCL F/ 7750' TO 7050', NO PROBLEMS. WHILE POOH W/ WIRE LINE, WIRE LINE PULLED OUT OF ROPE SOCKET. SOCKET W/ 1500# @ 2500' LOSING TOOLS IN HOLE. CCL. GAUGE RING & JUNK BASKET.
09:30 to 10:00 - 21 - Other - REHEAD ROPE SOCKET.
10:00 to 11:30 - 21 - Other - P/U RMWL WT BARS & RIH TO 5300' TO SEE IF WE WOULD TAG FISH, DID NOT.
11:30 to 12:30 - 21 - Other - R/D RMWL WIRE LINE UNIT.
12:30 to 14:30 - 21 - Other - P/U RERUN MILL TOOTH BIT & TIH TO 3135'. TOP DRIVE WENT DOWN.
14:30 to 05:00 - 21 - Other - TROUBLE SHOOT ELECTRICAL PROBLEMS W/ TOP DRIVE.

DC : $22,819 **Cumm DHC :** $3,156,546 **Cumm DHC+Suspended :** $3,156,546

Activity Date : 6/30/2002 **Current Depth :** 11115 ft.

Days Since Spud : 64 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 11:00 - 21 - Other - TROUBLE SHOOT ELECT PROBLEM W/ TOP DRIVE. PROBLEM W/ ELECT WIRE IN SERV. SERV LOOP, REPLACE SAME.
11:00 to 14:00 - 21 - Other - TIH TO 8500'
14:00 to 15:00 - 21 - Other - INSTALL ROTATING HD RUBBERS.
15:00 to 16:30 - 21 - Other - FIN RIH CHASING FISH TO END OF LATERAL @ 11103', NO PROBLEMS.
16:30 to 18:00 - 21 - Other - POOH TO 8500'
18:00 to 20:00 - 21 - Other - CBU MAX GAS
20:00 to 00:00 - 21 - Other - POOH
00:00 to 02:30 - 21 - Other - P/U 7" CSG SCRAPER & RR MILL TOOTH BIT & TIH TO 3830'.
02:30 to 04:30 - 21 - Other - TOP DRIVE REPAIR. ELECT PROBLEM W/ BLOWER. WAS ABLE TO BYPASS.
04:30 to 05:00 - 21 - Other - CONT IN HOLE TO 7700'. NOTES: FISH LEFT IN HOLE. 1 7/16" CABLE HD CCL 3 1/8" JUNK BASKET & 5.969 GAUGE RING. TOTAL 11.5'. PUSHED FISH TO 11,103'.

DC : $23,237 **Cumm DHC :** $3,179,783 **Cumm DHC+Suspended :** $3,179,783

DAILY DRILLING REPORT

From : 6/26/2002 To : 7/2/2002

Well='CANE CREEK FEDERAL #7-1' for 6/26/2002 to 7/2/2002

Activity Date : 7/1/2002 **Current Depth :** 11115 ft.

Days Since Spud : 65 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 05:30 - 21 - Other - FIN TIH TO 7720'
05:30 to 07:00 - 21 - Other - CBU
07:00 to 10:30 - 21 - Other - POOH
10:30 to 11:00 - 21 - Other - R/U RMWL & 7" LUB & TEST TO 500 PSI
11:00 to 13:30 - 21 - Other - P/U GAUGE RING, CCL & JUNK BASKET & RIN TO 7750'. NO PROBLEMS MAX PULL 1900#.
13:30 to 17:30 - 21 - Other - P/U PKR ASSY. 3 1/4 OD SEAL NPL FOR "T-2 ON/OFF TOOL W/ 2.313" X PROFILE. 7" 26-35# X 2 7/8" EU 8 RD ARROWSET 1-X WIRELINE SET PKR 5.875 MAX OF 2.500 ID 2 7/8" EU N80 TBG COUPLING, 2 7/8" EU 8 RD. N80 PUP JT 2 7/8 EU 8 RD GLASS DISE SUB & 2 7/8 EU 8 RD WIRELINE RE-ENTRY GUIDE PKR SET @ 7675'.
17:30 to 18:00 - 21 - Other - TEST PKR TO 1000 PSI, TESTED OKAY.
18:00 to 22:00 - 21 - Other - TIH W/ 3 1/2" DP W/ BIT SUB ON BTM TO PKR @ 7680' DRILLER DEPTH.
22:00 to 22:30 - 21 - Other - RIG UP TO REV CIRC
22:30 to 00:00 - 21 - Other - DISP HOLE @ 7679', 35 BBLS OF DIESEL AHEAD. FOLLOW W/ 252 BBLS OF 11# CAL CHL, MAS PRESS 3350# AT 3.2 PPM.
00:00 to 02:00 - 21 - Other - MONITOR WELL WHILE RIGGING UP LAY-DOWN MACHINE.
02:00 to 05:00 - 21 - Other - POOH L/D 3 1/2" DP

DC : $34,595 **Cumm DHC :** $3,214,378 **Cumm DHC+Suspended :** $3,214,378

Activity Date : 7/2/2002 **Current Depth :** 11115 ft.

Days Since Spud : 66 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations :
05:00 to 14:30 - 21 - Other - POOH & LAY DOWN 3 1/2" DRL PIPE & HWDP.
14:30 to 17:00 - 21 - Other - INSTALL TBG HGR W/ BPV & SECURE IN WL HD.
17:00 to 05:00 - 21 - Other - NPL DOWN STACK & CLEAN PITS. NOTE: TRANSFERRED 800 BBLS 16.2# MUD TO KANE SPRINGS FED 11-1. TRANSFERRED 400 BBLS OF 18.2# KILL MUD TO KANE SPRINGS FED 11-1.

DC : $24,726 **Cumm DHC :** $3,239,104 **Cumm DHC+Suspended :** $3,239,104

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Daily Activity Report

CONFIDENTIAL

Well='CANE CREEK FEDERAL #7-1' for 7/3/2002 to 7/9/2002

DAILY DRILLING REPORT

From : 7/3/2002 **To : 7/9/2002**

Well Name :	**CANE CREEK FEDERAL #7-1**	**AFE # :**	**022011D**
Operator :	HUNT PETROLEUM (AEC), INC.	**WI :**	1 **NRI** 0
Loc :	**STR :** 7 - 25S - 19E	**AFEDHC :**	$2,419,000
County :	GRAND, UT **API Code :** 43 019 31363	**AFECWC :**	$2,419,000
Field :	KANE SPRINGS	**AFE Type :**	DEV
		Proposed Depth :	10921 ft.
Spud Date :	4/27/2002 **Rig Rel Date :** 7/2/2002	**Total Depth :**	0 ft.

Activity Date : 7/3/2002 **Current Depth :** 11115 ft.
Days Since Spud : 67 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**

Operations :
05:00 to 09:30 - 21 - Other - FIN NPL DOWN STACK & INSTALL WELLHEAD VALVE.
09:30 to 12:00 - 21 - Other - CLEAN FLR & LOAD OUT HANDLING TOOLS.
12:00 to 00:00 - 21 - Other - WASH WITH STEAM CLEANER. CLEAN & STEAM CLEAN PITS.
00:00 to 05:00 - 21 - Other - RIG DOWN. NOTE: RIG WAS RELEASED AT 12:00 MIDNIGHT ON July 2, 2002

DC : ($29,457) **Cumm DHC :** $3,209,647 **Cumm DHC+Suspended :** $3,209,647

Activity Date : 7/4/2002 **Current Depth :** 11115 ft.
Days Since Spud : 68 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**

Operations :
05:00 to 12:00 - 21 - Other - RIG DOWN & STEAM CLEANING PITS.
12:00 to 18:00 - 21 - Other - RIG DOWN TOP DRIVE.
18:00 to 00:00 - 21 - Other - SET DERRICK STAND & RIG DOWN GAS BUSTER & CHOKE.
00:00 to 05:00 - 21 - Other - RIG DOWN & STEAM CLEANING PITS.

DC : $7,728 **Cumm DHC :** $3,246,832 **Cumm DHC+Suspended :** $3,217,375

Activity Date : 7/5/2002 **Current Depth :** 11115 ft.
Days Since Spud : 69 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**

Operations :
05:00 to 11:00 - 21 - Other - RIG DOWN & FIN STEAM CLEANING PITS & SHAKERS.
11:00 to 19:00 - 21 - Other - CONT TO RIG DOWN. LAYED DERRICK DOWN.

DC : $17,183 **Cumm DHC :** $3,264,015 **Cumm DHC+Suspended :** $3,234,558

Activity Date : 7/6/2002 **Current Depth :** 11115 ft.
Days Since Spud : 70 **24 Hr. Footage Made :** 0 ft.
Activity : 21 - Other **Weather:**

Operations :
07:00 to 19:00 - 21 - Other - RIGGING DOWN & LOADING OUT RIG & SWACO EQUIP. MOVE FIELD OFFICE & QUARTERS FROM LOCATION.

DC : $18,113 **Cumm DHC :** $3,282,128 **Cumm DHC+Suspended :** $3,252,671

CONFIDENTIAL

DAILY DRILLING REPORT

From : 7/3/2002 To : 7/9/2002

Well='CANE CREEK FEDERAL #7-1' for 7/3/2002 to 7/9/2002

Activity Date : 7/7/2002 **Current Depth :** 11115 ft.

Days Since Spud : 71 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations : 07:00 to 19:00 - 21 - Other - RIGGING DOWN & LOADING OUT RIG. APPROX 75% OF RIG MOVED OFF LOC. ONLY SUB-STRUC, DRAW WORKS & DERRICK LEFT OF RIG ON LOC. SOME MISC PIPING & EQUIP LEFT ON LOC.

DC : $9,713 **Cumm DHC :** $3,291,841 **Cumm DHC+Suspended :** $3,262,384

Activity Date : 7/8/2002 **Current Depth :** 11115 ft.

Days Since Spud : 72 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations : 07:00 to 19:00 - 21 - Other - CONT TO LOAD OUT RIG. APPROX 95% OF RIG IS LOAD OUT & MOVED. THE LOC AROUND THE WELL HD HAS BEEN BACK DRAGGED & PREPARED FOR THE WORKOVER RIG. THE TBG HAS BEEN MOVED NEAR THE WL HD & THE BOP & CLOSING UNIT FOR THE WORKOVER HAS BEEN SPOTTED NEAR THE WL HD.

DC : $8,243 **Cumm DHC :** $3,300,084 **Cumm DHC+Suspended :** $3,270,627

Activity Date : 7/9/2002 **Current Depth :** 11115 ft.

Days Since Spud : 73 **24 Hr. Footage Made :** 0 ft.

Activity : 21 - Other **Weather:**

Operations : 07:00 to 14:00 - 21 - Other - FIN LOADING OUT & MOVING OFF REMAINDER OF RIG. DRESS LOC FOR WORKOVER RIG. ALL EQUIPMENT RELEASED. FINAL REPORT FOR DRILLING DEPT.

DC : $17,567 **Cumm DHC :** $3,317,651 **Cumm DHC+Suspended :** $3,288,194

HUNT PETROLEUM (AEC), INC.
1601 Elm Street, Suite 3400
Dallas, Texas 75201

July 11, 2002

State of Utah
Department of Oil, Gas & Minerals
1594 West N. Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Attn: Mr. Jim Hamilton

Re: Travelers Bond No. 103860066

Dear Sir:

This is to advise you that Aviara Energy Corporation has changed its name to Hunt Petroleum (AEC), Inc., effective July 1, 2002. Attached is a Surety Rider to Travelers Bond #103860066 (which replaced CNA Bond No. 159209096) and a copy of the Surety Bond on State of Utah Form 4A currently on file with the State of Utah, Department of Natural Resources.

If you have any questions please give me a call at (214) 880-8916.

Yours very truly,

Mary Melvin

Mary Melvin
Legal Assistant

attachments

cc: Max Gardner (w/enc.)
Donny Worthington (w/enc.)
Gerald Phillips (w/enc.)

Receipt acknowledged this ___ day of July 2002.

STATE OF UTAH, Department of Oil, Gas & Minerals

By: _____

Title: _____

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Colorado State Office
2850 Youngfield Street
Lakewood, Colorado 80215-7076

IN REPLY REFER TO:
3106 (MM)

July 22, 2002

NOTICE

Hunt Petroleum (AEC), Inc.
1601 Elm Street, Suite 3400
Dallas, TX 75201

: Oil and Gas

Name Change Recognized

Acceptable evidence was filed and accepted by this office concerning the name change of Aviara Energy Corporation to Hunt Petroleum (AEC), Inc. with Hunt Petroleum (AEC), Inc. being the surviving entity. For our purposes, the name change was recognized effective July 1, 2002 the date of acceptance by the Secretary of the State of Delaware.

A rider changing the name of the principal on Nationwide bond number 159209244 (BLM Bond CO-1274) previously held by Aviara and issued by Continental Casualty Company, was changed to Hunt Petroleum (AEC), Inc. effective July 12, 2002.

The oil and gas lease files identified on the enclosed Exhibit A, supplied by Hunt Petroleum (AEC), Inc. were updated to reflect the new name. We have not abstracted the lease files to determine if the entities affected by the name change hold an interest in the leases identified nor have we attempted to identify leases where the entity is the operator on the ground maintaining no vested record title or operating rights interests. We are notifying the Mineral Management Services (MMS) and applicable Bureau of Land Management (BLM) Field Offices of the name change by copy of this notice. If our field offices require additional documentation for changes of operator, they will contact you.

If you identify additional leases where the affected parties maintain an interest, please contact this office and we will document the files under our jurisdiction with a copy of this Notice. If the leases are under the jurisdiction of another State Office, we will notify them.

If you have any questions concerning this correspondence, please call Martha Maxwell at (303)239-3768.

Yolanda Valdez

FOR Beverly Derringer
Chief, Fluid Minerals Adjudication

Exhibit A sent to Eastern SO, New Mexico SO, Montana SO, Utah SO, Wyoming SO &
MMS-MRM, MS357B1, PO Box 5760, Denver, CO 80217
Decision Letter sent to All State Offices via BLM_Fluids_Forum

Hunt Petroleum Corporation
1601 Elm St., S[illegible]400
Dallas, TX 75201
(214) 880-8800

Daily Activity Report
Report Date : [illegible]esday, July 16, 2002

CONFIDENTIAL

Well='CANE CREEK FEDERAL #7-1' for 7/8/2002 to 7/10/2002

DAILY COMPLETION / WELLWORK REPORT — From : 7/8/2002 To : 7/10/2002

Well='CANE CREEK FEDERAL #7-1' for 7/8/2002 to 7/10/2002

Well Name :	**CANE CREEK FEDERAL #7-1**	**Job Start Date :**	**7/8/2002**
Operator :	HUNT PETROLEUM (AEC), INC.	**AFE # :**	**022011C**
Loc :	**STR :** 7 - 25S - 19E	**WI :**	1 **NRI** 0
County :	GRAND, UT **API Code :** 43 019 31363	**AFEDHC :**	$0
Field :	KANE SPRINGS	**AFECWC :**	$271,700
Contractor :		**AFE Type :**	CMD
Spud Date :	4/27/2002 **Turn To Completion Date :**	**Depth :**	0 ft.
Comp Date :	**Date First Production :**	**PBTD :**	0 ft.
Job Purpose :	RUN TUBING		

Date : 7/8/2002
Activity: Completion **Days On Completion:** 1
Remarks : SET RIG ANCHORS. SET 4 ANCHORS. CSG PSI 900. BLOW DOWN. RIG UP. RIG BACK DOWN, GROUND TOO SOFT. RIG UP. NIPPLE UP BOP. PICK UP SEAL ASSY. RUN TBG 2 7/8 L80. 41 JTS IN WELL.

DC : $31,388 **CCC:** $31,388 **CWC:** $31,388

Date : 7/9/2002
Activity: Completion **Days On Completion:** 2
Remarks : SICP 100#. BLED OFF PRESS & CONT PU 2 7/8" TBG. LATCH INTO PKR, MARK PIPE & GET OFF PKR. REV BTMS UP & REC ABOUT 20 BBLS MUD. ADDED PKR FL TO LSC WTR & PUMPED DOWN CSG TO ~ 6000'. SPACED OUT & LANDED TBG W/ 7000# COMPR. TESTED HANGER, SEALS & CSG TO 2500#, OK. ND BOPS & NU TREE. RU SLICKLINE & TESTED LUB AND TREE TO 3000#, OK. RIH W/ TOOL TO BREAK GLASS DISC, BENT TOOL. RIH W/ LARGER PRONG & BROKE DISK - TP DROPPED TO 650#. RD SLICKLINE & OPENED WELL TO TANK. BLED DOWN, NO FLOW. SIFN

DC : $6,318 **CCC:** $37,706 **CWC:** $37,706

Date : 7/10/2002
Activity: Completion **Days On Completion:** 3
Remarks : SITP 500#. BLED WELL TO TANK, NO FLOW. RU SWAB & SWAB DOWN TO 7000'. RECOVERED SOME MUD IN LAST RUN. TAG FLUID & MARK LINE. AFTER 1 HR, FLUID ROSE 100' - ~ 13 BPD RATE. SWAB OUT MUD WITH LAST RUN. RIH & TAG FLUID WHERE SWAB LEFT IT, NO INFLOW. RDMO W/O RIG. SHUT WELL IN, WILL MONITOR SITP TO SEE IF TBG WILL FILL UP OVER TIME. FINAL REPORT UNTIL WELL BUILDS UP PRESSURE.

DC : $3,940 **CCC:** $41,646 **CWC:** $41,646

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER See attachment

2. NAME OF OPERATOR: Hunt Petroleum (AEC), Inc.

3. ADDRESS OF OPERATOR: 1601 Elm Street, Suite 3400 Dallas, TX 75201 — PHONE NUMBER: 214-880-8855

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

5. LEASE DESIGNATION AND SERIAL NUMBER:
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME:
8. WELL NAME and NUMBER:
9. API NUMBER:
10. FIELD AND POOL, OR WILDCAT:
COUNTY:
STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☒ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Change of company from Aviara Energy Inc. to Hunt Petroleum (AEC), Inc. effective July 1, 2002.

NAME (PLEASE PRINT) Lisa Augustine TITLE Agent

SIGNATURE Lisa Augustine DATE August 6, 2002

(This space for State use only)

RECEIVED
AUG 07 2002
DIVISION OF
OIL, GAS AND MINING

(5/2000) (See Instructions on Reverse Side)

api	well_name	section	township	range	ll_status_m
4301931310	KANE SPRINGS FED 27-1	27	250S	190E	P
4301931324	KANE SPRINGS FED 19-1A	19	260S	200E	P
4301931325	KANE SPRINGS FED 28-1	28	250S	190E	S
4301931331	KANE SPRINGS FED 10-1	10	250S	180E	P
4301931332	KANE SPRINGS FED 20-1	20	260S	190E	S
4301931334	KANE SPRINGS FED 25-19-34-1	34	250S	190E	P
4301931363	CANE CREEK FEDERAL 7-1	07	250S	190E	DRL
4301931364	CANE CREEK FED 11-1	11	260S	190E	DRL
4301931365	CANE CREEK 30-1	30	260S	200E	APD
4301931379	KANE SPRINGS FED 3-1	03	260S	190E	APD
4303730572	GOVT EVELYN CHAMBERS 1	06	310S	240E	S
4303730612	GOVT EVELYN CHAMBERS 2	05	310S	240E	S
4304731768	COWDEN 31-3-C	31	060S	210E	S
4304731769	FEDERAL 33-6-F	33	060S	210E	P
4304731787	FEDERAL 33-8-N	33	060S	210E	P
4304731804	FEDERAL 33-3-J	33	060S	210E	S
4304731844	FEDERAL 33-7-L	33	060S	210E	P
4301931341	KANE SPRINGS 16-1	16	250S	180E	A
4304731776	ALTA 5-1-B	05	070S	210E	P
4304731843	ALTA 5-2-C	05	070S	210E	P

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

ROUTING
1. GLH
2. CDW ✓
3. FILE

Change of Operator (Well Sold) — Designation of Agent

X Operator Name Change — Merger

The operator of the well(s) listed below has changed, effective: **07-01-2002**

FROM: (Old Operator):		**TO:** (New Operator):
AVIARA ENERGY CORPORATION		HUNT PETROLEUM (AEC) INC
Address: 1601 ELM STREET, STE 3400		Address: 1601 ELM STREET, STE 3400
DALLAS, TX 75201		DALLAS, TX 75201
Phone: 1-(214)-880-8850		Phone: 1-(214)-880-8850
Account No. N5500		Account No. N2180

CA NO. **Unit:** **CANE CREEK**

WELL(S)

NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
CANE CREEK FEDERAL 7-1	07-25S-19E	43-019-31363	13477	FEDERAL	OW	DRL
KANE SPRINGS FEDERAL 3-1	03-26S-19E	43-019-31379	99999	FEDERAL	OW	APD
CANE CREEK FEDERAL 11-1	11-26S-19E	43-019-31364	13477	FEDERAL	OW	DRL
CANE CREEK 30-1	30-26S-20E	43-019-31365	99999	FEDERAL	OW	APD

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 07/15/2002
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 08/07/2002
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database on:** 08/07/2002
4. Is the new operator registered in the State of Utah: YES Business Number: 56883-0143
5. If **NO**, the operator was contacted contacted on: N/A
6. (R649-9-2) Waste Management Plan received on: IN PLACE

6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: 07/01/2002

7. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 07/01/2002

8. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject,** for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 07/08/2002

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database on:** 08/07/2002
2. Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 08/07/2002
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: N/A

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: CO-1274

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: N/A

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

Hunt Petroleum Corporation
1601 Elm St., Suite 3400
Dallas, TX 75201
(214) 880-8800

Daily Activity Report

Report Date : Friday, August 16, 2002

CONFIDENTIAL

DENTIAL

Well='CANE CREEK FEDERAL #7-1' for 8/5/2002 to 8/5/2002

DAILY COMPLETION / WELLWORK REPORT — From : 8/5/2002 To : 8/5/2002

Well='CANE CREEK FEDERAL #7-1' for 8/5/2002 to 8/5/2002

Well Name :	**CANE CREEK FEDERAL #7-1**	**Job Start Date :**	7/8/2002
Operator :	HUNT PETROLEUM (AEC), INC.	**AFE # :**	022011C
Loc :	**STR :** 7 - 25S - 19E	**WI :**	1 **NRI** 0
County :	GRAND, UT **API Code :** 43 019 31363	**AFEDHC :**	$0
Field :	KANE SPRINGS	**AFECWC :**	$271,700
Contractor :		**AFE Type :**	CMD
Spud Date :	4/27/2002 **Turn To Completion Date :**	**Depth :**	0 ft.
Comp Date :	**Date First Production :**	**PBTD :**	0 ft.
Job Purpose :	RUN TUBING		

Date : 8/5/2002

Activity: Completion

Remarks : 8/5/02
SHOT F.L. DOWN TBG - LEVEL ABOUT 1500' DOWN.

8/6/02
RU SWAB, TAG FL @ 1500', PULL 400' FLUID AT A TIME.
TOP 100' - MUD 50%, SW 50%
4700' OF HEAVY SW
800' HEAVY MUD FROM 6200' TO 7000'
TAG FLUID AT 7000', SD FOR 1 HR
NO RECOVERY ON LAST SWAB.
NO SHOW OF ANY GAS WHILE SWABBING.

RDMO

FINAL REPORT UNTIL WELL BUILDS UP PRESSURE OR FLUID LEVEL.

DC : $2,950 **CCC:** $44,596 **CWC:** $44,596

RECEIVED
AUG 23 2002
DIVISION OF
OIL, GAS AND MINING

Hunt Petroleum Corporation
1601 Elm St., Suite 3400
Dallas, TX 75201
(214) 880-8800

Daily Activity Report
Report Date: Tuesday, July 16, 2002

CONFIDENTIAL

Well='CANE CREEK FEDERAL #7-1' for 7/8/2002 to 7/10/2002

DAILY COMPLETION / WELLWORK REPORT

From :7/8/2002 **To :7/10/2002**

Well='CANE CREEK FEDERAL #7-1' for 7/8/2002 to 7/10/2002

Well Name :	**CANE CREEK FEDERAL #7-1**	**Job Start Date :**	**7/8/2002**
Operator :	HUNT PETROLEUM (AEC), INC.	**AFE # :**	**022011C**
Loc :	**STR :** 7 - 25S - 19E	**WI :** 1	**NRI** 0
County :	GRAND, UT **API Code :** 43 019 31363	**AFEDHC :**	$0
Field :	KANE SPRINGS	**AFECWC :**	$271,700
Contractor :		**AFE Type :**	CMD
Spud Date :	4/27/2002 **Turn To Completion Date :**	**Depth :**	0 ft.
Comp Date :	**Date First Production :**	**PBTD :**	0 ft.
Job Purpose :	RUN TUBING		

Date : 7/8/2002
Activity: Completion
Days On Completion: 1
Remarks : SET RIG ANCHORS. SET 4 ANCHORS. CSG PSI 900. BLOW DOWN. RIG UP. RIG BACK DOWN, GROUND TOO SOFT. RIG UP. NIPPLE UP BOP. PICK UP SEAL ASSY. RUN TBG 2 7/8 L80. 41 JTS IN WELL.

DC : $31,388 **CCC:** $31,388 **CWC:** $31,388

Date : 7/9/2002
Activity: Completion
Days On Completion: 2
Remarks : SICP 100#. BLED OFF PRESS & CONT PU 2 7/8" TBG. LATCH INTO PKR, MARK PIPE & GET OFF PKR. REV BTMS UP & REC ABOUT 20 BBLS MUD. ADDED PKR FL TO LSC WTR & PUMPED DOWN CSG TO ~ 6000'. SPACED OUT & LANDED TBG W/ 7000# COMPR. TESTED HANGER, SEALS & CSG TO 2500#, OK. ND BOPS & NU TREE. RU SLICKLINE & TESTED LUB AND TREE TO 3000#, OK. RIH W/ TOOL TO BREAK GLASS DISC, BENT TOOL. RIH W/ LARGER PRONG & BROKE DISK - TP DROPPED TO 650#. RD SLICKLINE & OPENED WELL TO TANK. BLED DOWN, NO FLOW. SIFN

DC : $6,318 **CCC:** $37,706 **CWC:** $37,706

Date : 7/10/2002
Activity: Completion
Days On Completion: 3
Remarks : SITP 500#. BLED WELL TO TANK, NO FLOW. RU SWAB & SWAB DOWN TO 7000'. RECOVERED SOME MUD IN LAST RUN. TAG FLUID & MARK LINE. AFTER 1 HR, FLUID ROSE 100' - ~ 13 BPD RATE. SWAB OUT MUD WITH LAST RUN. RIH & TAG FLUID WHERE SWAB LEFT IT, NO INFLOW. RDMO W/O RIG. SHUT WELL IN, WILL MONITOR SITP TO SEE IF TBG WILL FILL UP OVER TIME. FINAL REPORT UNTIL WELL BUILDS UP PRESSURE.

DC : $3,940 **CCC:** $41,646 **CWC:** $41,646

This report was previously submitted. There are no reports from 7-11-02 through 8-4-02 as the well was shut-in.

CONFIDENTIAL

GEOLOGIC WELLSITE REPORT

Aviara Energy Corporation

Cane Creek Federal #7-1
2040' fwl, 1596' fnl, Sec 7, T 25 S, R 19E 43-019-31363
Grand County, Utah

Brian Reddick
Consulting Geologist
Hampton Waechter & Associates
1645 Court Place Suite 300
Denver Colorado, 80202

RECEIVED
AUG 29 2002
DIVISION OF
OIL, GAS AND MINING

CONFIDENTIAL

WELL SUMMARY

The cane creek well was drilled primarily to test lower cane Creek member (cycle 21) of the middle Pennsylvanian Paradox Formation. Potential secondary objectives may include the other clastic portions of cycles 1-20, with particular interest in cycles 3, 5, 13, and 15-20.

The cane creek well spudded on the 27th of April 2002 with an air hammer and a 17 ½" bit. Surface casing (13 3/8") was set at 823' on the 28th of April. Early on the 29th of April surface casing was drilled out with an air hammer and a 12 ¼" bit. The first formation top drilled was the Paradox, which was reached at 4767' on the 7th of May. At TD for the 12 ¼" hole (4806'), 9 5/8" casing was set to 4798'. Following casing, the top drive was rigged up, and drilling of the intermediate hole began with an 8 ¾" PDC bit. Due to problems rigging up top drive, drilling did not resume until the 13th of May.

By 5500' deviation had reached 6 degrees, and WOB was decreased. On the 15th of May, hole deviation was still 5 ¼ degrees, and directional tools were added to the string. Drilling resumed in the 5th Salt on the 16th of May. Due to fault imbrication of the3rd and 6th cycles, there was confusion over the precise point in the section. On the 19th of May, a correlation log was run. This log showed that the original KOP depth was in the 18th salt, or approximately 400' high. After tripping in the hole, there was an MWD failure. Therefore, vertical drilling resumed on the 20th of May.

At KOP of 7979', on the 21st of May, deviated hole was started. On the 22nd of May, the BHA was changed out to increase build rate. Faulting and movement of salt resulted in imbricate cycles in the 3rd, 6th and 18th cycles. In the upper cycles (3-18), the section thickened. In the lower cycles (19-21) the section thinned. This resulted in topping the cane creek at too low of an angle, so the well had to be sidetracked on the 25th of May. Drilling resumed on the 27th of May at 7697'. On the 30th of May, the Cane Creek was reached at a measured depth of 8498', and intermediate casing point was 8524'.

Drilling resumed on the 5th of June, with a 6" bit. On the 8th of June, it was determined by correlation with the General Crude Big rock #1 well that the hot shale was substantially above the well bore. Based on the formation dip angle (94.6°) from Horizontal Solutions Inc. the angle of the well bore was increased to 96.5°. On the 11th of June, the hot shale was again encountered. Unfortunately, the formation dip angle calculated between the two encounters with the hot shale was 91.24°, which resulted in the well bore rising substantially above the hot shale before the well bore could be turned down. At this point, both gamma tools failed, and upon rigging up the second near bit gamma sensor, it also failed, and drilling resumed with standard gamma tools. When the angle was increased to 87.5° to go back down to the hot shale, it was determined that the formation dip had increased to 87.7°. On the 15th of June it was decided to stop chasing the hot shale in the current well bore, and sidetrack at 9208', before the second encounter with the hot shale. Two attempts at sidetracking at 9200' failed, and on the 17th of June at 9100', the well was successfully sidetracked. The hot shale was again encountered on the 22nd of June, and the well bore was roughly parallel with and slightly higher than the formation. On the 23rd the hot shale was again encountered and the well bore was immediately below the hot shale. At this point the bit began tracking the formation. The remainder of the well was rotated with increasing amounts of slides to hold direction. Total depth was reached on the 27th of June at 11115', which was 660' from the south line.

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GEOLOGICAL SUMMARY

The Triassic Chinle Formation consists predominately of interbedded sandstones, siltstones, with less common lacustrine limestones. This formation is fluvial to lacustrine in origin, and found at 810' on e-logs in the Cane creek well.

The Cutler formation consists of sandstones and siltstones that grade from arkosic to quartzose in composition, and fluvial to eolian and beach depositional systems. This formation is Permian in age and is found at 1549' on e-logs in the cane creek well.

The Pennsylvanian Hermosa Formation was deposited in the same embayment as the Paradox Formation, but in an open marine environment. This formation consists of shallow marine and deltaic sandstone, siltstone, and increasing limestone with depth. The Hermosa Formation is found on e-logs at 2920' in the cane creek well.

The Pennsylvanian Paradox formation was encountered at 4767' in samples, and at 4824' on e-logs. The Paradox formed in an intermittently restricted marine environment. This resulted in repeated cycles of clastics/carbonates/anhydrite-salt. Faulting and movement of salt resulted in imbricated cycles in the 3rd, 6th and 18th cycles. In the upper cycles (3-18), the section thickened. In the lower cycles (19-21) the section thinned, especially the 21st Salt, which was over 100 feet thinner than expected. This resulted in topping the Cane Creek at too low of an angle, so the well had to be sidetracked. The main pay in the Paradox is the lower cane creek (clastic cycle 21), which consists of organic rich dolomitic shales and siltstones. This formation has very low permeability, so a successful well must have open fractures to have good production. Unfortunately, all the fractures systems encountered in the well bore appeared to be filled with anhydrite, with lesser amounts of halite and calcite. The only good show in the cane creek 7-1 well was at 9300' on the first sidetrack. This show had a fair gas show including heavies through pentane, and some evidence of fracturing. It is possible that the mud weight masked any shows, but if extensive fractures were encountered in an overbalanced state, the well would likely have taken fluid. Therefore, the Cane Creek 7-1 well is probably a dry hole.

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WELL DATA

WELL NAME:	Cane creek Federal # 7-1
COMPANY REPRESENTATIVE:	Gary Pridemore, Ken Cockerham, Roy Joiner, R.D. Wells
LOCATION:	Surface hole location: 1596' FNL, 2040' FWL Bottom hole location: 660' FSL, 2264' FWL Section 7, T25S, R19E Grand County, Utah
AFE NUMBER:	022011 D
FIELD:	Cane creek
ELEVATION:	5162' GL, 5189' KB
SPUD DATE:	4/27/02
DATE TD REACHED:	6/27/02
CONTRACTOR:	Nabors # 266
TOOLPUSHER:	Mike McMurty, Terry Schaaf, Roger Atanasu
DRILLERS:	Clarence Raveling, Joel Hightower, Jesse Tatman, Dawn Gerrard, Roy Tanner, John McGinnity
DRAWORKS:	National 100 UE
PUMPS:	#1 GD PZ10, 10" stroke #2 GD PZ10, 10" stroke
HOLE SIZE:	17 ½" hole to 854' 12 ¼" hole to 854'-4806', 8 ¼" vertical hole 4806'-7979' 8 ¼" deviated hole 7979'-TD 8472'
SIDETRACK #1	8 ¼" deviated hole 7697'-8524' 6" horizontal hole 8524'-TD 9810'
SIDETRACK #2	6" horizontal hole 9208'-TD 11115'
CASING:	13 3/8", 54.5#, K55 set at 823' 9 5/8", 40#, N-80 set at 4798' 7' N-80, 32# set at 8524'
MUD COMPANY:	MI
ENGINEER:	Craig Adels Jim Huggins Tom Rice Charlie Brewton

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PROGRAM:	Mist to 4806', Invert mud to TD
WELLSITE GEOLOGY:	Hampton, Waechter & Associates
GEOLOGIST:	Brian Reddick
DIRECTIONAL & MWD:	Sperry Sun
DIRECTIONAL DRILLERS:	Justin Groom, Lloyd Berard, Steve Kruger
MWD HANDS:	Dave Stewart, Rod Thompson, Anthony Knight
MUD LOGGING COMPANY:	Pason Systems USA
LOGGERS:	Luke Titus, Brett Rose, Dawn English
LOGGING COMPANY:	Schlumberger
ENGINEERS:	Julio Tardaguila
PROGRAMS:	Correlation run 7600'; Platform express
TOTAL DEPTH:	Correlation run 7606' Driller, 7600' Logger
BOTTOM HOLE FORMATION:	Cane Creek
SAMPLE PROGRAM:	grab samples 4400'-4800' 10' intervals 4800'-TD, caught by mudloggers
WELL STATUS:	Set packer in 7" casing

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DAILY CHRONOLOGY

Date	Midnight depth	24 hr Footage	Activity
4/27/02	512'	427'	Rig up, drill with 17 ½" bit 85'-512'
4/28/02	854'	342'	Drill 512'-543', work tight hole, drill 543'-854', TOH, run casing, rig down casers
4/29/02	854'	0'	Rig up cementers, wait on cement, nipple up
4/30/02	854'	0'	Nipple up BOP, install stack, rig up muffler on blooie line
5/1/01	854'	0'	Test BOP, wait on tools, test BOP install rotating head,
5/2/02	1724'	870'	Install rotating head, Test casing, drill float & shoe, drill 1724
5/3/02	3557'	1833'	Drill 1724-3557'
5/4/02	4715'	1158'	Drill 3557'-4715'
5/5/02	4751'	36'	Drill 4715'-4751', TOH for low ROP, left metal down hole, wait on tools, make up bottom hole assembly, TIH with magnet
5/6/02	4752'	1'	TOH with magnet, TIH with concave mill, unload hole, bent baffle on flow line, mill junk, TOH, TIH with bit #3 to 3000'
5/7/02	4806'	54'	Unload hole, TIH to 4000', unload hole, ream 4731'-4751', drill 4751'-4806', TOH rig up casers, run 9 5/8" casing
5/8/02	4806'	0'	Wait on cement, nipple down BOP, set casing slips, nipple up BOP
5/9/02	4806'	0'	Nipple up BOP, lay down Kelly & swivel, cut & slip drill line, rig up flow line & buster
5/10/2	4806'	0'	TIH #4, raise top drive
5/11/02	4806'	0'	Rig up yellowdog, transfer invert from frac tanks to mud tank, rig up gas buster, rig down swivel, rig up top drive, repair motor on top drive, wait on electrical parts for top drive
5/12/02	4806'	0'	Wait on parts, test casing to 4000#, wait on parts, work on top drive
5/13/02	4940'	134'	Work on top drive, drill shoe & float sub, test

			casing, drill 4806'-4935', survey 1 ¾, drill 4935'-4940'
5/14/02	5544'	604'	Drill 4940'-5500', survey 6, decrease WOB, drill 5500'-5544'
5/15/02	5696'	152'	Drill 5544'-5593', survey 5 degrees, drill 5593'-5688', survey, 5 ¼ degree, drill 5688'-5695', circ and condition, TOH for low ROP
5/16/02	5926'	230'	TIH #5 with mud motor and directional tools, drill 5695'-5926'
5/17/02	6958'	1032'	Drill 5926'-6958' with surveys
5/18/02	7490'	538'	Drill 6958'-7000', pick up and raise mud weight, drill 7000'-7490'
5/19/02	7606'	116'	Drill 7490'-7606', circ & condition hole TOH, rig up line loggers, run correlation log
5/20/02	7606'	0'	Rig down loggers, TIH, MWD failure, TOH, xo BHA, TIH#6
5/21/02	8095'	489'	Drill 7606'-7668', xo shaker screens, drill 7668'-7979', directional drill 7979'-8095'
5/22/02	8260'	165'	Drill 8095'-8260', TOH for low build rates, xo BHA, TIH
5/23/02	8439'	179'	TIH #7, drill 8260'-8439',
5/24/02	8472'	33'	Drill 8439'-8472', Cane Creek high to prog, circ & cond hole for cement back and sidetrack #1, TOH, lay down BHA, pick up cementing tools, TIH
5/25/02	8472'	0'	TIH with cementing tools, rig up cementers, pump plug 8000'-7430', rig down cementers, TOH, wait on cement
5/26/02	8472'	0'	Pick up BHA, TIH, dress plug, plug failure, TOH, wait on cement, TIH
5/27/02	7749'	53'	Dress plug, time drill, drill 7723'-7749'
5/28/02	8154'	305'	Drill 7749'-8154'
5/29/02	8471'	317'	Drill 8154'-8471'
5/30/02	8524'	52'	Drill 8471'-8519', circ out samples, Drill 8519-8524',circ out samples, TOH, lay down 4 ½" drill pipe
5/31/02	8524'	0'	Run casing, rig up cementers, pump cement
6/1/02	8524'	0'	Wait on cement, nipple down, run cement temp log

6/2/02	8524'	0'	Nipple up, pick up drill pipe, TIH
6/3/02	8524'	0'	TIH, drill cement, weight up, drill shoe, test casing, TOH
6/4/02	8534'	10'	TOH, make up BHA, TIH, cut & slip drilling line, TIH, drill 8524'-8534'
6/5/02	8552'	18'	Drill 8534'-8552', TOH for low ROP, TIH
6/6/02	8620	68'	TIH, drill 8552'-8620', TOH for new BHA,
6/7/02	8652'	32'	Make up BHA, TIH, drill 8620'-8652'
6/8/02	8816'	164'	Drill 8652'-8755', slide up 8755'-8816'
6/9/02	9044'	228'	Drill 8816'-9044'
6/10/02	9228'	184'	Drill 9044'-9228'
6/11/02	9408'	180'	Drill 9228'-9408'
6/12/02	9449'	41'	Drill 9408'-9449', TOH MWD failure, TIH
6/13/02	9535'	86'	TIH, drill 9449'-9535'
6/14/02	9741'	206'	Drill 9535'-9741'
6/15/02	9211'	0'	Drill 9741'-9810', TOH to 9208' for sidetrack #2, time drill 9208'-9211'
6/16/02	9100'	0'	Drill 9211'-9214', ledge failed, time drill 9214'-9238', ledge failed, time drill
6/17/02	9135'	35'	Time drill, slowly increase weight sidetracked at 9135'
6/18/02	9345'	210'	Drill 9135'-9345'
6/19/02	9572'	227'	Drill 9345'-9572'
6/20/02	9635'	73'	Drill 9572'-9635', TOH for MWD, TIH
6/21/02	9778'	138'	Drill 9635'-9778'
6/22/02	10005'	227'	Drill 9778'-10005'
6/23/02	10208'	203'	Drill 10005'-10208'
6/24/02	10530'	322'	Drill 10208'-10530'
6/25/02	10763'	233'	Drill 10530'-10763'
6/26/02	10982'	219'	Drill 10763'-10982'
6/27/02	11115'	33'	Drill 10982'-11115', TOH

6/28/02	11115'	0'	TOH, run in hole with gage ring and junk basket, left on bottom, geologist released

BIT RECORD

#	MAKE	TYPE	SIZE	DEPTH OUT	FOOTAGE	HOURS RUN	REMARKS
1	STC	H42 R2R3PD	17 ½"	854'	785'	20	Surface
2	STC	HU2 R2R3PD	12 ¼"	4751'	3897'	81	
3	STC	H42 R2R3PP	12 ¼"	4806'	55'	1 ½	
4	STC	MA 89 PX	8 ¾"	7697'	1910'	51	PDC
RR4	STC	MA 89 PX	8 ¾"	8524'	827'	62	PDC
5	STC	XR+P	6"	8529'	5'	½	PDC
6	STC	MDT52	6"	8553'	24'	16	PDC
7	STC	MDT74	6"	8620'	67'	18 ½	PDC
8	STC	MDT74	6"	9635'	829'	99 ½	PDC
RR8	STC	MDT74	6"	11115'	1385'	132 ½	

MUD RECORD

DATE	DEPTH	WT	VIS	WL	Ck	Cl	SOL%
5/10/02	4806	11.1	47	5	2	35K	13.5
5/11/02	4806	11.1	49	5	2	35K	14
5/12/02	4806	11.1	50	5	2	35K	14
5/13/02	4811	10.9	49	5.5	2	35K	15
5/14/02	5500	11.2	52	5	2	35K	16
5/15/02	5656	11.5	55	4.2	2	38K	18.9
5/16/02	5695	11.5	59	4.4	2	38K	15
5/17/02	6500	11.6	57	4.2	2	44K	17
5/18/02	7200	13.2	61	3.8	2	46K	18
5/19/02	7606	13.6	63	3.8	2	48K	20
5/20/02	7606	13.5	63	3.6	2	48K	22
5/21/02	7606	13.5	63	3.6	2	48K	22
5/22/02	8095	14.5	80	3.6	2	49K	27
5/23/02	8260	15.1	120	5	2	47K	30
5/24/02	8442	15	72	2	2	50K	30
5/25/02	8472	15	88	2	2	50K	30
5/26/02	8472	15	76	2	2	49K	30
5/27/02	7697	15	75	2	2	49K	30
5/28/02	7697	15	78	1.8	2	42K	30
5/29/02	8149	15	72	1.8	2	42K	30
5/30/02	8474	15.2	73	1.8	2	45K	29
5/31/02	8524	15.2	78	1.8	2	45K	29
6/1/02	8524	15.3	74	1.8	2	45K	31
6/2/02	8524	16.2	74	1.8	1	45K	31
6/3/02	8524	16.2	75	1.8	1	37K	31
6/4/02	8524	16.2	75	1.8	1	37K	34
6/5/02	8535	16.2	69	1	1	37K	34
6/6/02	8552	16.3	67	1	1	37K	35
6/7/02	8620	16.2	74	1	1	38K	32
6/8/02	8652	16.2	67	1	1	32K	32
6/9/02	8818	16.2	74	1	1	34K	34
6/10/02	9055	16.2	71	1	1	34K	34
6/11/02	9227	16.2	69	1	1	36K	30
6/12/02	9410	16.2	78	1	1	34K	34
6/13/02	9449	16.2	72	1	1	34K	34
6/14/02	9535	16.2	67	1	1	34K	34
6/15/02	9745	16.2	62	1	1	34K	34
6/16/02	9213	16.2	59	1	1	44K	34
6/17/02	9100	16.3	60	1	1	36K	34
6/18/02	9136	16.2	63	1	1	34K	34
6/19/02	9319	16.3	62	1	1	34K	35
6/20/02	9575	16.2	65	1	1	35K	35
6/21/02	9634	16.2	63	1	1	30K	35
6/22/02	9777	16.2	63	1	1	30K	36
6/23/02	10001	16.2	60	1	1	30K	36
6/24/02	10207	16.3	59	1	1	30K	35
6/25/02	10530	16.3	60	1	1	30K	35
6/26/02	10974	16.3	62	1	1	30K	35
6/27/02	11115	16.3	62	1	1	30K	35

DEVIATION SURVEYS

Rig Surveys

Number	Measured Depth	Inclination	Comments
1	500	½	Vertical hole
2	1800	¾	
3	2760	1 ¼	
4	3550	1 ½	
5	4935	1 ¾	
6	5500	6	Decr WOB

Sperry Sun Surveys Initial well bore (vertical and build)

Measured Depth (ft)	Vertical Depth (ft)	Incl.	Azim.	Vertical Section (ft)	Dogleg Rate (°/100ft)
4725.9	4723.7	1.74	148.21	76.3	0
4819.4	4817.16	1.78	141.39	78.64	0.23
4942.32	4939.99	2.62	120.28	81.55	0.94
5035.69	5033.23	3.4	111.53	83.64	0.97
5129.03	5126.37	4.16	94.23	84.91	1.46
5222.04	5219.11	4.48	91.48	85.25	0.41
5315.38	5312.13	5	82.7	84.83	0.95
5408.82	5405.19	5.45	79.28	83.48	0.59
5502.23	5498.12	6.1	72.76	81.19	0.99
5596.32	5591.75	5.27	67.67	78.07	1.03
5658.68	5653.86	5.02	66.81	75.9	0.42
5721.52	5716.46	4.88	60.33	73.5	0.92
5784.82	5779.51	5.33	54.14	70.44	1.12
5847.5	5841.92	5.5	43.13	66.54	1.68
5907.07	5901.2	5.75	38.95	62.14	0.81
5969.62	5963.48	4.91	34.68	57.5	1.48
6063.57	6057.25	1.82	36.28	52.99	3.29
6157.78	6151.44	0.84	85.76	51.73	1.51
6251.4	6245.05	0.5	117.08	51.87	0.52
6344.47	6338.12	0.5	149.08	52.4	0.3
6437.42	6431.06	1.19	199.86	53.66	1.03
6530.77	6524.4	0.52	225.16	54.87	0.81
6624.11	6617.74	0.68	237.94	55.46	0.22
6717.62	6711.23	1.08	212.38	56.5	0.59
6810.85	6804.44	1.31	208.35	58.18	0.26
6904.32	6897.87	2.23	205.42	60.76	0.99
6997.37	6990.84	2.34	202.19	64.16	0.18
7090.37	7083.78	1.8	213.86	67.13	0.73
7184.23	7177.59	1.91	222.01	69.51	0.3

7277.86	7271.17	2.15	227.43	71.86	0.33
7371.46	7364.7	2.32	219.12	74.52	0.39
7464.12	7457.31	1.3	218.85	76.79	1.1
7553	7546.16	1.32	216.48	78.4	0.06
7667.08	7660.21	1.51	211.55	80.74	0.2
7760.55	7753.63	2.23	214.63	83.28	0.78
7855.68	7848.68	2.35	218.97	86.32	0.22
7948.75	7941.67	2.56	218.99	89.42	0.23
7980.32	7973.19	3.62	206.04	90.87	4
8011.31	8004.09	5.35	204.04	93.07	5.6
8042.34	8034.94	6.89	207.73	96.03	5.12
8073.01	8065.35	8.09	210.1	99.53	4.04
8103.68	8095.64	9.93	208.52	103.72	6.05
8134.37	8125.73	12.71	207	109.05	9.11
8165.76	8156.11	16.35	205.89	116.11	11.63
8197.15	8186	19.16	206.94	124.68	9.01
8228.55	8215.47	21.18	207.88	134.29	6.52
8260.06	8244.42	25.31	207.64	145.29	13.11
8291.7	8272.51	29.44	208.17	158.14	13.08
8322.65	8298.85	33.83	207.42	172.5	14.24
8353.52	8323.97	37.27	205.71	188.56	11.6
8385.35	8348.77	40.34	208.52	206.3	11.12
8416.41	8371.94	43.15	209.15	224.41	9.15

Sperry Sun Surveys Sidetrack #1 (build & horizontal)

Measured Depth (ft)	Vertical Depth (ft)	Incl.	Azim.	Vertical Section (ft)	Dogleg Rate (°/100ft)
7667.08	7661.24	1.51	211.55	80.73	0
7704.32	7698.45	3.32	196.75	82.18	5.1
7735.48	7729.47	7.29	186.09	85.01	13.07
7766.64	7760.26	10.25	186.97	89.73	9.51
7798.35	7791.44	10.74	187.74	95.46	1.61
7830.06	7822.59	10.86	187.29	101.35	0.46
7861.77	7853.72	11.11	186.18	107.35	1.03
7892.79	7884.16	11.18	188.23	113.3	1.3
7923.81	7914.58	11.32	187.71	119.29	0.56
7954.84	7944.92	12.82	189.12	125.71	4.93
7986.03	7975.16	15.55	194.58	133.17	9.74
8017.24	8005.02	18.23	195.85	141.92	8.67
8048.43	8034.54	19.48	198.9	151.53	5.1
8079.11	8063.27	21.59	197.61	161.75	7.03
8109.79	8091.52	24.29	196.76	173.18	8.87
8140.46	8119.25	26.31	194.59	185.8	7.25
8171.85	8146.98	29.55	193.12	200.07	10.55
8203.24	8173.87	32.51	192.13	215.86	9.57

8234.63	8199.75	36.38	190.22	233.27	12.8
8266.01	8224.37	40.26	188.52	252.47	12.81
8297.37	8247.8	43.02	187.94	273.09	8.89
8328.74	8270.17	46	187.71	294.87	9.51
8359.99	8291.22	49.32	188.56	317.74	10.81
8391.24	8310.99	52.14	188.45	341.66	9.03
8422.5	8329.61	54.76	187.95	366.51	8.48
8453.61	8346.76	58.32	188.61	392.19	11.58
8537.44	8387.12	64.1	187.58	464.9	6.98
8569.27	8398.82	72.7	184.2	494.31	28.76
8607.13	8406.85	82.8	181.98	531.2	27.28
8636.87	8409.55	86.79	180.41	560.81	14.41
8668.6	8411.12	87.53	179.5	592.5	3.69
8700.29	8412.48	87.53	179.24	624.15	0.82
8731.93	8413.9	87.35	178.93	655.76	1.13
8763.88	8415.12	88.27	179.03	687.68	2.9
8795.6	8415.57	90.09	178.84	719.39	5.77
8827.49	8415.11	91.57	177.69	751.26	5.88
8859.39	8413.94	92.65	177.37	783.11	3.53
8891.1	8412.03	94.23	177.56	814.73	5.02
8922.95	8409.6	94.54	177.5	846.46	0.99
8954.8	8407.38	93.45	177.67	878.2	3.46
8986.74	8406.14	90.99	177.36	910.08	7.76
9018.36	8406.03	89.41	176.85	941.66	5.25
9050.09	8406.3	89.63	176.87	973.34	0.7
9081.84	8405.87	91.91	177.53	1005.05	7.48
9113.51	8404.09	94.53	178.38	1036.65	8.7
9145.03	8401.02	96.67	178.88	1068.01	6.97
9176.76	8397.29	96.8	178.57	1099.51	1.05
9208.7	8393.71	96.08	178.5	1131.24	2.26
9240.42	8390.27	96.39	178.48	1162.76	0.98
9271.51	8386.87	96.14	178.08	1193.65	1.51
9303.41	8383.36	96.52	178.03	1225.34	1.2
9335.3	8379.86	96.08	178.37	1257.02	1.74
9367.14	8376.66	95.46	178.03	1288.68	2.22
9399.58	8373.82	94.56	177.5	1320.97	3.22
9431.4	8371.66	93.24	177.76	1352.69	4.23
9463.3	8369.63	94.04	177.85	1384.5	2.52
9495.04	8367.61	93.27	177.27	1416.15	3.03
9526.66	8366.29	91.51	177.19	1447.7	5.57
9558.46	8365.67	90.74	176.82	1479.45	2.69
9590	8365.68	89.23	176.71	1510.94	4.8
9619.76	8366.56	87.35	177.53	1540.65	6.89
9651.52	8367.96	87.63	177.21	1572.35	1.34
9683.28	8369.24	87.72	176.41	1604.03	2.53
9715.13	8370.52	87.69	176.66	1635.8	0.79
9746.97	8371.61	88.4	176.2	1667.56	2.66
9810	8373.81	87.6	177	1730.44	1.79

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Sperry Sun Surveys Sidetrack #2 (horizontal)

Measured Depth (ft)	Vertical Depth (ft)	Incl.	Azim.	Vertical Depth (ft)	Dogleg Rate (°/100ft)
9081.84	8405.87	91.91	177.53	8405.87	0
9111.09	8404.97	91.6	176.59	8404.97	3.38
9142.76	8404.58	89.82	174.77	8404.58	8.04
9174.47	8404.44	90.68	173.87	8404.44	3.93
9206.21	8403.67	92.1	173.93	8403.67	4.48
9237.93	8402.24	93.09	174.01	8402.24	3.13
9269.02	8400.39	93.73	173.57	8400.39	2.5
9300.92	8398.18	94.22	173.56	8398.18	1.54
9333.32	8395.58	94.97	173.29	8395.58	2.46
9364.96	8392.85	94.94	173.82	8392.85	1.67
9396.62	8391.64	89.45	174.51	8391.64	17.48
9428.33	8392.59	87.1	174.1	8392.59	7.52
9460.14	8393.87	88.3	174.41	8393.87	3.9
9491.95	8394.32	90.06	175.34	8394.32	6.26
9523.66	8393.87	91.57	175.7	8393.87	4.9
9555.37	8392.87	92.04	175.85	8392.87	1.56
9587.1	8392.68	88.64	175.25	8392.68	10.88
9618.04	8394.24	85.6	174.95	8394.24	9.87
9649.75	8396.19	87.35	175.36	8396.19	5.67
9681.46	8396.79	90.49	175.3	8396.79	9.9
9713.52	8396.51	90.49	175.09	8396.51	0.65
9745.64	8395.93	91.6	175.82	8395.93	4.14
9777.52	8394.91	92.04	176.49	8394.91	2.51
9809.36	8393.78	92.04	176.32	8393.78	0.53
9841.24	8392.63	92.11	177.41	8392.63	3.42
9873.12	8391.75	91.05	177.74	8391.75	3.48
9904.89	8391.22	90.86	178.87	8391.22	3.61
9936.56	8391.95	86.48	179.31	8391.95	13.9
9968.24	8393.89	86.49	179.27	8393.89	0.13
10000.09	8394.82	90.18	180.98	8394.82	12.77
10031.94	8395.09	88.83	180.48	8395.09	4.52
10063.79	8396.37	86.58	180.93	8396.37	7.2
10095.55	8398.78	84.72	180.43	8398.78	6.06
10127.31	8401.66	84.88	181.07	8401.66	2.07
10159.07	8404.61	84.45	180.95	8404.61	1.41
10190.84	8407.31	85.8	182	8407.31	5.38
10222.59	8409.15	87.56	181.73	8409.15	5.61
10254.35	8409.94	89.57	180.56	8409.94	7.32
10286.06	8410.17	89.63	177.4	8410.17	9.97
10317.77	8410.24	90.12	174.5	8410.24	9.27
10349.48	8410.2	90	171.47	8410.2	9.56
10381.18	8410.05	90.56	169.7	8410.05	5.86
10412.88	8409.67	90.8	168.23	8409.67	4.7

10444.58	8409.31	90.49	168.41	8409.31	1.13
10476.34	8409.03	90.52	167.69	8409.03	2.27
10508.1	8408.57	91.14	166.06	8408.57	5.49
10539.7	8407.95	91.14	164.4	8407.95	5.25
10571.61	8407.16	91.67	163.52	8407.16	3.22
10603.52	8406.31	91.41	164.05	8406.31	1.85
10635.44	8405.25	92.37	165.1	8405.25	4.46
10667.3	8403.57	93.69	168.44	8403.57	11.26
10699.17	8401.66	93.16	169.85	8401.66	4.72
10731.04	8399.89	93.21	168.86	8399.89	3.11
10762.74	8397.99	93.69	170.55	8397.99	5.53
10793.72	8395.94	93.87	171.43	8395.94	2.89
10825.43	8393.8	93.87	171.43	8393.8	0
10857.44	8391.65	93.83	169.49	8391.65	6.05
10889.01	8389.34	94.57	169.26	8389.34	2.45
10920.98	8386.72	94.83	171.43	8386.72	6.81
10952.9	8383.89	95.36	171.78	8383.89	1.99
10984.64	8380.9	95.43	171.27	8380.9	1.61
11016.37	8378.14	94.57	170.99	8378.14	2.85
11067	8373.94	94.94	172.7	8373.94	3.44
11115	8369.78	95	172.7	8369.78	0.12

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FORMATION TOPS

Measured from a KB elevation of 5189'

FORMATION	Sample Top MD	E-log top
Chinle		810'
Cutler		1549'
Hermosa		2920'
Paradox	4767'	4824'
3rd Salt	4767'	4824'
3rd Salt		4884'
3rd Salt		5070'
3rd Clastic	5150'	5150'
4th Salt		5216'
3rd Salt		5234'
3rd Clastic	5324'	5324'
4th Salt	5397'	5381'
4th Clastic	5500'	5520'
5th Salt	5591'	5573'
5th Clastic	5684'	5671'
6th Salt	5756'	5737'
6th Salt		5813'
6th Salt		5920'
6th Salt		5932'
6th Salt		5958'
6th Salt		5989'
6th Clastic	6130'	6118'
7th Salt	6159'	6148'
7th Clastic	6282'	6268'
8th Salt	6290'	6276'
8th Clastic	6340'	6340'
9th Salt	6406'	6396'
9th Clastic	6578'	6580'
10th Salt	6630'	6620'
10th Clastic	6809'	6798'
11th &12th cycles	6854'	6842'
12th Clastic	6960'	6950'
13th Salt	6984'	6974'
13th Clastic	7150'	7152'

	14th Salt	7171'	7160'
	14th Clastic	7266'	7256'
	15th Salt	7285'	7272'
	15th Clastic	7330'	7320'
	16th Salt	7368'	7358'
	16th Clastic	7494'	7488'
	17th Salt	7508'	7498'
	17th Clastic	7545'	7536'
	18th Salt	7554'	7542'
	18th Clastic	7755'	7755'
	19th Salt	7767'	7767'
	18th Clastic	7789'	7789'
	18th Clastic		7800'
	18th Clastic		7824'
	19th Salt	7840'	7840'
	19th Clastic	8022'	8028'
	20th Salt	8074'	8074'
	20th Clastic	8206'	8206'
	21st Salt	8217'	
	Kane Creek	8418'	
TD		8472'	

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FORMATION TOPS SIDETRACK #1

Measured from a KB elevation of 5189'

FORMATION	Sample Top MD	E-log top
18th Clastic	7755'	7757'
19th Salt	7767'	7767'
18th Clastic	7789'	7791'
18th Clastic		7801'
18th Clastic		7820'
19th Salt	7838'	7838'
19th Clastic	8028'	8028'
20th Salt	8086'	8086'
20th Clastic	8227'	8227'
21st Salt	8238'	
Cane Creek	8498'	
TD	11115'	

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SAMPLE DESCRIPTIONS

4400-4450 Shale dark gray to black, blocky to platy, calcareous, smooth to silty, occasional grading to siltstone, trace light gray brown very fine grained sandstone

4450-4500 Limestone gray to brown, occasional light gray to buff, hard, blocky to platy, very fine to crypto-crystalline, clean to moderately argillaceous

4450-4500 Shale dark gray to black to brown, blocky to sub blocky, firm, silty to earthy, calcareous, interbed with Limestone a/a

4500-4550 Shale dark gray to brown, blocky to sub blocky, firm to hard, smooth, grading to siltstone in part, continued good trace limestone a/a

4550-4600 Shale brown to dark brown, occasional red brown, silty, calcareous, good trace crinoid fragments

4600-4620 Shale brown to dark brown, blocky to sub blocky, firm, smooth to silty, trace crystalline calcite

4620-4650 Limestone light gray, very fine crystalline, hard, clean, sub blocky to blocky, good trace brown to red brown chert

4650-4680 Limestone buff to cream to light gray, very finely crystalline, clean, hard, blocky, occasional unidentified fossil fragments

4680-4713 Sandstone light gray to salt and pepper, very fine to fine grained, sub angular to sub round, moderately sorted, well cement, calcareous, clean

4713-4730 Limestone brown, very fine crystalline, clean to moderately argillaceous, hard, blocky

4730-4750 Sandstone light gray, very fine grained, grading to siltstone in part, calcareous, clean, sub angular, well sorted, well cement

4767-4806 **Paradox formation** picked on ROP and increase in chlorides, no salt seen in samples

4806-4820 Sample predominant cement, trace anhydrite

4820-4837 Anhydrite soft, white, slightly to m calcareous, good trace interbed gray limestone, abundant cement

4837-4870 Halite clear to white, angular to blocky, crystalline, firm to hard, brittle, clean

4870-4900 Halite white to clear, firm to slightly hard, crystalline, clean, brittle, trace anhydrite

4900-4940 Halite a/a

4940-5000 Halite white to clear, hard to firm, crystalline, good trace cubic crystals, rare anhydrite, trace black shale

5000-5030 Halite white to translucent, firm to hard, crystalline, clean, rare black shale

5030-5060 Halite a/a

5060-5100 Halite white to translucent, firm to hard, crystalline, clean, rare black shale, rare anhydrite

5100-5120 Halite cont a/a

5120-5160 Halite off white to clear to white, blocky to angular, firm to hard, brittle, clean to slightly argillaceous, trace gray shale, trace anhydrite

5160-5170 Shale light gray, sub blocky to sub platy, soft to firm, calcareous in part, anhydrite in part, smooth to earthy

5170-5180 Shale medium gray, occasional light to dark gray, sub blocky to platy, smooth, soft to firm, slightly calcareous, trace anhydrite

5180-5190 Shale dark gray to black, blocky to platy, soft to firm, smooth to slightly silty, carbonaceous in part, non to moderately calcareous

5190-5200 Shale cont a/a

5200-5227 Shale light to medium gray, occasional dark gray to black, sub blocky to platy, firm to soft, smooth to slightly silty, calcareous in part, carbonaceous in part, good trace interbed light gray anhydrite

5227-5250 Anhydrite, light gray to off white, soft, amorphous, occasional firm, crystalline, chalky in part, occasional interbed light gray shale, trace limestone

5250-5280 Halite off white to white to translucent, brittle, crystalline, clean, occasional trace dark gray shale, occasional anhydrite

5280-5300 Halite, off white to translucent, firm to slightly hard, brittle, crystalline, cont trace dark gray shale and anhydrite

5300-5324 Halite cont a/a

5324-5339 Shale dark gray to black, sub blocky to platy, trace coal laminated, good trace carbonaceous material, slightly to moderately calcareous in part, smooth to silty, firm to soft, carbonaceous

5339-5360 Shale light to dark gray, sub blocky to platy, soft to firm, occasional carbonaceous in part, calcareous in part, trace anhydrite, smooth to silty

5360-5380 Anhydrite, off white to very light gray, soft, occasional firm, chalky, occasional crystalline, calcareous in part, good trace interbed light gray shale

5380-5397 Anhydrite cont a/a, predominantly amorphous

5397-5430 Halite, off white, crystalline, occasional amorphous, anhydrite, brittle, clean, occasional specks dark gray shale, blocky to sub blocky

5439-5470 Halite cont a/a

5470-5500 Halite off white, crystalline, occasional amorphous, anhydrite, brittle, clean, occasional dark gray shale, blocky to sub blocky, occasional amorphous anhydrite

5500-5510 Anhydrite off white, amorphous, soft, clean, slightly calcareous, sample predominant salt cavings

5510-5520 Anhydrite off white to white, soft, chalky in part, amorphous, sub blocky, trace light gray shale

5520-5530 Shale light gray to very light gray, sub blocky to platy, soft, anhydrite, grading to argillaceous anhydrite, trace carbonaceous material

5530-5550 Anhydrite with lesser amounts of light gray shale a/a

5556-5563 Halite white to translucent, firm, brittle, crystalline, clean, good trace anhydrite

5563-5591 Shale light gray to gray brown, sub blocky to platy, soft to firm, smooth to silty, calcareous in part, abundant anhydrite, abundant salt

5591-5620 Halite white to off white to translucent, firm to slightly hard, brittle, crystalline, trace anhydrite

5620-5630 Halite a/a

5630-5650 Halite clear to off white, occasional translucent, firm, trace anhydrite, brittle

5650-5672 Halite off white, firm to slightly hard, crystalline, trace anhydrite, clean, occasional trace carbonaceous material

5672-5690 Anhydrite white to off white, soft, amorphous, occasional chalky, calcareous in part, good trace interbed salt

5690-5714 Anhydrite white to off white, soft, amorphous, slightly to m argillaceous in part, grading to anhydrite shale in part

5714-5732 Shale light to medium gray, soft, sub blocky, calcareous in part, smooth, anhydrite, good trace anhydrite interbed, grading to argillaceous anhydrite in part

5732-5756 Interbedded bed light gray shale and anhydrite a/a

5756-5770 Halite off white, occasional translucent, blocky to sub blocky, firm, brittle, predominant clean, good trace anhydrite

5770-5800 Halite off white to white, crystalline, firm, brittle, blocky, clean, occasional trace carbonaceous material

5800-5850 Halite off white to white, crystalline, firm, brittle, blocky, clean, occasional trace carbonaceous material

5850-5900 Halite off white to white to translucent, blocky, clean, brittle, firm, trace anhydrite, rare light gray shale

5900-5930 Halite off white to translucent, blocky to sub blocky, firm, brittle, clean

5930-5958 Anhydrite off white to white, soft, amorphous, chalky in part, argillaceous in part, grading to anhydrite shale in part, sample predominant (95%) halite

5958-6000 Halite off white to translucent, blocky to sub blocky, firm, brittle, clean

5991-6051 Anhydrite off white to white, soft, amorphous, chalky in part, argillaceous in part, grading to anhydrite shale in part, sample predominant (95%) halite

6051-6100 Halite off white to translucent, blocky to sub blocky, firm, brittle, clean, occasional trace anhydrite

6100-6130 Halite cont a/a

6130-6140 Shale gray to black, blocky to platy, smooth to slightly silty, carbonaceous in part, abundant white to light gray anhydrite

6140-6160 Shale light gray, sub blocky, very soft, anhydrite, good trace interbed anhydrite

6160-6200 Halite off white to clear to translucent, crystalline, brittle, firm, clean, good trace anhydrite, fair trace shale a/a

6220-6250 Halite cont a/a

6250-6280 Halite off white, crystalline, firm, brittle, clean, good trace anhydrite

6280-6288 Shale light to medium gray, sub blocky, soft, smooth to earthy, anhydrite in part, good trace interbed anhydrite

6288-6320 Halite off white to translucent, crystalline, brittle, firm, clean, trace anhydrite

6320-6340 Halite off white to translucent, firm, blocky, brittle, clean to slightly argillaceous, trace anhydrite

6348-6370 Shale black to gray, platy to sub blocky, soft, smooth to earthy, carbonaceous in part

6370-6406 Shale light to medium gray, sub blocky, soft, smooth to slightly silty, anhydrite in part, good trace interbed anhydrite

6406-6450 Halite off white to translucent, crystalline, firm, brittle, clean

6450-6480 Halite cont a/a, good trace anhydrite, occasional grading to light gray anhydrite shale

6480-6500 Halite off white, occasional pink, translucent, crystalline, firm, brittle, clean, trace anhydrite

6500-6530 Halite off white to translucent, occasional pink, crystalline, blocky, firm, brittle, clean

6530-6550 Halite off white to translucent, crystalline, blocky to sub blocky, firm, brittle, clean, trace anhydrite

6550-6578 Halite cont a/a

6578-6600 Shale light to medium gray, sub blocky, smooth to earthy, trace carbonaceous laminated, anhydrite in part, good trace white anhydrite

6600-6630 Shale gray to black, sub blocky to platy, smooth to slightly silty, good trace carbonaceous material, carbonaceous in part, anhydrite in part

6630-6670 Halite off white to translucent, sub blocky to blocky, firm, brittle, clean, trace anhydrite

6670-6700 Halite a/a

6700-6730 Halite off white, translucent, blocky to sub blocky, firm, brittle, clean, good trace anhydrite

6730-6760 Halite off white to cream, sub blocky, firm, brittle, crystalline

6760-6808 Halite off white to translucent, sub blocky to blocky, firm, brittle, clean, crystalline, trace anhydrite

6808-6820 Shale light to medium gray to black, sub blocky to platy, soft, smooth, carbonaceous in part, anhydrite in part, good trace interbed anhydrite

6820-6840 Shale light gray, sub blocky, soft to very soft, anhydrite, trace carbonaceous laminated, good trace white anhydrite

6840-6854 Shale light to medium gray, sub blocky, soft, smooth, anhydrite, good trace interbed anhydrite

6854-6900 Halite off white, translucent, sub blocky to blocky, crystalline, clean, trace anhydrite

6900-6924 Halite off white, sub blocky to blocky, crystalline, clean, brittle, firm

6924-6950 Shale light gray, sub blocky, soft, occasional firm, smooth to slightly silty, anhydrite in part, good trace anhydrite, sample predominant salt

6950-6984 Shale gray, occasional black, soft, sub blocky, abundant anhydrite, carbonaceous in part, smooth to slightly silty

6984-6994 Halite off white, blocky to splintery, firm, crystalline, trace anhydrite, trace gray shale

6994-7041 Halite a/a, trace shale light to medium gray, sub blocky, soft, anhydrite, good trace interbed anhydrite, occasional carbonaceous in part

7041-7049 Halite cont a/a

7049-7074 Halite cont a/a, trace shale light to medium gray, occasional black, sub blocky to platy, soft, smooth to earthy, occasional slightly silty, carbonaceous in part

7074-7100 Halite off white, sub blocky to blocky, firm, brittle, clean, occasional angular transparent fragments

7100-7150 Halite off white to translucent, sub blocky to blocky, firm, clean, brittle, good trace anhydrite

7150-7160 Shale gray to black, sub blocky to platy, soft to firm, calcareous in part, carbonaceous to very carbonaceous in part, grading to argillaceous coal in part

7160-7172 Shale gray to black, sub blocky to platy, soft, calcareous in part, carbonaceous in part, good trace anhydrite

7172-7200 Halite off white to translucent, occasional transparent, blocky to splintery, firm, brittle, clean

7200-7240 Halite off white to translucent, blocky to platy, firm, brittle, crystalline, clean

7240-7266 Halite off white, sub blocky to blocky, firm, brittle, clean, trace anhydrite

7266-7275 Shale gray, sub blocky, soft, smooth to earthy, occasional carbonaceous

7275-7286 Shale gray to black, sub blocky to platy, soft, smooth to slightly silty, slightly calcareous in part, carbonaceous in part, good trace carbonaceous material

7286-7300 Halite off white to translucent, sub blocky to blocky, firm, brittle, clean, trace anhydrite

7300-7330 Halite cont a/a

7330-7350 Shale light to medium gray, occasional black, carbonaceous in part, sub blocky to platy, smooth to slightly silty

7350-7368 Shale gray to black, sub blocky to platy, smooth, soft, carbonaceous in part, good trace carbonaceous material, smooth to slightly silty

7368-7400 Halite off white to translucent, sub blocky to blocky, firm to slightly hard, brittle, crystalline, clean, trace anhydrite

7400-7450 Halite off white to white to translucent, blocky, firm, crystalline, brittle, clean, trace anhydrite

7450-7494 Halite off white to translucent, blocky to platy, firm, brittle, clean, crystalline, trace anhydrite

7494-7508 Shale gray to black, sub blocky to platy, soft to slightly firm, carbonaceous in part, smooth to silty, abundant anhydrite

7508-7545 Halite off white to translucent firm, brittle, crystalline, blocky to platy, good trace anhydrite

7545-7550 Shale cont gray to black, sub blocky to platy, soft to firm, carbonaceous in part, anhydrite in part

7550-7606 Halite off white to translucent, blocky, occasional platy, firm, brittle, clean, crystalline, trace carbonaceous shale and anhydrite

7600-7650 Halite off white to white to translucent, blocky, firm, crystalline, brittle, clean, trace anhydrite

7650-7700 Halite off white to translucent, blocky to platy, firm, brittle, crystalline, clean, good trace white anhydrite

7700-7756 Halite off white to translucent, blocky to platy, firm, brittle, crystalline, trace anhydrite, trace gray shale

7755-7767 Shale gray to black, sub blocky, soft, earthy to silty, carbonaceous in part, good trace light gray to off white anhydrite

7767-7789 Halite off white, sub blocky to platy, firm, brittle, clean, good trace off white anhydrite and gray shale

7790-7814 Shale light gray to black, sub blocky to platy, soft to slightly firm, earthy to smooth, carbonaceous in part, anhydrite in part, good trace anhydrite, abundant salt

7814-7840 Shale light gray to black, sub blocky to platy, soft, smooth to slightly silty, carbonaceous in part, good trace anhydrite, sample increase salt

7840-7850 Halite off white, blocky to platy, firm, brittle, crystalline, clean, trace anhydrite

7850-7900 Halite off white to translucent, blocky to platy, firm, brittle, good trace anhydrite

7900-7950 Halite off white to translucent, sub blocky to blocky to platy, firm, brittle, clean, crystalline

7950-8000 Halite cont a/a

8000-8022 Halite off white to translucent, blocky to platy, firm, brittle, clean, trace anhydrite

8022-8030 Shale light gray to black, sub blocky to platy, soft to firm, calcareous in part, carbonaceous in part, good trace white anhydrite

8030-8040 Anhydrite off white to white, sub blocky, soft, amorphous to crystalline, calcareous in part, trace shale increase

8040-8050 Siltstone light gray, blocky, firm to slightly hard, calcareous, argillaceous

8050-8060 Siltstone light gray, blocky to sub blocky, firm, calcareous, argillaceous, grading to silty shale in part

8060-8074 Anhydrite off white to light gray, sub blocky, soft, amorphous, calcareous in part

8074-8100 Halite off white to translucent, blocky to platy, firm, brittle, good trace anhydrite a/a

8100-8150 Halite off white, blocky to platy, firm, brittle, clean, crystalline

8150-8206 Halite off white to translucent, soft, crystalline, clean, sub blocky to blocky, occasional platy

8206-8215 Shale medium gray to black, sub blocky to platy, soft, smooth to earthy, carbonaceous in part, anhydrite in part

8215-8252 Halite off white to translucent, blocky to platy, firm, brittle, solution, trace anhydrite

8252-8256 Shale light to medium gray to black, sub blocky to platy, firm to soft, smooth to slightly silty, trace anhydrite, carbonaceous in part, sample predominant salt

8256-8300 Halite off white to translucent, blocky to platy, firm, brittle, clean crystalline, trace anhydrite

8300-8330 Halite off white to translucent, blocky to platy, firm, brittle, crystalline, trace off white anhydrite, predominant clean, occasional trace gray shale

8330-8370 Halite off white to translucent, blocky to platy, firm, brittle, clean, crystalline, trace anhydrite

8370-8418 Halite cont a/a

8418-8432 Shale gray to black, sub blocky to platy, soft, smooth to earthy to slightly silty, calcareous in part, carbonaceous in part, anhydrite in part

8432-8434 Anhydrite white to off white, sub blocky, soft, amorphous, clean, rare calcareous fracture fill

8434-8438 Shale black to dark gray, sub blocky to platy, soft, smooth to slightly silty, carbonaceous in part, trace anhydrite

8438-8440 Anhydrite off white to white, occasional light gray to tan, sub blocky, soft, amorphous, clean

8440-8450 Shale light to medium gray to black, sub blocky to platy, soft to firm, carbonaceous in part, smooth to slightly silty, good trace anhydrite

8450-8462 Shale cont a/a, increasingly black carbonaceous shale

8462-8466 Anhydrite off white to gray, sub blocky, soft, amorphous, clean to argillaceous

8466-8472 Shale light to medium gray to black, sub blocky to platy, soft to firm, carbonaceous in part, smooth to earthy, good trace anhydrite

SAMPLE DESCRIPTIONS SIDETRACK #1

7700-7757 Halite off white to translucent, blocky to platy, firm, brittle, clean, samples predominant cement, increase salt with depth

7757-7768 Shale dark gray to black, platy to sub blocky, soft, smooth to silty, carbonaceous in part, good trace off white anhydrite

7768-7791 Halite off white to translucent, sub blocky to platy, firm, brittle, clean, trace anhydrite

7791-7810 Shale light gray to black, sub blocky to platy, soft, smooth to slightly silty, anhydrite, abundant anhydrite, abundant salt

7810-7838 Shale light gray to medium gray, occasional black, sub blocky to platy, soft, smooth to slightly silty, carbonaceous in part, abundant anhydrite, abundant salt

7838-7880 Halite off white to translucent, blocky to platy, firm, brittle, crystalline, fair trace anhydrite, crystalline

7880-7900 Halite cont a/a

7900-7950 Halite off white to translucent, sub blocky to platy, firm, brittle, crystalline, trace anhydrite

7950-8000 Halite off white to translucent, sub blocky to blocky to platy, firm, clean, crystalline, brittle

8000-8034 Halite off white to translucent, blocky to platy, firm, brittle, trace anhydrite, crystalline, clean

8034-8050 Shale light gray to black, sub blocky to platy, soft, firm, calcareous in part, carbonaceous in part, good trace anhydrite

8050-8065 Siltstone light gray, sub blocky to blocky, soft to firm, argillaceous, good trace anhydrite, trace interbed carbonaceous shale

8065-8086 Shale light to medium gray to black, sub blocky to platy, soft, anhydrite in part, carbonaceous in part, slightly to m silty, grading to siltstone in part

8086-8100 Halite off white to translucent, blocky to platy, firm, clean, crystalline, trace white anhydrite

8100-8150 Halite off white to translucent, crystalline, clean, blocky to platy, firm, brittle

8150-8180 Halite off white to translucent, blocky to platy, firm, crystalline, brittle, clean, trace anhydrite

8180-8227 Halite off white, blocky to sub blocky, occasional platy, firm, crystalline, brittle

8227-8238 Shale medium gray to black, sub blocky to platy, soft, smooth to slightly silty, carbonaceous in part, good trace white anhydrite

8238-8260 Halite off white to translucent, blocky to platy, firm, crystalline clean, good trace off white to white anhydrite, trace light gray shale

8260-8280 Halite off white to translucent, blocky to platy, firm, crystalline

8280-8320 Halite off white to translucent, blocky to platy, firm, crystalline, brittle, clean, trace anhydrite

8320-8380 Halite off white to translucent, blocky to platy, firm, crystalline, brittle, clean

8380-8410 Halite off white to translucent, blocky to sub blocky to platy, firm, brittle, crystalline, occasional very finely crystalline

8410-8450 Halite off white to translucent, blocky, firm, brittle, clean, crystalline

8450-8498 Halite cont a/a

Top Cane Creek 8498'

8498-8505 Shale gray to black, sub blocky to platy, soft, smooth to slightly silty, carbonaceous in part, trace anhydrite

8505-8510 Anhydrite white, sub blocky, soft, clean, amorphous

Casing Point 8524'

8530-8540 Anhydrite off white, sub blocky to platy, soft, clean, amorphous

8540-8550 Shale dark gray to black, sub blocky to platy, soft, smooth to slightly silty, carbonaceous, good trace white anhydrite

8550-8560 Shale dark gray to black, sub blocky to platy, soft, carbonaceous

8550-8570 Shale dark gray to black, sub blocky to platy, soft, smooth to slightly silty, occasional m silty, carbonaceous, cont trace anhydrite

8570-8620 Shale light to medium gray, sub blocky, soft, silty, anhydrite, grading to argillaceous anhydrite in part, occasional grading to siltstone

8560-8570 Anhydrite off white to white, sub blocky, soft, chalky in part, predominant clean, amorphous

8620-8670 Shale light to medium gray, sub blocky to platy, soft to firm, earthy to silty, anhydrite in part occasional grading to siltstone

8670-8720 Shale gray to dark gray, occasional black, sub blocky to platy, soft to firm, smooth to earthy, carbonaceous in part

8720-8750 Shale light to medium gray, laminated in part, sub blocky to platy, soft to firm, earthy to silty, anhydrite, occasional grading to siltstone

8750-8790 Shale light to medium gray, sub blocky to platy, soft to firm, earthy to silty, anhydrite in part, occasional grading to siltstone

Formation dip angle at 179° AZM 8692' to 9149' = 91.45°

8790-8820 Shale gray to dark gray to black, sub blocky to platy to splintery, soft to firm, smooth to earthy, carbonaceous in part

8820-8850 Shale light to medium gray, sub blocky to platy, occasional splintery, soft to firm, earthy to silty, grading to siltstone in part, anhydrite in part

8850-8880 Shale light to medium gray, sub blocky to splintery, firm to soft earthy to silty, grading to siltstone in part, anhydrite in part

8880-8920 Shale light to medium gray, sub blocky to platy, soft to firm, silty, anhydrite, grading to siltstone in part

8920-8960 Shale light to medium gray, occasional dark gray to black, sub blocky, soft to firm, carbonaceous in part, anhydrite in part, silty in part, occasional grading to siltstone

8960-9000 Shale light to medium gray, sub blocky to platy, soft to firm, earthy to silty, anhydrite in part, occasional grading to siltstone

9000-9030 Shale medium gray, sub blocky to platy, soft to firm, earthy to silty, occasional grading to siltstone

9030-9070 Shale medium gray, laminated in part, earthy to silty, sub blocky to splintery, soft to firm, anhydrite in part, grading to siltstone in part

9070-9100Shale light to medium gray, laminated in part, earthy to silty, sub blocky to platy, soft to firm, anhydrite in part, grading to siltstone

9100-9140 Shale light to medium gray, sub blocky to platy, soft to firm, earthy to silty, grading to siltstone in part

9140-9170 Shale light to medium gray, sub blocky to platy, soft to firm, earthy to silty, anhydrite in part, grading to siltstone in part, occasional trace carbonaceous

9170-9220 Shale medium gray, sub blocky to splintery, soft to firm, earthy to silty, anhydrite in part, grading to siltstone in part

9220-9250 Shale light to medium gray, laminated in part, sub blocky to platy, soft to firm, earthy to silty, grading to siltstone in part

Formation dip angle at 174° AZM 9231' to 9302' = 92.96°

9250-9290 Shale medium to light gray, laminated in part, sub blocky to platy, soft to firm, earthy to silty, grading to siltstone in part

Formation dip angle at 173° AZM 8566' to 9323' = 91.24°

9290-9340 Shale dark gray to black to dark brown, sub blocky to platy, firm to soft, smooth, very carbonaceous, rare anhydrite filled micro fracture, trace crystalline salt, rare anhydrite and pyrite filled micro fracture, faint yellow crush cut

9340-9370 Shale medium gray, sub blocky to platy, soft to firm, silty in part, anhydrite in part, carbonaceous in part, trace anhydrite, poor trace crystalline salt

Formation dip angle at 174° AZM 9323' to 9359' =91.96°

9370-9420 Anhydrite off white to white, sub blocky to platy, soft, clean

Formation dip angle at 175° AZM 9359' to 9486' =91.91°

9420-9460 Shale m to dark gray, occasional black, sub blocky to platy, firm to soft, earthy to smooth, carbonaceous in part, rare calcareous filled micro fracture

9460-9500 Shale m to dark gray, sub blocky to platy, firm to soft, earthy to smooth, trace anhydrite

9500-9550 Anhydrite off white, sub blocky to platy, soft, amorphous, predominant clean, occasional slightly argillaceous

Formation dip angle at 175° AZM 9486' to 9581' =88.54°

9550-9580 Shale dark brown, platy to splintery, firm, smooth to earthy, trace anhydrite, slightly carbonaceous in part

Formation dip angle at 175° AZM 9581' to 9763' =87.96°

9580-9620 Shale dark brown to black, platy to splintery, firm, smooth to earthy, trace anhydrite, slightly carbonaceous in part

9620-9660 Shale dark brown to brown, platy to sub blocky, firm, smooth to earthy, trace anhydrite, carbonaceous in part

9660-9700 Shale dark brown, platy to splintery, firm, smooth to earthy, trace anhydrite, slightly carbonaceous

Formation dip angle at 176° AZM 9763' to 9812' =87.96°

9700-9750 Shale brown to dark brown, sub blocky to platy, firm to soft, smooth to earthy, slightly carbonaceous

9750-9800 Shale dark brown, platy to splintery, firm, smooth to earthy, trace anhydrite, slightly carbonaceous in part

Formation dip angle at 177 AZM 9743' to 9816' =88.4°

Projected to bit 9810' pull back to 9100' and open hole sidetrack

SAMPLE DESCRIPTIONS SIDETRACK #2

9100-9140 Shale light to medium gray, sub blocky to platy, soft to firm, earthy to silty, grading to siltstone in part

9140-9170 Shale light to medium gray, sub blocky to platy, soft to firm, earthy to silty, anhydrite in part, grading to siltstone in part, occasional trace carbonaceous

9170-9220 Shale medium gray, sub blocky to splintery, soft to firm, earthy to silty, anhydrite in part, grading to siltstone in part

9220-9270 Shale light to medium gray, sub blocky to platy, firm to soft, earthy to silty, grading to siltstone in part

Formation dip angle at 174° AZM 9231' to 9302' = 92.96°

9270-9330 Shale medium gray, sub blocky to platy, firm to soft, earthy to silty, grading to siltstone in part, trace anhydrite

Formation dip angle at 173° AZM 8566' to 9323' = 91.24°

9330-9390 Shale medium to light gray, laminated in part, sub blocky to platy, soft to firm, earthy to silty, grading to siltstone in part

Formation dip angle at 174° AZM 9323' to 9359' =91.96°

9390-9450 Shale medium gray, sub blocky to platy, firm, silty to earthy, occasional grading to siltstone

Formation dip angle at 175° AZM 9359' to 9486' =91.91°

9450-9500 Shale medium gray, sub blocky to platy, firm to soft, earthy to silty, grading to siltstone in part

9500-9540 Shale medium gray, sub blocky to platy, firm, earthy to silty, grading to siltstone in part

Formation dip angle at 175° AZM 9486' to 9581' =88.54°

9540-9580 Shale light to medium gray, sub blocky to platy, firm, earthy to silty, occasional grading to siltstone

9580-9600 Shale light to medium gray, sub blocky to platy, firm, earthy to silty, abundant crystalline anhydrite, trace crystalline calcareous, fracture fill 9580' to 9600'

Formation dip angle at 175° AZM 9581' to 9763' =87.96°

9600-9640 Shale light to medium gray, sub blocky to platy, firm, earthy to silty, occasional grading to siltstone, cont good trace crystalline anhydrite

9640-9690 Shale light to medium gray, sub blocky to platy, firm, earthy to silty, occasional grading to siltstone, poor trace crystalline anhydrite

9690-9740 Shale light to medium gray, sub blocky to platy, firm, earthy to silty, occasional grading to siltstone, rare crystalline anhydrite

Formation dip angle at 176° AZM 9763' to 9812' =87.96°

9740-9790 Shale light to medium gray, sub blocky to platy, firm, earthy to silty, occasional slightly carbonaceous

Formation dip angle at 177 AZM 9743' to 9816' =88.4°

9790-9830 Shale dark gray to dark brown to black, sub blocky to platy, earthy to silty to smooth, carbonaceous in part

9830-9860 Shale dark brown to black, sub blocky to platy, firm, smooth to slightly silty, carbonaceous, occasional very carbonaceous

9860-9890 Shale medium gray, sub blocky to platy, firm, earthy to silty, good trace carbonaceous shale, occasional grading to siltstone, rare anhydrite filled micro fracture

9890-9920 Shale light to medium gray, sub blocky to platy, firm, earthy to silty, good trace carbonaceous shale, occasional grading to siltstone

Formation dip angle at 179° AZM 9900' to 9954' =88.2°

9920-9950 Shale medium gray, occasional light gray, sub blocky to platy, firm, earthy to silty, carbonaceous in part, grading to siltstone in part

9950-9990 Shale light to medium gray, sub blocky to platy, firm, earthy to silty, carbonaceous in part, occasional grading to siltstone

Formation dip angle at 180° AZM 9954' to 9992" =88.0°

9990-10020 Shale medium gray to gray brown, sub blocky to platy, firm, earthy to slightly silty, carbonaceous in part, good trace siltstone

10020-10050 Shale gray brown to gray, sub blocky to platy, firm, earthy to silty, carbonaceous in part, trace crystalline anhydrite, fair trace crystalline salt, fracture fill 10030' to 10040'

10050-10070 Shale light gray, occasional m gray, sub blocky to platy, firm, earthy to silty, grading to siltstone in part

Formation dip angle at 180° AZM 9992' to 10110' =87.2°

10070-10090 Shale light gray, occasional m gray, sub blocky to platy, firm, earthy to silty, grading to siltstone in part, trace crystalline anhydrite

10090-10110 Shale light gray to m gray, sub blocky to platy, firm, earthy to silty, grading to siltstone in part

10110-10140 Shale dark gray to brown, occasional black, sub blocky to platy, firm, earthy to silty, occasional grading to siltstone, carbonaceous in part

Formation dip angle at 181° AZM 10110' to 10161' =87.1°

10140-10180 Shale dark brown to black, sub blocky, firm to soft, smooth to earthy, carbonaceous, occasional trace crystalline anhydrite, rare crystalline salt, faint yellow crush cut

10180-10210 Shale dark brown to black, sub blocky, firm, smooth to earthy, carbonaceous, occasional very carbonaceous, rare crystalline anhydrite

Formation dip angle at 181° AZM 10161' to 10224' =88.7°

10210-10240 Shale dark brown to black, sub blocky to platy, firm, smooth to earthy, carbonaceous, rare crystalline anhydrite, trace siltstone

Formation dip angle at 180° AZM 10224' to 10267' =89.6°

10240-10260 Shale dark brown to black, sub blocky to platy, firm, silty to earthy, carbonaceous, occasional very carbonaceous, rare crystalline anhydrite, occasional grading to argillaceous coal

10260-10300 Shale dark brown to very dark brown to black, sub blocky to platy, silty to smooth to earthy, carbonaceous

Formation dip angle at 175° AZM 10267' to 10360'=89.9°

10300-10330 Shale dark brown to black, sub blocky, firm, smooth to earthy to silty, carbonaceous in part, occasional very carbonaceous rare crystalline anhydrite

10330-10360 Shale dark brown to black, sub blocky to platy, firm, smooth to earthy, occasional silty, carbonaceous

10360-10390 Shale black to dark brown, sub blocky to platy, firm, silty to earthy, carbonaceous, occasional very carbonaceous

Formation dip angle at 169° AZM 10360' to 10410' =90.1°

10390-10420 Shale dark brown to black, sub blocky, firm, smooth to earthy to silty, carbonaceous in part, occasional very carbonaceous rare crystalline anhydrite

10420-10450 Shale black to dark brown, sub blocky to platy, firm, smooth to slightly silty, carbonaceous, occasional very carbonaceous, grading to argillaceous coal in part, trace crystalline anhydrite

Formation dip angle at 168° AZM 10410' to 10486' =90.9°

10450-10480 Shale black to dark brown, sub blocky to platy, firm, smooth to earthy, carbonaceous, occasional grading to argillaceous coal in part, trace crystalline anhydrite

10480-10510 Shale dark brown to black, sub blocky to platy, firm, earthy to slightly silty, carbonaceous grading to argillaceous coal in part

10510-10550 Shale dark brown to black, sub blocky to platy, firm earthy to silty, carbonaceous, occasional very carbonaceous

Formation dip angle at 164° AZM 10486' to 10568' =91°

10550-10580 Shale black to dark brown, sub blocky to platy, firm, smooth to earthy to silty, carbonaceous, occasional grading to argillaceous coal

10580-10600 Shale dark brown to black, sub blocky to blocky to platy, firm, smooth to earthy, carbonaceous to very carbonaceous

Formation dip angle at 165° AZM 10568' to 10630' =91.6°

10600-10640 Shale dark brown to black, sub blocky to platy, firm, earthy to slightly silty, carbonaceous, trace gray siltstone

10640-10660 Shale dark brown to black, sub blocky to platy, firm, earthy to silty, carbonaceous, good trace light gray siltstone

Formation dip angle at 170° AZM 10630' to 10698' =93.1°

10660-10690 Shale dark gray to dark brown to black, sub blocky to platy, firm, earthy, carbonaceous, occasional very carbonaceous, grading to argillaceous coal in part

10690-10730 Shale dark gray to black, sub blocky to blocky to platy, firm, earthy to silty, carbonaceous, trace gray siltstone

Formation dip angle at 173° AZM 10698' to 10802' =93.6°

10730-10760 Shale dark gray to black, sub blocky to platy, firm, earthy to silty, trace gray siltstone, rare anhydrite filled fracture, carbonaceous

10760-10790 Shale dark brown to black, sub blocky to platy, firm, earthy to silty, occasional gray siltstone, carbonaceous, occasional very carbonaceous

1790-10830 Shale dark brown to black to very dark brown, sub blocky to platy, occasional splintery, carbonaceous, trace gray siltstone

10830-10860 Shale dark gray to black, sub blocky to platy, firm, earthy to silty, trace gray siltstone

Formation dip angle at 173° AZM 10802' to 10850' =94.1°

10860-10890 Shale dark gray to black to dark brown, sub blocky to platy, firm, earthy to silty, carbonaceous, trace gray siltstone

10890-10920 Shale dark gray to black to dark brown, sub blocky to platy, firm, earthy to silty, carbonaceous, occasional very carbonaceous, trace gray siltstone

10920-10950 Shale dark gray to dark brown, sub blocky to platy, firm, earthy to slightly silty, carbonaceous

10950-10980 Shale dark gray to dark brown, sub blocky to platy, firm, smooth to earthy, occasional silty, carbonaceous

10980-11020 Shale dark gray to black, sub blocky to platy, firm, carbonaceous in part, earthy to silty, good trace gray siltstone

Formation dip angle at 173° AZM 10698' to 11115' =94.7°

11020-11050 Shale dark gray brown to black, sub blocky to platy, firm, earthy to silty, carbonaceous in part, trace gray siltstone

11050-11080 Shale dark gray to black, sub blocky to platy, firm, earthy to silty, carbonaceous in part, good trace gray siltstone

11080-11115 Shale black, platy, firm, smooth to earthy, very carbonaceous, grading to argillaceous coal in part

TD 11115' on 6/27/02

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ALTERNATIVE TOPS
From
DON RASSMUSSEN

PARADOX BASIN DATA, 1645 COURT PLACE, STE 312, DENVER, CO 80202
DON RASMUSSEN (303-571-1160 OF, 303-678-0934 HM, paradoxdata@interfold.com)

IDENTITY: 4301931363000002 MODIFIER: DEVIATED

LOC: UT 25.0S 19.0E S07 06 PERMIT: U-51239

FIELD: WILDCAT

OPERATOR: AVIARA ENERGY LOGS: IX
GEOLOGIST'S SAMPLE LOG
WELL NAME: KANE SPRINGS # 7-1 (DEV)

KB: 5180 GR: 5162 DRILLER TD: 8470 FM AT TD: 403 CACK
DF: 5179 DATUM: 5180 KB LOGGER TD:

SPUD: COMP: STATUS: DRILLING SIDETRACK HOLE

COMMENTS: ORIGINAL STRAIGHT HOLE - SLIGHTLY DEVIATED NEAR TD

NOTES: TOPS DETERMINED USING GAMMA RAY CURVE FROM INDUCTION LOG AND GEOLOGIST'S LOG

NOTE: NEED LOGS AND DATA; DIRECTIONAL SURVEY; GEOLOGICAL REPORT; MUD LOG

CORES: 0 DSTS: 0 WIRELINE: 0 IPTESTS: 0

ENTRY: 19980426 DLR REVISED: 20020525 DLR

Location: UT 25.0S 19.0E S07 06 (SE NW)

Identity: 4301931363000002 User: PBD

Well Name: KANE SPRINGS # 7-1 (DEV)

HORIZON TOPS – TO 7600' FROM INDUCTION LOG.

Jurassic:	SURFACE
Navajo SS:	SURFACE
Kayenta Fm:	154'
Wingate SS:	198'
Triassic:	812'
Chinle Fm:	812'
Moss Back Mbr:	1116'
Moenkopi Fm:	1140'
Sinbad LS Mbr:	ABSENT

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Black Dragon Mbr:	?	
Hoskinnini Mbr:	1546'	
Permian:	1631'	
Cutler Group:	1631'	
Kaibab LS:	ABSENT	
White Rim SS:	1631'	
Organ Rock Sh:	1770'	
Elephant Canyon Fm:	?	
Hermosa Fm	?	
Honaker Trail Mbr:		
La Sal Top:	4166'	Lithology: X/N
La Sal Evap Top:	4201'	
La Sal Evap Base:	4210'	
La Sal Porosity Top:	Porosity: 0:	
La Sal Shale:	4294'	
(UHA) - U Herm Mbr A Top:	4297'	Lithology: X/N
Evap Top:	4340'	
Evap Base:	4340'	
Mbr A Por Top:	Porosity: 0	
Shale Top:	4374'	
First Evaporite Top:	4824'	
Paradox Salt Top:	4826'	
Paradox 0000:	4382'	Lithology: N
Evap 0000 Top:	4394'	
Evap 0000 Base:	4394'	Isopach: 0
Por 0000 Top:	Porosity: 0	Data:
Shale 0000:	4400'	
Paradox 000:	4407'	Lithology: X/N
Evap 000 Top:	4452'	
Evap 000 Base:	4452'	Isopach: 0
Por 000 Top:	Porosity: 0	Data:
Shale 000:	4467'	
Paradox 00:	4474'	Lithology: X/N
Evap 00 Top:	4514'	
Evap 00 Base:	4514'	Isopach: 0
Por 00 Top:	Porosity: 0	Data:
Shale 00:	4570'	
Paradox 0A:	4581'	Lithology: X/N
Evap 0A Top:	4594'	
Evap 0A Base:	4594'	
Por 0A Top:	Porosity: 0	Data:
Shale 0A:	4607'	
Paradox 0B:	4610'	Lithology: X/N
Evap 0 Top:	4620'	
Evap 0 Base:	4620'	Isopach: 0
Por 0 Top:	Porosity: 0	Data:
Shale 0:	4627'	

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Paradox 1:	4632'	Lithology: N
Evap 1 Top:	4644'	
Evap 1 Base:	4644'	Isopach: 0
Por 1 Top:	Porosity: 0	Data:
Shale 1:	4774'	
Ismay Top:	4780'	
Paradox 2:	4780'	Lithology: ECHN
Evap 2 Top:	4824'	
Evap 2 Base:	5156'	Isopach: 332
Por 2 Top:	Porosity: 0	Data:
Hovenweep Shale 2: 5175'		
Paradox 3:	5188'	Lithology: ECHN
Evap 3 Top:	5216'	
EV3 MARKER:	5348'	
Evap 3 Base:	5328'	Isopach: 112
Por 3 Top:	Porosity: 0	Data:
Gothic Shale 3:	5348'	
Desert Creek Top:	5365'	
Paradox 4:	5365'	Lithology: ECPL
Evap 4 Top:	5381'	
POTASH 4:	5439'-5476'	
Evap 4 Base:	5520'	Isopach: 139
Por 4 Top:	Porosity: 0	Data:
Shale 4:	5522'	
Paradox 5:	5528'	Lithology: ECPHN
Evap 5 Top:	5558'	
Potash 5 Top:	5560'	
Potash 5 Base:	5612'	Isopach: 52
Evap 5 Base:	5670'	Isopach: 112
Pay 5 base:	5670'	Isopach: 0
Por 5 Top:	Porosity: 0	Data:
Chimney Rock Shale 5:	5679'	
Akah Top:	5686'	Lithology: PRESENT
Akah Porosity Top:	Porosity: 0	Data:
Paradox 6:	5686'	Lithology: ECPL
Evap 6 Top:	5736'	
Potash 6a Top:	5740'	
Potash 6a Base:	5740'	Isopach: 0
Potash 6b Top:	5892'	
Potash 6b Base:	6037'	Isopach: 145
Evap 6 Base:	6118'	Isopach: 382
Shale 6:	6120'	
Paradox 7:	6130'	Lithology: ECPL
Evap 7 Top:	6146'	
POTASH 7:	6182'-6239'	
Evap 7 Base:	6270'	
Shale 7:	6272'	
Paradox 8:	6274'	Lithology: ECH

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Evap 8 Top:	6274'	
Evap 8 Base:	6350'	
Shale 8:	6352'	
Paradox 9:	6356'	Lithology: ECPLN
Evap 9 Top:	6395'	
Potash 9 Top:	6432'	
Potash 9 Base:	6462'	
Evap 9 Base:	6568'	
Shale 9:	6586'	
Paradox 10:	6592'	Lithology: ECH
Evap 10 Top:	6620'	
EV10 MARKER:	6686'	
Evap 10 Base:	6798'	
A Shale 10:	6810'	
Barker Creek Top:	6814'	Lithology: PRESENT
Barker Creek Por Top:	Porosity: 0	Data: SG (SH13)
Paradox 11:	6814'	Lithology: ECH
Evap 11 Top:	6840'	
Evap 11 Base:	6912'	
Shale 11:	6905'	
Paradox 12:	6907'	Lithology: SABKHA?
Evap 12 Top:	6930'	
Evap 12 Base:	6930'	
Shale 12:	6950'	
Paradox 13:	6956'	Lithology: ECPLN
Evap 13 Top:	6974'	
Potash 13 Top:	6982'	
Potash 13 Base:	7122'	
Evap 13 Base:	7144'	
B Shale 13:	7148'	GAS SHOW IN SH13
Paradox 14:	7154'	Lithology: ECPLN
Evap 14 Top:	7160'	
POTASH 14:	7160'-7176'	
Evap 14 Base:	7257'	
Shale 14:	7264'	
Paradox 15:	7270'	Lithology: ECHN
Evap 15 Top:	7272'	
Evap 15 Base:	7320'	
Shale 15:	7328'	
Paradox 16:	7332'	Lithology: ECPHN
Evap 16 Top:	7342'	
Potash 16 Top:	7350'	
Potash 16 Base:	7430'	
Evap 16 Base:	7488'	
Shale 16:	7492'	
Paradox 17:	7498'	Lithology: ECH
Evap 17 Top:	7498'	

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Evap 17 Base:	7536'	
Shale 17:	7536'	
Paradox 18:	7540'	Lithology: ECPH
Evap 18 Top:	7540'	
Potash 18 Top:	7556'	

TOPS 7600'-8421' FROM DRILLER'S GAMMA RAY CURVE.
TOPS MAY BE APPROX 10' HIGH BASED ON INDUCTION LOG UP HOLE.

Potash 18 Base:	7606'	
Evap 18 Base:	7756'	
Shale 18:	7756'	
Paradox 19:	7766'	Lithology: ECPH
Evap 19 Top:	7766'	
Potash 19 Top:	7778'	
Potash 19 Base:	7930'	
Evap 19 Base:	8027'	
C Shale 19:	8027'	

TOPS BELOW ARE DEVIATED AND NOT CORRECTED TO TVD.

Alkali Gulch Top:	8042'	Lithology: PRESENT
Alkali Gulch Por Top:	Porosity: 0	Data:
Paradox 20:	8042'	Lithology: ECH
Evap 20 Top:	8074'	
Potash 20 Top:	8074'	
Potash 20 Base:	8074'	
Evap 20 Base:	8208'	
Shale 20:	8208'	
Paradox 21:	8214'	Lithology: ECPL
Evap 21 Top:	8214'	
Potash 21 Top:	8214'	
Potash 21 Base:	8250'	
Evap 21 Base:	8420'	
Shale 21:	8421'	
Cane Creek Shale Top*:	8421'	
Paradox 22A:		Lithology: NDE
Evap 22A Top:		
Evap 22A Base:		
Shale 22A:		
Paradox 22B:		Lithology: NDE
Evap 22B Top:		
Evap 22B Base:		
Shale 22B:		
Cane Creek Shale Base:		Isopach: Data:
Paradox 22C:		Lithology: NDE
Evap 22C Top:		
Evap 22C Base:		
Shale 22C:		

Abbreviations:

Lithology:	X/N	Siliciclastics and non-porous carbonate
	N	Non-porous carbonate
	ECHN	Evaporite cycle with halite and N
	ECPL	Evaporite cycle low-grade potash
	ECPLN	Evaporite cycle low-grade potash with N
	ECPHN	Evaporite cycle high-grade potash with N
	ECH	Evaporite cycle halite
	ECHN	Evaporite cycle halite with N
	ECA	Evaporite cycle anhydrite
	SABKHA	Sabkha facies (mixed with evaporite)
	NDE	Horizon not reached – Not Deep Enough.

Potash is common within the halite intervals in this portion of the Paradox Basin. Potash can be recognized by the radioactive character of the gamma ray curve. The higher the indicated radioactivity – the richer the implied potash (more potassium present).

"Shale" horizons are the organic-rich "clastic" zones between salt intervals for cycles below top of Ismay.

The Cane Creek has been subdivided into cycles and generally includes the interval from the top of Shale 21 to the top of Paradox 22C. Shale 22A is the "hot shale" within the Cane Creek. The top of Paradox 22B contains a distinct widespread organic-rich siltstone or silty dolostone that becomes an aeolian sandstone several miles to the west. Evaporite 22A apparently does not contain salt but has widespread anhydrite. Evaporite 22B contains salt near Moab. Evaporite 22C has widespread salt. The Cane Creek interval is very uniform throughout the evaporite portion of the Paradox Basin, but the evaporites above and below, and sometimes within, are the most variable of the internal lithofacies in the upper Alkali Gulch.

Form 3160-4
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. U-51239

1a. Type of Well [X] Oil Well [ ] Gas Well [ ] Dry Other

b. Type of Completion: [X] New Well [ ] Work Over [ ] Deepen [ ] Plug Back [ ] Diff.Resvr,. Other

6. If Indian, Allotee or Tribe Name: NA

7. Unit or CA Agreement Name and No.: Cane Creek Unit

2. Name of Operator: Hunt Petroleum (AEC), Inc.

8. Lease Name and Well No.: Cane Creek Federal #7-1 ST2

3. Address: P.O. Box 1350, Houston TX 77251-1350

3a. Phone No. *(include area code)*: 713-871-3400

9. API Well No.: 43-019-31363-02

4. Location of Well *(Report location clearly and in accordance with Federal requirements)**

At surface: 1596' FNL & 2040' FWL of Sec. 7, T25S, R19E

10. Field and Pool, or Exploratory: Wildcat

At top prod. interval reported below: NA (See attach. Drlgphs)

11. Sec., T., R., M., or Block and Survey or Area: Sec. 7, T25S, R19E

At total depth: BHL: ~~660'~~ 682' FSL & ~~2264'~~ 2305' FWL Sec. 7

12. County or Parish: Grand

13. State: Utah

14. Date Spudded	15. Date T.D. Reached	16. Date Completed	17. Elevations (DF, RKB, RT, GL)*
4/26/02	6/28/02	[ ] D & A [ ] Ready to Prod. 8/6/02 Shut-in	DF 5189' GL 5162' KB 5189'

18. Total Depth: MD / TVD	19. Plug Back T.D.: MD / TVD	20. Depth Bridge Plug Set: MD / TVD
11,115' / 8370'	NA	NA

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Array Induction GR/SP, ML-8-29-02; Sonic/GR 8-29-02; Nat GR Spect 8-29-02

22. Was well cored? [X] No [ ] Yes (Submit analysis)
Was DST run [X] No [ ] Yes (Submit report
Directional Survey? [ ] No [X] Yes (Submit

23. Casing and Liner Record *(Report all strings set in well)*

Hole Size	Size/Grade	Wt.(#ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No.of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
13-3/8"	K-55	54.5	Surface	827'	NA	596/Class G	205	Surface	None
9-5/8"	N-80	40	Surface	4798'	NA	780/Premlite	252	Surface	None
7"	N-80	32 & 26	Surface	8524'	NA	899/Class G	165	Surface	None

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	7675'	7675'						

25. Producing Intervals / 26. Perforation Record

	Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A)	Cane Creek	8498' MD	---	--	--	--	Open Hole Lateral
B)							
C)							
D)							

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
NA	NA

CONFIDENTIAL PERIOD EXPIRED ON 9-6-03

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28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
	NA								NA
Choke Size	**Tbg. Press. Flwg.**	**Csg. Press.**	**24 Hr. →**	**Oil BBL**	**Gas MCF**	**Water BBL**	**Gas: Oil Ratio**	**Well Status**	
								Shut-in -- Evaluating Well	

28a. Production-Interval B

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
Choke Size	**Tbg. Press. Flwg.**	**Csg. Press.**	**24 Hr. →**	**Oil BBL**	**Gas MCF**	**Water BBL**	**Gas: Oil Ratio**	**Well Status**	

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
Choke Size	**Tbg. Press. Flwg.**	**Csg. Press.**	**24 Hr. →**	**Oil BBL**	**Gas MCF**	**Water BBL**	**Gas: Oil Ratio**	**Well Status**	

28c. Production-Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity	Gas Gravity	Production Method
Choke Size	**Tbg. Press. Flwg.**	**Csg. Press.**	**24 Hr. →**	**Oil BBL**	**Gas MCF**	**Water BBL**	**Gas: Oil Ratio**	**Well Status**	

29. Disposition of Gas (*Sold, used for fuel, vented, etc.*)

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Cane Creek	8418'		Drilled Horizontal Lateral	Paradox Salt	4824'

32. Additional remarks (include plugging procedure):

Well is currently shut-in for further evaluation.

33. Circle enclosed attachments:

(1) Electrical/Mechanical Logs (1 full set req'd) (2) Geologic Report 3. DST Report (4) Directional Survey

5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other

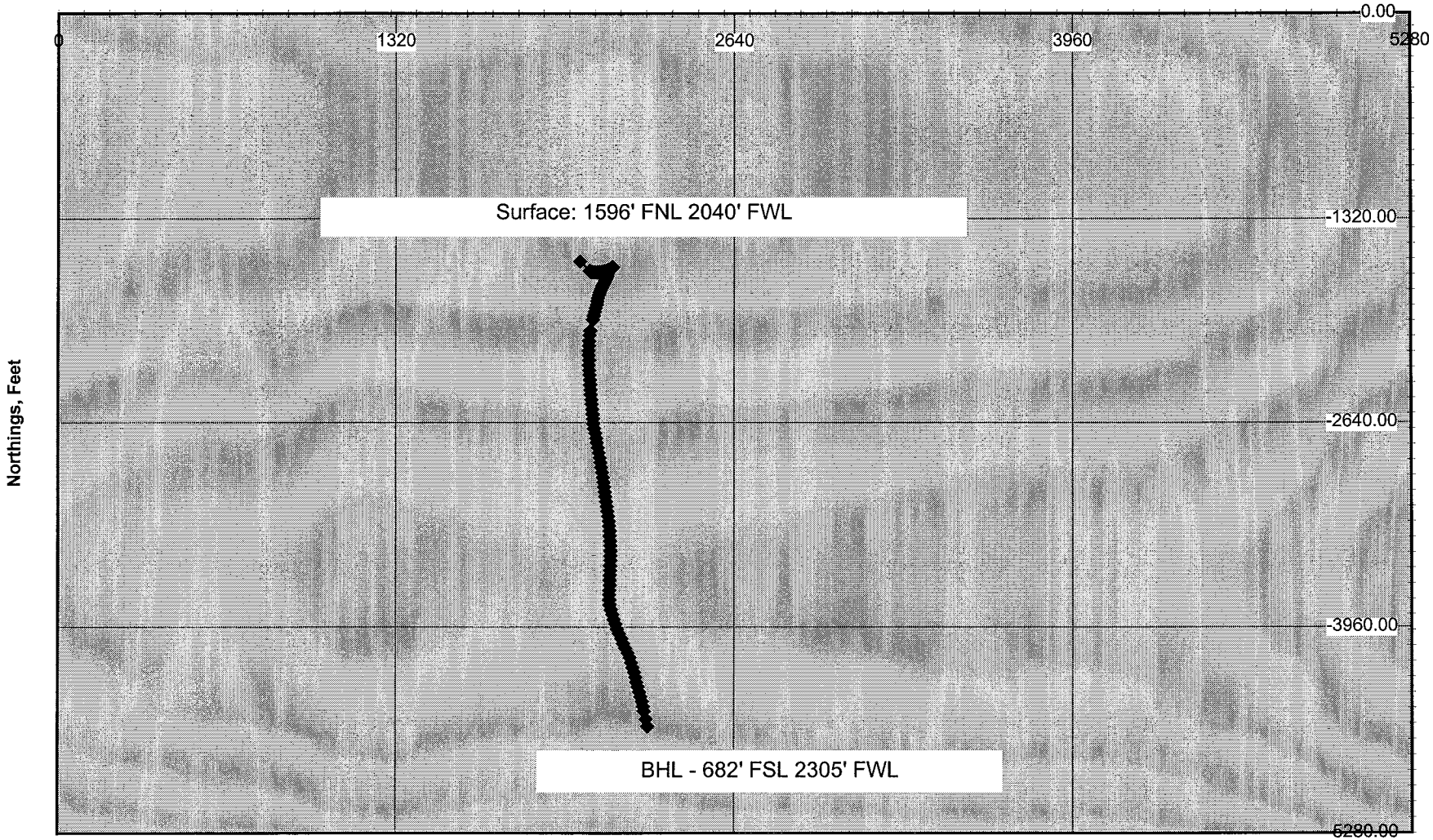
34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

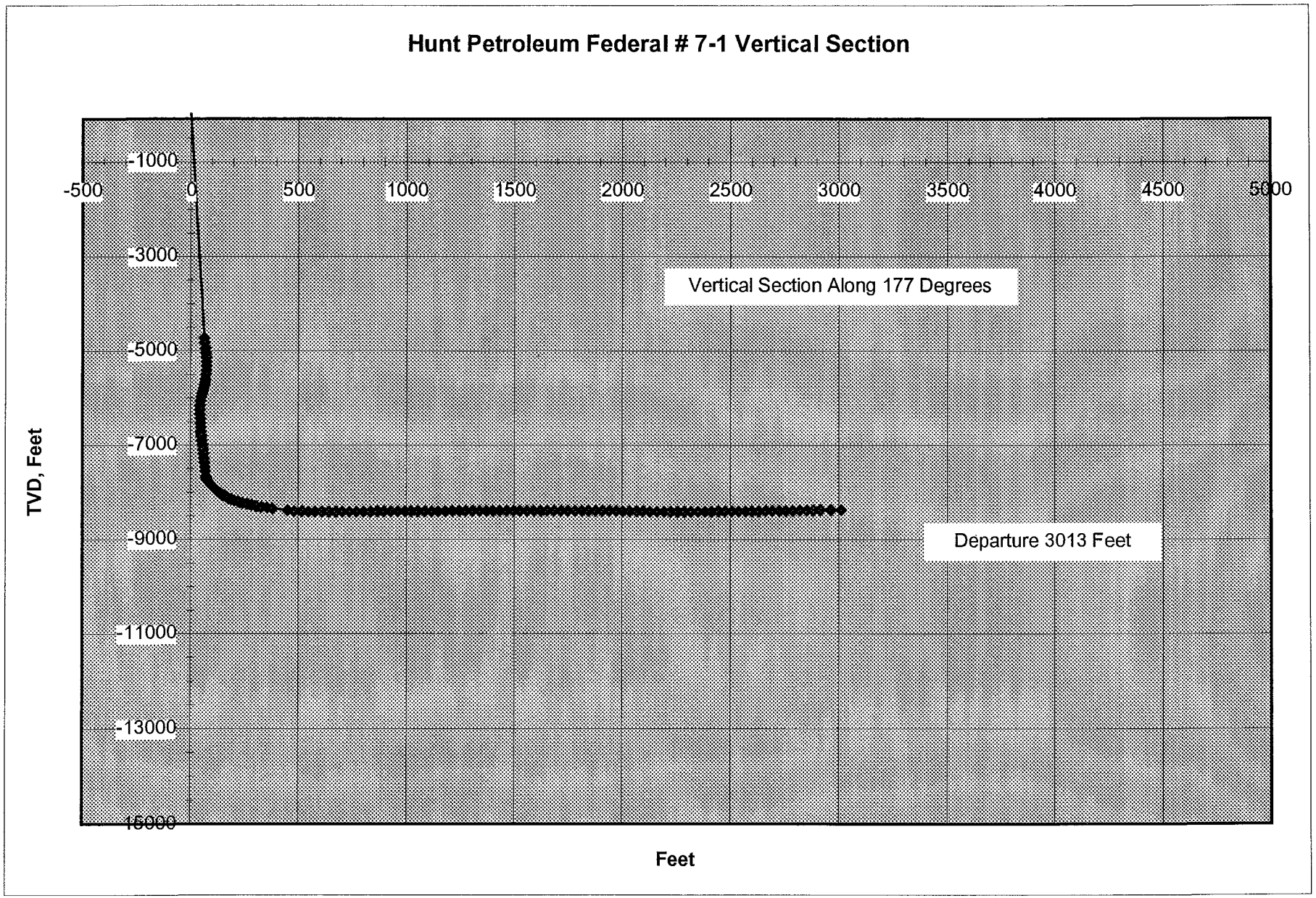
Name (*please print*) Victoria Guidry Title Regulatory Coordinator

Signature Victoria Guidry Date 8/27/02

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

Hunt Petroleum Federal # 7-1 Plan View




Hunt Petroleum Federal # 7-1 Vertical Section
-1000
-3000
-5000
-7000
-9000
-11000
-13000
-15000
TVD, Feet
-500
0
500
1000
1500
2000
2500
3000
3500
4000
4500
5000
Feet
Vertical Section Along 177 Degrees
Departure 3013 Feet

FORM 9

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

5. Lease Designation and Serial Number
~~U-46697~~ UTU-51939

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such purposes

6. Indian, Allottee or Tribe Name:
NA

7. Unit Agreement Name:
Cane Creek

1. Type of Well: OIL [X] GAS [ ] OTHER:

8. Well Name and Number:
~~Cane Creek #30-1~~
Cane Creek FED 7-1

2. Name of Operator
Hunt Petroleum (AEC), Inc.

9. API Well Number:
~~43-019-31365~~ 43-019-31363

3. Address and Telephone Number.
P.O. Box 1350, Houston TX 77251-1350 713-871-3400

10. Field and Pool, or Wildcat
Wildcat

4. Location of Well
Footages: ~~330' FNL & 1035' FWL~~ 1596 FNL 2040 FWL
QQ,Sec., T., R., M.: ~~NW~~/NW Sec. ~~30~~ 07, ~~T26S~~ 25, ~~R20E~~ 19

County: Grand
State: Utah

11. **CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

NOTICE OF INTENT (Submit in Duplicate)		SUBSEQUENT REPORT (Submit Original Form Only)	
[ ] Abandon	[ ] New Construction	[ ] Abandon*	[ ] New Construction
[ ] Repair Casing	[ ] Pull or Alter Casing	[ ] Repair Casing	[ ] Pull or Alter Casing
[ ] Change of Plans	[ ] Recomplete	[ ] Change of Plans	[ ] Perforate
[ ] Convert to Injection	[ ] Perforate	[ ] Convert to Injection	[ ] Vent or Flare
[ ] Fracture Treat or Acidize	[ ] Vent or Flare	[ ] Fracture Treat or Acidize	[ ] Water Shut-Off
[ ] Multiple Completion	[ ] Water Shut-Off	[ ] Other	
[X] Other ~~Request for Extension of approved APD~~			

Approximate date work will start ~~September 2003~~

Date of work completion

Report results of **Multiple Completions** and **Recompletions** to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Hunt Petroleum (AEC), Inc. respectfully requests a one year extension of the approved "Application For Permit to Drill" for the above referenced well.

The Cane Creek 7-1 and 11-1 wells were drilled in 2002. Continuation of the drilling program is currently being evaluated.

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13.
Name & Signature Victoria Guidry Victoria Guidry Title Regulatory Coordinator Date 3/28/03

(This space for State use only)

(5/94)

(See Instructions on Reverse Side)

FORM 9

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number: U-51239

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such purposes

6. Indian, Allottee or Tribe Name: NA

7. Unit Agreement Name: NA

1. Type of Well: OIL [X] GAS [ ] OTHER: CONFIDENTIAL

8. Well Name and Number: Cane Creek Fed. #7-1

2. Name of Operator: Hunt Petroleum (AEC), Inc.

9. API Well Number: 43-019-31363

3. Address and Telephone Number: P.O. Box 1350, Houston TX 77251-1350 713-871-3400

10. Field and Pool, or Wildcat: Wildcat

4. Location of Well
Footages: 1596' FNL & 2040' FWL
QQ,Sec., T., R., M.: SE/NW Sec. 7, T25S, R19E
County: Grand
State: Utah

11. **CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

NOTICE OF INTENT (Submit in Duplicate)		SUBSEQUENT REPORT (Submit Original Form Only)	
[X] Abandon	[ ] New Construction	[ ] Abandon*	[ ] New Construction
[ ] Repair Casing	[ ] Pull or Alter Casing	[ ] Repair Casing	[ ] Pull or Alter Casing
[ ] Change of Plans	[ ] Recomplete	[ ] Change of Plans	[ ] Perforate
[ ] Convert to Injection	[ ] Perforate	[ ] Convert to Injection	[ ] Vent or Flare
[ ] Fracture Treat or Acidize	[ ] Vent or Flare	[ ] Fracture Treat or Acidize	[ ] Water Shut-Off
[ ] Multiple Completion	[ ] Water Shut-Off	[ ] Other	
[ ] Other			

Approximate date work will start: May 2003

Date of work completion: _____

Report results of **Multiple Completions** and **Recompletions** to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBEPROPOSEDOR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

See Attached Proposed Procedures and Wellbore Schematic

Accepted by the Utah Division of Oil, Gas and Mining
Date: 5/2/2003
By: [signature]

Federal Approval Of This Action Is Necessary

COPY SENT TO OPERATOR
Date: 5-5-03
Initials: CHD

* Recommend plug set across intermediate casing shoe/Paradox top (± 4700' – 4900')

13. Name & Signature: Victoria Guidry Title: Regulatory Coordinator Date: 4/28/03

(This space for State use only)

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(5/94) (See Instructions on Reverse Side)

HUNT PETROLEUM (AEC), INC.

FIELD: Kane Springs WELL: Cane Creek Fed. #7-1

SPUD: 4/26/02
COMPLETED: 7/10/02

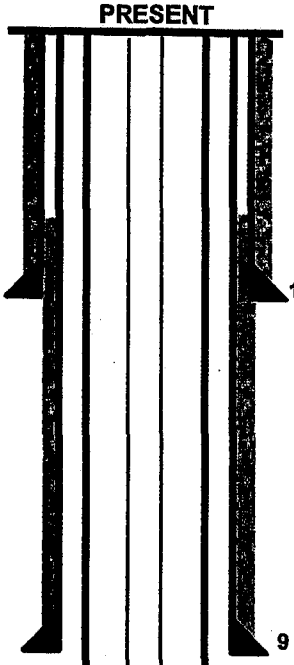
SE NW SEC: 7, T: 25S R: 19E
API: 43-019-31363

DATE: April 22, 2003

PRESENT

NOTE: Unless Stated All Depths are Measured. NOT DRAWN TO SCALE.

CONFIDENTIAL



TOC Intermediate String @ 506' (Calc'd)

13 3/8", 54.5# K-55 @ 827 '. Cmt'd w/596 sx Class G

9 5/8", 40# L-80 @ 4798 '. Cmt'd w/780 sx Class G

TOC Production String 6800' (Temp. Log)

Arrowset 1-X Packer @ 7675' 7/1/02

Kick off Point @ 7979' 5/22/02

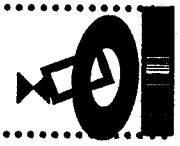
SN @ 9623'

Tubing Detail

2 7/8" 6.5# L-80 tbg
Seat Nipple
T-2 On/Off Tool w/X Profile
7" x 2 7/8" Arrowset 1-X packer
2 7/8" Tubing Coupling
2 7/8" N-80 Pup jt
2 7/8" Glass Dise Sub
2 7/8" Wireline Re-Entry Guide

Interval #1
Perf: 8524-11,115' O.H. Completion

Fish: 11.5' Pushed to 11103' 6/30/02
(1 7/16" Cable Head CCL, 3 1/8" Junk Basket, 5.969" Gauge Ring.)



TVD 8370'
MD 11,115'

7" 26 & 32# N-80 @ 8524' Cmt'd w/899 sx Class G

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DIV. OF OIL, GAS & MINING

PREPARED BY: Kevin Rupert
cane creek federal #7-1.ppt

CONFIDENTIAL

CANE CREEK #7-1 P&A PROCEDURE
4/28/03

1. MIRU. Open well, check for flow.
2. ND tree & NU BOP
3. Release pkr by setting down wt, putting ¼ turn RT hand torque @ pkr, PU holding torque until bypass opens. After the tbg & annulus equalize, PU to release pkr.
4. TOH w/ 2-7/8" tbg & LD pkr.
5. PU CIBP w/ setting tool & TIH to 7670'.
6. Set CIBP @ 7670', tag CIBP, & spot 35 sx clA cmt on top of CIBP.
7. Tie into 13-3/8" csg, establish IR & pump 35 sx clA cmt, 44.0 bbls 9.8# spacer, and 25 sx clA cmt. If no IR, then cmt is covering surface shoe. Calculated cmt top is 506', or 317' above shoe.
8. TOH LD tbg to 875'. Spot 25 sx clA cmt. Finish TOH LD tbg.
9. Make sure that no flow exists at surface, ND BOP.
10. Cut 7" csg inside below slips & remove csg head. 200M # on slips.
11. Cut 9-5/8" csg inside below slips & remove csg head. 175M # on slips.
12. Cut 13-3/8" csg off at cellar bottom & remove csg head.
13. Cut 7" & 9-5/8" csg to just below 13-3/8" top if needed.
14. Grout 50' cmt in 13-3/8" x 9-5/8" csg annulus w/ 15 sx cmt if no prior IR in step 7. 1.834" clearance.
15. Grout 50' cmt in 9-5/8" x 7" csg annulus w/ 7 sx cmt. 1.289" clearance.
16. Grout 50' cmt in 7" csg w/ 9 sx cmt.
17. Weld ¼" steel plate on 13-3/8" csg w/ weep hole on top.
18. Attach dry hole marker to plate and fill cellar.
19. Rehab location & road per BLM specifications.

HUNT PETROLEUM (AEC), INC.

FIELD: Kane Springs WELL: Cane Creek Fed. #7-1

SPUD: 4/26/02
COMPLETED: 7/10/02

SE NW SEC: 7, T: 25S R: 19E

API: 43-019-31363

DATE: April 22, 2003

PRESENT

NOTE: Unless Stated All Depths are Measured. NOT DRAWN TO SCALE.

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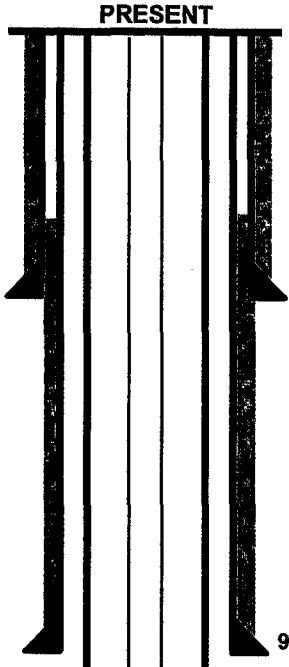


TOC Intermediate String @ 506' (Calc'd)

13 3/8", 54.5# K-55 @ 827 '. Cmt'd w/596 sx Class G

9 5/8", 40# L-80 @ 4798 '. Cmt'd w/780 sx Class G

TOC Production String 6800' (Temp. Log)

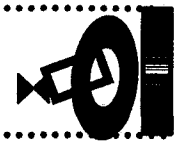
Arrowset 1-X Packer @ 7675' 7/1/02

Kick off Point @ 7979' 5/22/02

SN @ 9623'

Interval #1
Perf: 8524-11,115' O.H. Completion

Fish: 11.5' Pushed to 11103' 6/30/02
(1 7/16" Cable Head CCL, 3 1/8" Junk Basket, 5.969" Gauge Ring.)



TVD 8370'
MD 11,115'

7" 26 & 32# N-80 @ 8524' Cmt'd w/899 sx Class G

Tubing Detail

2 7/8" 6.5# L-80 tbg
Seat Nipple
T-2 On/Off Tool w/X Profile
7" x 2 7/8" Arrowset 1-X packer
2 7/8" Tubing Coupling
2 7/8" N-80 Pup jt
2 7/8" Glass Dise Sub
2 7/8" Wireline Re-Entry Guide

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PREPARED BY: Kevin Rupert
cane creek federal #7-1.ppt

HUNT PETROLEUM (AEC), INC.

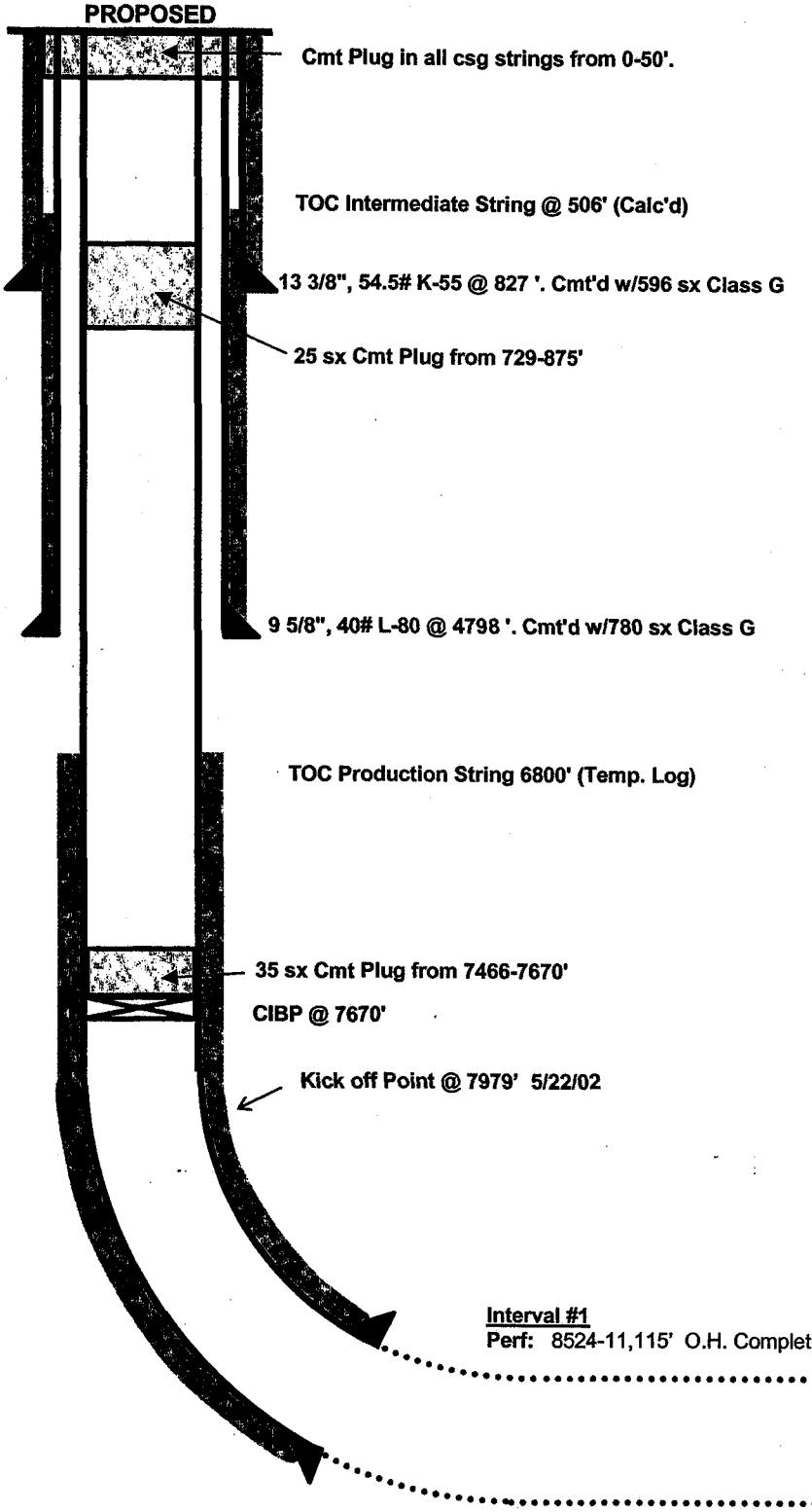
FIELD: Kane Springs WELL: Cane Creek Fed. #7-1

SPUD: 4/26/02
COMPLETED: 7/10/02

SE NW SEC: 7, T: 25S R: 19E
API: 43-019-31363

DATE: April 22, 2003

PROPOSED



NOTE: Unless Stated All Depths are Measured.
NOT DRAWN TO SCALE.

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PREPARED BY: Kevin Rupert
cane creek federal #7-1.ppt

Wellbore Diagram

API Well No: 43-019-31363-00-00 **Permit No:** **Well Name/No:** CANE CREEK FEDERAL 7-1

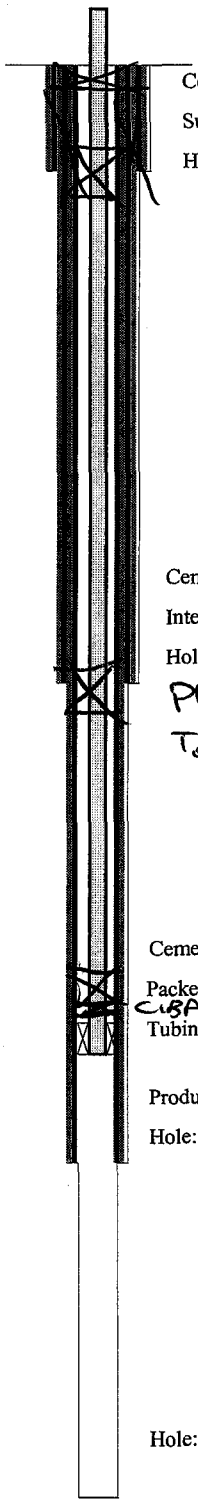
Company Name: HUNT PETROLEUM AEC INC

Location: Sec: 7 T: 25S R: 19E Spot: SENW

Coordinates: X: 598557 Y: 4278045

Field Name: WILDCAT

County Name: GRAND



Cement from 827 ft. to surface

Surface: 13.375 in. @ 827 ft.

Hole: 17.5 in. @ 827 ft.

Cement from 4798 ft. to surface

Intermediate: 9.625 in. @ 4798 ft.

Hole: 12.25 in. @ 4798 ft.

Plug needed
Top of Paradox

Cement from 8524 ft. to surface

Packer: @ 7675 ft.
CIBP @ 7670'

Tubing: 2.875 in. @ 7675 ft.

Production: 7 in. @ 8524 ft.

Hole: 8.25 in. @ 8524 ft.

Hole: Unknown

TD: 11115 **TVD:** 8370 **PBTD:**

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)
HOL1	827	17.5		
SURF	827	13.375	54.5	827
HOL2	4798	12.25		
I1	4798	9.625	40	4798
HOL3	8524	8.25		
PROD	8524	7	32	8524
PROD	8524	7	26	8524
T1	7675	2.875		
PKR	7675			

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
I1	4798	0	PM	780
PROD	8524	0	G	899
SURF	827	0	G	596

Capacity 7" 26# = 4,655 ft/cf 0.0382 BBL/ft
26.14 ft/bbl

(255x)(1.18)(4655) = 137'

(448BBLS)(26.14) = 11150'
TOSpacer = 6328'

35 Sx = (1.18)(35)(4.655) = 192'
TOC 7478'

Perforation Information

Formation Information

Formation	Depth	Formation	Depth

FORM 9

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number: U-51239

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such purposes

6. Indian, Allottee or Tribe Name: NA

7. Unit Agreement Name: NA

1. Type of Well: OIL [X] GAS [ ] OTHER: CONFIDENTIAL

8. Well Name and Number: Cane Creek Fed. #7-1

2. Name of Operator: Hunt Petroleum (AEC), Inc.

9. API Well Number: 43-019-31363

3. Address and Telephone Number: P.O. Box 1350, Houston TX 77251-1350 713-871-3400

10. Field and Pool, or Wildcat: Wildcat

4. Location of Well
Footages: 1596' FNL & 2040' FWL
QQ,Sec., T., R., M.: SE/NW Sec. 7, T25S, R19E
County: Grand
State: Utah

11. **CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

NOTICE OF INTENT (Submit in Duplicate)		SUBSEQUENT REPORT (Submit Original Form Only)	
[X] Abandon	[ ] New Construction	[ ] Abandon*	[ ] New Construction
[ ] Repair Casing	[ ] Pull or Alter Casing	[ ] Repair Casing	[ ] Pull or Alter Casing
[ ] Change of Plans	[ ] Recomplete	[ ] Change of Plans	[ ] Perforate
[ ] Convert to Injection	[ ] Perforate	[ ] Convert to Injection	[ ] Vent or Flare
[ ] Fracture Treat or Acidize	[ ] Vent or Flare	[ ] Fracture Treat or Acidize	[ ] Water Shut-Off
[ ] Multiple Completion	[ ] Water Shut-Off	[ ] Other	
[ ] Other			

Approximate date work will start: May 2003

Date of work completion: _____

Report results of **Multiple Completions** and **Recompletions** to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBEPROPOSEDOR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

See Attached Proposed Procedures and Wellbore Schematic.

Sundry Notice previously approved 5/2/2003, Revised per the request of BLM.

COPY SENT TO OPERATOR
Date: 5/16/03
Initials: CHD

13. Name & Signature: Victoria Guidry Title: Regulatory Coordinator Date: 5/14/2003

(This space for State use only)

Accepted by the Utah Division of Oil, Gas and Mining
Date: 5/16/03
By: [signature]

Federal Approval Of This Action Is Necessary

RECEIVED
MAY 15 2003
DIV. OF OIL, GAS & MINING

(5/94) (See Instructions on Reverse Side)

HUNT PETROLEUM (AEC), INC.

FIELD: Kane Springs WELL: Cane Creek Fed. #7-1

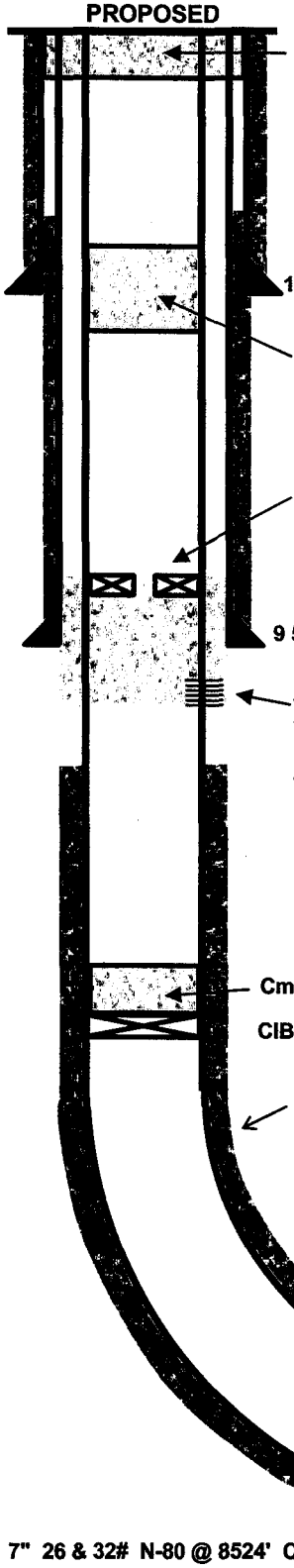
SPUD: 4/26/02
COMPLETED: 7/10/02

SE NW SEC: 7, T: 25S R: 19E

API: 43-019-31363

DATE: April 22, 2003

PROPOSED



Cmt Plug in all csg strings from 0-50'.

TOC Intermediate String @ 506' (Calc'd)

13 3/8", 54.5# K-55 @ 827 '. Cmt'd w/596 sx Class G

25 sx Cmt Plug from 729-875'

Set Cement Retainer @ 4700'

9 5/8", 40# L-80 @ 4798 '. Cmt'd w/780 sx Class G

Add Perfs: 4850-4852' 4 spf (8 Holes)
Sqz: 50 sx Class A

TOC Production String 6800' (Temp. Log)

Cmt Plug from 7650-7670'

CIBP @ 7670'

Kick off Point @ 7979' 5/22/02

NOTE: Unless Stated All Depths are Measured.
NOT DRAWN TO SCALE.

Interval #1
Perf: 8524-11,115' O.H. Completion

Fish: 11.5' Pushed to 11103' 6/30/02
(1 7/16" Cable Head CCL, 3 1/8" Junk Basket, 5.969" Gauge Ring.)

TVD 8370'
MD 11,115'

7" 26 & 32# N-80 @ 8524' Cmt'd w/899 sx Class G

PREPARED BY: Kevin Rupert
cane creek federal #7-1.ppt

CANE CREEK #7-1 P&A PROCEDURE
5/13/03

1. MIRU. Open well, check for flow.
2. ND tree & NU BOP
3. Release pkr by setting down wt, putting ¼ turn RT hand torque @ pkr, PU holding torque until bypass opens. After the tbg & annulus equalize, PU to release pkr.
4. Pump and displace hole w/ gelled mud.
5. TOH w/ 2-7/8" tbg & LD 3000' of tbg & pkr.
6. RU wireline, RIH w/ CIBP and set @ 7670'.
7. Dump bail 20' cmt on top of CIBP.
8. Perforate 4850-52' w/ 4 spf to circulate cmt across 9-5/8" casing shoe.
9. RIH w/ cement retainer and set @ 4700', RD wireline.
10. TIH w/ tbg, sting into retainer and establish circulation up 9-5/8" annulus.
11. Mix and pump 50 sx clA cmt and displace to retainer for 150' plug across 9-5/8" csg shoe.
12. Tie into 13-3/8" csg, establish IR & pump 35 sx clA cmt, 44.0 bbls mud spacer, and 25 sx clA cmt.
13. TOH LD tbg.
14. Make sure that no flow exists at surface, ND BOP.
15. Cut 7" csg inside below slips & remove csg head. 200M # on slips.
16. Cut 9-5/8" csg inside below slips & remove csg head. 175M # on slips.
17. Cut 13-3/8" csg off at cellar bottom & remove csg head.
18. Cut 7" & 9-5/8" csg to just below 13-3/8" top if needed.
19. Grout 50' cmt in 9-5/8" x 7" csg annulus w/ 7 sx cmt. 1.289" clearance.
20. Grout 50' cmt in 7" csg w/ 9 sx cmt.
21. Weld ¼" steel plate on 13-3/8" csg w/ weep hole on top.
22. Attach dry hole marker to plate and fill cellar.
23. Rehab location & road per BLM specifications.

FORM 9

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number: U-51239

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such purposes

6. Indian, Allottee or Tribe Name: NA

7. Unit Agreement Name: NA

1. Type of Well: OIL [X] GAS [ ] OTHER: CONFIDENTIAL

8. Well Name and Number: Cane Creek Fed. #7-1

2. Name of Operator: Hunt Petroleum (AEC), Inc.

9. API Well Number: 43-019-31363

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Footages: 1596' FNL & 2040' FWL
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[ ] Multiple Completion	[ ] Water Shut-Off	[ ] Other	
[ ] Other			

Approximate date work will start: May 2003

Date of work completion:

Report results of **Multiple Completions** and **Recompletions** to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

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See Attached Proposed Procedures and Wellbore Schematic.

Sundry Notice previously approved 5/2/2003, Revised per the request of BLM.

13. Name & Signature: Victoria Guidry Title: Regulatory Coordinator Date: 5/14/2003

(This space for State use only)

Accepted by the Utah Division of Oil, Gas and Mining
Date: 5/16/03
By:

Federal Approval Of This Action Is Necessary

RECEIVED
JUN 30 2003
DIV. OF OIL, GAS & MINING

RECEIVED
MAY 15 2003
DIV. OF OIL, GAS & MINING

(5/94) See Instructions on Reverse Side

CANE CREEK #7-1 P&A PROCEDURE
5/13/03

1. MIRU. Open well, check for flow.
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FIELD: Kane Springs WELL: Cane Creek Fed. #7-1

SPUD: 4/26/02
COMPLETED: 7/10/02

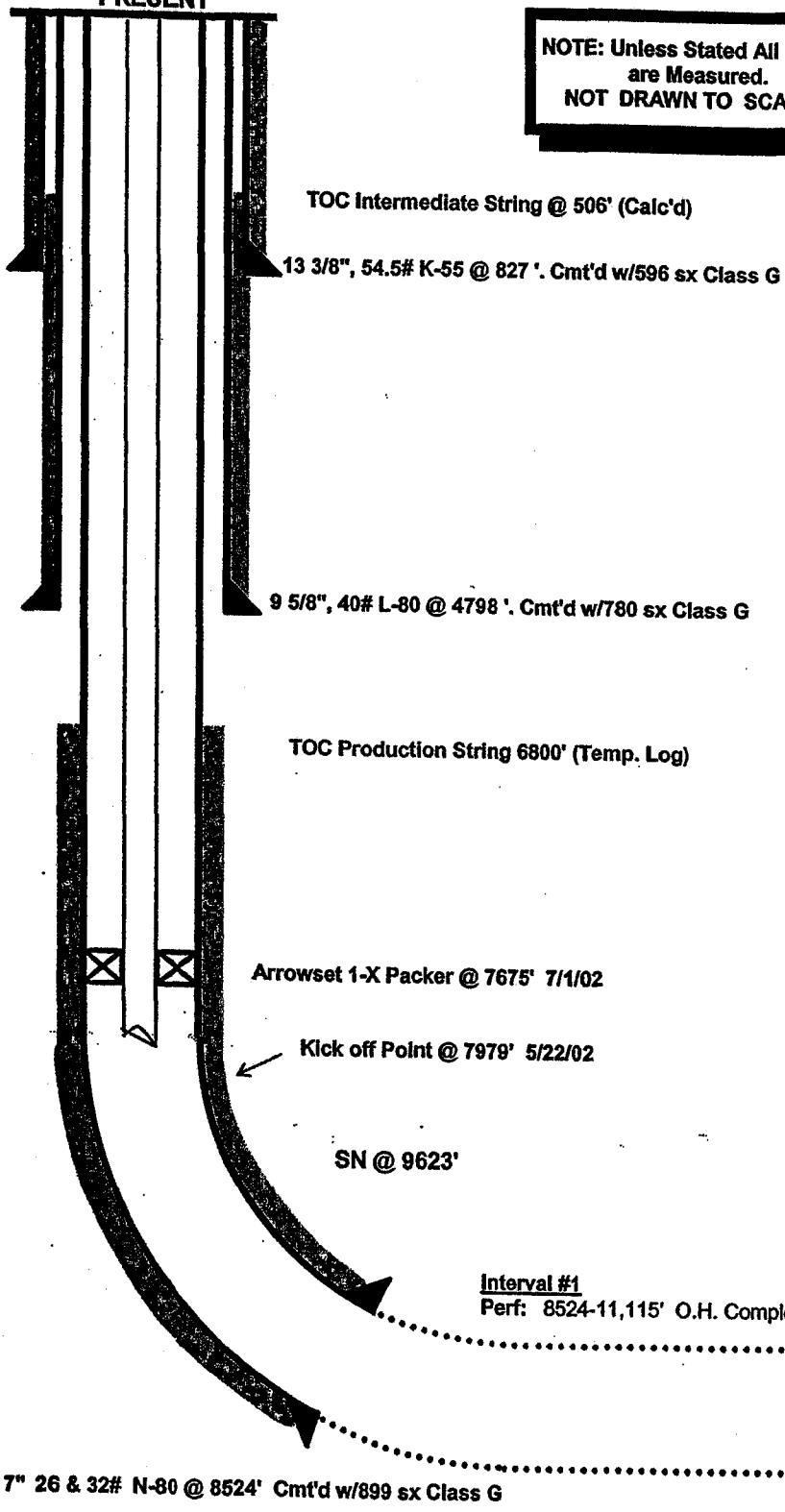
SE NW SEC: 7, T: 25S R: 19E
API: 43-019-31363

DATE: April 22, 2003

PRESENT

NOTE: Unless Stated All Depths are Measured.
NOT DRAWN TO SCALE.

CONFIDENTIAL



Tubing Detail

2 7/8" 6.5# L-80 tbg
Seat Nipple
T-2 On/Off Tool w/X Profile
7" x 2 7/8" Arrowset 1-X packer
2 7/8" Tubing Coupling
2 7/8" N-80 Pup jt
2 7/8" Glass Dise Sub
2 7/8" Wireline Re-Entry Guide

RECEIVED
APR 2 9 2003
DIV. OF OIL, GAS & MINING

PREPARED BY: Kevin Rupert
cane creek federal #7-1.ppt

RECEIVED
JUN 3 0 2003
DIV. OF OIL, GAS & MINING

HUNT PETROLEUM (AEC), INC.

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SPUD: 4/26/02
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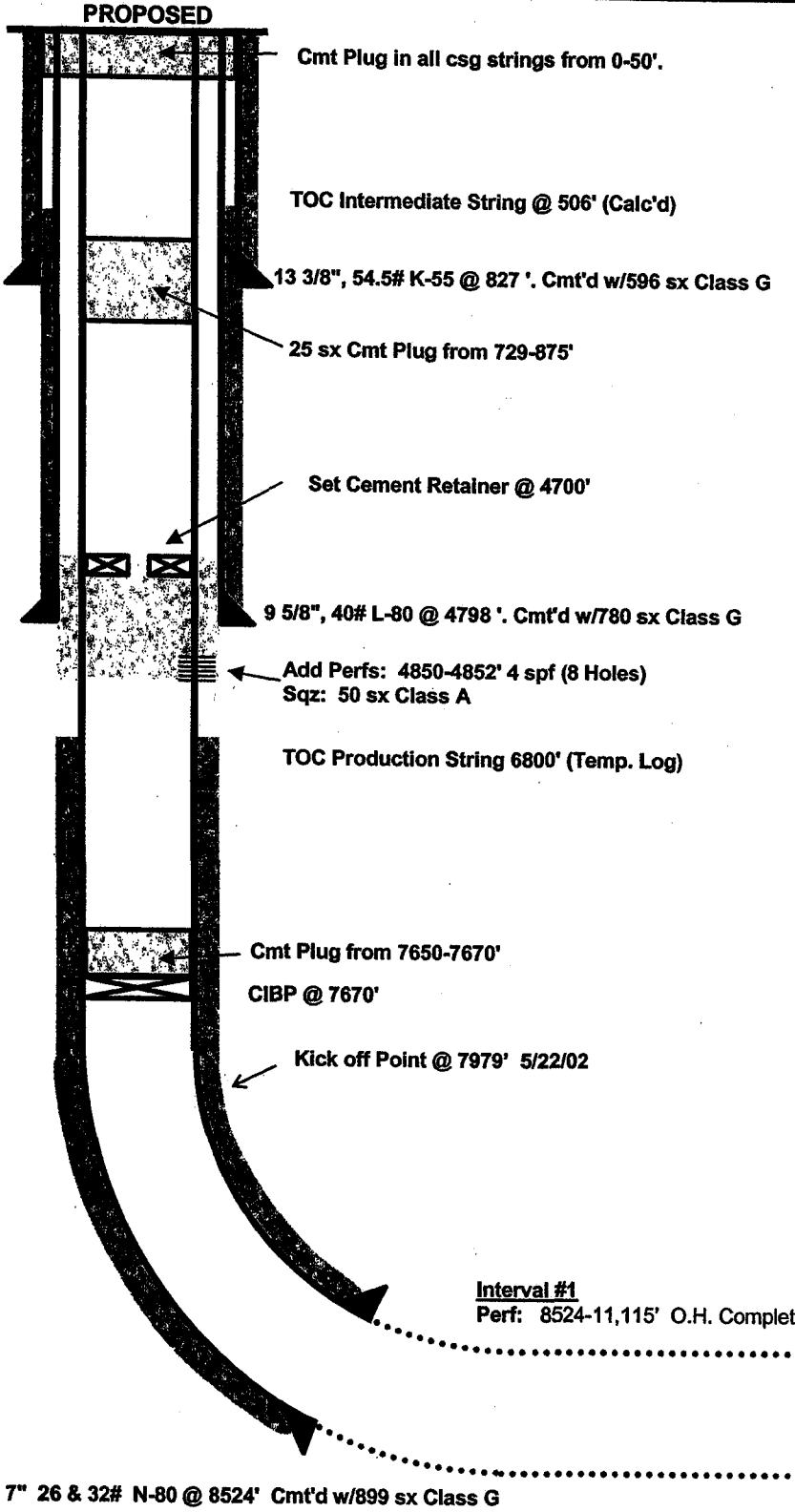

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PREPARED BY: Kevin Rupert
cane creek federal #7-1.ppt

HUNT PETROLEUM (AEC), INC.

P.O. Box 1350, Houston, Texas 77251-1350
One Riverway, Suite 700
Houston, Texas 77056
Telephone (713) 871-3400

June 26 2003

CONFIDENTIAL

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

RE: Previous Approved Wellbore Schematic
Cane Creek Federal #7-1
Grand County, Utah

Dear Sir or Madam:

Notice of Intent to Abandon was previously approved on the above referenced well, May 16, 2003, (copy attached). At the time of filing our paper work, we inadvertently failed to submit the correct proposed schematic, enclosed for your files, in triplicate, please find the correct wellbore schematic.

Should you have any question or require any additional information, please contact me at (713) 871-3400.

Sincerely,

HUNT PETROLEUM (AEC), INC.

Victoria Guidry

Victoria Guidry
Regulatory Coordinator

Enc.

VG/mm

HUNT PETROLEUM (AEC), INC.

FIELD: Kane Springs WELL: Cane Creek Fed. #7-1

SPUD: 4/26/02
COMPLETED: 7/10/02

SE NW SEC: 7, T: 25S R: 19E
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DATE: April 22, 2003

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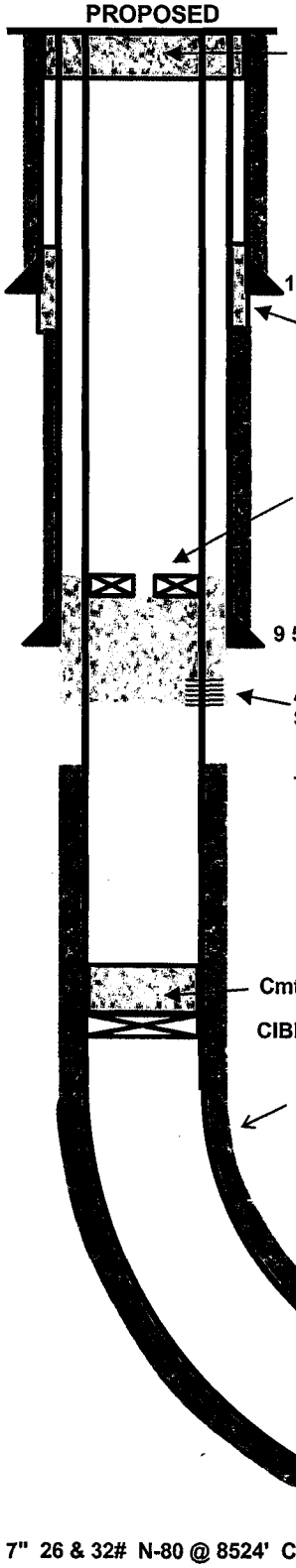

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Sqz: 50 sx Class A

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CONFIDENTIAL

RECEIVED
JUN 30 2003
DIV. OF OIL, GAS & MINING

PREPARED BY: Kevin Rupert
cane creek federal #7-1.ppt

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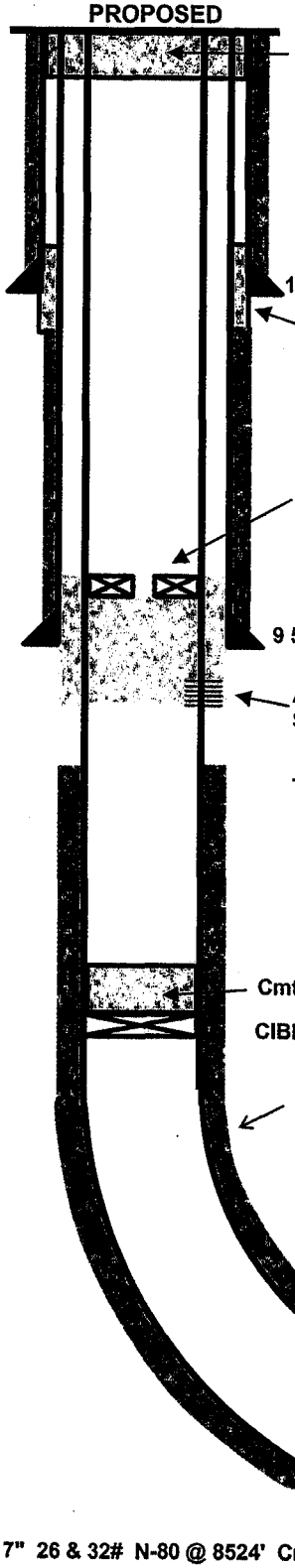

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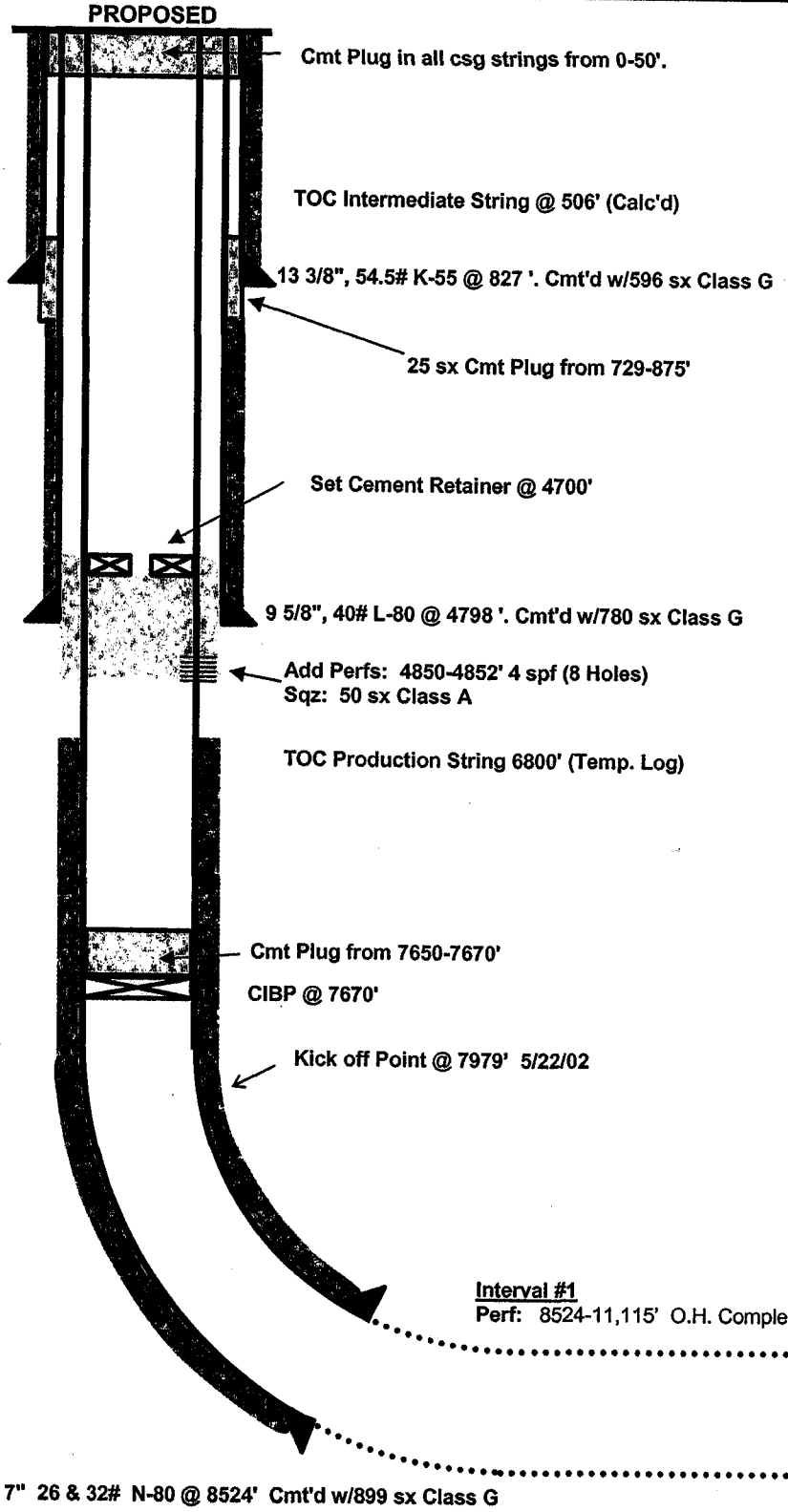

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CONFIDENTIAL

RECEIVED

JUN 3 0 2003

DIV. OF OIL, GAS & MINING

PREPARED BY: Kevin Rupert
cane creek federal #7-1.ppt

Earlene Russell - Re: Well #7-1, Lease UTU51239, API#43-019-31363

From: Earlene Russell
To: Marie McGann
Subject: Re: Well #7-1, Lease UTU51239, API#43-019-31363

Thanks for letting me know this - I was basing my information on the fact that it was assigned an entity number along with another well to be part of the unit. I will change the entity number accordingly and let Hunt and Intrepid know of this action.

>>> Marie McGann <Marie_McGann@blm.gov> 06/30/03 02:53PM >>>
Hi Earlene,

I spoke with Jan Podall with Intrepid Oil and Gas today. She indicated that she had been instructed to report Well #7-1 (API# 43-019-31363) on their production reports.
This well was drilled in the Cane Creek Unit and the operator was Hunt Petroleum. However, the well was not capable of production in paying quantities (in fact it will be plugged soon), so it is not considered a unit well and therefore should be reported on lease basis instead of unit basis. As you know Intrepid assumed operatorship of the Cane Creek Unit recently, however since the #7-1 well is not considered to be a unit well, Intrepid did not assume responsibility for the #7-1. The operator of the #7-1 well is still Hunt Petroleum, so Intrepid Oil and Gas is not responsible for reporting.
If you have any questions, please contact me or Teresa Thompson in the BLM Utah State Office.

Marie McGann
BLM Moab Field Office

from entity 13477 to entity 13836
7/16/03

HALLIBURTON JOB SUMMARY

SALES ORDER NUMBER: 2645828		TICKET DATE: 9/3/03	
REGION: NORTH AMERICA	NWA / COUNTRY: ROCKY MOUNTAIN	BDA / STATE: UTAH	COUNTY: GRAND
EMPLOYEE #: 122404	H.E.S EMPLOYEE NAME: ED PETITT	PSL DEPARTMENT: CEMENTING SERVICES	
LOCATION: GRAND JUNCTION, CO	COMPANY: Hunt Petroleum	CUSTOMER REP / PHONE: Charlie Harrison 435-259-8245	
TICKET AMOUNT: $11,857.86	WELL TYPE: 02 GAS	API/UWI #: 43-019-31363	
WELL LOCATION: MOAB 84532	DEPARTMENT: ZONAL ISOLATION 10003	SAP BOMB NUMBER: 7528	Description: PLUG TO ABANDON
LEASE NAME: Cane Creek	Well No.: 7-1	SEC / TWP / RNG: SEC 7, TWP 25-S, RNG 19-E	

H.E.S. EMP NAME / EMP # / (EXPOSURE HOURS)	HRS	HRS	HRS	HRS
Ed Petitt 122404	12.0			
Chris Martinez 221570	12.0			
Jason Blackmore 287012	12.0			
Don James 122510	12.0			

H.E.S. UNIT #'S / (R / T MILES)	R / T MILES	R / T MILES	R / T MILES	R / T MILES
10025637	250			
10086132 10551730	250			
10026549 10025121	250			
10195597	250			

Form. Name _____ Type: _____
Form. Thickness _____ From _____ To _____
Packer Type _____ Set At _____
Bottom Hole Temp. _____ Pressure _____
Retainer Depth _____ Total Depth _____

	Called Out	On Location	Job Started	Job Completed
Date	9/3/03	9/3/03	9/3/03	9/3/03
Time	0300	0645	0959	1747

Tools and Accessories

Type and Size		Qty	Make
Float Collar	7"		HES
Float Shoe	7"		HES
Centralizers	7"		HES
Top Plug	7"		HES
Limit Clamp	7"		HES
DV Tool	7"		HES
Insert Float	7"		HES
Guide Shoe	7"		HES
Weld-A			HES

Well Data

	New/Used	Weight	Size	Grade	From	To	Max. Allow
Casing	USED	26 & 32	7"	N80	0	8,524	2,500
Casing	USED	40.0	9 5/8"	L80	0	4,798	
Casing	USED	54.5	13 3/8"	J-55	0	827	
Tubing	USED	6.4	2 7/8"	N80	0	4,700	
Drill Pipe							
Open Hole							Shots/Ft.
Perforations							
Perforations							
DV Tool							

Materials

Mud Type	WBM	Density	9.2	Lb/Gal
Disp. Fluid	H20	Density	8.33	Lb/Gal
Prop. Type		Size		Lb
Prop. Type		Size		Lb
Acid Type		Gal.		%
Acid Type		Gal.		%
Surfactant		Gal.		In
NE Agent		Gal.		In
Fluid Loss		Gal/Lb		In
Gelling Agent		Gal/Lb		In
Fric. Red.		Gal/Lb		In
Breaker		Gal/Lb		In
Blocking Agent			Gal/Lb	
Perfpac Balls			Qty.	
Other				
Other				
Other				
Other				
Other				

Hours On Location

Date	Hours
9/3/03	12.00
Total	12.00

Operating Hours

Date	Hours
9/3/03	3.00
Total	3.00

Description of Job

SEE JOB LOG

Hydraulic Horsepower
Ordered: _____ Availible: _____ Used: _____
Average Rates in BPM
Treating: _____ Displacing: _____ Overall: _____
Cement Left in Pipe
Feet: 100 Reason: CUSTOMER REQUEST

Cement Data

Stage	Sacks	Cement	Bulk/Sks	Additives	W/Rq.	Yield	Lbs/Gal
	50	Premium "G"		Neat	5.0	1.15	15.8
	90	Premium "G"		Neat	5.0	1.15	15.8

Summary

Circulating		Displacemen		Total Preflush BBL: 5	Type: WATER
Breakdown		Maximum		Load & Bkdn Gal - BBl	Pad:Bbl -Gal
Lost Returns-YES		Lost Returns-NO	XXXXX	Excess /ReturnGal BBl	Calc.Disp. 29.0
Cmt Rtrn#Bbl		Actual TOC	SURFACE	Calc. TOC: BBL / SURFACE	Actual Disp. 29.0
Average		Frac. Gradier		Cement Slurry: 29	Disp:Bbl BBL
Shut In: Instant		5 Min.	15 Min	Cement Mix H20: 17	BBLS
				Total H2O Volume 51	BBLS

Frac Ring #1	Frac Ring # 2	Frac Ring # 3	Frac Ring # 4

THE INFORMATION STATED HEREIN IS CORRECT
CUSTOMER REPRESENTATIVE C. Harrison
SIGNATURE

HALLIBURTON JOB LOG

TICKET # 2645828	TICKET DATE 9/3/2003		
REGION NORTH AMERICA LAND	NWA / COUNTRY ROCKY MOUNTAIN	BDA / STATE UTAH	COUNTY GRAND
MBU ID / EMPL # 122404	H.E.S EMPLOYEE NAME ED PETITT	PSL DEPARTMENT CEMENTING SERVICES	
LOCATION GRAND JUNCTION, CO	COMPANY Hunt Petroleum	CUSTOMER REP / PHONE Charlie Harrison 435-259-8245	
TICKET AMOUNT $11,857.86	WELL TYPE 02 GAS	API/UWI # 43-019-31363	
WELL LOCATION MOAB 84532	DEPARTMENT ZONAL ISOLATION 10003	JOB PURPOSE CODE 7528	Description PLUG TO ABANDON
LEASE NAME Cane Creek	Well No. 7-1	SEC / TWP / RNG SEC 7, TWP 25-S, RNG 19-E	

Chart No.	Time	Rate (BPM)	Volume (BBL)(GAL)	Pmps T	Pmps C	Press.(PSI) Tbg	Press.(PSI) Csg	Job Description / Remarks
	0400							CONDUCT IN YARD SAFETY MEETING LEAVE YARD
	0645							ARRIVE ON LOCATION 09/03/03
	0700							CONDUCT LOCATION ASSESSMENT SAFETY MEETING
	0715							SPOT EQP. AND RIG UP
	0945							CONDUCT PREJOB SAFETY MEETING
	0950							START JOB
	1000							TEST LINES
								1ST PLUG RETAINER SET @ 4700 2 7/8" TUBING IN 7"CASING
	1004	2.0		1				PUMP CEMENT @ 15.8 (50 SK)
	1008	2.0	10.2	1		300		END CEMENT
	1008	2.0		1		850		PUMP DISPLACEMENT
	1026	1.0	29.0	1		800		SHUT DOWN STING OUT
								2ND PLUG 13 3/8" - 9 5/8" BRADINHEAD
	1037	1.0			1			GET INJECTION RATE
	1046	2.0	3.0		1		700	SHUT DOWN
	1100	2.0			1		500	PUMP CEMENT @ 15.8 (35 SK)
	1104	2.0	7.0		1		550	END CEMENT
	1104	2.0			1		550	PUMP WATER
	1107	2.0	5.0		1		500	PUMP MUD
	1124	2.0	34.0		1		800	PUMP WATER
	1126	2.0	5.0		1		700	PUMP CEMENT @ 15.8 (25 SK)
	1128	2.0	5.0		1		700	END CEMENT
	1128	2.0			1		700	PUMP WATER
	1129	2.0	2.0		1		450	SHUT DOWN
	1131	2.0	2.0		1		450	SHUT IN CASING
								3RD PLUG TOP OUT 7" & 7" - 9 5/8" ANN. 100 FT WITH 1/2" TUBING
	1720	0.5		1				PUMP CEMENT @ 15.3 (15 SK)
	1726	0.5	3.0	1				SHUT DOWN
	1739	0.5		1				PUMP CEMENT @ 15.3 (15 SK)
	1745	0.5	3.0	1				SHUT DOWN
	1747			1				END JOB
	18:00							POST JOB SAFETY MEETING
	1900							DRIVE HOME SAFTY MEETING
								THANKS FOR USING **HALLIBURTON**
								ED PETITT, DON JAMES, & CREW

HALLIBURTON JOB SUMMARY

SALES ORDER NUMBER: 264977[illegible]		TICKET DATE: 9/4/03	
REGION: NORTH AMERICA	NWA / COUNTRY: ROCKY MOUNTAIN	BDA / STATE: COLORADO	COUNTY: GRAND
EMPLOYEE #: 122404	H.E.S EMPLOYEE NAME: ED PETITT	PSL DEPARTMENT: CEMENTING SERVICES	
LOCATION: GRAND JUNCTION, CO	COMPANY: Hunt Petroleum	CUSTOMER REP / PHONE: Charlie Harrison 435-259-8245	
TICKET AMOUNT: $8,206.75	WELL TYPE: 02 GAS	API/UWI #: 43-019-31363	
WELL LOCATION: MOAB 84532	DEPARTMENT: ZONAL ISOLATION 10003	SAP BOMB NUMBER: 7528	Description: PLUG TO ABANDON
LEASE NAME: Cane Creek	Well No.: 7-1	SEC / TWP / RNG: Sec 7/ Twp 25-S / Rng 19-E	

H.E.S. EMP NAME / EMP # / (EXPOSURE HOURS)	HRS	HRS	HRS	HRS
Ed Petitt 122404	4.0			
Chris Martinez 221570	4.0			
Brandon Reeves 287883	4.0			
Don James 122510	4.0			

H.E.S. UNIT #S / (R / T MILES)		R / T MILES	R / T MILES	R / T MILES	R / T MILES
10025637		250			
10086132	10551730	250			
10026530	10025041	250			
10195597		250			

Form. Name _____ Type: _____
Form. Thickness _____ From _____ To _____
Packer Type _____ Set At _____
Bottom Hole Temp. _____ Pressure _____
Retainer Depth _____ Total Depth _____

	Called Out	On Location	Job Started	Job Completed
Date	9/4/03	9/4/03	9/4/03	9/4/03
Time	0400	0800	0949	1035

Tools and Accessories

Type and Size		Qty	Make
Float Collar	7"		HES
Float Shoe	7"		HES
Centralizers	7"		HES
Top Plug	7"		HES
Limit Clamp	7"		HES
DV Tool	7"		HES
Insert Float	7"		HES
Guide Shoe	7"		HES
Weld-A			HES

Well Data

	New/Used	Weight	Size	Grade	From	To	Max. Allow
Casing	USED	26.0	7"	N80	0	8,524	2,000
Liner	USED	40.0	9 5/8"	L80	0	4,798	2,000
Liner	USED	54.5	13 3/8"	K55	0	827	2,000
Tubing							
Drill Pipe							
Open Hole							Shots/Ft.
Perforations							
Perforations							
DV Tool							

Materials

Mud Type: WBM Density: 9.2 Lb/Gal
Disp. Fluid: H20 Density: 8.33 Lb/Gal
Prop. Type _____ Size _____ Lb _____
Prop. Type _____ Size _____ Lb _____
Acid Type _____ Gal. _____ % _____
Acid Type _____ Gal. _____ % _____
Surfactant _____ Gal. _____ In _____
NE Agent _____ Gal. _____ In _____
Fluid Loss _____ Gal/Lb _____ In _____
Gelling Agent _____ Gal/Lb _____ In _____
Fric. Red. _____ Gal/Lb _____ In _____
Breaker _____ Gal/Lb _____ In _____
Blocking Agent _____ Gal/Lb _____
Perfpac Balls _____ Qty. _____
Other _____
Other _____
Other _____
Other _____
Other _____

Hours On Location

Date	Hours
9/4/03	4.00
Total	4.00

Operating Hours

Date	Hours
9/4/03	1.00
Total	1.00

Description of Job

SEE JOB LOG

Hydraulic Horsepower
Ordered: _____ Availible: _____ Used: _____

Average Rates in BPM
Treating: _____ Displacing: _____ Overall: _____

Cement Left in Pipe
Feet: SURFACE Reason: CUSTOMER REQUEST

Cement Data

Stage	Sacks	Cement	Bulk/Sks	Additives	W/Rq.	Yield	Lbs/Gal
	100	Premium "G"	BULK	Neat	5.0	1.15	15.8

Summary

Circulating _____ Displacemen _____
Breakdown _____ Maximum _____
Lost Returns-YES _____ Lost Returns-NO XXXXX
Cmt Rtrn#Bbl _____ Actual TOC SURFACE
Average _____ Frac. Gradier _____
Shut In: Instant _____ 5 Min. _____ 15 Min _____

Total Preflush BBL: 10 Type: WATER
Load & Bkdn Gal - BBl _____ Pad:Bbl -Gal _____
Excess /ReturnGal BBl _____ BBL Calc.Disp. 1.0
Calc. TOC: SURFACE Actual Disp. 1.0
Cement Slurry: 20 Disp:Bbl BBL
Cement Mix H20: 12 BBLS
Total H2O Volume 23 BBLS

Frac Ring #1 | Frac Ring # 2 | Frac Ring # 3 | Frac Ring # 4

THE INFORMATION STATED HEREIN IS CORRECT
CUSTOMER REPRESENTATIVE H C Harrison
SIGNATURE

HALLIBURTON JOB LOG

TICKET # 2649775	TICKET DATE 9/4/2003		
REGION NORTH AMERICA LAND	NWA / COUNTRY ROCKY MOUNTAIN	BDA / STATE COLORADO	COUNTY GRAND
MBU ID / EMPL # 122404	H.E.S EMPLOYEE NAME ED PETITT	PSL DEPARTMENT CEMENTING SERVICES	
LOCATION GRAND JUNCTION, CO	COMPANY Hunt Petroleum	CUSTOMER REP / PHONE Charlie Harrison 435-259-8245	
TICKET AMOUNT $8,206.75	WELL TYPE 02 GAS	API/UWI # 43-019-31363	
WELL LOCATION MOAB 84532	DEPARTMENT ZONAL ISOLATION 10003	JOB PURPOSE CODE 7528	Description PLUG TO ABANDON
LEASE NAME Cane Creek / Well No. 7-1	SEC / TWP / RNG Sec 7/ Twp 25-S / Rng 19-E		

Chart No.	Time	Rate (BPM)	Volume (BBL)(GAL)	Pmps T	Pmps C	Press.(PSI) Tbg	Press.(PSI) Csg	Job Description / Remarks
	0500							CONDUCT IN YARD SAFETY MEETING LEAVE YARD
	0800							ARRIVE ON LOCATION 09/04/03
	0800							CONDUCT LOCATION ASSESSMENT SAFETY MEETING
	0815							SPOT EQP. AND RIG UP
	0940							CONDUCT PREJOB SAFETY MEETING
	0949							START JOB
	0950				1			TEST LINES
	0952	1.0			1			PUMP WATER
	0956	3.0	10.0		1		800	SHUT DOWN (ISIP 500psi)
	1003	2.5			1		450	PUMP CEMENT @ 15.8 (35sk)
	1007	2.0	7.3		1		700	END CEMENT
	1007	2.0			1		700	PUMP WATER
	1010	3.0	5.0		1		800	END WATER
	1010	3.0			1		800	PUMP MUD
	1022	3.0	34.0		1		1100	END MUD
	1022	3.0			1		1100	PUMP WATER
	1024	3.0	5.0		1		1000	END WATER
	1024	2.0			1		1000	PUMP CEMENT @ 15.8 (25sk)
	1027	2.0	5.1		1		900	END CEMENT
	1027	1.0			1		900	PUMP WATER
	1028	1.0	1.0		1		450	SHUT DOWN
								TOP OUT 7"
	1032	2.0		1				PUMP WATER
	1033	5.0	5.0	1		100		END WATER
	1033	2.0		1		100		PUMP CEMENT @ 15.8
	1034	2.0	3.0	1				SHUT DOWN
	1035							END JOB

HUNT PETROLEUM (AEC), INC.

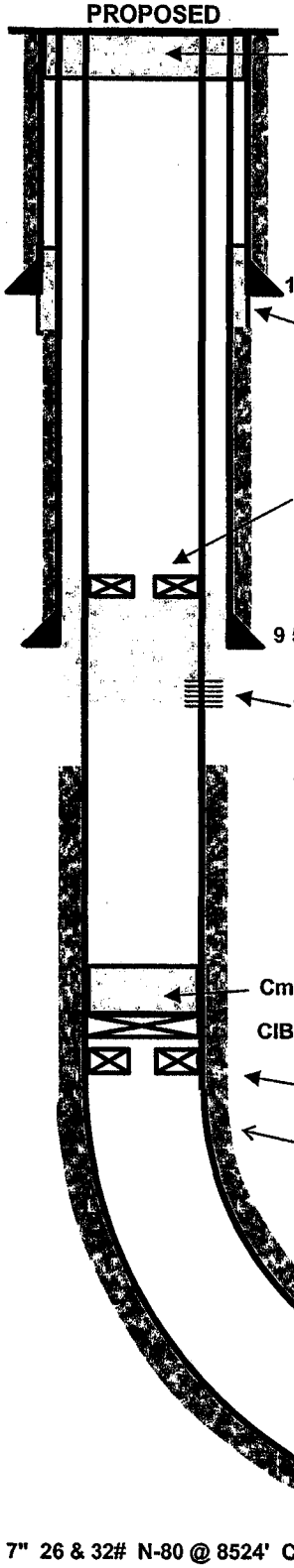
FIELD: Kane Springs WELL: Cane Creek Fed. #7-1

SPUD: 4/26/02
COMPLETED: 7/10/02

SE NW SEC: 7, T: 25S R: 19E
API: 43-019-31363

DATE: September 25, 2003

PROPOSED



Cmt Plug in all csg strings from 0-50'.

NOTE: Unless Stated All Depths are Measured.
NOT DRAWN TO SCALE.

TOC Intermediate String @ 506' (Calc'd)

13 3/8", 54.5# K-55 @ 827 '. Cmt'd w/596 sx Class G

25 sx Cmt Plug from 729-875'

Set Cement Retainer @ 4700'

9 5/8", 40# L-80 @ 4798 '. Cmt'd w/780 sx Class G

Add Perfs: 4850-4852' 4 spf (8 Holes)
Sqz: 50 sx Class A

TOC Production String 6800' (Temp. Log)

Cmt Plug from 7650-7670'

CIBP @ 7670'

Arrow 1-X Pkr @ 7675' 7/1/02

Kick off Point @ 7979' 5/22/02

Interval #1
Perf: 8524-11,115' O.H. Completion

Fish: 11.5' Pushed to 11103' 6/30/02
(1 7/16" Cable Head CCL, 3 1/8" Junk Basket, 5.969" Gauge Ring.)

TVD 8370'
MD 11,115'

7" 26 & 32# N-80 @ 8524' Cmt'd w/899 sx Class G

PREPARED BY: Kevin Rupert
cane creek federal #7-1.ppt

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: U-51239

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

7. UNIT or CA AGREEMENT NAME: Cane Creek Unit

1. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER

8. WELL NAME and NUMBER: Cane Creek Federal #7-1

2. NAME OF OPERATOR: Hunt Petroleum (AEC) Inc.

9. API NUMBER: 43-019-31363

3. ADDRESS OF OPERATOR: P.O. Box 1350 CITY Houston STATE TX ZIP 77251

PHONE NUMBER: 713-871-3400

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1596' FNL & 2040' FWL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 7 ~~22~~ 25S 19E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
[ ] NOTICE OF INTENT (Submit in Duplicate)	[ ] ACIDIZE	[ ] DEEPEN	[ ] REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	[ ] ALTER CASING	[ ] FRACTURE TREAT	[ ] SIDETRACK TO REPAIR WELL
	[ ] CASING REPAIR	[ ] NEW CONSTRUCTION	[ ] TEMPORARILY ABANDON
	[ ] CHANGE TO PREVIOUS PLANS	[ ] OPERATOR CHANGE	[ ] TUBING REPAIR
	[ ] CHANGE TUBING	[X] PLUG AND ABANDON	[ ] VENT OR FLARE
[X] SUBSEQUENT REPORT (Submit Original Form Only)	[ ] CHANGE WELL NAME	[ ] PLUG BACK	[ ] WATER DISPOSAL
Date of work completion: 9/8/03	[ ] CHANGE WELL STATUS	[ ] PRODUCTION (START/RESUME)	[ ] WATER SHUT-OFF
	[ ] COMMINGLE PRODUCING FORMATIONS	[ ] RECLAMATION OF WELL SITE	[ ] OTHER: _____
	[ ] CONVERT WELL TYPE	[ ] RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please see attached - Plug and Abandon Procedures
Cement Verification Report
Final Wellbore Schematic

NAME (PLEASE PRINT) Victoria Guidry TITLE Regulatory Coordinator

SIGNATURE Victoria Guidry DATE

(This space for State use only)

RECEIVED
SEP 2 9 2003
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

PLUG AND ABANDON PROCEDURES
CANE CREEK FEDERAL #7-1 ST2
43-019-31363-02
GRAND COUNTY, UTAH

8/31/03 - MIRU. HOOK UP PUMP. TBG 1300 PSI. BLOW DOWN WELL.

9/1/03 - 300 PSI ON WELL. BLOW DOWN, NP DOWN TREE, NU BOP. SET DOWN ON PKR, WELL EQUALIZE. START DISPLACE WELL W/270 BBL GELLED MUD. LAY DOWN 3000' TBG, STAND BACK REST OF TBG. COME OUT W/BACK OFF TOOL, NO PKR.

9/2/03 - RU WIRELINE. RUN GAUGE RING JUNK BASKET. TRIP OUT, RUN CIBP, SET AT 7670'. SET 14' BELOW COLLAR, 2' ABOVE PKR. DUMP BAIL 20' CMT ON TOP OF CIBP. TAG DOWN TOP OF CIBP. PU & GO IN, DUMP BAIL 7670 TO 7650. PU PERF GUN, RUN IN PERF AT 4848. RIH W/CMT RETAINER & SET @ 4700. TRIP OUT, RD WIRELINE. TRIP IN W/SPER & TBG 4700 SPER INTO RETAINER. PUMP TO 2000 PSI. SD HOOK UP HARD LINE.

9/3/03 - PUMP 120 BBL IN PERF, DID NOT GET CIRC. BACK. WAIT ON BLM FOR OK TO PUMP CMT, GET CIR UP 9 5/8" ANNULUS. PUMP 50 SX CMT & DISPLACE TO RETAINER FOR ISO PLUG ACROSS 9 5/8" SHOE. GET IR PUMP 35 SX CMT, PUMP 44 BBL GELLED MUD SPACER & PUMP 25 SX CMT. LAY DOWN TBG., ND BOP CUT 7", LAY DOWN CSG HEAD. OPEN UP 13 3/8" 300 PSI, FLOW BACK 2 BBLS. SI. GROUT 100' 9 5/8" USING ½ TBG 100' LONG FOR CMT AROUND 9 5/8" & 7" GROUT, 7" CSG 100 W/CMT. DID NOT GET TO CUT 13 3/8" & 9 5/8".

9/4/03 - OPEN UP 13 3/8" HAD PSI ON IT. FLOW 8 BBL BACK TO CELLER. HOOK UP RIG PUMP & PUMP 65 BBLS FW DOWN 650 PSI PUMP PRESSURE. RIG DOWN.

9/5/03 - RIG UP HALLIBURTON. START PUMPING DN 13 3/8" AND GET RATE. PUMP 35 SK CMT, 44 BBL MUD SPACER 25 SK CMT. PUMP CMT IN TOP OF 7" AND 9 5/8 SHUT IN.

9/8/03 - OPEN UP 13 3/8" NO FLOW BACK. CUT & PICK OUT GROUT 7" CSG. 3 BAGS CMT AND CAP WELL.

Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
U-51239

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA/Agreement, Name and/or No.
Cane Creek Unit

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

8. Well Name and No.
Cane Creek Federal #7-1 ~~ST~~2

2. Name of Operator
Hunt Petroleum (AEC), Inc.

9. API Well No.
43-019-31363-~~02~~

3a. Address
P. O. Box 1350 Houston, TX 77251

3b. Phone No. *(include area code)*
713-871-3400

10. Field and Pool, or Exploratory Area
Wildcat

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
SL: 1596' FNL & 2040' FWL of Sec. 7, T25S, R19E
BHL: 660' FSL & 2264' FWL of Sec. 7

11. County or Parish, State
Grand County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☒ Reclamation	☐ Well Integrity
☒ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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

Reserve pit was mixed with subsoil and bentonite and packed several feet below grade. A bentonite/soil cap was placed on the packed pit contents. The location and road were reclaimed/recontoured, the top soil placed back on the area and reseeded to closely resemble the location prior to disturbance.

RECEIVED
NOV 2 8 2003
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Victoria Guidry — Title Regulatory Coordinator

Signature Victoria Guidry — Date 11/18/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by — Title — Date

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

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

(Instructions on reverse)