OIL & GAS INFORMATION SYSTEM

FILE EDIT OIL GAS GAS PLANT REPORTS DB MAINTENANCE OPTIONS HELP DATA CONVERSION LOGS DATABASE QUERY

Well Data

WELL SEARCH | WELL DATA | WELL HISTORY | WELL ACTIVITY

WELL NAME: CANE CREEK 2-1 API NUMBER: 4301931396 WELL TYPE: OW WELL STATUS: APD

OPERATOR: INTREPID OIL & GAS LLC ACCOUNT: N6810 # OPERATOR APPROVED BY BLM / BIA ☐

DESIGNATED OPERATOR: ACCOUNT:

FIELD NAME: BIG FLAT FIELD NUMBER: 170 FIRST PRODUCTION: LA | PA DATE:

WELL LOCATION:

SURF LOCATION:

Q. S. T. R. M.: SENE 02 26.0 S 19.0 E S

COUNTY: GRAND

UTM Coordinates:

SURFACE - N: 4269892.00 BHL - N: 4270194

SURFACE - E: 605941.00 BHL - E: 605640

LATITUDE: 38.57304

LONGITUDE: 109.78387

CONFIDENTIAL FLAG: ☑

CONFIDENTIAL DATE:

DIRECTIONAL | HORIZONTAL: H

HORIZONTAL LATERALS:

ORIGINAL FIELD TYPE: D

WILDCAT TAX FLAG: ☐

CB-METHANE FLAG: ☐

ELEVATION: 5947 GL

BOND NUMBER / TYPE: UTB000029 3

SHOW WELL IMAGES

LEASE NUMBER: ML-40761

MINERAL LEASE TYPE: 3

SURFACE OWNER TYPE: 3

INDIAN TRIBE:

C.A. NUMBER:

UNIT NAME: CANE CREEK

CUMULATIVE PRODUCTION:

OIL:

GAS:

WATER:

COMMENTS: BHL NWNE:

Create New Rec | Save | Cancel Change | To History | To Activity | Print Recd | Export Recd

Start | Novell-delivered Applicati... | OIL & GAS INFORMAT... | Well Selection Criteria

NUM CAPS 3:58 PM

THE INTREPID COMPANIES

INTREPID OIL & GAS, L.L.C.
INTREPID MINING, L.L.C.
INTREPID PRODUCTION CORP.

MOAB SALT, L.L.C.
MOAB POTASH
HARVEY OPERATING & PRODUCTION CO.

April 28, 2003

Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84111-5801

Attn: Minerals

Re: Cane Creek #2-1
500' FEL, 2300' FNL, Sec. 2, T26S-R19E
Grand County, Utah

Gentlemen:

This letter is to inform you that Permitco Inc. is authorized to act as Agent and to sign documents on behalf of Intrepid Oil & Gas, LLC when necessary for filing county, state and federal permits including Onshore Order No. 1, Right of Way applications, etc., for the above mentioned well.

It should be understood that Permitco is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations.

Intrepid Oil & Gas, LLC agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above-mentioned well.

Sincerely,

INTREPID OIL & GAS, LLC

Robert P. Jornayvaz III

ROBERT P. JORNAYVAZ, III, MANAGER ▪ HUGH E. HARVEY, JR., MANAGER
700 17TH STREET ▪ SUITE 1700 ▪ DENVER, COLORADO 80202
(303) 296-3006 ▪ FAX (303) 298-7502

020

CONFIDENTIAL - TIGHT HOLE

RECEIVED
MOAB FIELD OFFICE

2003 NOV 24 A 11: 07

DEPT OF THE INTERIOR
BUREAU OF LAND MGMT

ONSHORE OIL & GAS ORDER NO. 1

Approval of Operations on Onshore
Federal and Indian Oil & Gas Leases

Cane Creek #2-1
SE NE, 2300' FNL and 529' FEL, Section 2 (Surface)
NW SW, 1900' FSL and 1240' FWL, Section 1 (Bottom Hole)
T26S - R19E
Grand County, Utah

Prepared For:

Intrepid Oil & Gas, LLC.

CONFIDENTIAL-TIGHT HOLE

By:

PERMITCO INC.
14421 County Road 10
Ft. Lupton, Colorado 80621
303/857-9999

Copies Sent To:

4 - BLM - Moab, UT
1 - Utah Division of Oil, Gas & Mining - SLC, UT
1 - Utah State Lands - Salt Lake City, UT
2 - Intrepid Oil & Gas, LLC. - Denver, CO
2 - Pure Resources - Midland, TX

PETROLEUM PERMITTING PERMITCO COMPANY

24. Attachments

following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
   Attached.

2. A Drilling Plan

3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the Appropriate Forest Service Office.
   See Surface Use Plan Attached.

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20).
   Bond coverage for this well is provided by Intrepid Oil & Gas, LLC. under their BLM Bond No. Statewide Bond Number UTB000029.

5. Operator certification.
   Please be advised that Intrepid Oil & Gas, LLC. is considered to be the operator of the above mentioned well. Intrepid Oil & Gas, LLC. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands.

6. Such other site specific information and/or plans as may be required by the authorized officer.

TABLE OF CONTENTS
Cane Creek #2-1

DRILLING PROGRAM

		Page No.
1.	Estimated Tops/Geologic Markers	1
2.	Estimated Depth of Oil, Gas & Water	1-2
3.	Blow Out Preventer (BOP) Requirements	2 -3
4.	Casing and Cementing Program	3 - 7
5.	Mud Program	7
6.	Testing, Logging and Coring	7 - 9
7.	Anticipated Pressures & H_2S Gas	9
8.	Other Information & Notification Requirements	9 - 11

PETROLEUM PERMITTING PERMITCO COMPANY

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. ESTIMATED TOPS/ GEOLOGIC MARKERS

The estimated tops of important geologic markers are as follows:

Formation	*Depth*	*Subsea*
Ground	5,947'	+10'
Lasal	3,325'	+2,632'
Top Salt	3,913'	+2,044'
Cane Creek (Clastic 21)	7,245'	-1,288'
TD - Vertical Hole	7,700' MD - 7,700' TVD	-1,743'
TD - Horizontal	9,782' MD - 7,261' TVD	-1,304'

2. ESTIMATED DEPTH OF OIL, GAS, WATER AND OTHER MINERAL BEARING ZONES

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Substance	*Formation*	*Depth*
Brine	Clastic 15	6,500'
Oil	Cane Creek	7,245'

PETROLEUM PERMITTING PERMITCO COMPANY

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 the BLM. All oil and gas shows will be tested to determine commercial potential.

3. BLOW OUT PREVENTER (BOP) EQUIPMENT

Intrepid Oil & Gas, LLC.'s minimum specifications for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double, 10,000 psi w.p.

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 will be inspected and operated each trip (no more than once a day is necessary), and annular preventers will 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.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.
A BOPE pit level drill shall be conducted weekly for each drilling crew.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

Pressure tests shall apply to all related well control equipment.

a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 11", 10,000 psi working pressure blowout preventor.

b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.

c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.

d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. CASING AND CEMENTING PROGRAM

a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones;

formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.

b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).

c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)

d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.

e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.

g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.

h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

I. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.

j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.

k. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.

l. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

m. The proposed casing program will be as follows:

Purpose	*Depth*	*Hole Size*	*O.D.*	*Weight*	*Grade*	*Type*	*New/Used*
Conductor	0' - 400'	17-1/2"	13-3/8"	48#	H-40	ST&C	New
Surface	0' - 4,287'	12-1/4"	9-5/8"	40#	N–80	LT&C	New
Intermediate	0' - 7,700'	8-3/4"	7"	26#	P-110	LT&C	New
Liner	7,000' - 9,782'	6-1/8"	4-1/2"	11.6#	N–80	BT&C	New

n. Casing design subject to revision based on geologic conditions encountered.

o. The cement program will be as follows:

Casing Type	*Cement Volumes and Additives*
Conductor	***Type and Amount***
0 - 400'	490 sx, (564 cubic feet), Class G, 0.25 pps D29, 1% S1, 15.8 ppg, 1.15 ft3/sk
Surface	***Type and Amount***
0 - 4,287'	**Lead:** 655 sx (1742 cubic feet) Class G, 0.25 pps D29, 3% D079, 0.2% D046, 11.7 ppg, 2.66 ft3/sk. **Tail:** 195 sx, (254 cubic feet) 50:50 Poz Class G, 0.25 pps D29, 5 pps D24, 2% D20, 2% S001, 0.1% D46, 13.5ppg, 1.3 ft3/sk.
Intermediate	***Type and Amount***
0' - 7,700' TOC @ 3,787'	725 sx (783 cubic feet) Class G, 0.45% D065, 0.25% D167, 0.35% D800, 0.2% D121, 0.2% D046, 16.4ppg, 1.08 ft3/sk.
Liner	***Type and Amount***
7,000' - 9,782'	Uncemented 4-1/2" slotted liner.

PETROLEUM PERMITTING
PERMITCO
COMPANY

p. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.

q. The following reports shall be filed with the District Manager within 30 days after the work is completed.

1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:

   a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.

   b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.

r. Auxiliary equipment to be used is as follows:

1. Kelly cock

2. No bit float is deemed necessary.

3. A sub with a full opening valve.

s. The drilling procedure will be as follows:

1. Drill into the Cane Creek formation at 7,245', and TD the straight hole at 7,700'.

2. Test and or evaluate the Cane Creek or other zones of interest as deemed necessary.

3. Set 7" casing at 7,700' and cement to +/-3,500'.

4. Set a CIBP +/- 15' below the kick off point, and set a whipstock on the CIBP, top of whipstock at +/-7097'*.

5. Pick up directional tools and cut a window at +/-7097'*, continue ahead with directional tools to build a curve into the Cane Creek formation.

6. TD well at 9,782' MD - 7,261' TVD.

*All depths are estimates

5. MUD PROGRAM

a. The proposed circulating mediums to be employed in drilling are as follows:

Interval	*Mud Type*	*Mud Wt.*	*Visc.*	*F/L*
0' - 4,287'	Air or Fresh Water Gel	8.8 - 9.4	30 - 38	20 - 30
4,287' - T.D.	80/20 Oil Base Mud	10 - 16	50 - 60	10 - 20

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

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

c. Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing or completion operations.

6. TESTING, LOGGING AND CORING

The anticipated type and amount of testing, logging and coring are as follows:

PETROLEUM PERMITTING
PERMITCO
COMPANY

a. No drill stem tests are anticipated. However, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

b. The logging program will consist of (at a minimum), Gamma Ray, Density Neutron and Sonic Logs from surface casing to TD.

c. No cores are anticipated.

d. 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 not later than 30 days after completion of the well or after 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, work over, and/or completion operations, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).

e. The anticipated completion program is as follows:

Perforate zones of interest and place on production.

7. ANTICIPATED PRESSURES AND H_2S Gas

a. The expected maximum bottom hole pressure is +/- 6000 psi. No abnormal pressures are anticipated.

b. Hydrogen sulfide gas is not anticipated, however, at the request of the BLM, an H2S Contingency Plan will be submitted under separate cover by a third party contractor.

c. As per Onshore Order No. 6, III,A,2.b., if hydrogen sulfide is present the "operator shall initially test the H_2S concentration of the gas stream for each well or production facility..." Submit the results of this test within 30 days of filing Form 3160-4, "Well Completion or Recompletion Report and Log".

8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

a. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.

b. Production data shall be reported to the MMS pursuant to 30 CFR 216.5 using form MMS/3160.

c. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test

tank, and for which a run ticket is required to be generated or the date on which gas is first measured through permanent metering facilities, whichever first occurs.

d. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.

e. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

f. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 and Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

g. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1©), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to $10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109©)(3) of the Federal Oil

and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

h. Drilling operations are planned to commence on approximately December 15, 2003.

I. It is anticipated that the drilling of this well will take approximately 32 days.

j. No location will be constructed or moved, no well will be plugged, and no drilling or work over equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

k. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

l. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 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.

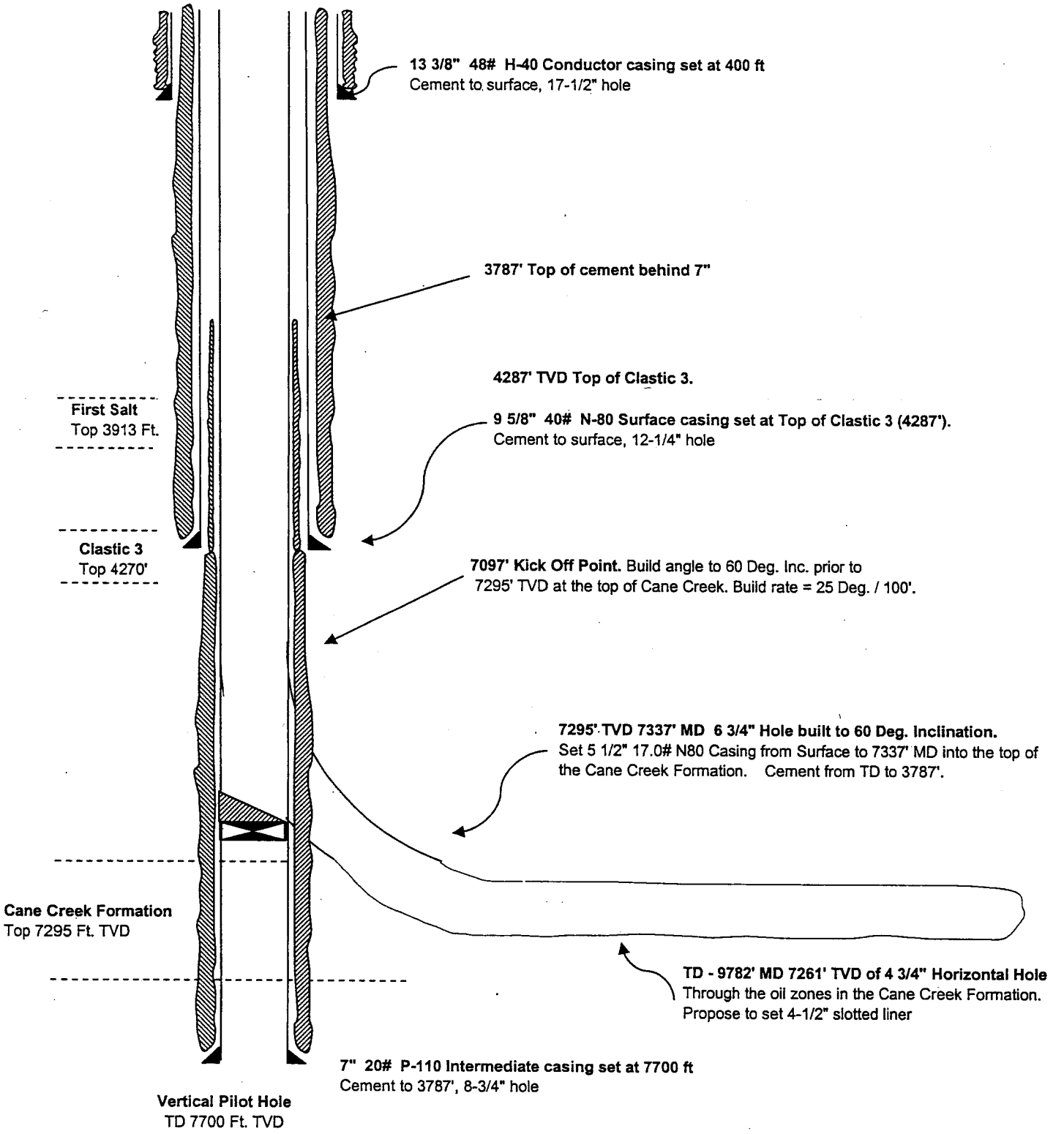
m. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. 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 AO or his representative. or the appropriate Surface Managing Agency.

Intrepid Oil and Gas LLC

Cane Creek 2-1 Horizontal Well.

Sec. 2, T26S-R19E



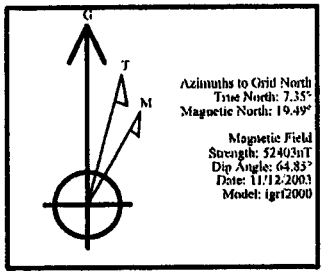
PURE Resources
Cane Creek
Grand County, Utah

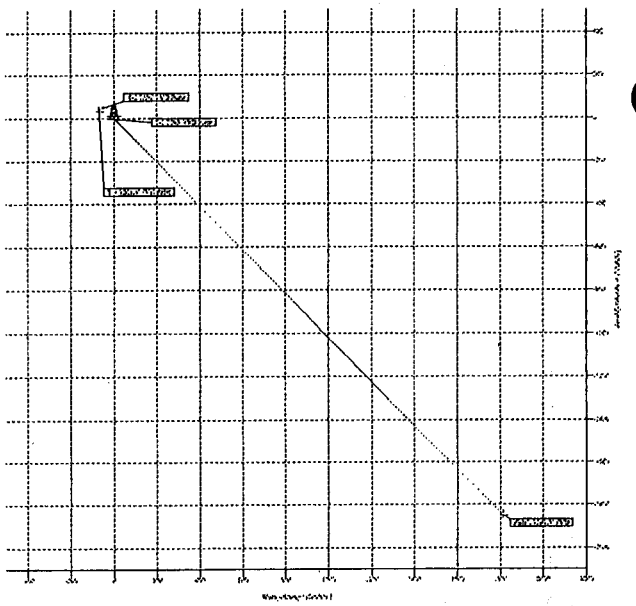
PATHFINDER ENERGY SERVICES

Geodetic System:
Universal Transverse Mercator (USfeet)
Ellipsoid: Clarke 1866
Zone: UTM Zone 13, North 108W to 102W
Magnetic Model: igrf2000
System Datum: Mean Sea Level
Local North: Grid North

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.00	0.00	
2	7097.00	0.00	0.00	7097.00	0.00	0.00	0.000	0.00	0.00	
3	7355.11	90.00	135.58	7261.32	-117.36	115.01	34.319	135.58	164.32	
4	9782.49	90.00	135.58	7261.32	-1851.12	1813.91	0.000	0.00	2591.70	PBHL 7261.3' TVD





TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Shape
T-1 7193' TVD Point	7193.00	-2.76	1.15	Point
T-2 7256' TVD Point	7256.10	49.70	-51.32	Point
T-3 7261.3' TVD Point	7261.32	31.90	-69.12	Point
PBHL 7261.3' TVD	7261.32	-1851.12	1813.91	Point

FIELD DETAILS

Cane Creek
Grand County, Utah
USA

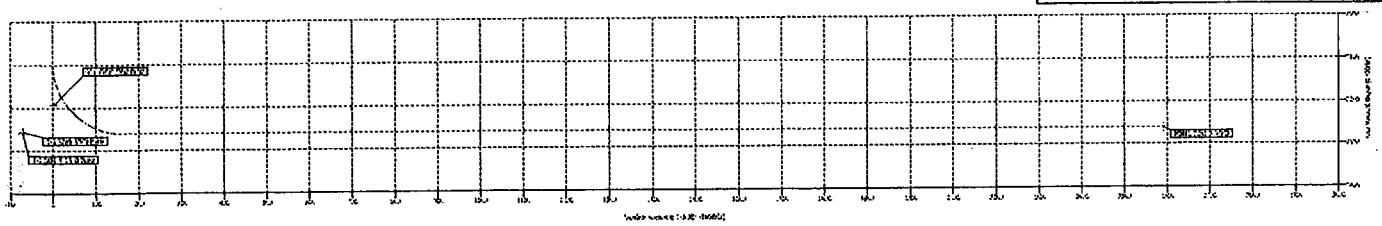
Geodetic System: Universal Transverse Mercator (USfeet)
Ellipsoid: Clarke 1866
Zone: UTM Zone 13, North 108W to 102W
Magnetic Model: igrf2000

System Datum: Mean Sea Level
Local North: Grid North

COMPANY DETAILS

PURE Resources
Midland

Calculation Method: Minimum Curvature
Error System: Systematic Ellipse
Scan Method: Closest Approach 3D
Error Surface: Elliptical Conic
Warning Method: Error Ratio



PathFinder
Planning Report - Geographic

Company:	PURE Resources	**Date:** 11/12/2003	**Time:** 14:45:06	**Page:**	1
Field:	Cane Creek	**Co-ordinate(NE) Reference:**	Site: Cane Creek #2-1H, Grid North		
Site:	Cane Creek #2-1H	**Vertical (TVD) Reference:**	SITE 0.0		
Well:	#2-1H	**Section (VS) Reference:**	Well (0.00N,0.00E,135.58Azi)		
Wellpath:	Oringinal Hole Preplan	**Plan:**	Plan #1 Pre plan		

Field: Cane Creek
Grand County, Utah
USA

Map System: Universal Transverse Mercator (USfeet) — **Map Zone:** UTM Zone 13, North 108W to 102W
Geo Datum: Clarke 1866 — **Coordinate System:** Site Centre
Sys Datum: Mean Sea Level — **Geomagnetic Model:** igrf2000

Site: Cane Creek #2-1H

Section 2, T26S & R19E

Site Position:		**Northing:**	14042155.82 ft	**Latitude:**	38	34	22.930	N
From:	Map	**Easting:**	272670.27 ft	**Longitude:**	109	47	3.959	W
Position Uncertainty:	0.00 ft			**North Reference:**			Grid	
Ground Level:	0.00 ft			**Grid Convergence:**			-7.35	deg

Well: #2-1H — **Slot Name:**

Well Position:	+N/-S 0.00 ft	**Northing:**	14042155.82 ft	**Latitude:**	38	34	22.930	N
	+E/-W 0.00 ft	**Easting :**	272670.27 ft	**Longitude:**	109	47	3.959	W
Position Uncertainty:	0.00 ft							

Wellpath: Oringinal Hole Preplan — **Drilled From:** Surface
Tie-on Depth: 0.00 ft

Current Datum: SITE — **Height** 0.00 ft — **Above System Datum:** Mean Sea Level
Magnetic Data: 11/12/2003 — **Declination:** 12.14 deg
Field Strength: 52403 nT — **Mag Dip Angle:** 64.85 deg

Vertical Section: Depth From (TVD) ft	+N/-S ft	+E/-W ft	Direction deg
0.00	0.00	0.00	135.58

Plan: Plan #1 Pre plan — **Date Composed:** 11/12/2003
Version: 1
Principal: No — **Tied-to:** From Surface

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00	
7097.00	0.00	0.00	7097.00	0.00	0.00	0.000	0.000	0.000	0.00	
7355.11	90.00	135.58	7261.32	-117.36	115.01	34.319	34.319	0.000	135.58	
9782.49	90.00	135.58	7261.32	-1851.12	1813.91	0.000	0.000	0.000	0.00	PBHL 7261.3' TVD

Section 1 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4300.00	0.00	0.00	4300.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4400.00	0.00	0.00	4400.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4500.00	0.00	0.00	4500.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4600.00	0.00	0.00	4600.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4700.00	0.00	0.00	4700.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4800.00	0.00	0.00	4800.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4900.00	0.00	0.00	4900.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5000.00	0.00	0.00	5000.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5100.00	0.00	0.00	5100.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5200.00	0.00	0.00	5200.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5300.00	0.00	0.00	5300.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5400.00	0.00	0.00	5400.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5500.00	0.00	0.00	5500.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5600.00	0.00	0.00	5600.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5700.00	0.00	0.00	5700.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5800.00	0.00	0.00	5800.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5900.00	0.00	0.00	5900.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6000.00	0.00	0.00	6000.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6100.00	0.00	0.00	6100.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00

PathFinder
Planning Report - Geographic

Company:	PURE Resources	**Date:** 11/12/2003	**Time:** 14:45:06	**Page:**	2
Field:	Cane Creek	**Co-ordinate(NE) Reference:**	Site: Cane Creek #2-1H, Grid North		
Site:	Cane Creek #2-1H	**Vertical (TVD) Reference:**	SITE 0.0		
Well:	#2-1H	**Section (VS) Reference:**	Well (0.00N,0.00E,135.58Azi)		
Wellpath:	Oringinal Hole Preplan	**Plan:**	Plan #1 Pre plan		

Section 1 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
6200.00	0.00	0.00	6200.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6300.00	0.00	0.00	6300.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6400.00	0.00	0.00	6400.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6500.00	0.00	0.00	6500.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6600.00	0.00	0.00	6600.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6700.00	0.00	0.00	6700.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6800.00	0.00	0.00	6800.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6900.00	0.00	0.00	6900.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
7000.00	0.00	0.00	7000.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
7097.00	0.00	0.00	7097.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00

Section 2 : Start Build 34.32

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
7100.00	1.05	135.58	7100.00	-0.02	0.02	0.03	34.319	34.319	0.000	0.00
7110.00	4.53	135.58	7109.99	-0.37	0.36	0.51	34.319	34.319	0.000	0.00
7120.00	8.02	135.58	7119.92	-1.15	1.12	1.61	34.319	34.319	0.000	0.00
7130.00	11.51	135.58	7129.78	-2.36	2.31	3.30	34.319	34.319	0.000	0.00
7140.00	14.99	135.58	7139.51	-4.00	3.92	5.59	34.319	34.319	0.000	0.00
7150.00	18.48	135.58	7149.09	-6.05	5.93	8.47	34.319	34.319	0.000	0.00
7160.00	21.97	135.58	7158.47	-8.52	8.35	11.93	34.319	34.319	0.000	0.00
7170.00	25.45	135.58	7167.62	-11.39	11.16	15.95	34.319	34.319	0.000	0.00
7180.00	28.94	135.58	7176.52	-14.66	14.36	20.52	34.319	34.319	0.000	0.00
7190.00	32.43	135.58	7185.11	-18.30	17.93	25.62	34.319	34.319	0.000	0.00
7200.00	35.91	135.58	7193.39	-22.31	21.86	31.24	34.319	34.319	0.000	0.00
7210.00	39.40	135.58	7201.30	-26.67	26.14	37.35	34.319	34.319	0.000	0.00
7220.00	42.89	135.58	7208.83	-31.37	30.74	43.93	34.319	34.319	0.000	0.00
7230.00	46.37	135.58	7215.95	-36.39	35.66	50.95	34.319	34.319	0.000	0.00
7240.00	49.86	135.58	7222.62	-41.71	40.87	58.39	34.319	34.319	0.000	0.00
7250.00	53.35	135.58	7228.83	-47.30	46.36	66.23	34.319	34.319	0.000	0.00
7260.00	56.84	135.58	7234.55	-53.16	52.09	74.43	34.319	34.319	0.000	0.00
7270.00	60.32	135.58	7239.77	-59.25	58.07	82.96	34.319	34.319	0.000	0.00
7280.00	63.81	135.58	7244.45	-65.56	64.25	91.80	34.319	34.319	0.000	0.00
7290.00	67.30	135.58	7248.59	-72.06	70.62	100.90	34.319	34.319	0.000	0.00
7300.00	70.78	135.58	7252.16	-78.73	77.15	110.23	34.319	34.319	0.000	0.00
7310.00	74.27	135.58	7255.17	-85.54	83.83	119.77	34.319	34.319	0.000	0.00
7320.00	77.76	135.58	7257.58	-92.47	90.62	129.47	34.319	34.319	0.000	0.00
7330.00	81.24	135.58	7259.40	-99.50	97.50	139.30	34.319	34.319	0.000	0.00
7340.00	84.73	135.58	7260.63	-106.58	104.45	149.23	34.319	34.319	0.000	0.00
7350.00	88.22	135.58	7261.24	-113.71	111.43	159.21	34.319	34.319	0.000	0.00
7355.11	90.00	135.58	7261.32	-117.36	115.01	164.32	34.319	34.319	0.000	0.00

Section 3 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
7400.00	90.00	135.58	7261.32	-149.42	146.43	209.21	0.000	0.000	0.000	0.00
7500.00	90.00	135.58	7261.32	-220.84	216.42	309.21	0.000	0.000	0.000	0.00
7600.00	90.00	135.58	7261.32	-292.27	286.41	409.21	0.000	0.000	0.000	0.00
7700.00	90.00	135.58	7261.32	-363.69	356.40	509.21	0.000	0.000	0.000	0.00
7800.00	90.00	135.58	7261.32	-435.11	426.39	609.21	0.000	0.000	0.000	0.00
7900.00	90.00	135.58	7261.32	-506.54	496.38	709.21	0.000	0.000	0.000	0.00
8000.00	90.00	135.58	7261.32	-577.96	566.37	809.21	0.000	0.000	0.000	0.00
8100.00	90.00	135.58	7261.32	-649.38	636.37	909.21	0.000	0.000	0.000	0.00
8200.00	90.00	135.58	7261.32	-720.80	706.36	1009.21	0.000	0.000	0.000	0.00
8300.00	90.00	135.58	7261.32	-792.23	776.35	1109.21	0.000	0.000	0.000	0.00
8400.00	90.00	135.58	7261.32	-863.65	846.34	1209.21	0.000	0.000	0.000	0.00
8500.00	90.00	135.58	7261.32	-935.07	916.33	1309.21	0.000	0.000	0.000	0.00
8600.00	90.00	135.58	7261.32	-1006.50	986.32	1409.21	0.000	0.000	0.000	0.00
8700.00	90.00	135.58	7261.32	-1077.92	1056.31	1509.21	0.000	0.000	0.000	0.00
8800.00	90.00	135.58	7261.32	-1149.34	1126.30	1609.21	0.000	0.000	0.000	0.00
8900.00	90.00	135.58	7261.32	-1220.76	1196.30	1709.21	0.000	0.000	0.000	0.00
9000.00	90.00	135.58	7261.32	-1292.19	1266.29	1809.21	0.000	0.000	0.000	0.00

PathFinder
Planning Report - Geographic

Company:	PURE Resources	**Date:** 11/12/2003 **Time:** 14:45:06 **Page:** 3	
Field:	Cane Creek	**Co-ordinate(NE) Reference:**	Site: Cane Creek #2-1H, Grid North
Site:	Cane Creek #2-1H	**Vertical (TVD) Reference:**	SITE 0.0
Well:	#2-1H	**Section (VS) Reference:**	Well (0.00N,0.00E,135.58Azi)
Wellpath:	Oringinal Hole Preplan	**Plan:**	Plan #1 Pre plan

Section 3 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
9100.00	90.00	135.58	7261.32	-1363.61	1336.28	1909.21	0.000	0.000	0.000	0.00
9200.00	90.00	135.58	7261.32	-1435.03	1406.27	2009.21	0.000	0.000	0.000	0.00
9300.00	90.00	135.58	7261.32	-1506.46	1476.26	2109.21	0.000	0.000	0.000	0.00
9400.00	90.00	135.58	7261.32	-1577.88	1546.25	2209.21	0.000	0.000	0.000	0.00
9500.00	90.00	135.58	7261.32	-1649.30	1616.24	2309.21	0.000	0.000	0.000	0.00
9600.00	90.00	135.58	7261.32	-1720.72	1686.23	2409.21	0.000	0.000	0.000	0.00
9700.00	90.00	135.58	7261.32	-1792.15	1756.23	2509.21	0.000	0.000	0.000	0.00
9782.49	90.00	135.58	7261.32	-1851.12	1813.91	2591.70	0.000	0.000	0.000	0.00

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<— Latitude —> Deg	Min	Sec		<— Longitude —> Deg	Min	Sec	
4300.00	0.00	0.00	4300.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
4400.00	0.00	0.00	4400.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
4500.00	0.00	0.00	4500.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
4600.00	0.00	0.00	4600.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
4700.00	0.00	0.00	4700.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
4800.00	0.00	0.00	4800.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
4900.00	0.00	0.00	4900.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
5000.00	0.00	0.00	5000.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
5100.00	0.00	0.00	5100.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
5200.00	0.00	0.00	5200.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
5300.00	0.00	0.00	5300.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
5400.00	0.00	0.00	5400.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
5500.00	0.00	0.00	5500.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
5600.00	0.00	0.00	5600.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
5700.00	0.00	0.00	5700.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
5800.00	0.00	0.00	5800.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
5900.00	0.00	0.00	5900.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
6000.00	0.00	0.00	6000.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
6100.00	0.00	0.00	6100.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
6200.00	0.00	0.00	6200.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
6300.00	0.00	0.00	6300.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
6400.00	0.00	0.00	6400.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
6500.00	0.00	0.00	6500.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
6600.00	0.00	0.00	6600.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
6700.00	0.00	0.00	6700.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
6800.00	0.00	0.00	6800.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
6900.00	0.00	0.00	6900.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
7000.00	0.00	0.00	7000.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
7097.00	0.00	0.00	7097.00	0.00	0.00	14042155.82	272670.27	38	34	22.930	N	109	47	3.959	W
7100.00	1.05	135.58	7100.00	-0.02	0.02	14042155.80	272670.29	38	34	22.929	N	109	47	3.959	W
7110.00	4.53	135.58	7109.99	-0.37	0.36	14042155.45	272670.63	38	34	22.926	N	109	47	3.954	W
7120.00	8.02	135.58	7119.92	-1.15	1.12	14042154.67	272671.40	38	34	22.919	N	109	47	3.944	W
7130.00	11.51	135.58	7129.78	-2.36	2.31	14042153.46	272672.59	38	34	22.908	N	109	47	3.929	W
7140.00	14.99	135.58	7139.51	-4.00	3.92	14042151.82	272674.19	38	34	22.892	N	109	47	3.907	W
7150.00	18.48	135.58	7149.09	-6.05	5.93	14042149.77	272676.21	38	34	22.873	N	109	47	3.881	W
7160.00	21.97	135.58	7158.47	-8.52	8.35	14042147.30	272678.62	38	34	22.850	N	109	47	3.849	W
7170.00	25.45	135.58	7167.62	-11.39	11.16	14042144.43	272681.44	38	34	22.823	N	109	47	3.812	W
7180.00	28.94	135.58	7176.52	-14.66	14.36	14042141.16	272684.64	38	34	22.793	N	109	47	3.769	W
7190.00	32.43	135.58	7185.11	-18.30	17.93	14042137.52	272688.21	38	34	22.758	N	109	47	3.722	W
7200.00	35.91	135.58	7193.39	-22.31	21.86	14042133.51	272692.14	38	34	22.721	N	109	47	3.670	W
7210.00	39.40	135.58	7201.30	-26.67	26.14	14042129.14	272696.41	38	34	22.680	N	109	47	3.614	W
7220.00	42.89	135.58	7208.83	-31.37	30.74	14042124.45	272701.02	38	34	22.636	N	109	47	3.553	W

PathFinder
Planning Report - Geographic

Company:	PURE Resources	**Date:** 11/12/2003 **Time:** 14:45:06	**Page:** 4
Field:	Cane Creek	**Co-ordinate(NE) Reference:**	Site: Cane Creek #2-1H, Grid North
Site:	Cane Creek #2-1H	**Vertical (TVD) Reference:**	SITE 0.0
Well:	#2-1H	**Section (VS) Reference:**	Well (0.00N,0.00E,135.58Azi)
Wellpath:	Oringinal Hole Preplan	**Plan:**	Plan #1 Pre plan

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<— Latitude —> Deg Min Sec	<— Longitude —> Deg Min Sec
7230.00	46.37	135.58	7215.95	-36.39	35.66	14042119.43	272705.93	38 34 22.589 N	109 47 3.488 W
7240.00	49.86	135.58	7222.62	-41.71	40.87	14042114.11	272711.14	38 34 22.540 N	109 47 3.419 W
7250.00	53.35	135.58	7228.83	-47.30	46.36	14042108.52	272716.63	38 34 22.487 N	109 47 3.346 W
7260.00	56.84	135.58	7234.55	-53.16	52.09	14042102.66	272722.37	38 34 22.433 N	109 47 3.270 W
7270.00	60.32	135.58	7239.77	-59.25	58.07	14042096.57	272728.34	38 34 22.376 N	109 47 3.191 W
7280.00	63.81	135.58	7244.45	-65.56	64.25	14042090.26	272734.52	38 34 22.317 N	109 47 3.110 W
7290.00	67.30	135.58	7248.59	-72.06	70.62	14042083.75	272740.89	38 34 22.256 N	109 47 3.026 W
7300.00	70.78	135.58	7252.16	-78.73	77.15	14042077.09	272747.43	38 34 22.193 N	109 47 2.939 W
7310.00	74.27	135.58	7255.17	-85.54	83.83	14042070.27	272754.10	38 34 22.130 N	109 47 2.851 W
7320.00	77.76	135.58	7257.58	-92.47	90.62	14042063.35	272760.89	38 34 22.065 N	109 47 2.761 W
7330.00	81.24	135.58	7259.40	-99.50	97.50	14042056.32	272767.78	38 34 21.999 N	109 47 2.670 W
7340.00	84.73	135.58	7260.63	-106.58	104.45	14042049.24	272774.72	38 34 21.933 N	109 47 2.578 W
7350.00	88.22	135.58	7261.24	-113.71	111.43	14042042.11	272781.71	38 34 21.866 N	109 47 2.486 W
7355.11	90.00	135.58	7261.32	-117.36	115.01	14042038.46	272785.28	38 34 21.832 N	109 47 2.439 W
7400.00	90.00	135.58	7261.32	-149.42	146.43	14042006.40	272816.70	38 34 21.532 N	109 47 2.023 W
7500.00	90.00	135.58	7261.32	-220.84	216.42	14041934.97	272886.69	38 34 20.865 N	109 47 1.098 W
7600.00	90.00	135.58	7261.32	-292.27	286.41	14041863.55	272956.68	38 34 20.197 N	109 47 0.173 W
7700.00	90.00	135.58	7261.32	-363.69	356.40	14041792.13	273026.67	38 34 19.529 N	109 46 59.247 W
7800.00	90.00	135.58	7261.32	-435.11	426.39	14041720.71	273096.67	38 34 18.861 N	109 46 58.322 W
7900.00	90.00	135.58	7261.32	-506.54	496.38	14041649.28	273166.66	38 34 18.193 N	109 46 57.397 W
8000.00	90.00	135.58	7261.32	-577.96	566.37	14041577.86	273236.65	38 34 17.525 N	109 46 56.471 W
8100.00	90.00	135.58	7261.32	-649.38	636.37	14041506.44	273306.64	38 34 16.858 N	109 46 55.546 W
8200.00	90.00	135.58	7261.32	-720.80	706.36	14041435.01	273376.63	38 34 16.190 N	109 46 54.621 W
8300.00	90.00	135.58	7261.32	-792.23	776.35	14041363.59	273446.62	38 34 15.522 N	109 46 53.696 W
8400.00	90.00	135.58	7261.32	-863.65	846.34	14041292.17	273516.61	38 34 14.854 N	109 46 52.770 W
8500.00	90.00	135.58	7261.32	-935.07	916.33	14041220.75	273586.60	38 34 14.186 N	109 46 51.845 W
8600.00	90.00	135.58	7261.32	-1006.50	986.32	14041149.32	273656.60	38 34 13.518 N	109 46 50.920 W
8700.00	90.00	135.58	7261.32	-1077.92	1056.31	14041077.90	273726.59	38 34 12.850 N	109 46 49.995 W
8800.00	90.00	135.58	7261.32	-1149.34	1126.30	14041006.48	273796.58	38 34 12.182 N	109 46 49.069 W
8900.00	90.00	135.58	7261.32	-1220.76	1196.30	14040935.05	273866.57	38 34 11.515 N	109 46 48.144 W
9000.00	90.00	135.58	7261.32	-1292.19	1266.29	14040863.63	273936.56	38 34 10.847 N	109 46 47.219 W
9100.00	90.00	135.58	7261.32	-1363.61	1336.28	14040792.21	274006.55	38 34 10.179 N	109 46 46.293 W
9200.00	90.00	135.58	7261.32	-1435.03	1406.27	14040720.79	274076.54	38 34 9.511 N	109 46 45.368 W
9300.00	90.00	135.58	7261.32	-1506.46	1476.26	14040649.36	274146.53	38 34 8.843 N	109 46 44.443 W
9400.00	90.00	135.58	7261.32	-1577.88	1546.25	14040577.94	274216.53	38 34 8.175 N	109 46 43.518 W
9500.00	90.00	135.58	7261.32	-1649.30	1616.24	14040506.52	274286.52	38 34 7.507 N	109 46 42.593 W
9600.00	90.00	135.58	7261.32	-1720.72	1686.23	14040435.09	274356.51	38 34 6.839 N	109 46 41.667 W
9700.00	90.00	135.58	7261.32	-1792.15	1756.23	14040363.67	274426.50	38 34 6.172 N	109 46 40.742 W
9782.49	90.00	135.58	7261.32	-1851.12	1813.91	14040304.70	274484.18	38 34 5.620 N	109 46 39.980 W

PathFinder
Planning Report - Geographic

Company:	PURE Resources	**Date:** 11/12/2003 **Time:** 14:45:06	**Page:** 1
Field:	Cane Creek	**Co-ordinate(NE) Reference:**	Site: Cane Creek #2-1H, Grid North
Site:	Cane Creek #2-1H	**Vertical (TVD) Reference:**	SITE 0.0
Well:	#2-1H	**Section (VS) Reference:**	Well (0.00N,0.00E,135.58Azi)
Wellpath:	Oringinal Hole Preplan	**Plan:**	Plan #1 Pre plan

Field: Cane Creek
Grand County, Utah
USA

Map System:	Universal Transverse Mercator (USfeet)	**Map Zone:**	UTM Zone 13, North 108W to 102W
Geo Datum:	Clarke 1866	**Coordinate System:**	Site Centre
Sys Datum:	Mean Sea Level	**Geomagnetic Model:**	igrf2000

Site: Cane Creek #2-1H

Section 2, T26S & R19E

Site Position:		**Northing:**	14042155.82 ft	**Latitude:**	38 34 22.930 N
From:	Map	**Easting:**	272670.27 ft	**Longitude:**	109 47 3.959 W
Position Uncertainty:	0.00 ft			**North Reference:**	Grid
Ground Level:	0.00 ft			**Grid Convergence:**	-7.35 deg

Well: #2-1H **Slot Name:**

Well Position:	+N/-S	0.00 ft	**Northing:**	14042155.82 ft	**Latitude:**	38 34 22.930 N
	+E/-W	0.00 ft	**Easting :**	272670.27 ft	**Longitude:**	109 47 3.959 W
Position Uncertainty:		0.00 ft				

Wellpath: Oringinal Hole Preplan

				Drilled From:	Surface
				Tie-on Depth:	0.00 ft
Current Datum:	SITE	**Height**	0.00 ft	**Above System Datum:**	Mean Sea Level
Magnetic Data:	11/12/2003			**Declination:**	12.14 deg
Field Strength:	52403 nT			**Mag Dip Angle:**	64.85 deg

Vertical Section: Depth From (TVD) ft	+N/-S ft	+E/-W ft	Direction deg
0.00	0.00	0.00	135.58

Plan:	Plan #1 Pre plan	**Date Composed:**	11/12/2003
		Version:	1
Principal:	No	**Tied-to:**	From Surface

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00	
7097.00	0.00	0.00	7097.00	0.00	0.00	0.000	0.000	0.000	0.00	
7355.11	90.00	135.58	7261.32	-117.36	115.01	34.319	34.319	0.000	135.58	
9782.49	90.00	135.58	7261.32	-1851.12	1813.91	0.000	0.000	0.000	0.00	PBHL 7261.3' TVD

Section 1 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4300.00	0.00	0.00	4300.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4400.00	0.00	0.00	4400.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4500.00	0.00	0.00	4500.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4600.00	0.00	0.00	4600.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4700.00	0.00	0.00	4700.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4800.00	0.00	0.00	4800.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4900.00	0.00	0.00	4900.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5000.00	0.00	0.00	5000.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5100.00	0.00	0.00	5100.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5200.00	0.00	0.00	5200.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5300.00	0.00	0.00	5300.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5400.00	0.00	0.00	5400.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5500.00	0.00	0.00	5500.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5600.00	0.00	0.00	5600.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5700.00	0.00	0.00	5700.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5800.00	0.00	0.00	5800.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5900.00	0.00	0.00	5900.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6000.00	0.00	0.00	6000.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6100.00	0.00	0.00	6100.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00

PathFinder
Planning Report - Geographic

Company:	PURE Resources	**Date:** 11/12/2003	**Time:** 14:45:06	**Page:**	2
Field:	Cane Creek	**Co-ordinate(NE) Reference:**	Site: Cane Creek #2-1H, Grid North		
Site:	Cane Creek #2-1H	**Vertical (TVD) Reference:**	SITE 0.0		
Well:	#2-1H	**Section (VS) Reference:**	Well (0.00N,0.00E,135.58Azi)		
Wellpath:	Oringinal Hole Preplan	**Plan:**	Plan #1 Pre plan		

Section 1 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
6200.00	0.00	0.00	6200.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6300.00	0.00	0.00	6300.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6400.00	0.00	0.00	6400.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6500.00	0.00	0.00	6500.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6600.00	0.00	0.00	6600.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6700.00	0.00	0.00	6700.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6800.00	0.00	0.00	6800.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6900.00	0.00	0.00	6900.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
7000.00	0.00	0.00	7000.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
7097.00	0.00	0.00	7097.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00

Section 2 : Start Build 34.32

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
7100.00	1.05	135.58	7100.00	-0.02	0.02	0.03	34.319	34.319	0.000	0.00
7110.00	4.53	135.58	7109.99	-0.37	0.36	0.51	34.319	34.319	0.000	0.00
7120.00	8.02	135.58	7119.92	-1.15	1.12	1.61	34.319	34.319	0.000	0.00
7130.00	11.51	135.58	7129.78	-2.36	2.31	3.30	34.319	34.319	0.000	0.00
7140.00	14.99	135.58	7139.51	-4.00	3.92	5.59	34.319	34.319	0.000	0.00
7150.00	18.48	135.58	7149.09	-6.05	5.93	8.47	34.319	34.319	0.000	0.00
7160.00	21.97	135.58	7158.47	-8.52	8.35	11.93	34.319	34.319	0.000	0.00
7170.00	25.45	135.58	7167.62	-11.39	11.16	15.95	34.319	34.319	0.000	0.00
7180.00	28.94	135.58	7176.52	-14.66	14.36	20.52	34.319	34.319	0.000	0.00
7190.00	32.43	135.58	7185.11	-18.30	17.93	25.62	34.319	34.319	0.000	0.00
7200.00	35.91	135.58	7193.39	-22.31	21.86	31.24	34.319	34.319	0.000	0.00
7210.00	39.40	135.58	7201.30	-26.67	26.14	37.35	34.319	34.319	0.000	0.00
7220.00	42.89	135.58	7208.83	-31.37	30.74	43.93	34.319	34.319	0.000	0.00
7230.00	46.37	135.58	7215.95	-36.39	35.66	50.95	34.319	34.319	0.000	0.00
7240.00	49.86	135.58	7222.62	-41.71	40.87	58.39	34.319	34.319	0.000	0.00
7250.00	53.35	135.58	7228.83	-47.30	46.36	66.23	34.319	34.319	0.000	0.00
7260.00	56.84	135.58	7234.55	-53.16	52.09	74.43	34.319	34.319	0.000	0.00
7270.00	60.32	135.58	7239.77	-59.25	58.07	82.96	34.319	34.319	0.000	0.00
7280.00	63.81	135.58	7244.45	-65.56	64.25	91.80	34.319	34.319	0.000	0.00
7290.00	67.30	135.58	7248.59	-72.06	70.62	100.90	34.319	34.319	0.000	0.00
7300.00	70.78	135.58	7252.16	-78.73	77.15	110.23	34.319	34.319	0.000	0.00
7310.00	74.27	135.58	7255.17	-85.54	83.83	119.77	34.319	34.319	0.000	0.00
7320.00	77.76	135.58	7257.58	-92.47	90.62	129.47	34.319	34.319	0.000	0.00
7330.00	81.24	135.58	7259.40	-99.50	97.50	139.30	34.319	34.319	0.000	0.00
7340.00	84.73	135.58	7260.63	-106.58	104.45	149.23	34.319	34.319	0.000	0.00
7350.00	88.22	135.58	7261.24	-113.71	111.43	159.21	34.319	34.319	0.000	0.00
7355.11	90.00	135.58	7261.32	-117.36	115.01	164.32	34.319	34.319	0.000	0.00

Section 3 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
7400.00	90.00	135.58	7261.32	-149.42	146.43	209.21	0.000	0.000	0.000	0.00
7500.00	90.00	135.58	7261.32	-220.84	216.42	309.21	0.000	0.000	0.000	0.00
7600.00	90.00	135.58	7261.32	-292.27	286.41	409.21	0.000	0.000	0.000	0.00
7700.00	90.00	135.58	7261.32	-363.69	356.40	509.21	0.000	0.000	0.000	0.00
7800.00	90.00	135.58	7261.32	-435.11	426.39	609.21	0.000	0.000	0.000	0.00
7900.00	90.00	135.58	7261.32	-506.54	496.38	709.21	0.000	0.000	0.000	0.00
8000.00	90.00	135.58	7261.32	-577.96	566.37	809.21	0.000	0.000	0.000	0.00
8100.00	90.00	135.58	7261.32	-649.38	636.37	909.21	0.000	0.000	0.000	0.00
8200.00	90.00	135.58	7261.32	-720.80	706.36	1009.21	0.000	0.000	0.000	0.00
8300.00	90.00	135.58	7261.32	-792.23	776.35	1109.21	0.000	0.000	0.000	0.00
8400.00	90.00	135.58	7261.32	-863.65	846.34	1209.21	0.000	0.000	0.000	0.00
8500.00	90.00	135.58	7261.32	-935.07	916.33	1309.21	0.000	0.000	0.000	0.00
8600.00	90.00	135.58	7261.32	-1006.50	986.32	1409.21	0.000	0.000	0.000	0.00
8700.00	90.00	135.58	7261.32	-1077.92	1056.31	1509.21	0.000	0.000	0.000	0.00
8800.00	90.00	135.58	7261.32	-1149.34	1126.30	1609.21	0.000	0.000	0.000	0.00
8900.00	90.00	135.58	7261.32	-1220.76	1196.30	1709.21	0.000	0.000	0.000	0.00
9000.00	90.00	135.58	7261.32	-1292.19	1266.29	1809.21	0.000	0.000	0.000	0.00

PathFinder
Planning Report - Geographic

Company:	PURE Resources	**Date:** 11/12/2003 **Time:** 14:45:06	**Page:** 3
Field:	Cane Creek	**Co-ordinate(NE) Reference:**	Site: Cane Creek #2-1H, Grid North
Site:	Cane Creek #2-1H	**Vertical (TVD) Reference:**	SITE 0.0
Well:	#2-1H	**Section (VS) Reference:**	Well (0.00N,0.00E,135.58Azi)
Wellpath:	Oringinal Hole Preplan	**Plan:**	Plan #1 Pre plan

Section 3 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
9100.00	90.00	135.58	7261.32	-1363.61	1336.28	1909.21	0.000	0.000	0.000	0.00
9200.00	90.00	135.58	7261.32	-1435.03	1406.27	2009.21	0.000	0.000	0.000	0.00
9300.00	90.00	135.58	7261.32	-1506.46	1476.26	2109.21	0.000	0.000	0.000	0.00
9400.00	90.00	135.58	7261.32	-1577.88	1546.25	2209.21	0.000	0.000	0.000	0.00
9500.00	90.00	135.58	7261.32	-1649.30	1616.24	2309.21	0.000	0.000	0.000	0.00
9600.00	90.00	135.58	7261.32	-1720.72	1686.23	2409.21	0.000	0.000	0.000	0.00
9700.00	90.00	135.58	7261.32	-1792.15	1756.23	2509.21	0.000	0.000	0.000	0.00
9782.49	90.00	135.58	7261.32	-1851.12	1813.91	2591.70	0.000	0.000	0.000	0.00

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<— Latitude —> Deg Min Sec	<— Longitude —> Deg Min Sec
4300.00	0.00	0.00	4300.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4400.00	0.00	0.00	4400.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4500.00	0.00	0.00	4500.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4600.00	0.00	0.00	4600.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4700.00	0.00	0.00	4700.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4800.00	0.00	0.00	4800.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4900.00	0.00	0.00	4900.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5000.00	0.00	0.00	5000.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5100.00	0.00	0.00	5100.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5200.00	0.00	0.00	5200.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5300.00	0.00	0.00	5300.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5400.00	0.00	0.00	5400.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5500.00	0.00	0.00	5500.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5600.00	0.00	0.00	5600.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5700.00	0.00	0.00	5700.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5800.00	0.00	0.00	5800.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5900.00	0.00	0.00	5900.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6000.00	0.00	0.00	6000.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6100.00	0.00	0.00	6100.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6200.00	0.00	0.00	6200.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6300.00	0.00	0.00	6300.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6400.00	0.00	0.00	6400.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6500.00	0.00	0.00	6500.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6600.00	0.00	0.00	6600.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6700.00	0.00	0.00	6700.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6800.00	0.00	0.00	6800.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6900.00	0.00	0.00	6900.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
7000.00	0.00	0.00	7000.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
7097.00	0.00	0.00	7097.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
7100.00	1.05	135.58	7100.00	-0.02	0.02	14042155.80	272670.29	38 34 22.929 N	109 47 3.959 W
7110.00	4.53	135.58	7109.99	-0.37	0.36	14042155.45	272670.63	38 34 22.926 N	109 47 3.954 W
7120.00	8.02	135.58	7119.92	-1.15	1.12	14042154.67	272671.40	38 34 22.919 N	109 47 3.944 W
7130.00	11.51	135.58	7129.78	-2.36	2.31	14042153.46	272672.59	38 34 22.908 N	109 47 3.929 W
7140.00	14.99	135.58	7139.51	-4.00	3.92	14042151.82	272674.19	38 34 22.892 N	109 47 3.907 W
7150.00	18.48	135.58	7149.09	-6.05	5.93	14042149.77	272676.21	38 34 22.873 N	109 47 3.881 W
7160.00	21.97	135.58	7158.47	-8.52	8.35	14042147.30	272678.62	38 34 22.850 N	109 47 3.849 W
7170.00	25.45	135.58	7167.62	-11.39	11.16	14042144.43	272681.44	38 34 22.823 N	109 47 3.812 W
7180.00	28.94	135.58	7176.52	-14.66	14.36	14042141.16	272684.64	38 34 22.793 N	109 47 3.769 W
7190.00	32.43	135.58	7185.11	-18.30	17.93	14042137.52	272688.21	38 34 22.758 N	109 47 3.722 W
7200.00	35.91	135.58	7193.39	-22.31	21.86	14042133.51	272692.14	38 34 22.721 N	109 47 3.670 W
7210.00	39.40	135.58	7201.30	-26.67	26.14	14042129.14	272696.41	38 34 22.680 N	109 47 3.614 W
7220.00	42.89	135.58	7208.83	-31.37	30.74	14042124.45	272701.02	38 34 22.636 N	109 47 3.553 W

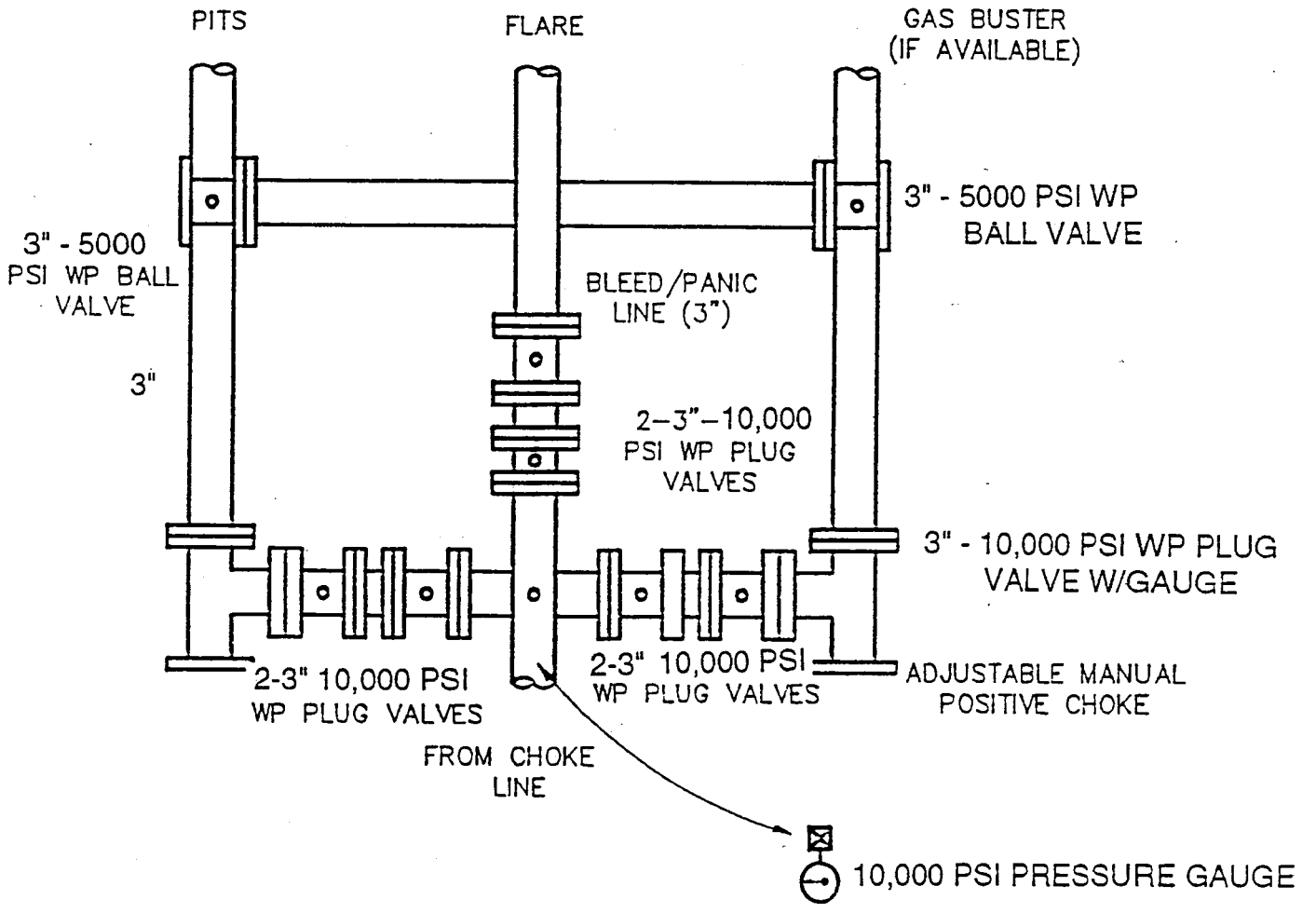
PathFinder
Planning Report - Geographic

Company:	PURE Resources	**Date:** 11/12/2003	**Time:** 14:45:06	**Page:**	4
Field:	Cane Creek	**Co-ordinate(NE) Reference:**	Site: Cane Creek #2-1H, Grid North		
Site:	Cane Creek #2-1H	**Vertical (TVD) Reference:**	SITE 0.0		
Well:	#2-1H	**Section (VS) Reference:**	Well (0.00N,0.00E,135.58Azi)		
Wellpath:	Oringinal Hole Preplan	**Plan:**	Plan #1 Pre plan		

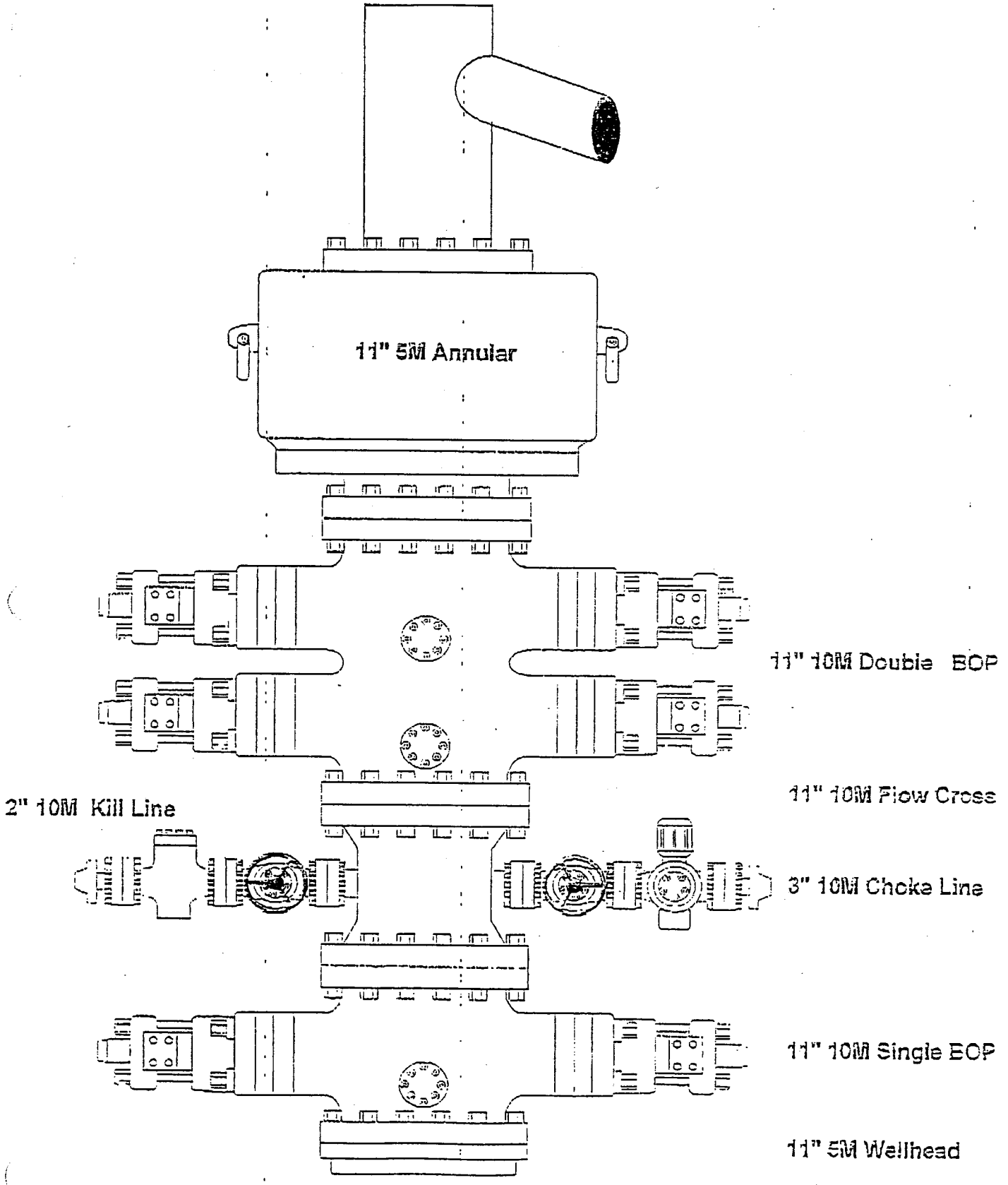
Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<— Latitude —> Deg Min Sec	<— Longitude —> Deg Min Sec
7230.00	46.37	135.58	7215.95	-36.39	35.66	14042119.43	272705.93	38 34 22.589 N	109 47 3.488 W
7240.00	49.86	135.58	7222.62	-41.71	40.87	14042114.11	272711.14	38 34 22.540 N	109 47 3.419 W
7250.00	53.35	135.58	7228.83	-47.30	46.36	14042108.52	272716.63	38 34 22.487 N	109 47 3.346 W
7260.00	56.84	135.58	7234.55	-53.16	52.09	14042102.66	272722.37	38 34 22.433 N	109 47 3.270 W
7270.00	60.32	135.58	7239.77	-59.25	58.07	14042096.57	272728.34	38 34 22.376 N	109 47 3.191 W
7280.00	63.81	135.58	7244.45	-65.56	64.25	14042090.26	272734.52	38 34 22.317 N	109 47 3.110 W
7290.00	67.30	135.58	7248.59	-72.06	70.62	14042083.75	272740.89	38 34 22.256 N	109 47 3.026 W
7300.00	70.78	135.58	7252.16	-78.73	77.15	14042077.09	272747.43	38 34 22.193 N	109 47 2.939 W
7310.00	74.27	135.58	7255.17	-85.54	83.83	14042070.27	272754.10	38 34 22.130 N	109 47 2.851 W
7320.00	77.76	135.58	7257.58	-92.47	90.62	14042063.35	272760.89	38 34 22.065 N	109 47 2.761 W
7330.00	81.24	135.58	7259.40	-99.50	97.50	14042056.32	272767.78	38 34 21.999 N	109 47 2.670 W
7340.00	84.73	135.58	7260.63	-106.58	104.45	14042049.24	272774.72	38 34 21.933 N	109 47 2.578 W
7350.00	88.22	135.58	7261.24	-113.71	111.43	14042042.11	272781.71	38 34 21.866 N	109 47 2.486 W
7355.11	90.00	135.58	7261.32	-117.36	115.01	14042038.46	272785.28	38 34 21.832 N	109 47 2.439 W
7400.00	90.00	135.58	7261.32	-149.42	146.43	14042006.40	272816.70	38 34 21.532 N	109 47 2.023 W
7500.00	90.00	135.58	7261.32	-220.84	216.42	14041934.97	272886.69	38 34 20.865 N	109 47 1.098 W
7600.00	90.00	135.58	7261.32	-292.27	286.41	14041863.55	272956.68	38 34 20.197 N	109 47 0.173 W
7700.00	90.00	135.58	7261.32	-363.69	356.40	14041792.13	273026.67	38 34 19.529 N	109 46 59.247 W
7800.00	90.00	135.58	7261.32	-435.11	426.39	14041720.71	273096.67	38 34 18.861 N	109 46 58.322 W
7900.00	90.00	135.58	7261.32	-506.54	496.38	14041649.28	273166.66	38 34 18.193 N	109 46 57.397 W
8000.00	90.00	135.58	7261.32	-577.96	566.37	14041577.86	273236.65	38 34 17.525 N	109 46 56.471 W
8100.00	90.00	135.58	7261.32	-649.38	636.37	14041506.44	273306.64	38 34 16.858 N	109 46 55.546 W
8200.00	90.00	135.58	7261.32	-720.80	706.36	14041435.01	273376.63	38 34 16.190 N	109 46 54.621 W
8300.00	90.00	135.58	7261.32	-792.23	776.35	14041363.59	273446.62	38 34 15.522 N	109 46 53.696 W
8400.00	90.00	135.58	7261.32	-863.65	846.34	14041292.17	273516.61	38 34 14.854 N	109 46 52.770 W
8500.00	90.00	135.58	7261.32	-935.07	916.33	14041220.75	273586.60	38 34 14.186 N	109 46 51.845 W
8600.00	90.00	135.58	7261.32	-1006.50	986.32	14041149.32	273656.60	38 34 13.518 N	109 46 50.920 W
8700.00	90.00	135.58	7261.32	-1077.92	1056.31	14041077.90	273726.59	38 34 12.850 N	109 46 49.995 W
8800.00	90.00	135.58	7261.32	-1149.34	1126.30	14041006.48	273796.58	38 34 12.182 N	109 46 49.069 W
8900.00	90.00	135.58	7261.32	-1220.76	1196.30	14040935.05	273866.57	38 34 11.515 N	109 46 48.144 W
9000.00	90.00	135.58	7261.32	-1292.19	1266.29	14040863.63	273936.56	38 34 10.847 N	109 46 47.219 W
9100.00	90.00	135.58	7261.32	-1363.61	1336.28	14040792.21	274006.55	38 34 10.179 N	109 46 46.293 W
9200.00	90.00	135.58	7261.32	-1435.03	1406.27	14040720.79	274076.54	38 34 9.511 N	109 46 45.368 W
9300.00	90.00	135.58	7261.32	-1506.46	1476.26	14040649.36	274146.53	38 34 8.843 N	109 46 44.443 W
9400.00	90.00	135.58	7261.32	-1577.88	1546.25	14040577.94	274216.53	38 34 8.175 N	109 46 43.518 W
9500.00	90.00	135.58	7261.32	-1649.30	1616.24	14040506.52	274286.52	38 34 7.507 N	109 46 42.593 W
9600.00	90.00	135.58	7261.32	-1720.72	1686.23	14040435.09	274356.51	38 34 6.839 N	109 46 41.667 W
9700.00	90.00	135.58	7261.32	-1792.15	1756.23	14040363.67	274426.50	38 34 6.172 N	109 46 40.742 W
9782.49	90.00	135.58	7261.32	-1851.12	1813.91	14040304.70	274484.18	38 34 5.620 N	109 46 39.980 W

PLAN VIEW CHOKE MANIFOLD

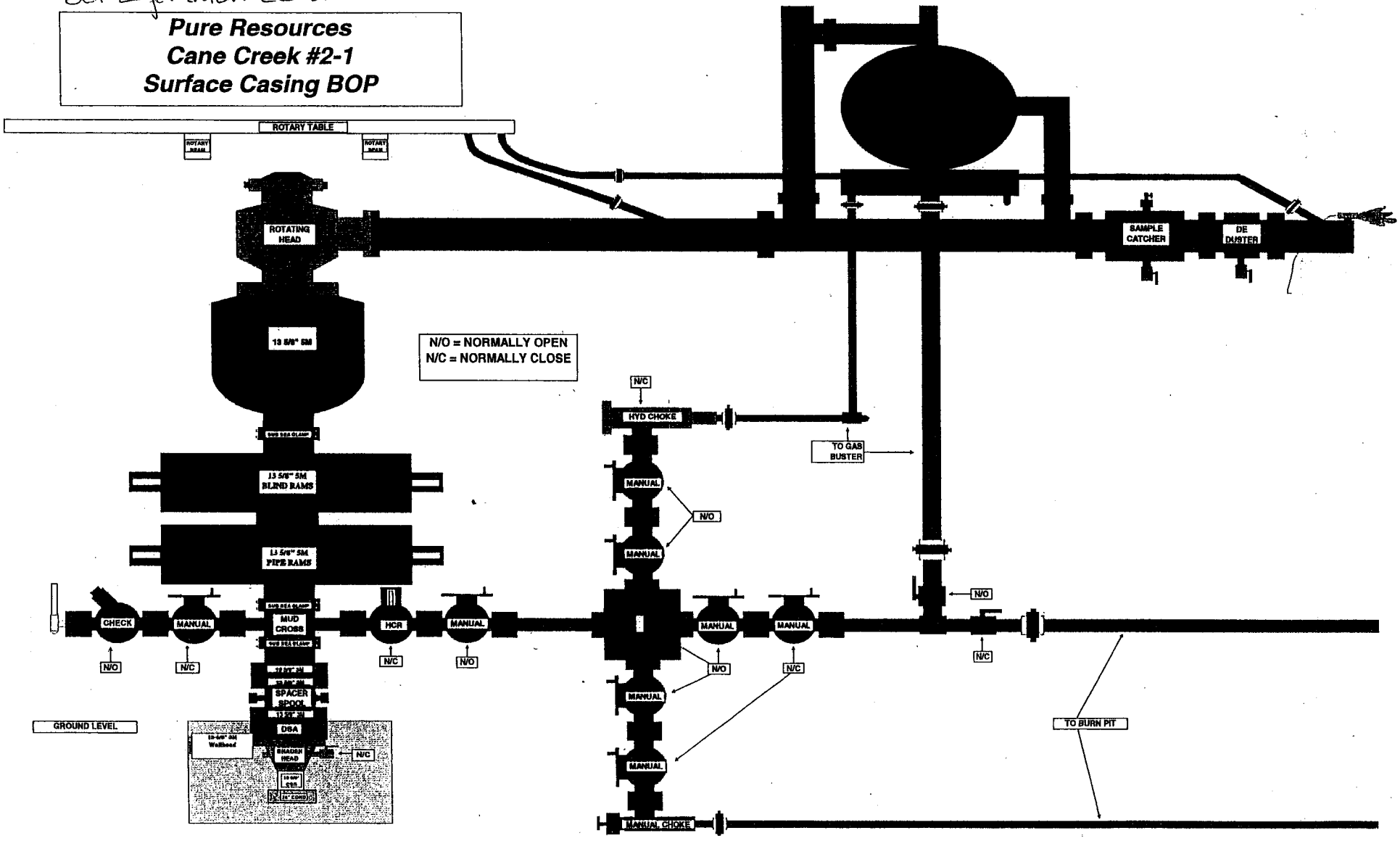


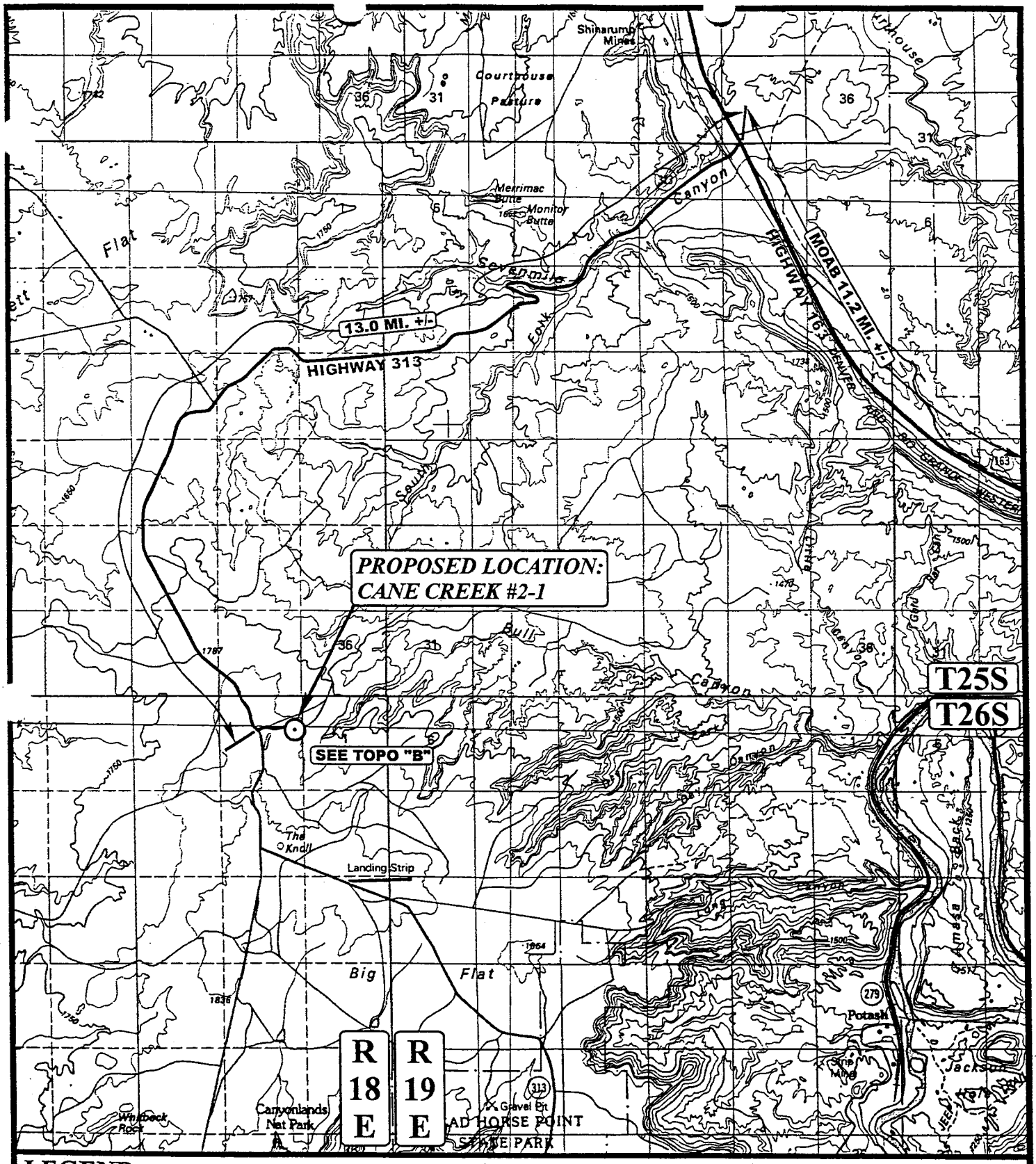
Proposed BOP Schematic



BOPE for intermediate section ~400'-4300'

Pure Resources
Cane Creek #2-1
Surface Casing BOP





LEGEND:

⊙ PROPOSED LOCATION

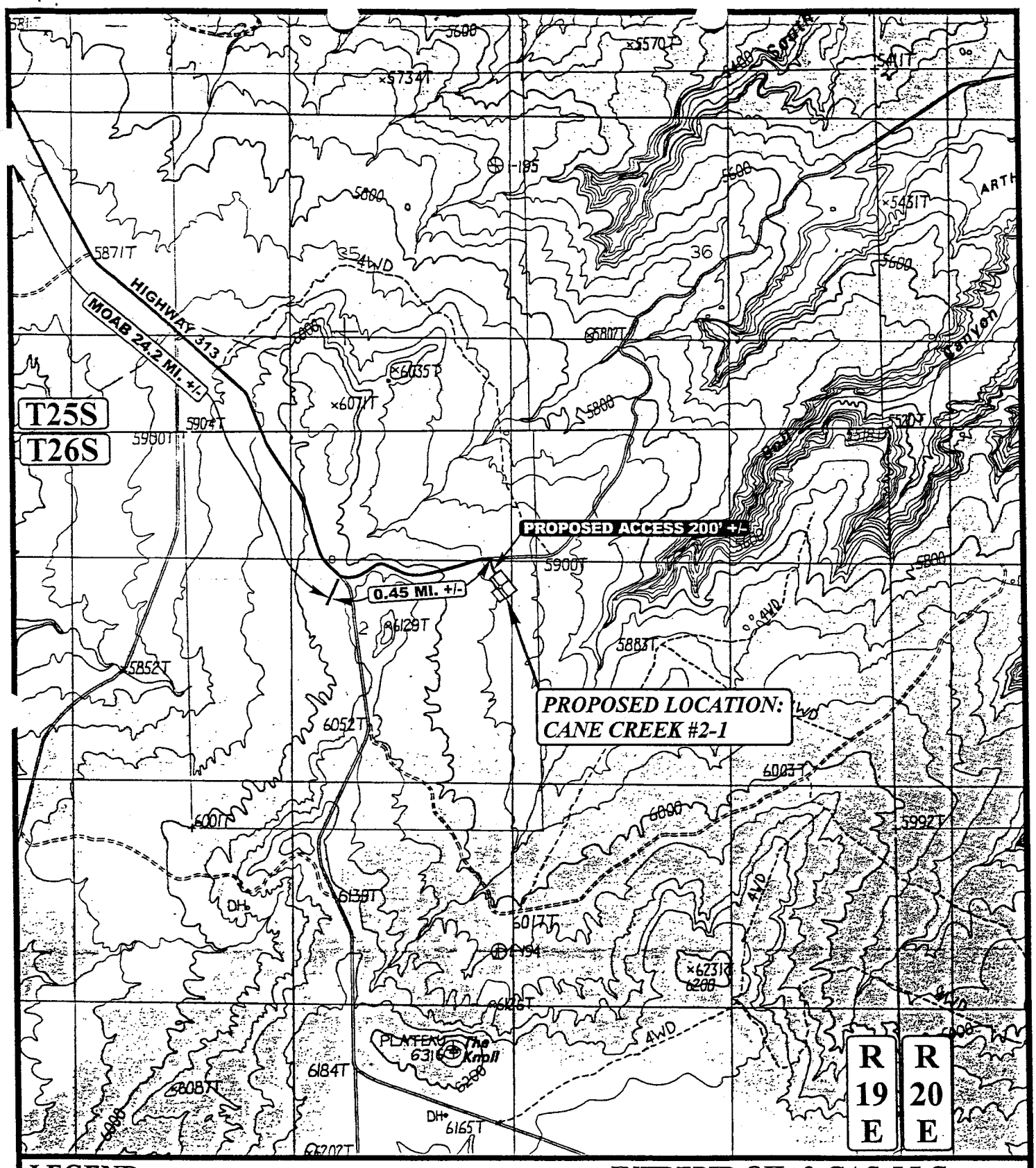
N

INTREPID OIL & GAS, LLC.

CANE CREEK #2-1
SECTION 2, T26S, R19E, S.L.B.&M.
2300' FNL 529' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	4 MONTH	29 DAY	03 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: K.G.	REVISED: 5-2-03		



LEGEND:

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

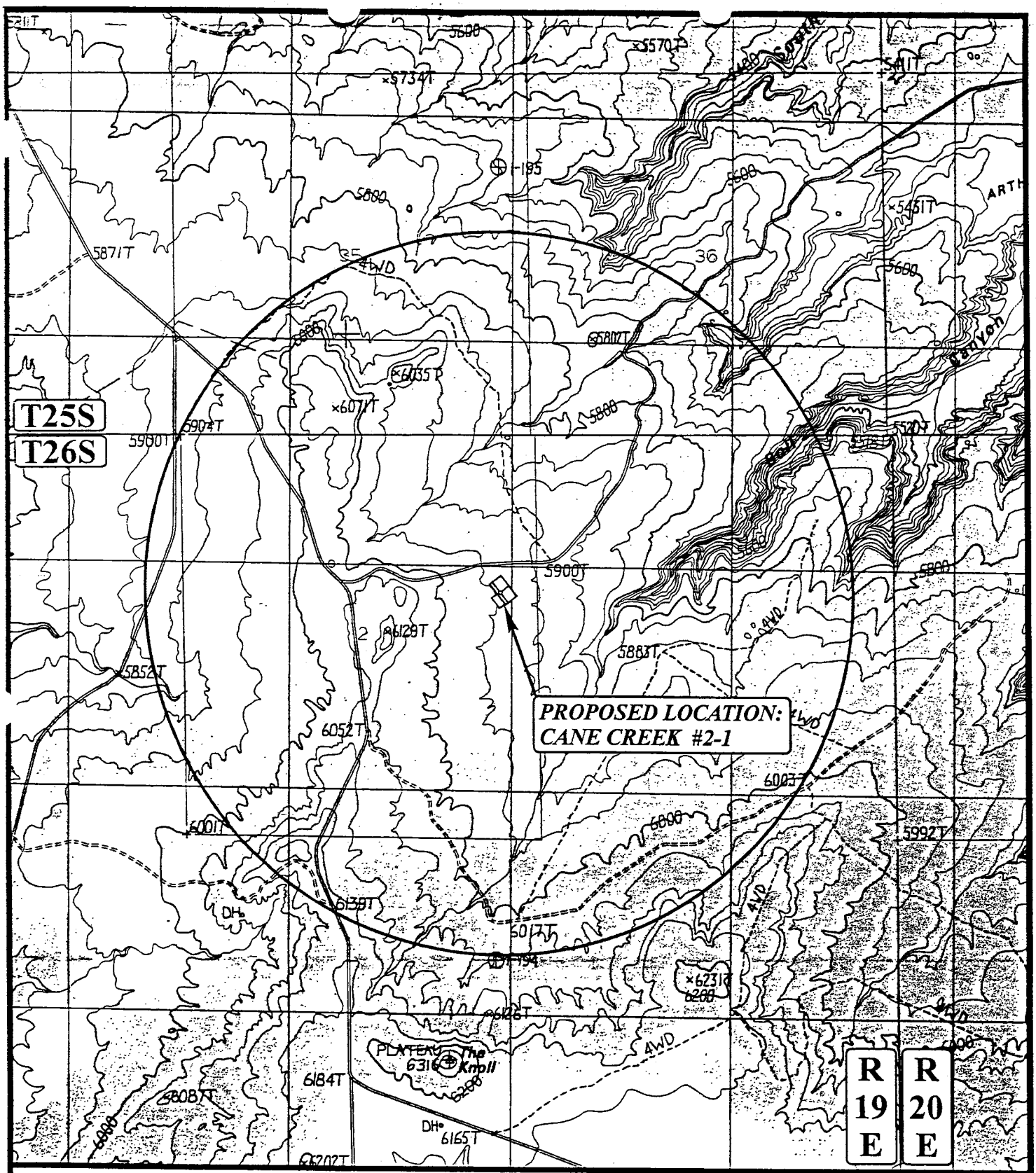
N

INTREPID OIL & GAS, LLC.

CANE CREEK #2-1
SECTION 2, T26S, R19E, S.L.B.&M.
2300' FNL 529' FEL

UELS
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	4 MONTH	29 DAY	03 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: K.G.	REVISED: 5-2-03		



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

N

INTREPID OIL & GAS, LLC.

CANE CREEK #2-1
SECTION 2, T26S, R19E, S.L.B.&M.
2300' FNL 529' FEL

UEIS
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

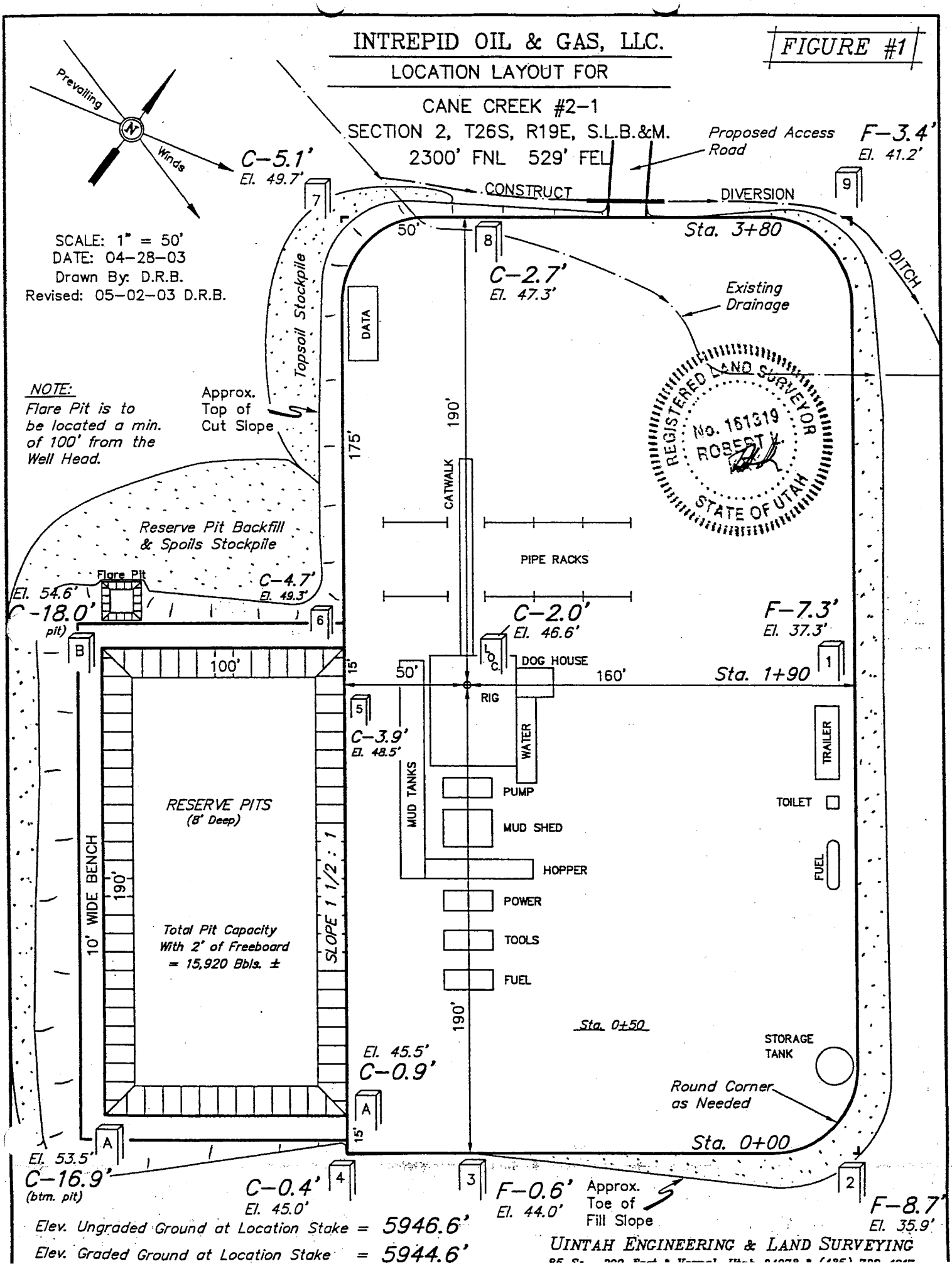
TOPOGRAPHIC MAP	4 MONTH	29 DAY	03 YEAR	C TOPO
SCALE: 1" = 2000'	DRAWN BY: K.G.	REVISED: 5-2-03		

INTREPID OIL & GAS, LLC.

LOCATION LAYOUT FOR

CANE CREEK #2-1
SECTION 2, T26S, R19E, S.L.B.&M.
2300' FNL 529' FEL

FIGURE #1



Elev. Ungraded Ground at Location Stake = 5946.6'

Elev. Graded Ground at Location Stake = 5944.6'

UINTAH ENGINEERING & LAND SURVEYING

INTREPID OIL & GAS, LLC.

TYPICAL CROSS SECTIONS FOR

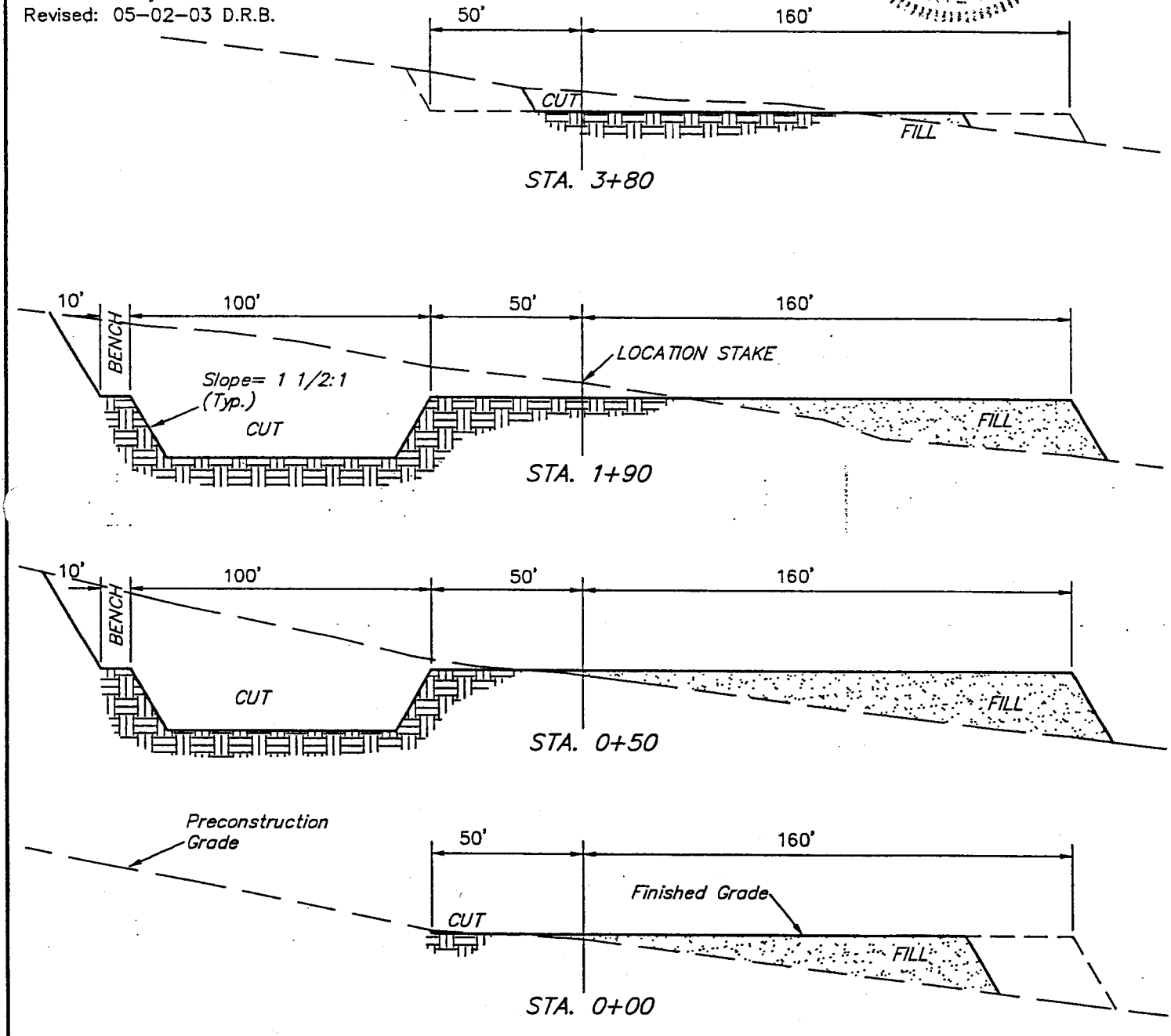
CANE CREEK #2-1
SECTION 2, T26S, R19E, S.L.B.&M.
2300' FNL 529' FEL

FIGURE #2

REGISTERED LAND SURVEYOR No. 161319 ROBERT L. KAY STATE OF UTAH

1" = 20'
X-Section Scale
1" = 50'

DATE: 04-28-03
Drawn By: D.R.B.
Revised: 05-02-03 D.R.B.



APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,910 Cu. Yds.
Remaining Location	=	12,700 Cu. Yds.
TOTAL CUT	=	14,610 CU.YDS.
FILL	=	9,850 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	4,240 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	4,240 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

THE INTREPID COMPANIES

INTREPID OIL & GAS, L.L.C.
INTREPID MINING, L.L.C.
INTREPID PRODUCTION CORP.

MOAB SALT, L.L.C.
MOAB POTASH
HARVEY OPERATING & PRODUCTION CO.

April 28, 2003

Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84111-5801

Attn: Minerals

Re: Cane Creek #2-1
529 ~~500~~ FEL, 2300' FNL, Sec. 2, T26S-R19E
Grand County, Utah

Gentlemen:

This letter is to inform you that Permitco Inc. is authorized to act as Agent and to sign documents on behalf of Intrepid Oil & Gas, LLC when necessary for filing county, state and federal permits including Onshore Order No. 1, Right of Way applications, etc., for the above mentioned well.

It should be understood that Permitco is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations.

Intrepid Oil & Gas, LLC agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above-mentioned well.

Sincerely,

INTREPID OIL & GAS, LLC

Robert P. Jornayvaz III

ROBERT P. JORNAYVAZ, III, MANAGER ▪ HUGH E. HARVEY, JR., MANAGER
700 17TH STREET ▪ SUITE 1700 ▪ DENVER, COLORADO 80202
(303) 296-3006 ▪ FAX (303) 298-7502

THE INTREPID COMPANIES

INTREPID OIL & GAS, L.L.C.
INTREPID MINING, L.L.C.
INTREPID PRODUCTION CORP.

MOAB SALT, L.L.C.
MOAB POTASH
HARVEY OPERATING & PRODUCTION CO.

April 28, 2003

Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84111-5801

Attn: Minerals

Re: Cane Creek #2-1
529' ~~500'~~ FEL, 2300' FNL, Sec. 2, T26S-R19E
Grand County, Utah

Gentlemen:

This letter is to inform you that Permitco Inc. is authorized to act as Agent and to sign documents on behalf of Intrepid Oil & Gas, LLC when necessary for filing county, state and federal permits including Onshore Order No. 1, Right of Way applications, etc., for the above mentioned well.

It should be understood that Permitco is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations.

Intrepid Oil & Gas, LLC agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above-mentioned well.

Sincerely,

INTREPID OIL & GAS, LLC

Robert P. Jornayvaz III

ROBERT P. JORNAYVAZ, III, MANAGER ▪ HUGH E. HARVEY, JR., MANAGER
700 17TH STREET ▪ SUITE 1700 ▪ DENVER, COLORADO 80202
(303) 296-3006 ▪ FAX (303) 298-7502

4 CORNERS
ARCHAEOLOGICAL SERVICES
P.O. Box 418
Moab, UT 84532
(435) 259-2777

Mr. Kenny Wintch, Archaeologist
State of Utah School & Institution
Trust Lands Administration
675 E, 500S, Suite 500
Salt Lake City, UT 84102-2818

May 6, 2003

Dear Kenny,

Enclosed please find a copy of our archaeological survey report for Intrepid Oil & Gas Company's proposed Cane Creek Federal #2-1 well pad and access route in Grand County, Utah. A total of 11.0 acres were inventoried for cultural resources.

No cultural resources were found in the project area and no further management recommendations are necessary.

Sincerely,

Carol

Carol S. DeFrancia
Principal Investigator

CSD/distribution:
Mr. Jim Dykeman, Division of State History, Salt Lake
Ms. Jan Podoll, Intrepid Oil & Gas, Denver
Ms. Lisa Smith, Permitco, Ft. Lupton

ARCHAEOLOGICAL SURVEY OF INTREPID OIL & GAS COMPANY'S PROPOSED CANE CREEK FEDERAL #2-1 WELL PAD & ACCESS ON STATE LAND, GRAND COUNTY, UTAH

4-CAS REPORT 2317

by
Carol S. DeFrancia

4-CORNERS ARCHAEOLOGICAL SERVICES
76 S. Main Street
Moab, Utah 84532
(801) 259-2777

May 6, 2003

FEDERAL ANTIQUITIES PERMIT 03UT62712
Utah State Permit No. U-03-FE-0255s

Prepared For:
Intrepid Oil & Gas LLC
700 17th St., Ste. 1700
Denver, CO 80202

TABLE OF CONTENTS

	page no.
Abstract	1
Introduction	1
Project Area	1
Physiography and Environment	4
Previous Research	4
Examination Procedures	5
Survey Results	5
Conclusion	5
References	5

LIST OF FIGURES

Figure 1.	General Vicinity of Project Area	2
Figure 2.	Project Map	3

ABSTRACT

The archaeological survey of Intrepid Oil & Gas Company's proposed Cane Creek Federal #2-1 well pad and access route was conducted by personnel of 4-Corners Archaeological Services on May 2, 2003. The project is located on Utah State Administered Trust Lands in the vicinity of The Knoll in Grand County, Utah, approximately twenty miles northwest of the town of Moab. A total of 11.0 acres were inventoried for cultural resources.

No cultural resources were found in the project area and no further management recommendations are necessary.

INTRODUCTION

The archaeological survey of Intrepid Oil & Gas Company's proposed Cane Creek Federal #2-1 well pad and access route was conducted by Carol DeFrancia of 4-Corners Archaeological Services on May 2, 2003. The project is located along an upland mesa area north of Big Flat (Figure 1) on Utah State Administered Trust Lands in Grand County, Utah. The survey was requested by Ms. Lisa Smith of Permitco Inc. Unitah Engineering and Land Surveying personnel staked and flagged the well pad and access route prior to the survey. The proposed well location is situated on a northeast facing slope and will be accessed (ca. 300') from an existing dirt road. A total of 11.0 acres were inventoried for cultural resources (Figure 2).

Federal and state governments have enacted legislation that is designed to conserve and protect cultural resources. The principal federal legislation includes the Antiquities Act of 1906 (PL 52-209), the National Historic Preservation Act of 1966 (PL 89-665), the National Environmental Policy Act of 1969 (PL 91-190), the 1971 Executive Order No. 11593, the Archaeological and Historical Conservation Act of 1974 (PL 93-291), and the Archaeological Resource Protection Act (ARPA) of 1978 (PL 95-96).

No cultural resources were found in the project area and no further management recommendations are necessary.

PROJECT AREA

Map Reference: The Knoll, UT, 1988 (7.5' series maps)

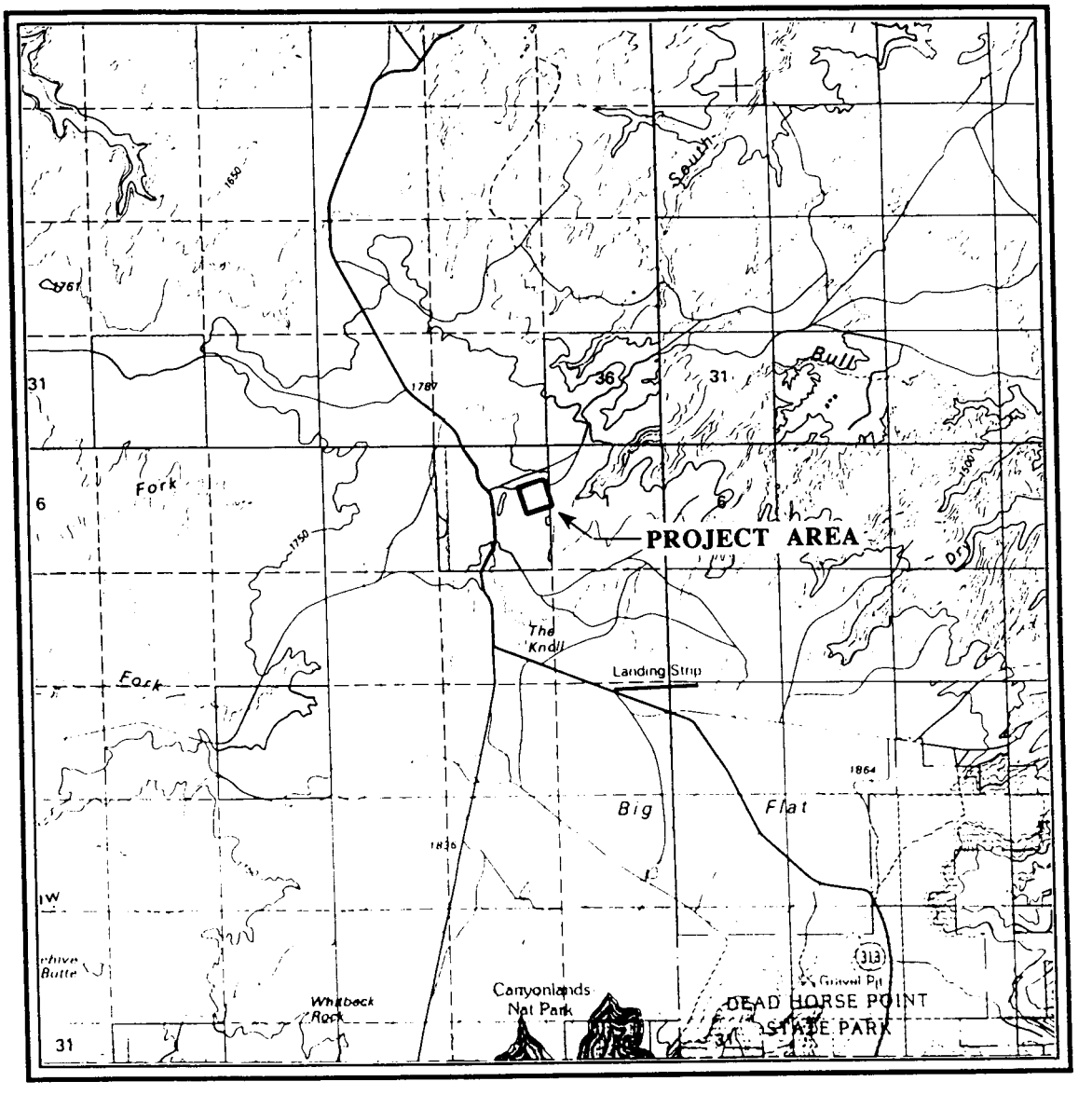
Total Project Area: 3.2 acres; area surveyed 11.0 acres

Cane Creek Federal #2-1 Well Pad

Legal Description: T26S, R19E: SE/SE/NE of section 2 (SLM)

Center Stake: 2300' FNL, 529' FEL; section 2

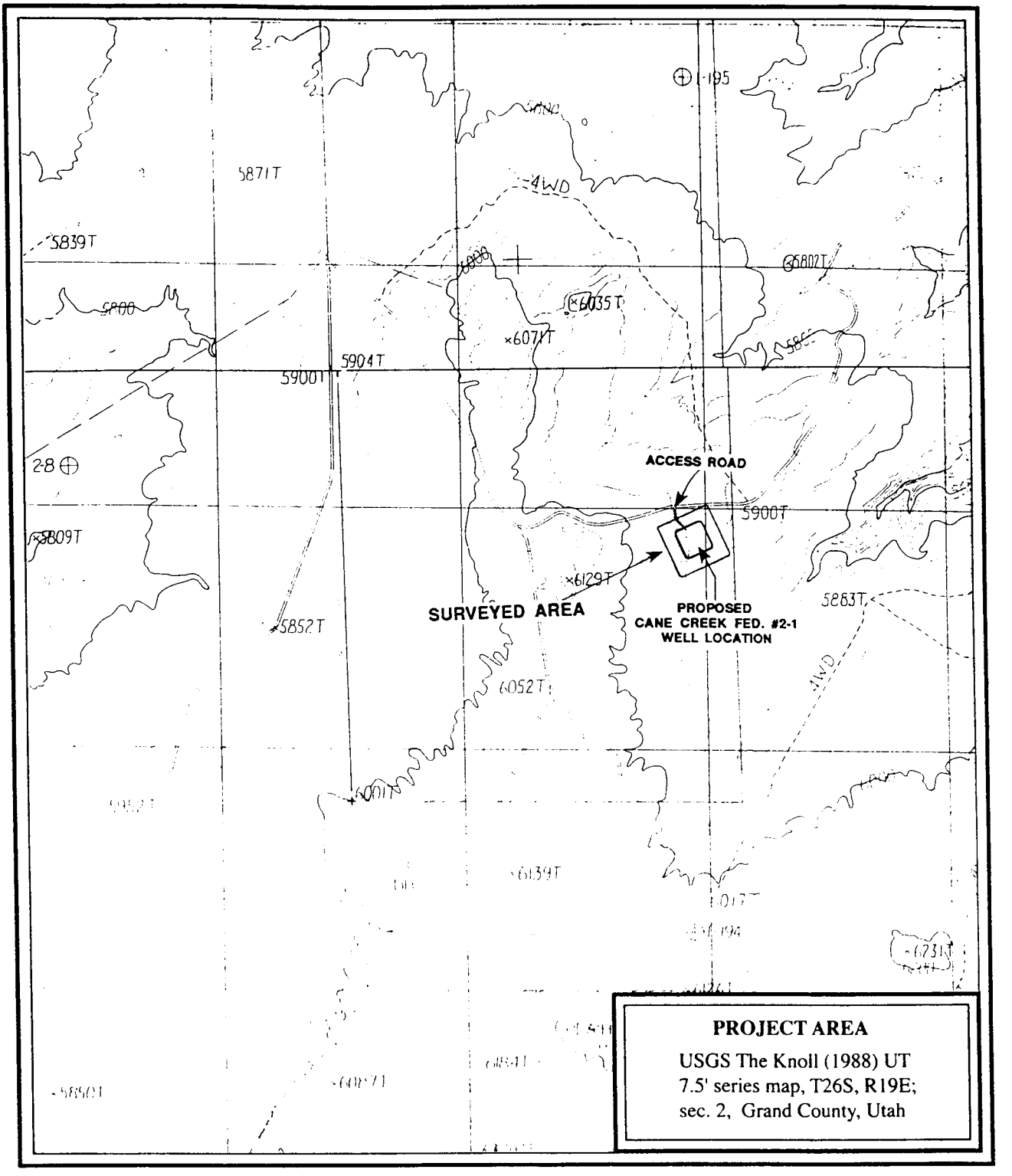
UTM Coordinates: (Surveyed Area)		Easting	Northing
	NW Corner	605820m	4269920m
	NE Corner	606010m	4270020m
	SE Corner	606100m	4269810m
	SW Corner	605900m	4269720m



GENERAL VICINITY OF PROJECT AREA

USGS 1: 62 000

(Figure 1)


5871T
5839T
5800
5904T
5900T
2-8
5809T
5852T
6035T
6071T
6129T
6052T
6001T
6139T
5883T
5802T
5900T
4WD
ACCESS ROAD
SURVEYED AREA
PROPOSED
CANE CREEK FED. #2-1
WELL LOCATION
PROJECT AREA
USGS The Knoll (1988) UT
7.5' series map, T26S, R19E;
sec. 2, Grand County, Utah

(Figure 2)

Project Area:	Well Pad 380 x 320'; (2.8 acres)
Surveyed Area:	660 x 660' (10 acres)
Results:	No cultural resources found

<u>Well Pad Access</u>

Legal Description:	T26S, R19E; SE/SE/NE of section 2

UTM Coordinates: (Zone 12)		Easting	Northing
	N end	605880m	4270000m (road tie)
	S end	605920m	4269920m

Project Area:	300' long, maximum 60' wide (.41 acres)
Surveyed Area:	300' x 150' (1.0 acres)
Results:	No cultural resources found

PHYSIOGRAPHY AND ENVIRONMENT

The project area is located in Grand County, Utah, in the vicinity of The Knoll, north of Big Flat, approximately twenty miles northwest of the town of Moab. The area lies in the Northern Colorado Plateau physiographic province and is a structural element of the Green River Desert, a physiographic subdivision of the Canyonlands Section (Rigby 1976; Stokes 1987). Terrain is characterized by a gently undulating planar surface, within a transitional upland mesa area. Sediments are predominately sandy loams and aeolian silts and sands, including localized dunes and occassional residual sandstone knolls and buttes (ie. The Knoll).

Vegetation in the project area is predominately a Pinyon/juniper woodland with an understory of sagebrush, Indian ricegrass, ephedra, rabbitbrush, snakeweed, extensive patches of prickly pear cactus, and bunch grass. A permanent water source in the area is the Colorado River, approximately ten miles southeast of the location.

Reptilian, avian, and mammalian associations are consistent with those of the Upper Sonoran Life Zone throughout the Colorado Plateau.

Currently, most of the area is used for recreation, livestock grazing, and limited oil and gas development.

PREVIOUS RESEARCH

A file search was conducted in April and May of 2003 at the BLM Field Office in Moab and the Division of State History in Salt Lake. The results of the review indicated that a number of oil and gas related surveys and road improvement inventories have been conducted in the vicinity between the late 1970's and early 1990's (Conner 1991; Davis et. al. 1989; DeFrancia 1997; Harden 1984; Tipps 1991; and Westfall 1984), including one extensive BLM survey within the project vicinity (Pierson 1980). More recently, an

extensive 3D seismic project survey (Frizell 2001) was conducted in the immediate project area but did not indicate any cultural resources found within the proposed well pad construction zone or associated access route. The closest documented archaeological site lies over 1200' southeast of the well location. The file search indicated that no archaeological sites are documented in close proximity to the project area.

EXAMINATION PROCEDURES

Prior to the field investigations the well pad was staked and flagged. A 660 x 660' area surrounding the well center stake (10 acres) was inventoried by walking a series of parallel transects spaced 15m apart. Two parallel zig-zag transects were walked along the 2300' of access route (11.0 acres), covering a 150' wide corridor. This effectively gives a minimal 60' buffer on either side of the access road.

SURVEY RESULTS

No cultural resources were found in the project area.

CONCLUSION AND RECOMMENDATIONS

The archaeological survey of Intrepid Oil & Gas Company's proposed Cane Creek Federal #2-1 well pad and access route was conducted by personnel of 4-Corners Archaeological Services on May 2, 2003. The project is located on Utah State Administered Trust Lands in the vicinity of The Knoll in Grand County, Utah, approximately twenty miles northwest of the town of Moab. A total of 11.0 acres were inventoried for cultural resources.

No cultural resources were found in the project area and no further management recommendations are necessary.

REFERENCES

Conner, Carl E.
1991 Cultural Resource Inventory on the Proposed Opal Seismic Lines in Grand County, Utah. GRI Project No. 9120. Manuscript on file at BLM Moab Field Office, Moab.

Davis, William E., Deborah Westfall, Wayne K. Howell, and Christopher Coder
1989 Cultural Resource Survey and Evalustion along SR 313, Grand County, Utah. Abajo Archaeology, Bluff. Manuscript on file at BLM Moab District office; Utah State No. U-88-AS-5986.

DeFrancia, Carol S.
1997 Archaeological Survey & Testing of Aviara Energy Corporation's Proposed #11-1 Kane Springs Federal Well Pad, Grand County, Utah. 4-CAS Report No. 9724, Moab.

Frizell, Jon P.
2001 A Class III Cultural Resource Inventory of the Veritas Geophysical Fertilizer 3-D Seismic Grid in Grand County, Utah. North Platte Project 2001-1-1. Utah State No. U01-NV-0095bs. Ms on file at BLM Moab Field Office.

Harden, Patrick L.
1984 An Archeological Survey of Utah Department of Transportation's "Jct. US-191 to Dead Horse Point State Park" SR-313 Maintenance Project in Grand County, Utah. LAC Report 8440, Dolores. Manuscript on file at BLM Moab Field Office.

1984 The Archeological Survey of Petty-Ray Geophysical's Seismograph Lines No.s 26 & 29, Grand County, Utah. LAC Report 8456, Dolores. Manuscript on file at BLM Moab Field Office.

Rigby, Keith J.
1976 Northern Colorado Plateau. Brigham Young University, Provo.

Stokes, William Lee
1987 Geology of Utah. Occasional Paper Number 6. Utah Museum of Natural History, University of Utah, Salt Lake City.

Tipps, Betsy L.
1991 Cultural Resource Inventory of Five Well Pads & Access Routes in the Kane Springs Area, Grand County, Utah. CR Report 471-01-9117, PIII Associates Inc. Salt Lake. MS on file at BLM Moab Field office.

Westfall, Deborah A.
1984 Cultural Resource Inventories of Sefel Geophysical, LTD, Seismograph Lines 13Y, 13Z, 16X, 98X, 99X, 104X, and 105Y -1984, Grand and San Juan Counties, UT. Manuscript on file at BLM Moab District office; Utah State No. U-84-AS-25.

CORNERS
ARCHAEOLOGICAL SERVICES
P.O. Box 418
Moab, UT 84532
(435) 259-2777

May 6, 2003

Mr. Kenny Wintch, Archaeologist
State of Utah School & Institution
Trust Lands Administration
675 E, 500S, Suite 500
Salt Lake City, UT 84102-2818

Dear Kenny,

Enclosed please find a copy of our archaeological survey report for Intrepid Oil & Gas Company's proposed Cane Creek Federal #2-1 well pad and access route in Grand County, Utah. A total of 11.0 acres were inventoried for cultural resources.

No cultural resources were found in the project area and no further management recommendations are necessary.

Sincerely,

Carol

Carol S. DeFrancia
Principal Investigator

CSD/distribution:
Mr. Jim Dykeman, Division of State History, Salt Lake
Ms. Jan Podoll, Intrepid Oil & Gas, Denver
Ms. Lisa Smith, Permitco, Ft. Lupton

ARCHAEOLOGICAL SURVEY OF INTREPID OIL & GAS COMPANY'S PROPOSED CANE CREEK FEDERAL #2-1 WELL PAD & ACCESS ON STATE LAND, GRAND COUNTY, UTAH

4-CAS REPORT 2317

by
Carol S. DeFrancia

4-CORNERS ARCHAEOLOGICAL SERVICES
76 S. Main Street
Moab, Utah 84532
(801) 259-2777

May 6, 2003

FEDERAL ANTIQUITIES PERMIT 03UT62712
Utah State Permit No. U-03-FE-0255s

Prepared For:
Intrepid Oil & Gas LLC
700 17th St., Ste. 1700
Denver, CO 80202

TABLE OF CONTENTS

	page no.
Abstract	1
Introduction	1
Project Area	1
Physiography and Environment	4
Previous Research	4
Examination Procedures	5
Survey Results	5
Conclusion	5
References	5

LIST OF FIGURES

Figure 1.	General Vicinity of Project Area	2
Figure 2.	Project Map	3

ABSTRACT

The archaeological survey of Intrepid Oil & Gas Company's proposed Cane Creek Federal #2-1 well pad and access route was conducted by personnel of 4-Corners Archaeological Services on May 2, 2003. The project is located on Utah State Administered Trust Lands in the vicinity of The Knoll in Grand County, Utah, approximately twenty miles northwest of the town of Moab. A total of 11.0 acres were inventoried for cultural resources.

No cultural resources were found in the project area and no further management recommendations are necessary.

INTRODUCTION

The archaeological survey of Intrepid Oil & Gas Company's proposed Cane Creek Federal #2-1 well pad and access route was conducted by Carol DeFrancia of 4-Corners Archaeological Services on May 2, 2003. The project is located along an upland mesa area north of Big Flat (Figure 1) on Utah State Administered Trust Lands in Grand County, Utah. The survey was requested by Ms. Lisa Smith of Permitco Inc. Unitah Engineering and Land Surveying personnel staked and flagged the well pad and access route prior to the survey. The proposed well location is situated on a northeast facing slope and will be accessed (ca. 300') from an existing dirt road. A total of 11.0 acres were inventoried for cultural resources (Figure 2).

Federal and state governments have enacted legislation that is designed to conserve and protect cultural resources. The principal federal legislation includes the Antiquities Act of 1906 (PL 52-209), the National Historic Preservation Act of 1966 (PL 89-665), the National Environmental Policy Act of 1969 (PL 91-190), the 1971 Executive Order No. 11593, the Archaeological and Historical Conservation Act of 1974 (PL 93-291), and the Archaeological Resource Protection Act (ARPA) of 1978 (PL 95-96).

No cultural resources were found in the project area and no further management recommendations are necessary.

PROJECT AREA

Map Reference: The Knoll, UT, 1988 (7.5' series maps)

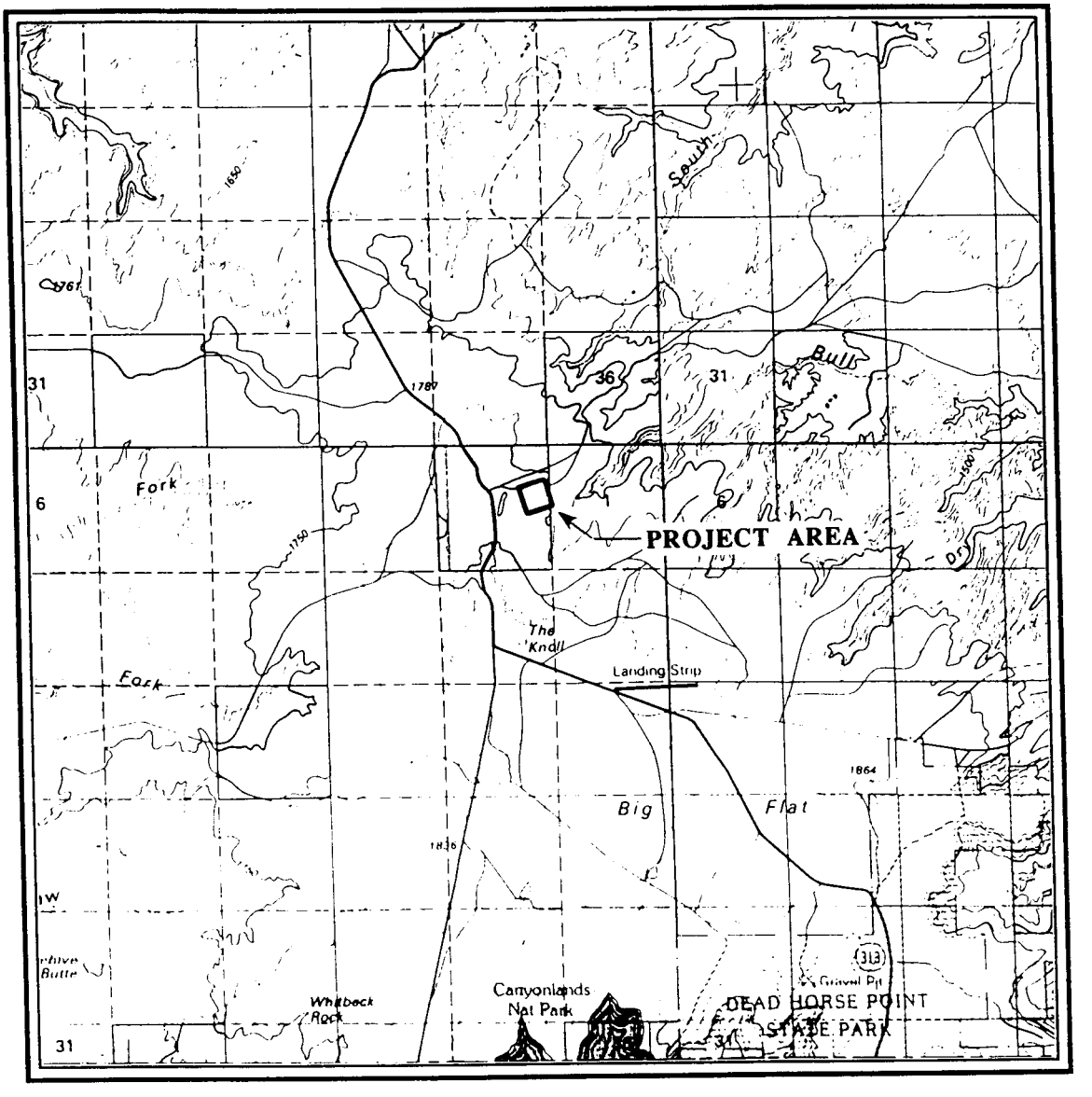
Total Project Area: 3.2 acres; area surveyed 11.0 acres

Cane Creek Federal #2-1 Well Pad

Legal Description: T26S, R19E: SE/SE/NE of section 2 (SLM)

Center Stake: 2300' FNL, 529' FEL; section 2

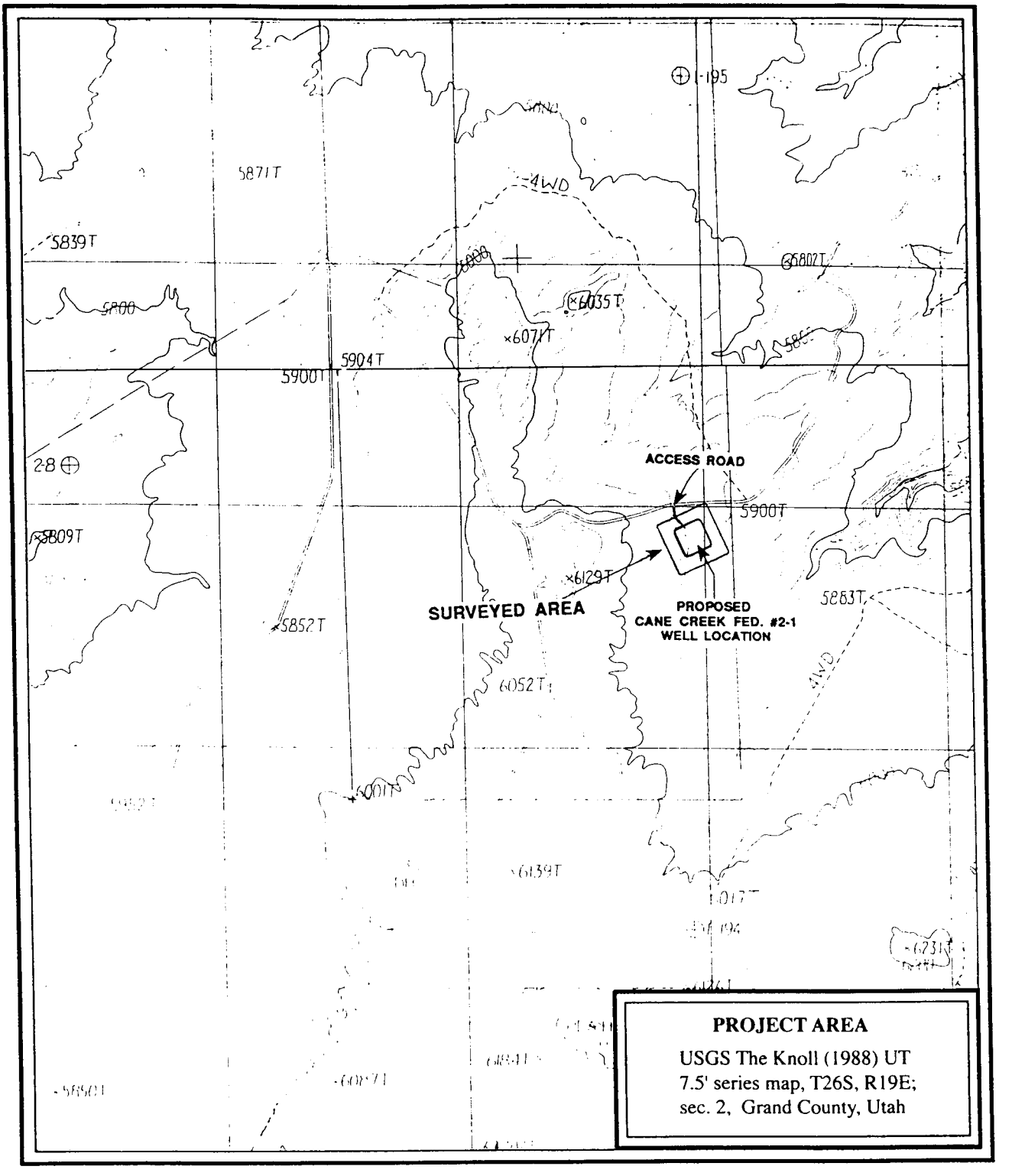
UTM Coordinates: (Surveyed Area)		Easting	Northing
	NW Corner	605820m	4269920m
	NE Corner	606010m	4270020m
	SE Corner	606100m	4269810m
	SW Corner	605900m	4269720m



GENERAL VICINITY OF PROJECT AREA

USGS 1: 62 000

(Figure 1)


5871T
5839T
5800
5904T
5900T
2-8
5809T
5852T
6035T
6071T
6129T
6052T
6001T
6139T
5802T
5883T
4WD
ACCESS ROAD
SURVEYED AREA
PROPOSED
CANE CREEK FED. #2-1
WELL LOCATION
PROJECT AREA
USGS The Knoll (1988) UT
7.5' series map, T26S, R19E;
sec. 2, Grand County, Utah

(Figure 2)

Project Area:	Well Pad 380 x 320'; (2.8 acres)
Surveyed Area:	660 x 660' (10 acres)
Results:	No cultural resources found

Well Pad Access

Legal Description:	T26S, R19E; SE/SE/NE of section 2		
UTM Coordinates: (Zone 12)		Easting	Northing
	N end	605880m	4270000m (road tie)
	S end	605920m	4269920m
Project Area:	300' long, maximum 60' wide (.41 acres)		
Surveyed Area:	300' x 150' (1.0 acres)		
Results:	No cultural resources found		

PHYSIOGRAPHY AND ENVIRONMENT

The project area is located in Grand County, Utah, in the vicinity of The Knoll, north of Big Flat, approximately twenty miles northwest of the town of Moab. The area lies in the Northern Colorado Plateau physiographic province and is a structural element of the Green River Desert, a physiographic subdivision of the Canyonlands Section (Rigby 1976; Stokes 1987). Terrain is characterized by a gently undulating planar surface, within a transitional upland mesa area. Sediments are predominately sandy loams and aeolian silts and sands, including localized dunes and occassional residual sandstone knolls and buttes (ie. The Knoll).

Vegetation in the project area is predominately a Pinyon/juniper woodland with an understory of sagebrush, Indian ricegrass, ephedra, rabbitbrush, snakeweed, extensive patches of prickly pear cactus, and bunch grass. A permanent water source in the area is the Colorado River, approximately ten miles southeast of the location.

Reptilian, avian, and mammalian associations are consistent with those of the Upper Sonoran Life Zone throughout the Colorado Plateau.

Currently, most of the area is used for recreation, livestock grazing, and limited oil and gas development.

PREVIOUS RESEARCH

A file search was conducted in April and May of 2003 at the BLM Field Office in Moab and the Division of State History in Salt Lake. The results of the review indicated that a number of oil and gas related surveys and road improvement inventories have been conducted in the vicinity between the late 1970's and early 1990's (Conner 1991; Davis et. al. 1989; DeFrancia 1997; Harden 1984; Tipps 1991; and Westfall 1984), including one extensive BLM survey within the project vicinity (Pierson 1980). More recently, an

extensive 3D seismic project survey (Frizell 2001) was conducted in the immediate project area but did not indicate any cultural resources found within the proposed well pad construction zone or associated access route. The closest documented archaeological site lies over 1200' southeast of the well location. The file search indicated that no archaeological sites are documented in close proximity to the project area.

EXAMINATION PROCEDURES

Prior to the field investigations the well pad was staked and flagged. A 660 x 660' area surrounding the well center stake (10 acres) was inventoried by walking a series of parallel transects spaced 15m apart. Two parallel zig-zag transects were walked along the 2300' of access route (11.0 acres), covering a 150' wide corridor. This effectively gives a minimal 60' buffer on either side of the access road.

SURVEY RESULTS

No cultural resources were found in the project area.

CONCLUSION AND RECOMMENDATIONS

The archaeological survey of Intrepid Oil & Gas Company's proposed Cane Creek Federal #2-1 well pad and access route was conducted by personnel of 4-Corners Archaeological Services on May 2, 2003. The project is located on Utah State Administered Trust Lands in the vicinity of The Knoll in Grand County, Utah, approximately twenty miles northwest of the town of Moab. A total of 11.0 acres were inventoried for cultural resources.

No cultural resources were found in the project area and no further management recommendations are necessary.

REFERENCES

Conner, Carl E.
1991 Cultural Resource Inventory on the Proposed Opal Seismic Lines in Grand County, Utah. GRI Project No. 9120. Manuscript on file at BLM Moab Field Office, Moab.

Davis, William E., Deborah Westfall, Wayne K. Howell, and Christopher Coder
1989 Cultural Resource Survey and Evalustion along SR 313, Grand County, Utah. Abajo Archaeology, Bluff. Manuscript on file at BLM Moab District office; Utah State No. U-88-AS-5986.

DeFrancia, Carol S.
1997 Archaeological Survey & Testing of Aviara Energy Corporation's Proposed #11-1 Kane Springs Federal Well Pad, Grand County, Utah. 4-CAS Report No. 9724, Moab.

Frizell, Jon P.
2001 A Class III Cultural Resource Inventory of the Veritas Geophysical Fertilizer 3-D Seismic Grid in Grand County, Utah. North Platte Project 2001-1-1. Utah State No. U01-NV-0095bs. Ms on file at BLM Moab Field Office.

Harden, Patrick L.
1984 An Archeological Survey of Utah Department of Transportation's "Jct. US-191 to Dead Horse Point State Park" SR-313 Maintenance Project in Grand County, Utah. LAC Report 8440, Dolores. Manuscript on file at BLM Moab Field Office.

1984 The Archeological Survey of Petty-Ray Geophysical's Seismograph Lines No.s 26 & 29, Grand County, Utah. LAC Report 8456, Dolores. Manuscript on file at BLM Moab Field Office.

Rigby, Keith J.
1976 Northern Colorado Plateau. Brigham Young University, Provo.

Stokes, William Lee
1987 Geology of Utah. Occasional Paper Number 6. Utah Museum of Natural History, University of Utah, Salt Lake City.

Tipps, Betsy L.
1991 Cultural Resource Inventory of Five Well Pads & Access Routes in the Kane Springs Area, Grand County, Utah. CR Report 471-01-9117, PIII Associates Inc. Salt Lake. MS on file at BLM Moab Field office.

Westfall, Deborah A.
1984 Cultural Resource Inventories of Sefel Geophysical, LTD, Seismograph Lines 13Y, 13Z, 16X, 98X, 99X, 104X, and 105Y -1984, Grand and San Juan Counties, UT. Manuscript on file at BLM Moab District office; Utah State No. U-84-AS-25.

002

PERMITCO
PETROLEUM PERMITTING COMPANY

14421 County Rd. 10 • Ft. Lupton, Colorado 80621 • (303) 857-9999 • FAX (303) 857-0577 • E-MAIL Permitco 1@aol.com

May 29, 2003

Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801
Attn: John Baza

Re: Intrepid Oil& Gas, LLC
Cane Creek #2-1
SE NE, 2300' FNL and ~~500~~ 529' FEL (Surface)
Lot 7, 1310' FNL and 1517' FEL (Btm. Hole)
Sec. 2, T26S - R19E
Grand County, UT
Lease No. ML-40761

Dear John,

Enclosed please find three copies of the A.P.D. for the above mentioned well, along with the required drilling procedure and BOP Diagram. Copies of the application along with the required archaeological report are being sent to Utah State Lands, Attn: Ed Bonner.

Please note that both the surface and bottom hole locations fall at non-standard spacing, however, both are within the Cane Creek Unit which is now operated by Intrepid Oil & Gas, LLC. We are requesting that you grant administrative approval of this application since it is within the unit. Intrepid owns 100% of all leases within a 460' radius of the proposed surface and bottom hole locations

Please contact Richard Miller at Intrepid to schedule an onsite inspection. Richard can be reached at his office at 303-296-3006 or on his cell phone at 303-881-5440. He will be on vacation from June 11 through June 21, 2003.

RECEIVED
JUN 02 2003
DIV. OF OIL, GAS & MINING

If you should have any questions regarding the enclosed material, please don't hesitate to contact me. Your early approval of this application would be greatly appreciated.

Sincerely,

PERMITCO INC.

Lisa L. Smith
Consultant for:
Intrepid Oil & Gas, LLC

Enc.

cc: Intrepid Oil & Gas, LLC - Denver, CO
Utah State Lands - SLC, UT

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

FORM 3

AMENDED REPORT ☐
(highlight changes)

001

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO.: ML-40761
6. SURFACE: State

1A. TYPE OF WORK: DRILL ☒ REENTER ☐ DEEPEN ☐

7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

B. TYPE OF WELL: OIL ☒ GAS ☐ OTHER _____ SINGLE ZONE ☒ MULTIPLE ZONE ☐

8. UNIT or CA AGREEMENT NAME: Cane Creek Unit

2. NAME & ADDRESS OF OPERATOR: Intrepid Oil & Gas, LLC, 700 - 17th St., Suite 1700, Denver, CO 80202
PHONE NUMBER: 303/296-3006

9. WELL NAME and NUMBER: Cane Creek #2-1

3. NAME & ADDRESS OF AGENT: Permitco, Inc., 14421 County Road 10, Ft. Lupton, CO 80621
PHONE NUMBER: 303/857-9999

10. FIELD AND POOL, OR WILDCAT: ~~Wildcat~~ Big Flat

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 4269892 Y 605941 X 38.57304 -109.78387 SE NE, 2300' FNL and 529' FEL
BHL 4270194 Y 605640 38.57580 -109.78728
AT PROPOSED PRODUCING ZONE: Lot 7, 1310' FNL and 1517' FEL

11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN:
Sec. 2, T26S-R19E (Surface)
Sec. 2, T26S-R19E (Bottom)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 24 miles West of Moab, UT

12. COUNTY: Grand
13. STATE: UTAH

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 500'
16. NUMBER OF ACRES IN LEASE: 715.5
17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 680 Acres

18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): None
19. PROPOSED DEPTH: 7389' MD - 8789' MD
20. BOND DESCRIPTION: Statewide Bond No. UTB000029

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5947' GL
22. APPROXIMATE DATE WORK WILL START: ASAP
23. ESTIMATED DURATION: 32 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
9-7/8"	7-5/8", K-55, 26.4#	4287'	481 sx Class G Poz @12.6 ppg & 200 sx Class G @15.8 ppg
6-3/4"	5-1/2", N-80, 17.0#, P-110	7389' MD	320 sx Class G 15.8 ppg. TOC @ 3787'
4-1/2"	Open - Hole Completion	7389'-8789'	No Cement

CONFIDENTIAL-TIGHT HOLE

Revised 8/21/03 DKD

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

AGENT: Permitco, Inc, 14421 County Road 10, Fort Lupton, CO 80621
AGENT'S PHONE NO.: 303-857-9999

NAME (PLEASE PRINT) Lisa L. Smith
TITLE Agent for Intrepid Oil & Gas, LLC

SIGNATURE Lisa Smith
DATE May 29, 2003

(This space for State use only)

API NUMBER ASSIGNED: 43-019-31394

APPROVAL:

RECEIVED
JUN - 9 2003
DIV OF OIL, GAS & MINING

(11/2001)

(See instructions on Reverse Side)

Revised
Pages

CONFIDENTIAL - TIGHT HOLE

Cane Creek #2-1
SE NE 2300' FNL and 529' FEL (Surface)
Lot 7, 1310' FNL and 1517' FEL (Btm. Hole)
Section 2, T26S - R19E
Grand County, Utah

Prepared For:

Intrepid Oil & Gas, LLC

By:

PERMITCO INC.
14421 County Road 10
Fort Lupton, CO 80621
303/857-9999

CONFIDENTIAL-TIGHT HOLE

Copies Sent To:

8 - Utah Division of Oil, Gas & Mining - SLC, UT
1 - Utah Division of State Lands - SLC, UT
2 - Intrepid Oil & Gas, LLC - Denver, CO

RECEIVED
JUN 0 9 2003
DIV. OF OIL, GAS & MINING

PETROLEUM PERMITTING PERMITCO COMPANY

The proposed wellsite is located on State Surface/State Minerals.

1. Estimated Tops/Geologic Markers

The estimated tops of important geologic markers are as follows:

5955' KB

Formation	*Depth*	*Subsea*
Ground	~~5945'~~ 0'	~~+10'~~ +5947' (GL)
Lasal	3325'	+2630'
Top Salt	3913'	+2042'
Cane Creek (Clastic 21)	7295'	-1340'
TD	8789' MD - 7389' TVD	-1434'

2. Estimated Depths and Names of Anticipated Water, Oil, Gas or Other Minerals Bearing Formations.

Substance	*Formation*	*Depth*
Brine	Clastic 15	6500'
Oil	Cane Creek	7295'

3. Well Control Equipment & Testing Procedures

Intrepid Oil & Gas, LLC's minimum specifications for pressure control equipment are as follows:
Rotating Head NU to Conductor used as Diverter only to drill surface hole (common practice in area) – Richard Miller 7/31/03
Ram Type: 11" Hydraulic double, 5000 psi w.p.

Intrepid Oil & Gas, LLC will comply will all requirements pertaining to well control as listed in the Rule R649-3-7 of the Utah Division of Oil, Gas & Mining.

The size and rating of the BOP stack is shown on the attached diagram.

PETROLEUM PERMITTING PERMITCO COMPANY

4. Casing Program

The proposed casing program will be as follows:

Purpose	*Depth*	*Hole Size*	*O.D.*	*Weight*	*Grade*	*Type*	*New/Used*
Surface	0-4287'	9-7/8"	7-5/8"	26.4#	K-55	8rd	New
Intermediate	0-~~7389~~ 6900' MD 6900-7430'	6-3/4"	5-1/2"	17.0#	N-80 P-110	8rd	New
Production	7389'-8789'	4-1/2"	Open - Hole Completion				

Per Richard Mille 7/31/03

Casing depths subject to revision based on geologic conditions encountered.

5. Cement Program

Surface	*Type and Amount*
0-4287' Cement to surface	Lead: Lead: 481 sx Class G (35:65) POZ @12.6 ppg. 1.9 Tail: 200 sx Class G @15.8 ppg (1150 cubic feet total) 1.19
Intermediate	***Type and Amount***
0-7389' MD TOC @ 3787'	Tail: 320 sx Class G @15.8 ppg (380 cubic feet total) 1.9

6. Drilling Fluids

The proposed circulating mediums to be employed in drilling are as follows:

Interval	Mud Type	Mud Wt.	Visc.	F/L	PH
0 - 3913'	Air or Fresh Water - Gel	8.8 - 9.4	30 - 38	20 - 30 cc's	8.5
3913' - TD	Sat. Salt Water - Gel	10.8 - 17.0	35 - 55	10 - 20 cc's	7 - 8

Drill w/ air to salt w/ 3200 CFM

PETROLEUM PERMITTING PERMITCO COMPANY

7. Testing, Logging and Coring

The anticipated type and amount of testing, logging and coring are as follows:

a. No drill stem tests are anticipated.

b. The logging program will consist of a Caliper, Sonic/FMD/CNL, CBL & GR from 7200' to surface. A MWD GR will be run from 7200' - 8789'.

c. No cores are anticipated.

8. Anticipated Pressures and H_2S

a. No H_2S is expected. The maximum anticipated bottom hole pressure is 6700 psi. The maximum bottom hole temperature is 150 degrees.

9. Water Source

a. All water used for the drilling of this well will be purchased from the City of Moab, Utah. All necessary permits will be filed by Harrison Oil Field Service.

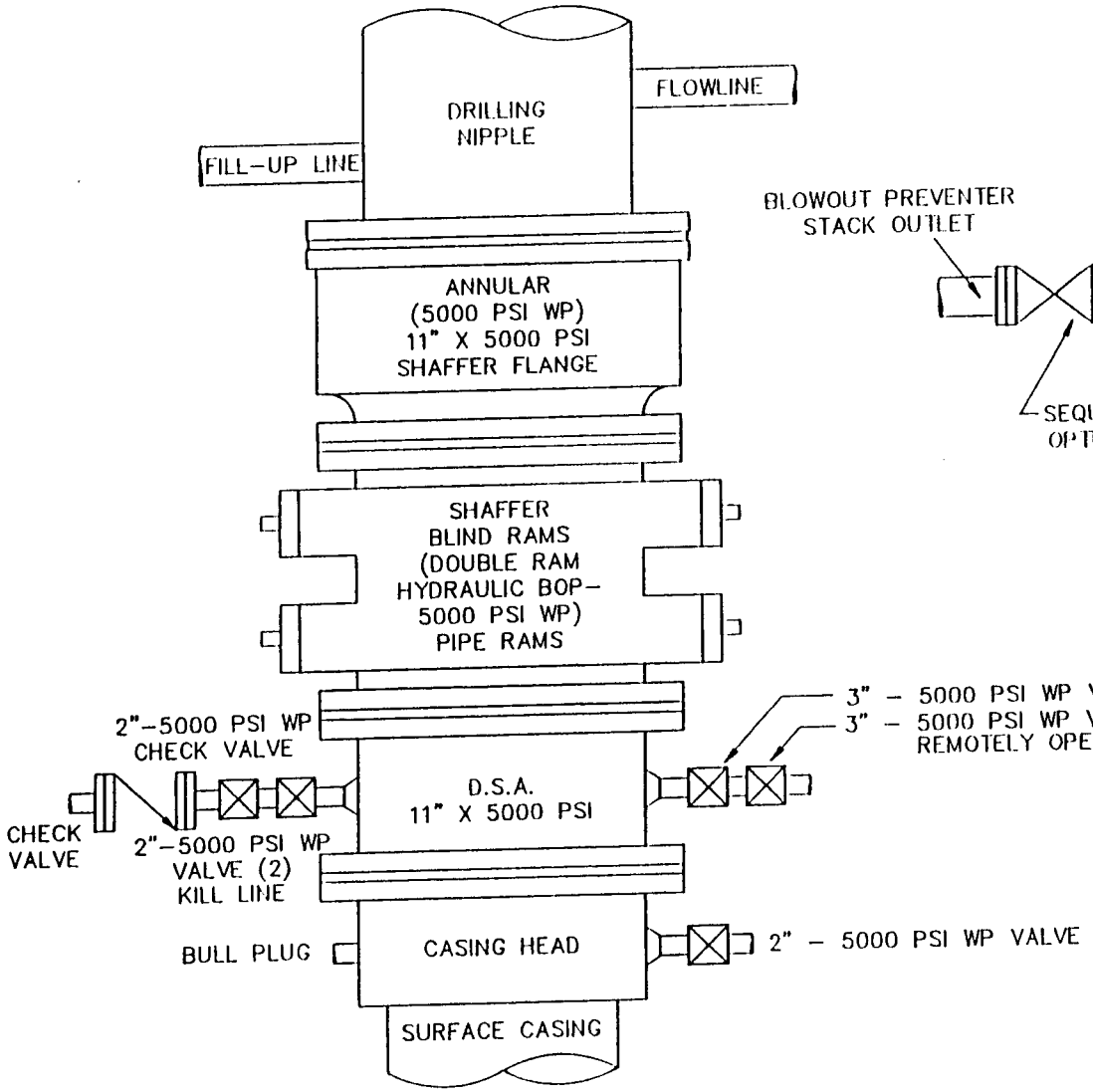
10. Other Information

a. Drilling is planned to commence on or before October 1, 2003.

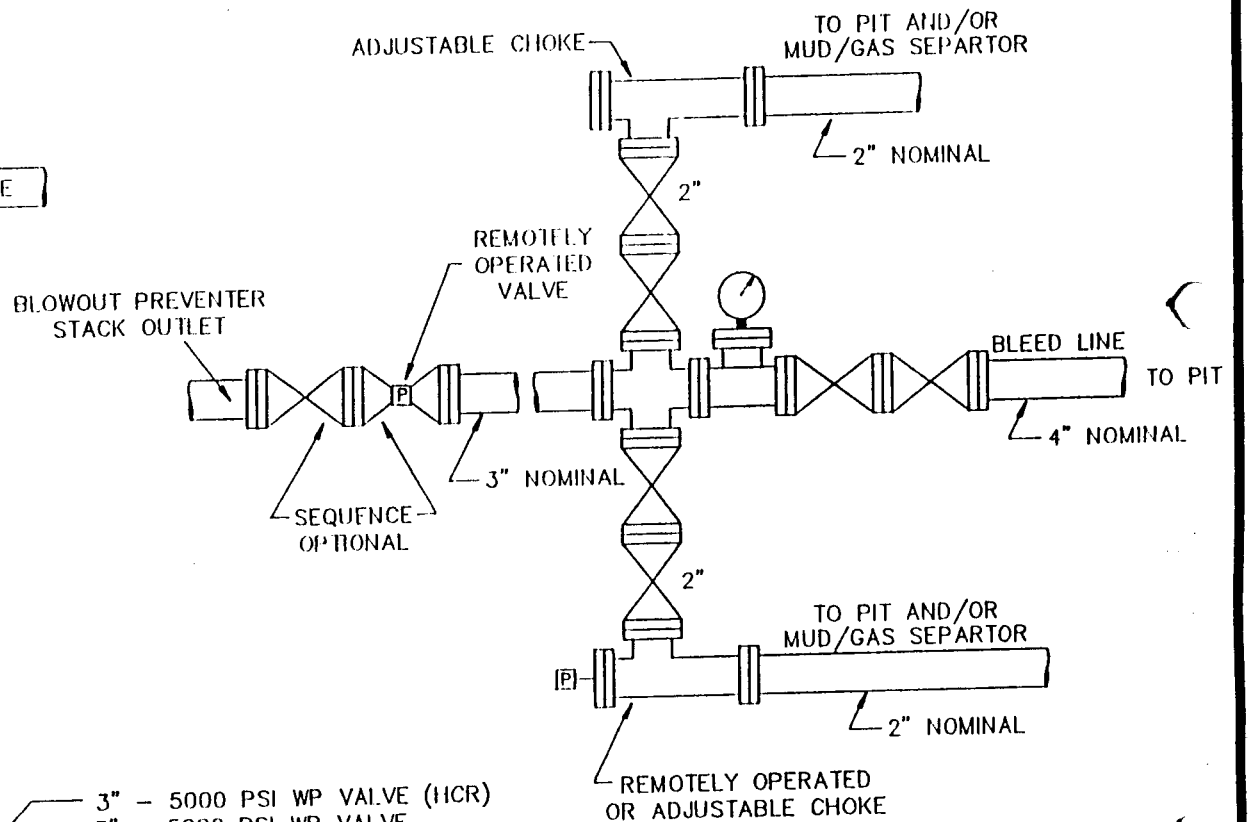
b. It is anticipated that the drilling of this well will take approximately 32 days.

c. Following drilling and completion, portions of the pad are not needed for production facilities will be reclaimed. If the well is plugged and abandoned the entire well will be reclaimed as per the requirements of State Lands.

BOP SCHEMATIC
5000 PSI WORKING PRESSURE



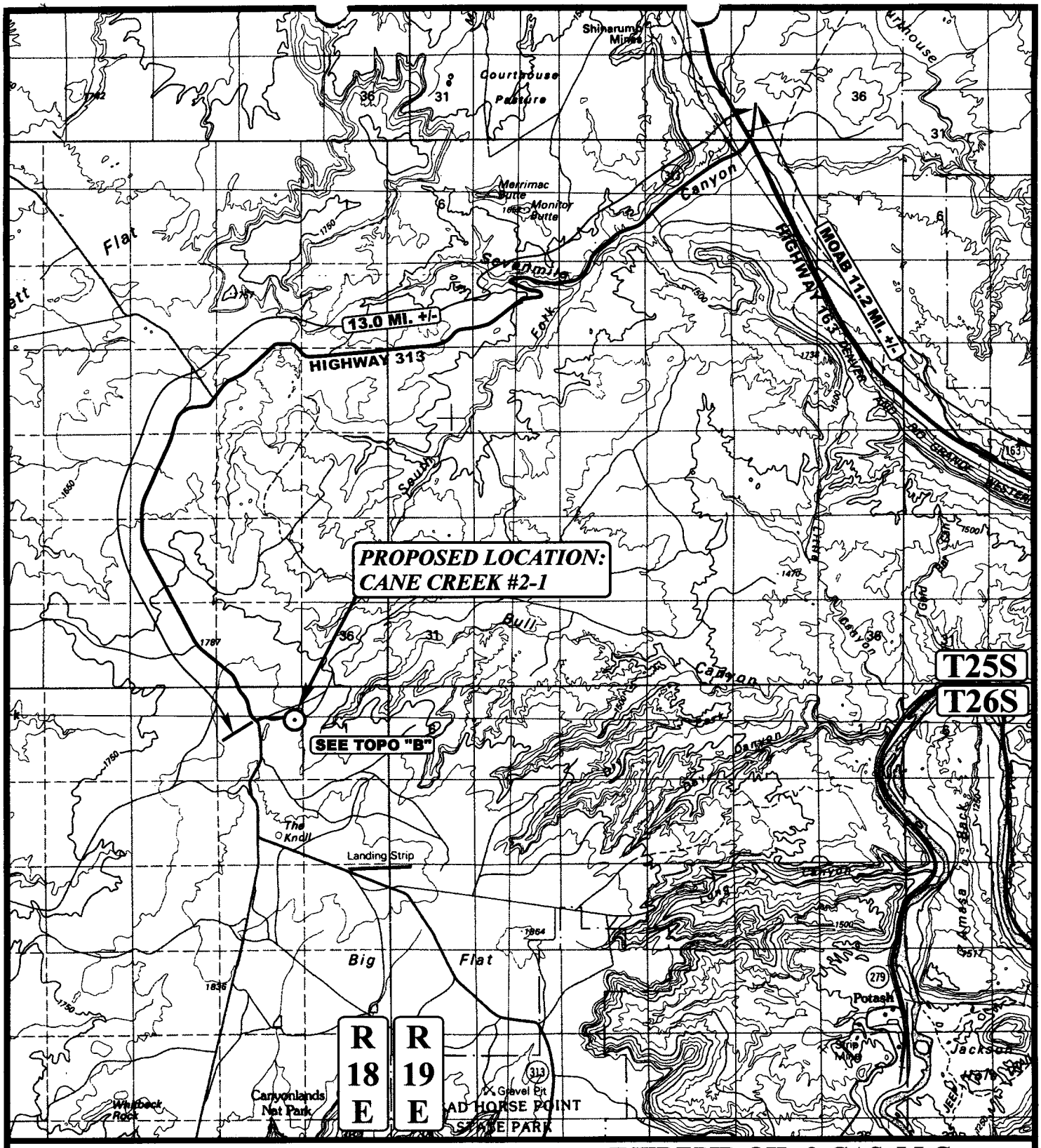
TYPICAL CHOKE MANIFOLD ASSEMBLY FOR 5M



THE HYDRAULIC CLOSING UNIT WILL BE LOCATED MORE THAN 30' FROM THE WELL HEAD. CHOKE AND BLEED/PANIC LINES WILL GO TO THE PIT AND FLARE. ALL CONNECTIONS IN CHOKE LINES AND MANIFOLD WILL BE FLANGED OR WELDED. ALL FLANGES SHOULD BE RING JOINT GASKET TYPE. ALL TURNS IN LINES SHALL BE CONSTRUCTED USING TARGETING 90° TEES. ALL LINES SHALL BE ANCHORED.

ALL VALVES IN THE KILL LINE, CHOKE MANIFOLD, AND CHOKE LINE SHALL BE FULL OPENING.

11-7-96 D.R.B.



LEGEND:

⊙ PROPOSED LOCATION

N

INTREPID OIL & GAS, LLC.

CANE CREEK #2-1
SECTION 2, T26S, R19E, S.L.B.&M.
2300' FNL 529' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	4 MONTH	29 DAY	03 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: K.G.	REVISED: 5-2-03		

INTREPID OIL & GAS, LLC.

CANE CREEK #2-1

LOCATED IN GRAND COUNTY, UTAH
SECTION 2, T26S, R19E, S.L.B.&M.

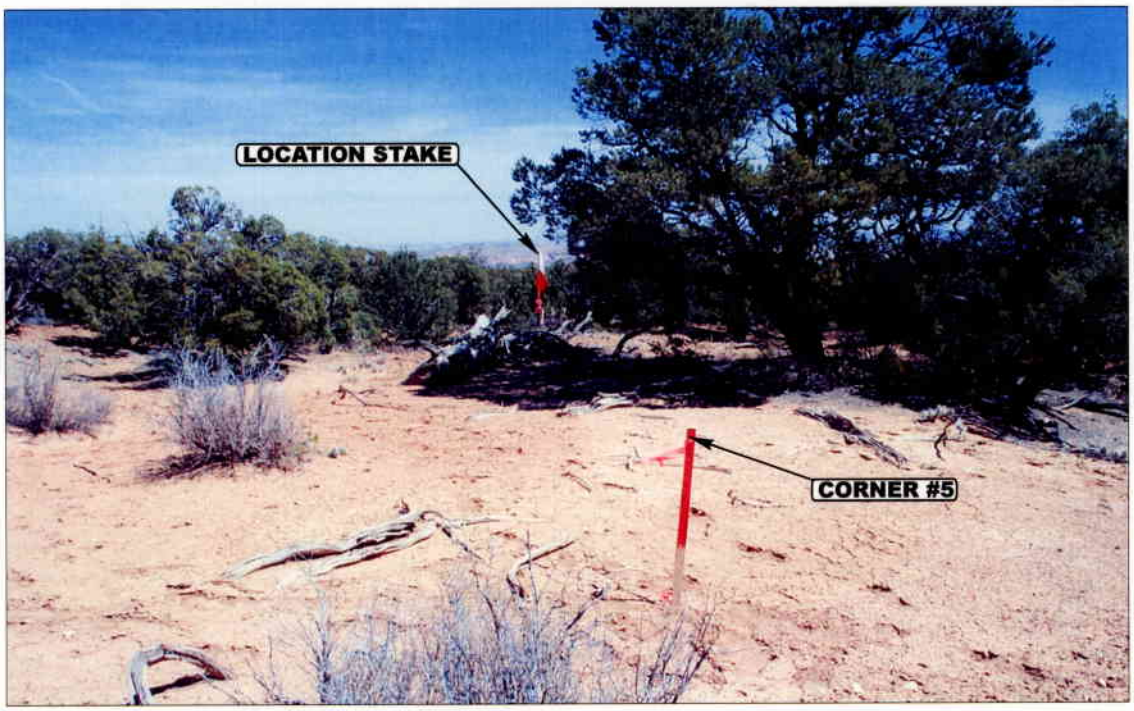
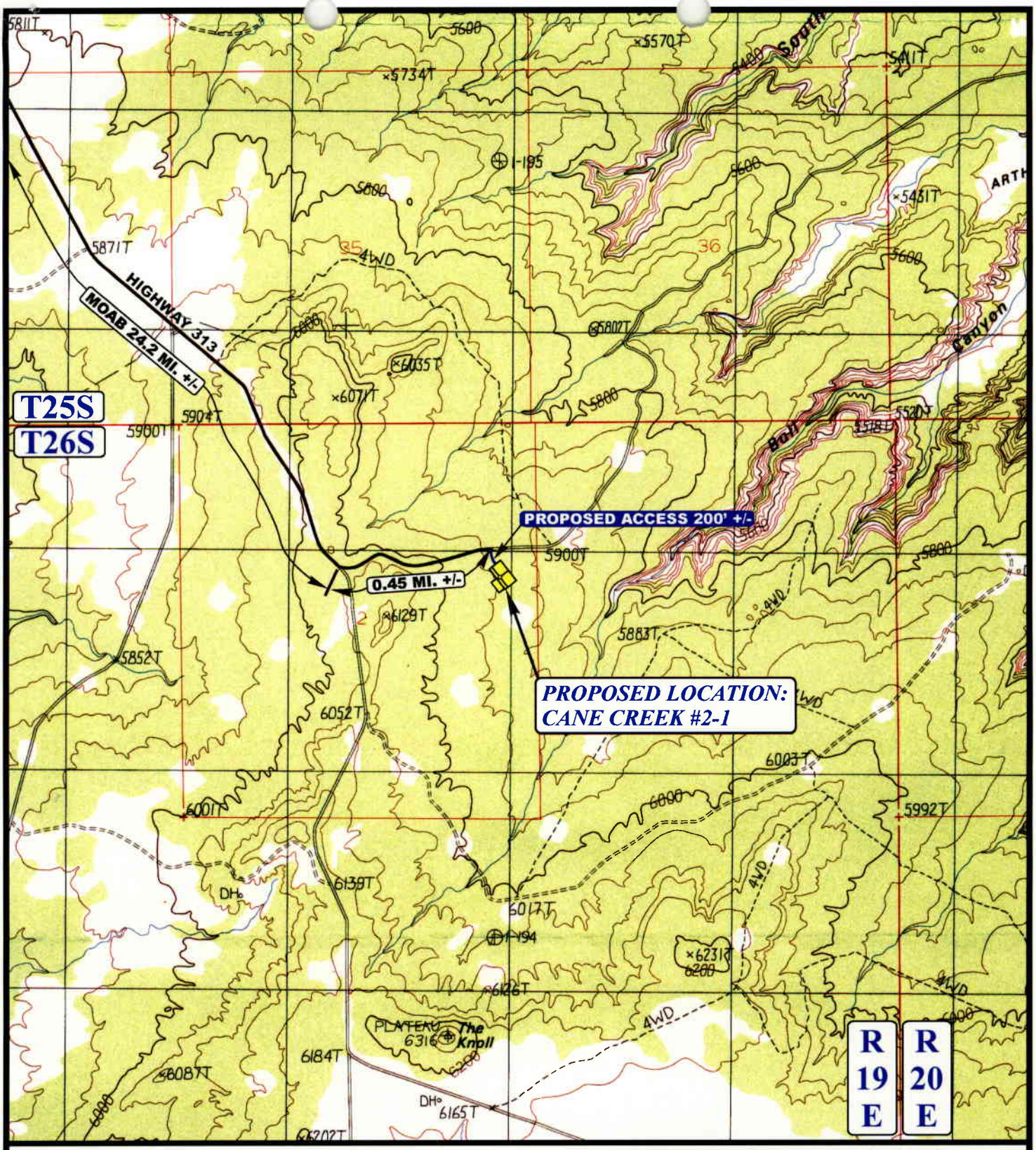


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE **CAMERA ANGLE: NORTHEASTERLY**

PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS **CAMERA ANGLE: SOUTHEASTERLY**

- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	MONTH 4	DAY 29	YEAR 02	PHOTO
TAKEN BY: S.H.	DRAWN BY: K.G.	REVISED: 5-2-03		



LEGEND:

PROPOSED ACCESS ROAD

EXISTING ROAD

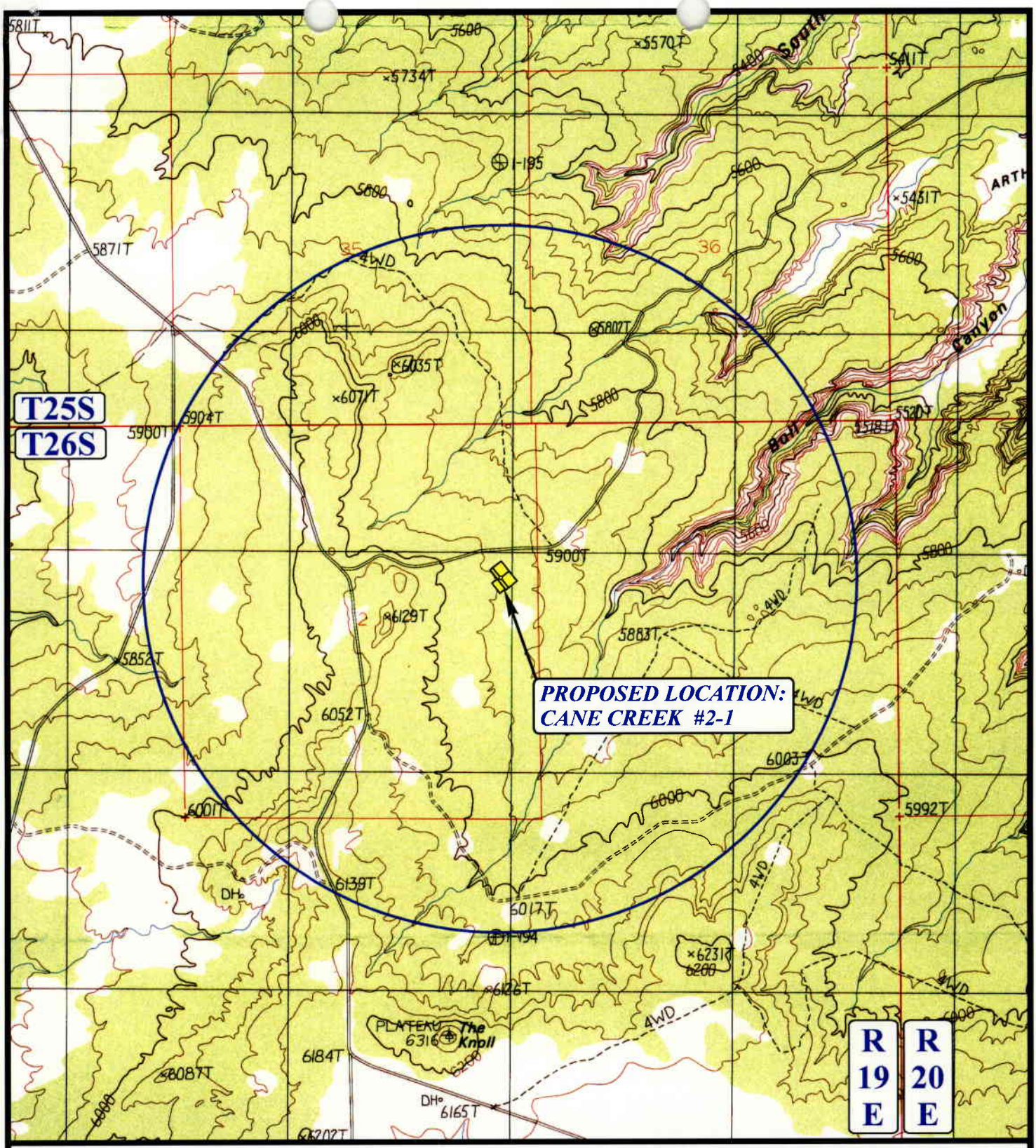
N

INTREPID OIL & GAS, LLC.

CANE CREEK #2-1
SECTION 2, T26S, R19E, S.L.B.&M.
2300' FNL 529' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	4 MONTH	29 DAY	03 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: K.G.	REVISED: 5-2-03		



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

N

INTREPID OIL & GAS, LLC.

CANE CREEK #2-1
SECTION 2, T26S, R19E, S.L.B.&M.
2300' FNL 529' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

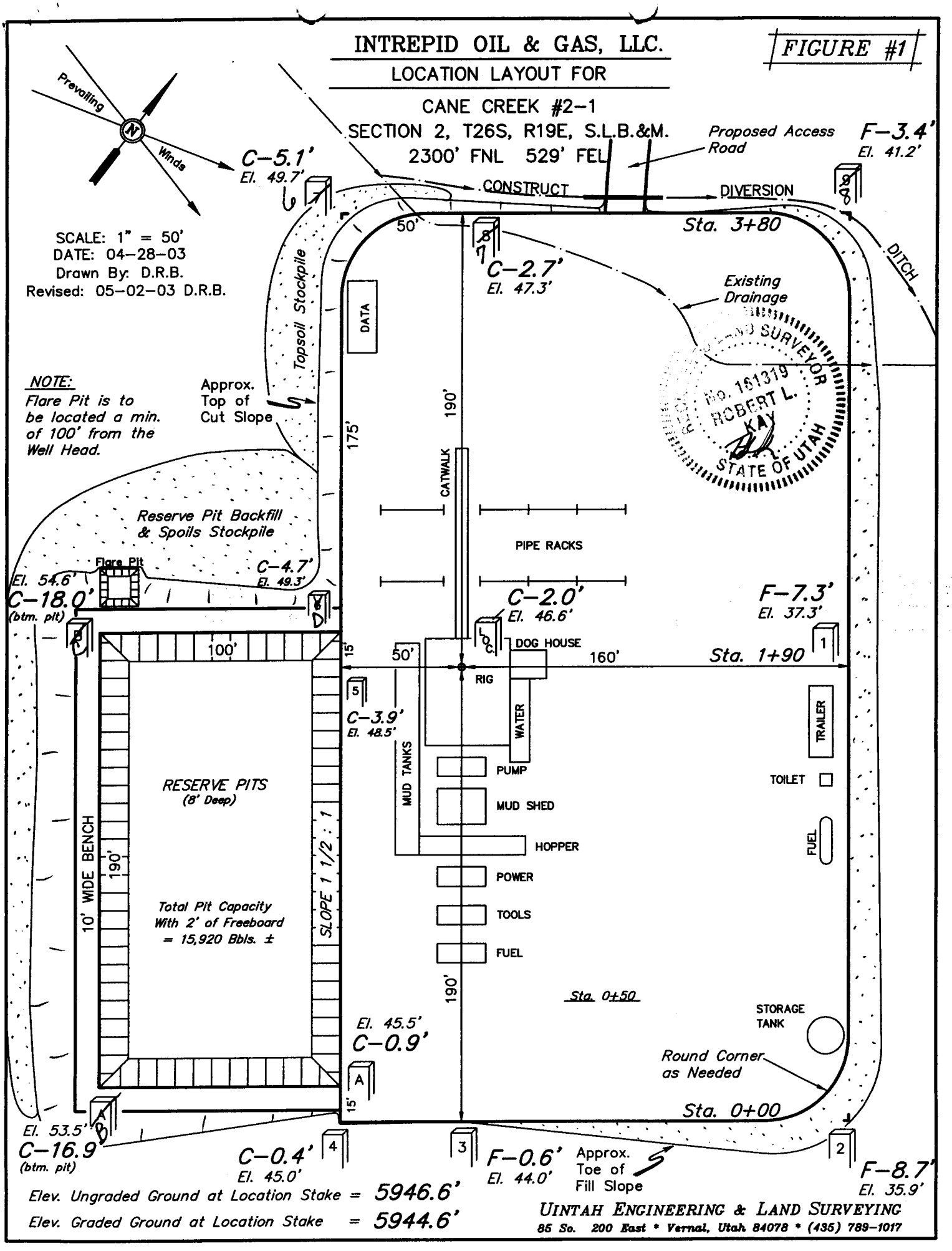
TOPOGRAPHIC MAP	4 MONTH	29 DAY	03 YEAR	C TOPO
SCALE: 1" = 2000'	DRAWN BY: K.G.	REVISED: 5-2-03		

INTREPID OIL & GAS, LLC.

LOCATION LAYOUT FOR

CANE CREEK #2-1
SECTION 2, T26S, R19E, S.L.B.&M.
2300' FNL 529' FEL

FIGURE #1



Elev. Ungraded Ground at Location Stake = 5946.6'

Elev. Graded Ground at Location Stake = 5944.6'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

INTREPID OIL & GAS, LLC.

TYPICAL CROSS SECTIONS FOR

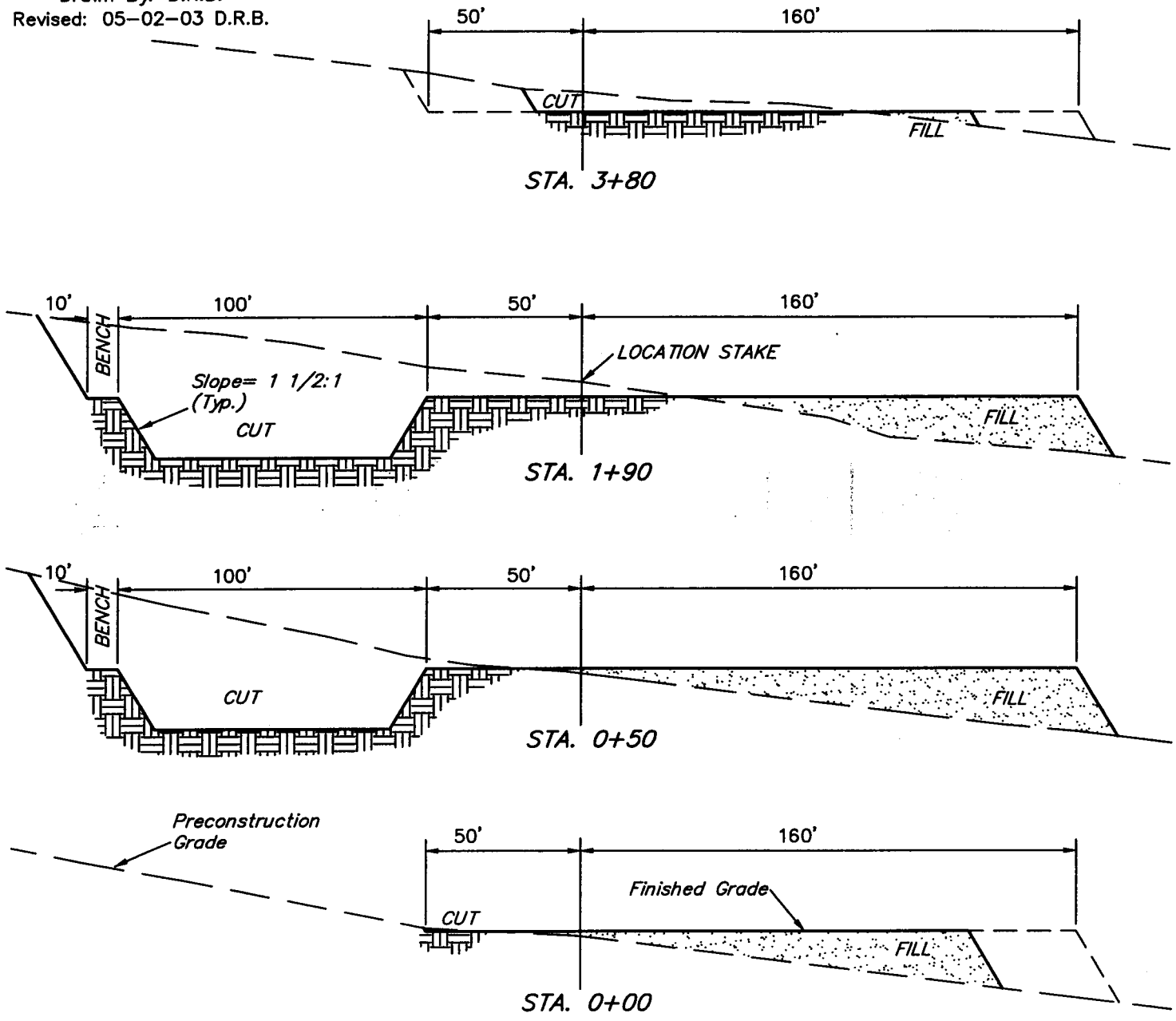
CANE CREEK #2-1
SECTION 2, T26S, R19E, S.L.B.&M.
2300' FNL 529' FEL

FIGURE #2

REGISTERED LAND SURVEYOR No. 161319 ROBERT L. STATE OF UTAH

1" = 20'
X-Section Scale
1" = 50'

DATE: 04-28-03
Drawn By: D.R.B.
Revised: 05-02-03 D.R.B.



APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,910 Cu. Yds.
Remaining Location	=	12,700 Cu. Yds.
TOTAL CUT	=	14,610 CU.YDS.
FILL	=	9,850 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	4,240 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	4,240 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

022

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/09/2003

API NO. ASSIGNED: 43-019-31396

WELL NAME: CANE CREEK 2-1
OPERATOR: INTREPID OIL & GAS LLC (N6810)
CONTACT: LISA SMITH

PHONE NUMBER: 303-857-9999

PROPOSED LOCATION:
SENE 02 260S 190E
SURFACE: 2300 FNL 0529 FEL
NW SE BOTTOM: 1900 FSL 1240 FWL S.c 1
GRAND
BIG FLAT (170)

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-65972
SURFACE OWNER: 3 - State

PROPOSED FORMATION: CNCR

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 38.57304

LONGITUDE: 109.78387

RECEIVED AND/OR REVIEWED:

✓ Plat
✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UTB000029)
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:)
NH Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3.

Unit CANE CREEK

✓ R649-3-2.4 General X Horizontal
Siting: 460 From Qtr/Qtr & 920' Between Wells

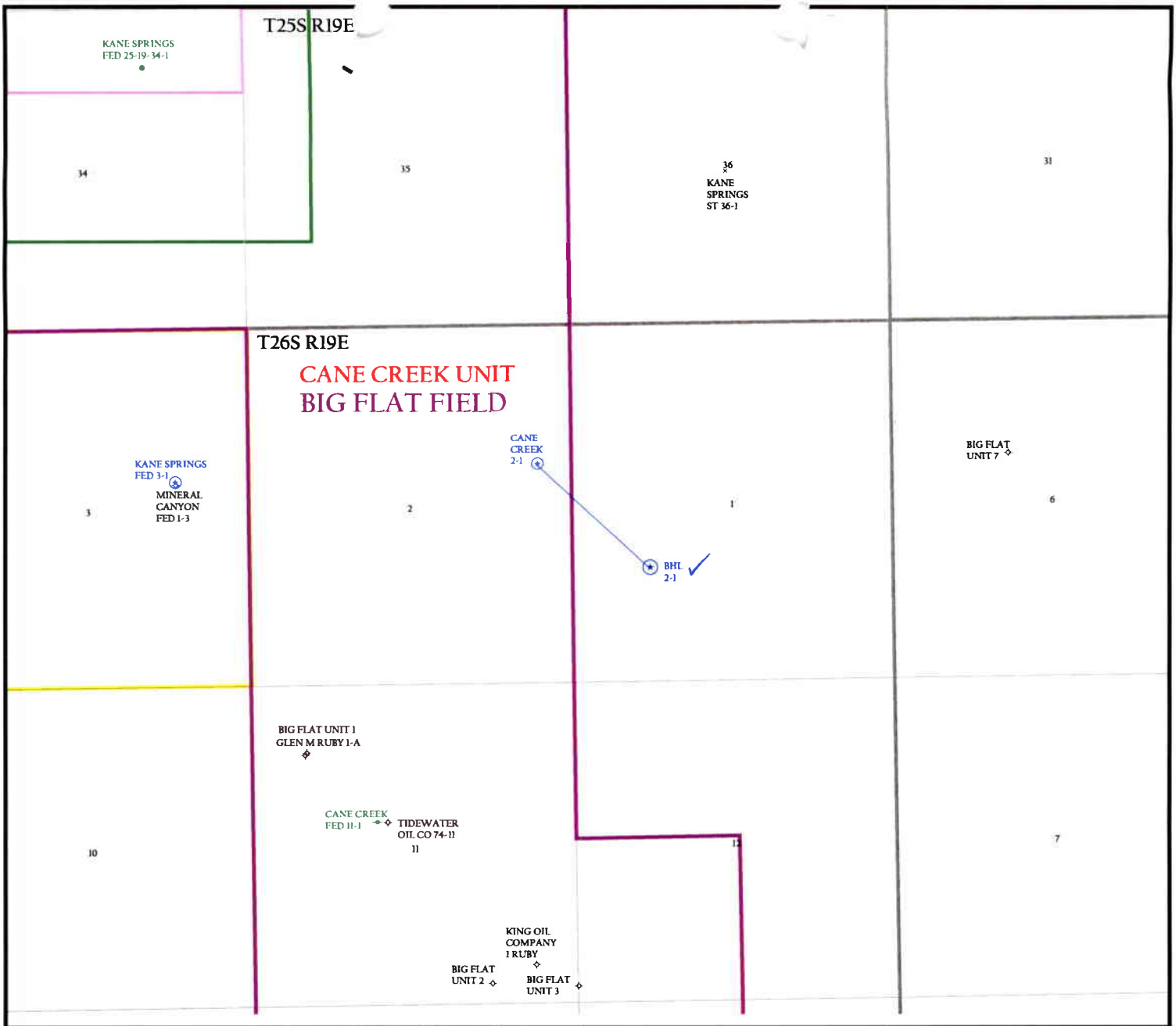
R649-3-3. Exception

Drilling Unit
Board Cause No:
Eff Date:
Siting:

R649-3-11. Directional Drill

COMMENTS: Plat was done on 6/25/03

STIPULATIONS: (1) FEDERAL APPROVAL
(2) STATEMENT OF BASIS (6-26-03)



OPERATOR: INTREPID O&G LLC (N6810)

SEC. 2 T.26S, R.19E

FIELD: BIG FLAT (170)

COUNTY: GRAND

SPACING: R649-3-2.6 / HORIZONTAL

Utah Oil Gas and Mining

Wells
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

N
W E
S

PREPARED BY: DIANA WHITNEY
DATE: 28-NOVEMBER-2003

*Presita 6/25/03
fe

X Insite 6/25/03
fc

003

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/09/2003

API NO. ASSIGNED: 43-019-31396

WELL NAME: CANE CREEK 2-1

OPERATOR: INTREPID OIL & GAS LLC (N6810)

CONTACT: LISA SMITH

PHONE NUMBER: 303-857-9999

PROPOSED LOCATION:

SENE 02 260S 190E

SURFACE: 2300 FNL 0529 FEL

BOTTOM: 1310 FNL 1517 FEL

GRAND

BIG FLAT (170)

LEASE TYPE: 3 - State

LEASE NUMBER: ML-40761

SURFACE OWNER: 3 - State

PROPOSED FORMATION: CNCR

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKD	8/26/03
Geology		
Surface		

LATITUDE: 38.57304

LONGITUDE: 109.78387

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[] Ind[] Sta[3] Fee[]
(No. UTB000029)

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:)

NA Fee Surf Agreement (Y/N)

LOCATION AND SITING:

____ R649-2-3.

Unit CANE CREEK ✓

✓ R649-3-2. General * Horizontal
Siting: 460 From Qtr/Qtr & 920' Between Wells

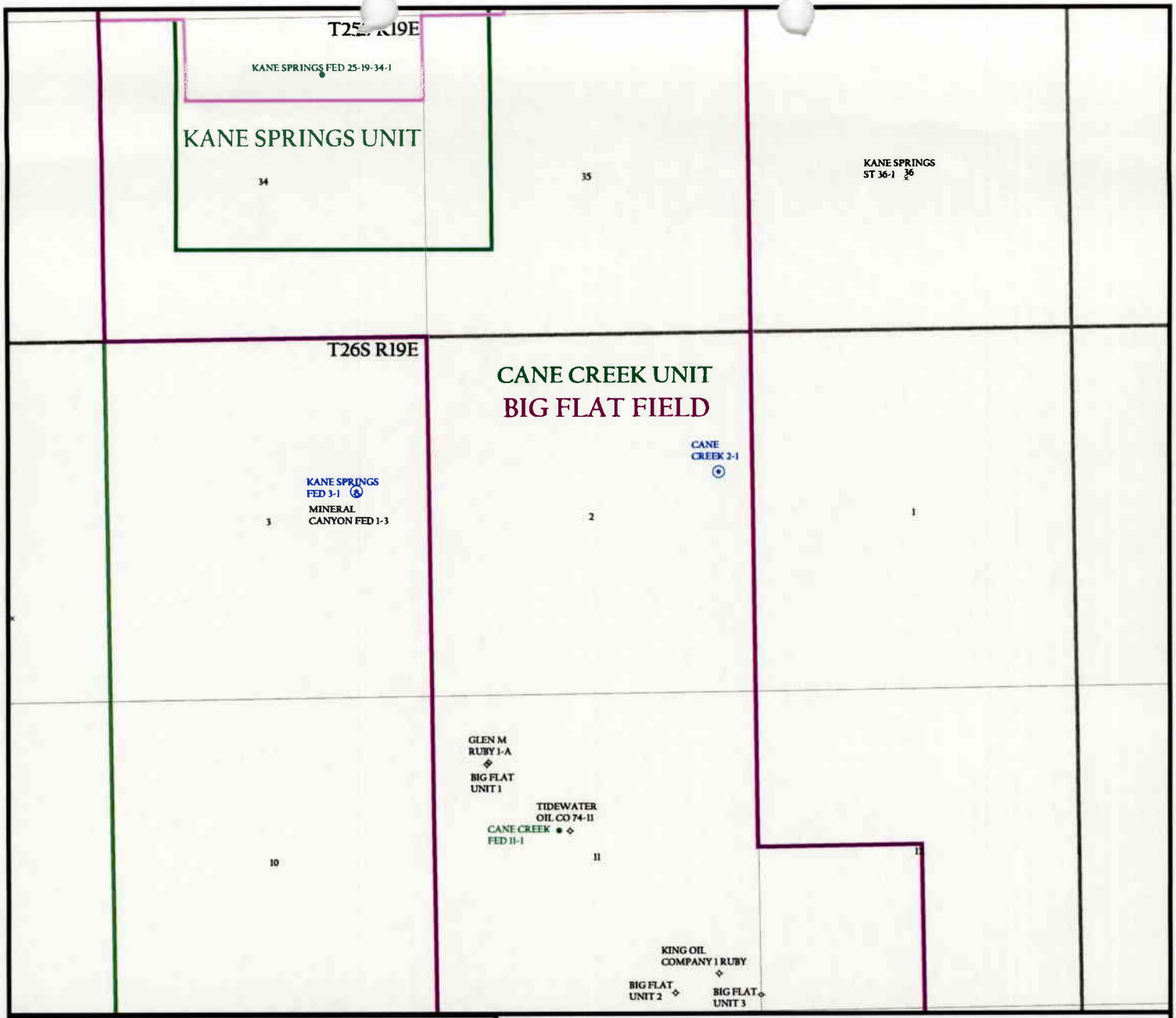
____ R649-3-3. Exception

____ Drilling Unit
Board Cause No:
Eff Date:
Siting:

____ R649-3-11. Directional Drill

COMMENTS: Needs Presite (Recd 6/25/03)

STIPULATIONS: 1- STATEMENT OF BASIS



OPERATOR: INTREPID O & G LLC (N6810)

SEC. 2 T.26S, R.19E

FIELD: BIG FLAT (170)

COUNTY: GRAND

SPACING: R649-3-2.6 / HORIZONTAL

Utah Oil Gas and Mining

Wells
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

N
W E
S

PREPARED BY: DIANA MASON
DATE: 2-JULY-2003

009

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

June 13, 2003

Memorandum

To: Assistant District Manager Minerals, Moab District

From: Michael Coulthard, Petroleum Engineer

Subject: 2003 Plan of Development Cane Creek Unit
Grand and San Juan County, Utah.

Pursuant to email between Diana Mason, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following well is planned for calendar year 2003 within the Cane Creek Unit, Grand County, Utah.

API #	WELL NAME	LOCATION
43-019-31396	Cane Creek 2-1	Sec. 2 T26S R19E 2300 FNL 0529 FEL
	BHL	Sec. 2 T26S R19E 1310 FNL 1517 FEL

This office has no objection to permitting the well at this time.

/s/ Michael L. Coulthard

bcc: File - Cane Creek Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:6-13-3

008

From: Ed Bonner
To: Mason, Diana
Date: 6/13/03 3:33PM
Subject: Well Clearence

The following wells have been given cultural resource clearence by the Trust Lands Cultural Resources Group:

GASCO Energy
Wilkin Ridge State 12-32-10-17

Bill Barrett Corporation
Jack Canyon Unit State 14-32

Intrepid Oil & Gas, LLC
Cane Creek 2-1

Dominion E&P Inc
River Bend Unit 8-16E
River Bend Unit 10-16E
River Bend Unit 12-16E
River Bend Unit 16-16E

If you have any questions regarding this matter please give me a call.

CC: Baza, John; Garrison, LaVonne; Hunt, Gil

From: Lisha Cordova
To: chriscolt@utah.gov; edbonner@utah.gov
Date: 6/19/03 4:17PM
Subject: Presite for Intrepid

Hi Ed and Chris, (SITLA | DWR)

A presite has been scheduled for June 25th (Wednesday) @2:00 p.m. with Intrepid for the well referenced below. The plan is to meet at the Gemini Bridges Trail which is a major road on the left of Hwy 313, approximately 9-10 miles from Jct 191 & 313, you should pass 2 oil wells on the left of Hwy 313. If you you reach Dead Horse Point turnoff you've gone to far. If your more than 10 minutes late, meet us at (surface) well location.

Intrepid Oil & Gas (Hugh Harvey and Richard Miller) -(303) 296-3006, Cell No. (303) 881-5440
Cane Creek 2-1 (Horizontal Well / Cane Creek Unit)
Sec. 2, T26S, R19E (Surf & BHL)
2300 FNL 0529 FEL (Surf)
1310 FNL 1517 FEL (BHL)
Grand County, Utah
ML-40761 (State Surface)

Please let me know if you will be attending the presite prior to the presite date, or if you need any additional information (APD cover & plat, etc).

If you will not be attending and have any concerns let me know what they are so that it can be discussed at the presite.

Thank you!

Lisha Cordova
(801) 538-5296
lcordova@utah.gov

* 6-24-03 DWR / Tony Wright (info. faxed)
6-24-03 SITLA / Ed Bonner unable to attend.

TRANSACTION REPORT

P.01

JUN-24-2003 TUE 09:18 AM

FOR: OIL, GAS & MINING 801 359 3940

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
JUN-24	09:17 AM	14356377361	1'28"	4	SEND	OK	393	

TOTAL : 1M 28S PAGES: 4

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)

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

DIVISION OF OIL, GAS AND MINING
FACSIMILE COVER SHEET

DATE: June 24, 2003

FAX #: 435-637-7361

ATTN: Tony Wright

COMPANY: DWR

DEPARTMENT:

NUMBER OF PAGES: (INCLUDING THIS ONE) 4

FROM: Lisha Cordova

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: Intrepid Oil & Gas LLC (N6810)
WELL NAME & NUMBER: Cane Creek 2-1 (Horiz.)
API NUMBER: 43-019-31396
LEASE: ML-40761 **FIELD/UNIT:** Big Flat (170)
LOCATION: 1/4,1/4 SENE **Sec:** 2 **TWP:** 26S **RNG:** 19E 2300 FNL 0529 FEL
(BHL) NWNE **Sec:** 2 **TWP:** 26S **RNG:** 19E 1310 FNL 1517 FEL

LEGAL WELL SITING: The proposed well will be drilled as a horizontal well located within a federal unit (Cane Creek); no portion of the horizontal interval within the potentially productive formation shall be closer than 660' 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; the surface location may be anywhere on the lease.
GPS COORD (UTM): X=605941 E; Y=4269892 N **SURFACE OWNER:** SITLA
(BHL/UTM): X=605640 E; Y=4270194 N

PARTICIPANTS

Lisha Cordova, Dan Jarvis (DOGM), Richard Miller, Charlie & Trina Harrison (Intrepid O&G), Tony Wright (DWR), Shane Campbell (Scamp Exploration), Jim Keele (JK Contracting), Mike Shumway, Chris Carter KSue Contracting), Ed Bonner (SITLA) was invited but did not attend.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

The well location is approximately 10-15 miles west of Moab off Jct 191 & 313, located in canyon land topography. Deadhorse Point is southeast, Canyonlands National Park is southwest, San Rafael Swell is northwest, and Arches National Park is northeast of location. The well site and reserve pit will be on relatively flat surface, slight 4% grade in an easterly direction.

SURFACE USE PLAN

CURRENT SURFACE USE: Recreation and wildlife habitat including deer, rabbits, coyote, rodents, birds, snakes, etc.

PROPOSED SURFACE DISTURBANCE: Pad 210X380, attached reserve pit 100X190, flare pit 13X13, backfill & spoils stockpile 100X50, 12.5' berm surrounding pad & pit, a diversion ditch around pit and entire west side of location. The proposed access road, approx. 14-16' wide, will run approx. 300' west from main road onto location. A small natural drainage runs perpendicular to access road immediately adjacent to main road. A low water crossing will be built and riprap will be placed on the downstream side.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: None. An APD was approved by DOGM on 8/15/2000 for the Kane Springs Fed. 3-1 (Horiz.) well, Sec. 3, T26S, R19E, the surface location is barely within the 1 mile radius (far west), however as of this date, has not spudded. The 3rd unit obligation well changed from the 3-1 to the Cane Creek 2-1.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Well head, pump, separator, and storage tank southeast corner of well pad. No new pipelines will be installed, and no existing pipelines.

SOURCE OF CONSTRUCTION MATERIAL: From location, dirt contractor, and local source(s).

ANCILLARY FACILITIES: Trailer house located far east of well head on well pad, will be removed upon completion of well.

WASTE MANAGEMENT PLAN:

Portable chemical toilets will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters, which will be emptied into an approved landfill. Drilling fluid, and completion/frac fluid will be removed from the pit upon completion of the well. Cuttings will be buried in the pit unless oil based mud is used. If oil based mud is used disposal of the cuttings should be discussed with the Division. Used oil from drilling operations and support will be hauled to a used oil recycling facility. Produced water will be disposed of at an approved facility.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None, small drainages.

FLORA/FAUNA: Pinion, Sage Brush, Cactus, Indian Rice Grass, and other native grasses.

SOIL TYPE AND CHARACTERISTICS: Red-brown, loose sandy dirt with clay.

SURFACE FORMATION & CHARACTERISTICS: Kayenta outcrops in numerous places on location. Brown to dark purple fine-grained sandstone. Very friable and subject to fractures when blasted.

EROSION/SEDIMENTATION/STABILITY: Semi-stable, small drainages cut across location in an easterly direction. A diversion ditch around pit and entire west side of location will prevent any meteoric waters from entering pit area and well pad.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Slight grade, approximately 4% slope in an easterly direction. Depth of soil and hard rock underlying pit is unknown at present, however hard rock is anticipated. All precautions will be made to smooth out any sharp edges in rock material, and straw or some other approved material will be required to underlay the liner. A liner is required and must be installed properly to avoid liner puncture(s).

LINER REQUIREMENTS (Site Ranking Form attached): Final score 35, Sensitivity Level I. A liner, of at least 12 mil., is required.

SURFACE RESTORATION/RECLAMATION PLAN

SURFACE AGREEMENT: As per agreement with SITLA (surface owner).

CULTURAL RESOURCES/ARCHAEOLOGY:
4-Corners Archaeological Services conducted an Arch Survey on May 6, 2003. Federal Antiquities Permit 03UT62712, Utah State Permit No. U-03-FE-0255s. No cultural resources were found in the project area and no further management recommendations are necessary.

OTHER OBSERVATIONS/COMMENTS

At the onsite, Tony Wright (DWR) stated that there was no wildlife concerns identified during the onsite. In addition, since no above ground power lines are planned for this location, as stated by Richard Miller (Intrepid O&G), DWR has no objection to the proposed well site (see DWR follow-up letter dated June 25, 2003). Also, the stake numbers on the location layout plat are incorrectly numbered, Intrepid will submit a corrected plat.

ATTACHMENTS

Photos of this location were taken at onsite (see file).

Lisha Cordova / Dan Jarvis June 25, 2003/2:00 P.M.
DOGM REPRESENTATIVE(S)

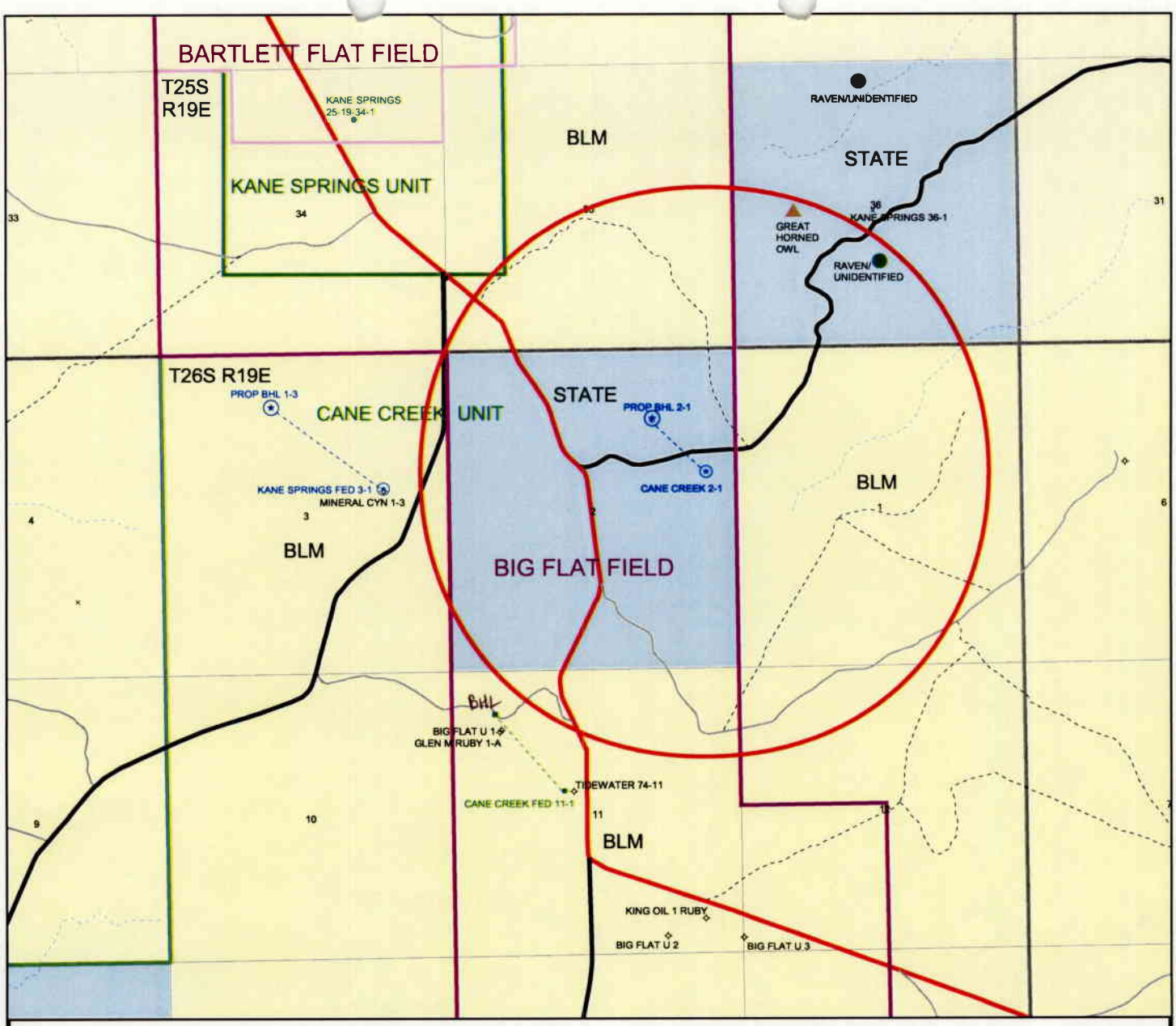
Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements

Intrepid Oil & Gas LLC / Cane Creek 2-1 / 43-019-31396
Sec. 2, T26S, R19E, Grand County, Utah

Site-Specific Factors	Ranking	Site Ranking
Distance to Groundwater (feet)		
>200	0	0
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	
Distance to Surf. Water (feet)		
>1000	0	0
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	
Distance to Nearest Municipal Well (feet)		
>5280	0	0
1320 to 5280	5	
500 to 1320	10	
<500	20	
Distance to Other Wells (feet)		
>1320	0	0
300 to 1320	10	
<300	20	
Native Soil Type		
Low permeability	0	
Mod. permeability	10	10
High permeability	20	
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	15
containing significant levels of hazardous constituents	20	
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	10
Annual Precipitation (inches)		
<10	0	0
10 to 20	5	
>20	10	
Affected Populations		
<10	0	0
10 to 30	6	
30 to 50	8	
>50	10	
Presence of Nearby Utility Conduits		
Not Present	0	0
Unknown	10	
Present	15	

Final Score 35 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.



Legend

Wells
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

County Boundary

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED
- Sections

Utah Oil Gas and Mining

N
W E
S

Prepared by: Lisha Cordova
Date: June 18, 2003

STATE OF UTAH
NATURAL RESOURCES
Division of Wildlife Resources

475 W. Price River Drive, Suite C
Price, UT 84501
435-636-0260

25 June, 2003

Presite Gas well Inspection – ***Intrepid Oil and Gas***

Cane Creek #2-1: No additional wildlife concerns were identified during this onsite and no power supply, above ground or otherwise is planned, therefore no additional requests are needed for development of this well to proceed (UTM 12S NAD 1927 605949E 4269903N).

People present:

Tony Wright –DWR
Leisha Cordova –DOGM
Dan Jarvis –DOGM
Charlie Harrison -Intrepid
Mike Shumway -KSUE
Shane Campbell -Scamp
Richard Miller -Intrepid

C: DOGM, Intrepid
G:Habitat\Industry\Onsites\Comments\CPCO4_07_03

RECEIVED
JUN 3 0 2003
DIV. OF OIL, GAS & MINING

THE INTREPID COMPANIES

INTREPID OIL & GAS, L.L.C.
INTREPID MINING, L.L.C.
INTREPID PRODUCTION CORP.

MOAB SALT, L.L.C.
MOAB POTASH
HARVEY OPERATING & PRODUCTION CO.

June 30, 2003

Ms. Diana Mason
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

RE: Cane Creek #2-1 Well
SENE, 2300' FNL and 500' FEL (Surface)
Lot 7, 1310' FNL and 1517' FEL (Btm Hole)
Section 2, T26S, R19E
Grand County, Utah
Lease No. ML-40761

Dear Ms Mason:

Intrepid Oil & Gas, LLC requests its application for horizontal drilling to be approved by the division. This request comes pursuant to rule R649-3-2. Horizontal Drilling.

Intrepid Oil & Gas, LLC is the owner of all the oil and gas leasehold rights within a radius of 660 Feet from all points along the intended well bore and within the intended producing interval. All tracts within 660' along the intended well bore are committed to the Cane Creek Unit. All Tracts are owned 100% by Intrepid. No portion of the horizontal interval within the potentially productive formation is within 660' to a drilling or spacing unit boundary, unit area boundary, uncommitted tract within the unit, or boundary line of a lease not committed to the drilling of this horizontal well. Please find attached a plat indicating the ownership in those lands surrounding the proposed location.

Intrepid is seeking the approval of the Division of Oil, Gas & Mining of the A.P.D. for the above mentioned well, which was submitted under separate cover letter on May 29, 2003 by PermitCO Company, Ft Lupton, Colorado.

Should you find you or your staff need any additional information, please do not hesitate to call the undersigned or Richard Miller at Intrepid. Richard can be reached at his office at 303 296 3006 or on his cell phone at 303 881 5440.

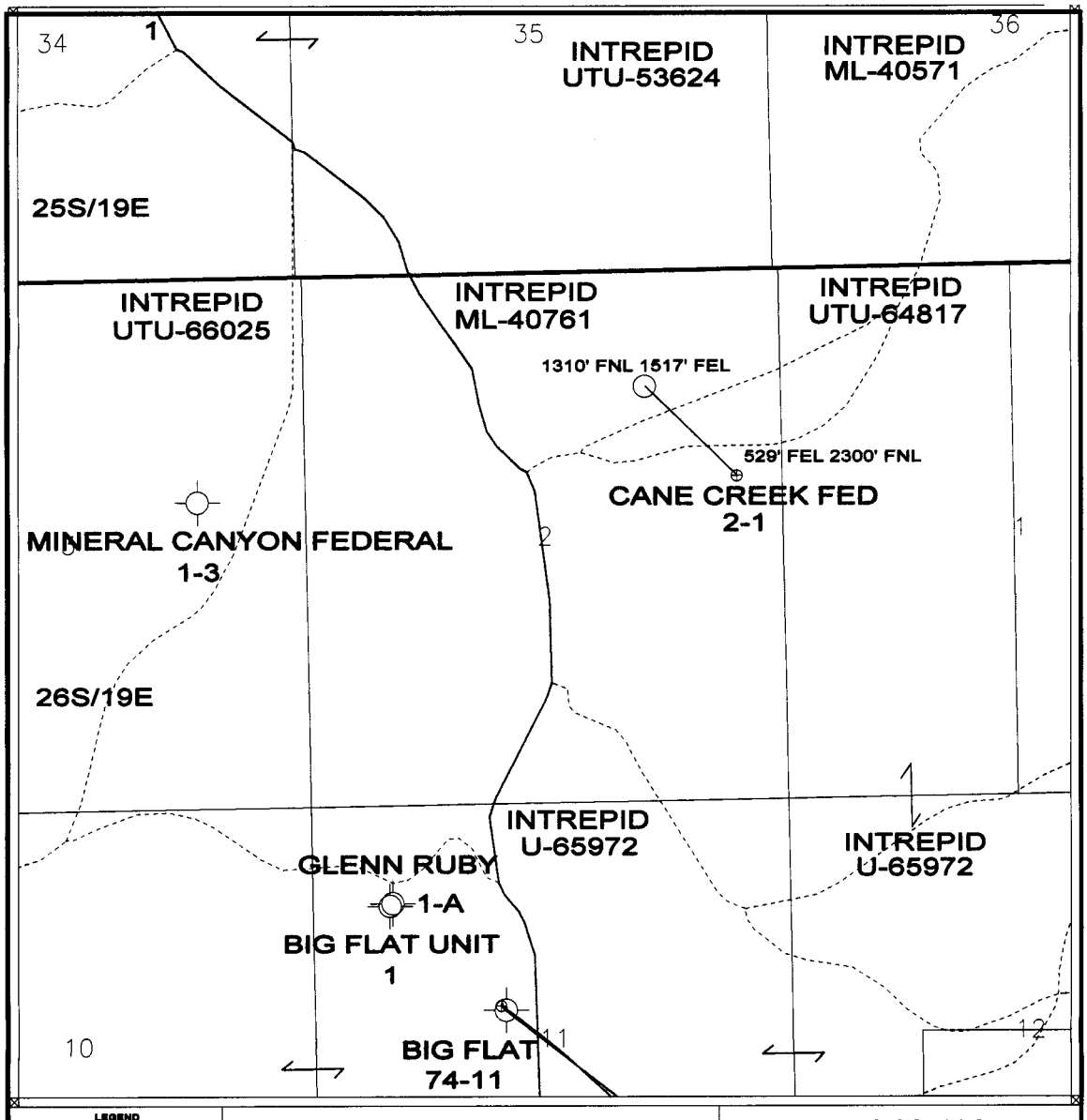
Yours truly,

INTREPID OIL & GAS, LLC

Chris A Potter, CPL
Consulting Landman

RECEIVED
JUL 0 7 2003
DIV. OF OIL, GAS & MINING

ROBERT P. JORNAYVAZ, III, MANAGER ▪ HUGH E. HARVEY, JR., MANAGER
700 17TH STREET ▪ SUITE 1700 ▪ DENVER, COLORADO 80202
(303) 296-3006 ▪ FAX (303) 298-7502



LEGEND

- Oil Well
- Gas Well
- Oil & Gas Well
- Dry & Abandoned Well
- Junked & Abandoned Well
- Suspended Well
- Shut In Well
- Injection Well
- Disposal Well
- Location

Scale 1:24000.

0.1 0. 0.1 0.2 0.3 0.4 0.5 miles

Intrepid Oil & Gas L.L.C.

Paradox Basin - Cane Creek Unit Area
Cane Creek Federal 2-1 Unit Well
Lease Map

JPL	Scale 1":2000'	CC-21B

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

OPERATOR: Intrepid Oil & Gas LLC (N6810)
WELL NAME & NUMBER: Cane Creek 2-1 (Horiz.)
API NUMBER: 43-019-31396
LEASE: UTU-65972 **FIELD/UNIT:** Big Flat (170) / Cane Creek Unit
LOCATION: 1/4,1/4 SENE **SEC:** 2 **TOWNSHIP:** 26S **RANGE:** 19E 2300 FNL 0529 FEL
(BHL) NWNE **SEC:** 2 **TOWNSHIP:** 26S **RANGE:** 19E 1310 FNL 1517 FEL

Geology/Ground Water:

This proposed horizontal well would spud in a thin, sandy, moderately to very permeable soil that is developed on surficially exposed strata of the Kayenta Formation very near the mapped axis of the Cane Creek Anticline. In this axial position it is reasonable to expect that jointing and attendant lost circulation may be encountered during drilling. There are no water rights filed for water supply wells within a mile of the location and the only water rights (2) have been filed on the Colorado River for stock watering. At this location fresh water is most likely to encountered in the Wingate Sandstone Aquifer (poor permeability except where fractured). The sandstones of formations in the Cutler Group Aquifer could potentially contain a ground water resource but no fresh water has been documented in any of these in the area, even when they have been encountered relatively near the surface. Although the proposed casing and cementing program, if successful, should adequately protect any ground water resources encountered in the drilling of this well, more details of the horizontal drilling portion of the program as regards the borehole profile, kickoff point, work plan, etc. need to be provided. It is also worth noting that the operator proposes to drill nearly 400 feet of open hole while circulating a saturated salt mud system across an interval likely to present lost circulation conditions and fracture permeability, all with no surface casing in the hole. The location is about ¼ mile from the head of Bull Canyon.

Reviewer: Christopher J. Kierst **Date:** July 9, 2003

Surface:
Operator representatives, dirt contractors, and DWR were present at onsite conducted on June 25, 2003. SITLA was invited but did not attend. Reserve pit backfill & spoils will be stockpiled on north end of reserve pit, west of well pad. The reserve pit liner will need to be properly installed and maintained in the reserve pit with a synthetic liner with a minimum thickness of 12 mils, and if the pit is built in rock, straw or some other Division approved material will be required to underlay the liner. The Division would like to be notified prior to lining the reserve pit to allow for Division inspection.

Reviewer(s): Lisha Cordova / Dan Jarvis **Date:** June 25, 2003

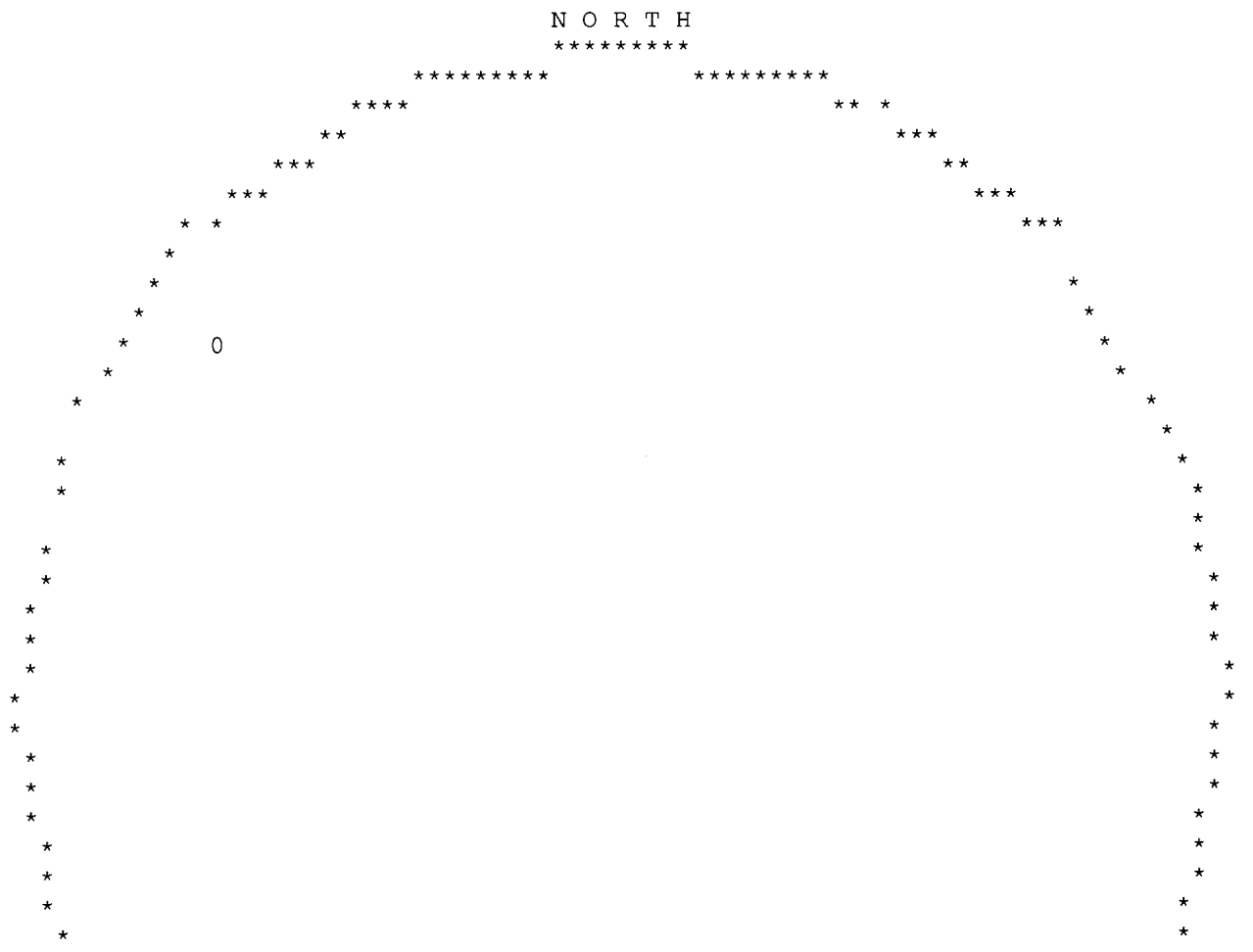
Conditions of Approval/Application for Permit to Drill:

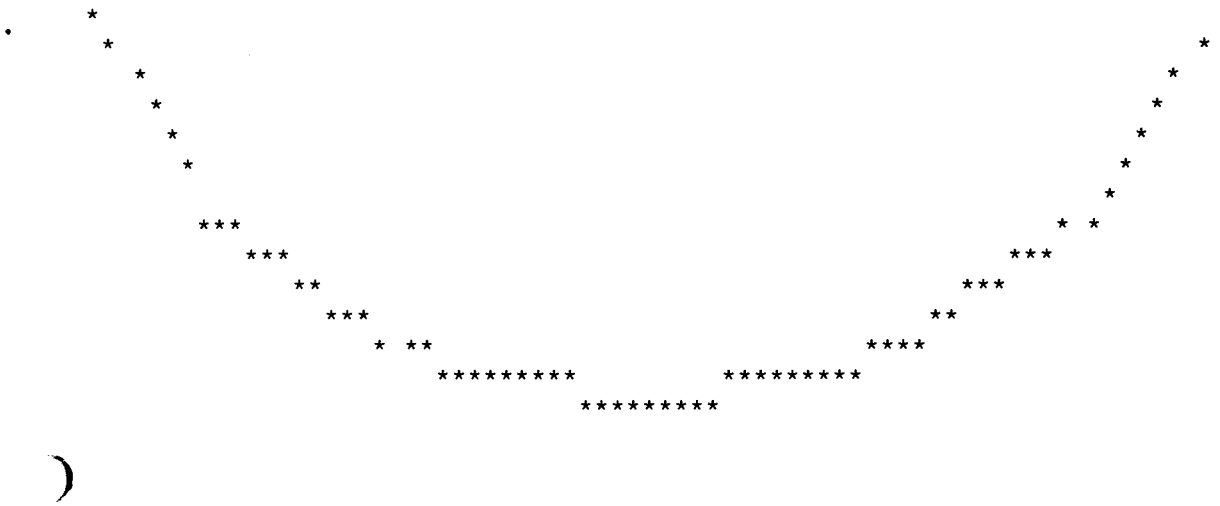
1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
2. If the reserve pit is built in rock, straw or some other Division approved material will be required to underlay the liner.
3. The Division shall be notified prior to lining the reserve pit to allow for Division inspection.

UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED THU, JUN 19, 2003, 1:30 PM
PLOT SHOWS LOCATION OF 2 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
S 2300 FEET, W 0529 FEET OF THE NE CORNER, (Surface)
SECTION 2 TOWNSHIP 26S RANGE 19E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET





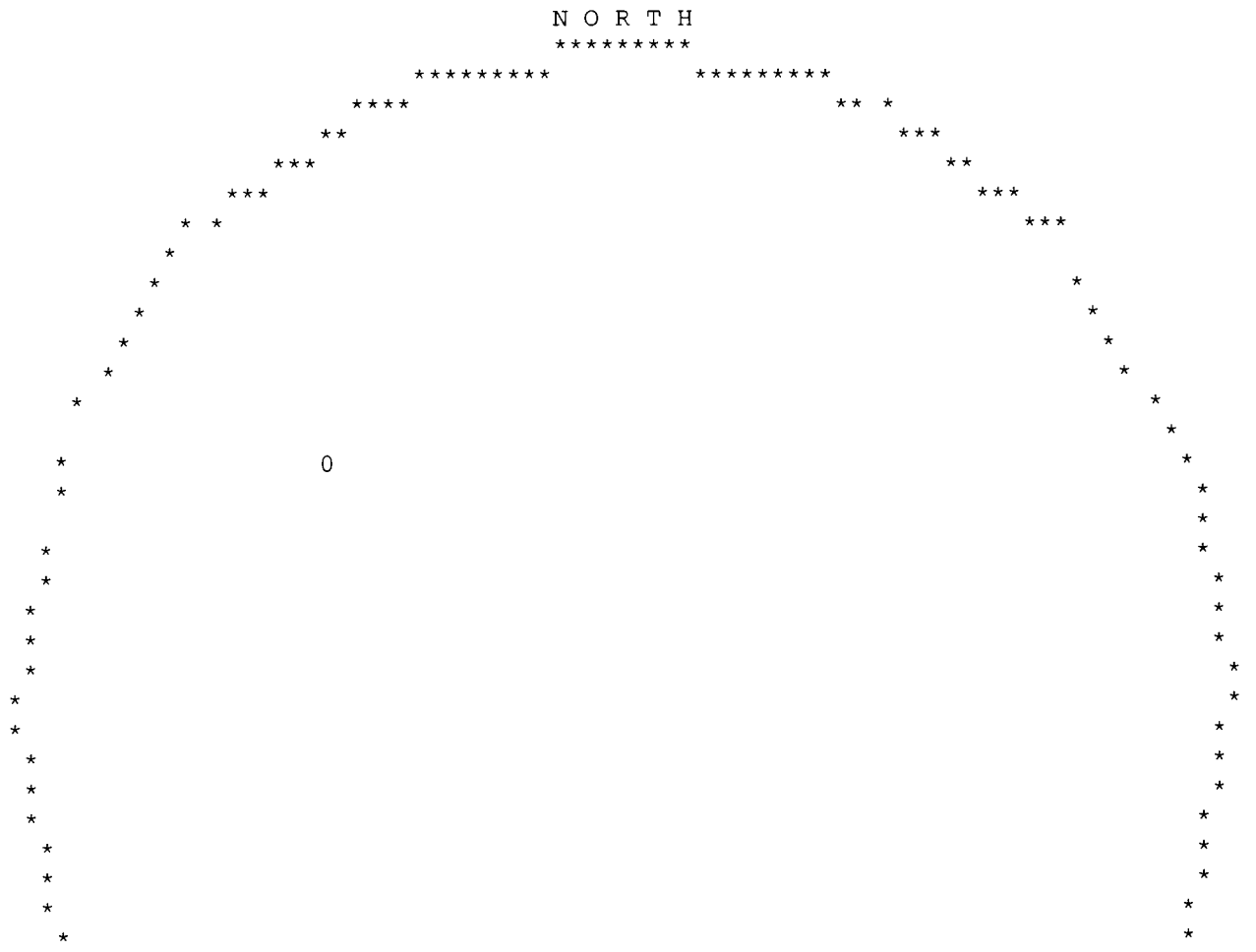
UTAH DIVISION OF WATER RIGHTS
NWPLAT POINT OF DIVERSION LOCATION PROGRAM

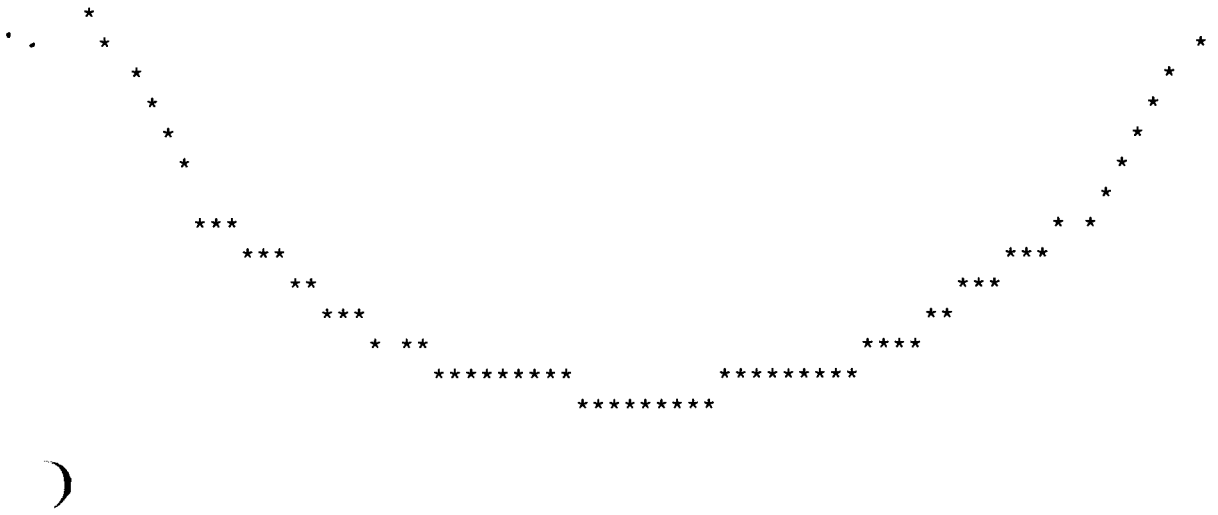
MAP CHAR	WATER RIGHT	QUANTITY CFS	QUANTITY AND/OR	QUANTITY AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER	DEPTH	YEAR LOG	POINT OF DIVERSION DESCRIPTION NORTH	EAST	CNR	SEC	TWN	RNG	B&M	UNNP	APPR	PTER	SURR	UGRW
0	01 1055	.0000		10.86	Colorado River			N 600	E 1250	SW	35	25S	19E	SL			X		
	WATER USE(S): STOCKWATERING											PRIORITY DATE: 03/28/1989							
	Canyonland Cattle Company Limited				P.O. Box 277							Oakley			UT 84055				
0	a17357	.0000		10.86	Colorado River												X		
	WATER USE(S): STOCKWATERING											PRIORITY DATE: 03/28/1989							
	Canyonland Cattle Company Limited				P.O. Box 277							Oakley			UT 84055				

UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED THU, JUN 19, 2003, 1:23 PM
PLOT SHOWS LOCATION OF 2 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
S 1310 FEET, W 1517 FEET OF THE NE CORNER, (BHL)
SECTION 2 TOWNSHIP 26S RANGE 19E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET





UTAH DIVISION OF WATER RIGHTS
NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS	QUANTITY AND/OR AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER	DEPTH	YEAR LOG	POINT OF DIVERSION DESCRIPTION NORTH	EAST	CNR	SEC	TWN	RNG	B&M	UNNP	APPR	TERR	SURR	UGW
0	01 1055	.0000	10.86	Colorado River			N 600	E 1250	SW	35	25S	19E	SL			X		
	WATER USE(S): STOCKWATERING										PRIORITY DATE: 03/28/1989							
	Canyonland Cattle Company Limited			P.O. Box 277							Oakley					UT 84055		
0	a17357	.0000	10.86	Colorado River												X		
	WATER USE(S): STOCKWATERING										PRIORITY DATE: 03/28/1989							
	Canyonland Cattle Company Limited			P.O. Box 277							Oakley					UT 84055		

utah.gov State Online Services Agency List Search Utah.gov go

UTAH DIVISION OF WATER RIGHTS

Select Related Information

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 06/19/2003 Pag

WRNUM: 01-1055 APPLICATION/CLAIM NO.: A63855 CERT. NO.:

CHANGES: t26278 Approved
t19442 Expired
a26414 Approved
a17357 WUC

OWNERSHIP

NAME: Canyonland Cattle Company Limited OWNER MISC:
ADDR: P.O. Box 277
CITY: Oakley STATE: UT ZIP: 84055 INTEREST: 100%
LAND OWNED BY APPLICANT? No

DATES, ETC.

FILING: 03/28/1989	PRIORITY: 03/28/1989	ADV BEGAN: 04/20/1989	ADV ENDED:	NEWSPAPER: Times Independent
PROTST END: 06/03/1989	PROTESTED: [No]	APPR/REJ: [Approved]	APPR/REJ: 07/25/1989	PROOF DUE: 02/28/1993 | EXTENSION:
ELEC/PROOF: [Election]	ELEC/PROOF: 01/21/1993	CERT/WUC: 12/29/1993	LAP, ETC:	PROV LETR: | RENOVATE:
RECON REQ:	TYPE: [ ]			

PD Book No. 1 Type of Right: APPL Status: WUCS Source of Info: WUCS Map: Date Verified: 12/30/1993 Initials: MJK

LOCATION OF WATER RIGHT

FLOW: 10.86 acre-feet SOURCE: Colorado River
COUNTY: Grand COMMON DESCRIPTION: 1 mile NW of Moab

POINT OF DIVERSION -- SURFACE:
(1) S 1300 ft E 800 ft from NW cor, Sec 26, T 25S, R 21E, SLBM
Diverting Works: Source:

POINT OF REDIVERSION:
(1) N 600 ft E 1250 ft from SW cor, Sec 35, T 25S, R 19E, SLBM
Diverting Works: Source:

PLACE OF USE OF WATER RIGHT

	NORTH-WEST¼				NORTH-EAST¼				SOUTH-WEST¼				SOUTH-EAST¼			
	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE
Sec 02 T 25S R 18E SLBM	*	:	:	: *	*	: X:	:	*	*	:	:	: X*	*	:	:	: *
Sec 10 T 25S R 18E SLBM	*	:	:	: *	*	:	:	: *	*	:	:	: X*	*	:	:	: *
Sec 04 T 25S R 19E SLBM	*	:	:	: *	*	:	:	: *	*	:	: X:	*	*	:	:	: *
Sec 05 T 25S R 19E SLBM	*	X:	X:	: *	*	:	:	: *	*	:	:	: *	*	:	:	: *
Sec 08 T 25S R 19E SLBM	*	:	:	: *	*	:	:	: *	*	:	:	: X*	*	:	:	: *
Sec 09 T 25S R 19E SLBM	*	X:	:	: *	*	:	:	: *	*	:	:	: *	*	:	X:	: *
Sec 10 T 25S R 19E SLBM	*	:	:	: *	*	:	:	: *	*	X:	:	: *	*	:	:	: *
Sec 12 T 25S R 19E SLBM	*	:	:	: X*	*	:	:	: *	*	:	:	: *	*	:	:	: *
Sec 13 T 25S R 19E SLBM	*	X:	:	X: *	*	:	:	: *	*	:	:	: *	*	:	:	: *
Sec 21 T 25S R 19E SLBM	*	:	:	: *	*	:	:	X: *	*	:	:	: *	*	:	:	: *
Sec 31 T 25S R 19E SLBM	*	:	:	: *	*	X:	:	: *	*	:	:	: *	*	:	:	: *
Sec 35 T 25S R 19E SLBM	*	:	:	: *	*	:	:	: *	*	:	: X:	*	*	:	:	: *
Se 07 T 25S R 20E SLBM	*	:	:	: *	*	:	:	: *	*	:	:	: X*	*	:	:	X: *
Se 02 T 26S R 18E SLBM	*	X:	:	: *	*	:	:	: *	*	:	:	: *	*	:	:	: *
Sec 13 T 26S R 18E SLBM	*	:	:	: *	*	:	:	: *	*	:	X:	: *	*	:	:	: *
Sec 11 T 26S R 19E SLBM	*	:	X:	: *	*	:	:	: *	*	:	:	: *	*	:	:	: *
Sec 14 T 26S R 19E SLBM	*	:	:	: *	*	:	:	: *	*	X:	:	: *	*	:	:	: *
Sec 17 T 26S R 19E SLBM	*	:	:	: *	*	:	:	: X*	*	:	:	: *	*	:	:	: *
Sec 27 T 26S R 19E SLBM	*	:	:	: *	*	X:	:	: *	*	:	:	: *	*	:	:	: *
Sec 28 T 26S R 19E SLBM	*	:	:	: *	*	:	:	: X*	*	:	:	: *	*	:	:	: *
Sec 07 T 26S R 20E SLBM	*	:	:	: *	*	:	:	: *	*	:	:	: *	*	:	:	X: *
Sec 19 T 26S R 20E SLBM	*	:	:	: *	*	:	:	: *	*	:	: X:	*	*	:	:	: *
Sec 25 T 26S R17HE SLBM	*	:	:	: *	*	:	:	: *	*	:	:	: *	*	:	X:	: *

USES OF WATER RIGHT

CLAIMS USED FOR PURPOSE DESCRIBED: 125,129,132,254,362,363,376,379,450/465,1055,1056; 92-203,263,264,266/270

Referenced To: Claims Groups: 1 Type of Reference -- Claims: Purpose: Remarks:

#STOCKWATERING: 1028 Cattle or Equivalent Diversion Limit: PERIOD OF USE: 11/01 TO 0

Big Flat-Ten Mile Allotment

Storage from 01/01 to 12/31, inclusive, in Unnamed Pond with a maximum capacity of 0.200 acre-feet, located in:

Height of Dam: 4

Area Inundated:	NORTH-WEST¼				NORTH-EAST¼				SOUTH-WEST¼				SOUTH-EAST¼			
	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE
Sec 35 T 25S R 19E SLBM	*	:	:	: *	*	:	:	: *	*	:	: X:	*	*	:	:	: *

END OF DATA

utah.gov State Online Services Agency List Search Utah.gov go

UTAH DIVISION OF WATER RIGHTS

Select Related Information

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 06/19/2003 Pag

CHANGE: a17357 WATER RIGHT: 01-1055 CERT. NO.: AMENDATORY? Yes
BASE WATER RIGHTS: 01-1055
RIGHT EVIDENCED BY: 01-1055 (A63855)
CHANGES: Point of Diversion [X], Place of Use [X], Nature of Use [ ], Reservoir Storage [ ].

NAME: Canyonland Cattle Company Limited OWNER MISC: Attn: Gerald Young
ADDR: P.O. Box 277
CITY: Oakley STATE: UT ZIP: 84055 100

FILING: 04/30/1993	PRIORITY: 03/28/1989	ADV BEGAN: 05/13/1993	ADV ENDED:	NEWSPAPER: Times Independent
PROTST END: 06/26/1993	PROTESTED: [No]	APPR/REJ: [Approved]	APPR/REJ: 08/27/1993	PROOF DUE: EXTENSION:
ELEC/PROOF: [Election]	ELEC/PROOF: 01/21/1993	CERT/WUC: 12/29/1993	LAP, ETC:	PROV LETR: RENOVATE:
RECON REQ:	TYPE: [ ]			

Status: WUCS Date Verified: 12/30/1993 Initials: MJK

********** H E R E T O F O R E **********	********** H E R E A F T E R **********
FLOW: 10.86 acre-feet	FLOW: 10.86 acre-feet
SOURCE: Colorado River	SOURCE: Colorado River
COUNTY: Grand	COUNTY: Grand COM DESC: 1 mile NW of Moab, Utah
	This change application is being filed in order to correct the place of use and include a point of rediversion. The water is used in the Big Flat-Ten Mile Allotment, supplementally with 01-125, 129, 132, 254, 362, 363, 376, 379, 450/465; 92-203, 263, 264, 266/270. Pond indicated in paragraph #23 is an existing incised structure, remnant of previous road construction activities.

POINT(S) OF DIVERSION ------>

Point Surface:
(1) S 1300 ft E 800 ft from NW cor, Sec 26, T 25S, R 21E, SLBM
Diverting Works: Portable pump and water trucks
Source: Colorado River

Point Rediversion:

CHANGED AS FOLLOWS:

Point Surface:
(1) S 1300 ft E 800 ft from NW cor, Sec 26, T 26S, R 21E, SL
Diverting Works: Portable pump and tank trucks
Source: Colorado River

Point Rediversion:
(1) N 600 ft E 1250 ft from SW cor, Sec 35, T 25S, R 19E, SL
Diverting Works: Portable pump and tank trucks
Source: Unnamed Pond

PLACE OF USE ------>

	NW¼				NE¼				SW¼				SE¼			
	N	N	S	S	N	N	S	S	N	N	S	S	N	N	S	S
	W	E	W	E	W	E	W	E	W	E	W	E	W	E	W	E
Sec 07 T 24S R 20E SLBM	*	:	:	:	**	:	:	:	**	:	:	:	**	:	:	:X*

CHANGED as follows:

	NW¼				NE¼				SW¼				SE¼			
	N	N	S	S	N	N	S	S	N	N	S	S	N	N	S	S
	W	E	W	E	W	E	W	E	W	E	W	E	W	E	W	E
Sec 02 T 25S R 18E SLBM	*	:	:	:	**	:X:	:	**	:	:	:X**	:	:			
Sec 10 T 25S R 18E SLBM	*	:	:	:	**	:	:	:	**	:	:	:	**	:	:	
Sec 04 T 25S R 19E SLBM	*	:	:	:	**	:	:	:	**	:	:X:	**	:	:		
Sec 05 T 25S R 19E SLBM	*X	:X:	:	**	:	:	:	**	:	:	:	**	:	:		
Sec 08 T 25S R 19E SLBM	*	:	:	:	**	:	:	:	**	:	:	:X**	:	:		
Sec 09 T 25S R 19E SLBM	*X:	:	:	**	:	:	:	**	:	:	:	**	:X:			
Sec 10 T 25S R 19E SLBM	*	:	:	:	**	:	:	:	**X:	:	:	**	:	:		
Sec 12 T 25S R 19E SLBM	*	:	:	:X**	:	:	:	**	:	:	:	**	:	:		
Sec 13 T 25S R 19E SLBM	*X:	:X:	**	:	:	:	**	:	:	:	**	:	:			
Sec 21 T 25S R 19E SLBM	*	:	:	:	**	:	:X:	**	:	:	:	**	:	:		
Sec 31 T 25S R 19E SLBM	*	:	:	:	**X:	:	:	**	:	:	:	**	:	:		
Sec 35 T 25S R 19E SLBM	*	:	:	:	**	:	:	:	**	:	:X:	**	:	:		
Sec 07 T 25S R 20E SLBM	*	:	:	:	**	:	:	:	**	:	:	:X**	:	:X		
Sec 25 T 26S R 17E SLBM	*	:	:	:	**	:	:	:	**	:	:	:	**	:X:		
Sec 02 T 26S R 18E SLBM	*X:	:	:	**	:	:	:	**	:	:	:	**	:	:		
Sec 13 T 26S R 18E SLBM	*	:	:	:	**	:	:	:	**	:X:	:	**	:	:		
Sec 11 T 26S R 19E SLBM	*	:X:	:	**	:	:	:	**	:	:	:	**	:	:		
Sec 14 T 26S R 19E SLBM	*	:	:	:	**	:	:	:	**X:	:	:	**	:	:		
Sec 17 T 26S R 19E SLBM	*	:	:	:	**	:	:	:X**	:	:	:	**	:	:		
Sec 27 T 26S R 19E SLBM	*	:	:	:	**X:	:	:	**	:	:	:	**	:	:		
Sec 28 T 26S R 19E SLBM	*	:	:	:	**	:	:	:X**	:	:	:	**	:	:		
Sec 07 T 26S R 20E SLBM	*	:	:	:	**	:	:	:	**	:	:	:	**	:	:X	
Sec 19 T 26S R 20E SLBM	*	:	:	:	**	:	:	:	**	:	:X:	**	:	:		

NATURE OF USE ------>	SAME AS HERETOFORE
SUPPLEMENTAL to Other Water Rights: Yes	SUPPLEMENTAL to Other Water Rights: No
STK: 1028 Cattle or Equivalent USED 11/01 - 05/31	

CANYONLANDS PARK AREA

		FEET	
	uvium - dune sand	0-100	
	Brushy Basin Member	300-400	dinosaur bone
	Salt Wash Mbr	200-400	
	Tidwell Member	20-60	J-5 unconformity
	Wanakah Formation	0-60	
	Entrada Sandstone	220-350	ARCHES NAT'L PARK
	Dewey Bridge Mbr	20-130	
	Page Sandstone	0-100	J-2 unconformity
	Navajo Sandstone	250-450	rounded cliffs
	Kayenta Fm	200-260	DEAD HORSE POINT
	Wingate Sandstone	30-430	vertical cliff face J-0 unconformity
	Church Rock Member	240-310	
	Owl Rock M	70-120	
	Petrified Forest M	50-100	bentonite
	Moss Back Ss M	0-100	Tr-3 unconformity
	Moody Canyon M	40-120	
	Torrey Member	100-200	
	Sinbad Ls Mbr	0-20	
	Black Dragon Mbr	0-230	Tr-1 unconformity
	Hoskinnini Sandstone	0-50	
	White Rim Ss	0-250	
	Organ Rock Fm	0-400	
	Cedar Mesa Sandstone	300-1000	Surface rock in The Needles area Interfingers eastward with arkosic beds within the Park
	Elephant Canyon and Halgaito Fms (time equivalent)	400-1200	Thickens and becomes less limy towards Uncompahgre Uplift to the east unconformity
	Honaker Trail Formation	1000-1500	
	Paradox Formation	500-4000	Oldest rocks exposed in Canyonlands at river level in the Gypsum Canyon area salt & potash interbedded with black shale and anhydrite
	Pinkerton Trail Formation	200-300	
	Molas Formation	0-100	
	Leadville Limestone	400-600	Pre Paradox rocks are known from wells and from geophysical measurements
	Ouray Limestone	100	
	Elbert Formation	300	
	Undivided Upper Cambrian dolomite, limestone, & shale	800-900	
	"Bright Angel" Shale	0-200	
	Ignacio Quartzite	100-200	
	Metamorphic rocks	-	

MAP - Huntoon et al, 1982; JURASSIC - Craig & Dickey, 1956; Wright & Dickey, 1978; TRIASSIC - Stew- Blakey, 1974; Pipiringos & O'Sullivan, 1978; Lupe, 1984; O'Sullivan & Maclachlan, 1975; PERMIAN - Baars, NSYLVANIAN - Welsh & Bissell, 19779; Szabo & Wengerd, 1975; SUBSURFACE - Rocky Mountain Associ- ologists Atlas, 1972 RIVER GUIDEBOOK - Baars & Molenaar, 1971

ic History of Utah
Lehi F. Hintze

Chart
84 MOAB - ARCHES - LA SAL AREA

			FEET	
Q	Alluvium, colluvium		0-100	
Q	Glacial & eolian deposits		0-200	0.6 m.y. ash beds
T	Geyser Creek Fanglomerate		0-600	
T	Diorite & monzonite porphyry dikes, sills, laccoliths of LaSal Mts			25-28 m.y. Ar/Ar intrusive contact
CRET	Mancos Shale	Upper shale Mbr	0-500+	
CRET	Mancos Shale	Ferron Ss Mbr	0-100	
CRET	Mancos Shale	Lower Shale Mbr	300-500	Piedmont uplift
CRET	Dakota Sandstone		0-200	
CRET	Burro Canyon Fm		80-250	
JURASSIC	Morrison Fm	Brushy Basin Mbr	250-450	dinosaur bones
JURASSIC	Morrison Fm	Salt Wash Member	130-350	
JURASSIC	Morrison Fm	Tidwell Member	20-100	formerly Summerville J-5 unconformity white caprock
JURASSIC	Entrada Ss	Moab Tongue	50-180	ARCHES NAT'L PARK
JURASSIC	Entrada Ss	Slick Rock Mbr	200-500	
JURASSIC	Entrada Ss	Dewey Bridge M	40-240	Page Ss locally J-2 unconformity
JURASSIC	Navajo Sandstone		0-550	
JURASSIC	Kayenta Formation		140-300	DEAD HORSE POINT
JURASSIC	Wingate Sandstone		150-450	vertical cliffs
TRIASSIC	Chinle Fm	Siltstone member	150-300	
TRIASSIC	Chinle Fm	Black ledge	0-150	manganese coating
TRIASSIC	Chinle Fm	Limy member	0-50	
TRIASSIC	Chinle Fm	Claystone mbr	0-100	
TRIASSIC	Chinle Fm	Moss Back Mbr	0-50	Tr-3 unconformity
TRIASSIC	Moenkopi Fm	Upper slope mbr	230	MEMBERS IN CASTLE VALLEY
TRIASSIC	Moenkopi Fm	Ledge-forming m	260	140' - Parrott Mbr 380' - Sevemup Mbr
TRIASSIC	Moenkopi Fm	Sinbad Ls Mbr	0-60	220' - Ali Baba Mbr
TRIASSIC	Moenkopi Fm	Lower slope mbr	100-200	220' - Tenderfoot Mbr
TRIASSIC	Hoskinnini Sandstone		0-100	Permian ?
PERMIAN	Cutler Group	White Rim Ss	0-250	tar sands
PERMIAN	Cutler Group	Organ Rock Sh	0-300	
PERMIAN	Cutler Group	Cedar Mesa Sandstone	0-1200	CANYONLANDS NAT'L PARK
PERMIAN	Cutler Group	Arkosic facies Arkosic facies of Cutler Group is derived from the Uncompahgre Uplift to the east and interfingers with both the Cedar Mesa and Elephant Canyon Fms	400-3000	Arkosic facies is not a separately named map unit but forms the undivided lower part of the Cutler Group at Moab
PERMIAN	Cutler Group	Elephant Canyon Fm (formerly called Rico facies of Cutler)	0-1500	Elephant Canyon Fm is exposed along Colorado R south of Potash plant. Fossils include corals, bryozoans, brachiopods and fusulinids
PENNSYLVANIAN	Hermosa Group	Honaker Trail Formation	1500-2000	Honaker Trail Fm exposed on west side of Moab Fault near Arches Hdqtr. Arkose, ss. & maroon mudstone is interbedded with fossiliferous limestone that contains corals & brachiopods
PENNSYLVANIAN	Hermosa Group	Paradox Fm (cycle sequence of salt, white potash, black shale, dolomite and locally arkosic)	2000-5000	potash & salt Salt from the Paradox Fm has been mobilized into elongate masses up to 15,000 ft thick which have formed the salt anticlines in this area
PENNSYLVANIAN	Hermosa Group	Pinkerton Trail Fm	0-150	
PENNSYLVANIAN	Molas Formation		0-100	
M	Leadville Dolomite		300-600	
DEV	Ouray Limestone		0-150	
DEV	Elbert Formation		100-200	
DEV	Elbert Formation	McCracken Ss M	25-100	
CAMB	"Lynch" Dolomite		800-1000	
CAMB	"Bright Angel" Shale		0-100	
CAMB	Ignacio Quartzite		100-300	
pC	Schist, gneiss, granitic and pegmatite dikes and plugs			1480 m.y. granite 1700 m.y. gneiss

MAPS WITH TEXT--Williams, 1964; Doelling, 1985; Huntoon et al, 1975; Carter & Gualtieri, 1965; QUATERNARY - Biggar et al, 1981; Nash & Smith, 1977; Coleman, 1983; Richmond, 1962; LACCOLITHS--Hunt, 1958; 1965; CRE- TACEOUS--Craig, 1981; JURASSIC--O'Sullivan, 1984; O'Sullivan & Pierce, 1983; Kocurek, 1981; TRIASSIC--O'Sullivan & MacLachlan, 1975; Stokes & Madsen, 1979; Gilland, 1979; O'Sullivan, 1970; Lupe, 1979; Shoemaker & Newman, 1979; PERMIAN--Baars, 1975; Bohn, 1977; Terrell, 1972; Mack & Rasmussen, 1984; PENNSYLVANIAN - Malory, 1972; Mel- ton, 1972; Welsh & Bissell, 1979; MISSISSIPPIAN--Craig, 1972; DEVONIAN--Baars, 1972; CAMBRIAN--Lochman-Balk, 1972; PRECAMBRIAN--Lucas, 1977; Hedge et al, 1968; SALT ANTICLINES--Huntoon, 1982; McGill & Stringfellow, 1979; Reynolds et al, 1985; LISBON FIELD--Parker, 1981

CANYONLANDS PARK AREA

		FEET	
	vium - dune sand	0-100	
	Brushy Basin Member	300-400	dinosaur bone
	Salt Wash Mbr	200-400	
	Tidwell Member	20-60	J-5 unconformity
	Wanakah Formation	0-60	
	Entrada Sandstone	220-350	ARCHES NAT'L PARK
	Dewey Bridge Mbr	20-130	
	Page Sandstone	0-100	J-2 unconformity
	Navajo Sandstone	250-450	rounded cliffs
	Kayenta Fm	200-260	DEAD HORSE POINT
	Wingate Sandstone	30-430	vertical cliff face J-0 unconformity
	Church Rock Member	240-310	
	Owl Rock M	70-120	
	Petrified Forest M	50-100	bentonite
	Moss Back Ss M	0-100	Tr-3 unconformity
	Moody Canyon M	40-120	
	Torrey Member	100-200	
	Sinbad Ls Mbr	0-20	
	Black Dragon Mbr	0-230	Tr-1 unconformity
	Hoskinnini Sandstone	0-50	
	White Rim Ss	0-250	
	Organ Rock Fm	0-400	
	Cedar Mesa Sandstone	300-1000	Surface rock in The Needles area Interfingers eastward with arkosic beds within the Park
	Elephant Canyon and Halgaito Fms (time equivalent)	400-1200	Thickens and becomes less limy towards Uncompahgre Uplift to the east unconformity
	Honaker Trail Formation	1000-1500	
	Paradox Formation	500-4000	Oldest rocks exposed in Canyonlands at river level in the Gypsum Canyon area salt & potash interbedded with black shale and anhydrite
	Pinkerton Trail Formation	200-300	
	Molas Formation	0-100	
	Leadville Limestone	400-600	Pre Paradox rocks are encountered in wells and from geophysical measurements
	Ouray Limestone	100	
	Elbert Formation	300	
	Undivided Upper Cambrian dolomite, limestone, & shale	800-900	
	"Bright Angel" Shale	0-200	
	Ignacio Quartzite	100-200	
	Metamorphic rocks	-	

Huntoon et al, 1982, JURASSIC - Craig & Dickey, 1956; Wright & Dickey, 1978; TRIASSIC - Stew... 1974; Pipiringos & O'Sullivan, 1978, Lupe, 1984; O'Sullivan & Maclachlan, 1975, PERMIAN - Baars ...LVANIAN - Welsh & Bissell, 19779, Szabo & Wengerd, 1975, SUBSURFACE - Rocky Mountain Assoc... Atlas, 1972, RIVER GUIDEBOOK - Baars & Molenaar, 1971.

...ory of Utah
...Hintze

Chart
84 MOAB - ARCHES - LA SAL AREA

			FEET	
Q	Alluvium, colluvium		0-100	
Q	Glacial & eolian deposits		0-200	0.6 m.y. ash beds
T	Geyser Creek Fanglomerate		0-600	
T	Diorite & monzonite porphyry dikes, sills, laccoliths of LaSal Mts			25–28 m.y. Ar/Ar intrusive contact
CRET	Mancos Shale	Upper shale Mbr	0-500 +	
CRET	Mancos Shale	Ferron Ss Mbr	0-100	
CRET	Mancos Shale	Lower Shale Mbr	300-500	
CRET	Dakota Sandstone		0-200	
CRET	Burro Canyon Fm		80-250	
JURASSIC	Morrison Fm	Brushy Basin Mbr	250-450	dinosaur bones
JURASSIC	Morrison Fm	Salt Wash Member	130-350	
JURASSIC	Morrison Fm	Tidwell Member	20-100	formerly Summerville J-5 unconformity
JURASSIC	Entrada Ss	Moab Tongue	50-180	white caprock
JURASSIC	Entrada Ss	Slick Rock Mbr	200-500	ARCHES NAT'L PARK
JURASSIC	Entrada Ss	Dewey Bridge M	40-240	Page Ss locally J-2 unconformity
JURASSIC	Navajo Sandstone		0-550	
JURASSIC	Kayenta Formation		140-300	DEAD HORSE POINT
JURASSIC	Wingate Sandstone		150-450	vertical cliffs
TRIASSIC	Chinle Fm	Siltstone member	150-300	
TRIASSIC	Chinle Fm	Black ledge	0-150	manganese coating
TRIASSIC	Chinle Fm	Limy member	0-50	
TRIASSIC	Chinle Fm	Claystone mbr	0-100	
TRIASSIC	Chinle Fm	Moss Back Mbr	0-50	Tr-3 unconformity
TRIASSIC	Moenkopi Fm	Upper slope mbr	230	MEMBERS IN CASTLE VALLEY
TRIASSIC	Moenkopi Fm	Ledge-forming m	260	140' - Parott Mbr
TRIASSIC	Moenkopi Fm	Sinbad Ls Mbr	0-60	380' - Sewemup Mbr 220' - Ali Baba Mbr
TRIASSIC	Moenkopi Fm	Lower slope mbr	100-200	220' - Tenderfoot Mbr
TRIASSIC	Hoskinnini Sandstone		0-100	Permian ?
PERMIAN	Cutler Group	White Rim Ss	0-250	tar sands
PERMIAN	Cutler Group	Organ Rock Sh	0-300	
PERMIAN	Cutler Group	Cedar Mesa Sandstone	0-1200	CANYONLANDS NAT'L PARK
PERMIAN	Cutler Group	Arkosic facies Arkosic facies of Cutler Group is derived from the Uncompahgre Uplift to the east and interfingers with both the Cedar Mesa and Elephant Canyon Fms	400-3000	Arkosic facies is not a separately named map unit but forms the undivided lower part of the Cutler Group at Moab
PERMIAN	Cutler Group	Elephant Canyon Fm (formerly called Rico facies of Cutler)	0-1500	Elephant Canyon Fm is exposed along Colorado R south of Potash plant Fossils include corals bryozoans, brachiopods and fusulinids Honaker Trail Fm exposed on west side of Moab Fault near Arches Hdqtr Arkosic ss. & maroon mudstone is interbedded with fossiliferous limestone that contains corals & brachiopods
PENNSYLVANIAN	Hermosa Group	Honaker Trail Formation	1500-2000	
PENNSYLVANIAN	Hermosa Group	Paradox Fm (cyclic sequence of salt, anhydrite, potash, black shale, dolomite and local breccia)	2000-5000	potash & salt Salt from the Paradox Fm has been mobilized into elongate masses up to 15,000 ft thick which have formed the salt anticlines in the Canyon...
PENNSYLVANIAN	Hermosa Group	Pinkerton Trail Fm	0-150	Anthracoprotis
PENNSYLVANIAN	Molas Formation		0-100	
M	Leadville Dolomite		300-600	The zones of Lisbon and Big Flat oil fields
DEV	Ouray Limestone		0-150	
DEV	Elbert Formation		100-200	
DEV	McCracken Ss M		25-100	unconformity
CAMB	"Lynch" Dolomite		800-1000	
CAMB	"Bright Angel" Shale		0-100	
CAMB	Ignacio Quartzite		100-300	
PC	Schist, gneiss, granitic and pegmatite dikes and plugs			1480 m.y. granite 1700 m.y. gneiss

MAPS WITH TEXT--Williams, 1964; Doelling, 1985; Huntoon et al, 1975, Carter & Gualtieri, 1965; QUATERNARY--Biggar et al, 1981; Nash & Smith, 1977; Coleman, 1985; Richmond, 1962; LACCOLITHS--Hunt, 1958, 1983; CRETACEOUS--Craig, 1981; JURASSIC--O'Sullivan, 1964; O'Sullivan & Pierce, 1983, Kocurek, 1981; TRIASSIC--O'Sullivan & MacLachlan, 1975; Stokes & Madsen, 1979; Gilland, 1979; O'Sullivan, 1970; Lupe, 1979; Shoemaker & Newman, 1959; PERMIAN--Baars, 1975; Bohn, 1977; Terrell, 1972; Mack & Rasmussen, 1984; PENNSYLVANIAN--Mallory, 1972; Melton, 1972; Welsh & Bissell, 1979; MISSISSIPPIAN--Craig, 1972; DEVONIAN--Baars, 1972; CAMBRIAN--Lochman-Balk 1972; PRECAMBRIAN--Tweto, 1977; Hedge et al, 1983; SALT ANTICLINES--Huntoon, 1982; McGill & Stringfield, 1979; Reynolds et al, 1985; LISBON FIELD--Parker, 1981

007

PERMITCO
PETROLEUM PERMITTING COMPANY

14421 County Rd. 10 • Ft. Lupton, Colorado 80621 • (303) 857-9999 • FAX (303) 857-0577 • E-MAIL Permitco 1@aol.com

July 14, 2003

Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Attn: Lesha

Re: Intrepid Oil & Gas, LLC
Cane Creek #2-1
SE NE, 2300' FNL and 500' FEL (Surface)
Lot 7, 1310' FNL and 1517' FEL (Btm. Hole)
Sec. 2, T26S - R19E
Grand County, UT
Lease No. ML-40761

Dear Lesha,

Your office has requested that we provide you with a directional diagram of the proposed wellbore, including kick off point and build rates. The attached diagram has been prepared by Richard Miller of Intrepid Oil & Gas, LLC. If you should have any questions regarding the enclosed diagram, please feel free to contact Richard Miller directly at 303-296-3006.

Also enclosed is the revised location layout for this well. While in the field, Richard noticed that the stake numbers did not correspond to the location plat. Therefore, the plat has been revised to show the corrections.

Sincerely,

PERMITCO INC.

Lisa Smith

Lisa L. Smith
Consultant for:
Intrepid Oil & Gas, LLC

Enc.

JUL 1 0 2003

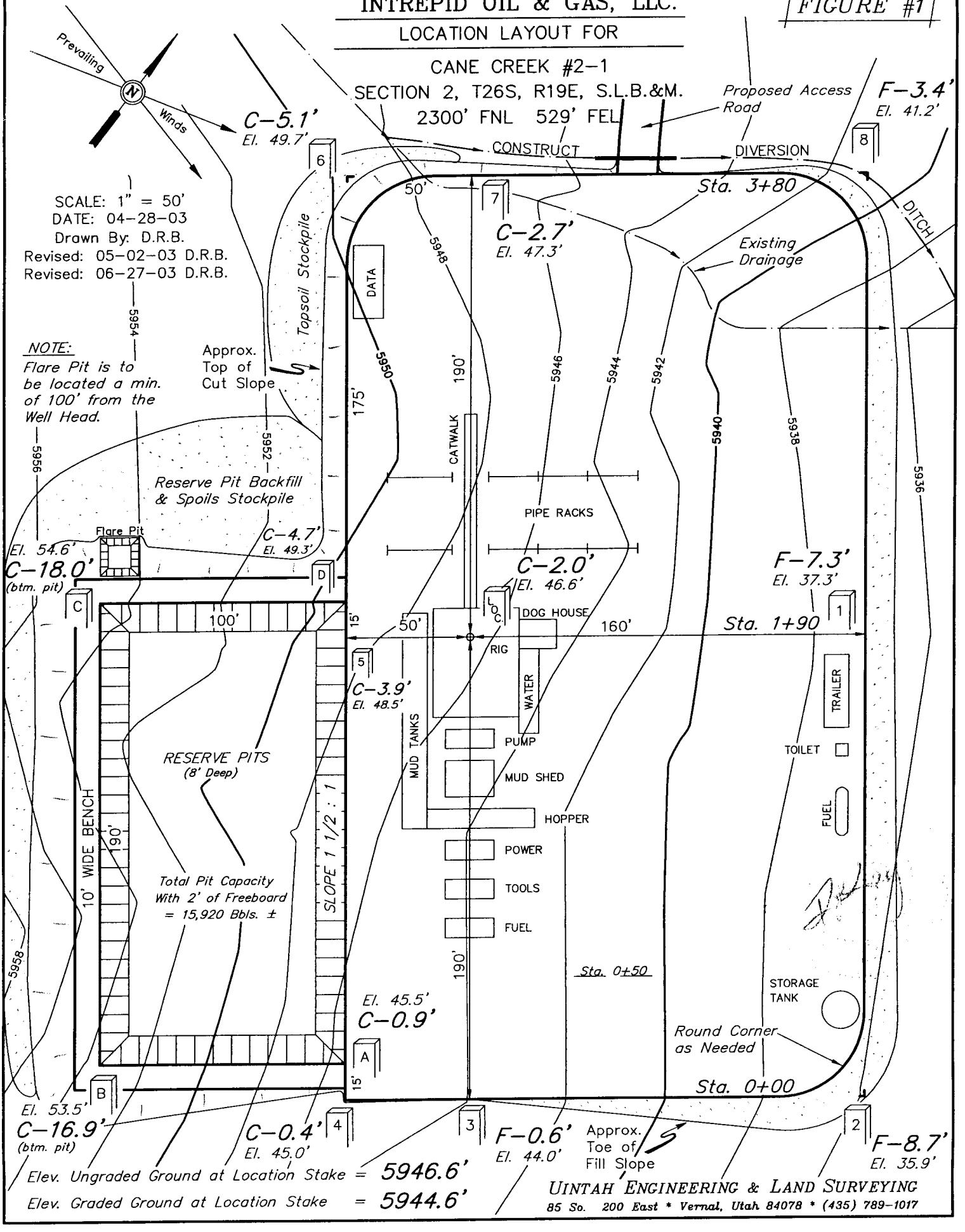
cc: Intrepid Oil & Gas, LLC - Denver, CO
Utah State Lands - SLC, UT

INTREPID OIL & GAS, LLC.

LOCATION LAYOUT FOR

CANE CREEK #2-1
SECTION 2, T26S, R19E, S.L.B.&M.
2300' FNL 529' FEL

FIGURE #1



Elev. Ungraded Ground at Location Stake = 5946.6'

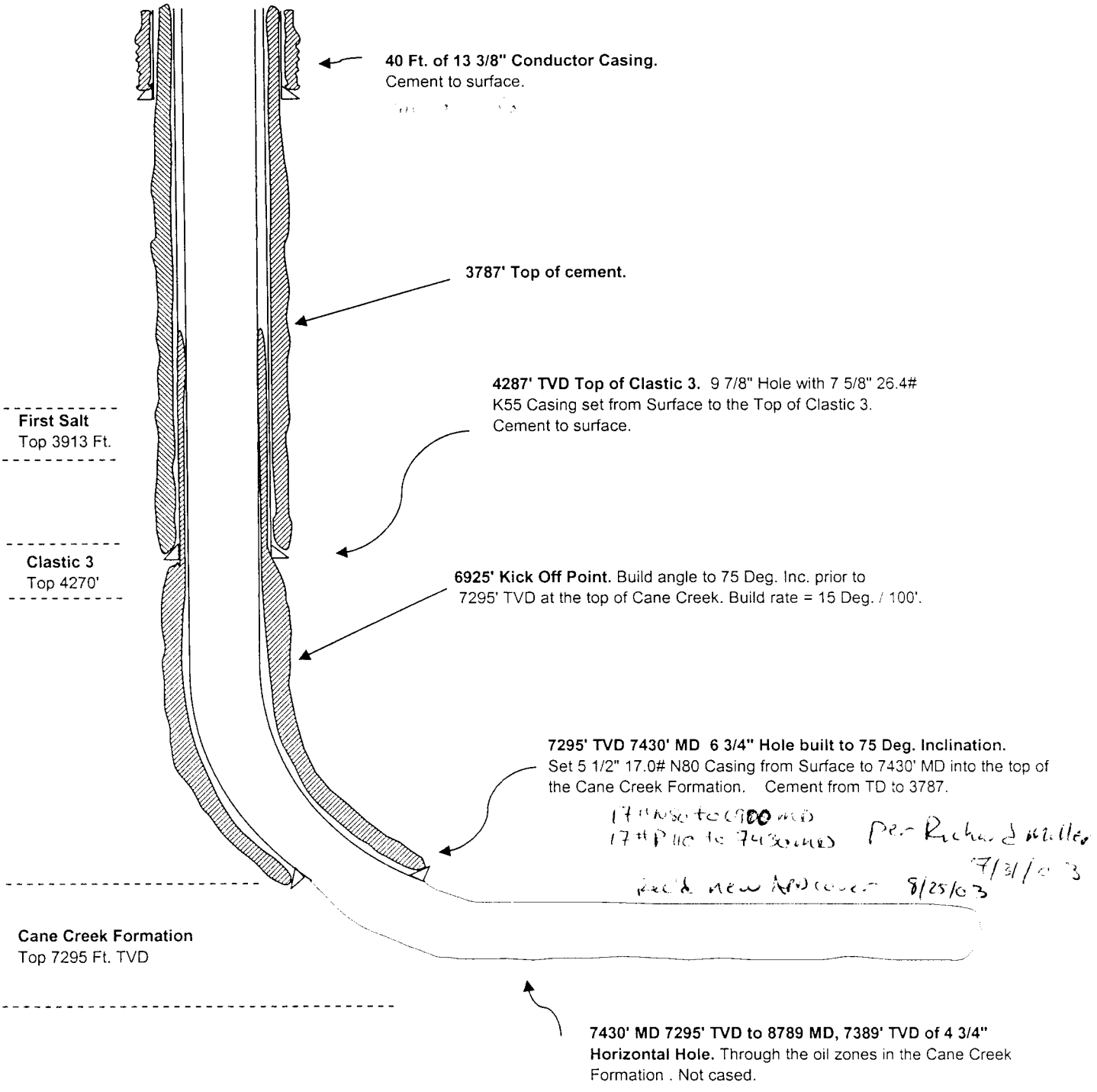
Elev. Graded Ground at Location Stake = 5944.6'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

Intrepid Oil and Gas LLC

Cane Creek 2-1 Horizontal Well.

Sec. 2, T26S-R19E



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

FORM 3

AMENDED REPORT ☑
(highlight changes)

005

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO.: ML-40761
6. SURFACE: State

1A. TYPE OF WORK: DRILL ☒ REENTER ☐ DEEPEN ☐

7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

B. TYPE OF WELL: OIL ☒ GAS ☐ OTHER _____ SINGLE ZONE ☒ MULTIPLE ZONE ☐

8. UNIT or CA AGREEMENT NAME: Cane Creek Unit

2. NAME & ADDRESS OF OPERATOR: Intrepid Oil & Gas, LLC, 700 - 17th St., Suite 1700, Denver, CO 80202
PHONE NUMBER: 303/296-3006

9. WELL NAME and NUMBER: Cane Creek #2-1

3. NAME & ADDRESS OF AGENT: Permitco, Inc., 14421 County Road 10, Ft. Lupton, CO 80621
PHONE NUMBER: 303/857-9999

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: SE NE, 2300' FNL and 529' FEL
AT PROPOSED PRODUCING ZONE: Lot 7, 1310' FNL and 1517' FEL

11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN:
Sec. 2, T26S-R19E (Surface)
Sec. 2, T26S-R19E (Bottom)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 24 miles West of Moab, UT

12. COUNTY: Grand
13. STATE: Utah

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 500'
16. NUMBER OF ACRES IN LEASE: 715.5
17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 680 Acres

18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): None
19. PROPOSED DEPTH: 7389' MD - 8789' MD
20. BOND DESCRIPTION: Statewide Bond No. UTB000029

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5947' GL
22. APPROXIMATE DATE WORK WILL START: ASAP
23. ESTIMATED DURATION: 32 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
17-1/2"	13-3/8", K-55, 54.5#	400'	250 sx Type III, at 13.8 ppg, yield 1.7 cf/sk (415 cf total) Yield 1.4 cf/sk
9-7/8"	7-5/8", K-55, 26.4#	4287'	481 sx Class G Poz @12.6 ppg & 200 sx Class G @15.8 ppg
6-3/4"	5-1/2", N-80, 17.0#	6800' MD	320 sx Class G 15.8 ppg. TOC @ 3787'
6-3/4"	5-1/2", P-110, 17.0#	6800-7389'	See above
4-1/2"	Open - Hole Completion	7389'-8789'	No Cement

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) Lisa L. Smith
TITLE Agent for Intrepid Oil & Gas, LLC
SIGNATURE Lisa Smith
DATE 5/29/2003 *(Revised 8-21-03)*

(This space for State use only)

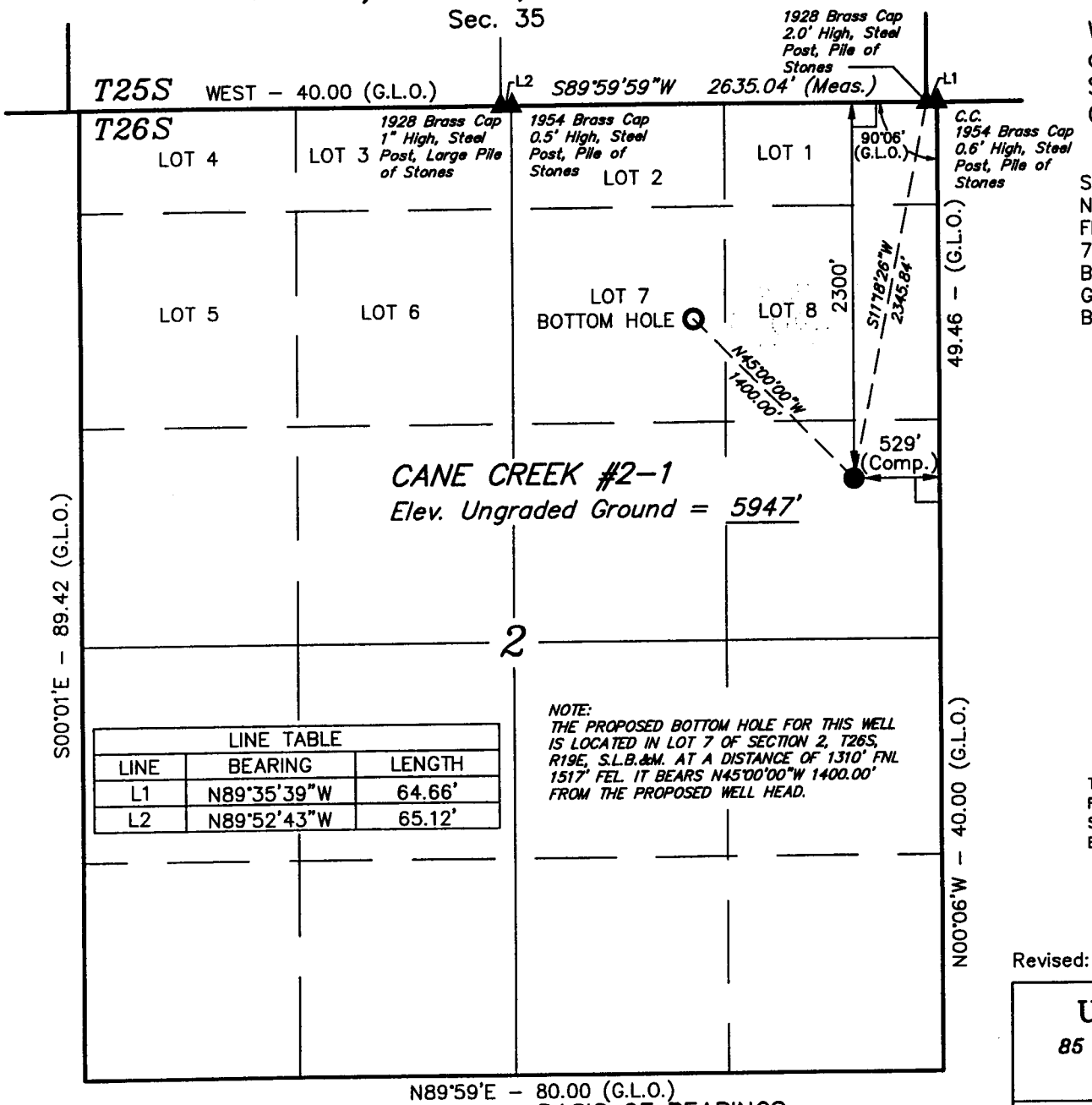
API NUMBER ASSIGNED: 43-019-31396

Approved by the Utah Division of Oil, Gas and Mining
Date: 08-26-03
By: [signature]
(See Instructions on Reverse Side)

RECEIVED
AUG 25 2003
DIV. OF OIL, GAS & MINING

(11/2001)

T26S, R19E, S.L.B.&M.



LINE TABLE		
LINE	BEARING	LENGTH
L1	N89°35'39"W	64.66'
L2	N89°52'43"W	65.12'

NOTE:
THE PROPOSED BOTTOM HOLE FOR THIS WELL IS LOCATED IN LOT 7 OF SECTION 2, T26S, R19E, S.L.B.&M. AT A DISTANCE OF 1310' FNL 1517' FEL. IT BEARS N45°00'00"W 1400.00' FROM THE PROPOSED WELL HEAD.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.
(AUTONOMOUS NAD 83)
LATITUDE = 38°34'22.93" (38.573036)
LONGITUDE = 109°47'03.96" (109.784433)

LEGEND:

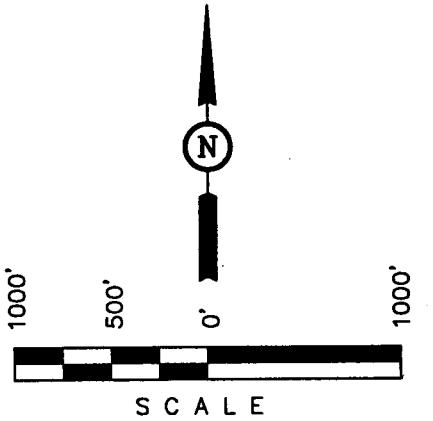
└ = 90° SYMBOL
● = PROPOSED WELL HEAD.
▲ = SECTION CORNERS LOCATED.

INTREPID OIL & GAS, LLC.

Well location, CANE CREEK #2-1, located as shown in the SE 1/4 NE 1/4 of Section 2, T26S, R19E, S.L.B.&M., Grand County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT A ROAD INTERSECTION IN THE NW 1/4 OF SECTION 1, T26S, R19E, S.L.B.&M., TAKEN FROM THE KNOLL QUADRANGLE, UTAH, GRAND COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5900 FEET.



CERTIFICATE

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

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

Revised: 05-02-03 D.R.B.

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789-1017

SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 1000'	04-25-03	04-28-03
PARTY: S.H. R.D. D.R.B.	REFERENCES: G.L.O. PLAT	
WEATHER: WARM	FILE: INTREPID OIL & GAS, LLC.	

Well name:	**07-03 Intrepid Cane Creek 2-1**
Operator:	**Intrepid**
String type:	Conductor
Location:	Grand County
Project ID:	43-019-31396

Design parameters:

Collapse

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 126 psi

Internal gradient: 0.120 psi/ft

Calculated BHP 174 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on buoyed weight.

Neutral point: 350 ft

Environment:

H2S considered? No

Surface temperature: 75 °F

Bottom hole temperature: 81 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 1,500 ft

Cement top: Surface

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	400	13.375	54.50	K-55	ST&C	400	400	12.49	43.1

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	174	1130	6.479	174	2730	15.65	19	547	28.67 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: (281) 447-8818
FAX: (281) 447-8933

Date: August 26,2003
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 400 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**07-03 Intrepid Cane Creek 2-1**
Operator:	**Intrepid**
String type:	Surface
Location:	Grand County
Project ID:	43-019-31396

Design parameters:

Collapse

Mud weight: 9.400 ppg

Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 3,773 psi

Internal gradient: 0.120 psi/ft

Calculated BHP 4,287 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on buoyed weight.

Neutral point: 3,691 ft

Environment:

H2S considered?	No
Surface temperature:	75 °F
Bottom hole temperature:	135 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	40 ft
Cement top:	1,305 ft

Non-directional string.

Re subsequent strings:

Next setting depth:	6,800 ft
Next mud weight:	14.000 ppg
Next setting BHP:	4,945 psi
Fracture mud wt:	19.250 ppg
Fracture depth:	4,287 ft
Injection pressure	4,287 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	4287	7.625	26.40	K-55	ST&C	4287	4287	6.844	223.9

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2093	2890	1.381	4287	4140	0.97	97	342	3.51 J

mud @ Frac gradient of 1 psi/ft OR
pressure expected @ time of cementing 2095 psi

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: (281) 447-8818
FAX: (281) 447-8933

Date: August 26,2003
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 4287 ft, a mud weight of 9.4 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**07-03 Intrepid Cane Creek 2-1**
Operator:	**Intrepid**
String type:	Intermediate
Location:	Grand County
Project ID:	43-019-31396

Design parameters:

Collapse

Mud weight: 14.000 ppg

Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 5,638 psi

Internal gradient: 0.120 psi/ft

Calculated BHP 6,512 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on buoyed weight.

Neutral point: 5,737 ft

Environment:

H2S considered?	No
Surface temperature:	75 °F
Bottom hole temperature:	177 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	1,500 ft
Cement top:	3,674 ft

Directional well information:

Kick-off point	6925 ft
Departure at shoe:	249 ft
Maximum dogleg:	15 °/100ft
Inclination at shoe:	69.6 °

Re subsequent strings:

Next setting depth:	7,389 ft
Next mud weight:	17.000 ppg
Next setting BHP:	6,525 psi
Fracture mud wt:	19.250 ppg
Fracture depth:	7,295 ft
Injection pressure	7,295 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
2	6800	5.5	17.00	N-80	LT&C	6800	6800	4.767	234.3
1	589	5.5	17.00	P-110	LT&C	7283	7389	4.767	20.3

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
2	4945	6290	1.272	6454	7740	1.20	98	348	3.57 J
1	5297	7068	1.334	6512	10640	1.63	-18	445	-24.62 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining
Phone: (281) 447-8818
FAX: (281) 447-8933

Date: August 26,2003
Salt Lake City, Utah

Remarks:

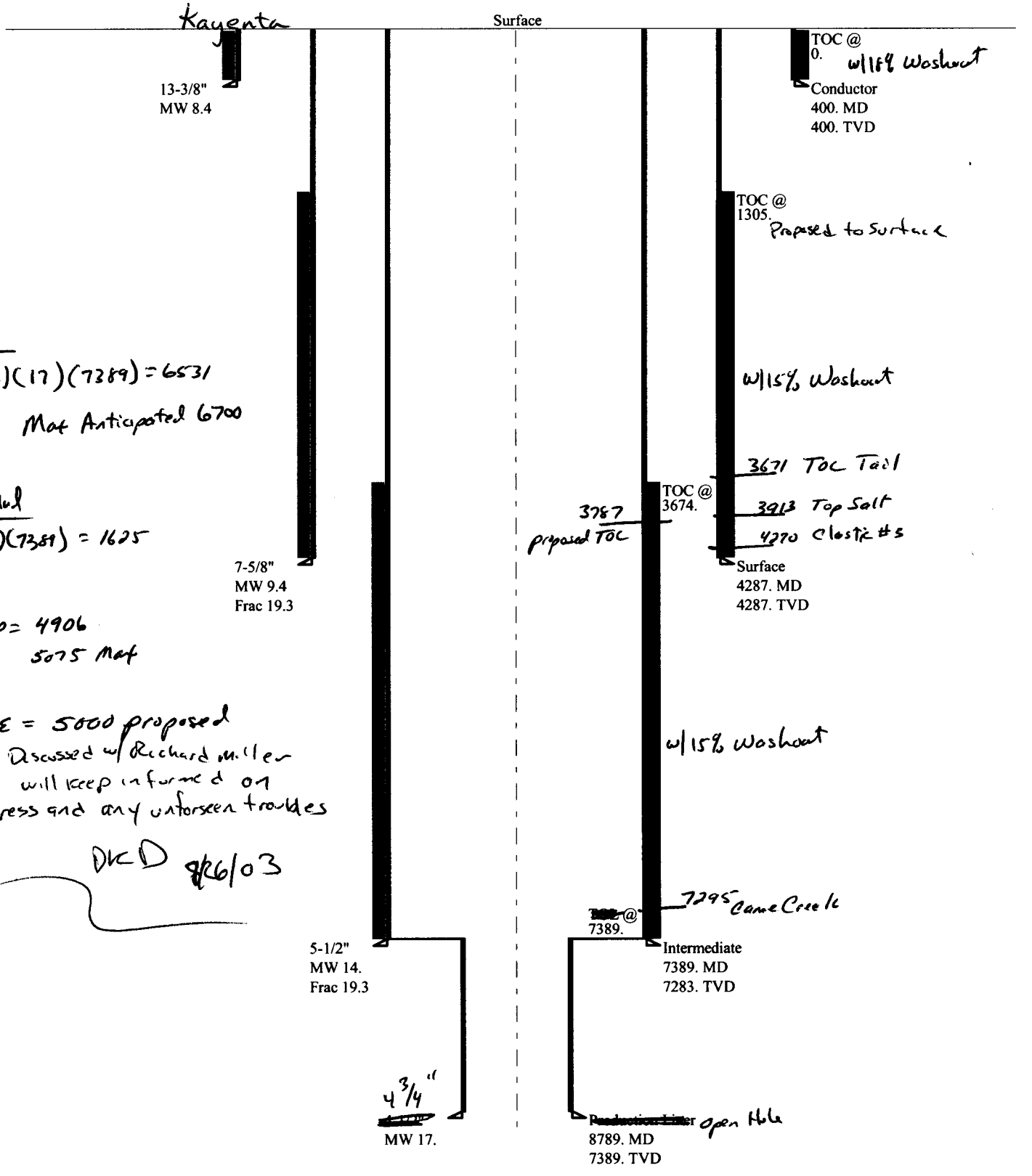
Collapse is based on a vertical depth of 7283 ft, a mud weight of 14 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.
Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Engineering responsibility for use of this design will be that of the purchaser.

07-03 Intrepid Cane Creek 1

Casing Schematic



BHP

(.052)(17)(7389) = 6531

Max Anticipated 6700

Gas/Mud

(.22)(7389) = 1625

MASP = 4906

5075 Max

BOPE = 5000 proposed

Discussed w/ Richard Miller

OK will keep informed on progress and any unforseen troubles

DKD 8/26/03

Intrepid Cane Creek 2-1

T26S – R 19E

	Well Name	Depth	Mud WT	SIZE	WT	Grade	Conn.	Collapse
	Kane Spring Fed 3-1	7640	15-18	7"	29	HCN-80	LTC	9200
Horz - open Hole	Cane Creek Fed 11-1	7710	15-18	7"	32	J-55	LTC	10,400
Horz Section Liner Run	Kane Spring Fed 20-1	7067	16.5	7"	29	S-95		
	Cane Creek 2-1	7389	10.8-17	5.5"	17	N-80	LTC	6290 @ 14# Mud

pipe failure > 14# Mud

004

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 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

August 26, 2003

Intrepid Oil & Gas LLC
700 - 17th Street, Suite 1700
Denver, CO 80202

Re: Cane Creek 2-1 Well, 2300' FNL, 529' FEL, SE NE, Sec. 2, T. 26 South, R. 19 East, Bottom Location 1310' FNL, 1517' FEL, NW NE, Sec. 2, T. 26 South, R. 19 East, 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.

In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

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 43-019-31396.

Sincerely,

John R. Baza
Associate Director

pab
Enclosures

cc: Grand County Assessor
SITLA

Utah!
Where ideas connect

Operator:	Intrepid Oil & Gas LLC
Well Name & Number	Cane Creek 2-1
API Number:	43-019-31396
Lease:	ML-40761

Location:	SE NE	**Sec.** 2	**T.** 26 South	**R.** 19 East
Bottom Location:	NW NE	**Sec.** 2	**T.** 26 South	**R.** 19 East

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

   The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

   - 24 hours prior to cementing or testing casing
   - 24 hours prior to testing blowout prevention equipment
   - 24 hours prior to spudding the well
   - within 24 hours of any emergency changes made to the approved drilling program
   - prior to commencing operations to plug and abandon the well

   The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

   - Dan Jarvis at (801) 538-5338
   - Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

   All required reports, forms and submittals will 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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

006

CONFIDENTIAL - TIGHT HOLE

Cane Creek #2-1
SE NE 2300' FNL and 529' FEL (Surface)
Lot 7, 1310' FNL and 1517' FEL (Btm. Hole)
Section 2, T26S - R19E
Grand County, Utah

Prepared For:

Intrepid Oil & Gas, LLC

By:

PERMITCO INC.
14421 County Road 10
Fort Lupton, CO 80621
303/857-9999

Copies Sent To:

3 - Utah Division of Oil, Gas & Mining - SLC, UT
1 - Utah Division of State Lands - SLC, UT
2 - Intrepid Oil & Gas, LLC - Denver, CO

The proposed wellsite is located on State Surface/State Minerals.

1. Estimated Tops/Geologic Markers

The estimated tops of important geologic markers are as follows:

5955' KB

Formation	*Depth*	*Subsea*
Ground	5945'	+10'
Lasal	3325'	+2630'
Top Salt	3913'	+2042'
Cane Creek (Clastic 21)	7295'	-1340'
TD	8789' MD - 7389' TVD	-1434'

2. Estimated Depths and Names of Anticipated Water, Oil, Gas or Other Minerals Bearing Formations.

Substance	*Formation*	*Depth*
Brine	Clastic 15	6500'
Oil	Cane Creek	7295'

3. Well Control Equipment & Testing Procedures

Intrepid Oil & Gas, LLC's minimum specifications for pressure control equipment are as follows:
Rotating Head NU to "Conductor" – to drill to salt next setting depth Richard Miller 7/31/03
Ram Type: 11" Hydraulic double, 5000 psi w.p.

Intrepid Oil & Gas, LLC will comply will all requirements pertaining to well control as listed in the Rule R649-3-7 of the Utah Division of Oil, Gas & Mining.

The size and rating of the BOP stack is shown on the attached diagram.

PETROLEUM PERMITTING PERMITCO COMPANY

4. Casing Program

** The proposed casing program will be as follows:

Purpose	*Depth*	*Hole Size*	*O.D.*	*Weight*	*Grade*	*Type*	*New/Used*
Conductor	0-400'	20"	13-3/8"	54.5	K-55	8rd	New
Surface	0-4287'	9-7/8"	7-5/8"	26.4#	K-55	8rd	New
Intermediate	0-6800' MD	6-3/4"	5-1/2"	17.0#	N-80	8rd	New
Intermediate	6800-7389'	6-3/4"	5-1/2"	17.0#	P-110	8 rd	New
Production	7389'-8789'	4-1/2"	Open - Hole Completion				

Casing depths subject to revision based on geologic conditions encountered.

5. Cement Program
**

Conductor	*Type and Amount*
0-400'	250 sx Type III, at 13.8 ppg, yield 1.7 cubic feet/sk (415 cubic feet total, Yield = 1.4 cubic feet/sk.
Surface	***Type and Amount***
0-4287' Cement to surface	Lead: Lead: 481 sx Class G (35:65) POZ @12.6 ppg. Yield 1.9 cubic feet/sk. Tail: 200 sx Class G @15.8 ppg (1150 cubic feet total), Yield 1.19 cubic feet/sk.
Intermediate	***Type and Amount***
0-7389' MD TOC @ 3787'	Tail: 320 sx Class G @15.8 ppg (380 cubic feet total) Yield 1.9 cubic feet per sack.

(Revised 8-21-03)

PETROLEUM PERMITTING
PERMITCO
COMPANY

6. Drilling Fluids

** The proposed circulating mediums to be employed in drilling are as follows:

Interval	Mud Type	Mud Wt.	Visc.	F/L	PH
0-400'	Air or Fresh Water-Gel	8.8-9.4	30-38	20-30 cc's	8.5
0 - 4287'	Air or Fresh Water - Gel	8.8 - 9.4	30 - 38	20 - 30 cc's	8.5
4287' - TD	Sat. Salt Water - Gel	10.8 - 17.0	35 - 55	10 - 20 cc's	7 - 8

Drill w/air to Salt w/3200CFM Common in Area (± 4287')

7. Testing, Logging and Coring

The anticipated type and amount of testing, logging and coring are as follows:

a. No drill stem tests are anticipated.

b. The logging program will consist of a Caliper, Sonic/FMD/CNL, CBL & GR from 7200' to surface. A MWD GR will be run from 7200' - 8789'.

c. No cores are anticipated.

8. Anticipated Pressures and H_2S

a. No H_2S is expected. The maximum anticipated bottom hole pressure is 6700 psi. The maximum bottom hole temperature is 150 degrees.

9. Water Source

a. All water used for the drilling of this well will be purchased from the City of Moab, Utah. All necessary permits will be filed by Harrison Oil Field Service.

***** (Revised 8-21-03)***

PETROLEUM PERMITTING PERMITCO COMPANY

10. Other Information

a. Drilling is planned to commence on or before ***October 15, 2003.***

b. It is anticipated that the drilling of this well will take approximately 32 days.

c. Following drilling and completion, portions of the pad are not needed for production facilities will be reclaimed. If the well is plugged and abandoned the entire well will be reclaimed as per the requirements of State Lands.

019

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

FORM 3

AMENDED REPORT ☑
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO.: UTU-65972
6. SURFACE: State

1A. TYPE OF WORK: DRILL ☒ REENTER ☐ DEEPEN ☐

7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

B. TYPE OF WELL: OIL ☒ GAS ☐ OTHER _____ SINGLE ZONE ☒ MULTIPLE ZONE ☐

8. UNIT or CA AGREEMENT NAME: Cane Creek Unit

2. NAME & ADDRESS OF OPERATOR: Intrepid Oil & Gas, LLC. 1700 - 17th St., Suite 1700 Denver, CO 80202
PHONE NUMBER: 303/296-3006

9. WELL NAME and NUMBER: Cane Creek #2-1

3. NAME & ADDRESS OF AGENT: Permitco Inc. 14421 County Road 10 Ft. Lupton, CO 80621
PHONE NUMBER: 303/857-9999

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: SE NE, 2300' FNL and 529' FEL
AT PROPOSED PRODUCING ZONE: NW SW, 1900' FSL and 1240' FWL

11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN:
Sec. 2, T26S-R19E (Surface)
Sec. 1, T26S-R19E (Bottom)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 24 miles northwest of Moab, Utah

12. COUNTY: Grand
13. STATE: Utah

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 529'
16. NUMBER OF ACRES IN LEASE: 2037.50
17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160 Acres

18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): None
19. PROPOSED DEPTH: 7700' MD Vertical; 9782' MD - 7261' TVD Horizontal
20. BOND DESCRIPTION: Statewide Bond Number UTB000029

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,947' GL
22. APPROXIMATE DATE WORK WILL START: December 15, 2003
23. ESTIMATED DURATION: 32 Days

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
17-1/2"	13-3/8", H-40, 48#	400'	490 sx Glass G, 15.8 ppg. 1.15 ft3/sk (564 cubic feet)
12-1/4"	9-5/8", N-80, 40#	4,287'	Lead: 655 sx Class G, 11.7 ppg, 2.66 ft3/sk (1742 cubic feet)
			Tail: 195 sx 50:50 Poz Class G, 13.5 ppg, 1.3 ft3/sk (254 cubic feet)
8-3/4"	7", P-110, 26#	7,700'	725 sx Class G, 16.4 ppg, 1.08 ft3/sk (783 cubic feet)
6-1/8"	4-1/2", N-80, 11.6#	9,782'	uncemented 4-1/2" slotted liner

ATTACHMENTS

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

CONFIDENTIAL-TIGHT HOLE

- ☑ 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) Lisa L. Smith
TITLE Agent for Intrepid Oil & Gas, LLC.
SIGNATURE Lisa Smith
DATE November 20, 2003

(This space for State use only)

NUMBER ASSIGNED: _____
APPROVAL:

(11/2001)

(See instructions on Reverse Side)

T26S, R19E, S.L.B.&M.

Sec. 35

T25S WEST – 40.00 (G.L.O.) L2 S89°59'59"W 2635.04' (Meas.) L1

T26S

1928 Brass Cap 2.0' High, Steel Post, Pile of Stones

1928 Brass Cap 1" High, Steel Post, Large Pile of Stones

1954 Brass Cap 0.5' High, Steel Post, Pile of Stones

C.C. 1954 Brass Cap 0.6' High, Steel Post, Pile of Stones

90°06' (G.L.O.)

LOT 4 | LOT 3 | LOT 2 | LOT 1

LOT 5 | LOT 6 | LOT 7 | LOT 8

2300'

S17°18'26"W 2345.84'

49.46 – (G.L.O.)

529' (Comp.)

CANE CREEK #2-1

Elev. Ungraded Ground = 5947'

S46°06'22"E 2458.45'

2

S00°01'E – 89.42 (G.L.O.)

N00°06'W – 40.00 (G.L.O.)

BOTTOM HOLE

NOTE:
THE PROPOSED BOTTOM HOLE FOR THIS WELL IS LOCATED IN NW 1/4 SW 1/4 OF SECTION 1, T26S, R19E, S.L.B.&M. AT A DISTANCE OF 1900' FSL 1240' FWL. IT BEARS S46°06'22"E 2458.45' FROM THE PROPOSED WELL HEAD.

LINE TABLE		
LINE	BEARING	LENGTH
L1	N89°35'39"W	64.66'
L2	N89°52'43"W	65.12'

N89°59'E – 80.00 (G.L.O.)

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.
(AUTONOMOUS NAD 83)
LATITUDE = 38°34'22.93" (38.573036)
LONGITUDE = 109°47'03.96" (109.784433)

LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

INTREPID OIL & GAS, LC.

Well location, CANE CREEK #2-1, located as shown in the SE 1/4 NE 1/4 of Section 2, T26S, R19E, S.L.B.&M., Grand County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT A ROAD INTERSECTION IN THE NW 1/4 OF SECTION 1, T26S, R19E, S.L.B.&M., TAKEN FROM THE KNOLL QUADRANGLE, UTAH, GRAND COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5900 FEET.

N

1000' 500' 0' 1000'

SCALE

CERTIFICATE

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

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

Revised: 11-06-03 D.R.B.
Revised: 05-02-03 D.R.B.

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 04-25-03	DATE DRAWN: 04-28-03
PARTY S.H. R.D. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE INTREPID OIL & GAS, LLC.	

CORNERS
ARCHAEOLOGICAL SERVICES

P.O. Box 418
Moab, UT 84532
(435) 259-2777

Mr. Kenny Wintch, Archaeologist
State of Utah School & Institution
Trust Lands Administration
675 E, 500S, Suite 500
Salt Lake City, UT 84102-2818

May 6, 2003

Dear Kenny,

Enclosed please find a copy of our archaeological survey report for Intrepid Oil & Gas Company's proposed Cane Creek Federal #2-1 well pad and access route in Grand County, Utah. A total of 11.0 acres were inventoried for cultural resources.

No cultural resources were found in the project area and no further management recommendations are necessary.

Sincerely,

Carol

Carol S. DeFrancia
Principal Investigator

CSD/distribution:
Mr. Jim Dykeman, Division of State History, Salt Lake
Ms. Jan Podoll, Intrepid Oil & Gas, Denver
Ms. Lisa Smith, Permitco, Ft. Lupton

ARCHAEOLOGICAL SURVEY OF INTREPID OIL & GAS COMPANY'S PROPOSED CANE CREEK FEDERAL #2-1 WELL PAD & ACCESS ON STATE LAND, GRAND COUNTY, UTAH

4-CAS REPORT 2317

by
Carol S. DeFrancia

4-CORNERS ARCHAEOLOGICAL SERVICES
76 S. Main Street
Moab, Utah 84532
(801) 259-2777

May 6, 2003

FEDERAL ANTIQUITIES PERMIT 03UT62712
Utah State Permit No. U-03-FE-0255s

Prepared For:
Intrepid Oil & Gas LLC
700 17th St., Ste. 1700
Denver, CO 80202

TABLE OF CONTENTS

	page no.
Abstract	1
Introduction	1
Project Area	1
Physiography and Environment	4
Previous Research	4
Examination Procedures	5
Survey Results	5
Conclusion	5
References	5

LIST OF FIGURES

Figure 1.	General Vicinity of Project Area	2
Figure 2.	Project Map	3

ABSTRACT

The archaeological survey of Intrepid Oil & Gas Company's proposed Cane Creek Federal #2-1 well pad and access route was conducted by personnel of 4-Corners Archaeological Services on May 2, 2003. The project is located on Utah State Administered Trust Lands in the vicinity of The Knoll in Grand County, Utah, approximately twenty miles northwest of the town of Moab. A total of 11.0 acres were inventoried for cultural resources.

No cultural resources were found in the project area and no further management recommendations are necessary.

INTRODUCTION

The archaeological survey of Intrepid Oil & Gas Company's proposed Cane Creek Federal #2-1 well pad and access route was conducted by Carol DeFrancia of 4-Corners Archaeological Services on May 2, 2003. The project is located along an upland mesa area north of Big Flat (Figure 1) on Utah State Administered Trust Lands in Grand County, Utah. The survey was requested by Ms. Lisa Smith of Permitco Inc. Unitah Engineering and Land Surveying personnel staked and flagged the well pad and access route prior to the survey. The proposed well location is situated on a northeast facing slope and will be accessed (ca. 300') from an existing dirt road. A total of 11.0 acres were inventoried for cultural resources (Figure 2).

Federal and state governments have enacted legislation that is designed to conserve and protect cultural resources. The principal federal legislation includes the Antiquities Act of 1906 (PL 52-209), the National Historic Preservation Act of 1966 (PL 89-665), the National Environmental Policy Act of 1969 (PL 91-190), the 1971 Executive Order No. 11593, the Archaeological and Historical Conservation Act of 1974 (PL 93-291), and the Archaeological Resource Protection Act (ARPA) of 1978 (PL 95-96).

No cultural resources were found in the project area and no further management recommendations are necessary.

PROJECT AREA

Map Reference: The Knoll, UT, 1988 (7.5' series maps)

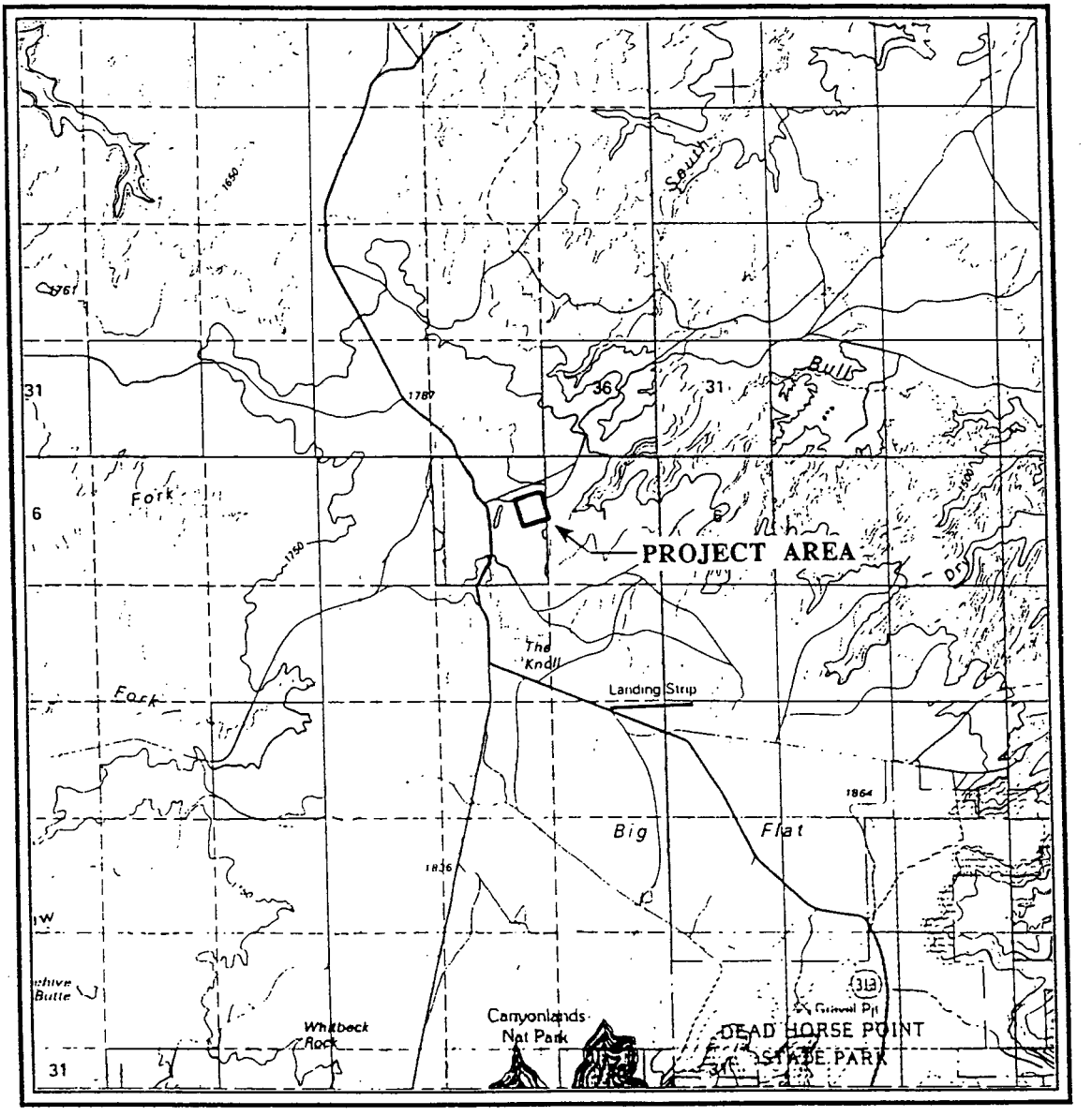
Total Project Area: 3.2 acres; area surveyed 11.0 acres

Cane Creek Federal #2-1 Well Pad

Legal Description: T26S, R19E: SE/SE/NE of section 2 (SLM)

Center Stake: 2300' FNL, 529' FEL; section 2

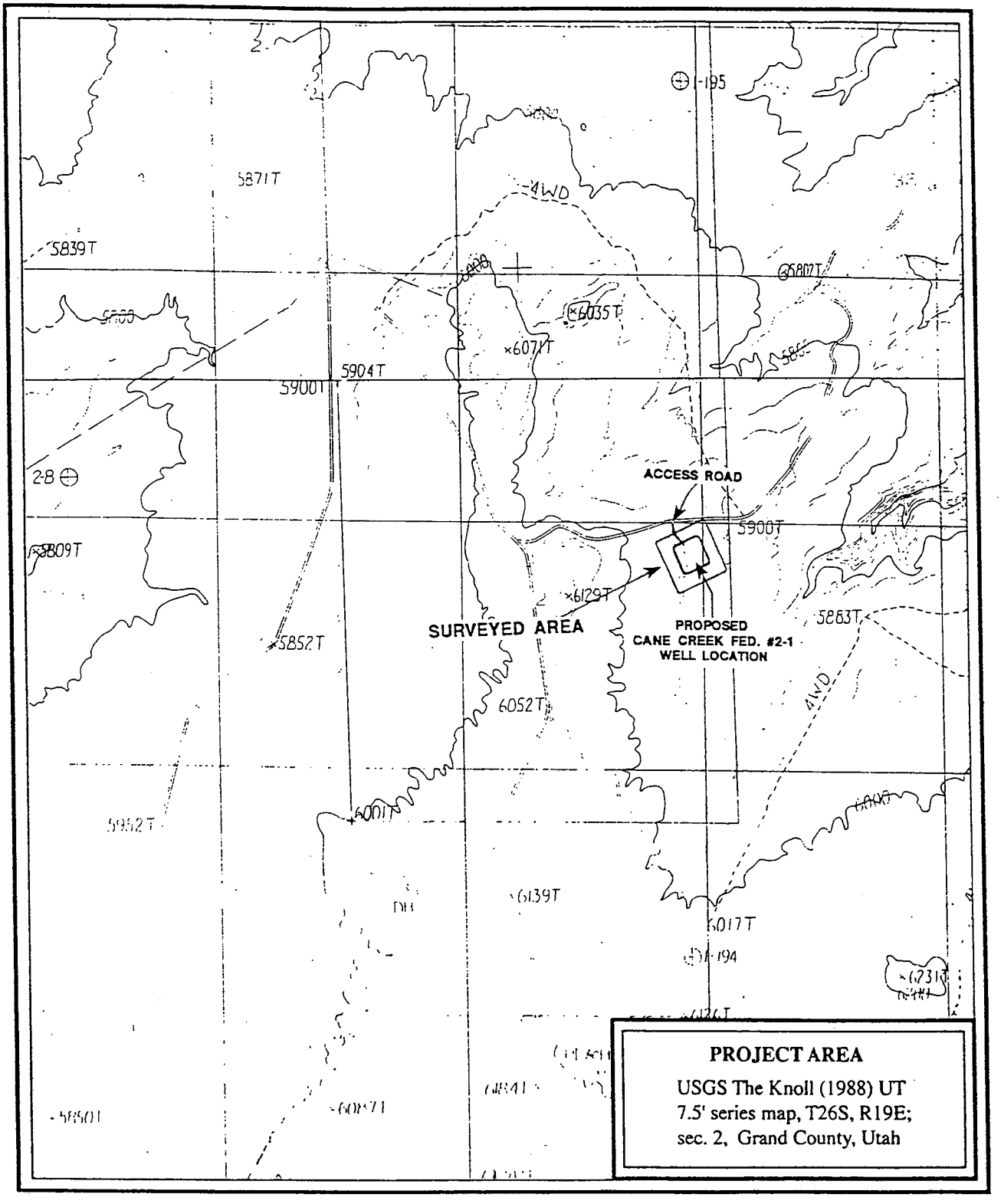
UTM Coordinates: (Surveyed Area)		Easting	Northing
	NW Corner	605820m	4269920m
	NE Corner	606010m	4270020m
	SE Corner	606100m	4269810m
	SW Corner	605900m	4269720m



GENERAL VICINITY OF PROJECT AREA

USGS 1: 62 000

(Figure 1)



5871T
5839T
5904T
5900T
6035T
6071T
ACCESS ROAD
5900T
6129T
SURVEYED AREA
PROPOSED
CANE CREEK FED. #2-1
WELL LOCATION
5883T
5852T
6052T
6001T
6139T
6017T
4WD
PROJECT AREA
USGS The Knoll (1988) UT
7.5' series map, T26S, R19E;
sec. 2, Grand County, Utah

(Figure 2)

Project Area:	Well Pad 380 x 320'; (2.8 acres)
Surveyed Area:	660 x 660' (10 acres)
Results:	No cultural resources found

Well Pad Access

Legal Description:	T26S, R19E; SE/SE/NE of section 2

UTM Coordinates: (Zone 12)		Easting	Northing
	N end	605880m	4270000m (road tie)
	S end	605920m	4269920m

Project Area:	300' long, maximum 60' wide (.41 acres)
Surveyed Area:	300' x 150' (1.0 acres)
Results:	No cultural resources found

PHYSIOGRAPHY AND ENVIRONMENT

The project area is located in Grand County, Utah, in the vicinity of The Knoll, north of Big Flat, approximately twenty miles northwest of the town of Moab. The area lies in the Northern Colorado Plateau physiographic province and is a structural element of the Green River Desert, a physiographic subdivision of the Canyonlands Section (Rigby 1976; Stokes 1987). Terrain is characterized by a gently undulating planar surface, within a transitional upland mesa area. Sediments are predominately sandy loams and aeolian silts and sands, including localized dunes and occassional residual sandstone knolls and buttes (ie. The Knoll).

Vegetation in the project area is predominately a Pinyon/juniper woodland with an understory of sagebrush, Indian ricegrass, ephedra, rabbitbrush, snakeweed, extensive patches of prickly pear cactus, and bunch grass. A permanent water source in the area is the Colorado River, approximately ten miles southeast of the location.

Reptilian, avian, and mammalian associations are consistent with those of the Upper Sonoran Life Zone throughout the Colorado Plateau.

Currently, most of the area is used for recreation, livestock grazing, and limited oil and gas development.

PREVIOUS RESEARCH

A file search was conducted in April and May of 2003 at the BLM Field Office in Moab and the Division of State History in Salt Lake. The results of the review indicated that a number of oil and gas related surveys and road improvement inventories have been conducted in the vicinity between the late 1970's and early 1990's (Conner 1991; Davis et. al. 1989; DeFrancia 1997; Harden 1984; Tipps 1991; and Westfall 1984), including one extensive BLM survey within the project vicinity (Pierson 1980). More recently, an

extensive 3D seismic project survey (Frizell 2001) was conducted in the immediate project area but did not indicate any cultural resources found within the proposed well pad construction zone or associated access route. The closest documented archaeological site lies over 1200' southeast of the well location. The file search indicated that no archaeological sites are documented in close proximity to the project area.

EXAMINATION PROCEDURES

Prior to the field investigations the well pad was staked and flagged. A 660 x 660' area surrounding the well center stake (10 acres) was inventoried by walking a series of parallel transects spaced 15m apart. Two parallel zig-zag transects were walked along the 2300' of access route (11.0 acres), covering a 150' wide corridor. This effectively gives a minimal 60' buffer on either side of the access road.

SURVEY RESULTS

No cultural resources were found in the project area.

CONCLUSION AND RECOMMENDATIONS

The archaeological survey of Intrepid Oil & Gas Company's proposed Cane Creek Federal #2-1 well pad and access route was conducted by personnel of 4-Corners Archaeological Services on May 2, 2003. The project is located on Utah State Administered Trust Lands in the vicinity of The Knoll in Grand County, Utah, approximately twenty miles northwest of the town of Moab. A total of 11.0 acres were inventoried for cultural resources.

No cultural resources were found in the project area and no further management recommendations are necessary.

REFERENCES

Conner, Carl E.
1991 Cultural Resource Inventory on the Proposed Opal Seismic Lines in Grand County, Utah. GRI Project No. 9120. Manuscript on file at BLM Moab Field Office, Moab.

Davis, William E., Deborah Westfall, Wayne K. Howell, and Christopher Coder
1989 Cultural Resource Survey and Evalustion along SR 313, Grand County, Utah. Abajo Archaeology, Bluff. Manuscript on file at BLM Moab District office; Utah State No. U-88-AS-5986.

DeFrancia, Carol S.
1997 Archaeological Survey & Testing of Aviara Energy Corporation's Proposed #11-1 Kane Springs Federal Well Pad, Grand County, Utah. 4-CAS Report No. 9724, Moab.

Frizell, Jon P.
2001 A Class III Cultural Resource Inventory of the Veritas Geophysical Fertilizer 3-D Seismic Grid in Grand County, Utah. North Platte Project 2001-1-1. Utah State No. U01-NV-0095bs. Ms on file at BLM Moab Field Office.

Harden, Patrick L.
1984 An Archeological Survey of Utah Department of Transportation's "Jct. US-191 to Dead Horse Point State Park" SR-313 Maintenance Project in Grand County, Utah. LAC Report 8440, Dolores. Manuscript on file at BLM Moab Field Office.

1984 The Archeological Survey of Petty-Ray Geophysical's Seismograph Lines No.s 26 & 29, Grand County, Utah. LAC Report 8456, Dolores. Manuscript on file at BLM Moab Field Office.

Rigby, Keith J.
1976 Northern Colorado Plateau. Brigham Young University, Provo.

Stokes, William Lee
1987 Geology of Utah. Occasional Paper Number 6. Utah Museum of Natural History, University of Utah, Salt Lake City.

Tipps, Betsy L.
1991 Cultural Resource Inventory of Five Well Pads & Access Routes in the Kane Springs Area, Grand County, Utah. CR Report 471-01-9117, PIII Associates Inc. Salt Lake. MS on file at BLM Moab Field office.

Westfall, Deborah A.
1984 Cultural Resource Inventories of Sefel Geophysical, LTD, Seismograph Lines 13Y, 13Z, 16X, 98X, 99X, 104X, and 105Y -1984, Grand and San Juan Counties, UT. Manuscript on file at BLM Moab District office; Utah State No. U-84-AS-25.

010

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

FORM 3

AMENDED REPORT ☑
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO.: UTU-65972
6. SURFACE: State

1A. TYPE OF WORK: DRILL ☒ REENTER ☐ DEEPEN ☐

7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

B. TYPE OF WELL: OIL ☒ GAS ☐ OTHER _____ SINGLE ZONE ☒ MULTIPLE ZONE ☐

8. UNIT or CA AGREEMENT NAME: Cane Creek Unit

2. NAME & ADDRESS OF OPERATOR: Intrepid Oil & Gas, LLC. — 1700 - 17th St., Suite 1700, Denver, CO 80202 — PHONE NUMBER: 303/296-3006

9. WELL NAME and NUMBER: Cane Creek #2-1

3. NAME & ADDRESS OF AGENT: Permitco Inc. — 14421 County Road 10, Ft. Lupton, CO 80621 — PHONE NUMBER: 303/857-9999

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 4269892Y 605941X 38.57304 -109.78387 SE NE, 2300' FNL and 529' FEL
AT PROPOSED PRODUCING ZONE: NW SW, 1900' FSL and 1240' FWL BHL 4269369Y 606504X 38.56826 -109.77749

11. QTR/QTR, SECTION, TOWNSHIP, RANGE MERIDIAN:
Sec. 2, T26S-R19E (Surface)
Sec. 1, T26S-R19E (Bottom)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 24 miles northwest of Moab, Utah

12. COUNTY: Grand
13. STATE: Utah

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 529'

16. NUMBER OF ACRES IN LEASE: 2037.50

17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160 Acres

18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): None

19. PROPOSED DEPTH: 7700' MD Vertical; 9782' MD - 7261' TVD Horizontal

20. BOND DESCRIPTION: Statewide Bond Number UTB000029

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,947' GL

22. APPROXIMATE DATE WORK WILL START: December 15, 2003

23. ESTIMATED DURATION: 32 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
17-1/2"	13-3/8", H-40, 48#	400'	490 sx Glass G, 15.8 ppg. 1.15 ft3/sk (564 cubic feet)
12-1/4"	9-5/8", N-80, 40#	4,287'	Lead: 655 sx Class G, 11.7 ppg, 2.66 ft3/sk (1742 cubic feet)
			Tail: 195 sx 50:50 Poz Class G, 13.5 ppg, 1.3 ft3/sk (254 cubic feet)
8-3/4"	7", P-110, 26#	7,700'	725 sx Class G, 16.4 ppg, 1.08 ft3/sk (783 cubic feet)
6-1/8"	4-1/2", N-80, 11.6#	9,782'	uncemented 4-1/2" slotted liner

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

CONFIDENTIAL-TIGHT HOLE

NAME (PLEASE PRINT) Lisa L. Smith — TITLE Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Lisa Smith — DATE November 20, 2003

(This space for State use only)

API NUMBER ASSIGNED: 43-019-31346

APPROVAL: Approved by the Utah Division of Oil, Gas and Mining
Date: 12-01-03
By: [signature]
(See Instructions on Reverse Side)

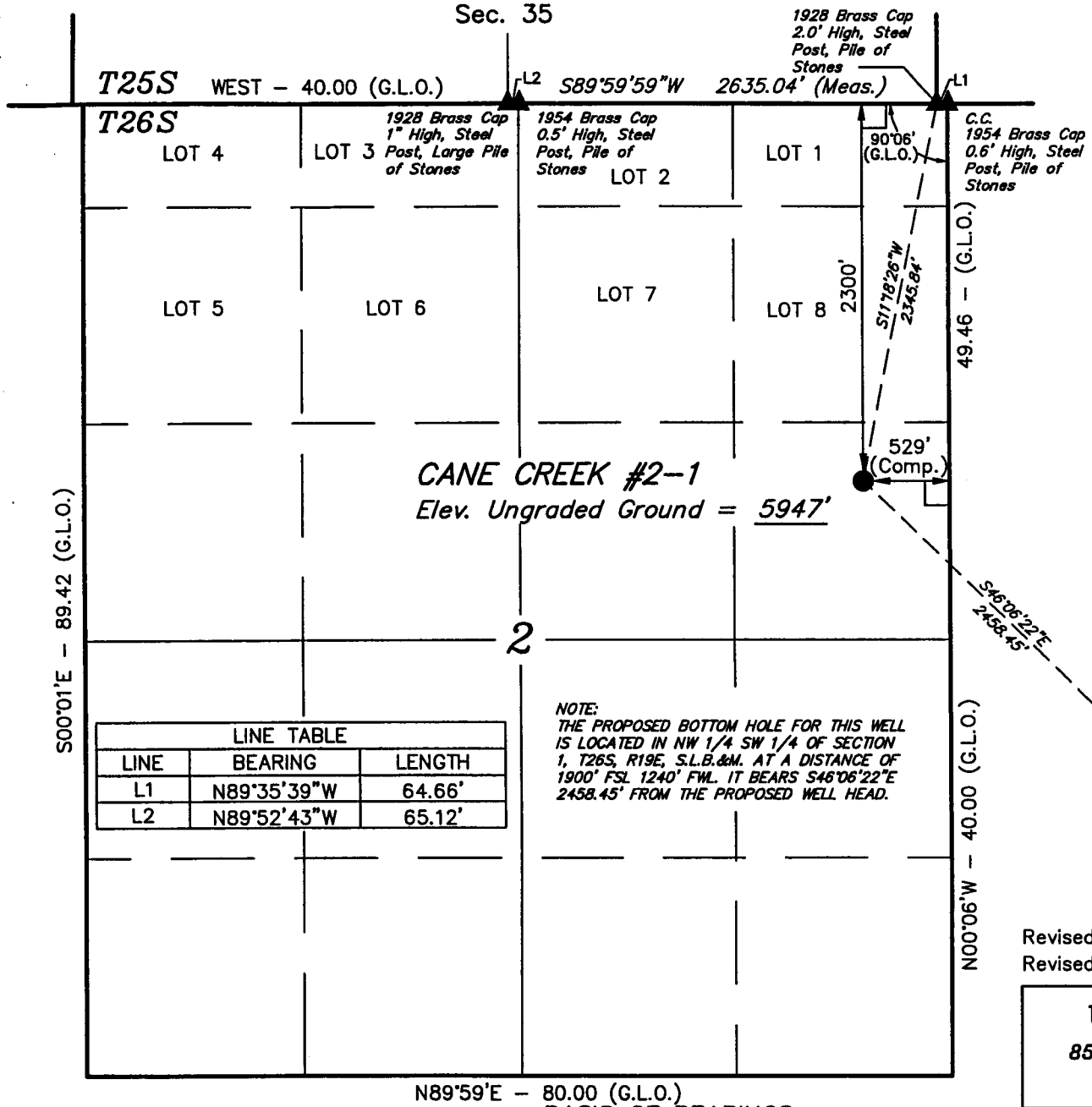
RECEIVED
NOV 24 2003
DIV. OF OIL, GAS & MINING

(11/2001)

T26S, R19E, S.L.B.&M.

INTREPID OIL & GAS, LLC.

Well location, CANE CREEK #2-1, located as shown in the SE 1/4 NE 1/4 of Section 2, T26S, R19E, S.L.B.&M., Grand County, Utah.

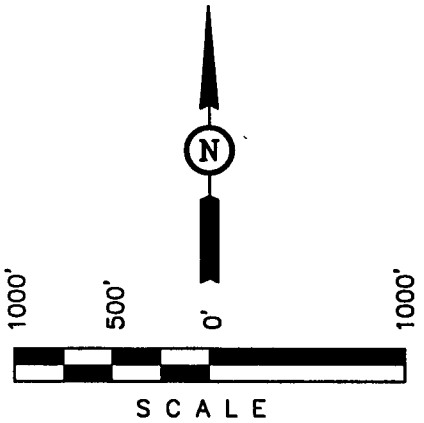


LINE TABLE		
LINE	BEARING	LENGTH
L1	N89°35'39"W	64.66'
L2	N89°52'43"W	65.12'

NOTE:
THE PROPOSED BOTTOM HOLE FOR THIS WELL IS LOCATED IN NW 1/4 SW 1/4 OF SECTION 1, T26S, R19E, S.L.B.&M. AT A DISTANCE OF 1900' FSL 1240' FWL. IT BEARS S46°06'22"E 2458.45' FROM THE PROPOSED WELL HEAD.

BASIS OF ELEVATION

SPOT ELEVATION AT A ROAD INTERSECTION IN THE NW 1/4 OF SECTION 1, T26S, R19E, S.L.B.&M., TAKEN FROM THE KNOLL QUADRANGLE, UTAH, GRAND COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5900 FEET.



CERTIFICATE

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

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

Revised: 11-06-03 D.R.B.
Revised: 05-02-03 D.R.B.

LEGEND:

└ = 90° SYMBOL
● = PROPOSED WELL HEAD.
▲ = SECTION CORNERS LOCATED.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)
LATITUDE = 38°34'22.93" (38.573036)
LONGITUDE = 109°47'03.96" (109.784433)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 04-25-03	DATE DRAWN: 04-28-03
PARTY S.H. R.D. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE INTREPID OIL & GAS, LLC.	

014

PERMITCO
PETROLEUM PERMITTING COMPANY

14421 County Rd. 10 • Ft. Lupton, Colorado 80621 • (303) 857-9999 • FAX (303) 857-0577 • E-MAIL Permitco 1@aol.com

November 20, 2003

Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Attn: Justin Doucet

Re: Intrepid Oil & Gas, LLC.
Cane Creek #2-1
SE N,E 2300' FNL and 529' FEL, Sec. 2 (Surface)
NW SW, 1900' FSL and 1240' FWL, Sec. 1 (Btm. Hole)
T26S - R19E
Grand County, Utah
Lease No. UTU-65972

Dear Justin,

As per your telephone conversation with Richard Miller of Intrepid, enclosed please find the following documents you requested:

1. Amended APD Cover Sheet
2. Drilling Procedure including anticipated formation tops
3. Survey Plat of the Lateral path and new bottom hole location
4. Revised wellbore schematic
5. Revised directional drilling program.

In addition, we have enclosed a copy of the Drilling Program which was submitted to the BLM in Moab, Utah.

If you should have any questions regarding the enclosed material, please don't hesitate to contact me. Your early approval of this application would be greatly appreciated.

Sincerely,

PERMITCO INC.

Lisa L. Smith
Consultant for:
Intrepid Oil & Gas, LLC.

RECEIVED
NOV 24 2003
DIV. OF OIL, GAS & MINING

Enc.
cc: Intrepid Oil & Gas, LLC. - Denver, CO
Pure Resources - Midland, TX
Utah State Lands - Salt Lake City, UT

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

015

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. **UTU-65972**

6. If Indian, Allottee or Tribe Name **N/A**

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

8. Lease Name and Well No. **Cane Creek #2-1**

9. API Well No.

10. Field and Pool, or Exploratory **Wildcat**

1a. Type of Work: [X] DRILL [ ] REENTER

b. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other [ ] Single Zone [ ] Multiple Zone

2. Name of Operator **Intrepid Oil & Gas, LLC.** **303/296-3006** **1700 - 17th St., Suite 1700 Denver, CO 80202**

3. Name of Agent **Permitco Inc. - Agent** **303-857-9999** **14421 County Road 10 Fort Lupton, CO 80621**

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface **SE NE, 2300' FNL and 529' FEL**

At proposed prod. zone **NW SW, 1900' FSL and 1240' FWL**

11. Sec., T., R., M., or Blk, and Survey or Area **Sec. 2, T26S-R19E (Surface)** **Sec. 1, T26S-R19E (Bottom)**

14. Distance in miles and direction from nearest town or post office* **24 miles northwest of Moab, Utah**

12. County or Parish **Grand**

13. State **Utah**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) **529'**

16. No. of Acres in lease **2037.50**

17. Spacing Unit dedicated to this well **160 Acres**

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **None**

19. Proposed Depth **7700' MD Vertical; 9782' MD - 7261' TVD Horizontal**

20. BLM/BIA Bond No. on file **Statewide Bond Number UTB000029**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **5947' GL**

22. Approximate date work will start* **December 15, 2003**

23. Estimated duration **32 Days**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized office.

CONFIDENTIAL-TIGHT HOLE

25. Signature Name *(Printed/Typed)* **Lisa L. Smith** Date **11/20/2003**

Title **Authorized Agent for Intrepid Oil & Gas, LLC.**

Approved by *(Signature)* Name *(Printed/Typed)* Date

Title Office

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

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001and 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)*

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
   Attached.

2. A Drilling Plan

3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the Appropriate Forest Service Office.
   See Surface Use Plan Attached.

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20).
   Bond coverage for this well is provided by Intrepid Oil & Gas, LLC. under their BLM Bond No. Statewide Bond Number UTB000029.

5. Operator certification.
   Please be advised that Intrepid Oil & Gas, LLC. is considered to be the operator of the above mentioned well. Intrepid Oil & Gas, LLC. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands.

6. Such other site specific information and/or plans as may be required by the authorized officer.

TABLE OF CONTENTS
Cane Creek #2-1

DRILLING PROGRAM

		Page No.
1.	Estimated Tops/Geologic Markers	1
2.	Estimated Depth of Oil, Gas & Water	1-2
3.	Blow Out Preventer (BOP) Requirements	2 -3
4.	Casing and Cementing Program	3 - 7
5.	Mud Program	7
6.	Testing, Logging and Coring	7 - 9
7.	Anticipated Pressures & H_2S Gas	9
8.	Other Information & Notification Requirements	9 - 11

PETROLEUM PERMITTING
PERMITCO
COMPANY

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. ESTIMATED TOPS/ GEOLOGIC MARKERS

The estimated tops of important geologic markers are as follows:

Formation	*Depth*	*Subsea*
Ground	5,947'	+10'
Lasal	3,325'	+2,632'
Top Salt	3,913'	+2,044'
Cane Creek (Clastic 21)	7,245'	-1,288'
TD - Vertical Hole	7,700' MD - 7,700' TVD	-1,743'
TD - Horizontal	9,782' MD - 7,261' TVD	-1,304'

2. ESTIMATED DEPTH OF OIL, GAS, WATER AND OTHER MINERAL BEARING ZONES

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Substance	*Formation*	*Depth*
Brine	Clastic 15	6,500'
Oil	Cane Creek	7,245'

PETROLEUM PERMITTING
PERMITCO
COMPANY

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 the BLM. All oil and gas shows will be tested to determine commercial potential.

3. BLOW OUT PREVENTER (BOP) EQUIPMENT

Intrepid Oil & Gas, LLC.'s minimum specifications for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double, 10,000 psi w.p.

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 will be inspected and operated each trip (no more than once a day is necessary), and annular preventers will 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.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.
A BOPE pit level drill shall be conducted weekly for each drilling crew.

CONFIDENTIAL - TIGHT HOLE

ONSHORE OIL & GAS ORDER NO. 1

Approval of Operations on Onshore
Federal and Indian Oil & Gas Leases

Cane Creek #2-1
SE NE, 2300' FNL and 529' FEL, Section 2 (Surface)
NW SW, 1900' FSL and 1240' FWL, Section 1 (Bottom Hole)
T26S - R19E
Grand County, Utah

Prepared For:

Intrepid Oil & Gas, LLC.

By:

PERMITCO INC.
14421 County Road 10
Ft. Lupton, Colorado 80621
303/857-9999

CONFIDENTIAL-TIGHT HOLE

Copies Sent To:

4 - BLM - Moab, UT
1 - Utah Division of Oil, Gas & Mining - SLC, UT
1 - Utah State Lands - Salt Lake City, UT
2 - Intrepid Oil & Gas, LLC. - Denver, CO
2 - Pure Resources - Midland, TX

RECEIVED
NOV 24 2003
DIV. OF OIL, GAS & MINING

PETROLEUM PERMITTING PERMITCO COMPANY

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

Pressure tests shall apply to all related well control equipment.

a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 11", 10,000 psi working pressure blowout preventor.

b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.

c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.

d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. CASING AND CEMENTING PROGRAM

a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones;

formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.

b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).

c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)

d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.

e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.

g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.

h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

I. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.

j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.

k. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.

l. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

m. The proposed casing program will be as follows:

Purpose	*Depth*	*Hole Size*	*O.D.*	*Weight*	*Grade*	*Type*	*New/Used*
Conductor	0' - 400'	17-1/2"	13-3/8"	48#	H-40	ST&C	New
Surface	0' - 4,287'	12-1/4"	9-5/8"	40#	N–80	LT&C	New
Intermediate	0' - 7,700'	8-3/4"	7"	26#	P-110	LT&C	New
Liner	7,000' - 9,782'	6-1/8"	4-1/2"	11.6#	N–80	BT&C	New

n. Casing design subject to revision based on geologic conditions encountered.

o. The cement program will be as follows:

Casing Type	*Cement Volumes and Additives*
Conductor	***Type and Amount***
0 - 400'	490 sx, (564 cubic feet), Class G, 0.25 pps D29, 1% S1, 15.8 ppg, 1.15 ft3/sk
Surface	***Type and Amount***
0 - 4,287'	**Lead:** 655 sx (1742 cubic feet) Class G, 0.25 pps D29, 3% D079, 0.2% D046, 11.7 ppg, 2.66 ft3/sk. **Tail:** 195 sx, (254 cubic feet) 50:50 Poz Class G, 0.25 pps D29, 5 pps D24, 2% D20, 2% S001, 0.1% D46, 13.5ppg, 1.3 ft3/sk.
Intermediate	***Type and Amount***
0' - 7,700' TOC @ 3,787'	725 sx (783 cubic feet) Class G, 0.45% D065, 0.25% D167, 0.35% D800, 0.2% D121, 0.2% D046, 16.4ppg, 1.08 ft3/sk.
Liner	***Type and Amount***
7,000' - 9,782'	Uncemented 4-1/2" slotted liner.

PETROLEUM PERMITTING
PERMITCO
COMPANY

p. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.

q. The following reports shall be filed with the District Manager within 30 days after the work is completed.

1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:

   a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.

   b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.

r. Auxiliary equipment to be used is as follows:

1. Kelly cock

2. No bit float is deemed necessary.

3. A sub with a full opening valve.

s. The drilling procedure will be as follows:

1. Drill into the Cane Creek formation at 7,245', and TD the straight hole at 7,700'.

2. Test and or evaluate the Cane Creek or other zones of interest as deemed necessary.

3. Set 7" casing at 7,700' and cement to +/-3,500'.

PETROLEUM PERMITTING
PERMITCO
COMPANY

4. Set a CIBP +/- 15' below the kick off point, and set a whipstock on the CIBP, top of whipstock at +/-7097'*.

5. Pick up directional tools and cut a window at +/-7097'*, continue ahead with directional tools to build a curve into the Cane Creek formation.

6. TD well at 9,782' MD - 7,261' TVD.

*All depths are estimates

5. MUD PROGRAM

a. The proposed circulating mediums to be employed in drilling are as follows:

Interval	*Mud Type*	*Mud Wt.*	*Visc.*	*F/L*
0' - 4,287'	Air or Fresh Water Gel	8.8 - 9.4	30 - 38	20 - 30
4,287' - T.D.	80/20 Oil Base Mud	10 - 16	50 - 60	10 - 20

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

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

c. Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing or completion operations.

6. TESTING, LOGGING AND CORING

The anticipated type and amount of testing, logging and coring are as follows:

a. No drill stem tests are anticipated. However, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

b. The logging program will consist of (at a minimum), Gamma Ray, Density Neutron and Sonic Logs from surface casing to TD.

c. No cores are anticipated.

d. 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 not later than 30 days after completion of the well or after 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, work over, and/or completion operations, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).

e. The anticipated completion program is as follows:

Perforate zones of interest and place on production.

7. ANTICIPATED PRESSURES AND H_2S Gas

a. The expected maximum bottom hole pressure is +/- 6000 psi. No abnormal pressures are anticipated.

b. Hydrogen sulfide gas is not anticipated, however, at the request of the BLM, an H2S Contingency Plan will be submitted under separate cover by a third party contractor.

c. As per Onshore Order No. 6, III,A,2.b., if hydrogen sulfide is present the "operator shall initially test the H_2S concentration of the gas stream for each well or production facility..." Submit the results of this test within 30 days of filing Form 3160-4, "Well Completion or Recompletion Report and Log".

8. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

a. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.

b. Production data shall be reported to the MMS pursuant to 30 CFR 216.5 using form MMS/3160.

c. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test

tank, and for which a run ticket is required to be generated or the date on which gas is first measured through permanent metering facilities, whichever first occurs.

d. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.

e. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

f. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 and Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

g. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1©), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to $10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109©)(3) of the Federal Oil

and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

h. Drilling operations are planned to commence on approximately December 15, 2003.

I. It is anticipated that the drilling of this well will take approximately 32 days.

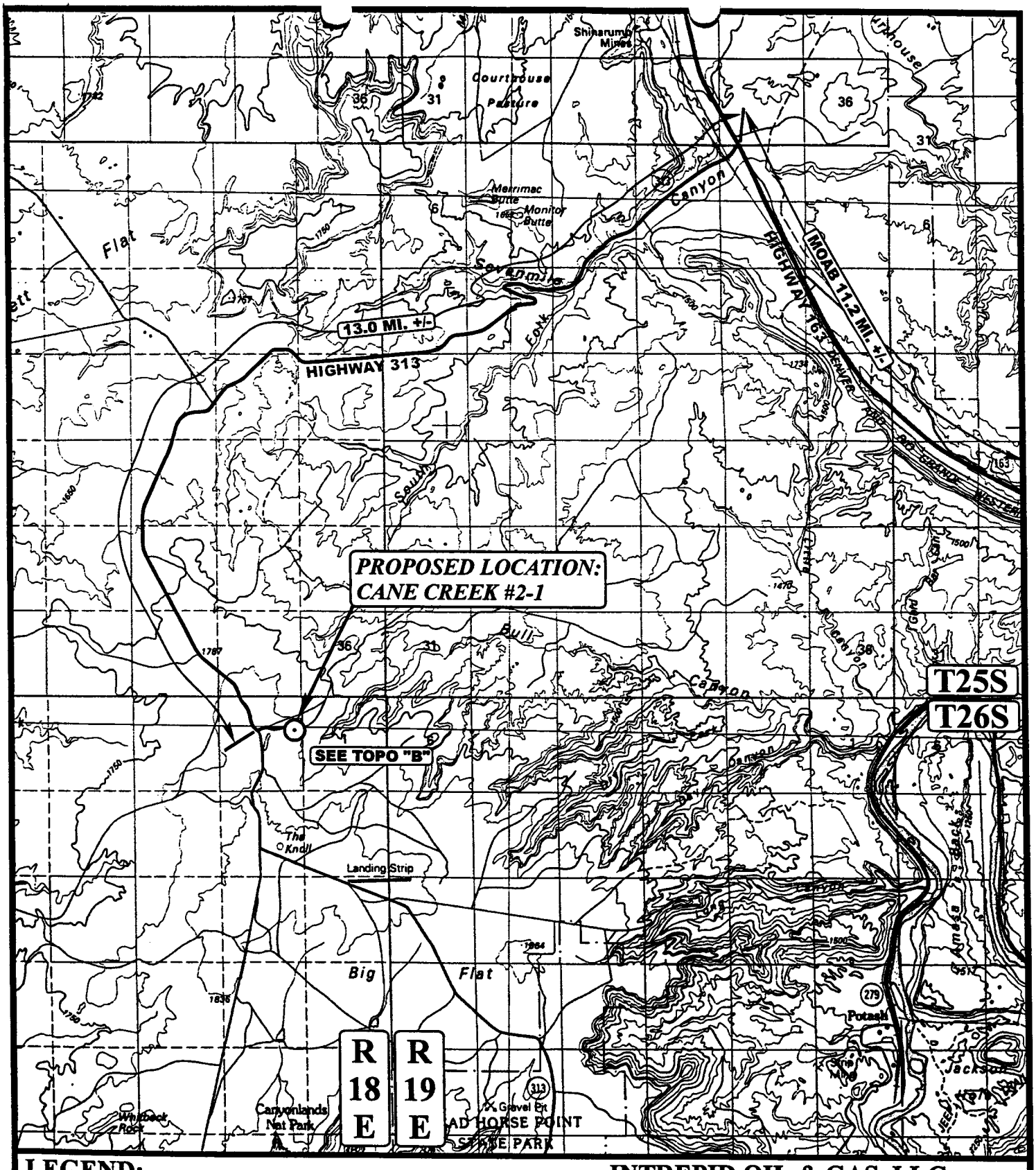
j. No location will be constructed or moved, no well will be plugged, and no drilling or work over equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

k. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

l. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 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.

m. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. 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 AO or his representative. or the appropriate Surface Managing Agency.



LEGEND:

⊙ PROPOSED LOCATION

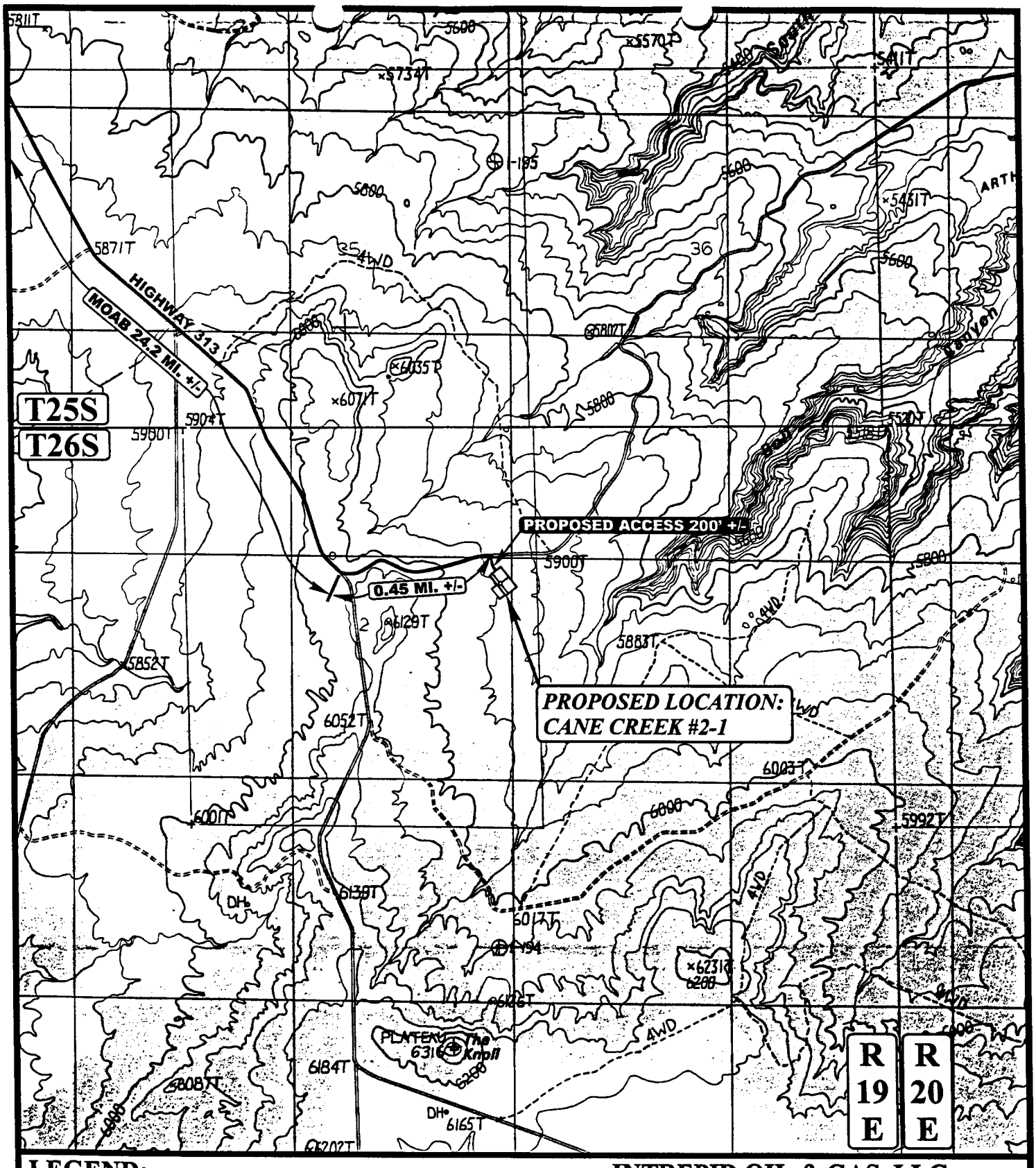
N

INTREPID OIL & GAS, LLC.

CANE CREEK #2-1
SECTION 2, T26S, R19E, S.L.B.&M.
2300' FNL 529' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	4 MONTH	29 DAY	03 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: K.G.	REVISED: 5-2-03		



LEGEND:

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

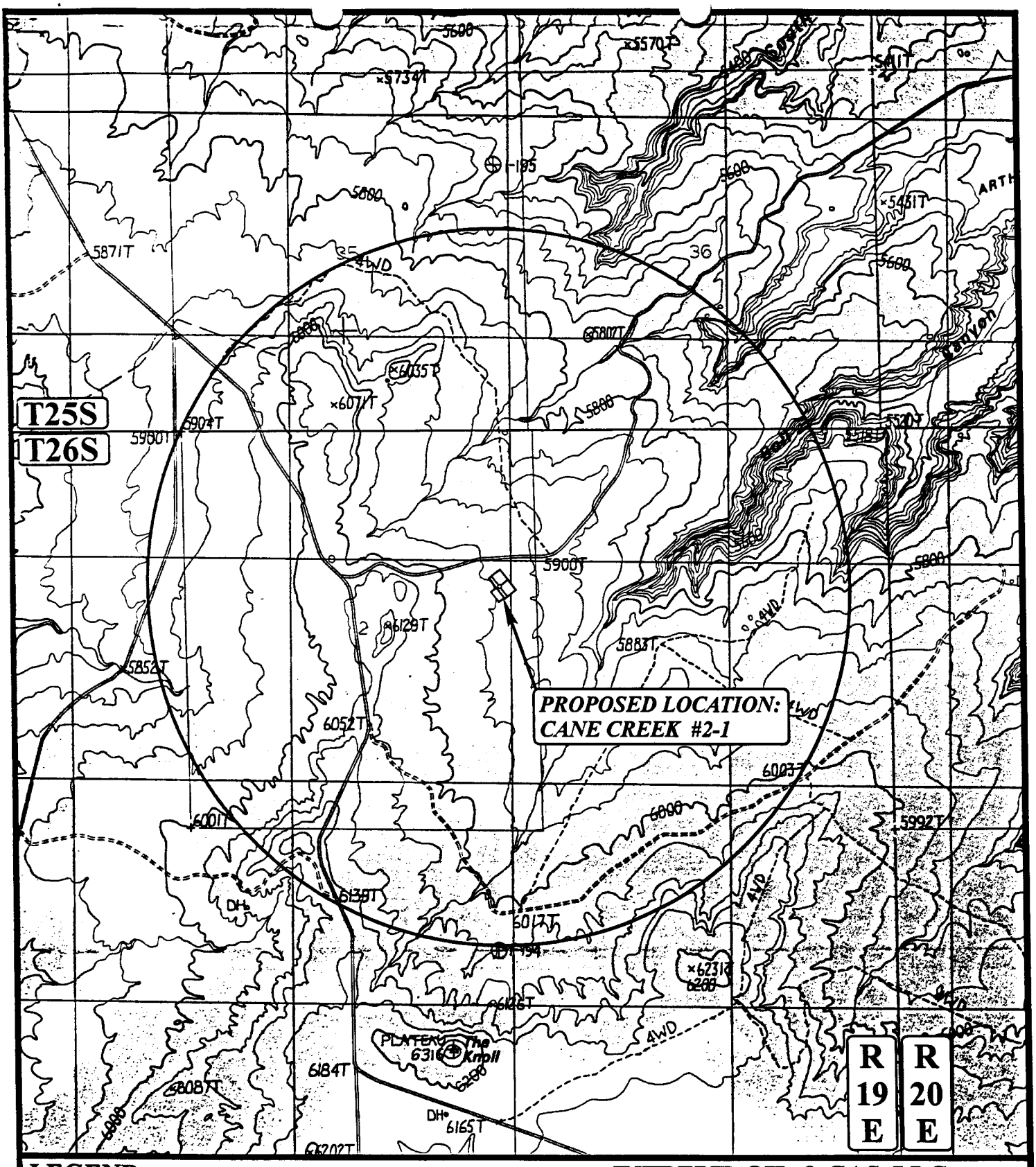
N

INTREPID OIL & GAS, LLC.

CANE CREEK #2-1
SECTION 2, T26S, R19E, S.L.B.&M.
2300' FNL 529' FEL

UELS
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	4 MONTH	29 DAY	03 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: K.G.	REVISED: 5-2-03		



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

N

INTREPID OIL & GAS, LLC.

CANE CREEK #2-1
SECTION 2, T26S, R19E, S.L.B.&M.
2300' FNL 529' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	4 MONTH	29 DAY	03 YEAR	C TOPO
SCALE: 1" = 2000'	DRAWN BY: K.G.	REVISED: 5-2-03		

INTREPID OIL & GAS, LLC.

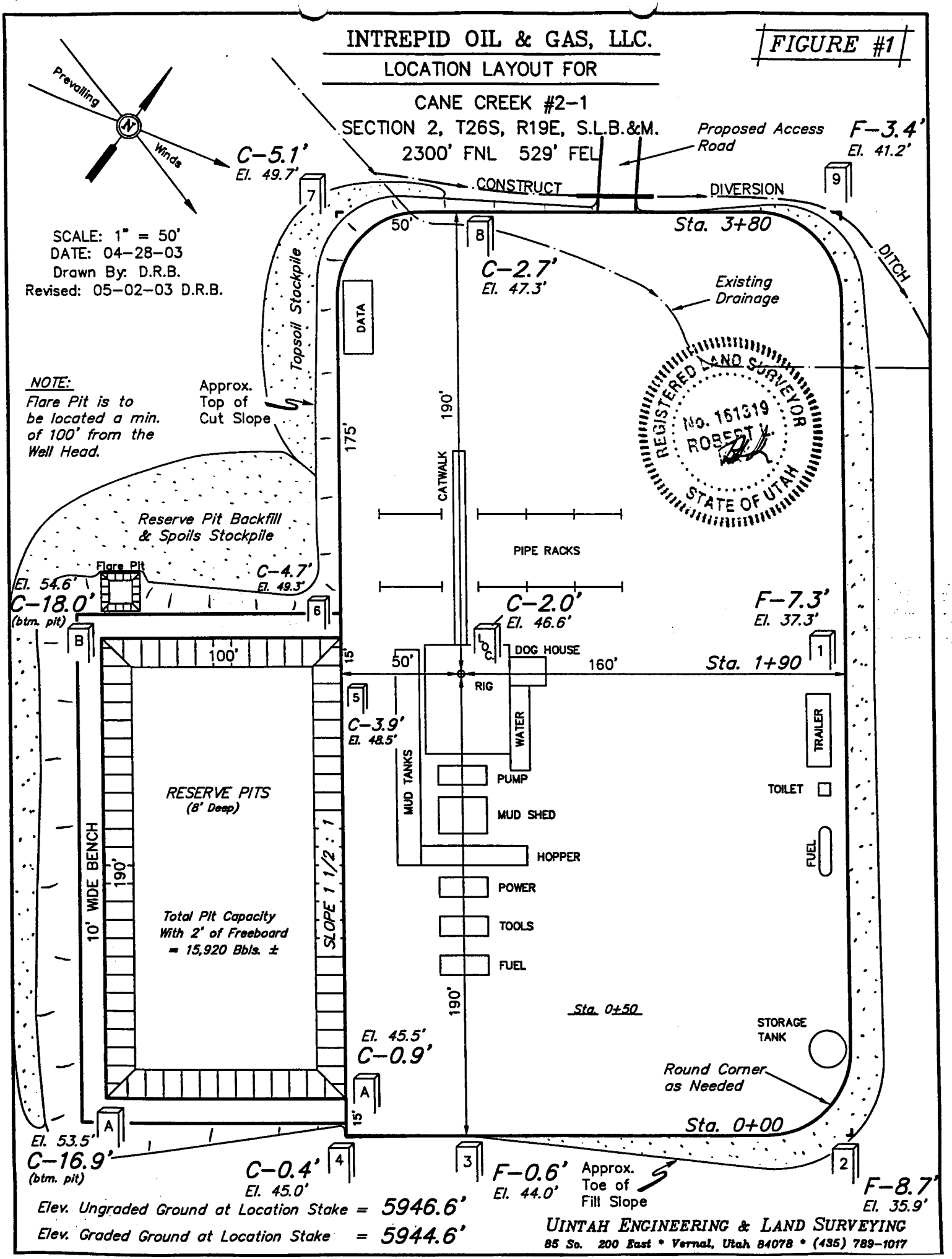
LOCATION LAYOUT FOR

CANE CREEK #2-1

SECTION 2, T26S, R19E, S.L.B.&M.

2300' FNL 529' FEL

FIGURE #1



INTREPID OIL & GAS, LLC.

TYPICAL CROSS SECTIONS FOR

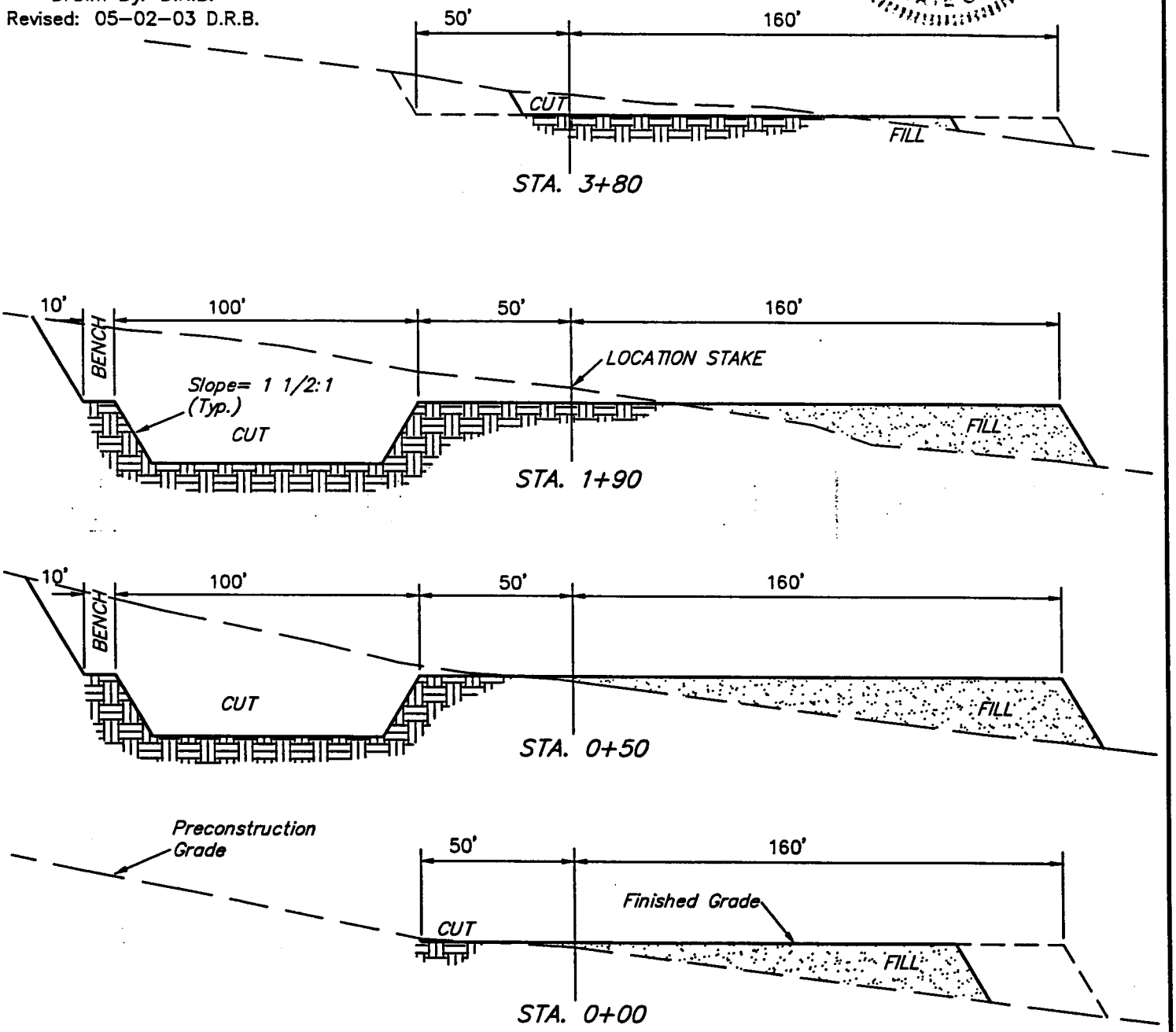
CANE CREEK #2-1
SECTION 2, T26S, R19E, S.L.B.&M.
2300' FNL 529' FEL

FIGURE #2

REGISTERED LAND SURVEYOR No. 161319 ROBERT L. KAY STATE OF UTAH

1" = 20' X-Section Scale
1" = 50'

DATE: 04-28-03
Drawn By: D.R.B.
Revised: 05-02-03 D.R.B.



APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,910 Cu. Yds.
Remaining Location	=	12,700 Cu. Yds.
TOTAL CUT	=	14,610 CU.YDS.
FILL	=	9,850 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	4,240 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	4,240 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

CORNERS
ARCHAEOLOGICAL SERVICES
P.O. Box 418
Moab, UT 84532
(435) 259-2777

Mr. Kenny Wintch, Archaeologist
State of Utah School & Institution
Trust Lands Administration
675 E, 500S, Suite 500
Salt Lake City, UT 84102-2818

May 6, 2003

Dear Kenny,

Enclosed please find a copy of our archaeological survey report for Intrepid Oil & Gas Company's proposed Cane Creek Federal #2-1 well pad and access route in Grand County, Utah. A total of 11.0 acres were inventoried for cultural resources.

No cultural resources were found in the project area and no further management recommendations are necessary.

Sincerely,

Carol

Carol S. DeFrancia
Principal Investigator

CSD/distribution:
Mr. Jim Dykeman, Division of State History, Salt Lake
Ms. Jan Podoll, Intrepid Oil & Gas, Denver
Ms. Lisa Smith, Permitco, Ft. Lupton

ARCHAEOLOGICAL SURVEY OF INTREPID OIL & GAS COMPANY'S PROPOSED CANE CREEK FEDERAL #2-1 WELL PAD & ACCESS ON STATE LAND, GRAND COUNTY, UTAH

4-CAS REPORT 2317

by
Carol S. DeFrancia

4-CORNERS ARCHAEOLOGICAL SERVICES
76 S. Main Street
Moab, Utah 84532
(801) 259-2777

May 6, 2003

FEDERAL ANTIQUITIES PERMIT 03UT62712
Utah State Permit No. U-03-FE-0255s

Prepared For:
Intrepid Oil & Gas LLC
700 17th St., Ste. 1700
Denver, CO 80202

TABLE OF CONTENTS

	page no.
Abstract	1
Introduction	1
Project Area	1
Physiography and Environment	4
Previous Research	4
Examination Procedures	5
Survey Results	5
Conclusion	5
References	5

LIST OF FIGURES

Figure 1.	General Vicinity of Project Area	2
Figure 2.	Project Map	3

ABSTRACT

The archaeological survey of Intrepid Oil & Gas Company's proposed Cane Creek Federal #2-1 well pad and access route was conducted by personnel of 4-Corners Archaeological Services on May 2, 2003. The project is located on Utah State Administered Trust Lands in the vicinity of The Knoll in Grand County, Utah, approximately twenty miles northwest of the town of Moab. A total of 11.0 acres were inventoried for cultural resources.

No cultural resources were found in the project area and no further management recommendations are necessary.

INTRODUCTION

The archaeological survey of Intrepid Oil & Gas Company's proposed Cane Creek Federal #2-1 well pad and access route was conducted by Carol DeFrancia of 4-Corners Archaeological Services on May 2, 2003. The project is located along an upland mesa area north of Big Flat (Figure 1) on Utah State Administered Trust Lands in Grand County, Utah. The survey was requested by Ms. Lisa Smith of Permitco Inc. Unitah Engineering and Land Surveying personnel staked and flagged the well pad and access route prior to the survey. The proposed well location is situated on a northeast facing slope and will be accessed (ca. 300') from an existing dirt road. A total of 11.0 acres were inventoried for cultural resources (Figure 2).

Federal and state governments have enacted legislation that is designed to conserve and protect cultural resources. The principal federal legislation includes the Antiquities Act of 1906 (PL 52-209), the National Historic Preservation Act of 1966 (PL 89-665), the National Environmental Policy Act of 1969 (PL 91-190), the 1971 Executive Order No. 11593, the Archaeological and Historical Conservation Act of 1974 (PL 93-291), and the Archaeological Resource Protection Act (ARPA) of 1978 (PL 95-96).

No cultural resources were found in the project area and no further management recommendations are necessary.

PROJECT AREA

Map Reference: The Knoll, UT, 1988 (7.5' series maps)

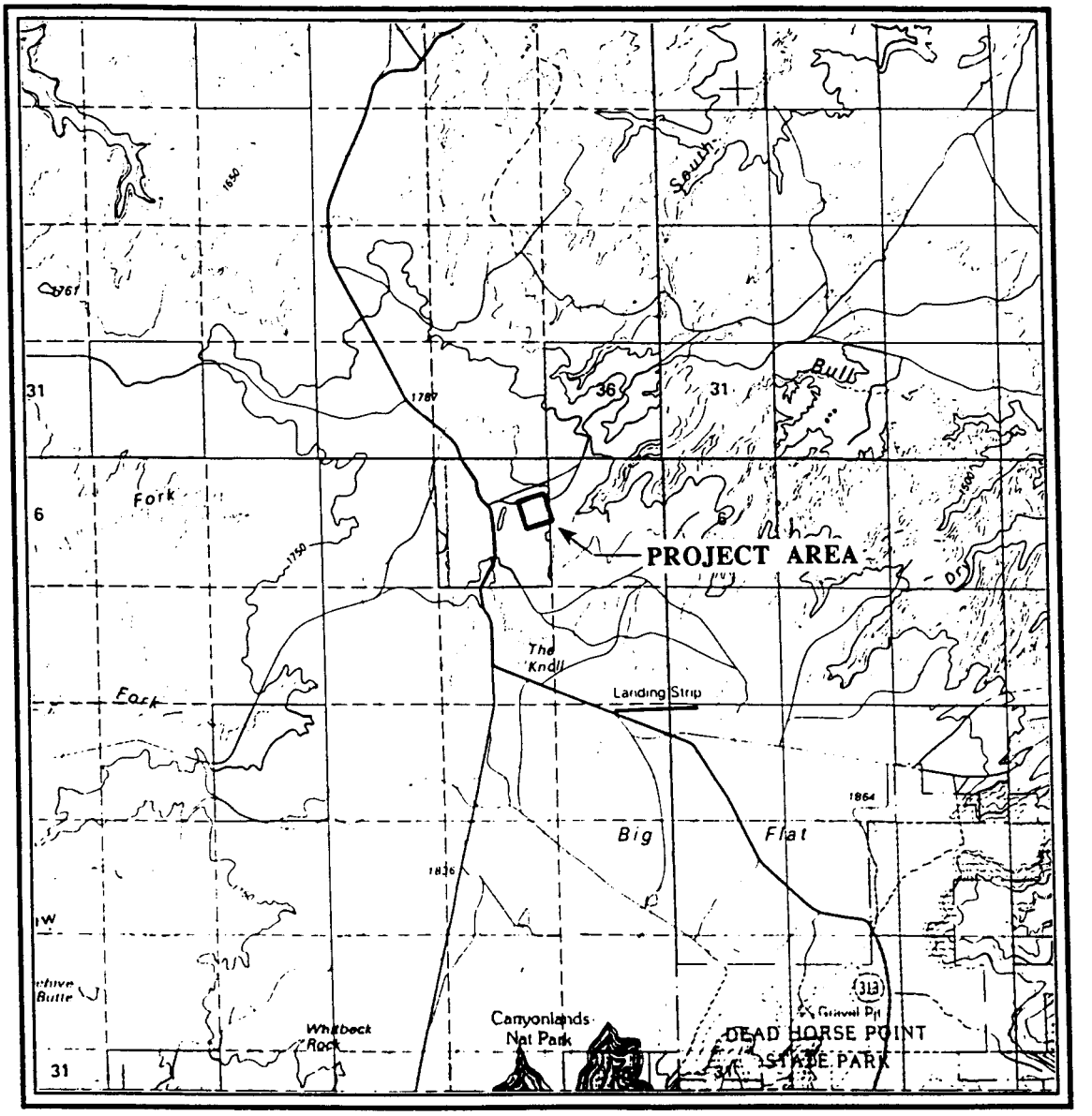
Total Project Area: 3.2 acres; area surveyed 11.0 acres

Cane Creek Federal #2-1 Well Pad

Legal Description: T26S, R19E: SE/SE/NE of section 2 (SLM)

Center Stake: 2300' FNL, 529' FEL; section 2

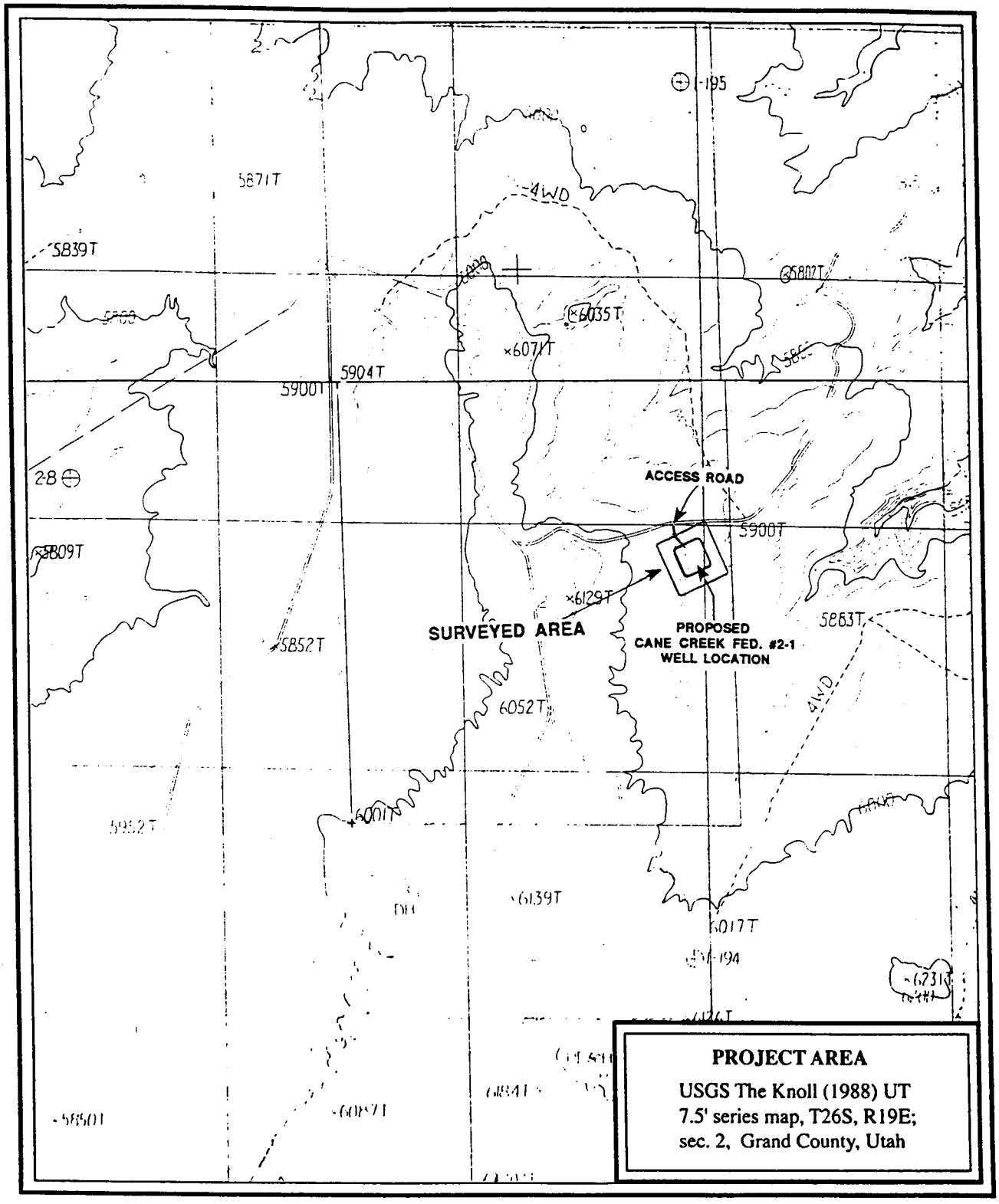
UTM Coordinates: (Surveyed Area)		Easting	Northing
	NW Corner	605820m	4269920m
	NE Corner	606010m	4270020m
	SE Corner	606100m	4269810m
	SW Corner	605900m	4269720m



GENERAL VICINITY OF PROJECT AREA

USGS 1: 62 000

(Figure 1)


5871T
5839T
4WD
5802T
6035T
6071T
5904T
5900T
ACCESS ROAD
5900T
5809T
6129T
SURVEYED AREA
PROPOSED
CANE CREEK FED. #2-1
WELL LOCATION
5863T
5852T
6052T
6139T
6017T
PROJECT AREA
USGS The Knoll (1988) UT
7.5' series map, T26S, R19E;
sec. 2, Grand County, Utah

(Figure 2)

Project Area:	Well Pad 380 x 320'; (2.8 acres)
Surveyed Area:	660 x 660' (10 acres)
Results:	No cultural resources found

Well Pad Access

Legal Description:	T26S, R19E; SE/SE/NE of section 2

UTM Coordinates: (Zone 12)		Easting	Northing
	N end	605880m	4270000m (road tie)
	S end	605920m	4269920m

Project Area:	300' long, maximum 60' wide (.41 acres)
Surveyed Area:	300' x 150' (1.0 acres)
Results:	No cultural resources found

PHYSIOGRAPHY AND ENVIRONMENT

The project area is located in Grand County, Utah, in the vicinity of The Knoll, north of Big Flat, approximately twenty miles northwest of the town of Moab. The area lies in the Northern Colorado Plateau physiographic province and is a structural element of the Green River Desert, a physiographic subdivision of the Canyonlands Section (Rigby 1976; Stokes 1987). Terrain is characterized by a gently undulating planar surface, within a transitional upland mesa area. Sediments are predominately sandy loams and aeolian silts and sands, including localized dunes and occassional residual sandstone knolls and buttes (ie. The Knoll).

Vegetation in the project area is predominately a Pinyon/juniper woodland with an understory of sagebrush, Indian ricegrass, ephedra, rabbitbrush, snakeweed, extensive patches of prickly pear cactus, and bunch grass. A permanent water source in the area is the Colorado River, approximately ten miles southeast of the location.

Reptilian, avian, and mammalian associations are consistent with those of the Upper Sonoran Life Zone throughout the Colorado Plateau.

Currently, most of the area is used for recreation, livestock grazing, and limited oil and gas development.

PREVIOUS RESEARCH

A file search was conducted in April and May of 2003 at the BLM Field Office in Moab and the Division of State History in Salt Lake. The results of the review indicated that a number of oil and gas related surveys and road improvement inventories have been conducted in the vicinity between the late 1970's and early 1990's (Conner 1991; Davis et. al. 1989; DeFrancia 1997; Harden 1984; Tipps 1991; and Westfall 1984), including one extensive BLM survey within the project vicinity (Pierson 1980). More recently, an

extensive 3D seismic project survey (Frizell 2001) was conducted in the immediate project area but did not indicate any cultural resources found within the proposed well pad construction zone or associated access route. The closest documented archaeological site lies over 1200' southeast of the well location. The file search indicated that no archaeological sites are documented in close proximity to the project area.

EXAMINATION PROCEDURES

Prior to the field investigations the well pad was staked and flagged. A 660 x 660' area surrounding the well center stake (10 acres) was inventoried by walking a series of parallel transects spaced 15m apart. Two parallel zig-zag transects were walked along the 2300' of access route (11.0 acres), covering a 150' wide corridor. This effectively gives a minimal 60' buffer on either side of the access road.

SURVEY RESULTS

No cultural resources were found in the project area.

CONCLUSION AND RECOMMENDATIONS

The archaeological survey of Intrepid Oil & Gas Company's proposed Cane Creek Federal #2-1 well pad and access route was conducted by personnel of 4-Corners Archaeological Services on May 2, 2003. The project is located on Utah State Administered Trust Lands in the vicinity of The Knoll in Grand County, Utah, approximately twenty miles northwest of the town of Moab. A total of 11.0 acres were inventoried for cultural resources.

No cultural resources were found in the project area and no further management recommendations are necessary.

REFERENCES

Conner, Carl E.
1991 Cultural Resource Inventory on the Proposed Opal Seismic Lines in Grand County, Utah. GRI Project No. 9120. Manuscript on file at BLM Moab Field Office, Moab.

Davis, William E., Deborah Westfall, Wayne K. Howell, and Christopher Coder
1989 Cultural Resource Survey and Evalustion along SR 313, Grand County, Utah. Abajo Archaeology, Bluff. Manuscript on file at BLM Moab District office; Utah State No. U-88-AS-5986.

DeFrancia, Carol S.
1997 Archaeological Survey & Testing of Aviara Energy Corporation's Proposed #11-1 Kane Springs Federal Well Pad, Grand County, Utah. 4-CAS Report No. 9724, Moab.

Frizell, Jon P.
2001 A Class III Cultural Resource Inventory of the Veritas Geophysical Fertilizer 3-D Seismic Grid in Grand County, Utah. North Platte Project 2001-1-1. Utah State No. U01-NV-0095bs. Ms on file at BLM Moab Field Office.

Harden, Patrick L.
1984 An Archeological Survey of Utah Department of Transportation's "Jct. US-191 to Dead Horse Point State Park" SR-313 Maintenance Project in Grand County, Utah. LAC Report 8440, Dolores. Manuscript on file at BLM Moab Field Office.

1984 The Archeological Survey of Petty-Ray Geophysical's Seismograph Lines No.s 26 & 29, Grand County, Utah. LAC Report 8456, Dolores. Manuscript on file at BLM Moab Field Office.

Rigby, Keith J.
1976 Northern Colorado Plateau. Brigham Young University, Provo.

Stokes, William Lee
1987 Geology of Utah. Occasional Paper Number 6. Utah Museum of Natural History, University of Utah, Salt Lake City.

Tipps, Betsy L.
1991 Cultural Resource Inventory of Five Well Pads & Access Routes in the Kane Springs Area, Grand County, Utah. CR Report 471-01-9117, PIII Associates Inc. Salt Lake. MS on file at BLM Moab Field office.

Westfall, Deborah A.
1984 Cultural Resource Inventories of Sefel Geophysical, LTD, Seismograph Lines 13Y, 13Z, 16X, 98X, 99X, 104X, and 105Y -1984, Grand and San Juan Counties, UT. Manuscript on file at BLM Moab District office; Utah State No. U-84-AS-25.

THE INTREPID COMPANIES

INTREPID OIL & GAS, L.L.C.
INTREPID MINING, L.L.C.
INTREPID PRODUCTION CORP.

MOAB SALT, L.L.C.
MOAB POTASH
HARVEY OPERATING & PRODUCTION CO.

April 28, 2003

Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84111-5801

Attn: Minerals

Re: Cane Creek #2-1
500' FEL, 2300' FNL, Sec. 2, T26S-R19E
Grand County, Utah

Gentlemen:

This letter is to inform you that Permitco Inc. is authorized to act as Agent and to sign documents on behalf of Intrepid Oil & Gas, LLC when necessary for filing county, state and federal permits including Onshore Order No. 1, Right of Way applications, etc., for the above mentioned well.

It should be understood that Permitco is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations.

Intrepid Oil & Gas, LLC agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above-mentioned well.

Sincerely,

INTREPID OIL & GAS, LLC

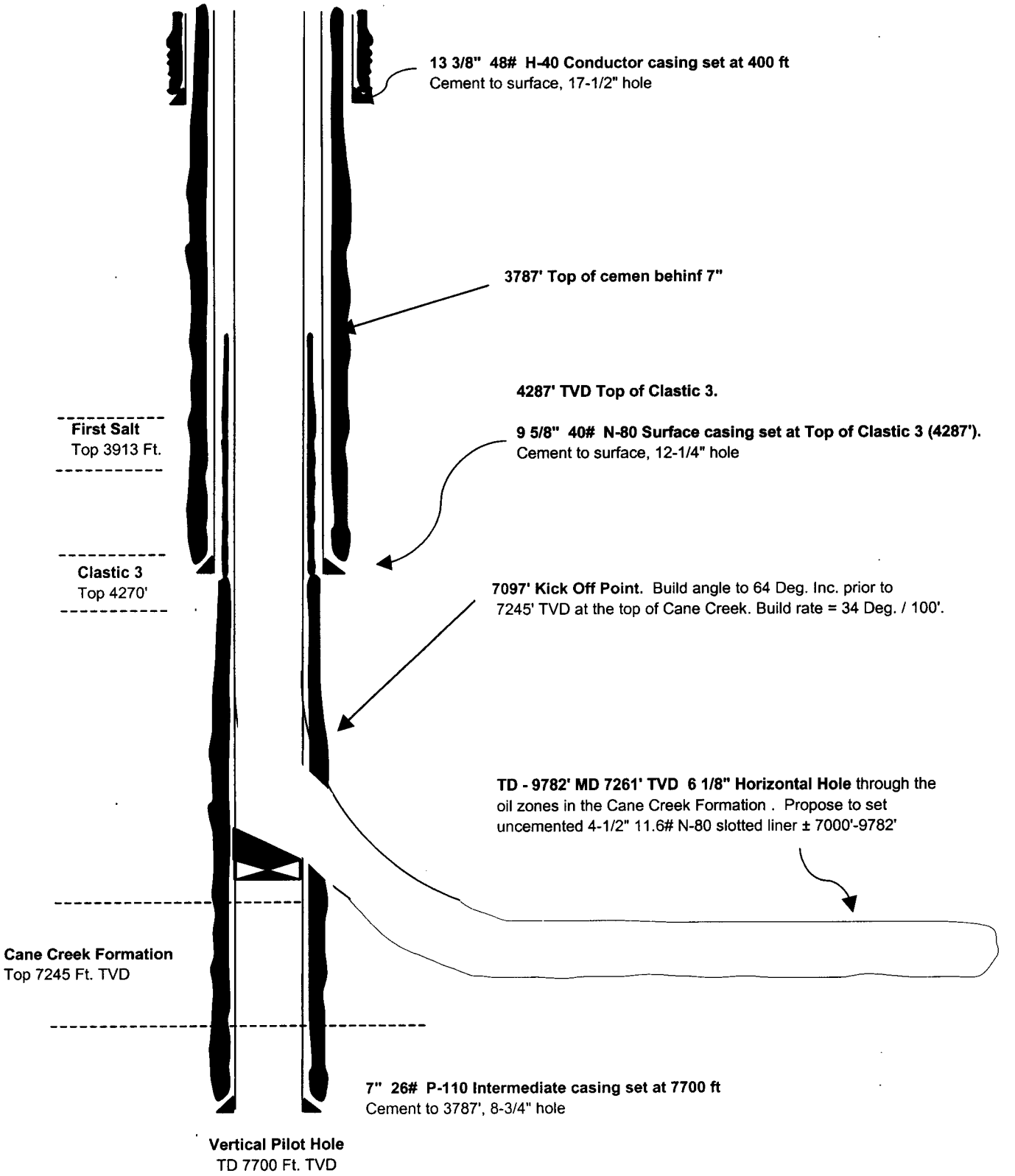
Robert P. Jornayvaz III

ROBERT P. JORNAYVAZ, III, MANAGER ▪ HUGH E. HARVEY, JR., MANAGER
700 17TH STREET ▪ SUITE 1700 ▪ DENVER, COLORADO 80202
(303) 296-3006 ▪ FAX (303) 298-7502

Intrepid Oil and Gas LLC

Cane Creek 2-1 Horizontal Well.

Sec. 2, T26S-R19E



From: "Rich" <richardm@intrepidllc.com>
To: "Dustin Doucet" <dustindoucet@utah.gov>
Date: 12/4/03 8:41AM
Subject: Revised Schematic for the Cane Creek 2-1

Dustin,

I am sending you another schematic for our Cane Creek 2-1 well since the one attached to the permit revisions had some errors.

The information on one attached here should match the revised cover sheet.

Please contact me if you want me to send you a fax copy or mail a hard copy.

Sincerely,

Richard Miller

Intrepid Mining/Moab Salt LLC

700 17th Street, Suite 1700

Denver, CO 80202

303-296-3006

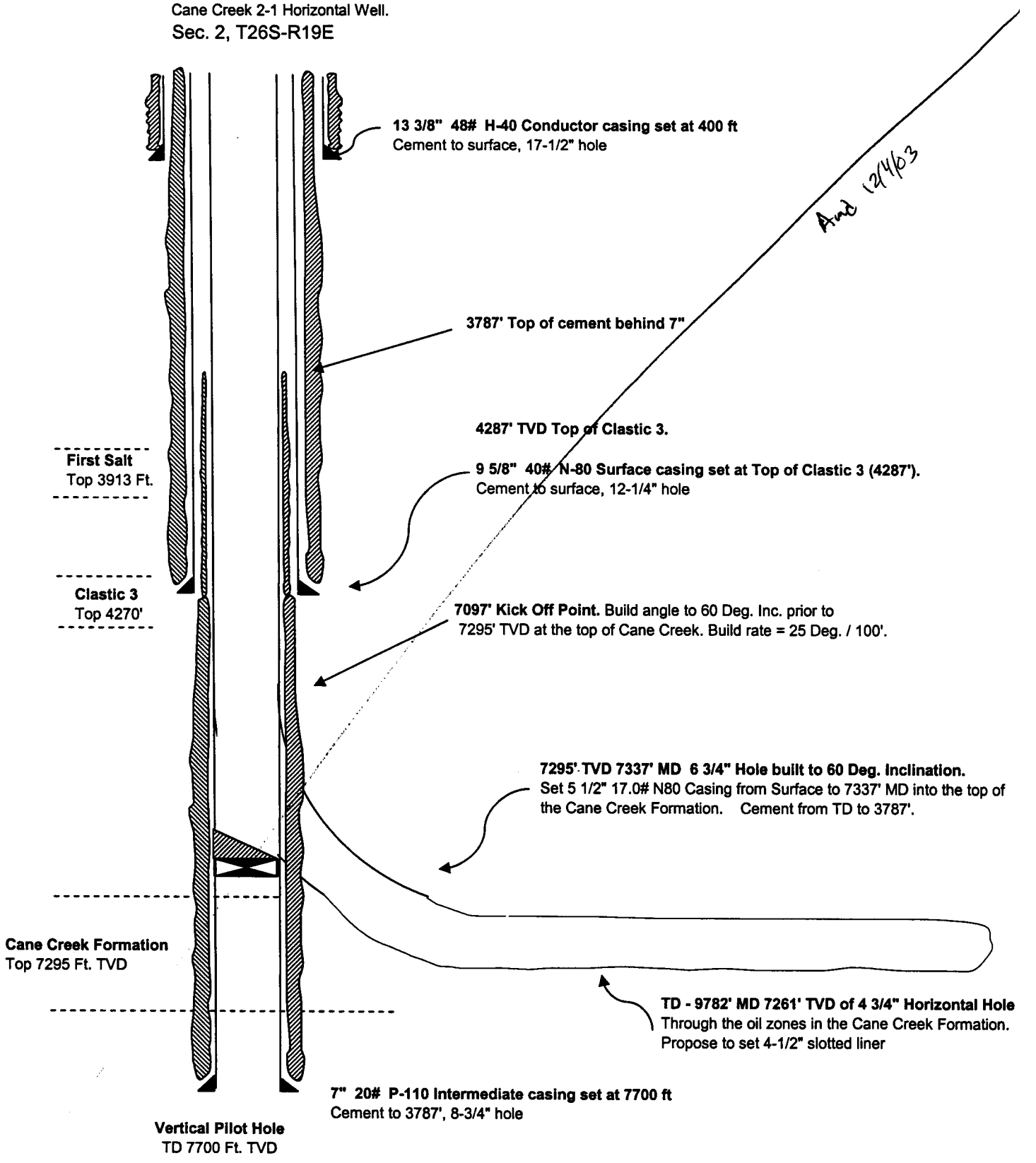
303-298-7502 Fax

CC: "Einhorn, Libby" <EEinhorn@pureresources.com>, "Hugh" <hughh@intrepidllc.com>

Intrepid Oil and Gas LLC

Cane Creek 2-1 Horizontal Well.

Sec. 2, T26S-R19E



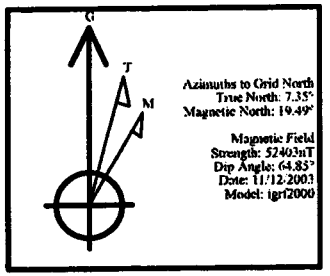
PURE Resources
Cane Creek
Grand County, Utah

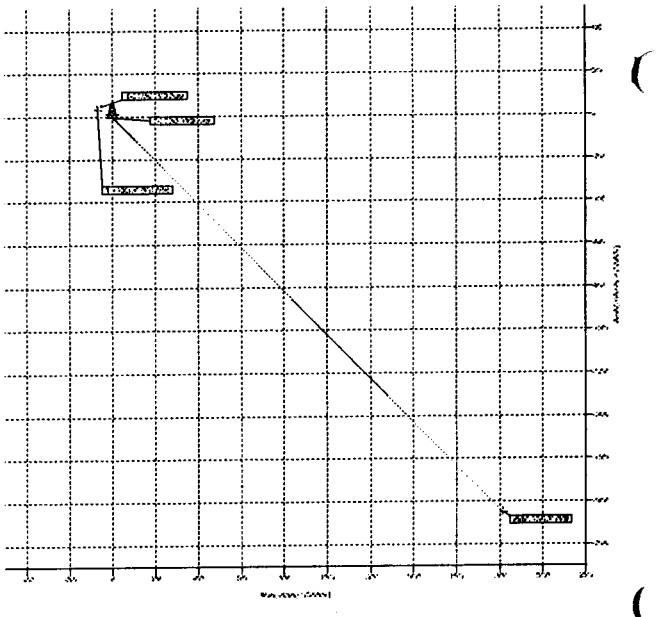
PATHFINDER ENERGY SERVICES

Geodetic System:
Universal Transverse Mercator (USfeet)
Ellipsoid: Clarke 1866
Zone: UTM Zone 13, North 108W to 102W
Magnetic Model: igrf2000
System Datum: Mean Sea Level
Local North: Grid North

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.00	0.00	
2	7097.00	0.00	0.00	7097.00	0.00	0.00	0.000	0.00	0.00	
3	7355.11	90.00	135.58	7261.32	-117.36	115.01	34.319	135.58	164.32	
4	9782.49	90.00	135.58	7261.32	-1851.12	1813.91	0.000	0.00	2591.70	PBHL 7261.3' TVD





TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Shape
T-1 7193' TVD Point	7193.00	-2.76	1.15	Point
T-2 7256' TVD Point	7256.10	49.70	-51.32	Point
T-3 7261.3' TVD Point	7261.32	31.90	-69.12	Point
PBHL 7261.3' TVD	7261.32	-1851.12	1813.91	Point

FIELD DETAILS

Cane Creek
Grand County, Utah
USA

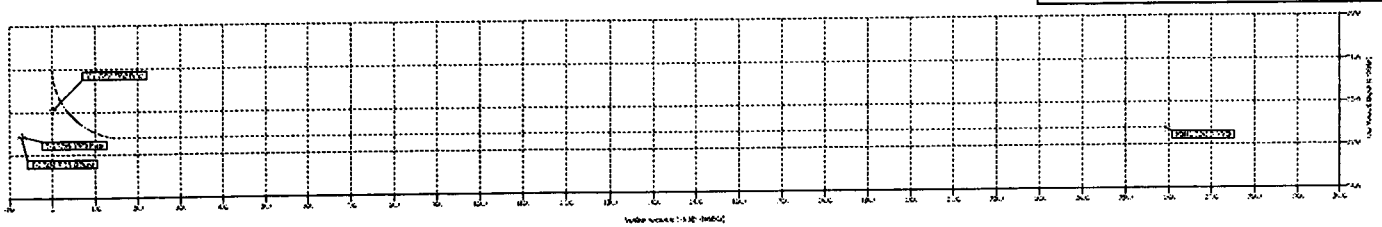
Geodetic System: Universal Transverse Mercator (USfeet)
Ellipsoid: Clarke 1866
Zone: UTM Zone 13, North 108W to 102W
Magnetic Model: igrf2000

System Datum: Mean Sea Level
Local North: Grid North

COMPANY DETAILS

PURE Resources
Midland

Calculation Method: Minimum Curvature
Error System: Systematic Ellipse
Scan Method: Closest Approach 3D
Error Surface: Elliptical Conic
Warning Method: Error Ratio



PathFinder
Planning Report - Geographic

Company:	PURE Resources	**Date:** 11/12/2003	**Time:** 14:45:06	**Page:**	1
Field:	Cane Creek	**Co-ordinate(NE) Reference:**	Site: Cane Creek #2-1H, Grid North		
Site:	Cane Creek #2-1H	**Vertical (TVD) Reference:**	SITE 0.0		
Well:	#2-1H	**Section (VS) Reference:**	Well (0.00N,0.00E,135.58Azi)		
Wellpath:	Oringinal Hole Preplan	**Plan:**	Plan #1 Pre plan		

Field: Cane Creek
Grand County, Utah
USA

Map System: Universal Transverse Mercator (USfeet) — **Map Zone:** UTM Zone 13, North 108W to 102W
Geo Datum: Clarke 1866 — **Coordinate System:** Site Centre
Sys Datum: Mean Sea Level — **Geomagnetic Model:** igrf2000

Site: Cane Creek #2-1H

Section 2, T26S & R19E

Site Position:			**Northing:**	14042155.82	ft	**Latitude:**	38	34	22.930 N
From:	Map		**Easting:**	272670.27	ft	**Longitude:**	109	47	3.959 W
Position Uncertainty:		0.00 ft				**North Reference:**			Grid
Ground Level:		0.00 ft				**Grid Convergence:**			-7.35 deg

Well: #2-1H — **Slot Name:**

Well Position:	+N/-S	0.00 ft	**Northing:**	14042155.82	ft	**Latitude:**	38	34	22.930 N
	+E/-W	0.00 ft	**Easting :**	272670.27	ft	**Longitude:**	109	47	3.959 W
Position Uncertainty:		0.00 ft							

Wellpath: Oringinal Hole Preplan — **Drilled From:** Surface
Tie-on Depth: 0.00 ft
Current Datum: SITE — **Height** 0.00 ft — **Above System Datum:** Mean Sea Level
Magnetic Data: 11/12/2003 — **Declination:** 12.14 deg
Field Strength: 52403 nT — **Mag Dip Angle:** 64.85 deg

Vertical Section: Depth From (TVD) ft	+N/-S ft	+E/-W ft	Direction deg
0.00	0.00	0.00	135.58

Plan: Plan #1 Pre plan — **Date Composed:** 11/12/2003
Version: 1
Principal: No — **Tied-to:** From Surface

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00	
7097.00	0.00	0.00	7097.00	0.00	0.00	0.000	0.000	0.000	0.00	
7355.11	90.00	135.58	7261.32	-117.36	115.01	34.319	34.319	0.000	135.58	
9782.49	90.00	135.58	7261.32	-1851.12	1813.91	0.000	0.000	0.000	0.00	PBHL 7261.3' TVD

Section 1 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4300.00	0.00	0.00	4300.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4400.00	0.00	0.00	4400.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4500.00	0.00	0.00	4500.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4600.00	0.00	0.00	4600.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4700.00	0.00	0.00	4700.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4800.00	0.00	0.00	4800.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4900.00	0.00	0.00	4900.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5000.00	0.00	0.00	5000.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5100.00	0.00	0.00	5100.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5200.00	0.00	0.00	5200.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5300.00	0.00	0.00	5300.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5400.00	0.00	0.00	5400.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5500.00	0.00	0.00	5500.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5600.00	0.00	0.00	5600.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5700.00	0.00	0.00	5700.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5800.00	0.00	0.00	5800.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5900.00	0.00	0.00	5900.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6000.00	0.00	0.00	6000.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6100.00	0.00	0.00	6100.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00

PathFinder
Planning Report - Geographic

Company:	PURE Resources	**Date:** 11/12/2003	**Time:** 14:45:06	**Page:**	2
Field:	Cane Creek	**Co-ordinate(NE) Reference:**	Site: Cane Creek #2-1H, Grid North		
Site:	Cane Creek #2-1H	**Vertical (TVD) Reference:**	SITE 0.0		
Well:	#2-1H	**Section (VS) Reference:**	Well (0.00N,0.00E,135.58Azi)		
Wellpath:	Oringinal Hole Preplan	**Plan:**	Plan #1 Pre plan		

Section 1 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
6200.00	0.00	0.00	6200.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6300.00	0.00	0.00	6300.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6400.00	0.00	0.00	6400.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6500.00	0.00	0.00	6500.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6600.00	0.00	0.00	6600.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6700.00	0.00	0.00	6700.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6800.00	0.00	0.00	6800.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6900.00	0.00	0.00	6900.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
7000.00	0.00	0.00	7000.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
7097.00	0.00	0.00	7097.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00

Section 2 : Start Build 34.32

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
7100.00	1.05	135.58	7100.00	-0.02	0.02	0.03	34.319	34.319	0.000	0.00
7110.00	4.53	135.58	7109.99	-0.37	0.36	0.51	34.319	34.319	0.000	0.00
7120.00	8.02	135.58	7119.92	-1.15	1.12	1.61	34.319	34.319	0.000	0.00
7130.00	11.51	135.58	7129.78	-2.36	2.31	3.30	34.319	34.319	0.000	0.00
7140.00	14.99	135.58	7139.51	-4.00	3.92	5.59	34.319	34.319	0.000	0.00
7150.00	18.48	135.58	7149.09	-6.05	5.93	8.47	34.319	34.319	0.000	0.00
7160.00	21.97	135.58	7158.47	-8.52	8.35	11.93	34.319	34.319	0.000	0.00
7170.00	25.45	135.58	7167.62	-11.39	11.16	15.95	34.319	34.319	0.000	0.00
7180.00	28.94	135.58	7176.52	-14.66	14.36	20.52	34.319	34.319	0.000	0.00
7190.00	32.43	135.58	7185.11	-18.30	17.93	25.62	34.319	34.319	0.000	0.00
7200.00	35.91	135.58	7193.39	-22.31	21.86	31.24	34.319	34.319	0.000	0.00
7210.00	39.40	135.58	7201.30	-26.67	26.14	37.35	34.319	34.319	0.000	0.00
7220.00	42.89	135.58	7208.83	-31.37	30.74	43.93	34.319	34.319	0.000	0.00
7230.00	46.37	135.58	7215.95	-36.39	35.66	50.95	34.319	34.319	0.000	0.00
7240.00	49.86	135.58	7222.62	-41.71	40.87	58.39	34.319	34.319	0.000	0.00
7250.00	53.35	135.58	7228.83	-47.30	46.36	66.23	34.319	34.319	0.000	0.00
7260.00	56.84	135.58	7234.55	-53.16	52.09	74.43	34.319	34.319	0.000	0.00
7270.00	60.32	135.58	7239.77	-59.25	58.07	82.96	34.319	34.319	0.000	0.00
7280.00	63.81	135.58	7244.45	-65.56	64.25	91.80	34.319	34.319	0.000	0.00
7290.00	67.30	135.58	7248.59	-72.06	70.62	100.90	34.319	34.319	0.000	0.00
7300.00	70.78	135.58	7252.16	-78.73	77.15	110.23	34.319	34.319	0.000	0.00
7310.00	74.27	135.58	7255.17	-85.54	83.83	119.77	34.319	34.319	0.000	0.00
7320.00	77.76	135.58	7257.58	-92.47	90.62	129.47	34.319	34.319	0.000	0.00
7330.00	81.24	135.58	7259.40	-99.50	97.50	139.30	34.319	34.319	0.000	0.00
7340.00	84.73	135.58	7260.63	-106.58	104.45	149.23	34.319	34.319	0.000	0.00
7350.00	88.22	135.58	7261.24	-113.71	111.43	159.21	34.319	34.319	0.000	0.00
7355.11	90.00	135.58	7261.32	-117.36	115.01	164.32	34.319	34.319	0.000	0.00

Section 3 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
7400.00	90.00	135.58	7261.32	-149.42	146.43	209.21	0.000	0.000	0.000	0.00
7500.00	90.00	135.58	7261.32	-220.84	216.42	309.21	0.000	0.000	0.000	0.00
7600.00	90.00	135.58	7261.32	-292.27	286.41	409.21	0.000	0.000	0.000	0.00
7700.00	90.00	135.58	7261.32	-363.69	356.40	509.21	0.000	0.000	0.000	0.00
7800.00	90.00	135.58	7261.32	-435.11	426.39	609.21	0.000	0.000	0.000	0.00
7900.00	90.00	135.58	7261.32	-506.54	496.38	709.21	0.000	0.000	0.000	0.00
8000.00	90.00	135.58	7261.32	-577.96	566.37	809.21	0.000	0.000	0.000	0.00
8100.00	90.00	135.58	7261.32	-649.38	636.37	909.21	0.000	0.000	0.000	0.00
8200.00	90.00	135.58	7261.32	-720.80	706.36	1009.21	0.000	0.000	0.000	0.00
8300.00	90.00	135.58	7261.32	-792.23	776.35	1109.21	0.000	0.000	0.000	0.00
8400.00	90.00	135.58	7261.32	-863.65	846.34	1209.21	0.000	0.000	0.000	0.00
8500.00	90.00	135.58	7261.32	-935.07	916.33	1309.21	0.000	0.000	0.000	0.00
8600.00	90.00	135.58	7261.32	-1006.50	986.32	1409.21	0.000	0.000	0.000	0.00
8700.00	90.00	135.58	7261.32	-1077.92	1056.31	1509.21	0.000	0.000	0.000	0.00
8800.00	90.00	135.58	7261.32	-1149.34	1126.30	1609.21	0.000	0.000	0.000	0.00
8900.00	90.00	135.58	7261.32	-1220.76	1196.30	1709.21	0.000	0.000	0.000	0.00
9000.00	90.00	135.58	7261.32	-1292.19	1266.29	1809.21	0.000	0.000	0.000	0.00

PathFinder
Planning Report - Geographic

Company:	PURE Resources	**Date:** 11/12/2003	**Time:** 14:45:06	**Page:**	3
Field:	Cane Creek	**Co-ordinate(NE) Reference:**	Site: Cane Creek #2-1H, Grid North		
Site:	Cane Creek #2-1H	**Vertical (TVD) Reference:**	SITE 0.0		
Well:	#2-1H	**Section (VS) Reference:**	Well (0.00N,0.00E,135.58Azi)		
Wellpath:	Oringinal Hole Preplan	**Plan:**	Plan #1 Pre plan		

Section 3 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
9100.00	90.00	135.58	7261.32	-1363.61	1336.28	1909.21	0.000	0.000	0.000	0.00
9200.00	90.00	135.58	7261.32	-1435.03	1406.27	2009.21	0.000	0.000	0.000	0.00
9300.00	90.00	135.58	7261.32	-1506.46	1476.26	2109.21	0.000	0.000	0.000	0.00
9400.00	90.00	135.58	7261.32	-1577.88	1546.25	2209.21	0.000	0.000	0.000	0.00
9500.00	90.00	135.58	7261.32	-1649.30	1616.24	2309.21	0.000	0.000	0.000	0.00
9600.00	90.00	135.58	7261.32	-1720.72	1686.23	2409.21	0.000	0.000	0.000	0.00
9700.00	90.00	135.58	7261.32	-1792.15	1756.23	2509.21	0.000	0.000	0.000	0.00
9782.49	90.00	135.58	7261.32	-1851.12	1813.91	2591.70	0.000	0.000	0.000	0.00

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<— Latitude —> Deg Min Sec	<— Longitude —> Deg Min Sec
4300.00	0.00	0.00	4300.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4400.00	0.00	0.00	4400.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4500.00	0.00	0.00	4500.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4600.00	0.00	0.00	4600.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4700.00	0.00	0.00	4700.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4800.00	0.00	0.00	4800.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4900.00	0.00	0.00	4900.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5000.00	0.00	0.00	5000.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5100.00	0.00	0.00	5100.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5200.00	0.00	0.00	5200.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5300.00	0.00	0.00	5300.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5400.00	0.00	0.00	5400.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5500.00	0.00	0.00	5500.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5600.00	0.00	0.00	5600.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5700.00	0.00	0.00	5700.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5800.00	0.00	0.00	5800.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5900.00	0.00	0.00	5900.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6000.00	0.00	0.00	6000.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6100.00	0.00	0.00	6100.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6200.00	0.00	0.00	6200.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6300.00	0.00	0.00	6300.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6400.00	0.00	0.00	6400.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6500.00	0.00	0.00	6500.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6600.00	0.00	0.00	6600.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6700.00	0.00	0.00	6700.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6800.00	0.00	0.00	6800.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6900.00	0.00	0.00	6900.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
7000.00	0.00	0.00	7000.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
7097.00	0.00	0.00	7097.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
7100.00	1.05	135.58	7100.00	-0.02	0.02	14042155.80	272670.29	38 34 22.929 N	109 47 3.959 W
7110.00	4.53	135.58	7109.99	-0.37	0.36	14042155.45	272670.63	38 34 22.926 N	109 47 3.954 W
7120.00	8.02	135.58	7119.92	-1.15	1.12	14042154.67	272671.40	38 34 22.919 N	109 47 3.944 W
7130.00	11.51	135.58	7129.78	-2.36	2.31	14042153.46	272672.59	38 34 22.908 N	109 47 3.929 W
7140.00	14.99	135.58	7139.51	-4.00	3.92	14042151.82	272674.19	38 34 22.892 N	109 47 3.907 W
7150.00	18.48	135.58	7149.09	-6.05	5.93	14042149.77	272676.21	38 34 22.873 N	109 47 3.881 W
7160.00	21.97	135.58	7158.47	-8.52	8.35	14042147.30	272678.62	38 34 22.850 N	109 47 3.849 W
7170.00	25.45	135.58	7167.62	-11.39	11.16	14042144.43	272681.44	38 34 22.823 N	109 47 3.812 W
7180.00	28.94	135.58	7176.52	-14.66	14.36	14042141.16	272684.64	38 34 22.793 N	109 47 3.769 W
7190.00	32.43	135.58	7185.11	-18.30	17.93	14042137.52	272688.21	38 34 22.758 N	109 47 3.722 W
7200.00	35.91	135.58	7193.39	-22.31	21.86	14042133.51	272692.14	38 34 22.721 N	109 47 3.670 W
7210.00	39.40	135.58	7201.30	-26.67	26.14	14042129.14	272696.41	38 34 22.680 N	109 47 3.614 W
7220.00	42.89	135.58	7208.83	-31.37	30.74	14042124.45	272701.02	38 34 22.636 N	109 47 3.553 W

PathFinder
Planning Report - Geographic

Company:	PURE Resources	**Date:** 11/12/2003 **Time:** 14:45:06	**Page:** 4
Field:	Cane Creek	**Co-ordinate(NE) Reference:**	Site: Cane Creek #2-1H, Grid North
Site:	Cane Creek #2-1H	**Vertical (TVD) Reference:**	SITE 0.0
Well:	#2-1H	**Section (VS) Reference:**	Well (0.00N,0.00E,135.58Azi)
Wellpath:	Oringinal Hole Preplan	**Plan:**	Plan #1 Pre plan

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<— Latitude —> Deg Min Sec	<— Longitude —> Deg Min Sec
7230.00	46.37	135.58	7215.95	-36.39	35.66	14042119.43	272705.93	38 34 22.589 N	109 47 3.488 W
7240.00	49.86	135.58	7222.62	-41.71	40.87	14042114.11	272711.14	38 34 22.540 N	109 47 3.419 W
7250.00	53.35	135.58	7228.83	-47.30	46.36	14042108.52	272716.63	38 34 22.487 N	109 47 3.346 W
7260.00	56.84	135.58	7234.55	-53.16	52.09	14042102.66	272722.37	38 34 22.433 N	109 47 3.270 W
7270.00	60.32	135.58	7239.77	-59.25	58.07	14042096.57	272728.34	38 34 22.376 N	109 47 3.191 W
7280.00	63.81	135.58	7244.45	-65.56	64.25	14042090.26	272734.52	38 34 22.317 N	109 47 3.110 W
7290.00	67.30	135.58	7248.59	-72.06	70.62	14042083.75	272740.89	38 34 22.256 N	109 47 3.026 W
7300.00	70.78	135.58	7252.16	-78.73	77.15	14042077.09	272747.43	38 34 22.193 N	109 47 2.939 W
7310.00	74.27	135.58	7255.17	-85.54	83.83	14042070.27	272754.10	38 34 22.130 N	109 47 2.851 W
7320.00	77.76	135.58	7257.58	-92.47	90.62	14042063.35	272760.89	38 34 22.065 N	109 47 2.761 W
7330.00	81.24	135.58	7259.40	-99.50	97.50	14042056.32	272767.78	38 34 21.999 N	109 47 2.670 W
7340.00	84.73	135.58	7260.63	-106.58	104.45	14042049.24	272774.72	38 34 21.933 N	109 47 2.578 W
7350.00	88.22	135.58	7261.24	-113.71	111.43	14042042.11	272781.71	38 34 21.866 N	109 47 2.486 W
7355.11	90.00	135.58	7261.32	-117.36	115.01	14042038.46	272785.28	38 34 21.832 N	109 47 2.439 W
7400.00	90.00	135.58	7261.32	-149.42	146.43	14042006.40	272816.70	38 34 21.532 N	109 47 2.023 W
7500.00	90.00	135.58	7261.32	-220.84	216.42	14041934.97	272886.69	38 34 20.865 N	109 47 1.098 W
7600.00	90.00	135.58	7261.32	-292.27	286.41	14041863.55	272956.68	38 34 20.197 N	109 47 0.173 W
7700.00	90.00	135.58	7261.32	-363.69	356.40	14041792.13	273026.67	38 34 19.529 N	109 46 59.247 W
7800.00	90.00	135.58	7261.32	-435.11	426.39	14041720.71	273096.67	38 34 18.861 N	109 46 58.322 W
7900.00	90.00	135.58	7261.32	-506.54	496.38	14041649.28	273166.66	38 34 18.193 N	109 46 57.397 W
8000.00	90.00	135.58	7261.32	-577.96	566.37	14041577.86	273236.65	38 34 17.525 N	109 46 56.471 W
8100.00	90.00	135.58	7261.32	-649.38	636.37	14041506.44	273306.64	38 34 16.858 N	109 46 55.546 W
8200.00	90.00	135.58	7261.32	-720.80	706.36	14041435.01	273376.63	38 34 16.190 N	109 46 54.621 W
8300.00	90.00	135.58	7261.32	-792.23	776.35	14041363.59	273446.62	38 34 15.522 N	109 46 53.696 W
8400.00	90.00	135.58	7261.32	-863.65	846.34	14041292.17	273516.61	38 34 14.854 N	109 46 52.770 W
8500.00	90.00	135.58	7261.32	-935.07	916.33	14041220.75	273586.60	38 34 14.186 N	109 46 51.845 W
8600.00	90.00	135.58	7261.32	-1006.50	986.32	14041149.32	273656.60	38 34 13.518 N	109 46 50.920 W
8700.00	90.00	135.58	7261.32	-1077.92	1056.31	14041077.90	273726.59	38 34 12.850 N	109 46 49.995 W
8800.00	90.00	135.58	7261.32	-1149.34	1126.30	14041006.48	273796.58	38 34 12.182 N	109 46 49.069 W
8900.00	90.00	135.58	7261.32	-1220.76	1196.30	14040935.05	273866.57	38 34 11.515 N	109 46 48.144 W
9000.00	90.00	135.58	7261.32	-1292.19	1266.29	14040863.63	273936.56	38 34 10.847 N	109 46 47.219 W
9100.00	90.00	135.58	7261.32	-1363.61	1336.28	14040792.21	274006.55	38 34 10.179 N	109 46 46.293 W
9200.00	90.00	135.58	7261.32	-1435.03	1406.27	14040720.79	274076.54	38 34 9.511 N	109 46 45.368 W
9300.00	90.00	135.58	7261.32	-1506.46	1476.26	14040649.36	274146.53	38 34 8.843 N	109 46 44.443 W
9400.00	90.00	135.58	7261.32	-1577.88	1546.25	14040577.94	274216.53	38 34 8.175 N	109 46 43.518 W
9500.00	90.00	135.58	7261.32	-1649.30	1616.24	14040506.52	274286.52	38 34 7.507 N	109 46 42.593 W
9600.00	90.00	135.58	7261.32	-1720.72	1686.23	14040435.09	274356.51	38 34 6.839 N	109 46 41.667 W
9700.00	90.00	135.58	7261.32	-1792.15	1756.23	14040363.67	274426.50	38 34 6.172 N	109 46 40.742 W
9782.49	90.00	135.58	7261.32	-1851.12	1813.91	14040304.70	274484.18	38 34 5.620 N	109 46 39.980 W

PathFinder
Planning Report - Geographic

Company:	PURE Resources	**Date:** 11/12/2003 **Time:** 14:45:06	**Page:** 1
Field:	Cane Creek	**Co-ordinate(NE) Reference:**	Site: Cane Creek #2-1H, Grid North
Site:	Cane Creek #2-1H	**Vertical (TVD) Reference:**	SITE 0.0
Well:	#2-1H	**Section (VS) Reference:**	Well (0.00N,0.00E,135.58Azi)
Wellpath:	Oringinal Hole Preplan	**Plan:**	Plan #1 Pre plan

Field: Cane Creek
Grand County, Utah
USA

Map System: Universal Transverse Mercator (USfeet) — **Map Zone:** UTM Zone 13, North 108W to 102W
Geo Datum: Clarke 1866 — **Coordinate System:** Site Centre
Sys Datum: Mean Sea Level — **Geomagnetic Model:** igrf2000

Site: Cane Creek #2-1H

Section 2, T26S & R19E

Site Position:		**Northing:**	14042155.82 ft	**Latitude:**	38 34 22.930 N
From:	Map	**Easting:**	272670.27 ft	**Longitude:**	109 47 3.959 W
Position Uncertainty:	0.00 ft			**North Reference:**	Grid
Ground Level:	0.00 ft			**Grid Convergence:**	-7.35 deg

Well: #2-1H — **Slot Name:**

Well Position:	+N/-S	0.00 ft	**Northing:**	14042155.82 ft	**Latitude:**	38 34 22.930 N
	+E/-W	0.00 ft	**Easting :**	272670.27 ft	**Longitude:**	109 47 3.959 W
Position Uncertainty:		0.00 ft				

Wellpath: Oringinal Hole Preplan — **Drilled From:** Surface
Tie-on Depth: 0.00 ft

Current Datum:	SITE	**Height**	0.00 ft	**Above System Datum:**	Mean Sea Level
Magnetic Data:	11/12/2003			**Declination:**	12.14 deg
Field Strength:	52403 nT			**Mag Dip Angle:**	64.85 deg

Vertical Section: Depth From (TVD) ft	+N/-S ft	+E/-W ft	Direction deg
0.00	0.00	0.00	135.58

Plan: Plan #1 Pre plan — **Date Composed:** 11/12/2003
Version: 1
Principal: No — **Tied-to:** From Surface

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00	
7097.00	0.00	0.00	7097.00	0.00	0.00	0.000	0.000	0.000	0.00	
7355.11	90.00	135.58	7261.32	-117.36	115.01	34.319	34.319	0.000	135.58	
9782.49	90.00	135.58	7261.32	-1851.12	1813.91	0.000	0.000	0.000	0.00	PBHL 7261.3' TVD

Section 1 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4300.00	0.00	0.00	4300.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4400.00	0.00	0.00	4400.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4500.00	0.00	0.00	4500.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4600.00	0.00	0.00	4600.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4700.00	0.00	0.00	4700.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4800.00	0.00	0.00	4800.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
4900.00	0.00	0.00	4900.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5000.00	0.00	0.00	5000.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5100.00	0.00	0.00	5100.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5200.00	0.00	0.00	5200.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5300.00	0.00	0.00	5300.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5400.00	0.00	0.00	5400.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5500.00	0.00	0.00	5500.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5600.00	0.00	0.00	5600.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5700.00	0.00	0.00	5700.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5800.00	0.00	0.00	5800.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
5900.00	0.00	0.00	5900.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6000.00	0.00	0.00	6000.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6100.00	0.00	0.00	6100.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00

PathFinder
Planning Report - Geographic

Company:	PURE Resources	**Date:** 11/12/2003	**Time:** 14:45:06	**Page:**	2
Field:	Cane Creek	**Co-ordinate(NE) Reference:**	Site: Cane Creek #2-1H, Grid North		
Site:	Cane Creek #2-1H	**Vertical (TVD) Reference:**	SITE 0.0		
Well:	#2-1H	**Section (VS) Reference:**	Well (0.00N,0.00E,135.58Azi)		
Wellpath:	Oringinal Hole Preplan	**Plan:**	Plan #1 Pre plan		

Section 1 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
6200.00	0.00	0.00	6200.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6300.00	0.00	0.00	6300.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6400.00	0.00	0.00	6400.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6500.00	0.00	0.00	6500.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6600.00	0.00	0.00	6600.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6700.00	0.00	0.00	6700.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6800.00	0.00	0.00	6800.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
6900.00	0.00	0.00	6900.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
7000.00	0.00	0.00	7000.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00
7097.00	0.00	0.00	7097.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00

Section 2 : Start Build 34.32

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
7100.00	1.05	135.58	7100.00	-0.02	0.02	0.03	34.319	34.319	0.000	0.00
7110.00	4.53	135.58	7109.99	-0.37	0.36	0.51	34.319	34.319	0.000	0.00
7120.00	8.02	135.58	7119.92	-1.15	1.12	1.61	34.319	34.319	0.000	0.00
7130.00	11.51	135.58	7129.78	-2.36	2.31	3.30	34.319	34.319	0.000	0.00
7140.00	14.99	135.58	7139.51	-4.00	3.92	5.59	34.319	34.319	0.000	0.00
7150.00	18.48	135.58	7149.09	-6.05	5.93	8.47	34.319	34.319	0.000	0.00
7160.00	21.97	135.58	7158.47	-8.52	8.35	11.93	34.319	34.319	0.000	0.00
7170.00	25.45	135.58	7167.62	-11.39	11.16	15.95	34.319	34.319	0.000	0.00
7180.00	28.94	135.58	7176.52	-14.66	14.36	20.52	34.319	34.319	0.000	0.00
7190.00	32.43	135.58	7185.11	-18.30	17.93	25.62	34.319	34.319	0.000	0.00
7200.00	35.91	135.58	7193.39	-22.31	21.86	31.24	34.319	34.319	0.000	0.00
7210.00	39.40	135.58	7201.30	-26.67	26.14	37.35	34.319	34.319	0.000	0.00
7220.00	42.89	135.58	7208.83	-31.37	30.74	43.93	34.319	34.319	0.000	0.00
7230.00	46.37	135.58	7215.95	-36.39	35.66	50.95	34.319	34.319	0.000	0.00
7240.00	49.86	135.58	7222.62	-41.71	40.87	58.39	34.319	34.319	0.000	0.00
7250.00	53.35	135.58	7228.83	-47.30	46.36	66.23	34.319	34.319	0.000	0.00
7260.00	56.84	135.58	7234.55	-53.16	52.09	74.43	34.319	34.319	0.000	0.00
7270.00	60.32	135.58	7239.77	-59.25	58.07	82.96	34.319	34.319	0.000	0.00
7280.00	63.81	135.58	7244.45	-65.56	64.25	91.80	34.319	34.319	0.000	0.00
7290.00	67.30	135.58	7248.59	-72.06	70.62	100.90	34.319	34.319	0.000	0.00
7300.00	70.78	135.58	7252.16	-78.73	77.15	110.23	34.319	34.319	0.000	0.00
7310.00	74.27	135.58	7255.17	-85.54	83.83	119.77	34.319	34.319	0.000	0.00
7320.00	77.76	135.58	7257.58	-92.47	90.62	129.47	34.319	34.319	0.000	0.00
7330.00	81.24	135.58	7259.40	-99.50	97.50	139.30	34.319	34.319	0.000	0.00
7340.00	84.73	135.58	7260.63	-106.58	104.45	149.23	34.319	34.319	0.000	0.00
7350.00	88.22	135.58	7261.24	-113.71	111.43	159.21	34.319	34.319	0.000	0.00
7355.11	90.00	135.58	7261.32	-117.36	115.01	164.32	34.319	34.319	0.000	0.00

Section 3 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
7400.00	90.00	135.58	7261.32	-149.42	146.43	209.21	0.000	0.000	0.000	0.00
7500.00	90.00	135.58	7261.32	-220.84	216.42	309.21	0.000	0.000	0.000	0.00
7600.00	90.00	135.58	7261.32	-292.27	286.41	409.21	0.000	0.000	0.000	0.00
7700.00	90.00	135.58	7261.32	-363.69	356.40	509.21	0.000	0.000	0.000	0.00
7800.00	90.00	135.58	7261.32	-435.11	426.39	609.21	0.000	0.000	0.000	0.00
7900.00	90.00	135.58	7261.32	-506.54	496.38	709.21	0.000	0.000	0.000	0.00
8000.00	90.00	135.58	7261.32	-577.96	566.37	809.21	0.000	0.000	0.000	0.00
8100.00	90.00	135.58	7261.32	-649.38	636.37	909.21	0.000	0.000	0.000	0.00
8200.00	90.00	135.58	7261.32	-720.80	706.36	1009.21	0.000	0.000	0.000	0.00
8300.00	90.00	135.58	7261.32	-792.23	776.35	1109.21	0.000	0.000	0.000	0.00
8400.00	90.00	135.58	7261.32	-863.65	846.34	1209.21	0.000	0.000	0.000	0.00
8500.00	90.00	135.58	7261.32	-935.07	916.33	1309.21	0.000	0.000	0.000	0.00
8600.00	90.00	135.58	7261.32	-1006.50	986.32	1409.21	0.000	0.000	0.000	0.00
8700.00	90.00	135.58	7261.32	-1077.92	1056.31	1509.21	0.000	0.000	0.000	0.00
8800.00	90.00	135.58	7261.32	-1149.34	1126.30	1609.21	0.000	0.000	0.000	0.00
8900.00	90.00	135.58	7261.32	-1220.76	1196.30	1709.21	0.000	0.000	0.000	0.00
9000.00	90.00	135.58	7261.32	-1292.19	1266.29	1809.21	0.000	0.000	0.000	0.00

PathFinder
Planning Report - Geographic

Company:	PURE Resources	**Date:** 11/12/2003 **Time:** 14:45:06	**Page:** 3
Field:	Cane Creek	**Co-ordinate(NE) Reference:**	Site: Cane Creek #2-1H, Grid North
Site:	Cane Creek #2-1H	**Vertical (TVD) Reference:**	SITE 0.0
Well:	#2-1H	**Section (VS) Reference:**	Well (0.00N,0.00E,135.58Azi)
Wellpath:	Oringinal Hole Preplan	**Plan:**	Plan #1 Pre plan

Section 3 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/30m	Build deg/30m	Turn deg/30m	TFO deg
9100.00	90.00	135.58	7261.32	-1363.61	1336.28	1909.21	0.000	0.000	0.000	0.00
9200.00	90.00	135.58	7261.32	-1435.03	1406.27	2009.21	0.000	0.000	0.000	0.00
9300.00	90.00	135.58	7261.32	-1506.46	1476.26	2109.21	0.000	0.000	0.000	0.00
9400.00	90.00	135.58	7261.32	-1577.88	1546.25	2209.21	0.000	0.000	0.000	0.00
9500.00	90.00	135.58	7261.32	-1649.30	1616.24	2309.21	0.000	0.000	0.000	0.00
9600.00	90.00	135.58	7261.32	-1720.72	1686.23	2409.21	0.000	0.000	0.000	0.00
9700.00	90.00	135.58	7261.32	-1792.15	1756.23	2509.21	0.000	0.000	0.000	0.00
9782.49	90.00	135.58	7261.32	-1851.12	1813.91	2591.70	0.000	0.000	0.000	0.00

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<— Latitude —> Deg Min Sec	<— Longitude —> Deg Min Sec
4300.00	0.00	0.00	4300.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4400.00	0.00	0.00	4400.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4500.00	0.00	0.00	4500.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4600.00	0.00	0.00	4600.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4700.00	0.00	0.00	4700.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4800.00	0.00	0.00	4800.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
4900.00	0.00	0.00	4900.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5000.00	0.00	0.00	5000.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5100.00	0.00	0.00	5100.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5200.00	0.00	0.00	5200.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5300.00	0.00	0.00	5300.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5400.00	0.00	0.00	5400.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5500.00	0.00	0.00	5500.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5600.00	0.00	0.00	5600.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5700.00	0.00	0.00	5700.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5800.00	0.00	0.00	5800.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
5900.00	0.00	0.00	5900.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6000.00	0.00	0.00	6000.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6100.00	0.00	0.00	6100.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6200.00	0.00	0.00	6200.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6300.00	0.00	0.00	6300.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6400.00	0.00	0.00	6400.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6500.00	0.00	0.00	6500.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6600.00	0.00	0.00	6600.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6700.00	0.00	0.00	6700.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6800.00	0.00	0.00	6800.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
6900.00	0.00	0.00	6900.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
7000.00	0.00	0.00	7000.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
7097.00	0.00	0.00	7097.00	0.00	0.00	14042155.82	272670.27	38 34 22.930 N	109 47 3.959 W
7100.00	1.05	135.58	7100.00	-0.02	0.02	14042155.80	272670.29	38 34 22.929 N	109 47 3.959 W
7110.00	4.53	135.58	7109.99	-0.37	0.36	14042155.45	272670.63	38 34 22.926 N	109 47 3.954 W
7120.00	8.02	135.58	7119.92	-1.15	1.12	14042154.67	272671.40	38 34 22.919 N	109 47 3.944 W
7130.00	11.51	135.58	7129.78	-2.36	2.31	14042153.46	272672.59	38 34 22.908 N	109 47 3.929 W
7140.00	14.99	135.58	7139.51	-4.00	3.92	14042151.82	272674.19	38 34 22.892 N	109 47 3.907 W
7150.00	18.48	135.58	7149.09	-6.05	5.93	14042149.77	272676.21	38 34 22.873 N	109 47 3.881 W
7160.00	21.97	135.58	7158.47	-8.52	8.35	14042147.30	272678.62	38 34 22.850 N	109 47 3.849 W
7170.00	25.45	135.58	7167.62	-11.39	11.16	14042144.43	272681.44	38 34 22.823 N	109 47 3.812 W
7180.00	28.94	135.58	7176.52	-14.66	14.36	14042141.16	272684.64	38 34 22.793 N	109 47 3.769 W
7190.00	32.43	135.58	7185.11	-18.30	17.93	14042137.52	272688.21	38 34 22.758 N	109 47 3.722 W
7200.00	35.91	135.58	7193.39	-22.31	21.86	14042133.51	272692.14	38 34 22.721 N	109 47 3.670 W
7210.00	39.40	135.58	7201.30	-26.67	26.14	14042129.14	272696.41	38 34 22.680 N	109 47 3.614 W
7220.00	42.89	135.58	7208.83	-31.37	30.74	14042124.45	272701.02	38 34 22.636 N	109 47 3.553 W

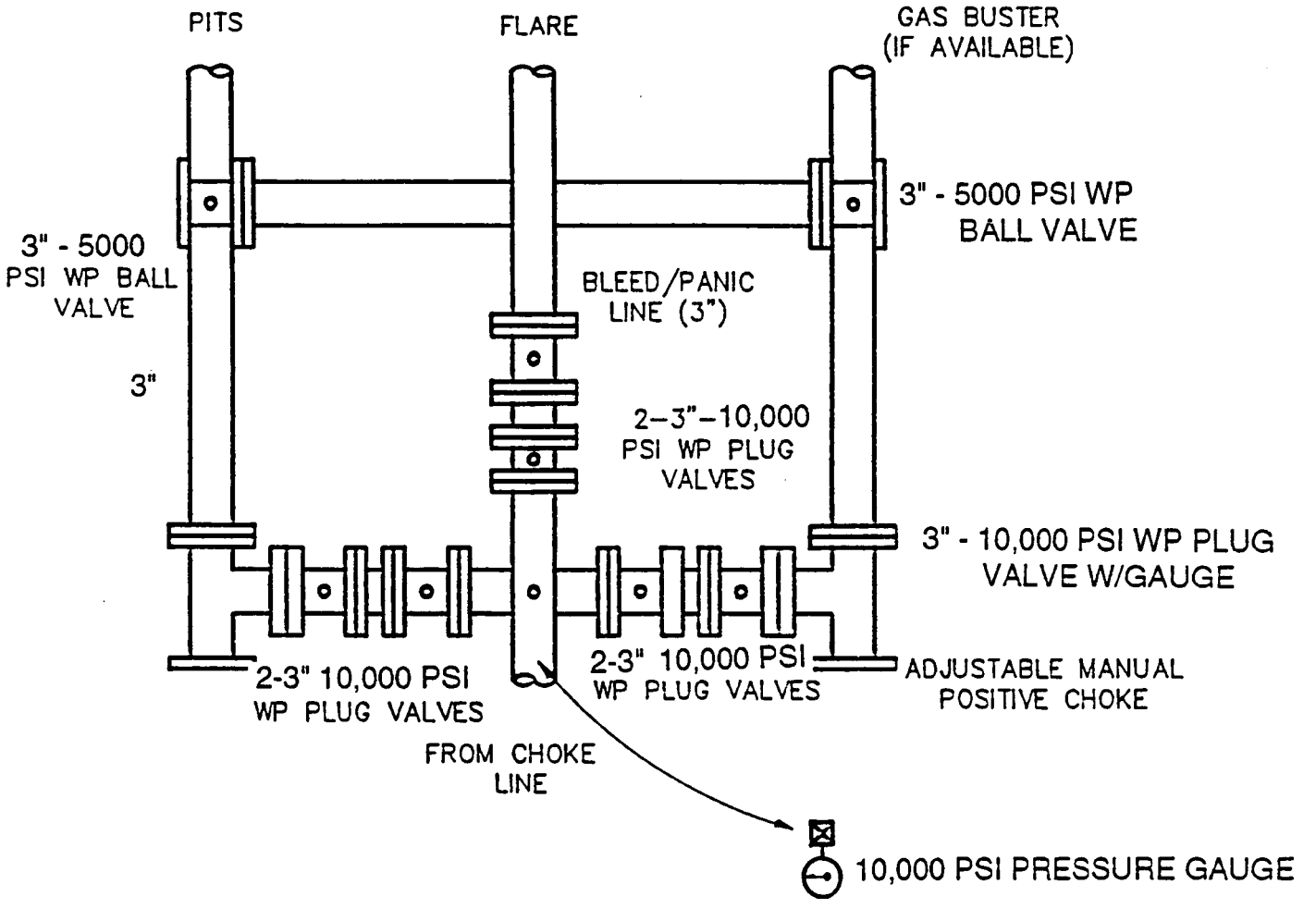
PathFinder
Planning Report - Geographic

Company:	PURE Resources	**Date:** 11/12/2003 **Time:** 14:45:06	**Page:** 4
Field:	Cane Creek	**Co-ordinate(NE) Reference:**	Site: Cane Creek #2-1H, Grid North
Site:	Cane Creek #2-1H	**Vertical (TVD) Reference:**	SITE 0.0
Well:	#2-1H	**Section (VS) Reference:**	Well (0.00N,0.00E,135.58Azi)
Wellpath:	Oringinal Hole Preplan	**Plan:**	Plan #1 Pre plan

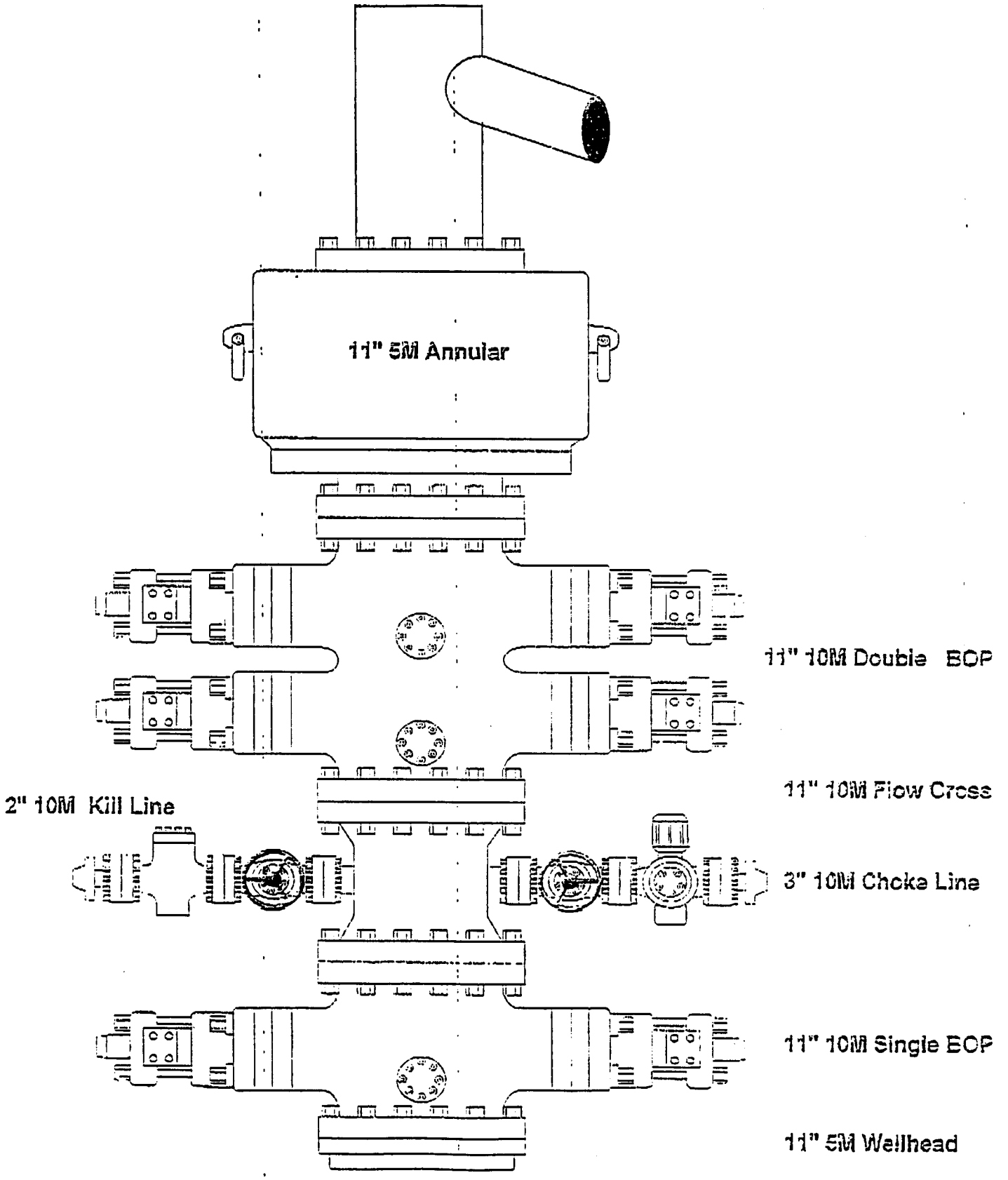
Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<— Latitude —> Deg Min Sec	<— Longitude —> Deg Min Sec
7230.00	46.37	135.58	7215.95	-36.39	35.66	14042119.43	272705.93	38 34 22.589 N	109 47 3.488 W
7240.00	49.86	135.58	7222.62	-41.71	40.87	14042114.11	272711.14	38 34 22.540 N	109 47 3.419 W
7250.00	53.35	135.58	7228.83	-47.30	46.36	14042108.52	272716.63	38 34 22.487 N	109 47 3.346 W
7260.00	56.84	135.58	7234.55	-53.16	52.09	14042102.66	272722.37	38 34 22.433 N	109 47 3.270 W
7270.00	60.32	135.58	7239.77	-59.25	58.07	14042096.57	272728.34	38 34 22.376 N	109 47 3.191 W
7280.00	63.81	135.58	7244.45	-65.56	64.25	14042090.26	272734.52	38 34 22.317 N	109 47 3.110 W
7290.00	67.30	135.58	7248.59	-72.06	70.62	14042083.75	272740.89	38 34 22.256 N	109 47 3.026 W
7300.00	70.78	135.58	7252.16	-78.73	77.15	14042077.09	272747.43	38 34 22.193 N	109 47 2.939 W
7310.00	74.27	135.58	7255.17	-85.54	83.83	14042070.27	272754.10	38 34 22.130 N	109 47 2.851 W
7320.00	77.76	135.58	7257.58	-92.47	90.62	14042063.35	272760.89	38 34 22.065 N	109 47 2.761 W
7330.00	81.24	135.58	7259.40	-99.50	97.50	14042056.32	272767.78	38 34 21.999 N	109 47 2.670 W
7340.00	84.73	135.58	7260.63	-106.58	104.45	14042049.24	272774.72	38 34 21.933 N	109 47 2.578 W
7350.00	88.22	135.58	7261.24	-113.71	111.43	14042042.11	272781.71	38 34 21.866 N	109 47 2.486 W
7355.11	90.00	135.58	7261.32	-117.36	115.01	14042038.46	272785.28	38 34 21.832 N	109 47 2.439 W
7400.00	90.00	135.58	7261.32	-149.42	146.43	14042006.40	272816.70	38 34 21.532 N	109 47 2.023 W
7500.00	90.00	135.58	7261.32	-220.84	216.42	14041934.97	272886.69	38 34 20.865 N	109 47 1.098 W
7600.00	90.00	135.58	7261.32	-292.27	286.41	14041863.55	272956.68	38 34 20.197 N	109 47 0.173 W
7700.00	90.00	135.58	7261.32	-363.69	356.40	14041792.13	273026.67	38 34 19.529 N	109 46 59.247 W
7800.00	90.00	135.58	7261.32	-435.11	426.39	14041720.71	273096.67	38 34 18.861 N	109 46 58.322 W
7900.00	90.00	135.58	7261.32	-506.54	496.38	14041649.28	273166.66	38 34 18.193 N	109 46 57.397 W
8000.00	90.00	135.58	7261.32	-577.96	566.37	14041577.86	273236.65	38 34 17.525 N	109 46 56.471 W
8100.00	90.00	135.58	7261.32	-649.38	636.37	14041506.44	273306.64	38 34 16.858 N	109 46 55.546 W
8200.00	90.00	135.58	7261.32	-720.80	706.36	14041435.01	273376.63	38 34 16.190 N	109 46 54.621 W
8300.00	90.00	135.58	7261.32	-792.23	776.35	14041363.59	273446.62	38 34 15.522 N	109 46 53.696 W
8400.00	90.00	135.58	7261.32	-863.65	846.34	14041292.17	273516.61	38 34 14.854 N	109 46 52.770 W
8500.00	90.00	135.58	7261.32	-935.07	916.33	14041220.75	273586.60	38 34 14.186 N	109 46 51.845 W
8600.00	90.00	135.58	7261.32	-1006.50	986.32	14041149.32	273656.60	38 34 13.518 N	109 46 50.920 W
8700.00	90.00	135.58	7261.32	-1077.92	1056.31	14041077.90	273726.59	38 34 12.850 N	109 46 49.995 W
8800.00	90.00	135.58	7261.32	-1149.34	1126.30	14041006.48	273796.58	38 34 12.182 N	109 46 49.069 W
8900.00	90.00	135.58	7261.32	-1220.76	1196.30	14040935.05	273866.57	38 34 11.515 N	109 46 48.144 W
9000.00	90.00	135.58	7261.32	-1292.19	1266.29	14040863.63	273936.56	38 34 10.847 N	109 46 47.219 W
9100.00	90.00	135.58	7261.32	-1363.61	1336.28	14040792.21	274006.55	38 34 10.179 N	109 46 46.293 W
9200.00	90.00	135.58	7261.32	-1435.03	1406.27	14040720.79	274076.54	38 34 9.511 N	109 46 45.368 W
9300.00	90.00	135.58	7261.32	-1506.46	1476.26	14040649.36	274146.53	38 34 8.843 N	109 46 44.443 W
9400.00	90.00	135.58	7261.32	-1577.88	1546.25	14040577.94	274216.53	38 34 8.175 N	109 46 43.518 W
9500.00	90.00	135.58	7261.32	-1649.30	1616.24	14040506.52	274286.52	38 34 7.507 N	109 46 42.593 W
9600.00	90.00	135.58	7261.32	-1720.72	1686.23	14040435.09	274356.51	38 34 6.839 N	109 46 41.667 W
9700.00	90.00	135.58	7261.32	-1792.15	1756.23	14040363.67	274426.50	38 34 6.172 N	109 46 40.742 W
9782.49	90.00	135.58	7261.32	-1851.12	1813.91	14040304.70	274484.18	38 34 5.620 N	109 46 39.980 W

PLAN VIEW CHOKE MANIFOLD



Proposed BOP Schematic



013

From: <LSPermitco@aol.com>
To: <dianawhitney@utah.gov>
Date: 11/28/03 3:47PM
Subject: Re: Cane Creek 2-1

Diana,

I know this is confusing, but here's how it goes: Intrepid originally permitted this well on state surface with a directional bottom hole on State minerals. The location was constructed, and then their partner decided they would rather bottom hole on the BLM lease. So, yes, the lease number has changed. In addtion, the well will be deeper.

I'm pretty sure that Richard Miller has talked with Dustin (or Brad) about this and they're aware of what's going on. Feel free to call me if this doesn't clear things up.

Thanks.

In a message dated 11/26/2003 3:01:32 PM Mountain Standard Time, dianawhitney@utah.gov writes:

> Hi Lisa,
>
> On this apd for the Cane Creek 2-1 well I have a couple of questions
> before I can pass it along to Brad and Dustin. Did the lease change
> from State to Federal? The previous lease number was ML-40761 to
> UTU-65972 also, they are deepening the well from 7389' to 7700'?
> And just to let you know the letter that Robert P. Jomayvaz III (sorry
> if his name is spelled wrong, I cant quite make it out) wrote saying
> that Permitco is authorized to act as agent and to sign documents on
> behalf of Intrepid Oil and Gas Companies. In that letter he states that
> this well is located at 500 FEL and it should be 529' FEL. I'll change
> it over here but will you change it on your part.
>
> Thank you,
> Diana
>

Lisa Smith
Permitco Inc.
14421 County Road 10
Fort Lupton, CO 80621

303-857-9999 (office)
303-857-0577 (fax)
303-324-9350 (cell)

016

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 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

December 1, 2003

Intrepid Oil & Gas, LLC
1700 - 17 St., Suite 1700
Denver, CO 80202

Re: Cane Creek 2-1 Well, Surface Location 2300' FNL, 529' FEL, SE NE, Sec. 2, T. 26 South, R. 19 East, Bottom Location 1900' FSL, 1240' FWL, NW SW, Sec. 1, T. 26 South, R. 19 East, 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.

In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

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 43-019-31396.

Sincerely,

John R. Baza
Associate Director

pab
Enclosures

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

Utah!
Where ideas connect

Operator: Intrepid Oil & Gas, LLC
Well Name & Number Cane Creek 2-1
API Number: 43-019-31396
Lease: UTU-65972

Surface Location: SE NE **Sec.** 2 **T.** 26 South **R.** 19 East
Bottom Location: NW SW **Sec.** 1 **T.** 26 South **R.** 19 East

Conditions of Approval

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

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

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

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

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

5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

012

PERMITCO
PETROLEUM PERMITTING COMPANY

14421 County Rd. 10 • Ft. Lupton, Colorado 80621 • (303) 857-9999 • FAX (303) 857-0577 • E-MAIL Permitco 1@aol.com

December 2, 2003

Bureau of Land Management
82 E. Dogwood
Moab, UT 84532

Attn: Rich McClure

Re: Intrepid Oil & Gas, LLC.
Cane Creek #2-1
SE NE 2300' FNL and 529' FEL, Sec. 2 (Surface)
NW SW 1900' FSL and 1240' FWL, Sec. 1 (Btm. Hole)
T26S - R19E
Grand County, Utah
Lease No. UTU-65972 & ML-40761

Dear Rich,

As you requested, enclosed please find 4 copies of the Surface Use Plan for the above mentioned well. As we discussed, the location was previously constructed, although the pit liner has not yet been installed. As noted in the application, the Utah Division of Oil, Gas & Mining has requested a 12 mil liner.

If you should need anything else, please don't hesitate to contact me. As you know, I was not in attendance at the onsite inspection in June, therefore, you may need to contact Richard Miller at Intrepid, 303-296-3006.

Your early approval of this application would be greatly appreciated.

Sincerely,

PERMITCO INC.

Lisa Smith

Lisa L. Smith
Consultant for:
Intrepid Oil & Gas, LLC.

Enc.
cc: Intrepid Oil & Gas, LLC. - Denver, CO
Pure Resources - Midland, TX
Utah Division of Oil, Gas & Mining - SLC, UT
Utah State Lands - SLC, UT

RECEIVED
DEC 04 2003
DIV. OF OIL, GAS & MINING

ONSHORE OIL & GAS ORDER NO. 1
Thirteen Point Surface Use Plan

The original location was proposed with a surface and bottom hole location to be located within Section 2 on State Mineral lease ML-40761.

An onsite inspection of the subject well was conducted on June 24, 2003 at approximately 11:00 a.m. Weather conditions were clear and sunny. In attendance at the onsite inspection were the following individuals:

Name	Representing
Richard Miller	Intrepid Oil & Gas LLC
Charley Harrison	Harrison Oil Field Services
Lesha Cordova	Utah Division of Oil, Gas & Mining
Dan Jarvis	Utah Division of Oil, Gas & Mining
Mike Schumway	Ksue Construction

The location was approved by the Utah Division of Oil, Gas and Mining and was constructed in accordance with State requirements. Subsequently, Intrepid decided to move the bottom hole location to the NW SW Sec. 1, T26S - R19E, which is located on a federal mineral lease No. UTU-65972.

1. EXISTING ROADS

a. The proposed well site is located approximately 24 miles northwest of Moab, Utah.

b. Directions to the location from Moab, Utah are as follows:

From, Moab, Utah proceed north on Highway 191 for 11.2 miles. Turn left on Highway 313 and proceed southwesterly for 13 miles. Turn left onto an existing road and proceed easterly for 0.45 mile. Turn right onto the new access road and proceed south for approximately 200 feet to the location.

c. For location of access roads within a 2-Mile radius, see Maps A & B.

RECEIVED
DEC 04 2003
DIV. OF OIL, GAS & MINING
PETROLEUM PERMITTING PERMITCO COMPANY

d. Improvement to the existing access will not be necessary since all roads are maintained by the Grand County Road Department or Utah State Highway department.

e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

f. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

2. PLANNED ACCESS ROADS

a. The last 200 feet was constructed to obtain access to the well pad.

b. The maximum width of the bladed road will be 21 feet. If production is established the running surface of the road will be 15 to 21 feet with a maximum disturbed width of 35 feet.

c. The maximum grade of the new access was approximately 3 percent.

d. No turnouts will be necessary.

e. No culverts or low water crossings will be necessary.

f. The proposed access road was centerline flagged at the time of staking.

g. Surfacing of the pad and new access may be necessary, depending on the weather conditions at the time of drilling.

h. No cattle guards will be necessary.

i. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved by the Field Manager in advance.

PETROLEUM PERMITTING
PERMITCO
COMPANY

j. 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.

k. No road right of way will be necessary.

3. LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCATION. SEE MAP "C"

a. Water wells - none

b. Injection wells - none

c. Producing wells - none

d. Drilling wells - none

e. Shut In wells - none

f. Abandoned wells - **

4. PROPOSED PRODUCTION FACILITIES

a. Production facilities will be located on the well pad. A Production Facilities Layout will be submitted via Sundry notice prior to installation of facilities.

b. All permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective 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 to comply with the Occupational Safety and Health Act (OSHA) may be

excluded. Colors will match the adjacent vegetation. The actual color will be specified by the Bureau of Land Management or the Utah Division of Oil, Gas and Mining.

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

d. If a gas meter run is constructed, it will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead 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 provision of 43 CFR 3162.7-3, Onshore Order No. 5 and American Gas Association (AGA) Report No. 3.

e. The tank battery will be surrounded by a berm of sufficient capacity to contain 1-1/2 times the storage capacity of the largest tank. 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 3162.7-3 and Onshore Oil and Gas Order No. 4.

f. 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.

g. Any necessary pits will be properly fenced to prevent any wildlife entry.

h. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the Authorized Officer.

i. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.

j. The road will be maintained in a safe useable condition.

5. LOCATION AND TYPE OF WATER SUPPLY

a. All water needed for drilling purposes will be obtained from the municipal water supply in Moab, Utah.

b. Water will be hauled to location over the roads marked on Maps A and B.

c. No water well is to be drilled on this lease.

d. The water hauler will notify the appropriate authorities prior to utilizing the municipal water source.

6. CONSTRUCTION MATERIALS

a. Pad construction material will be native (that found in the well pad).

b. Native material found in the pad may also be used for road upgrading.

c. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2-3.

d. No construction materials will be removed from Federal land.

7. METHODS OF HANDLING WASTE DISPOSAL

a. All fluids contained within the reserve pit will be allowed to evaporate and the pit will be backfilled. The reserve pit will be lined with a 12 mil liner as requested by the Utah Division of Oil, Gas and Mining.

b. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight. Trash will be hauled as necessary, but not later than at the completion of drilling operations.

c. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.

d. Sewage will be placed in a portable chemical toilet or holding tank and disposed of in accordance with state and county regulations.

e. The produced fluids (other than water) will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas salt water or other produced fluids will be cleaned up and removed.

8. ANCILLARY FACILITIES

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. WELLSITE LAYOUT

a. See Location Layout (Figure #1) and Typical Cross Sections (Figure #2) for orientation of rig, cross section of drill pad and cuts and fills.

b. Six inches of topsoil (or the maximum available) has been salvaged during construction and reserved for use in reclamation.

c. Sage brush and trees have been stockpiled separately from the topsoil.

d. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles will be shown on the Typical Rig Layout (Figure #3).

e. The flare pit has been located a minimum of 30 feet from the edge of the reserve pit and a minimum of 150 feet from the well head.

f. The reserve pit has been fenced on three sides with 3 strands of barbed wire.

f. Any pits containing fluid will be fenced to prevent wildlife entry.

g. Any proposed pipelines will be submitted via Sundry Notice.

h. Prior to excavating the pipeline route, the contractor will meet with the BLM to stake the route for the pipeline. BLM will inspect the pipeline prior to being covered.

i. The route of the new buried pipeline will be seeded with the same seed mixture as specified in the APD.

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

10. PLANS FOR RESTORATION OF SURFACE

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

b. The reserve pit will be allowed to dry and will then be backfilled.

c. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.

d. Seeding will be done in the fall as required by the Utah Division of Oil, Gas and Mining, or the BLM.

e. The abandonment marker will be at least four feet above ground level and will be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

f. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment.

11. SURFACE/MINERAL OWNERSHIP

Access Roads - All roads are maintained by the Grand County Road Department or Utah State Highway Department or are located on State Lands within the lease boundary.

Well pad - The well pad is located on State of Utah lands.

12. OTHER INFORMATION

a. A Class III archeological has been conducted by Four Corners Archeological prior to construction of the well pad. No significant cultural resources were found and clearance for the project was recommended. A copy of this report is attached.

b. The operator is responsible for informing all persons in the areas 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 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 and expedited review under 36 CFR 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 required mitigation has been completed, the operator will then be allowed to resume construction.

c. All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

d. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.

e. There will be no deviation from the proposed drilling and/or work over program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.h.

f. "Sundry Notice and Report on Wells" (From 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

g. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period.

h. The operator or his contractor shall contact the BLM Offices at 435/259-6111 48 hours prior to construction activities.

13. LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

Permit Matters
PERMITCO INC.
Lisa L. Smith
14421 County Road 10
Ft. Lupton, CO 80621
303/857-9999 (Office)
303/857-0577 (Fax)

Drilling & Completion Matters
INTREPID OIL & GAS LLC
700-17th Street, Suite 1700
Denver, CO 80202
Richard Miller
303/296-3006 (Office)
303/298-7502 (Fax)

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 made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Intrepid Oil & Gas LLC and their contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

December 2, 2003
Date:

Lisa L. Smith - PERMITCO INC.
Authorized Agent for:
Intrepid Oil & Gas LLC

PETROLEUM PERMITTING PERMITCO COMPANY

FEDERAL STIPULATIONS

Any timing restrictions imposed by the Bureau of Land Management for this drill site will be stipulated as a Condition of Approval.

PETROLEUM PERMITTING
PERMITCO
COMPANY

011

THE INTREPID COMPANIES

INTREPID OIL & GAS, L.L.C.
INTREPID MINING, L.L.C.
INTREPID PRODUCTION CORP.

MOAB SALT, L.L.C.
MOAB POTASH
HARVEY OPERATING & PRODUCTION CO.

Ms. Diana Whitney
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

December 5, 2003

RE: Cane Creek #2-1 Well
SENE, 2300' FNL and 529' FEL (Surface)—Section 2 (Surface)
NWSW 1900' FSL and 1240' FWL, Sec. 1 (Btm. Hole)
T26S, R19E
Grand County, Utah
Lease No. ML-40761 (Sec. 2), UTU 65972 (Sec. 1)

Dear Ms. Whitney:

Intrepid Oil & Gas, LLC requests that its application for horizontal drilling be approved by the division. This request comes pursuant to rule R649-3-2. Horizontal Drilling.

Intrepid Oil & Gas, LLC is the owner of all the oil and gas leasehold rights within a radius of 660 Feet from all points along the intended well bore and within the intended producing interval. All tracts within 660' along the intended well bore are committed to the Cane Creek Unit. All Tracts are owned 100% by Intrepid. No portion of the horizontal interval within the potentially productive formation is within 660' to a drilling or spacing unit boundary, unit area boundary, uncommitted tract within the unit, or boundary line of a lease not committed to the drilling of this horizontal well. Please find attached a surveyor's plat indicating the new bottom hole location.

Intrepid is seeking the approval of the Division of Oil, Gas & Mining of the A.P.D. for the above mentioned well, which was submitted under separate cover letter on May 29, 2003 by PermitCO Company, Ft Lupton, Colorado.

Should you have any questions or need additional information, please do not hesitate to call me.

Yours truly,

INTREPID OIL & GAS, LLC

Richard Miller

Richard Miller
Special Projects Manager

Encl.

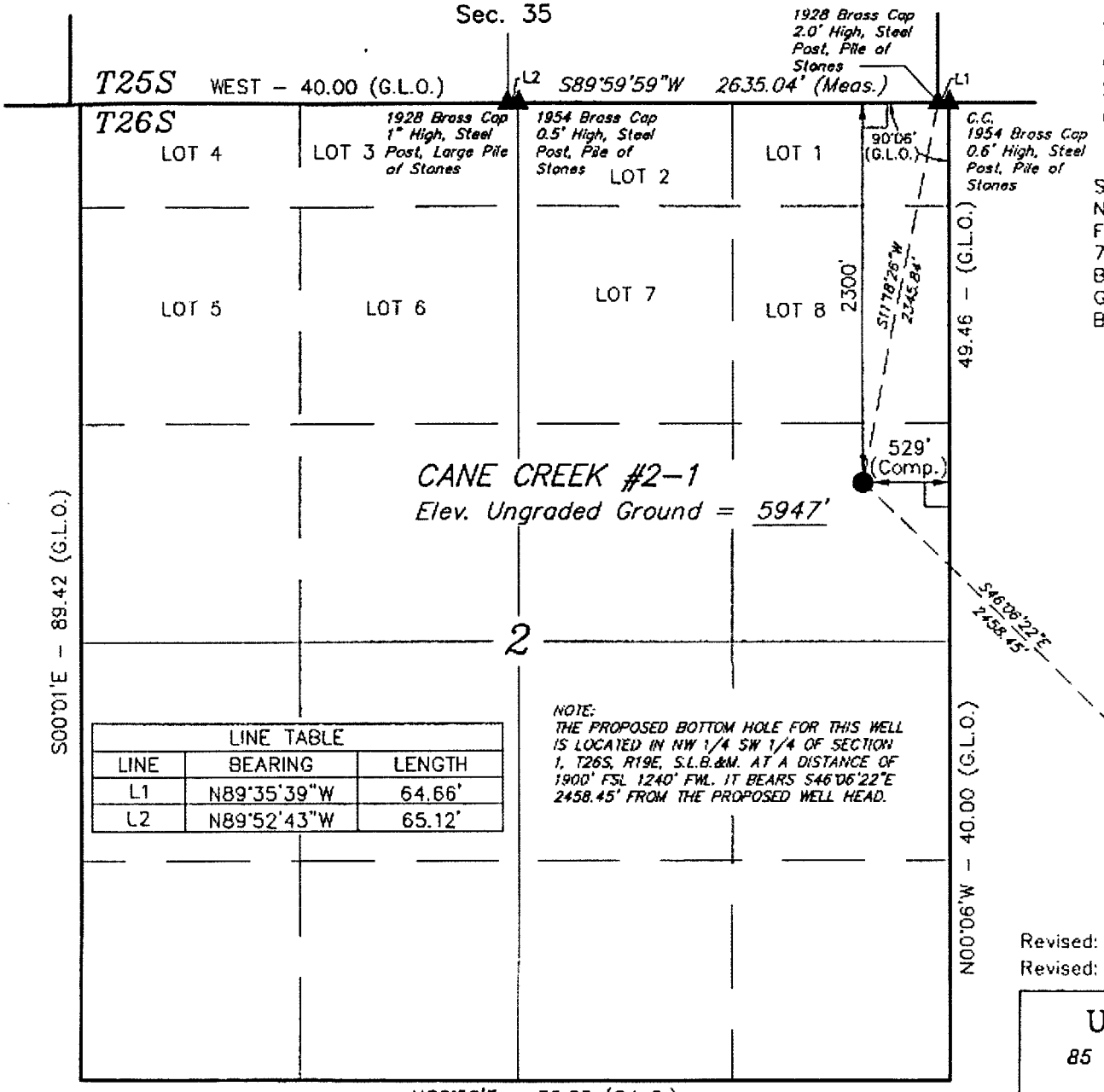
cc: Libby Einhorn
Lisa Smith

ROBERT P. JORNAYVAZ, III, MANAGER ▪ HUGH E. HARVEY, JR., MANAGER
700 17TH STREET ▪ SUITE 1700 ▪ DENVER, COLORADO 80202
(303) 296-3006 ▪ FAX (303) 298-7502

T26S, R19E, S.L.B.&M.

INTREPID OIL & GAS, LLC.

Well location, CANE CREEK #2-1, located as shown in the SE 1/4 NE 1/4 of Section 2, T26S, R19E, S.L.B.&M., Grand County, Utah.

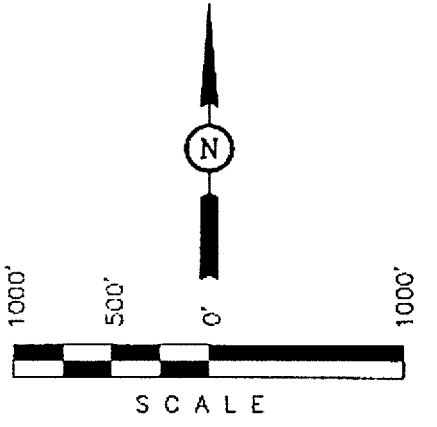


LINE TABLE		
LINE	BEARING	LENGTH
L1	N89°35'39"W	64.66'
L2	N89°52'43"W	65.12'

NOTE:
THE PROPOSED BOTTOM HOLE FOR THIS WELL IS LOCATED IN NW 1/4 SW 1/4 OF SECTION 1, T26S, R19E, S.L.B.&M. AT A DISTANCE OF 1900' FSL 1240' FWL. IT BEARS S46°06'22"E 2458.45' FROM THE PROPOSED WELL HEAD.

BASIS OF ELEVATION

SPOT ELEVATION AT A ROAD INTERSECTION IN THE NW 1/4 OF SECTION 1, T26S, R19E, S.L.B.&M., TAKEN FROM THE KNOLL QUADRANGLE, UTAH, GRAND COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5900 FEET.



CERTIFICATE

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

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

Revised: 11-06-03 D.R.B.
Revised: 05-02-03 D.R.B.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.
(AUTONOMOUS NAD 83)
LATITUDE = 38°34'22.93" (38.573036)
LONGITUDE = 109°47'03.96" (109.784433)

LEGEND:

└ = 90° SYMBOL
● = PROPOSED WELL HEAD.
▲ = SECTION CORNERS LOCATED.

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 04-25-03	DATE DRAWN: 04-28-03
PARTY S.H. R.D. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE INTREPID OIL & GAS, LLC.	

017

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

☑ Well File
Cane Creek 2-1
(Loc.) Sec 1 & 2 Twp 26S Rng 19E
(API No.) 43-019-31396

☐ Suspense
(Return Date) _____
(To-Initials) _____

☐ Other

1. Date of Phone Call: 12/5/03 Time: 3:30

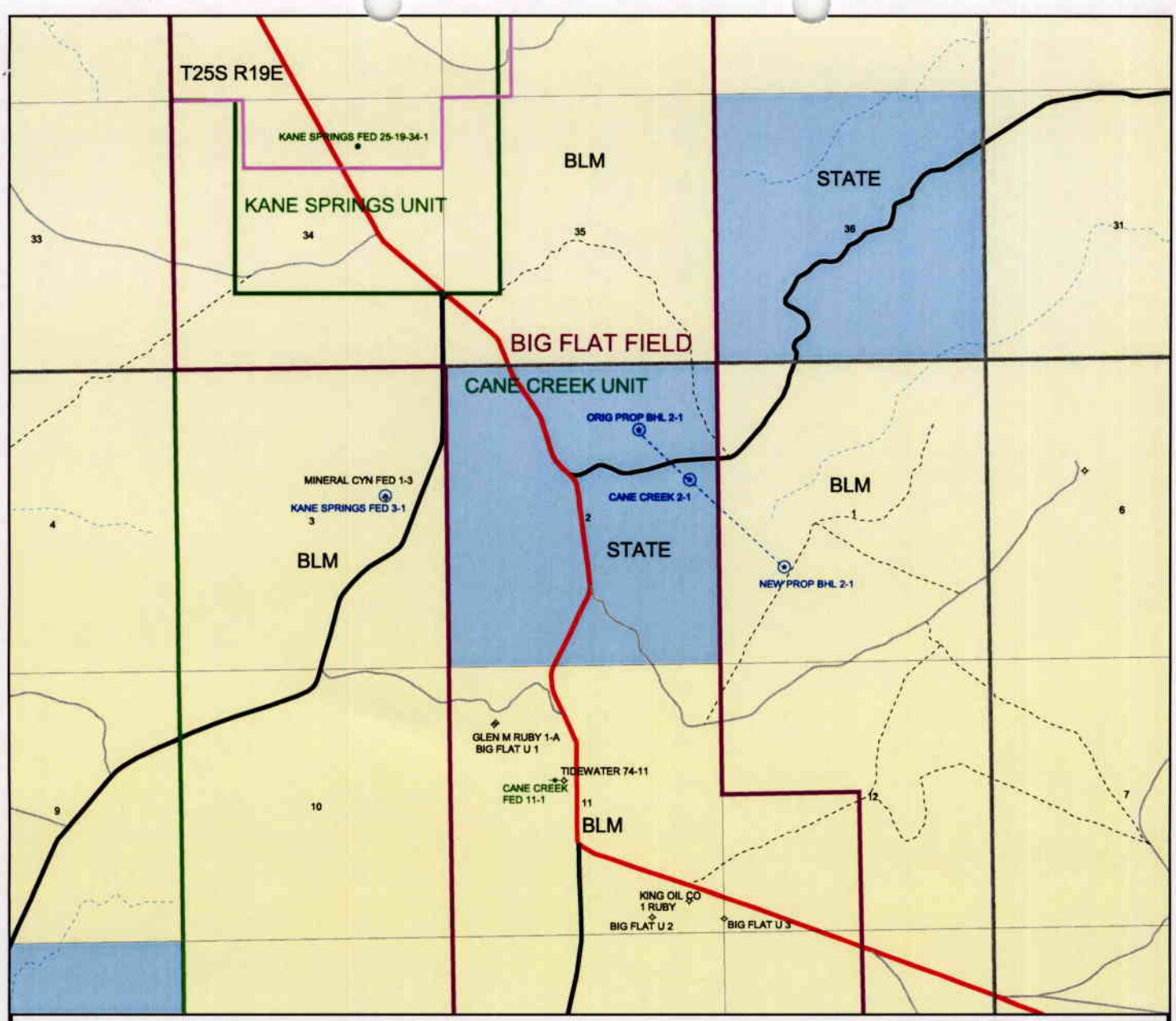
2. DOGM Employee (name) L. Cordova (☒ Initiated Call)
Talked to:
Name Ed Bonner (☐ Initiated Call) - Phone No. ( ) 538-5151
of (Company/Organization) SITLA

3. Topic of Conversation: BHL change, is SITLA going to require a ROW Easement for surface?

4. Highlights of Conversation:
ROW Easement required even though lease is committed under the Cane Creek Unit agreement. (Lease from State to Fed. when BHL changed - surface still state).

Kurt Higgins - SITLA - 538-5166
will notify Intrepid O&G LLC regarding ROW.

* BLM / Rich McClure 435-259-2127 also notified.



Legend

Wells
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

County Boundary

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED
- Sections

Utah Oil Gas and Mining

N
W E
S

Prepared by: Lisha Cordova
Date: Dec. 4, 2003

046

THE INTREPID COMPANIES

INTREPID OIL & GAS, L.L.C.
INTREPID MINING, L.L.C.
INTREPID PRODUCTION CORP.

MOAB SALT, L.L.C.
MOAB POTASH
HARVEY OPERATING & PRODUCTION CO.

December 5, 2003

Ms. Diana Whitney
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

RE: Cane Creek #2-1 Well
SENE, 2300' FNL and 529' FEL (Surface)—Section 2 (Surface)
NWSW 1900' FSL and 1240' FWL, Sec. 1 (Btm. Hole)
T26S, R19E
Grand County, Utah
Lease No. ML-40761 (Sec. 2), UTU 65972 (Sec. 1)

Dear Ms. Whitney:

Intrepid Oil & Gas, LLC requests that its application for horizontal drilling be approved by the division. This request comes pursuant to rule R649-3-2. Horizontal Drilling.

Intrepid Oil & Gas, LLC is the owner of all the oil and gas leasehold rights within a radius of 660 Feet from all points along the intended well bore and within the intended producing interval. All tracts within 660' along the intended well bore are committed to the Cane Creek Unit. All Tracts are owned 100% by Intrepid. No portion of the horizontal interval within the potentially productive formation is within 660' to a drilling or spacing unit boundary, unit area boundary, uncommitted tract within the unit, or boundary line of a lease not committed to the drilling of this horizontal well. Please find attached a surveyor's plat indicating the new bottom hole location.

Intrepid is seeking the approval of the Division of Oil, Gas & Mining of the A.P.D. for the above mentioned well, which was submitted under separate cover letter on May 29, 2003 by PermitCO Company, Ft Lupton, Colorado.

Should you have any questions or need additional information, please do not hesitate to call me.

Yours truly,

INTREPID OIL & GAS, LLC

Richard Miller

Richard Miller
Special Projects Manager

RECEIVED
DEC 0 8 2003
DIV. OF OIL, GAS & MINING

Encl.

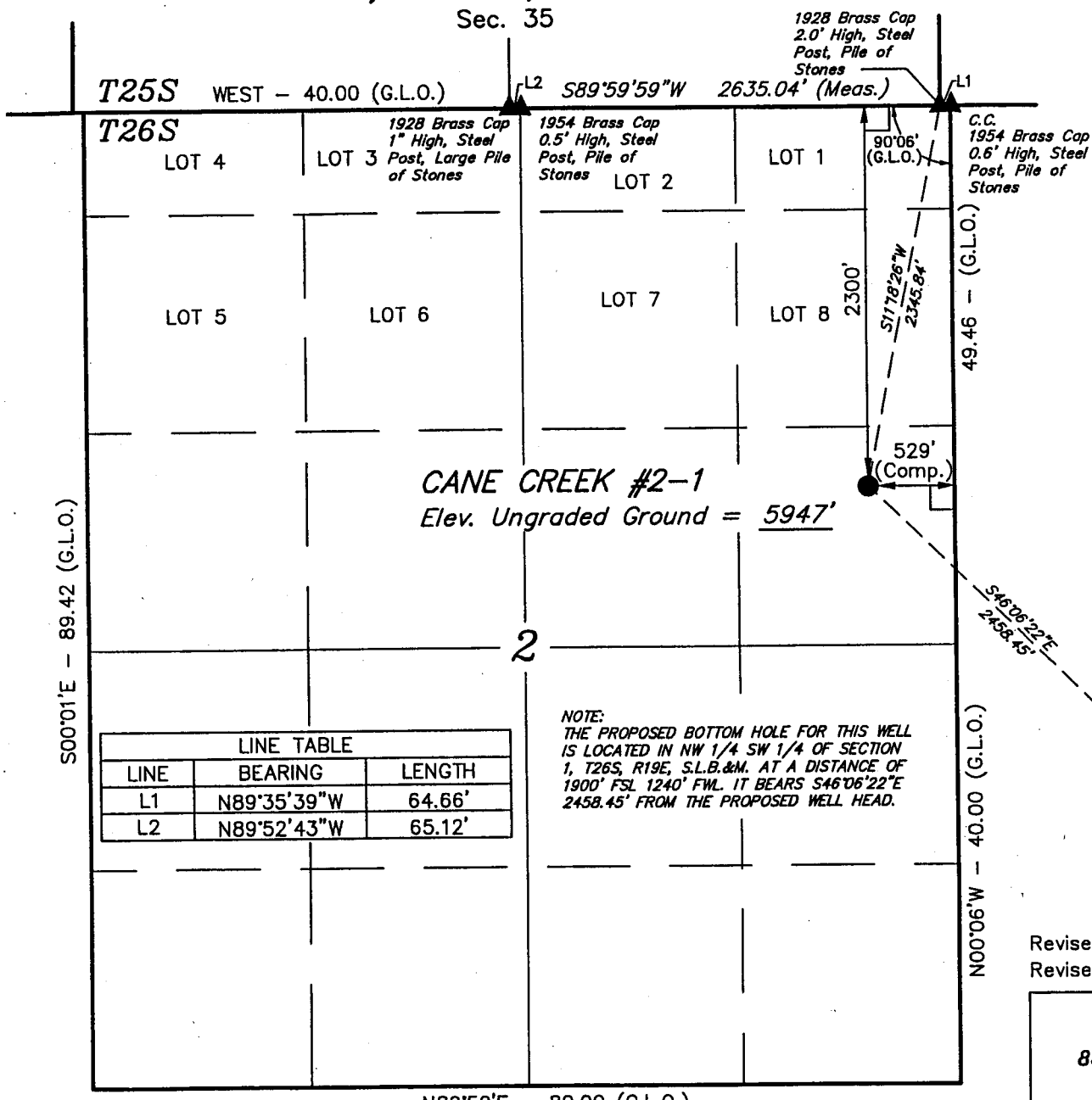
cc: Libby Einhorn
Lisa Smith

ROBERT P. JORNAYVAZ, III, MANAGER ▪ HUGH E. HARVEY, JR., MANAGER
700 17TH STREET ▪ SUITE 1700 ▪ DENVER, COLORADO 80202
(303) 296-3006 ▪ FAX (303) 298-7502

T26S, R19E, S.L.B.&M.

INTREPID OIL & GAS, LLC.

Well location, CANE CREEK #2-1, located as shown in the SE 1/4 NE 1/4 of Section 2, T26S, R19E, S.L.B.&M., Grand County, Utah.



LINE TABLE		
LINE	BEARING	LENGTH
L1	N89°35'39"W	64.66'
L2	N89°52'43"W	65.12'

NOTE:
THE PROPOSED BOTTOM HOLE FOR THIS WELL IS LOCATED IN NW 1/4 SW 1/4 OF SECTION 1, T26S, R19E, S.L.B.&M. AT A DISTANCE OF 1900' FSL 1240' FWL. IT BEARS S46°06'22"E 2458.45' FROM THE PROPOSED WELL HEAD.

BASIS OF ELEVATION

SPOT ELEVATION AT A ROAD INTERSECTION IN THE NW 1/4 OF SECTION 1, T26S, R19E, S.L.B.&M., TAKEN FROM THE KNOLL QUADRANGLE, UTAH, GRAND COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5900 FEET.

N

1000' 500' 0' 1000'

SCALE

CERTIFICATE

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

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

Revised: 11-06-03 D.R.B.
Revised: 05-02-03 D.R.B.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.
(AUTONOMOUS NAD 83)
LATITUDE = 38°34'22.93" (38.573036)
LONGITUDE = 109°47'03.96" (109.784433)

LEGEND:

└ = 90° SYMBOL
● = PROPOSED WELL HEAD.
▲ = SECTION CORNERS LOCATED.

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 04-25-03	DATE DRAWN: 04-28-03
PARTY S.H. R.D. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE INTREPID OIL & GAS, LLC.	

Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

021

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. **UTU-65972**

6. If Indian, Allottee or Tribe Name **N/A**

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

8. Lease Name and Well No. **Cane Creek #2-1**

9. API Well No. 43-019-31396

10. Field and Pool, or Exploratory **Wildcat**

11. Sec., T., R., M., or Blk, and Survey or Area **Sec. 2, T26S-R19E (Surface)** **Sec. 1, T26S-R19E (Bottom)**

1a. Type of Work: [X] DRILL [ ] REENTER

b. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other [ ] Single Zone [ ] Multiple Zone

2. Name of Operator **Intrepid Oil & Gas, LLC.** 303/296-3006 **1700 - 17th St., Suite 1700 Denver, CO 80202**

3. Name of Agent **Permitco Inc. - Agent** 303-857-9999 **14421 County Road 10 Fort Lupton, CO 80621**

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface **SE NE, 2300' FNL and 529' FEL**

At proposed prod. zone **NW SW, 1900' FSL and 1240' FWL**

14. Distance in miles and direction from nearest town or post office* **24 miles northwest of Moab, Utah**

12. County or Parish **Grand**

13. State **Utah**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **529'**

16. No. of Acres in lease **2037.50**

17. Spacing Unit dedicated to this well **160 Acres**

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **None**

19. Proposed Depth **7700' MD Vertical; 9782' MD - 7261' TVD Horizontal**

20. BLM/BIA Bond No. on file **Statewide Bond Number UTB000029**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **5947' GL**

22. Approximate date work will start* **December 15, 2003**

23. Estimated duration **32 Days**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized office.

CONFIDENTIAL-TIGHT HOLE

25. Signature Lisa Smith — Name *(Printed/Typed)* **Lisa L. Smith** — Date **11/20/2003**

Title **Authorized Agent for Intrepid Oil & Gas, LLC.**

Approved by *(Signature)* /s/ Daryl A. Trotter — Name *(Printed/Typed)* — Date 12/29/03

Title Acting Assistant Field Manager, Division of Resources — Office Moab Field Office

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

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001and 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)

CONDITIONS OF APPROVAL ATTACHED

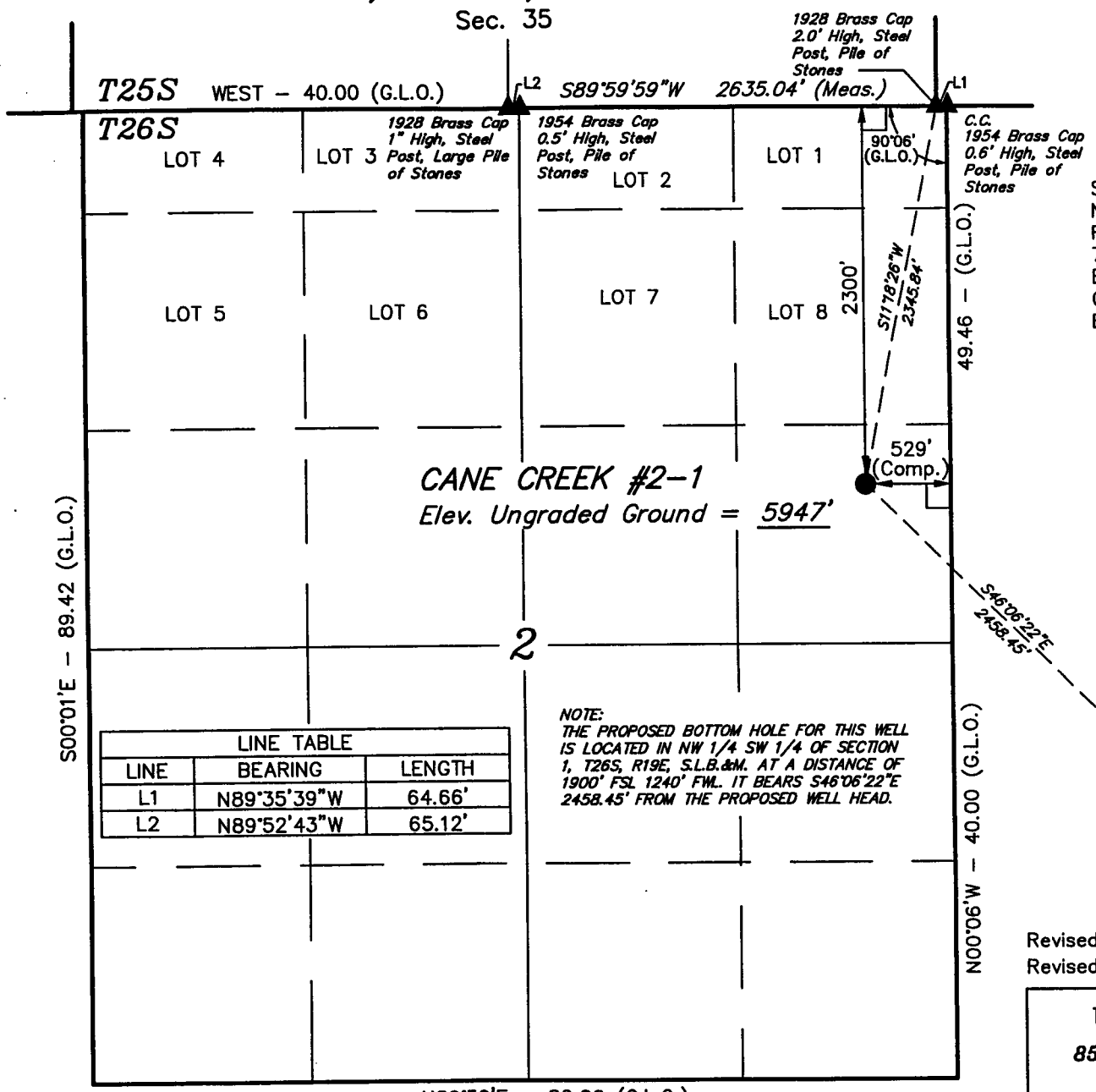
RECEIVED
JAN 0 8 2004
DIV. OF OIL, GAS & MINING

UOGM

T26S, R19E, S.L.B.&M.

INTREPID OIL & GAS, LLC.

Well location, CANE CREEK #2-1, located as shown in the SE 1/4 NE 1/4 of Section 2, T26S, R19E, S.L.B.&M., Grand County, Utah.

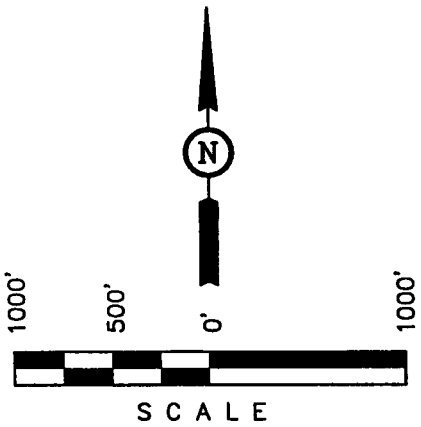


LINE TABLE		
LINE	BEARING	LENGTH
L1	N89°35'39"W	64.66'
L2	N89°52'43"W	65.12'

NOTE:
THE PROPOSED BOTTOM HOLE FOR THIS WELL IS LOCATED IN NW 1/4 SW 1/4 OF SECTION 1, T26S, R19E, S.L.B.&M. AT A DISTANCE OF 1900' FSL 1240' FWL. IT BEARS S46°06'22"E 2458.45' FROM THE PROPOSED WELL HEAD.

BASIS OF ELEVATION

SPOT ELEVATION AT A ROAD INTERSECTION IN THE NW 1/4 OF SECTION 1, T26S, R19E, S.L.B.&M., TAKEN FROM THE KNOLL QUADRANGLE, UTAH, GRAND COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5900 FEET.



CERTIFICATE

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

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

Revised: 11-06-03 D.R.B.
Revised: 05-02-03 D.R.B.

LEGEND:

└ = 90° SYMBOL
● = PROPOSED WELL HEAD.
▲ = SECTION CORNERS LOCATED.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)
LATITUDE = 38°34'22.93" (38.573036)
LONGITUDE = 109°47'03.96" (109.784433)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 04-25-03	DATE DRAWN: 04-28-03
PARTY S.H. R.D. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE INTREPID OIL & GAS, LLC.	

Intrepid Oil & Gas, LLC.
Cane Creek No. 2-1
Lease U-65972 (surface location is on a State of Utah lease)
Cane Creek Unit
Surface Location: SE/NE, 2300' fnl, 529' fel, Sec. 2, T26S, R19E (State surface & minerals)
Bottom Hole Location: NWSW, 1900' fsl, 1240' fwl, Sec. 1, T26S, R19E (Fed surface & minerals)
NOTE: The lateral section of the wellbore is designed to cross the lease line, i.e. the horizontal production zone will include both the state and federal lease.
Grand County, Utah

A COMPLETE COPY OF THIS PERMIT SHALL BE KEPT ON LOCATION from the beginning of site construction through well completion, and shall be available to contractors to ensure compliance.

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 Intrepid Oil & Gas, LLC 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 UTB000029 (Principal – Intrepid Oil & Gas, LLC) 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. DRILLING PROGRAM

1. BOPE: The intermediate section of hole (from the surface casing shoe to intermediate casing setting depth) will utilize a 5M BOP with two rams, an annular preventer and a rotating head. Testing of this equipment to 3M standards is acceptable.

   Below the intermediate shoe, a 5M/10M combination BOP will be used, consisting of three 10M rams and a 5M annular. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.

2. When drilling below the intermediate casing shoe, the choke manifold shall be equipped with at least two chokes, one being remotely controlled. A remote choke was not depicted on the choke manifold schematic included in the APD.

3. The surface casing (13-3/8") shall be set a minimum of 50 into the Chinle Formation.

4. A cement bond log (CBL) or other appropriate tool for determining top of cement shall be run on the 7-inch casing. This log shall be submitted to the BLM Moab Field Office.

5. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required.

6. If this well is drilled as proposed and is completed for production, but does not qualify as a paying unit well, a Communitization Agreement shall be established to protect correlative rights.

B. SURFACE USE PLAN

1. Well pad construction and surface use in T. 26 S., R. 19 E., section 2, requires authorization from the State of Utah. New construction or surface use in section 2 may require additional approval from the State of Utah.

2. This APD does not authorize construction or installation of any facilities off the approved well pad. Additional cultural resource inventories and reports may be required prior to the authorization of new construction or facilities.

3. A permit will be required from the Utah Department of Transportation (UDOT) for use, maintenance and possibly upgrading the access from SR 313 to Grand County Road 118. Mr. Dale Stapley at the UDOT office in Price (435-636-1402) will be contacted for the permit. Unless UDOT provides alternate specifications, the access will be maintained and/or constructed as follows:

   a. The roadway will be constructed 30 feet wide,
   b. There will be a 30 feet turning radius on both sides of the roadway,
   c. The roadway will be graveled 50 feet from the edge of the paved highway during drilling operations (and paved 50 feet from edge of the paved highway during production),
   d. A culvert of not less than 18 inch diameter will be installed in the highway borrow ditch being crossed, and
   e. A sign will be installed on SR 313, north of the intersection with Grand County Road No. 118, to warn motorists of trucks turning ahead.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

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

Spud- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field 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 Moab Field 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 with the Moab Field Office for approval of all changes of plans and subsequent operations in accordance with 43 CFR 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 Moab Field Office. 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 BLM 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 Price Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field 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 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 Moab Field Office. The Moab Field 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 Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 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 Moab Field 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 Moab Field 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 uneconomic is granted. In such case, compensation to the lessor (BLM) 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- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field 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 Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. 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 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 Price Field Office or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify Jack Johnson (435-259-2129) of the BLM Moab Field Office for the following:

1 day prior to spudding;

50 feet prior to reaching the **surface** casing and **intermediate** casing setting depths;

3 hours prior to testing BOPs.

If the person at the above number cannot be reached, notify the Moab Field Office at 435-259-2100. If unsuccessful, contact the person 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 Field Office at 435-259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer	Office: 435-259-2117 Home: 435-259-2214

Form 3160-3
(August 1999)

RECEIVED
JAN 12 2004
DIV. OF OIL, GAS & MINING

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

018

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: UTU-65972

6. If Indian, Allottee or Tribe Name: N/A

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

8. Lease Name and Well No.: Cane Creek #2-1

9. API Well No.: 43-019-31396

10. Field and Pool, or Exploratory: Wildcat

1a. Type of Work: [X] DRILL [ ] REENTER

b. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other [ ] Single Zone [ ] Multiple Zone

2. Name of Operator: Intrepid Oil & Gas, LLC. 303/296-3006 1700 - 17th St., Suite 1700 Denver, CO 80202

3. Name of Agent: Permitco Inc. - Agent 303-857-9999 14421 County Road 10 Fort Lupton, CO 80621

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface: SE NE, 2300' FNL and 529' FEL

At proposed prod. zone: NW SW, 1900' FSL and 1240' FWL

11. Sec., T., R., M., or Blk, and Survey or Area: Sec. 2, T26S-R19E (Surface) Sec. 1, T26S-R19E (Bottom)

14. Distance in miles and direction from nearest town or post office*: 24 miles northwest of Moab, Utah

12. County or Parish: Grand

13. State: Utah

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any): 529'

16. No. of Acres in lease: 2037.50

17. Spacing Unit dedicated to this well: 160 Acres

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.: None

19. Proposed Depth: 7700' MD Vertical; 9782' MD - 7261' TVD Horizontal

20. BLM/BIA Bond No. on file: Statewide Bond Number UTB000029

Elevations (Show whether DF, KDB, RT, GL, etc.): 5947' GL

22. Approximate date work will start*: December 15, 2003

23. Estimated duration: 32 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized office.

CONFIDENTIAL-TIGHT HOLE

25. Signature: Lisa Smith | Name *(Printed/Typed)*: Lisa L. Smith | Date: 11/20/2003

Title: Authorized Agent for Intrepid Oil & Gas, LLC.

Approved by *(Signature)*: Daryl A Trotter | Name *(Printed/Typed)*: DARYL A TROTTER | Date: 12-29-03

Title: Acting Assistant Field Manager, Division of Resources | Office: Moab Field Office

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

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001and 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)

CONDITIONS OF APPROVAL ATTACHED

Intrepid

Intrepid Oil & Gas, LLC.
Cane Creek No. 2-1
Lease U-65972 (surface location is on a State of Utah lease)
Cane Creek Unit
Surface Location: SE/NE, 2300' fnl, 529' fel, Sec. 2, T26S, R19E (State surface & minerals)
Bottom Hole Location: NWSW, 1900' fsl, 1240' fwl, Sec. 1, T26S, R19E (Fed surface & minerals)
NOTE: The lateral section of the wellbore is designed to cross the lease line, i.e. the horizontal production zone will include both the state and federal lease.
Grand County, Utah

A COMPLETE COPY OF THIS PERMIT SHALL BE KEPT ON LOCATION from the beginning of site construction through well completion, and shall be available to contractors to ensure compliance.

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 Intrepid Oil & Gas, LLC 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 UTB000029 (Principal – Intrepid Oil & Gas, LLC) 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. DRILLING PROGRAM

1. BOPE: The intermediate section of hole (from the surface casing shoe to intermediate casing setting depth) will utilize a 5M BOP with two rams, an annular preventer and a rotating head. Testing of this equipment to 3M standards is acceptable.

   Below the intermediate shoe, a 5M/10M combination BOP will be used, consisting of three 10M rams and a 5M annular. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.

2. When drilling below the intermediate casing shoe, the choke manifold shall be equipped with at least two chokes, one being remotely controlled. A remote choke was not depicted on the choke manifold schematic included in the APD.

3. The surface casing (13-3/8") shall be set a minimum of 50 into the Chinle Formation.

4. A cement bond log (CBL) or other appropriate tool for determining top of cement shall be run on the 7-inch casing. This log shall be submitted to the BLM Moab Field Office.

5. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required.

6. If this well is drilled as proposed and is completed for production, but does not qualify as a paying unit well, a Communitization Agreement shall be established to protect correlative rights.

B. SURFACE USE PLAN

1. Well pad construction and surface use in T. 26 S., R. 19 E., section 2, requires authorization from the State of Utah. New construction or surface use in section 2 may require additional approval from the State of Utah.

2. This APD does not authorize construction or installation of any facilities off the approved well pad. Additional cultural resource inventories and reports may be required prior to the authorization of new construction or facilities.

3. A permit will be required from the Utah Department of Transportation (UDOT) for use, maintenance and possibly upgrading the access from SR 313 to Grand County Road 118. Mr. Dale Stapley at the UDOT office in Price (435-636-1402) will be contacted for the permit. Unless UDOT provides alternate specifications, the access will be maintained and/or constructed as follows:

   a. The roadway will be constructed 30 feet wide,
   b. There will be a 30 feet turning radius on both sides of the roadway, - 90' Attachment on Print
   c. The roadway will be graveled 50 feet from the edge of the paved highway during drilling operations (and paved 50 feet from edge of the paved highway during production),
   d. A culvert of not less than 18 inch diameter will be installed in the highway borrow ditch being crossed, and Extend
   e. A sign will be installed on SR 313, north of the intersection with Grand County Road No. 118, to warn motorists of trucks turning ahead.

12" Road Base

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

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

Spud- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field 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 Moab Field 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 with the Moab Field Office for approval of all changes of plans and subsequent operations in accordance with 43 CFR 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 Moab Field Office. 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 BLM 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 Price Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field 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 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 Moab Field Office. The Moab Field 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 Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 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 Moab Field 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 Moab Field 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 uneconomic is granted. In such case, compensation to the lessor (BLM) 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- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field 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 Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. 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 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 Price Field Office or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify Jack Johnson (435-259-2129) of the BLM Moab Field Office for the following:

1 day prior to spudding;

50 feet prior to reaching the **surface** casing and **intermediate** casing setting depths;

3 hours prior to testing BOPs.

If the person at the above number cannot be reached, notify the Moab Field Office at 435-259-2100. If unsuccessful, contact the person 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 Field Office at 435-259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer	Office: 435-259-2117 Home: 435-259-2214

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: INTREPID OIL & GAS LLC

Well Name: CANE CREEK 2-1

Api No: 43-019-31396 Lease Type: FED – ST SURFACE

Section 02 Township 26S Range 19E County GRAND

Drilling Contractor BILL JRS RIG # RATHOLE

SPUDDED:

Date 01/12/04

Time 4:00 PM

How DRY

Drilling will commence:

Reported by BILL GACHES

Telephone # 1-505-330-6530 OR 505-320-1856

Date 01/14/2004 Signed CHD

THE INTREPID COMPANIES

INTREPID OIL & GAS, L.L.C.
INTREPID MINING, L.L.C.
INTREPID PRODUCTION CORP.

MOAB SALT, L.L.C.
MOAB POTASH
HARVEY OPERATING & PRODUCTION CO.

January 7, 2004

Dustin K. Doucet
Petroleum Engineer
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

Dear Dustin:

Enclosed three original sundry notices for the Cane Creek #2-1 well. Please return a signed copy for our files in the self-addressed stamped envelope.

If you have any questions, please do not hesitate to contact me.

Sincerely,
INTREPID OIL & GAS, LLC

Richard Miller

Richard Miller
Special Projects Manager

RM:kah

RECEIVED
JAN 0 9 2004
DIV. OF OIL, GAS & MINING

ROBERT P. JORNAYVAZ, III, MANAGER ▪ HUGH E. HARVEY, JR., MANAGER
700 17TH STREET ▪ SUITE 1700 ▪ DENVER, COLORADO 80202
(303) 296-3006 ▪ FAX (303) 298-7502

024

FORM 9

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

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-65972

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME: Cane Creek Unit

8. WELL NAME and NUMBER: Cane Creek #2-1

9. API NUMBER: 43-019-31396

10. FIELD AND POOL, OR WILDCAT: Wildcat

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

CONFIDENTIAL

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC

3. ADDRESS OF OPERATOR: 700 17th St., #1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006

4. LOCATION OF WELL

FOOTAGES AT SURFACE: SE NE, 2300' FNL and 529' FEL COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 2 26S 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: 1/12/2004	☑ 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.

Request permission to set the approved 13 3/8" surface casing string at a depth of 400 feet or 50 feet into the Chinle Formation, whichever is greater.

COPY SENT TO OPERATOR
Date: 1-9-04
Initials: CHD

NAME (PLEASE PRINT) Richard Miller TITLE Special Projects Manager

SIGNATURE Richard Miller DATE 1/4/2004

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS AND MINING
DATE: 01/9/04
BY: [illegible]

Federal Approval Of This Action Is Necessary

(See Instructions on Reverse Side)

RECEIVED
JAN 0 9 2004
DIV. OF OIL, GAS & MINING

Well name:	**01-04 Intrepid Cane Creek 2-1**
Operator:	**Intrepid Oil and Gas, LLC**
String type:	Conductor
Location:	Grand County
Project ID:	43-019-31396

Design parameters:

Collapse

Mud weight: 10.000 ppg

Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 0 psi

Internal gradient: 0.519 psi/ft

Calculated BHP 312 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on air weight.

Neutral point: 511 ft

Environment:

H2S considered?	No
Surface temperature:	65 °F
Bottom hole temperature:	73 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	250 ft
Cement top:	Surface

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ( )
1	600	13.375	54.50	K-55	ST&C	600	600	12.49	10481

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	312	1130	3.63	312	2730	8.76	33	547	16.73 J

Prepared by: Dustin K. Doucet
Utah Dept. of Natural Resources

Date: January 9,2004
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 600 ft, a mud weight of 10 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

025

FORM 9

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

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: UTU-65972
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT or CA AGREEMENT NAME: Cane Creek Unit
8. WELL NAME and NUMBER: Cane Creek #2-1
9. API NUMBER: 019-31396
10. FIELD AND POOL, OR WILDCAT: Wildcat

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

3. ADDRESS OF OPERATOR: 1700-17th St. Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2289' FNL and 518' FEL (Moved 15' NE-OK'd - Mr. Dustin Doucet) COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 19E 4269845Y 38.57307 605944X -109.78384 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
1/9/2004	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Surface Location Change
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Due to a different drilling rig and it's size, the original approved location of 2300' FNL & 529' FEL was moved 15' NE. Prior to making this move, it was called into the Utah DOGM and OK'd by Mr. Dustin Doucet on 1/09/04). The BLM-Moab Field Office was also notified and move OK'd by Mr. Eric Jones on 1/09/04).

The new surface location is now SENE, 2,289' FNL & 518' FEL, Sec. 2, T26N, R19E, Grand County, Utah.

COPY SENT TO OPERATOR
Date: 1-16-04
Initials: CHD

NAME (PLEASE PRINT) Alan W. Bohling (432) 498-8662 TITLE Authorized Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan W. Bohling DATE 1/9/2004

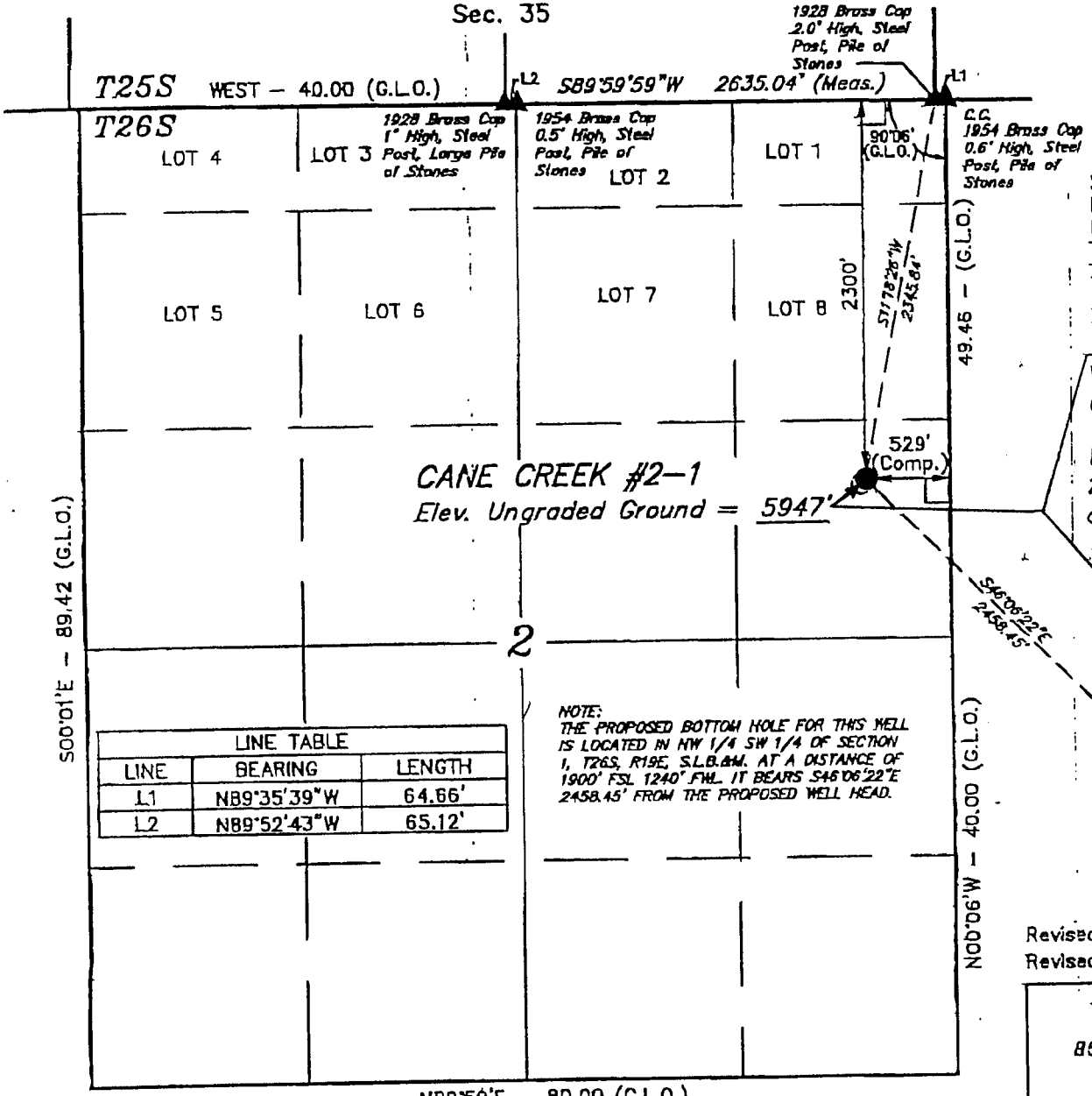
(This space for State use only)

Accepted by the Utah Division of Oil, Gas and Mining
Date: 1/15/04
By: [signature]
*Due to Rig - no additional Surface Disturbance

RECEIVED
JAN 14 2004
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

T26S, R19E, S.L.B.&M.



LINE TABLE		
LINE	BEARING	LENGTH
L1	N89°35'39"W	64.66'
L2	N89°52'43"W	65.12'

NOTE:
THE PROPOSED BOTTOM HOLE FOR THIS WELL IS LOCATED IN NW 1/4 SW 1/4 OF SECTION 1, T26S, R19E, S.L.B.&M. AT A DISTANCE OF 1900' FSL 1240' FWL. IT BEARS S46°06'22"E 2458.45' FROM THE PROPOSED WELL HEAD.

INTREPID OIL & GAS, LLC.

Well location, CANE CREEK #2–1, located as shown in the SE 1/4 NE 1/4 of Section 2, T26S, R19E, S.L.B.&M., Grand County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT A ROAD INTERSECTION IN THE NW 1/4 OF SECTION 1, T26S, R19E, S.L.B.&M., TAKEN FROM THE KNOLL QUADRANGLE, UTAH, GRAND COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5900 FEET.

Well location was moved 15' NE due to rig change and size. New footages are: 2289' FNL & 518' FEL OK'd by phone with Mr. Eric Jones, 1/9/04

N

1000' 500' 0' 1000'

SCALE

CERTIFICATE

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

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

Revised: 11–06–03 D.R.B.
Revised: 05–02–03 D.R.B.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.
(AUTONOMOUS NAD 83)
LATITUDE = 38°34'22.93" (38.573036)
LONGITUDE = 109°47'03.96" (109.784433)

LEGEND:
- ∟ = 90° SYMBOL
- ● = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789–1017

SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 1000'	04–25–03	04–28–03
PARTY: S.H. R.D. D.R.B.	REFERENCES: G.L.O. PLAT	
WEATHER: WARM	FILE: INTREPID OIL & GAS, LLC.	

CONFIDENTIAL

FORM 9

028

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

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: UTU-65972

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

7. UNIT or CA AGREEMENT NAME: Cane Creek Unit

8. WELL NAME and NUMBER: Cane Creek #2-1

9. API NUMBER: 019-31396

10. FIELD AND POOL, OR WILDCAT: Wildcat

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

3. ADDRESS OF OPERATOR: 1700-17th St. Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2289' FNL and 518' FEL COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
Date of work completion: 1/15/2004	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Spud & Surface Csg. Details
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU Bill's Rathole Service and spud @ 4:00pm 1/12/04. Drilled 15', weld up and set conductor pipe. Drilled 17-1/2" hole from 15'-550' w/mist-air hammer. Circ hole clean. RIH w/12 jts 13-3/8" 48# H-40 STC Csg and set at 550 feet. Rig up Big 4 Cementers and pumped 40 BW, 20 BBLS mud flush. Followed w/800 sx "G" cmt w/2% CaCl2, 1/4# Celloflake mixed at 5.2 GPS (YLD: 1.18, WT: 15.60) @ 4.5 BPM @ 50 psi. Displace w/77.7 BW @ 3.5 BPM. Max press 1200 psi. Circulated 53 BBLs good cement to pit. Plug down @ 7:00pm 1/15/04. BLM Rep on location during csg & cmt work.

SEE ATTACHED WELL HISTORY

NAME (PLEASE PRINT) Alan W. Bohling (432) 498-8662 TITLE Authorized Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan W. Bohling DATE 1/19/2004

(This space for State use only)

RECEIVED
JAN 2 2 2004
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

Pure Resources, Inc.

CONFIDENTIAL

Well History

CANE CREEK #2-1(PURE/INTREPID)-100% WI From 1/1/1920 through 1/16/2004

Well Name CANE CREEK #2-1(PURE/INTREPID)-100% WI **Lease Well** 511511-001

State: UT **County:** GRAND

Activity Date 1/13/2004 **Type of Report:** DRILLING INITIAL REPORT

Description SDON.

Times	Hours	Remarks
	12.00	MIRU BILL'S RATHOLE SERVICE. DRLG 0-15'. SDON. SPUD @ 4:00 P.M. 1/12/04. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$27,000	$27,000	$1,902,350	1030567	15	15	

Activity Date 1/14/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description UNLOAD 13-3/8" CSG.

Times	Hours	Remarks
	12.00	WELD UP & SET CONDUCTOR. DRLG RAT & MOUSE HOLES. DRLG 17-1/2" HOLE W/ MIST F/ 15-175'. UNLOAD 14 JTS 13-3/8" 48# H-40 CSG. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,250	$37,250	$1,902,350	1030567	175	160	

Activity Date 1/15/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description

Times	Hours	Remarks
	12.00	DRLG 17-1/2" HOLE F/ 175-450' W/ MIST. AVG ROP 35 FPH. HAMMER QUIT DRLG. POH W/ HAMMER. INSPECT HAMMER. TIH, HAMMER WOULD NOT DRILL. POH. SDON. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$15,250	$52,500	$1,902,350	1030567	450	275	

Activity Date 1/16/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description PLUG DOWN.

Times	Hours	Remarks
	14.00	DRLG 17-1/2" HOLE F/ 450-550' W/ MIST. CIRC HOLE CLEAN. POH. RUN 12 JTS 13-3/8" 48# H-40 STC CSG. RU BIG 4 CEMENTERS & PUMP 40 BW, 20 BBLS MUD FLUSH. FOLLOW W/ 800 SX "G" W/ 2% CACL2, 1/4# CELLOFLAKE @ 4.5 BPM @ 50 PSI. DISPLACE W/ 77.7 BW @ 3.5 BPM. MAX PRESS 1200 PSI. CIRC 53 BBLS GOOD CMT TO PIT. DID NOT SEE WATER OR MUD FLUSH @ SURFACE. PLUG DOWN @ 7:00 P.M. BLM REP ON LOCATION DURING CSG & CMT. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$40,480	$92,980	$1,902,350	1030567	550	100	

TUBING BREAKDOWN AS OF

ROD BREAKDOWN AS OF

FAILURES AS OF

CONFIDENTIAL

CASING HISTORY REPORT

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 1/15/2004 **TD Hole Time** **Total Depth:** 550 **Hole Size:** 17-1/2"

Joints Ran	Joint Description	Total Footage	Running Ftg.
	SHOE	1.00	1.00
1	13-3/8" 48# H-40 CSG	44.70	45.70
11	13-3/8" 48# H-40 CSG	494.80	540.50
	INSERT FLOAT	0.00	540.50
12	**Total Joints Ran**	**540.50**	

Cemented as follows: **Top Cement:**

Stage 1 - 800 SX "G" W/ 2% CACL2, 1/4 PPS CELLOFLAKE MIXED @ 5.2 GPS (YLD:1.18, WT:15.60)

Comments

027

CONFIDENTIAL FORM 9

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

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: UTU-65972
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT or CA AGREEMENT NAME: Cane Creek Unit
8. WELL NAME and NUMBER: Cane Creek #2-1
9. API NUMBER: 019-31396
10. FIELD AND POOL, OR WILDCAT: Wildcat

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

3. ADDRESS OF OPERATOR: 1700-17th St. Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2289' FNL and 518' FEL COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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: 1/28/2004	☐ 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: Commencement of continuous drilling.
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Spudding of this well occurred on 1/12/04 and setting of conductor pipe, drilling 17-1/2" hole and setting 13-3/8" Surface Casing at 550' was completed on 1/15/04.

This is to notify of our anticipated move in of a big drilling rig and commencing with continuous drilling activity on or about January 28, 2004.

COPY SENT TO OPERATOR
Date: 1-22-04
Initials: CHD

NAME (PLEASE PRINT) Alan W. Bohling (432) 498-8662 TITLE Authorized Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan W. Bohling DATE 1/19/2004

(This space for State use only)

Accepted by the Utah Division of Oil, Gas and Mining
Date: 1/22/04
By: [illegible]
(See Instructions on Reverse Side)

RECEIVED
JAN 2 2 2004
DIV. OF OIL, GAS & MINING

(5/2000)

026

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

FORM 6

ENTITY ACTION FORM

Operator: Intrepid Oil & Gas, L.L.C.

Operator Account Number: N 6810

Address: 1700-17th St., Suite 1700

city Denver

state CO zip 80202

Phone Number: (303) 296-3006

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
019-31396	Cane Creek #2-1		SENE	2	26S	19E	Grand
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
KB	99999	13477	1/12/2004			1/29/04	

Comments: Spud well at 4:00pm on January 12, 2004. CNCR

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:

RECEIVED
JAN 20 2004
DIV OF OIL, GAS & MINING

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)

Alan W. Bohling-Agent: Intrepid Oil & Gas, LLC
Name (Please Print)

Alan W. Bohling
Signature

Reg. Analyst (432/498-8662) 1/15/2004
Title Date

(5/2000)

029

FORM 9

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

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-65972

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

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.

7. UNIT or CA AGREEMENT NAME: Cane Creek Unit

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Cane creek #2-1

CONFIDENTIAL 43-

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

9. API NUMBER: 019-31396

3. ADDRESS OF OPERATOR: 1700-17th St. Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2289' FNL & 518' FEL COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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: 2/19/2004	☑ 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.

Intrepid Oil & Gas, LLC would like to change the depth of the intermediate 9-5/8" casing setting depth from 4287', as shown on the APD, to 4000' for the following reasons.

Intermediate casing point was originally targeted for Clastic #3 at an approximate depth of 4287. The requested change is based on several factors. The current well is being air drilled to intermediate casing point depth, prior to APD approval, fluid drilling had been assumed. Mud-loggers would have easily seen salt and clastic breaks in a fluid system, but may not be able to determine where those same breaks are while air drilling due to the 'poorer' quality of cuttings. Additionally, the lack of well control makes it difficult to determine the salt behavior between wells. Our current interpretation shows the salt thickening in the Cane Creek 2-1, putting Clastic #3 at a new estimated depth of 4575'. Due to the difficulty we may have in determining when we drill into Clastic #3, as well as the uncertainty of the depth of Clastic #3, Intrepid/Pure would like to set the intermediate casing above the entire salt section. Our revised Top of Salt is estimated at 4017', and we would like to set casing at 4000'. Our original cement program did not include a salt slurry, and the original slurry represented in the APD will be used.

This change has been communicated to and approved by Mr. Dustin Doucet on 02/19/2004. This change has also been communicated to and approved by Mr. Eric Jones, BLM in Moab, Utah on 02/19/2004.

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan W. Bohling DATE 2/19/2004

COPY SENT TO OPERATOR
Date: 2/20/04
Initials: CHD

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 2/19/04
BY: [signature]

Federal Approval Of This Action Is Necessary

RECEIVED
FEB 19 2004
DIV. OF OIL, GAS & MINING

(5/2000) (Instructions on Reverse Side)

PURE RESOURCES

Pure Resources, L.P.
500 West Illinois
Midland, Texas 79701
Phone (915) 498-8600
Fax (915) 686-7962

FACSIMILE TRANSMITTAL INFORMATION

Date: February 19, 2004

To: Mr. Dustin Doucet

Company: DOGM, SLC, Utah

Fax #: 801-359-3940

THERE WILL BE 2 PAGES INCLUDING THIS COVER SHEET.

SENT BY: Alan Bohling (432) 498-8662 Regulatory Agent For Intrepid Oil & Gas, LLC.

SPECIAL INSTRUCTIONS: Sundry for change of casing setting depth for Cane Creek #2-1.

This facsimile transmission and the document(s) accompanying this message may contain confidential information belonging to the sender, thus is protected by the attorney-client privilege or other grounds for confidentiality or non-disclosure. This information is intended for the use of the individual named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this is strictly prohibited. If you have received this facsimile in error, please notify us immediately by telephone (915) 498-8600 to confirm confidentiality and proper disposition of this document(s).

RECEIVED

FEB 19 2004

DIV. OF OIL, GAS & MINING

030

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.

CONFIDENTIAL

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-65972

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

7. UNIT or CA AGREEMENT NAME: Cane Creek Unit

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Cane creek #2-1

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

9. API NUMBER: 019-31396

3. ADDRESS OF OPERATOR: 1700-17th St. Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2289' FNL & 518' FEL COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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
2/19/2004	☐ 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.

Intrepid Oil & Gas, LLC would like to change the depth of the intermediate 9-5/8" casing setting depth from 4287', as shown on the APD, to 4000' for the following reasons.

Intermediate casing point was originally targeted for Clastic #3 at an approximate depth of 4287. The requested change is based on several factors. The current well is being air drilled to intermediate casing point depth, prior to APD approval, fluid drilling had been assumed. Mud-loggers would have easily seen salt and clastic breaks in a fluid system, but may not be able to determine where those same breaks are while air drilling due to the 'poorer' quality of cuttings. Additionally, the lack of well control makes it difficult to determine the salt behavior between wells. Our current interpretation shows the salt thickening in the Cane Creek 2-1, putting Clastic #3 at a new estimated depth of 4575'. Due to the difficulty we may have in determining when we drill into Clastic #3, as well as the uncertainty of the depth of Clastic #3, Intrepid/Pure would like to set the intermediate casing above the entire salt section. Our revised Top of Salt is estimated at 4017', and we would like to set casing at 4000'. Our original cement program did not include a salt slurry, and the original slurry represented in the APD will be used.

This change has been communicated to and approved by Mr. Dustin Doucet on 02/19/2004. This change has also been communicated to and approved by Mr. Eric Jones, BLM in Moab, Utah on 02/19/2004.

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan W. Bohling DATE 2/19/2004

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

DATE: 3/9/2004

BY: [signature]

COPY SENT TO OPERATOR
Date: 3-11-04
Initials: CHD

Federal Approval Of This Action Is Necessary

(See Instructions on Reverse Side)

RECEIVED
FEB 23 2004
DIV. OF OIL, GAS & MINING

(5/2000)

031

RECEIVED

MAR 2 3 2004

DIV. OF OIL, GAS & MINING

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: UTU-65972
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT or CA AGREEMENT NAME: Cane Creek Unit
8. WELL NAME and NUMBER: Cane creek #2-1
9. API NUMBER: 019-31396
10. FIELD AND POOL, OR WILDCAT: Wildcat

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

CONFIDENTIAL

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.
3. ADDRESS OF OPERATOR: 1700-17th St. Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006
4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2289' FNL & 518' FEL COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
Date of work completion: 3/13/2004	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Drilling Fluid System Change
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Intrepid Oil & Gas, LLC has changed its oil based mud system on March 13, 2004 to a water based salt gel system to improve system efficiency and drilling returns.

This change in drilling fluid systems has been communicated and discussed with Mr. Dustin Doucet and Mr. Eric Jones, BLM in Moab, Utah.

COPY SENT TO OPERATOR
Date: 3-30-2004
Initials: CHD

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan W. Bohling DATE 3/22/2004

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
(See Instructions on Reverse Side)
DATE: 3/30/2004
BY: [signature]

Federal Approval Of This Action Is Necessary

(5/2000)

032

RECEIVED

MAR 23 2004

DIV. OF OIL, GAS & MINING

FORM 9

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

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: UTU-65972

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

7. UNIT or CA AGREEMENT NAME: Cane Creek Unit

8. WELL NAME and NUMBER: Cane creek #2-1

9. API NUMBER: 019-31396

10. FIELD AND POOL, OR WILDCAT: Wildcat

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER ☐

CONFIDENTIAL

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

3. ADDRESS OF OPERATOR: 1700-17th St. Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2289' FNL & 518' FEL COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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: 3/22/2004	☑ 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.

Intrepid Oil & Gas, LLC is proposing to run & set the intermediate 7" casing shallower than the original APD depth of 7700' (TD of vertical portion of wellbore). However, we are still going to continue to drill to TD @ 7700' with a 6-1/8" hole after setting the 7" casing.

This change has been communicated to Mr. Dustin Doucet on 03/19/2004 and to Mr. Eric Jones, BLM in Moab, Utah on same date.

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan Bohling DATE 3/22/2004

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

DATE: 3/30/2004

BY: [signature]

(See Instructions on Reverse Side)

Federal Approval Of This Action Is Necessary

(5/2000)

PURE RESOURCES

RECEIVED
MAR 2 3 2004
DIV. OF OIL, GAS & MINING

Pure Resources, L.P.
500 West Illinois
Midland, Texas 79701
Phone (915) 498-8600
Fax (915) 686-7962

FACSIMILE TRANSMITTAL INFORMATION

Date: March 22, 2004

To: Mr. Dustin Doucet

Company: Division of Oil, Gas and Mining - Utah

Fax #: (801) 359-3940

THERE WILL BE 3 PAGES INCLUDING THIS COVER SHEET.

SENT BY: Alan Bohling - (432) 498-8662

SPECIAL INSTRUCTIONS: Sundry's for Cane Creek #2-1 - following discussions w/ Libby Einhorn.

Thank you
Alan

This facsimile transmission and the document(s) accompanying this message may contain confidential information belonging to the sender, thus is protected by the attorney-client privilege or other grounds for confidentiality or non-disclosure. This information is intended for the use of the individual named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this is strictly prohibited. If you have received this facsimile in error, please notify us immediately by telephone (915) 498-8600 to confirm confidentiality and proper disposition of this document(s).

033

FORM 9

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

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: UTU-65972
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT or CA AGREEMENT NAME: Cane Creek Unit
8. WELL NAME and NUMBER: Cane creek #2-1
9. API NUMBER: 019-31396
10. FIELD AND POOL, OR WILDCAT: Wildcat

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER ~~CONFIDENTIAL~~

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

3. ADDRESS OF OPERATOR: 1700-17th St. Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2289' FNL & 518' FEL COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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
3/22/2004	☐ 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.

Intrepid Oil & Gas, LLC is proposing to run & set the intermediate 7" casing shallower than the original APD depth of 7700' (TD of vertical portion of wellbore). However, we are still going to continue to drill to TD @ 7700' with a 6-1/8" hole after setting the 7" casing.

This change has been communicated to Mr. Dustin Doucet on 03/19/2004 and to Mr. Eric Jones, BLM in Moab, Utah on same date. in Paradox @ 6697'

COPY SENT TO OPERATOR
Date: 3-30-2004
Initials: CHD

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan Bohling DATE 3/22/2004

(This space for State use only)
APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 3/30/2004
BY: [signature]

Federal Approval Of This Action Is Necessary

RECEIVED
MAR 25 2004
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

034

FORM 9

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

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.

CONFIDENTIAL

5. LEASE DESIGNATION AND SERIAL NUMBER:	UTU-65972
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	N/A
7. UNIT or CA AGREEMENT NAME:	Cane Creek Unit
8. WELL NAME and NUMBER:	Cane creek #2-1
9. API NUMBER:	019-31396
10. FIELD AND POOL, OR WILDCAT:	Wildcat

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

3. ADDRESS OF OPERATOR: 700-17th St., Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2289' FNL & 518' FEL COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: 3/3/2004	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Drilling & 1st Intermediate Casing
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The attached Well History depicts drilling and casing activity through 1st Intermediate Casing (12-1/4" hole size, 9-5/8" casing size). Several problems were encountered in getting a good cement job and casing shoe test, hence the attached report reflects several cmt squeezes and volumes to finally accomplish a good casing shoe cement and test prior to commencing further drilling of the 8-3/4" hole.

(SEE ATTACHED WELL HISTORY REPORT)

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan W. Bohling DATE 3/22/2004

(This space for State use only)

RECEIVED
MAR 25 2004
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

Pure Resources, Inc.
Well History
CANE CREEK #2-1(PURE/INTREPID)-100% WI From 1/1/1920 through 3/3/2004

CONFIDENTIAL

Well Name CANE CREEK #2-1(PURE/INTREPID)-100% WI **Lease Well** 511511-001
State: UT **County:** GRAND

Activity Date 1/13/2004 **Type of Report:** DRILLING INITIAL REPORT
Description

Times	Hours	Remarks
	12.00	MIRU BILL'S RATHOLE SERVICE. DRLG 0-15'. SDON. SPUD @ 4:00 P.M. 1/12/04. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$27,000	$27,000	$1,902,350	1030567	15	15	

Activity Date 1/14/2004 **Type of Report:** DRILLING PROGRESS REPORT
Description UNLOAD 13-3/8" CSG.

Times	Hours	Remarks
	12.00	WELD UP & SET CONDUCTOR. DRLG RAT & MOUSE HOLES. DRLG 17-1/2" HOLE W/ MIST F/ 15-175'. UNLOAD 14 JTS 13-3/8" 48# H-40 CSG. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,250	$37,250	$1,902,350	1030567	175	160	

Activity Date 1/15/2004 **Type of Report:** DRILLING PROGRESS REPORT
Description

Times	Hours	Remarks
	12.00	DRLG 17-1/2" HOLE F/ 175-450' W/ MIST. AVG ROP 35 FPH. HAMMER QUIT DRLG. POH W/ HAMMER. INSPECT HAMMER. TIH, HAMMER WOULD NOT DRILL. POH. SDON. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$15,250	$52,500	$1,902,350	1030567	450	275	

Activity Date 1/16/2004 **Type of Report:** DRILLING PROGRESS REPORT
Description PLUG DOWN.

Times	Hours	Remarks
	14.00	DRLG 17-1/2" HOLE F/ 450-550' W/ MIST. CIRC HOLE CLEAN. POH. RUN 12 JTS 13-3/8" 48# H-40 STC CSG. RU BIG 4 CEMENTERS & PUMP 40 BW, 20 BBLS MUD FLUSH. FOLLOW W/ 800 SX "G" W/ 2% CACL2, 1/4# CELLOFLAKE @ 4.5 BPM @ 50 PSI. DISPLACE W/ 77.7 BW @ 3.5 BPM. MAX PRESS 1200 PSI. CIRC 53 BBLS GOOD CMT TO PIT. DID NOT SEE WATER OR MUD FLUSH @ SURFACE. PLUG DOWN @ 7:00 P.M. BLM REP ON LOCATION DURING CSG & CMT. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$40,480	$92,980	$1,902,350	1030567	550	100	

Activity Date 1/23/2004 **Type of Report:** DRILLING PROGRESS REPORT
Description WAITING ON ROTARY TOOLS.

Times	Hours	Remarks
		WAITING ON ROTARY TOOLS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$92,980	$92,980	$1,902,350	1030567	550		

Activity Date 2/10/2004 **Type of Report:** DRILLING PROGRESS REPORT
Description RIGGING UP.

Times	Hours	Remarks
	12.00	MIRU UNIT DRLG RIG #236. SAFETY MTG. SET MATS & SUB. NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$102,980	$102,980	$1,902,350	1030567	550		

RECEIVED
MAR 2 5 2004
DIV. OF OIL, GAS & MINING

Activity Date 2/11/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description RIGGING UP.

Times	Hours	Remarks
	12.00	CONTINUE MIRU UNIT DRLG RIG #236. SAFETY MTG. SET IN COMPOUND, BACK END, DRESS MUD TANKS. NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,000	$112,980	$1,902,350	1030567	550		

Activity Date 2/12/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description RIGGING UP

Times	Hours	Remarks
	12.00	CONTINUE RIGGING UP UNIT DRLG RIG #236. SAFETY MTG. SET IN DERRICK, DRAWWORKS, DOG HOUSES, DRESS MUD TANKS. NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,000	$122,980	$1,902,350	1030567	550		

Activity Date 2/13/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description RIGGING UP.

Times	Hours	Remarks
	12.00	CONTINUE RIGGING UP UNIT DRLG RIG #236. SAFETY MTG. SET IN DERRICK, STRING UP BLOCKS, DRESS DERRICK & SET ON SUB. RU AIR PACKAGE. NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,000	$132,980	$1,902,350	1030567	550		

Activity Date 2/14/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description RIGGING UP.

Times	Hours	Remarks
	12.00	CONTINUE RIGGINGUP UNIT DRLG RIG #236. SAFETY MTG. STRING UP BLOCKS, RAISE DERRICK, RU FLOOR & PLUMBING. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,000	$142,980	$1,902,350	1030567	550		

Activity Date 2/15/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description RIGGING UP.

Times	Hours	Remarks
	12.00	CONTINUE RIGGING UP UNIT DRLG RIG #236. SAFETY MTG. CUT OFF CONDUCTOR & 13-3/8" CSG. WELD ON WH, BUILD BLOW PIT & DITCH TO RESERVE PIT. RU RIG FLOOR. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,762	$184,742	$1,902,350	1030567	550		

Activity Date 2/16/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description RU BLOOIE LINE.

Times	Hours	Remarks
	2.00	CONTINUE RIGGING UP UNIT DRLG RIG #236. SAFETY MTG, PU SWIVEL & KELLY.
	14.00	NU 10K BPE & CHOKE HOUSE.
	5.50	TEST CSG TO 1200 PSI, ANNULAR TO 3500 PSI. TEST BLIND & UPPER & LOWER PIPE RAMS AND CHOKE MANIFOLD TO 5000 PSI.
	2.50	RU BLOOIE LINE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$19,850	$204,592	$1,902,350	1030567	550		

Activity Date 2/17/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	8.50	RU BLOOIE LINE.
	6.50	RACK & MEASURE BHA & TIH. TAG CMT @ 531' KB.
	4.00	TIGHTEN ROTATING HEAD STUDS. DRLG F/ 531-576'.
	5.00	DRLG 12-3/8" HOLE W/ HAMMER, 4-6K, 48 RPM, 2400 SCFM, 250 PSI.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$36,282	$240,874	$1,902,350	1030567	850	274	

Activity Date 2/18/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	2.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 850-949', 4-6K, 48 RPM, 2400 SCFM, 290 PSI.
	1.50	REPAIR BLOW PIT.
	9.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 949-1480', 4-6K, 48 RPM, 2400 SCFM, 310 PSI.
	0.50	WLS @ 1432' - 3/4 DEG.
	11.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 1480-2250', 4-6K, 48 RPM, 2400 SCFM, 330 PSI.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$29,480	$270,354	$1,902,350	1030567	2250	1400	

Activity Date 2/19/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	2.00	ESTABLISH MIST RATE - HOLE NOT DUSTING PROPERLY @ 2193'.
	1.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 2193-2284' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	WLS @ 2236' - 0 DEG.
	2.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 2284-2348' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	RIG SERVICE.
	16.50	DRLG 12-3/8" HOLE W/ HAMMER F/ 2348-3094' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	1.50	FLOOR MOTOR OUT OF DIESEL - ON GRAVITY SYSTEM W/ 55" IN MAIN TANK.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$25,359	$295,713	$1,902,350	1030567	3094	901	

Activity Date 2/20/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description CUT DRLG LINE.

Times	Hours	Remarks
	3.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 3094-3217' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	RIG SERVICE.
	9.50	DRLG 12-3/8" HOLE W/ HAMMER F/ 3217-3560' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	WLS @ 3513' - 3/4 DEG.
	4.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 3560-3743' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	BIT TORQUEING - BLOW HOLE CLEAN.
	4.00	POH, LD HAMMER.
	2.00	CUT DRLG LINE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,157	$336,870	$1,902,350	1030567	3743	649	

Activity Date 2/21/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description WAIT ON WEATHERFORD.

Times	Hours	Remarks
	6.00	MU 12-1/4" BIT. PU BIT & TIH TO 3743'.
	1.00	ATTEMPT TO WORK JUNK BASKET, WEATHERFORD HAD 3 COMPRESSORS GO DOWN.
	17.00	WAIT ON WEATHERFORD TO REPLACE & REPAIR COMPRESSORS.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,157	$378,027	$1,902,350	1030567	3743		

Activity Date 2/22/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
		DRLG F/ 3743-3887'. NO OTHER INFORMATION AVAILABLE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$7,043	$385,070	$1,902,350	1030567	3887	144	

Activity Date 2/23/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description ND BOPE.

Times	Hours	Remarks
	3.50	DRLG 12-1/4" HOLE F/3887-3943' W/ 40K, 70 RPM, 3600 SCFM, AIR MIST.
	0.50	BLOW HOLE CLEAN.
	0.50	WLS @ 3943' - 1 DEG.
	2.50	POH TO RUN CSG.
	1.50	RU TO RUN CSG. SAFETY MTG.
	6.00	RUN 90 JTS 9-5/8" 40# N-80 LTC CSG.
	3.00	ATTEMPT TO UNLOAD HOLE W/ AIR. SAFETY MTG.
	2.00	RU DOWELL & PUMP 30 BW AHEAD & 655 SX LEAD @ 7.8 BPM @ 325 PSI. TAIL W/ 195 SX @ 5.4 BPM @ 200 PSI. DROP PLUG & DISPLACE W/ 293 BW @ 250 PSI AVG. BUMP PLUG W/ 1000 PSI - FLOATS HELD. DID NOT CIRC CMT. PD @ 1:30 A.M. 2/23/04.
	4.50	ND BOPE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$136,778	$521,848	$1,902,350	1030567	3943	56	

Activity Date 2/24/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description TEST UPPER & LOWER PIPE RAMS.

Times	Hours	Remarks
	2.00	RU WINCHES & PU BOP.
	10.00	HAD 60 PSI GAS IN 13-3/8" X 9-5/8" ANNULUS. HELD SAFETY MTG & VENTED OFF GAS. CUT OFF 9-5/8" CSG. INSTALL "B" SECTION.
	6.50	NU BOPE.
	5.50	SET TEST PLUG & TEST KELLY, TIW VALVES & INSIDE BOP VALVES & CHOKE & BLIND RAMS TO 10,000 PSI. TEST UPPER & LOWER PIPE RAMS TO 10,000 PSI.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$29,750	$551,598	$1,902,350	1030567	3943		

Activity Date 2/25/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description DRLG CMT.

Times	Hours	Remarks
	6.00	TEST UPPER & LOWER PIPE RAMS TO 10,000 PSI. TEST ANNULAR TO 3500 PSI. TEST CSG TO 4000 PSI. TEST MUD LINE TO 5000 PSI.
	6.00	RU HALLIBURTON WL & RUN GAMMA, CCL & CMT BOND LOG.
	1.50	INSTALL WEAR BUSHING. RU PUMPS TO WATER TANK.
	2.50	LD 8" DC'S.
	3.00	MU 8-3/4" BIT & TIH TO 3848'.
	5.00	DRLG CMT PLUG & FLOAT COLLAR & CMT TO 3880' W/ 8000#, 60 RPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$36,252	$587,850	$1,902,350	1030567	3943		

Activity Date 2/26/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description SQUEEZE CMT.

Times	Hours	Remarks
	4.75	DRLG CMT TO 3943'.
	0.50	DRLG 8-3/4" HOLE F/ 3943-3954'.
	0.75	CIRC HOLE CLEAN.
	2.00	RU SCHLUMBERGER & DRILL FIT, 1800 PSI BREAK DOWN - 30 MIN TO 1200 PSI.
	2.50	POH.
	3.50	TIH W/ OEDP TO 3949'.
	7.50	WAIT ON CEMENTERS.
	0.75	SPOT 150 SX CMT @ 13.5 PPG, 500' PLUG.
	0.75	POH TO 2089'.
	1.00	SQUEEZE CMT.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$23,050	$610,900	$1,902,350	1030567	3954	11	

Activity Date 2/27/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description COND MUD.

Times	Hours	Remarks
	5.00	SQUEEZE CMT THRU SHOE. PUMP 31 BBLS.
	0.50	POH.
	2.50	RU SCHLUMBERGER & PUMP CMT DOWN 13-3/8" X 9-5/8" ANN. NO PRESSURE.
	16.00	WOC. TIH W/ DRLG ASSY. DISPLACE HOLE TO OIL BASE MUD. COND MUD.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$197,750	$808,650	$1,902,350	1030567	3954		

Activity Date 2/28/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CMT.

Times	Hours	Remarks
	5.50	CIRC & COND MUD. BRING MW UP TO 10.2.
	1.50	DRLG CMT F/ 3872-3954' W/ 10K, 65 RPM & CIRC HOLE CLEAN.
	1.50	RU SCHLUMBERGER & DO FIT. BREAK DOWN @ 600 PSI, 13.1 EMW.
	2.50	POH.
	5.50	WAIT ON RETAINER.
	1.50	MU RETAINER & TIH TO 3863' W/ RETAINER & DP.
	3.00	CIRC HOLE. WAITING ON CEMENTERS. ROAD CLOSED @ UTAH STATE LINE DUE TO SNOW.
	3.00	SAFETY MTG. RU SCHLUMBERGER. TEST PUMPS & LINES TO 4500 PSI. PUMP 5 BW @ 2.7 BPM @ 961 PSI, 10 BBLS CACL2 WATER @ 2.7 BPM @ 1007 PSI, 10 BW @ 2.7 BPM @ 1135 PSI, 10 BBLS ZONE LOCK @ 2.7 BPM @ 1135 PSI, 10 BW @ 2.7 BPM @ 1149 PSI, 300 SX "G" (345 FT3), 63 BBLS "G" @ 15.8 @ 2.7 BPM @ 110 PSI, 20 BW @ 2.7 BPM @ 233 PSI, 10 BBLS CACL2 WATER @ 2.7 BPM @ 499 PSI, 10 BW @ 2.7 BPM @ 838 PSI, 10 BBL ZONE LOCK @ 2.7 BPM @ 1071 PSI, 10 BW @ 2.7 BPM @ 993 PSI, 300 SX (345 FT3), 63 BBLS "G" W/ 1% CACL2, 200 SX TXI LITE (244 FT3) @ 2.7 BPM @ 206 PSI. DISPLACE W/ 50 BBLS @ 2.7 BPM, 1295 PSI.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$33,050	$841,700	$1,902,350	1030567	3954		

Activity Date 2/29/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description WOC.

Times	Hours	Remarks
	21.00	CIRC HOLE, WOC.
	2.50	RU BJ, SAFETY MTG. TEST PUMPS & LINES TO 5000 PSI. PUMP 20 BBLS CACL2 WATER @ 2 BPM @ 1950 PSI, 3 BW @ 2 BPM @ 2330 PSI, 20 BBLS FLOGUARD @ 2.0 BPM @ 2290 PSI, 3 BW @ 2.0 BPM @ 2190 PSI, 158 SX LEAD (62 BBLS - 350 FT3) HIGH STRENGTH FM W/ 5% SALT, 1/4# CELLOFLAK, 0.2% CD-32, .05% FL-52, 6% A-10, 2% SODIUM METASILICATE @ 12.7 PPG @ 2 BPM @ 2700 PSI. TAIL W/ 200 SX (40 BBLS - 228 FT3) CLASS "H" W/ 5% SALT @ 2.2 BPM @ 2100 PSI. DISPLACE W/ 40 BW @ 2.4 BPM @ 2000 PSI. STING OUT OF RETAINER @ 1 BPM @ 2300 PSI. REVERSE OUT WATER & 3 BBLS CMT.
	0.50	CIRC HOLE, WOC.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$115,350	$957,050	$1,902,350	1030567	3954		10.1

Activity Date 3/1/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG OUT RETAINER.

Times	Hours	Remarks
	23.00	CIRC, WOC ABOVE CMT RETAINER.
	1.00	DRLG OUT RETAINER.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$21,348	$978,398	$1,902,350	1030567	3954		10.1

Activity Date 3/2/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description TIH, LD EXTRA DP.

Times	Hours	Remarks
	9.50	DRLG OUT CMT, RETAINER & CMT TO 3954'.
	1.50	CIRC HOLE CLEAN. SAFETY MTG W/ HANDS & BJ.
	2.50	FIT TEST - HELD 1600 PSI, 17.7 EMW.
	3.00	POH TO RUN BOND LOG.
	4.00	RU ROCKY MOUNTAIN WL & RUN CBL. PROBLEMS W/ TRUCK - LOST ALTERNATOR. PU BHA, BIT, MOTOR, 2 DC'S, STB, 3 DC'S, STAB, 6 DC'S, JAR, 30 JTS HW DP, -DP & TIH. LD EXTRA DP.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$17,915	$996,313	$1,902,350	1030567	3954		10.0

Activity Date 3/3/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description DRLG.

Times	Hours	Remarks
	3.00	PU BHA, BIT, MOTOR, 2 DC'S, STAB, 3 DC'S, STAB, 6 DC'S, JAR, 30 JTS HW DP, -DP & TIH. LD EXTRA DP.
	11.00	DRLG F/ 3954-4170' W/ 5-15K, MM, 117 RPM, ROT 50-60, 2550 PSI, 404 GPM.
	0.50	RIG SERVICE.
	9.50	DRLG F/ 4170-4380' W/ 5-15K, MM, 117 RPM, ROT 50-60, 2550 PSI, 404 GPM.
		LITHOLOGY: ANHYDRITE, SHALE, SOME SALT. POSSIBLY IN CLASTIC #2. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$42,946	$1,039,259	$1,902,350	1030567	4380	426	11.0

TUBING BREAKDOWN AS OF

ROD BREAKDOWN AS OF

FAILURES AS OF

CASING HISTORY REPORT

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 1/15/2004 **TD Hole Time** **Total Depth:** 550 **Hole Size:** 17-1/2"

Joints Ran	Joint Description	Total Footage	Running Ftg.
	INSERT FLOAT	0.00	0.00
1	13-3/8" 48# H-40 CSG	44.70	44.70
	SHOE	1.00	45.70
11	13-3/8" 48# H-40 CSG	494.80	540.50
12	**Total Joints Ran**	**540.50**	

Cemented as follows: **Top Cement:**

Stage 1 - 800 SX "G" W/ 2% CACL2, 1/4 PPS CELLOFLAKE MIXED @ 5.2 GPS (YLD:1.18, WT:15.60)

Comments

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 2/23/2004 **TD Hole Time** **Total Depth:** 3943 **Hole Size:** 12-1/4"

Joints Ran	Joint Description	Total Footage	Running Ftg.
88	9-5/8" 40# N-80 CSG	3829.33	3829.33
	KB	24.00	3853.33
2	9-5/8" 40# N-80 CSG	84.59	3937.92
	FLOAT SHOE	1.75	3939.67
	FLOAT COLLAR	1.45	3941.12
90	**Total Joints Ran**	**3941.12**	

Cemented as follows: **Top Cement:**

Stage 1 - 665 SX CLASS "G" W/ 3% D-79, .2% D-46, .25 PPS D-29 MIXED @ 16.3 GPS (YLD:2.66, WT:11.70)
Tail: 195 SX 50:50 "G" POZ W/ .25 PPS D-29, .2% D-20, 2% S-1, .1% D-46, 5 PPS D-24 MIXED @ 5.5 GPS (YLD:1.30, WT:13.50)

Comments

035

FORM 9

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

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.

CONFIDENTIAL

5. LEASE DESIGNATION AND SERIAL NUMBER:	UTU-65972
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	N/A
7. UNIT or CA AGREEMENT NAME:	Cane Creek Unit
8. WELL NAME and NUMBER:	Cane creek #2-1
9. API NUMBER:	019-31396
10. FIELD AND POOL, OR WILDCAT:	Wildcat

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

3. ADDRESS OF OPERATOR: 1700-17th St. Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2289' FNL & 518' FEL COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
Date of work completion: 3/13/2004	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Drilling Fluid System Change
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Intrepid Oil & Gas, LLC has changed its oil based mud system on March 13, 2004 to a water based salt gel system to improve system efficiency and drilling returns.

This change in drilling fluid systems has been communicated and discussed with Mr. Dustin Doucet and Mr. Eric Jones, BLM in Moab, Utah.

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan W. Bohling DATE 3/22/2004

(This space for State use only)

RECEIVED
MAR 25 2004
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

CONFIDENTIAL

036

FORM 9

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

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-65972

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

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.

7. UNIT or CA AGREEMENT NAME: Cane Creek Unit

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER _____

8. WELL NAME and NUMBER: Cane creek #2-1

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

9. API NUMBER: 019-31396

3. ADDRESS OF OPERATOR: 1700-17th St. Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2289' FNL & 518' FEL COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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
3/22/2004	☐ 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.

Intrepid Oil & Gas, LLC is proposing to run & set the intermediate 7" casing shallower than the original APD depth of 7700' (TD of vertical portion of wellbore). However, we are still going to continue to drill to TD @ 7700' with a 6-1/8" hole after setting the 7" casing.

This change has been communicated to Mr. Dustin Doucet on 03/19/2004 and to Mr. Eric Jones, BLM in Moab, Utah on same date. in paradox @ 6692

COPY SENT TO OPERATOR
Date: 4-5-04
Initials: CHD

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan Bohling DATE 3/22/2004

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 3/30/2004

Federal Approval Of This Action Is Necessary

RECEIVED
MAR 25 2004
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

CONFIDENTIAL

037

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: UTU-65972

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

7. UNIT or CA AGREEMENT NAME: Cane Creek Unit

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Cane creek #2-1

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

9. API NUMBER: 019-31396

3. ADDRESS OF OPERATOR: 700-17th St., Ste 1700 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 296-3006

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2289' FNL & 518' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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	☐ 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
4/6/2004	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Drilling & 2nd Intermediate Casing
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The attached Well History depicts drilling and casing activity from 03/02/2004 (or last Drilling & 1st Intermediate Casing Sundry) through to the setting of the 2nd Intermediate Casing (8-3/4" hole size, 7" casing size). TD of 8-3/4" hole is 6790', circ. csg. @ 6780'. Cmt'd w/1016 sx Denscrete mixed @ 2.2 GPS (Yld: 0.90, Wt: 18.60) with good returns throughout pumping.

(SEE ATTACHED WELL HISTORY REPORT)

RECEIVED
APR 0 9 2004
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan W. Bohling DATE 4/6/2004

(This space for State use only)

Activity Date 3/2/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description TIH, LD EXTRA DP.

CONFIDENTIAL

Times	Hours	Remarks
	9.50	DRLG OUT CMT, RETAINER & CMT TO 3954'.
	1.50	CIRC HOLE CLEAN. SAFETY MTG W/ HANDS & BJ.
	2.50	FIT TEST - HELD 1600 PSI, 17.7 EMW.
	3.00	POH TO RUN BOND LOG.
	4.00	RU ROCKY MOUNTAIN WL & RUN CBL. PROBLEMS W/ TRUCK - LOST ALTERNATOR. PU BHA, BIT, MOTOR, 2 DC'S, STB, 3 DC'S, STAB, 6 DC'S, JAR, 30 JTS HW DP, -DP & TIH. LD EXTRA DP.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$17,915	$996,313	$1,902,350	7030567	3954		10.0

Activity Date 3/3/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	3.00	PU BHA, BIT, MOTOR, 2 DC'S, STAB, 3 DC'S, STAB, 6 DC'S, JAR, 30 JTS HW DP, -DP & TIH. LD EXTRA DP.
	11.00	DRLG F/ 3954-4170' W/ 5-15K, MM 117 RPM, ROT 50-60, 2550 PSI, 404 GPM.
	0.50	RIG SERVICE.
	9.50	DRLG F/ 4170-4380' W/ 5-15K, MM 117 RPM, ROT 50-60, 2550 PSI, 404 GPM.
		LITHOLOGY: ANHYDRITE, SHALE, SOME SALT. POSSIBLY IN CLASTIC #2. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$42,946	$1,039,259	$1,902,350	7030567	4380	426	11.0

Activity Date 3/4/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	4.50	DRLG F/ 4380-4509' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 2750 PSI, 404 GPM.
	0.50	WLS @ 4479' - 1 DEG.
	19.00	DRLG F/ 4509-4925' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 2750 PSI, 404 GPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$24,200	$1,063,459	$1,902,350	7030567	4925	545	11.2

Activity Date 3/5/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	3.50	DRLG F/ 4925-4975' W/ 5-15K, MM 117 RPM, ROT 50-60, 2750 PSI, 404 GPM.
	1.00	WLS @ 4937' - 2 DEG.
	6.00	DRLG F/ 4975-5130' W/ 5-15K, MM 117 RPM, ROT 50-60, 2825 PSI, 404 GPM.
	0.50	RIG SERVICE.
	13.00	DRLG F/ 5130-5355' W/ 5-15K, MM 117 RPM, ROT 50-60, 3150 PSI, 404 GPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$36,966	$1,100,425	$1,902,350	7030567	5355	430	12.2

Activity Date 3/6/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	7.00	DRLG F/ 5355-5491' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 2750 PSI, 404 GPM.
	1.00	WLS @ 5461' - 1 DEG.
	0.50	RIG SERVICE.
	0.50	REPAIR SUCTION MANIFOLD GASKET.
	12.00	DRLG F/ 5491-5721' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 3150 PSI, 362 GPM.
	1.00	WORK ON PUMPS - SWABS.
	0.50	DRLG F/ 5491-5721' W/ 5-15K, MM 117 RPM, ROTRY 50-60, 3150 PSI, 362 GPM.
	1.00	WORK ON PUMPS - BELTS.
	0.50	DRLG F/ 5721-5730' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 3150 PSI, 362 GPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,860	$1,142,285	$1,902,350	7030567	5730	375	13.0

Activity Date 3/7/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CHANGING SCREENS.

Times	Hours	Remarks
	5.50	DRLG F/ 5730-5815' W/ 5-15K, MM 100 RPM, ROTARY 60-65, 2850 PSI, 345 GPM.
	1.00	REPLACE BELTS ON #2 PUMP.
	9.00	DRLG F/ 5815-5908' W/ 5-15K, MM 100 RPM, ROTARY 60-65, 2850 PSI, 345 GPM.
	1.00	CHANGE SHAKER SCREENS.
	3.00	DRLG F/ 5908-5955' W/ 5-15K, MM 100 RPM, ROTARY 60-65, 2850 PSI, 345 GPM.
	4.50	CIRC. TRY TO LOWER LG SOLIDS. UNABLE TO KEEP MUD ON SHAKERS. UNABLE TO OPERATE CENTRIFUGE. UNABLE TO CONTACT SWACO FOR REPAIRS OR SHAKER SCREENS. CHANGING SCREENS & USING ALL SCREEN COMBINATIONS ON LOCATION - 84-210 MESH. CURRENTLY HAVE 84 MESH ON ONE, 110 MESH ON #2.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$40,565	$1,182,850	$1,902,350	7030567	5955	225	13.0

Activity Date 3/8/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	8.00	HAD SWACO OUT TO WORK ON SHAKERS TO TRY & KEEP MUD ON SHAKERS. TURNED COUNTER BALANCES & SCREEN COMBINATIONS. HAVE 84'S ON BOTH SHAKERS. WORK ON CENTRIFUGES.
	1.50	DRLG F/ 5955-5974' W/ 5-15K, 60 RPM, 2950 PSI, 315 GPM, MM 91 RPM.
	4.50	CIRC, TRY TO KEEP MUD ON SHAKERS.
	1.00	DRLG F/ 5974-5988' W/ 5-15K, 60 RPM, 3050 PSI, 315 GPM, MM 91 RPM.
	1.00	PULL UP RISERS, CLEAN & SHUT DOWN CENTRIFUGES. PREP TO PARTIALLY BYPASS SHAKERS.
	8.00	DRLG F/ 5988-6115' W/ 5-15K, 60 RPM, 3050 PSI, 315 GPM, MM 91 RPM.
		MAN HRS NOT REPORTED.

CONFIDENTIAL

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$35,226	$1,218,076	$1,902,350	7030567	6115	160	15.4

Activity Date 3/9/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CLEAN PITS.

Times	Hours	Remarks
	4.50	DRLG F/ 6115-6182' W/ 5-15K, 60 RPM, 3050 PSI, 315 GPM, MM 91 RPM.
	0.50	CIRC HOLE.
	5.50	TRANSFER MUD, MIX & PUMP PILL.
	4.50	POH.
	9.00	CLEAN PITS.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$40,571	$1,258,647	$1,902,350	7030567	6182	67	15.4

Activity Date 3/10/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description COND MUD & HOLE.

Times	Hours	Remarks
	3.00	MU BIT & TIH TO SHOE.
	6.00	CLEAN PITS & UNPLUG EQUALIZERS.
	15.00	BUILD VOLUME & COND MUD & HOLE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$42,197	$1,300,844	$1,902,350	7030567	6182		15.5

Activity Date 3/11/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	3.00	BUILD VOLUME & CONDITION MUD & HOLE @ 4500'. CHANGING SHAKER SCREEN SIZE.
	0.50	TIH TO 5232'.
	3.50	BUILD VOLUME & CONDITION MUD & HOLE @ 4500'. CHANGING SHAKER SCREEN SIZE.
	0.50	TIH TO 6182'.
	8.50	BUILD VOLUME & CONDITION MUD & HOLE @ 6182'. CHANGING SHAKER SCREEN SIZE.
	8.00	DRLG F/ 6218-6315' W/ 30-35K, 70-75 RPM, 2950 PSI, 315 GPM.
		MAN HRS NOT REPORTED.

CONFIDENTIAL

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$66,030	$1,366,874	$1,902,350	7030567	6315	133	15.5

Activity Date 3/12/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description POH.

Times	Hours	Remarks
	9.50	DRLG F/ 6315-6475' W/ 30-35K, 70-75 RPM, 3050 PSI, 315 GPM.
	0.50	RIG SERVICE.
	1.00	WLS @ 6475' - 1-1/2 DEG.
	5.50	DRLG F/ 6475-6542' W/ 30-35K, 70-75 RPM, 3050 PSI, 315 GPM. UNABLE TO KEEP MUD ON SHAKERS.
	5.50	CIRC COND MUD. UNABLE TO KEEP MUD ON SCREENS W/ PUMP @ IDLE.
	2.00	PUMP SLUG & POH TO SHOE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$47,146	$1,414,020	$1,902,350	7030567	6542	227	15.5

Activity Date 3/13/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DISPLACING HOLE W/ 15.5 PPG SALT WATER BASED MUD.

Times	Hours	Remarks
	3.00	TRANSFERRED INVERT TO STORAGE TANKS, CLEAN PITS.
	17.00	CLEAN PITS, BUILD 600 BBL 15.5 PPG SALT WATER BASE MUD.
	1.50	TIH TO 6537'.
	2.50	PUMP & DISPLACE WELL W/ 435 TOTAL BBLS 15.5 PPG SALT WATER BASED MUD @ 5-6 BPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,844	$1,455,864	$1,902,350	7030567	6542		15.5

Activity Date 3/14/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description TIH.

Times	Hours	Remarks
	0.50	FINISH DISPLACING WELL W/ 455 TOTAL BBLS 15.5 PPG SALT WATWE BASED MUD @ 5-6 BPM.
	1.00	MIX & PUMP SLUG. OBSERVE WELL STATIC.
	1.50	POH TO 3893'.
	20.00	FILL MUD PITS W/ BRINE, BUILD VISCOSITY & WEIGHT UP TO 15.5 PPG.
	1.00	TIH TO +-6000' @ 6:00 A.M.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$38,656	$1,494,520	$1,902,350	7030567	6542		15.5

Activity Date 3/15/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description REPAIR RIG DRAWWORKS.

Times	Hours	Remarks
	4.00	CIRC & COND MUD. CHANGE SHAKER SCREENS, MAX BOTTOMS UP GAS 80 UNITS.
	2.50	DRLG F/ 6542-6580'.
	1.00	REPAIR SHEARED OFF BOLTS ON RIG DRAWWORKS ENGINE TORQUE CONVERTER.
	7.00	DRLG F/ 6580-6682'. PENETRATION RATE DECREASED TO 2 FPH.
	1.00	DROP SURVEY, OBSERVE WELL STATIC, PUMP SLUG.
	1.00	POH TO 5668'.
	1.00	TROUBLE SHOOT DRAWWORKS CLUTCH. LOW DRIVE CLUTCH LINKAGE IS DAMAGED.
	1.00	POH TO 9-5/8" CSG SHOE (HOLE CONDITIONS GOOD).
	5.50	CONTINUE REPAIRING CLUTCH LINKAGE - INSTALLING NEW CHAIN FOR LOW DRIVE CLUTCH.
		NO MAN HRS REPORTED.

CONFIDENTIAL

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$30,865	$1,525,385	$1,902,350	7030567	6682	140	15.5

Activity Date 3/16/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description P-TESTING BOP'S & RELATED EQPT.

Times	Hours	Remarks
	1.50	INSTALL NEW CHAIN FOR DRAWWORKS LOW DRIVE CLUTCH.
	2.50	TIH TO 6682' (OBSERVE WELL FLOWING PENCIL SIZED STREAM WHILE REPAIRING DRAWWORKS).
	8.00	CIRC & RAISE MUD WT F/ 15.5 - 15.8 PPG. 214 UNITS TRIP GAS W/ ,UD CUT TO 14.5 PPG.
	2.00	WORK PIPE 10 MIN W/O PUMP. OBSERVE WELL. CIRC BOTTOMS UP. MAX BOTTOMS UP GAS 4 UNITS.
	2.50	PUMP SLUG. POH TO 9-5/8" CSG SHOE.
	0.50	OBSERVE WELL. STATIC - NO FLOW PER 1/2 HR.
	4.50	CONTINUE POH. RETRIEVE SURVEY (1 DEG @ 6679'). LD BIT & 1 DC.
	1.50	RETRIEVE WEAR BUSHING. OBSERVE WELL STATIC.
	1.00	P-TEST KELLY VALVES WHILE DRAINING STACK.
		MAN HRS 432.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$25,360	$1,550,745	$1,902,350	7030567	6682		15.8

Activity Date 3/17/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKE.

Times	Hours	Remarks
	6.00	P-TEST BOP'S & RELATED EQPT TO PURE & BLM SPECS. TEST RAMS TO 250 LOW/10000 PSI HIGH. TEST HYDRIL TO 250 LOW/3500 PSI HIGH. NO FLOW F/ CSG ANNULUS VALVE THRUOUT TEST.
	1.00	RETRIEVE TEST PLUG, INSTALL WEAR BUSHING.
	2.00	LD WORN HEX KELLY & REPLACE W/ NEW ONE.
	3.00	PU NEW BIT, MOTOR, RIH W/ BHA.
	4.00	RIH TO 6650'. BREAK CIRC @ 9-5/8" CSG SHOE.
	0.50	WASH F/ 6650-6682' - NO FILL. HOLE CONDITIONS GOOD WHILE RUNNING THRU OH SECTION.
	1.00	DRLG F/ 6682-6685'. BOTTOMS UP GAS 18 UNITS.
	0.50	FOAM UP MUD & RUNNING OVER SHAKER PIT. SHUT DOWN & CORRECT PROBLEM.
	3.00	DRLG F/ 6685-6697'. GAS INCREASED TO 3400 UNITS. MUD/FOAM OVER RUNNING SHAKER PIT.
	0.50	SHUT DOWN - FOAMY, GAS CUT MUD. OBSERVE WELL FLOWING THRU GAS BUSTER - VERIFY 4 BBL GAIN - 3 FINGER STREAM. SHUT IN HYDRIL.
	0.50	AFTER 30 MIN, SIDPP 190 PSI, SICP 260 PSI.
	2.00	CIRC OUT THRU CHOKE - DRILLERS METHOD. RECIPROCATED PIPE WHILE CIRCULATING. 5500 TOTAL STROKES PUMPED @ 6:00 A.M. GAS @ 1844 UNITS.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$18,650	$1,569,395	$1,902,350	7030567	6697	15	15.8

Activity Date 3/18/2004 **Type of Report:** **DRILLING** **PROGRESS REPORT**

Description CIRC WELL THRU CHOKE W/ 16.4 PPG MUD.

Times	Hours	Remarks
	1.50	CONTINUE CIRC OUT INFLUX THRU CHOKE (7400 TOTAL STROKES). MAX GAS THRU GAS BUSTER 2800 UNITS FALLING TO 889 UNITS. SWI. SIDPP 250 PSI, SICP 320 PSI.
	4.50	CIRC THRU CHOKE W/ 16.1 PPG MUD. BAR HOPPER MALFUNCTIONED. SWI.
	0.50	UNPLUG BAR HOPPER LINE. SIDPP 50 PSI, SICP 140 PSI.
	2.50	CIRC THRU CHOKE W/ 16.3 PPG MUD, BAR HOPPER PARTIALLY PLUGGED. SWI. REPAIR BAR HOPPER. MALFUNCTION RESULTED IN +-30 BBLS OF 15.8 - 16.1 PPG MUD BEING PUMPED DOWN DP.
	4.00	CONTINUE CIRC'G THRU CHOKE W/ 16.3 PPG MUD.
	2.00	RAISE MUD WT TO 16.4 PPG & CONTINUE CIRC & COND MUD (FOAMING PROBLEMS).
	1.00	SWI. MUD WT IN PITS TOO HIGH (16.5+ PPG). SIDPP F/ 0-80 PSI, CP 80-120-100 PSI IN 1/2 HR.
	8.00	CONTINUE CIRC THRU CHOKE W/ 16.4 PPG MUD. COND MUD & ATTEMPT TO LOWER BACKGROUND/TRAPPED GAS IN MUD. BGG 4700-2600-3370. MUD WT OUT 11.0 PPG TO 14.9 - 12.7 PPG. CURRENTLY @ 46 SPM W/ 960 PSI DPP & 170 PSI CP.
		MAN HRS 456.

CONFIDENTIAL

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$28,215	$1,597,610	$1,902,350	7030567	6697		16.4

Activity Date 3/19/2004 **Type of Report:** **DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKES W/ 17.1 PPG MUD.

Times	Hours	Remarks
	1.00	CIRC OUT GAS THRU CHOKE W/ 16.7 PPG MUD.
	2.00	CIRC THRU CHOKE & RAISE MUD WT F/ 16.7 TO 16.8 PPG.
	0.50	SWI. CORRECT LOW MUD WT IN PITS. SIDPP 40-50 PSI. SICP 240-250 PSI IN 25 MIN.
	7.00	CIRC THRU CHOKE & RAISE MUD WT TO 16.9 PPG.
	0.50	SWI. SIDPP 20, SICP 240 PSI. OPEN CHOKE, OPEN HYDRIL & FLOW BACK 7 BBLS MUD IN 5 MIN. SWI & OBSERVED CP RISING F/ 0 TO 90 PSI IN 20 MIN.
	4.00	CIRC WELL THRU CHOKE @ 61 SPM @ 2950 STROKES. MUD RETURNS HEAVILY GAS CUT & FOAMY. CIRC OUT +-1200 STROKES CUT MUD W/ MAX GAS OF 8700 UNITS. CONT CIRC & COND MUD.
	1.00	SWI. SIDPP 0 PSI, SICP 90-150 PSI. MIX LCM IN SUCTION PIT. CHANGE SHALE SHAKER SCREENS.
	3.00	CIRC ON CHOKE W/ 16.9 PPG LCM LADEN MUD. HOLDING 100+ PSI ADD'L BACK PRESSURE ON ANNULUS.
	4.50	CONT CIRC & RAISE MUD WT F/ 16.9 TO 17.1 PPG. PUMP @ 41 SPM WHILE HOLDING 100+ PSI BACK PRESSURE. ADDING BARITE & LCM TO SYSTEM. HAD 17.0 PPG MUD WT OUT @ 5:00 A.M.
	0.50	SWI. SIDPP 0, SICP 90 PSI. BROUGHT PUMPS UP TO 50 SPM. CIRC & HOLDING 100 PSI BACK PRESSURE, 50 SPM @ 1220 PSI W/ 190 PSI CP, BGG @ 3300 UNITS.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$5,625	$1,603,235	$1,902,350	7030567	6697		16.9

Activity Date 3/20/2004 **Type of Report:** **DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKES W/ 17.4 PPG MUD.

Times	Hours	Remarks
	10.00	CIRC ON CHOKE @ 50 SPM. INITIALLY HOLDING 100 PSI BACK PRESSURE, THEN STAGING BACK PRESSURE UP TO 160 PSI. BGG F/ 4158-5720-2780 UNITS. ADDING LCM TO SYSTEM WHILE CIRC'G.
	2.00	INCREASE MUD WT TO 17.3 PPG & CONTINUE CIRC'G THRU CHOKE.
	0.50	SWI. MUD WT IN PITS TOO HIGH (17.8 PPG), SIDPP 20, SICP 250 PSI. MONITOR WELL.
	3.50	CONTINUE CIRC 17.3 PPG MUD TO SURFACE + 1 BOTTOMS UP. BGG 2500 UNITS.
	1.00	SWI. SIDPP 10 PSI, SICP 130 PSI AFTER 10 MIN. BLED OFF PRESSURE & OPENED HYDRIL. FLOWED BACK3 BBLS IN 20 MIN. FLOW SLOWED DOWN TO 3 GPM. SWI.
	1.50	CIRC THRU CHOKE @ 57 SPM HOLDING 100 PSI BACK PRESSURE. GAS UP TO 5800 UNITS.
	5.50	INCREASE MW TO 17.4 PPG & CONTINUE CIRC THRU CHOKE @ 57 SPM HOLDING 100 PSI BACK PRESSURE. GAS 4000 UNITS DROPPING SLOWLY TO 3200 UNITS @ 6:00 A.M. MUD WT 17.4 PPG IN & 17.3 PPG OUT.
		MAN HRS 456.

CONFIDENTIAL

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$27,377	$1,630,612	$1,902,350	7030567	6697		17.4

Activity Date 3/21/2004 **Type of Report:** **DRILLING** **PROGRESS REPORT**

Description DRLG @ 6730'.

Times	Hours	Remarks
	0.50	CONTINUE CIRC THRU CHOKE W/ 17.4 PPG MUD @ 57 SPM HOLDING 100 PSI BACK PRESSURE.
	1.00	BAR HOPPER PLUGGED. SWI. SIDPP 60 TO 160 PSI, CP 160-170 PSI PER 1 HR.
	5.00	CONTINUE CIRC THRU CHOKE W/ 17.4 PPG MUD. @ 57 SPM HOLDING 100 PSI BACK PRESSURE. MAX GAS FROM SHUT IN WAS 6100 PSI.
	1.00	SWI. SIDPP 20 PSI, SICP 30 PSI. OPEN HYDRIL. FLOWED BACK 2 BBLS W/ FLOW DECREASING TO 2 GPM.
	7.50	SWI. CIRC THRU CHOKE & INCREASE MUD WT TO 17.5 PPG, MAX GAS 5700 UNITS.
	0.50	OPEN WELL & FLOCHECK - NO FLOW.
	0.50	DRLG F/ 6697-6699' W/ 10-15K, 65 RPM, 319 GPM, 3100 PSI, 54 VIS, 17.7 MW.
	2.50	REPAIR AIR LINE & QUICK RELEASE ON #2 MOTOR.
	2.50	DRLG F/ 6697-6699' W/ 10-15K, 65 RPM, 319 GPM, 3100 PSI, 54 VIS, 17.7 MW.
	0.50	INCREASE MW IN SUCTION, PROBLEMS W/ BULK COMPRESSOR.
	2.50	DRLG F/ 6722-6730' W/ 10-15K, 65 RPM, 319 GPM, 3100 PSI, 54 VIS, 17.5 MW.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$105,034	$1,735,646	$1,902,350	7030567	6730	33	17.5

Activity Date 3/22/2004 **Type of Report:** **DRILLING** **PROGRESS REPORT**

Description CIRC & COND 17.7 PPG MUD.

Times	Hours	Remarks
	1.50	DRLG F/ 6730-6744' W/ 10-15K, 65 RPM, 319 GPM, 3100 PSI, 54 VIS, 17.5 MW.
	1.00	REPLACE ROTATING HEAD RUBBER WHILE CONDITIONING MUD & CORRECTING MUD WT IN SUCTION PIT. OBSERVED GAS ROLLING & BREAKING OUT OF MUD IN BELL NIPPLE WHILE CHANGING ROTATING HEAD RUBBER.
	7.00	DRLG F/ 6744-6790' (CSG POINT). BGG 3100-4000-4300 UNITS.
	7.00	CIRC BOTTOMS UP & COND MUD, AVG 3000 UNITS BGG.
	0.50	FLOW CHECK WELL @ SHAKER. GAS MIGRATING UP HOLE IN SPURTS.
	1.00	CIRC BOTTOMS UP TO CHECK GAS INFLUX WHILE FLOW CHECKING. HAD THICK, FOAMY MUD ON BOTTOMS UP W/ A 38 YIELD PT. MUD WT OUT CUT TO 17.3 PPG.
	6.00	RAISE MUD WT TO 17.6 PPG WHILE CONDITIONING MUD. BGG 300-3200 UNITS, MUD WT OUT 17.6 PPG, PV 25, YP 30, API WL 16, PH 10.5, PF .2, MF .7.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$43,212	$1,778,858	$1,902,350	7030567	6790	60	17.4

Activity Date 3/23/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC & COND 17.7 PPG MUD.

Times	Hours	Remarks
	2.00	WAIT ON BARITE. WEIGHT UP SUCTION PIT TO 17.7 PPG.
	2.50	CIRC & DISPLACE HOLE W/ 17.7 PPG MUD.
	2.50	MUD WT TOO LOW. RAISE MUD WT IN SUCTION PIT & COND MUD.
	5.00	CIRC W/ 17.7 PPG MUD. CONDITIONING & CORRECTING LIGHT SPOTS IN MUD.
	1.00	MUD WT TOO LOW. CHANGE SHAKER SCREENS TO 175'S. RU NEW BARITE HOPPER COMPRESSORS.
	5.00	CIRC & COND MUD, 17.7 HEAVY, 3000 UNITS AVG BGG.
	1.00	FLOW CHECK WELL. NO FLOW. CHANGE SHAKER SCREENS, CLEAN OUT GAS BUSTER.
	1.50	PUMP SLUG & PULL 1 STAND & ROTATING HEAD. WELL FLOWING, GAS MIGRATING & BUBBLING IN ANNULUS. RE-INSTALL ROTATING HEAD. RIH 90' TO BOTTOM. START CIRCULATION.
	3.50	CIRC & COND MUD & HOLE. CIRC OUT GAS 5350 UNITS MAX, 202 BBLS AFTER STARTING TO PUMP, MW 17.7+ IN, 17.7 OUT, 50 VIS, PV 33, YP 29, WATER LOSS 28, PH 10.0, BGG @ +-3000 UNITS.
		MAN HRS 456.

CONFIDENTIAL

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$45,517	$1,824,375	$1,902,350	7030567	6790		17.7

Activity Date 3/24/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description FLOW CHECKING WELL. PREPARING FOR SHORT TRIP.

Times	Hours	Remarks
	1.50	MUD WT TOO LOW IN SUCTION PIT. UNPLUG BAR HOPPER LINE. RIASE MUD WT TO 17.7 PPG.
	22.00	RESUME CIRCULATING & CONDITIONING 17.7 PPG MUD PROPERTIES. LOWERED FLUID LOSS. LOWERED YP, STABILIZED GEL STRENGTHS, BGG LOWER - AVG 1800 UNITS.
	0.50	FLOW CHECK WELL. OBSERVING FLOW @ +- 1 GPM. MIXING SLUG FOR SHORT TRIP.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$72,691	$1,897,066	$1,902,350	7030567	6790		17.7

Activity Date 3/25/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CONDITIONING 18.0 PPG MUD FOR SHORT TRIP.

Times	Hours	Remarks
	1.50	FLOW CHECK WELL. OBSERVING FLOW @ +-1 GPM. MIX & PUMP SLUG. OBSERVE WELL.
	1.50	POH SLOWLY - 5 STANDS. HOLE NOT TAKING PROPER FILL. TIH (4 BBL GAIN).
	2.50	CIRC BOTTOMS UP @ 47 SPM. MAX GAS 1907 UNITS.
	7.50	CONTINUE CIRC. RAISE MUD WT TO 18.0 PPG.
	1.00	FLOW CHECK WELL. OBSERVING FLOW @ +-1 GPM. PULL ROTATING HEAD. OBSERVE WELL FLOWING W/ LESS GAS PERCOLATING THRU MUD.
	0.50	CONTINUE PUMPING. ATTEMPT TO CONDITION MUD WT TO 18.1 PPG. LOST PARTIAL RETURNS. SHUT DOWN.
	0.50	MIX 10 PPB STEEL SEAL LCM PILL WHILE WORKING PIPE SLOWLY. CUT MUD WT TO 18.0 PPG IN PIT.
	4.00	CIRC LCM LADEN 18.0 PPG MUD. MUD LOSSES STOPPED AFTER LCM PASSED 1000 STROKES OUT BIT. CONTINUE CIRC & MONITORING LOSSES. CORRECTING LIGHT & HVY SPOTS IN MUD SYSTEM. CONDITION MUD PROPERTIES FOR TRIP. CONDITIONING MUD TO LOWER YIELD POINT FOR SHORT TRIP.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$53,080	$1,950,146	$1,902,350	7030567	6790		17.7

Activity Date 3/26/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description POH.

Times	Hours	Remarks
	1.00	CIRC LCM LADEN 18.0 PPG MUD - NO MUD LOSSES.
	1.00	SHUT DOWN. CORRECT LOW MUD WT IN SUCTION PIT. WELL BREATHING, FLOWING PENCIL SIZED STREAM.
	9.00	CONTINUE CIRC, COND MUD PROPERTIES & CORRECTING LIGHT & HVY SPOTS IN MUD.
	1.00	SHUT DOWN & OBSERVE WELL. FLOWING SLIGHTLY W/ NOTABLY DECREASED GAS BREAKING OUT IN BELL NIPPLE. PUMP SLUG, ALLOW TO FALL 15 MIN.
	3.25	POH FOR SHORT TRIP. PULL 7 STANDS - HOLE TIGHT @ 6210' (TOP STABILIZER @ 6032'). WORK PIPE UP, GRADUALLY INCREASING OVERPULL TO 80K.
	2.75	KELLY UP & CIRC, COND WORKING PIPE SLOW. BECAME DIFFERENTIALLY STUCK.
	1.00	WORK PIPE FREE W/ 100 SPM WORKING PIPE DOWN.
	1.00	CIRC HOLE CLEAN. LOT OF FINES COMING OVER SHAKER. 2920 UNITS GAS.
	2.00	BACK REAM 6121-6080'.
	2.00	POH TO 5415'. PU KELLY PULLING TIGHT.
		MAN HRS 456.

CONFIDENTIAL

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$49,468	$1,999,614	$1,902,350	7030567	6790		18.1

Activity Date 3/27/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description REAM.

Times	Hours	Remarks
	13.00	POH. BACK REAM WHEN NECESSARY TO 9-5/8" SHOE.
	0.50	RIG SERVICE. OBSERVE WELL - NO FLOW.
	5.00	RIH TO 6490'. BREAK CIRC @ 5900.
	3.0	CIRC, COND MUD TO 18.05#. MUD GAS CUT TO 17.4#.
	2.50	REAM F/ 6532-6600' W/ 2-5K, 55 RPM, 1700 PSI, 90 SPM.
		18.1 MW, 50 VIS, 2184 UNITS GAS. MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$17,050	$2,016,664	$1,902,350	7030567	6790		18.0

Activity Date 3/28/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC & COND MUD.

Times	Hours	Remarks
	1.50	REAM F/ 6575-6790' W/ 2-5K, 65 RPM.
	9.00	CIRC & COND MUD FOR WIPER TRIP. RUN NUT PLUG SWEEP.
	0.50	FLOW CHECK WELL - NO FLOW.
	3.00	PUMP PILL & WIPE HOLE TO SHOE - NO DRAG.
	0.50	OBSERVE WELL & RIG SERVICE.
	2.50	TIH - NO FILL OR BRIDGES.
	7.00	CIRC & COND MUD, GAS CUT MUD, SMOOTH OUT MW & GAS.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$48,887	$2,065,551	$1,902,350	7030567	6790		18.0

Activity Date 3/29/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CSG CSG.

Times	Hours	Remarks
	4.50	CIRC & COND MUD, GAS CUT MUD, SMOOTH OUT MW & GAS, 18.1 MW IN, 17.9 OUT.
	0.50	FLOW CHECK - STATIC.
	8.00	PUMP SLUG. POH TO RUN CSG. STAND BACK DC'S. LD MOTOR.
	0.50	FUNCTION TEST ANNULAR, PULL WEAR BUSHING.
	2.00	SAFETY MTG W/ CSG CREW & RIG CREW. RU TO RUN CSG. MONITOR WELL.
	7.00	RUN 145 JTS 7" 26# P-110 LTC (6789.93') CSG. FILL EVERY 3 JTS - FULL RETURNS.
	1.50	CIRC CSG @ 6780'.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$50,230	$2,115,781	$1,902,350	7030567	6790		18.1

Activity Date 3/30/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description ND BOPE.

Times	Hours	Remarks
	9.00	CIRC CSG @ 6780'.
	3.50	SAFETY MTG W/ CEMENTERS & RIG HANDS. RU & TEST PUMPS & LINES. PUMP 45 BBLS MUD. PUSH @ 18.0 PPG. FOLLOW W/ 1016 SX (162 BBLS) DENSCRETE @ 18.6 PPG @ 3.9 BPM @ 192 PSI. DROP PLUG & DISPLACE W/ 260.5 BBLS MUD @ 18.15 PPG @ 3.9 BPM. GOOD RETURNS THRUOUT PUMPING. FINAL 463, 1.2 BPM PSI DID NOT BUMP PLUG. SHUT IN HEAD W/ 463 PSI.
	5.50	SHUT IN CSG W/ 45 PSI. SET SLIPS W/ 175K STRING WT. PREPARE TO ND.
	6.00	ND BOPE.
		19 PERSONS ON LOCATION. NO DAILY COST REPORTED.

CONFIDENTIAL

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$0	$2,115,781	$1,902,350	7030567	6790		18.1

Activity Date 3/31/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description FUNCTION TEST BOP'S.

Times	Hours	Remarks
	6.00	ND 13-5/8" BOP. TRANSFER MUD CROSS VALVES TO 7-1/16" BOP.
	0.50	NU C-SECTION. TEST TO 4300 PSI.
	5.50	NU 7-1/16" BOP.
	8.00	CONTINUE NU 7-1/16" BOP. FABRICATE FLOW LINE EXTENSION.
	1.00	TEST KELLY, UPPER & LOWER KELLY COCKS 250 PSI LOW - 10K HIGH. TEST MUD LINE STAND PIPE 250 PSI LOW - 5000 PSI HIGH.
	3.00	CENTER BOP. INSTALL FLOW LINE EXTENSION FROM ROTATING HEAD TO FLOW LINE. INSTALL ORBIT VALVE. FUNCTION TEST BOP'S.
		19 PERSONS ON LOCATION. TODAY'S COST INCLUDES DAILY COST FOR 3/30/04.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$223,361	$2,339,142	$1,902,350	7030567	6790		18.1

Activity Date 4/1/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description LD DC'S.

Times	Hours	Remarks
	9.00	FUNCTION TEST BOPE. TEST ANNULAR TO 250 LOW - 3500 HIGH. TEST CHOKE, LINES, VALVES, HCR, UPPER PIPE RAMS, BLIND RAS TO 250 LOW - 10,000 HIGH. TEST CS & LOWER PIPE RAMS TO 250 LOW - 10,000 HIGH. ALL TESTS GOOD & WITNESSED BY MR. JACK JOHNSON OF THE MOAB OFFICE OF THE BLM.
	4.00	RU HALLIBURTON WL & RUN GAMMA/CBL FROM 6610-3000'.
	8.00	DRESS PUMPS W/ 5" LINERS.
	3.00	INSTALL WEAR BUSHING & LD 6-1/4" DC'S.
		PERSONS ON LOCATION 19.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$47,150	$2,386,292	$1,902,350	7030567	6790		18.1

Activity Date 4/2/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG CMT & SHOE.

Times	Hours	Remarks
	3.00	LD BHA, 6-1/4" DC'S & JARS.
	4.00	PU BIT, MOTOR, 15 - 4-3/4" DC'S.
	6.00	RU KELLY SPINNER & CUT DRLG LINE.
	8.00	TIH TO 6683'. INSTALL CSG PROTECTORS ON DP.
	2.00	CIRC OUT HEAVY MUD.
	1.00	DRLG PLUGS, CMT, INSERT, CMT & SHOE.
		PERSONS ON LOCATION 19.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$67,040	$2,453,332	$1,902,350	7030567	6790		18.1

Activity Date 4/3/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC, SMOOTH OUT MUD.

Times	Hours	Remarks
	5.50	DRLG CMT, FC, CMT & SHOE TO 6790'.
	0.50	RIG SERVICE.
	1.00	DRLG F/ 6790-6798' W/ 205K ROTARY TORQUE SPIKED. THEN RELEASED - WOULD NOT DRILL.
	2.50	CIRC, WORK ON BAR HOPPER. MIX & PUMP PILL.
	7.50	POH, LD MOTOR.
	5.00	MU MOTOR & TEST MOTOR. TIH TO 6790'.
	2.00	CIRC, SMOOTH OUT MUD.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$25,314	$2,478,646	$1,902,350	7030567	6798	8	18.1

Activity Date 4/4/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	0.50	CIRC & COND MUD.
	0.50	DRLG F/ 6798-6810' W/ 20-4K, 55 RPM, 200 GPM, 2200 PSI.
	1.00	CIRC BOTTOMS UP FOR FIT.
	0.50	FORMATION INTEGRITY TEST - 18.1 MW, 330 PSI, 19.0 EMW.
	5.00	UNABLE TO BLEED PRESSURE OFF THRU CHOKE. NO CHOKE & KILL LINES. DRAIN BOPE, FLUSH OUT W/ WATER. FOUND PIECE OF SASH CORD & THICK MUD. NU CHOKE & KILL LINE. WAIT ON TEST PUMP.
	0.50	TEST CHOKE & KILL LINE TO 250 LOW & 10,000 PSI HIGH FOR 15 MIN EACH.
	0.50	PULL TEST PLUG & INSTALL WEAR BUSHING.
	2.50	DRLG F/ 6810-6823' W/ 2-4K, 55 RPM, 200 GPM, 2200 PSI, 50 VIS, 18+MW.
	0.50	RIG SERVICE.
	1.50	DRLG F/ 6823-6851' W/ 2-5K, 55 RPM, 200 GPM, 2200 PSI, 50 VIS, 18+ MW.
	1.00	CIRC COND MW F/ 17.5 - 18.1.
	10.00	DRLG F/ 6851-6983' W/ 2-6K, 60 RPM, 220 GPM, 2400 PSI, 50 VIS, 18+ MW.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

CONFIDENTIAL

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$30,004	$2,508,650	$1,902,350	7030567	6983	185	18.0

Activity Date 4/5/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description KILL WELL THRU CHOKE.

Times	Hours	Remarks
	4.00	DRLG F/ 6983-7008' W/ 2-6K, 60 RPM, 220 GPM, 2400 PSI, 50 VIS, 18+ MW - LOSING MUD.
	1.50	CIRC HOLE @ 120 GPM. ATTEMPT TO BUILD VOLUME. LOSING APPROX 1/2 BPM.
	0.50	POH TO SHOE.
	11.75	LOWER MUD WT SLOWLY WHILE BUILDING VOLUME. MUD WT 17.1.
	6.25	SWI. WELL FLOWING - KILL WELL THRU CHOKE, 450 PSI ON CHOKE, CURRENT MW 17.4 PPG. 14.5 MW COMING BACK OUT OF HOLE.
		NO. OF PERSONS OF LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$62,878	$2,571,528	$1,902,350	7030567	7008	25	17.0

Activity Date 4/6/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	15.00	SWI. WELL FLOWING. KILL WELL THRU CHOKE. 120 PSI ON CHOKE, CURRENT MW 17.8 PPG. CIRC OUT KICK W/ 17.8 PPG IN, 15.5 - 16.5 OUT. COND MUD TO 17.8.
	1.00	TIH TO 6884'. TAG BRIDGE.
	2.00	WASH & REAM 6884-7008'.
	3.00	CIRC & COND MUD & HOLE, 17.8 PPG - NO LOSSES.
	3.00	DRLG 6-1/8" HOLE F/ 7008-7025' W/ 2-6K, 207 GPM, 17.8 MW, 50 VIS.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$53,923	$2,625,451	$1,902,350	7030567	7025	17	17.8

TUBING BREAKDOWN AS OF

ROD BREAKDOWN AS OF

FAILURES AS OF

CONFIDENTIAL

CASING HISTORY REPORT

SURFACE LEVEL

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 1/15/2004 **TD Hole Time** **Total Depth:** 550 **Hole Size:** 17-1/2"

Joints Ran	Joint Description	Total Footage	Running Ftg.
1	13-3/8" 48# H-40 CSG	44.70	44.70
	SHOE	1.00	45.70
	INSERT FLOAT	0.00	45.70
11	13-3/8" 48# H-40 CSG	494.80	540.50
12	**Total Joints Ran**	**540.50**	

Cemented as follows: **Top Cement:**

Stage 1 - 800 SX "G" W/ 2% CACL2, 1/4 PPS CELLOFLAKE MIXED @ 5.2 GPS (YLD:1.18, WT:15.60)

Comments

1st INTERMEDIATE LEVEL

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 2/23/2004 **TD Hole Time** **Total Depth:** 3943 **Hole Size:** 12-1/4"

Joints Ran	Joint Description	Total Footage	Running Ftg.
88	9-5/8" 40# N-80 CSG	3829.33	3829.33
	KB	24.00	3853.33
2	9-5/8" 40# N-80 CSG	84.59	3937.92
	FLOAT SHOE	1.75	3939.67
	FLOAT COLLAR	1.45	3941.12
90	**Total Joints Ran**	**3941.12**	

Cemented as follows: **Top Cement:**

Stage 1 - 665 SX CLASS "G" W/ 3% D-79, .2% D-46, .25 PPS D-29 MIXED @ 16.3 GPS (YLD:2.66, WT:11.70)
Tail: 195 SX 50:50 "G" POZ W/ .25 PPS D-29, .2% D-20, 2% S-1, .1% D-46, 5 PPS D-24 MIXED @ 5.5 GPS (YLD:1.30, WT:13.50)

Comments

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 3/22/2004 **TD Hole Time** **Total Depth:** 6790 **Hole Size:** 8-3/4"

Joints Ran	Joint Description	Total Footage	Running Ftg.
	SHOE	1.00	1.00
	KB	24.00	25.00
143	7" 26# P-110 CSG	6670.23	6695.23
	FLOAT COLLAR	1.50	6696.73
2	7" 26# P-110 CSG	92.67	6789.40
145	**Total Joints Ran**	**6789.40**	

CONFIDENTIAL

Cemented as follows: **Top Cement:**

Stage 1 - 1016 SX DENSCRETE MIXED @ 2.2 GPS (YLD:0.90, WT:18.60)

Comments

038

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: UTU-65972
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT or CA AGREEMENT NAME: Cane Creek Unit
8. WELL NAME and NUMBER: Cane creek #2-1
9. API NUMBER: 43-019-31396
10. FIELD AND POOL, OR WILDCAT: Wildcat

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER CONFIDENTIAL
2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.
3. ADDRESS OF OPERATOR: 1700-17th St. Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006
4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2289' FNL & 518' FEL COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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: 4/14/2004	☑ 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.

Intrepid Oil & Gas, LLC is proposing to run & set a 4-1/2" liner @ TD of 7220' (shallower than originally proposed depth of vertical hole of 7700'). This change is necessitated due to current problematic experiences with drilling this well and to facilitate testing and completing of possible hydrocarbon zones already encountered. However, this does not preclude intentions of commencing with horizontal drilling operations (under the current APD) at a later date within this wellbore (pursuant to our geologic findings from vertical portion). This change has been communicated to Mr. Dustin Doucet on 04/12/2004.

We are proposing to do this by the following procedure:

1. At TD of 7220', POOH and log well.
2. RIH and condition mud/hole till casing arrives (Sat. pm or Sun am).
3. POOH and run csg. as follows:
   Float shoe. 1 jt. of 4-1/2", 11.6#, P110, BTC. Float collar. (? jts.) of 4-1/2", BTC. Crossover (BTC pin x ULTF box). 3 jts. of 4-1/2", 11.35#, P110, ULTF. Weatherford releasing tool w/tie-back sleeve (6').
   Space out BTC jts to have approx. 50-100' of overlap in the 7" casing with Float shoe setting on bottom.
   Run centralizers as follows: 2 in overlap, 2 on 1st 2 jts. below 7" and remainder as per original procedure.
   Set casing on bottom and circulate for cement job.
4. Cement w/Schlumberger. 18.5 ppg cmt. w/LCM additive and Gas Block additive. Precede with Mud Push spacer. Cement to be batch mixed. Displace with mud. Release from liner and POOH. RIH & CO to TOL, dress TB sleeve & test TOL.

+100sx needed

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan W Bohling DATE 4/13/2004

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 4/15/04
BY: [illegible]

Federal Approval Of This Action Is Necessary

COPY SENT TO OPERATOR
Date: 4-16-04
Initials: CHD

RECEIVED
APR 15 2004
DIV. OF OIL, GAS & MINING

(5/2000)

CONFIDENTIAL

Well name:	**04-04 Intrepid Cane Creek 2-1**
Operator:	**Intrepid Oil and Gas, LLC**
String type:	Production Liner
Project ID:	43-019-31396
Location:	Uintah County

Design parameters:

Collapse

Mud weight: 17.000 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 5,510 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 6,376 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on air weight.
Neutral point: 7,088 ft

Environment:

H2S considered?	No
Surface temperature:	65 °F
Bottom hole temperature:	148 °F
Temperature gradient:	1.15 °F/100ft
Minimum section length:	1,500 ft
Cement top:	6,700 ft
Liner top:	6,700 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	520	4.5	11.60	P-110	LT&C	7220	7220	3.875	12.1

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	6376	7580	1.19	6376	10690	1.68	6	279	46.25 J

Prepared by: Dustin K. Doucet
Utah Dept. of Natural Resources
Phone: 801-538-5281
FAX: 801-359-3940

Date: April 15,2004
Salt Lake City, Utah

ENGINEERING STIPULATIONS:
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

039

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.

CONFIDENTIAL

5. LEASE DESIGNATION AND SERIAL NUMBER:	UTU-65972
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	N/A
7. UNIT or CA AGREEMENT NAME:	Cane Creek Unit
8. WELL NAME and NUMBER:	Cane creek #2-1
9. API NUMBER:	019-31396
10. FIELD AND POOL, OR WILDCAT:	Wildcat

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

3. ADDRESS OF OPERATOR: 700-17th St., Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2289' FNL & 518' FEL COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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	☐ 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
4/20/2004	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Drilling History from 1/13/04 - 4/19/04
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Although Drilling Sundry's were incorporated with 1st Intermediate and 2nd Intermediate Casing and Cementing Sundry's covering the periods of 1/13/2004 through 3/03/04 and 3/02/04 through 04/06/04 and mailed on 3/22/04 and 4/06/04, respectively, this Sundry is in response to phone request (on 04/20/2004) for Monthly Drilling Sundry's.

Please find attached a complete Well (and drilling) History for this well covering the period of 1/13/04 through 4/19/04 to include Spud, Surface Casing/Cementing, 1st Intermediate and 2nd Intermediate Casing/Cementing and all drilling activities through 4/19/2004. If separate monthly breakouts are required instead of this composite report, please advise by calling the contact shown below.

(SEE ATTACHED WELL HISTORY REPORT)

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan W. Bohling DATE 4/20/2004

(This space for State use only)

RECEIVED
APR 23 2004
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

Pure Resources, Inc.

CONFIDENTIAL

Well History

CANE CREEK #2-1(PURE/INTREPID)-100% WI From 1/1/1920 through 4/21/2004

Well Name CANE CREEK #2-1(PURE/INTREPID)-100% WI **Lease Well** 511511-001

State: UT **County:** GRAND

Activity Date 1/13/2004 **Type of Report:** DRILLING **INITIAL REPORT**

Description

Times	Hours	Remarks
	12.00	MIRU BILL'S RATHOLE SERVICE. DRLG 0-15'. SDON. SPUD @ 4:00 P.M. 1/12/04. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$27,000	$27,000	$1,902,350	7030567	15	15	

Activity Date 1/14/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description UNLOAD 13-3/8" CSG.

Times	Hours	Remarks
	12.00	WELD UP & SET CONDUCTOR. DRLG RAT & MOUSE HOLES. DRLG 17-1/2" HOLE W/ MIST F/ 15-175'. UNLOAD 14 JTS 13-3/8" 48# H-40 CSG. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,250	$37,250	$1,902,350	7030567	175	160	

Activity Date 1/15/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description

Times	Hours	Remarks
	12.00	DRLG 17-1/2" HOLE F/ 175-450' W/ MIST. AVG ROP 35 FPH. HAMMER QUIT DRLG. POH W/ HAMMER. INSPECT HAMMER. TIH, HAMMER WOULD NOT DRILL. POH. SDON. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$15,250	$52,500	$1,902,350	7030567	450	275	

Activity Date 1/16/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description PLUG DOWN.

Times	Hours	Remarks
	14.00	DRLG 17-1/2" HOLE F/ 450-550' W/ MIST. CIRC HOLE CLEAN. POH. RUN 12 JTS 13-3/8" 48# H-40 STC CSG. RU BIG 4 CEMENTERS & PUMP 40 BW, 20 BBLS MUD FLUSH. FOLLOW W/ 800 SX "G" W/ 2% CACL2, 1/4# CELLOFLAKE @ 4.5 BPM @ 50 PSI. DISPLACE W/ 77.7 BW @ 3.5 BPM. MAX PRESS 1200 PSI. CIRC 53 BBLS GOOD CMT TO PIT. DID NOT SEE WATER OR MUD FLUSH @ SURFACE. PLUG DOWN @ 7:00 P.M. BLM REP ON LOCATION DURING CSG & CMT. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$40,480	$92,980	$1,902,350	7030567	550	100	

Activity Date 1/23/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description WAITING ON ROTARY TOOLS.

Times	Hours	Remarks
		WAITING ON ROTARY TOOLS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$92,980	$92,980	$1,902,350	7030567	550		

Activity Date 2/10/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description RIGGING UP.

Times	Hours	Remarks
	12.00	MIRU UNIT DRLG RIG #236. SAFETY MTG. SET MATS & SUB. NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$102,980	$102,980	$1,902,350	7030567	550		

Activity Date 2/11/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description RIGGING UP.

Times	Hours	Remarks
	12.00	CONTINUE MIRU UNIT DRLG RIG #236. SAFETY MTG. SET IN COMPOUND, BACK END, DRESS MUD TANKS. NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,000	$112,980	$1,902,350	7030567	550		

Activity Date 2/12/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RIGGING UP

Times	Hours	Remarks
	12.00	CONTINUE RIGGING UP UNIT DRLG RIG #236. SAFETY MTG. SET IN DERRICK, DRAWWORKS, DOG HOUSES, DRESS MUD TANKS. NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,000	$122,980	$1,902,350	7030567	550		

Activity Date 2/13/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RIGGING UP.

Times	Hours	Remarks
	12.00	CONTINUE RIGGING UP UNIT DRLG RIG #236. SAFETY MTG. SET IN DERRICK, STRING UP BLOCKS, DRESS DERRICK & SET ON SUB. RU AIR PACKAGE. NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,000	$132,980	$1,902,350	7030567	550		

Activity Date 2/14/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RIGGING UP.

Times	Hours	Remarks
	12.00	CONTINUE RIGGINGUP UNIT DRLG RIG #236. SAFETY MTG. STRING UP BLOCKS, RAISE DERRICK, RU FLOOR & PLUMBING. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,000	$142,980	$1,902,350	7030567	550		

Activity Date 2/15/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RIGGING UP.

Times	Hours	Remarks
	12.00	CONTINUE RIGGING UP UNIT DRLG RIG #236. SAFETY MTG. CUT OFF CONDUCTOR & 13-3/8" CSG. WELD ON WH, BUILD BLOW PIT & DITCH TO RESERVE PIT. RU RIG FLOOR. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,762	$184,742	$1,902,350	7030567	550		

Activity Date 2/16/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RU BLOOIE LINE.

Times	Hours	Remarks
	2.00	CONTINUE RIGGING UP UNIT DRLG RIG #236. SAFETY MTG, PU SWIVEL & KELLY.
	14.00	NU 10K BPE & CHOKE HOUSE.
	5.50	TEST CSG TO 1200 PSI, ANNULAR TO 3500 PSI. TEST BLIND & UPPER & LOWER PIPE RAMS AND CHOKE MANIFOLD TO 5000 PSI.
	2.50	RU BLOOIE LINE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$19,850	$204,592	$1,902,350	7030567	550		

Activity Date 2/17/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	8.50	RU BLOOIE LINE.
	6.50	RACK & MEASURE BHA & TIH. TAG CMT @ 531' KB.
	4.00	TIGHTEN ROTATING HEAD STUDS. DRLG F/ 531-576'.
	5.00	DRLG 12-3/8" HOLE W/ HAMMER, 4-6K, 48 RPM, 2400 SCFM, 250 PSI.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$36,282	$240,874	$1,902,350	7030567	850	274	

Activity Date 2/18/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	2.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 850-949', 4-6K, 48 RPM, 2400 SCFM, 290 PSI.
	1.50	REPAIR BLOW PIT.
	9.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 949-1480', 4-6K, 48 RPM, 2400 SCFM, 310 PSI.
	0.50	WLS @ 1432' - 3/4 DEG.
	11.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 1480-2250', 4-6K, 48 RPM, 2400 SCFM, 330 PSI.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$29,480	$270,354	$1,902,350	7030567	2250	1400	

Activity Date 2/19/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

CONFIDENTIAL

Times	Hours	Remarks
	2.00	ESTABLISH MIST RATE - HOLE NOT DUSTING PROPERLY @ 2193'.
	1.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 2193-2284' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	WLS @ 2236' - 0 DEG.
	2.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 2284-2348' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	RIG SERVICE.
	16.50	DRLG 12-3/8" HOLE W/ HAMMER F/ 2348-3094' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	1.50	FLOOR MOTOR OUT OF DIESEL - ON GRAVITY SYSTEM W/ 55" IN MAIN TANK.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$25,359	$295,713	$1,902,350	7030567	3094	901	

Activity Date 2/20/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CUT DRLG LINE.

Times	Hours	Remarks
	3.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 3094-3217' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	RIG SERVICE.
	9.50	DRLG 12-3/8" HOLE W/ HAMMER F/ 3217-3560' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	WLS @ 3513' - 3/4 DEG.
	4.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 3560-3743' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	BIT TORQUEING - BLOW HOLE CLEAN.
	4.00	POH, LD HAMMER.
	2.00	CUT DRLG LINE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,157	$336,870	$1,902,350	7030567	3743	649	

Activity Date 2/21/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description WAIT ON WEATHERFORD.

Times	Hours	Remarks
	6.00	MU 12-1/4" BIT. PU BIT & TIH TO 3743'.
	1.00	ATTEMPT TO WORK JUNK BASKET, WEATHERFORD HAD 3 COMPRESSORS GO DOWN.
	17.00	WAIT ON WEATHERFORD TO REPLACE & REPAIR COMPRESSORS.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,157	$378,027	$1,902,350	7030567	3743		

Activity Date 2/22/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
		DRLG F/ 3743-3887'. NO OTHER INFORMATION AVAILABLE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$7,043	$385,070	$1,902,350	7030567	3887	144	

Activity Date 2/23/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description ND BOPE.

Times	Hours	Remarks
	3.50	DRLG 12-1/4" HOLE F/3887-3943' W/ 40K, 70 RPM, 3600 SCFM, AIR MIST.
	0.50	BLOW HOLE CLEAN.
	0.50	WLS @ 3943' - 1 DEG.
	2.50	POH TO RUN CSG.
	1.50	RU TO RUN CSG. SAFETY MTG.
	6.00	RUN 90 JTS 9-5/8" 40# N-80 LTC CSG.
	3.00	ATTEMPT TO UNLOAD HOLE W/ AIR. SAFETY MTG.
	2.00	RU DOWELL & PUMP 30 BW AHEAD & 655 SX LEAD @ 7.8 BPM @ 325 PSI. TAIL W/ 195 SX @ 5.4 BPM @ 200 PSI. DROP PLUG & DISPLACE W/ 293 BW @ 250 PSI AVG. BUMP PLUG W/ 1000 PSI - FLOATS HELD. DID NOT CIRC CMT. PD @ 1:30 A.M. 2/23/04.
	4.50	ND BOPE.
		MAN HRS NOT REPORTED.

CONFIDENTIAL

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$136,778	$521,848	$1,902,350	7030567	3943	56	

Activity Date 2/24/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description TEST UPPER & LOWER PIPE RAMS.

Times	Hours	Remarks
	2.00	RU WINCHES & PU BOP.
	10.00	HAD 60 PSI GAS IN 13-3/8" X 9-5/8" ANNULUS. HELD SAFETY MTG & VENTED OFF GAS. CUT OFF 9-5/8" CSG. INSTALL "B" SECTION.
	6.50	NU BOPE.
	5.50	SET TEST PLUG & TEST KELLY, TIW VALVES & INSIDE BOP VALVES & CHOKE & BLIND RAMS TO 10,000 PSI. TEST UPPER & LOWER PIPE RAMS TO 10,000 PSI.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$29,750	$551,598	$1,902,350	7030567	3943		

Activity Date 2/25/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG CMT.

Times	Hours	Remarks
	6.00	TEST UPPER & LOWER PIPE RAMS TO 10,000 PSI. TEST ANNULAR TO 3500 PSI. TEST CSG TO 4000 PSI. TEST MUD LINE TO 5000 PSI.
	6.00	RU HALLIBURTON WL & RUN GAMMA, CCL & CMT BOND LOG.
	1.50	INSTALL WEAR BUSHING. RU PUMPS TO WATER TANK.
	2.50	LD 8" DC'S.
	3.00	MU 8-3/4" BIT & TIH TO 3848'.
	5.00	DRLG CMT PLUG & FLOAT COLLAR & CMT TO 3880' W/ 8000#, 60 RPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$36,252	$587,850	$1,902,350	7030567	3943		

Activity Date 2/26/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SQUEEZE CMT.

Times	Hours	Remarks
	4.75	DRLG CMT TO 3943'.
	0.50	DRLG 8-3/4" HOLE F/ 3943-3954'.
	0.75	CIRC HOLE CLEAN.
	2.00	RU SCHLUMBERGER & DRILL FIT, 1800 PSI BREAK DOWN - 30 MIN TO 1200 PSI.
	2.50	POH.
	3.50	TIH W/ OEDP TO 3949'.
	7.50	WAIT ON CEMENTERS.
	0.75	SPOT 150 SX CMT @ 13.5 PPG, 500' PLUG.
	0.75	POH TO 2089'.
	1.00	SQUEEZE CMT.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$23,050	$610,900	$1,902,350	7030567	3954	11	

Activity Date 2/27/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description COND MUD.

Times	Hours	Remarks
	5.00	SQUEEZE CMT THRU SHOE. PUMP 31 BBLS.
	0.50	POH.
	2.50	RU SCHLUMBERGER & PUMP CMT DOWN 13-3/8" X 9-5/8" ANN. NO PRESSURE.
	16.00	WOC. TIH W/ DRLG ASSY. DISPLACE HOLE TO OIL BASE MUD. COND MUD.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$197,750	$808,650	$1,902,350	7030567	3954		

Activity Date 2/28/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CMT.

CONFIDENTIAL

Times	Hours	Remarks
	5.50	CIRC & COND MUD. BRING MW UP TO 10.2.
	1.50	DRLG CMT F/ 3872-3954' W/ 10K, 65 RPM & CIRC HOLE CLEAN.
	1.50	RU SCHLUMBERGER & DO FIT. BREAK DOWN @ 600 PSI, 13.1 EMW.
	2.50	POH.
	5.50	WAIT ON RETAINER.
	1.50	MU RETAINER & TIH TO 3863' W/ RETAINER & DP.
	3.00	CIRC HOLE. WAITING ON CEMENTERS. ROAD CLOSED @ UTAH STATE LINE DUE TO SNOW.
	3.00	SAFETY MTG. RU SCHLUMBERGER. TEST PUMPS & LINES TO 4500 PSI. PUMP 5 BW @ 2.7 BPM @ 961 PSI, 10 BBLS CACL2 WATER @ 2.7 BPM @ 1007 PSI, 10 BW @ 2.7 BPM @ 1135 PSI, 10 BBLS ZONE LOCK @ 2.7 BPM @ 1135 PSI, 10 BW @ 2.7 BPM @ 1149 PSI, 300 SX "G" (345 FT3), 63 BBLS "G" @ 15.8 @ 2.7 BPM @ 110 PSI, 20 BW @ 2.7 BPM @ 233 PSI, 10 BBLS CACL2 WATER @ 2.7 BPM @ 499 PSI, 10 BW @ 2.7 BPM @ 838 PSI, 10 BBL ZONE LOCK @ 2.7 BPM @ 1071 PSI, 10 BW @ 2.7 BPM @ 993 PSI, 300 SX (345 FT3), 63 BBLS "G" W/ 1% CACL2, 200 SX TXI LITE (244 FT3) @ 2.7 BPM @ 206 PSI. DISPLACE W/ 50 BBLS @ 2.7 BPM, 1295 PSI.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$33,050	$841,700	$1,902,350	7030567	3954		

Activity Date 2/29/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description WOC.

Times	Hours	Remarks
	21.00	CIRC HOLE, WOC.
	2.50	RU BJ, SAFETY MTG. TEST PUMPS & LINES TO 5000 PSI. PUMP 20 BBLS CACL2 WATER @ 2 BPM @ 1950 PSI, 3 BW @ 2 BPM @ 2330 PSI, 20 BBLS FLOGUARD @ 2.0 BPM @ 2290 PSI, 3 BW @ 2.0 BPM @ 2190 PSI, 158 SX LEAD (62 BBLS - 350 FT3) HIGH STRENGTH FM W/ 5% SALT, 1/4# CELLOFLAK, 0.2% CD-32, .05% FL-52, 6% A-10, 2% SODIUM METASILICATE @ 12.7 PPG @ 2 BPM @ 2700 PSI. TAIL W/ 200 SX (40 BBLS - 228 FT3) CLASS "H" W/ 5% SALT @ 2.2 BPM @ 2100 PSI. DISPLACE W/ 40 BW @ 2.4 BPM @ 2000 PSI. STING OUT OF RETAINER @ 1 BPM @ 2300 PSI. REVERSE OUT WATER & 3 BBLS CMT.
	0.50	CIRC HOLE, WOC.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$115,350	$957,050	$1,902,350	7030567	3954		10.1

Activity Date 3/1/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG OUT RETAINER.

Times	Hours	Remarks
	23.00	CIRC, WOC ABOVE CMT RETAINER.
	1.00	DRLG OUT RETAINER.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$21,348	$978,398	$1,902,350	7030567	3954		10.1

Activity Date 3/2/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description TIH, LD EXTRA DP.

CONFIDENTIAL

Times	Hours	Remarks
	9.50	DRLG OUT CMT, RETAINER & CMT TO 3954'.
	1.50	CIRC HOLE CLEAN. SAFETY MTG W/ HANDS & BJ.
	2.50	FIT TEST - HELD 1600 PSI, 17.7 EMW.
	3.00	POH TO RUN BOND LOG.
	4.00	RU ROCKY MOUNTAIN WL & RUN CBL. PROBLEMS W/ TRUCK - LOST ALTERNATOR. PU BHA, BIT, MOTOR, 2 DC'S, STB, 3 DC'S, STAB, 6 DC'S, JAR, 30 JTS HW DP, -DP & TIH. LD EXTRA DP.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$17,915	$996,313	$1,902,350	7030567	3954		10.0

Activity Date 3/3/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	3.00	PU BHA, BIT, MOTOR, 2 DC'S, STAB, 3 DC'S, STAB, 6 DC'S, JAR, 30 JTS HW DP, -DP & TIH. LD EXTRA DP.
	11.00	DRLG F/ 3954-4170' W/ 5-15K, MM 117 RPM, ROT 50-60, 2550 PSI, 404 GPM.
	0.50	RIG SERVICE.
	9.50	DRLG F/ 4170-4380' W/ 5-15K, MM 117 RPM, ROT 50-60, 2550 PSI, 404 GPM.
		LITHOLOGY: ANHYDRITE, SHALE, SOME SALT. POSSIBLY IN CLASTIC #2. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$42,946	$1,039,259	$1,902,350	7030567	4380	426	11.0

Activity Date 3/4/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	4.50	DRLG F/ 4380-4509' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 2750 PSI, 404 GPM.
	0.50	WLS @ 4479' - 1 DEG.
	19.00	DRLG F/ 4509-4925' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 2750 PSI, 404 GPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$24,200	$1,063,459	$1,902,350	7030567	4925	545	11.2

Activity Date 3/5/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	3.50	DRLG F/ 4925-4975' W/ 5-15K, MM 117 RPM, ROT 50-60, 2750 PSI, 404 GPM.
	1.00	WLS @ 4937' - 2 DEG.
	6.00	DRLG F/ 4975-5130' W/ 5-15K, MM 117 RPM, ROT 50-60, 2825 PSI, 404 GPM.
	0.50	RIG SERVICE.
	13.00	DRLG F/ 5130-5355' W/ 5-15K, MM 117 RPM, ROT 50-60, 3150 PSI, 404 GPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$36,966	$1,100,425	$1,902,350	7030567	5355	430	12.2

Activity Date 3/6/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	7.00	DRLG F/ 5355-5491' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 2750 PSI, 404 GPM.
	1.00	WLS @ 5461' - 1 DEG.
	0.50	RIG SERVICE.
	0.50	REPAIR SUCTION MANIFOLD GASKET.
	12.00	DRLG F/ 5491-5721' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 3150 PSI, 362 GPM.
	1.00	WORK ON PUMPS - SWABS.
	0.50	DRLG F/ 5491-5721' W/ 5-15K, MM 117 RPM, ROTRY 50-60, 3150 PSI, 362 GPM.
	1.00	WORK ON PUMPS - BELTS.
	0.50	DRLG F/ 5721-5730' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 3150 PSI, 362 GPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,860	$1,142,285	$1,902,350	7030567	5730	375	13.0

Activity Date 3/7/2004 **Type of Report:** **DRILLING** **PROGRESS REPORT**

Description CHANGING SCREENS.

Times	Hours	Remarks
	5.50	DRLG F/ 5730-5815' W/ 5-15K, MM 100 RPM, ROTARY 60-65, 2850 PSI, 345 GPM.
	1.00	REPLACE BELTS ON #2 PUMP.
	9.00	DRLG F/ 5815-5908' W/ 5-15K, MM 100 RPM, ROTARY 60-65, 2850 PSI, 345 GPM.
	1.00	CHANGE SHAKER SCREENS.
	3.00	DRLG F/ 5908-5955' W/ 5-15K, MM 100 RPM, ROTARY 60-65, 2850 PSI, 345 GPM.
	4.50	CIRC. TRY TO LOWER LG SOLIDS. UNABLE TO KEEP MUD ON SHAKERS. UNABLE TO OPERATE CENTRIFUGE. UNABLE TO CONTACT SWACO FOR REPAIRS OR SHAKER SCREENS. CHANGING SCREENS & USING ALL SCREEN COMBINATIONS ON LOCATION - 84-210 MESH. CURRENTLY HAVE 84 MESH ON ONE, 110 MESH ON #2.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$40,565	$1,182,850	$1,902,350	7030567	5955	225	13.0

Activity Date 3/8/2004 **Type of Report:** **DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description DRLG.

Times	Hours	Remarks
	8.00	HAD SWACO OUT TO WORK ON SHAKERS TO TRY & KEEP MUD ON SHAKERS. TURNED COUNTER BALANCES & SCREEN COMBINATIONS. HAVE 84'S ON BOTH SHAKERS. WORK ON CENTRIFUGES.
	1.50	DRLG F/ 5955-5974' W/ 5-15K, 60 RPM, 2950 PSI, 315 GPM, MM 91 RPM.
	4.50	CIRC, TRY TO KEEP MUD ON SHAKERS.
	1.00	DRLG F/ 5974-5988' W/ 5-15K, 60 RPM, 3050 PSI, 315 GPM, MM 91 RPM.
	1.00	PULL UP RISERS, CLEAN & SHUT DOWN CENTRIFUGES. PREP TO PARTIALLY BYPASS SHAKERS.
	8.00	DRLG F/ 5988-6115' W/ 5-15K, 60 RPM, 3050 PSI, 315 GPM, MM 91 RPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$35,226	$1,218,076	$1,902,350	7030567	6115	160	15.4

Activity Date 3/9/2004 **Type of Report:** **DRILLING** **PROGRESS REPORT**

Description CLEAN PITS.

Times	Hours	Remarks
	4.50	DRLG F/ 6115-6182' W/ 5-15K, 60 RPM, 3050 PSI, 315 GPM, MM 91 RPM.
	0.50	CIRC HOLE.
	5.50	TRANSFER MUD, MIX & PUMP PILL.
	4.50	POH.
	9.00	CLEAN PITS.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$40,571	$1,258,647	$1,902,350	7030567	6182	67	15.4

Activity Date 3/10/2004 **Type of Report:** **DRILLING** **PROGRESS REPORT**

Description COND MUD & HOLE.

Times	Hours	Remarks
	3.00	MU BIT & TIH TO SHOE.
	6.00	CLEAN PITS & UNPLUG EQUALIZERS.
	15.00	BUILD VOLUME & COND MUD & HOLE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$42,197	$1,300,844	$1,902,350	7030567	6182		15.5

Activity Date 3/11/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	3.00	BUILD VOLUME & CONDITION MUD & HOLE @ 4500'. CHANGING SHAKER SCREEN SIZE.
	0.50	TIH TO 5232'.
	3.50	BUILD VOLUME & CONDITION MUD & HOLE @ 4500'. CHANGING SHAKER SCREEN SIZE.
	0.50	TIH TO 6182'.
	8.50	BUILD VOLUME & CONDITION MUD & HOLE @ 6182'. CHANGING SHAKER SCREEN SIZE.
	8.00	DRLG F/ 6218-6315' W/ 30-35K, 70-75 RPM, 2950 PSI, 315 GPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$66,030	$1,366,874	$1,902,350	7030567	6315	133	15.5

Activity Date 3/12/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description POH.

Times	Hours	Remarks
	9.50	DRLG F/ 6315-6475' W/ 30-35K, 70-75 RPM, 3050 PSI, 315 GPM.
	0.50	RIG SERVICE.
	1.00	WLS @ 6475' - 1-1/2 DEG.
	5.50	DRLG F/ 6475-6542' W/ 30-35K, 70-75 RPM, 3050 PSI, 315 GPM. UNABLE TO KEEP MUD ON SHAKERS.
	5.50	CIRC COND MUD. UNABLE TO KEEP MUD ON SCREENS W/ PUMP @ IDLE.
	2.00	PUMP SLUG & POH TO SHOE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$47,146	$1,414,020	$1,902,350	7030567	6542	227	15.5

Activity Date 3/13/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DISPLACING HOLE W/ 15.5 PPG SALT WATER BASED MUD.

Times	Hours	Remarks
	3.00	TRANSFERRED INVERT TO STORAGE TANKS, CLEAN PITS.
	17.00	CLEAN PITS, BUILD 600 BBL 15.5 PPG SALT WATER BASE MUD.
	1.50	TIH TO 6537'.
	2.50	PUMP & DISPLACE WELL W/ 435 TOTAL BBLS 15.5 PPG SALT WATER BASED MUD @ 5-6 BPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,844	$1,455,864	$1,902,350	7030567	6542		15.5

Activity Date 3/14/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description TIH.

Times	Hours	Remarks
	0.50	FINISH DISPLACING WELL W/ 455 TOTAL BBLS 15.5 PPG SALT WATWE BASED MUD @ 5-6 BPM.
	1.00	MIX & PUMP SLUG. OBSERVE WELL STATIC.
	1.50	POH TO 3893'.
	20.00	FILL MUD PITS W/ BRINE, BUILD VISCOSITY & WEIGHT UP TO 15.5 PPG.
	1.00	TIH TO +-6000' @ 6:00 A.M.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$38,656	$1,494,520	$1,902,350	7030567	6542		15.5

Activity Date 3/15/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description REPAIR RIG DRAWWORKS.

Times	Hours	Remarks
	4.00	CIRC & COND MUD. CHANGE SHAKER SCREENS, MAX BOTTOMS UP GAS 80 UNITS.
	2.50	DRLG F/ 6542-6580'.
	1.00	REPAIR SHEARED OFF BOLTS ON RIG DRAWWORKS ENGINE TORQUE CONVERTER.
	7.00	DRLG F/ 6580-6682'. PENETRATION RATE DECREASED TO 2 FPH.
	1.00	DROP SURVEY, OBSERVE WELL STATIC, PUMP SLUG.
	1.00	POH TO 5668'.
	1.00	TROUBLE SHOOT DRAWWORKS CLUTCH. LOW DRIVE CLUTCH LINKAGE IS DAMAGED.
	1.00	POH TO 9-5/8" CSG SHOE (HOLE CONDITIONS GOOD).
	5.50	CONTINUE REPAIRING CLUTCH LINKAGE - INSTALLING NEW CHAIN FOR LOW DRIVE CLUTCH.
		NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$30,865	$1,525,385	$1,902,350	7030567	6682	140	15.5

Activity Date 3/16/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description P-TESTING BOP'S & RELATED EQPT.

Times	Hours	Remarks
	1.50	INSTALL NEW CHAIN FOR DRAWWORKS LOW DRIVE CLUTCH.
	2.50	TIH TO 6682' (OBSERVE WELL FLOWING PENCIL SIZED STREAM WHILE REPAIRING DRAWWORKS).
	8.00	CIRC & RAISE MUD WT F/ 15.5 - 15.8 PPG. 214 UNITS TRIP GAS W/ ,UD CUT TO 14.5 PPG.
	2.00	WORK PIPE 10 MIN W/O PUMP. OBSERVE WELL. CIRC BOTTOMS UP. MAX BOTTOMS UP GAS 4 UNITS.
	2.50	PUMP SLUG. POH TO 9-5/8" CSG SHOE.
	0.50	OBSERVE WELL. STATIC - NO FLOW PER 1/2 HR.
	4.50	CONTINUE POH. RETRIEVE SURVEY (1 DEG @ 6679'). LD BIT & 1 DC.
	1.50	RETRIEVE WEAR BUSHING. OBSERVE WELL STATIC.
	1.00	P-TEST KELLY VALVES WHILE DRAINING STACK.
		MAN HRS 432.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$25,360	$1,550,745	$1,902,350	7030567	6682		15.8

Activity Date 3/17/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKE.

Times	Hours	Remarks
	6.00	P-TEST BOP'S & RELATED EQPT TO PURE & BLM SPECS. TEST RAMS TO 250 LOW/10000 PSI HIGH. TEST HYDRIL TO 250 LOW/3500 PSI HIGH. NO FLOW F/ CSG ANNULUS VALVE THRUOUT TEST.
	1.00	RETRIEVE TEST PLUG, INSTALL WEAR BUSHING.
	2.00	LD WORN HEX KELLY & REPLACE W/ NEW ONE.
	3.00	PU NEW BIT, MOTOR, RIH W/ BHA.
	4.00	RIH TO 6650'. BREAK CIRC @ 9-5/8" CSG SHOE.
	0.50	WASH F/ 6650-6682' - NO FILL. HOLE CONDITIONS GOOD WHILE RUNNING THRU OH SECTION.
	1.00	DRLG F/ 6682-6685'. BOTTOMS UP GAS 18 UNITS.
	0.50	FOAM UP MUD & RUNNING OVER SHAKER PIT. SHUT DOWN & CORRECT PROBLEM.
	3.00	DRLG F/ 6685-6697'. GAS INCREASED TO 3400 UNITS. MUD/FOAM OVER RUNNING SHAKER PIT.
	0.50	SHUT DOWN - FOAMY, GAS CUT MUD. OBSERVE WELL FLOWING THRU GAS BUSTER - VERIFY 4 BBL GAIN - 3 FINGER STREAM. SHUT IN HYDRIL.
	0.50	AFTER 30 MIN, SIDPP 190 PSI, SICP 260 PSI.
	2.00	CIRC OUT THRU CHOKE - DRILLERS METHOD. RECIPROCATED PIPE WHILE CIRCULATING. 5500 TOTAL STROKES PUMPED @ 6:00 A.M. GAS @ 1844 UNITS.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$18,650	$1,569,395	$1,902,350	7030567	6697	15	15.8

Activity Date 3/18/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description CIRC WELL THRU CHOKE W/ 16.4 PPG MUD.

Times	Hours	Remarks
	1.50	CONTINUE CIRC OUT INFLUX THRU CHOKE (7400 TOTAL STROKES). MAX GAS THRU GAS BUSTER 2800 UNITS FALLING TO 889 UNITS. SWI. SIDPP 250 PSI, SICP 320 PSI.
	4.50	CIRC THRU CHOKE W/ 16.1 PPG MUD. BAR HOPPER MALFUNCTIONED. SWI.
	0.50	UNPLUG BAR HOPPER LINE. SIDPP 50 PSI, SICP 140 PSI.
	2.50	CIRC THRU CHOKE W/ 16.3 PPG MUD, BAR HOPPER PARTIALLY PLUGGED. SWI. REPAIR BAR HOPPER. MALFUNCTION RESULTED IN +-30 BBLS OF 15.8 - 16.1 PPG MUD BEING PUMPED DOWN DP.
	4.00	CONTINUE CIRC'G THRU CHOKE W/ 16.3 PPG MUD.
	2.00	RAISE MUD WT TO 16.4 PPG & CONTINUE CIRC & COND MUD (FOAMING PROBLEMS).
	1.00	SWI. MUD WT IN PITS TOO HIGH (16.5+ PPG). SIDPP F/ 0-80 PSI, CP 80-120-100 PSI IN 1/2 HR.
	8.00	CONTINUE CIRC THRU CHOKE W/ 16.4 PPG MUD. COND MUD & ATTEMPT TO LOWER BACKGROUND/TRAPPED GAS IN MUD. BGG 4700-2600-3370. MUD WT OUT 11.0 PPG TO 14.9 - 12.7 PPG. CURRENTLY @ 46 SPM W/ 960 PSI DPP & 170 PSI CP.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$28,215	$1,597,610	$1,902,350	7030567	6697		16.4

Activity Date 3/19/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKES W/ 17.1 PPG MUD.

Times	Hours	Remarks
	1.00	CIRC OUT GAS THRU CHOKE W/ 16.7 PPG MUD.
	2.00	CIRC THRU CHOKE & RAISE MUD WT F/ 16.7 TO 16.8 PPG.
	0.50	SWI. CORRECT LOW MUD WT IN PITS. SIDPP 40-50 PSI. SICP 240-250 PSI IN 25 MIN.
	7.00	CIRC THRU CHOKE & RAISE MUD WT TO 16.9 PPG.
	0.50	SWI. SIDPP 20, SICP 240 PSI. OPEN CHOKE, OPEN HYDRIL & FLOW BACK 7 BBLS MUD IN 5 MIN. SWI & OBSERVED CP RISING F/ 0 TO 90 PSI IN 20 MIN.
	4.00	CIRC WELL THRU CHOKE @ 61 SPM @ 2950 STROKES. MUD RETURNS HEAVILY GAS CUT & FOAMY. CIRC OUT +-1200 STROKES CUT MUD W/ MAX GAS OF 8700 UNITS. CONT CIRC & COND MUD.
	1.00	SWI. SIDPP 0 PSI, SICP 90-150 PSI. MIX LCM IN SUCTION PIT. CHANGE SHALE SHAKER SCREENS.
	3.00	CIRC ON CHOKE W/ 16.9 PPG LCM LADEN MUD. HOLDING 100+ PSI ADD'L BACK PRESSURE ON ANNULUS.
	4.50	CONT CIRC & RAISE MUD WT F/ 16.9 TO 17.1 PPG. PUMP @ 41 SPM WHILE HOLDING 100+ PSI BACK PRESSURE. ADDING BARITE & LCM TO SYSTEM. HAD 17.0 PPG MUD WT OUT @ 5:00 A.M.
	0.50	SWI. SIDPP 0, SICP 90 PSI. BROUGHT PUMPS UP TO 50 SPM. CIRC & HOLDING 100 PSI BACK PRESSURE, 50 SPM @ 1220 PSI W/ 190 PSI CP, BGG @ 3300 UNITS.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$5,625	$1,603,235	$1,902,350	7030567	6697		16.9

Activity Date 3/20/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description CIRC THRU CHOKES W/ 17.4 PPG MUD.

Times	Hours	Remarks
	10.00	CIRC ON CHOKE @ 50 SPM. INITIALLY HOLDING 100 PSI BACK PRESSURE, THEN STAGING BACK PRESSURE UP TO 160 PSI. BGG F/ 4158-5720-2780 UNITS. ADDING LCM TO SYSTEM WHILE CIRC'G.
	2.00	INCREASE MUD WT TO 17.3 PPG & CONTINUE CIRC'G THRU CHOKE.
	0.50	SWI. MUD WT IN PITS TOO HIGH (17.8 PPG), SIDPP 20, SICP 250 PSI. MONITOR WELL.
	3.50	CONTINUE CIRC 17.3 PPG MUD TO SURFACE + 1 BOTTOMS UP. BGG 2500 UNITS.
	1.00	SWI. SIDPP 10 PSI, SICP 130 PSI AFTER 10 MIN. BLED OFF PRESSURE & OPENED HYDRIL. FLOWED BACK3 BBLS IN 20 MIN. FLOW SLOWED DOWN TO 3 GPM. SWI.
	1.50	CIRC THRU CHOKE @ 57 SPM HOLDING 100 PSI BACK PRESSURE. GAS UP TO 5800 UNITS.
	5.50	INCREASE MW TO 17.4 PPG & CONTINUE CIRC THRU CHOKE @ 57 SPM HOLDING 100 PSI BACK PRESSURE. GAS 4000 UNITS DROPPING SLOWLY TO 3200 UNITS @ 6:00 A.M. MUD WT 17.4 PPG IN & 17.3 PPG OUT.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$27,377	$1,630,612	$1,902,350	7030567	6697		17.4

Activity Date 3/21/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG @ 6730'.

Times	Hours	Remarks
	0.50	CONTINUE CIRC THRU CHOKE W/ 17.4 PPG MUD @ 57 SPM HOLDING 100 PSI BACK PRESSURE.
	1.00	BAR HOPPER PLUGGED. SWI. SIDPP 60 TO 160 PSI, CP 160-170 PSI PER 1 HR.
	5.00	CONTINUE CIRC THRU CHOKE W/ 17.4 PPG MUD. @ 57 SPM HOLDING 100 PSI BACK PRESSURE. MAX GAS FROM SHUT IN WAS 6100 PSI.
	1.00	SWI. SIDPP 20 PSI, SICP 30 PSI. OPEN HYDRIL. FLOWED BACK 2 BBLS W/ FLOW DECREASING TO 2 GPM.
	7.50	SWI. CIRC THRU CHOKE & INCREASE MUD WT TO 17.5 PPG, MAX GAS 5700 UNITS.
	0.50	OPEN WELL & FLOCHECK - NO FLOW.
	0.50	DRLG F/ 6697-6699' W/ 10-15K, 65 RPM, 319 GPM, 3100 PSI, 54 VIS, 17.7 MW.
	2.50	REPAIR AIR LINE & QUICK RELEASE ON #2 MOTOR.
	2.50	DRLG F/ 6697-6699' W/ 10-15K, 65 RPM, 319 GPM, 3100 PSI, 54 VIS, 17.7 MW.
	0.50	INCREASE MW IN SUCTION, PROBLEMS W/ BULK COMPRESSOR.
	2.50	DRLG F/ 6722-6730' W/ 10-15K, 65 RPM, 319 GPM, 3100 PSI, 54 VIS, 17.5 MW.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$105,034	$1,735,646	$1,902,350	7030567	6730	33	17.5

Activity Date 3/22/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC & COND 17.7 PPG MUD.

Times	Hours	Remarks
	1.50	DRLG F/ 6730-6744' W/ 10-15K, 65 RPM, 319 GPM, 3100 PSI, 54 VIS, 17.5 MW.
	1.00	REPLACE ROTATING HEAD RUBBER WHILE CONDITIONING MUD & CORRECTING MUD WT IN SUCTION PIT. OBSERVED GAS ROLLING & BREAKING OUT OF MUD IN BELL NIPPLE WHILE CHANGING ROTATING HEAD RUBBER.
	7.00	DRLG F/ 6744-6790' (CSG POINT). BGG 3100-4000-4300 UNITS.
	7.00	CIRC BOTTOMS UP & COND MUD, AVG 3000 UNITS BGG.
	0.50	FLOW CHECK WELL @ SHAKER. GAS MIGRATING UP HOLE IN SPURTS.
	1.00	CIRC BOTTOMS UP TO CHECK GAS INFLUX WHILE FLOW CHECKING. HAD THICK, FOAMY MUD ON BOTTOMS UP W/ A 38 YIELD PT. MUD WT OUT CUT TO 17.3 PPG.
	6.00	RAISE MUD WT TO 17.6 PPG WHILE CONDITIONING MUD. BGG 300-3200 UNITS, MUD WT OUT 17.6 PPG, PV 25, YP 30, API WL 16, PH 10.5, PF .2, MF .7.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$43,212	$1,778,858	$1,902,350	7030567	6790	60	17.4

Activity Date 3/23/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC & COND 17.7 PPG MUD.

CONFIDENTIAL

Times	Hours	Remarks
	2.00	WAIT ON BARITE. WEIGHT UP SUCTION PIT TO 17.7 PPG.
	2.50	CIRC & DISPLACE HOLE W/ 17.7 PPG MUD.
	2.50	MUD WT TOO LOW. RAISE MUD WT IN SUCTION PIT & COND MUD.
	5.00	CIRC W/ 17.7 PPG MUD. CONDITIONING & CORRECTING LIGHT SPOTS IN MUD.
	1.00	MUD WT TOO LOW. CHANGE SHAKER SCREENS TO 175'S. RU NEW BARITE HOPPER COMPRESSORS.
	5.00	CIRC & COND MUD, 17.7 HEAVY, 3000 UNITS AVG BGG.
	1.00	FLOW CHECK WELL. NO FLOW. CHANGE SHAKER SCREENS, CLEAN OUT GAS BUSTER.
	1.50	PUMP SLUG & PULL 1 STAND & ROTATING HEAD. WELL FLOWING, GAS MIGRATING & BUBBLING IN ANNULUS. RE-INSTALL ROTATING HEAD. RIH 90' TO BOTTOM. START CIRCULATION.
	3.50	CIRC & COND MUD & HOLE. CIRC OUT GAS 5350 UNITS MAX, 202 BBLS AFTER STARTING TO PUMP, MW 17.7+ IN, 17.7 OUT, 50 VIS, PV 33, YP 29, WATER LOSS 28, PH 10.0, BGG @ +-3000 UNITS.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$45,517	$1,824,375	$1,902,350	7030567	6790		17.7

Activity Date 3/24/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description FLOW CHECKING WELL. PREPARING FOR SHORT TRIP.

Times	Hours	Remarks
	1.50	MUD WT TOO LOW IN SUCTION PIT. UNPLUG BAR HOPPER LINE. RIASE MUD WT TO 17.7 PPG.
	22.00	RESUME CIRCULATING & CONDITIONING 17.7 PPG MUD PROPERTIES. LOWERED FLUID LOSS. LOWERED YP, STABILIZED GEL STRENGTHS, BGG LOWER - AVG 1800 UNITS.
	0.50	FLOW CHECK WELL. OBSERVING FLOW @ +- 1 GPM. MIXING SLUG FOR SHORT TRIP.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$72,691	$1,897,066	$1,902,350	7030567	6790		17.7

Activity Date 3/25/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CONDITIONING 18.0 PPG MUD FOR SHORT TRIP.

Times	Hours	Remarks
	1.50	FLOW CHECK WELL. OBSERVING FLOW @ +-1 GPM. MIX & PUMP SLUG. OBSERVE WELL.
	1.50	POH SLOWLY - 5 STANDS. HOLE NOT TAKING PROPER FILL. TIH (4 BBL GAIN).
	2.50	CIRC BOTTOMS UP @ 47 SPM. MAX GAS 1907 UNITS.
	7.50	CONTINUE CIRC. RAISE MUD WT TO 18.0 PPG.
	1.00	FLOW CHECK WELL. OBSERVING FLOW @ +-1 GPM. PULL ROTATING HEAD. OBSERVE WELL FLOWING W/ LESS GAS PERCOLATING THRU MUD.
	0.50	CONTINUE PUMPING. ATTEMPT TO CONDITION MUD WT TO 18.1 PPG. LOST PARTIAL RETURNS. SHUT DOWN.
	0.50	MIX 10 PPB STEEL SEAL LCM PILL WHILE WORKING PIPE SLOWLY. CUT MUD WT TO 18.0 PPG IN PIT.
	4.00	CIRC LCM LADEN 18.0 PPG MUD. MUD LOSSES STOPPED AFTER LCM PASSED 1000 STROKES OUT BIT. CONTINUE CIRC & MONITORING LOSSES. CORRECTING LIGHT & HVY SPOTS IN MUD SYSTEM. CONDITION MUD PROPERTIES FOR TRIP. CONDITIONING MUD TO LOWER YIELD POINT FOR SHORT TRIP.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$53,080	$1,950,146	$1,902,350	7030567	6790		17.7

Activity Date 3/26/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description POH.

CONFIDENTIAL

Times	Hours	Remarks
	1.00	CIRC LCM LADEN 18.0 PPG MUD - NO MUD LOSSES.
	1.00	SHUT DOWN. CORRECT LOW MUD WT IN SUCTION PIT. WELL BREATHING, FLOWING PENCIL SIZED STREAM.
	9.00	CONTINUE CIRC, COND MUD PROPERTIES & CORRECTING LIGHT & HVY SPOTS IN MUD.
	1.00	SHUT DOWN & OBSERVE WELL. FLOWING SLIGHTLY W/ NOTABLY DECREASED GAS BREAKING OUT IN BELL NIPPLE. PUMP SLUG, ALLOW TO FALL 15 MIN.
	3.25	POH FOR SHORT TRIP. PULL 7 STANDS - HOLE TIGHT @ 6210' (TOP STABILIZER @ 6032'). WORK PIPE UP, GRADUALLY INCREASING OVERPULL TO 80K.
	2.75	KELLY UP & CIRC, COND WORKING PIPE SLOW. BECAME DIFFERENTIALLY STUCK.
	1.00	WORK PIPE FREE W/ 100 SPM WORKING PIPE DOWN.
	1.00	CIRC HOLE CLEAN. LOT OF FINES COMING OVER SHAKER. 2920 UNITS GAS.
	2.00	BACK REAM 6121-6080'.
	2.00	POH TO 5415'. PU KELLY PULLING TIGHT.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$49,468	$1,999,614	$1,902,350	7030567	6790		18.1

Activity Date 3/27/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description REAM.

Times	Hours	Remarks
	13.00	POH. BACK REAM WHEN NECESSARY TO 9-5/8" SHOE.
	0.50	RIG SERVICE. OBSERVE WELL - NO FLOW.
	5.00	RIH TO 6490'. BREAK CIRC @ 5900.
	3.0	CIRC, COND MUD TO 18.05#. MUD GAS CUT TO 17.4#.
	2.50	REAM F/ 6532-6600' W/ 2-5K, 55 RPM, 1700 PSI, 90 SPM.
		18.1 MW, 50 VIS, 2184 UNITS GAS. MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$17,050	$2,016,664	$1,902,350	7030567	6790		18.0

Activity Date 3/28/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC & COND MUD.

Times	Hours	Remarks
	1.50	REAM F/ 6575-6790' W/ 2-5K, 65 RPM.
	9.00	CIRC & COND MUD FOR WIPER TRIP. RUN NUT PLUG SWEEP.
	0.50	FLOW CHECK WELL - NO FLOW.
	3.00	PUMP PILL & WIPE HOLE TO SHOE - NO DRAG.
	0.50	OBSERVE WELL & RIG SERVICE.
	2.50	TIH - NO FILL OR BRIDGES.
	7.00	CIRC & COND MUD, GAS CUT MUD, SMOOTH OUT MW & GAS.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$48,887	$2,065,551	$1,902,350	7030567	6790		18.0

Activity Date 3/29/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CSG CSG.

Times	Hours	Remarks
	4.50	CIRC & COND MUD, GAS CUT MUD, SMOOTH OUT MW & GAS, 18.1 MW IN, 17.9 OUT.
	0.50	FLOW CHECK - STATIC.
	8.00	PUMP SLUG. POH TO RUN CSG. STAND BACK DC'S. LD MOTOR.
	0.50	FUNCTION TEST ANNULAR, PULL WEAR BUSHING.
	2.00	SAFETY MTG W/ CSG CREW & RIG CREW. RU TO RUN CSG. MONITOR WELL.
	7.00	RUN 145 JTS 7" 26# P-110 LTC (6789.93') CSG. FILL EVERY 3 JTS - FULL RETURNS.
	1.50	CIRC CSG @ 6780'.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$50,230	$2,115,781	$1,902,350	7030567	6790		18.1

Activity Date 3/30/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description ND BOPE.

CONFIDENTIAL

Times	Hours	Remarks
	9.00	CIRC CSG @ 6780'.
	3.50	SAFETY MTG W/ CEMENTERS & RIG HANDS. RU & TEST PUMPS & LINES. PUMP 45 BBLS MUD. PUSH @ 18.0 PPG. FOLLOW W/ 1016 SX (162 BBLS) DENSCRETE @ 18.6 PPG @ 3.9 BPM @ 192 PSI. DROP PLUG & DISPLACE W/ 260.5 BBLS MUD @ 18.15 PPG @ 3.9 BPM. GOOD RETURNS THRUOUT PUMPING. FINAL 463, 1.2 BPM PSI DID NOT BUMP PLUG. SHUT IN HEAD W/ 463 PSI.
	5.50	SHUT IN CSG W/ 45 PSI. SET SLIPS W/ 175K STRING WT. PREPARE TO ND.
	6.00	ND BOPE.
		19 PERSONS ON LOCATION. NO DAILY COST REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$0	$2,115,781	$1,902,350	7030567	6790		18.1

Activity Date 3/31/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description FUNCTION TEST BOP'S.

Times	Hours	Remarks
	6.00	ND 13-5/8" BOP. TRANSFER MUD CROSS VALVES TO 7-1/16" BOP.
	0.50	NU C-SECTION. TEST TO 4300 PSI.
	5.50	NU 7-1/16" BOP.
	8.00	CONTINUE NU 7-1/16" BOP. FABRICATE FLOW LINE EXTENSION.
	1.00	TEST KELLY, UPPER & LOWER KELLY COCKS 250 PSI LOW - 10K HIGH. TEST MUD LINE STAND PIPE 250 PSI LOW - 5000 PSI HIGH.
	3.00	CENTER BOP. INSTALL FLOW LINE EXTENSION FROM ROTATING HEAD TO FLOW LINE. INSTALL ORBIT VALVE. FUNCTION TEST BOP'S.
		19 PERSONS ON LOCATION. TODAY'S COST INCLUDES DAILY COST FOR 3/30/04.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$223,361	$2,339,142	$1,902,350	7030567	6790		18.1

Activity Date 4/1/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description LD DC'S.

Times	Hours	Remarks
	9.00	FUNCTION TEST BOPE. TEST ANNULAR TO 250 LOW - 3500 HIGH. TEST CHOKE, LINES, VALVES, HCR, UPPER PIPE RAMS, BLIND RAS TO 250 LOW - 10,000 HIGH. TEST CS & LOWER PIPE RAMS TO 250 LOW - 10,000 HIGH. ALL TESTS GOOD & WITNESSED BY MR. JACK JOHNSON OF THE MOAB OFFICE OF THE BLM.
	4.00	RU HALLIBURTON WL & RUN GAMMA/CBL FROM 6610-3000'.
	8.00	DRESS PUMPS W/ 5" LINERS.
	3.00	INSTALL WEAR BUSHING & LD 6-1/4" DC'S.
		PERSONS ON LOCATION 19.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$47,150	$2,386,292	$1,902,350	7030567	6790		18.1

Activity Date 4/2/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG CMT & SHOE.

Times	Hours	Remarks
	3.00	LD BHA, 6-1/4" DC'S & JARS.
	4.00	PU BIT, MOTOR, 15 - 4-3/4" DC'S.
	6.00	RU KELLY SPINNER & CUT DRLG LINE.
	8.00	TIH TO 6683'. INSTALL CSG PROTECTORS ON DP.
	2.00	CIRC OUT HEAVY MUD.
	1.00	DRLG PLUGS, CMT, INSERT, CMT & SHOE.
		PERSONS ON LOCATION 19.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$67,040	$2,453,332	$1,902,350	7030567	6790		18.1

Activity Date 4/3/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC, SMOOTH OUT MUD.

CONFIDENTIAL

Times	Hours	Remarks
	5.50	DRLG CMT, FC, CMT & SHOE TO 6790'.
	0.50	RIG SERVICE.
	1.00	DRLG F/ 6790-6798' W/ 205K ROTARY TORQUE SPIKED. THEN RELEASED - WOULD NOT DRILL.
	2.50	CIRC, WORK ON BAR HOPPER. MIX & PUMP PILL.
	7.50	POH, LD MOTOR.
	5.00	MU MOTOR & TEST MOTOR. TIH TO 6790'.
	2.00	CIRC, SMOOTH OUT MUD.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$25,314	$2,478,646	$1,902,350	7030567	6798	8	18.1

Activity Date 4/4/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	0.50	CIRC & COND MUD.
	0.50	DRLG F/ 6798-6810' W/ 20-4K, 55 RPM, 200 GPM, 2200 PSI.
	1.00	CIRC BOTTOMS UP FOR FIT.
	0.50	FORMATION INTEGRITY TEST - 18.1 MW, 330 PSI, 19.0 EMW.
	5.00	UNABLE TO BLEED PRESSURE OFF THRU CHOKE. NO CHOKE & KILL LINES. DRAIN BOPE, FLUSH OUT W/ WATER. FOUND PIECE OF SASH CORD & THICK MUD. NU CHOKE & KILL LINE. WAIT ON TEST PUMP.
	0.50	TEST CHOKE & KILL LINE TO 250 LOW & 10,000 PSI HIGH FOR 15 MIN EACH.
	0.50	PULL TEST PLUG & INSTALL WEAR BUSHING.
	2.50	DRLG F/ 6810-6823' W/ 2-4K, 55 RPM, 200 GPM, 2200 PSI, 50 VIS, 18+MW.
	0.50	RIG SERVICE.
	1.50	DRLG F/ 6823-6851' W/ 2-5K, 55 RPM, 200 GPM, 2200 PSI, 50 VIS, 18+ MW.
	1.00	CIRC COND MW F/ 17.5 - 18.1.
	10.00	DRLG F/ 6851-6983' W/ 2-6K, 60 RPM, 220 GPM, 2400 PSI, 50 VIS, 18+ MW.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$30,004	$2,508,650	$1,902,350	7030567	6983	185	18.0

Activity Date 4/5/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description KILL WELL THRU CHOKE.

Times	Hours	Remarks
	4.00	DRLG F/ 6983-7008' W/ 2-6K, 60 RPM, 220 GPM, 2400 PSI, 50 VIS, 18+ MW - LOSING MUD.
	1.50	CIRC HOLE @ 120 GPM. ATTEMPT TO BUILD VOLUME. LOSING APPROX 1/2 BPM.
	0.50	POH TO SHOE.
	11.75	LOWER MUD WT SLOWLY WHILE BUILDING VOLUME. MUD WT 17.1.
	6.25	SWI. WELL FLOWING - KILL WELL THRU CHOKE, 450 PSI ON CHOKE, CURRENT MW 17.4 PPG. 14.5 MW COMING BACK OUT OF HOLE.
		NO. OF PERSONS OF LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$62,878	$2,571,528	$1,902,350	7030567	7008	25	17.0

Activity Date 4/6/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	15.00	SWI. WELL FLOWING. KILL WELL THRU CHOKE. 120 PSI ON CHOKE, CURRENT MW 17.8 PPG. CIRC OUT KICK W/ 17.8 PPG IN, 15.5 - 16.5 OUT. COND MUD TO 17.8.
	1.00	TIH TO 6884'. TAG BRIDGE.
	2.00	WASH & REAM 6884-7008'.
	3.00	CIRC & COND MUD & HOLE, 17.8 PPG - NO LOSSES.
	3.00	DRLG 6-1/8" HOLE F/ 7008-7025' W/ 2-6K, 207 GPM, 17.8 MW, 50 VIS.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$53,923	$2,625,451	$1,902,350	7030567	7025	17	17.8

Activity Date 4/7/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description WASH & REAM TO BOTTOM.

CONFIDENTIAL

Times	Hours	Remarks
	3.00	DRLG 6-1/8" HOLE F/ 7025-7040' W/ 2-6K, 207 GPM, 17.8 MW, 50 VIS.
	4.00	UNABLE TO MAKE CONNECTION. WORK TIGHT HOLE. BACK REAM TO MAKE CONNECTION.
	2.00	NO DIFFERENTIAL ON MOTOR. CIRC HOLE CLEAN. FLOW CHECK HOLE. MIX & PUMP SLUG.
	2.00	POH, FLOW CHECK HOLE @ SHOE - NO FLOW. PULL TO 6100'. HOLE NOT TAKING FLUID. SWABBING.
	1.00	TIH TO BOTTOM.
	6.00	CIRC & COND MUD & HOLE. 17.8 MW GAS TO 7200 UNITS. DOWN TO 250 UNITS.
	2.50	FLOW CHECK WELL - NO FLOW. MIX PILL, BULK HOPPERS PLUGGED UP. UNPLUG HOPPERS, MIX & PUMP SLUG.
	2.50	POH TO SHOE. FLOW CHECK - NO FLOW. PU 2 STANDS - HOLE SWABBING. TIH TO 6884'.
	1.00	WASH & REAM 6884' TO BOTTOM - 2400 UNITS GAS.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$34,622	$2,660,073	$1,902,350	7030567	7040	15	17.8

Activity Date 4/8/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description TIH.

Times	Hours	Remarks
	1.00	WASH & REAM F/ 7972-7040'.
	3.00	CIRC COND HOLE & MUD TO TRIP.
	13.50	TRIP FOR MUD MOTOR - NO FLOW. HOLE TAKING PROPER FLUID. LD MUD MOTOR.
	6.50	PU BIT SUB. CHANGE JETS TO 3 X 14. TIH - HOLE DISPLACING PROPER FLUID.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$20,407	$2,680,480	$1,902,350	7030567	7040		17.9

Activity Date 4/9/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC.

Times	Hours	Remarks
	1.50	TIH TO SHOE - HOLE DISPLACING FLUID PROPERLY.
	2.50	CIRC BOTTOMS UP & SLOW PUMP RATE.
	1.50	RIH TO 7040'.
	3.50	DRLG 6-1/8" HOLE F/ 7040-7088' W/ 4-6K, 80 RPM, 210 GPM, 17.8 MW, 45-50 VIS.
	0.50	RIG SERVICE.
	14.00	DRLG 6-1/8" HOLE F/ 7088-7180' W/ 4-6K, 80 RPM, 210 GPM, 17.8 MW, 45-50 VIS.
	0.50	CIRC HOLE FOR SAMPLES.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$28,889	$2,709,369	$1,902,350	7030567	7180	140	17.9

Activity Date 4/10/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SHORT TRIP - WASHING & REAMING TO BOTTOM.

CONFIDENTIAL

Times	Hours	Remarks
	1.00	CIRC SAMPLES FOR GEOLOGIST.
	1.50	DRLG F/ 7180-7190' W/ 4.5K, 80 RPM, 210 GPM.
	1.00	CIRC SAMPLES FOR GEOLOGIST.
	4.00	DRLG F/ 7190-7220' W/ 4.5K, 80 RPM, 210 GPM.
	10.00	CIRC HOLE CLEAN. SMOOTH OUT MUD WT TO 17.8.
	1.50	OBSERVE WELL STATIC. POH TO 6730'. NO ABNORMAL DRAG OR TIGHT SPOTS.
	1.00	WAIT 1 HR. OBSERVING WELL STATIC.
	1.50	RIH. TAG BRIDGE @ 6982'. LD 8 JTS DP.
	2.50	WASH & REAM MULTIPLE TIMES F/ 6942-6993'. MADE CONNECTION. UNABLE TO GET ROTARY BUSHING IN. WORK PIPE, ENGAGE BUSHING, REAM TO 7020'. MAX TRIP GAS 2979 UNITS.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$29,031	$2,738,400	$1,902,350	7030567	7220	40	17.8

Activity Date 4/11/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RU HALLIBURTON TO LOG WELL.

Times	Hours	Remarks
	5.50	WASH & REAM MULTPLE TIMES F/ 6942-6993'. UNABLE TO PASS THRU LEDGE/OBSTRUCTION @ 6983' W/O ROTATING. WASH & REAM TO 7220' W/O FURTHER DIFFICULTY.
	5.50	CIRC & CONDITION MUD TO 18.0 PPG.
	12.00	OBSERVE WELL STATIC. POH SLOWLY. HOLD CONDITIONS GOOD. LD BIT.
	1.00	HOLD SAFETY MTG. RU HALLIBURTON LOGGING SERVICE EQPT.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$34,031	$2,772,431	$1,902,350	7030567	7220		18.0

Activity Date 4/12/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description WASH & REAM THRU OBSTRUCTIONS/LEDGES @ +- 6975'.

Times	Hours	Remarks
	3.50	RIH W/ HWS DENSITY NEUTRON GR/CALIPER TOOL. SET DOWN ON SOLID LEDGE/OBSTRUCTION @ 6969' WLM. UNABLE TO WORK TOOL THRU. POH & RD WL EQPT.
	3.50	RIH W/ ROCK BIT ON 4-3/4" DC'S TO 570'. MONITOR WELL WHILE WAITING O 3-PT REAMERS.
	2.00	POH & PU 2 - 3 PT REAMERS, PLACED 34' & 65' ABOVE BIT.
	4.00	TIH TO 3400'.
	1.00	FILL PIPE & DRAIN TRIP TANK BACK TO SYSTEM.
	3.00	TIH & LD 7 JTS DP.
	3.00	WASH & REAM F/ 6962-6993'. TRIP GAS 5295 UNITS W/ A 16.5 PPG LOW MUD CUT.
	0.50	CONDITION LIGHT SPOT OF MUD BACK TO 18.0 PPG.
	3.50	ATTEMPT TO MAKE CONNECTION @ 6993'. UNABLE TO GET KELLY BUSHINGS IN ROTARY. BREAK JT OUT. WASH & REAM THRU TIGHT SPOT @ 6955' THRU 6964'. MADE CONNECTION. CONTINUE WASHING & REAMING TIGHT SECTIONS @ +-6975' @ REPORT TIME.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$23,220	$2,795,651	$1,902,350	7030567	7220		18.0

Activity Date 4/13/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC WELL ON CHOKE @ 6712'.

CONFIDENTIAL

Times	Hours	Remarks
	11.00	WASH & REAM & WORK BOTH REAMERS THRU TIGHT SPOTS F/ 6964-7005'. NOTED GRADUAL IMPROVEMENT W/ BIT PASSING THRU TIGHT SECTIONS W/O ROTATING.
	1.50	CONTINUE WASHING & REAMING TO 7220'. WORK THRU TIGHT SPOTS @ 7130'.
	6.00	CIRC & COND MUD TO 18.0 PPG. LOST PARTIAL RETURNS.
	1.00	MIX & PUMP LCM PILL. ESTABLISH FULL RETURNS (75 BBLS MUD LOST).
	1.00	POH INTO CSG SHOE @ 6712. (WELL FLOWING BACK MUD @ 1 BPM STEADY) W/ 62 BBLS BACK FLOW INCREASED. SWI. SICP 540, SIDPP 40.
	2.00	CIRC OUT THRU CHOKES USING DRILLERS METHOD. MUD RETURNS HEAVILY GAS CUT, FOAMY W/ 5% OIL CUT. @ BOTTOMS UP STROKES, HAD TO SWI DUE TO SWACO CHOKE FAILURE (AIR LINE PART).
	1.00	REPAIR AIR LINE. UNABLE TO CONTINUE CIRC DUE TO PLUGGED CHOKE LINE. SIDPP 250 PSI, CSP 0 PSI. UNPLUG CHOKE LINE & RECORD 310 PSI CP.
	0.50	SIDPP 340 PSI, SICP 370 PSI. CIRC ON CHOKE @ 50 SPM @ REPORT TIME.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$35,835	$2,831,486	$1,902,350	7030567	7220		189.0

Activity Date 4/14/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC WELL ON CHOKE @ 6712'.

Times	Hours	Remarks
	1.00	CIRC ON CHOKE @ 2 BPM W/ 18+ PPG MUD. BAR HOPPER PLUGGED. MUD WT FELL TO 17.2 PPG.
	2.50	UNPLUG BAR HOPPER. CONDITION MUD TO 18.3 PPG. SIDPP 250-400 PSI, CSG 240-390 PSI. BLEED OFF SICP PRESS TWICE TO TAKE CARE OF WELL WHILE WEIGHTING UP & CONDITIONING MUD.
	5.50	CIRC ON CHOKE W/ 18.3 - 18.1+ PPG MUD. #1 MUD PUMP WENT DOWN FOR REPAIR.
	0.50	BUILD VOLUME IN PITS. BLEED OFF SICP ONCE TO LOWER DPP & TAKE CARE OF WELL. SWAPPED TO #2 PUMP.
	2.50	CIRC THRU CHOKE W/ 18.1 PPG MUD. RAN OUT OF BULK BARITE WHILE CIRC W/ 910 DPP, 850 PSI CP.
	1.00	MIX SACK BARITE & WAIT ON BULK TRUCK. SIDPP 150-440 PSI, SICP 1410-1660 PSI. BLEED OFF ONCE.
	4.00	CIRC ON CHOKE W/ 18.3 PPG MUD, DPP 930-1060-860 PSI, CP 1280-190-460. RAN OUT OF BULK BARITE!!
	3.50	MIX SACK BARITE & WAIT ON BULK TRUCK, SIDPP 140-3540 PSI, SICP 970-1400 PSI.
	2.50	CIRC ON CHOKE W/ 18.3 PPG MUD, DPP 870-910 PSI, CP 1250-250-2250 PSI. @ 3333 STROKES OR NEAR CALCULATED BOTTOMS UP, CP ROSE RAPIDLY F/ 450-2250 PSI @ 3900 STROKES. MUD PUMP ALSO MALFUNCTIONED W/ SPM F/ 40-71 SPM @ 3900 STROKES. WELL WAS SHUT IN W/ 2450 SICP.
	1.00	SIDPP 360, SICP 2700 PSI. CIRC ON CHOKE @ 35 SPM, DPP 850 PSI, CP 2700-840 PSI @ REPORT TIME.
		NO. OF PERSONS ON LOCATION 22.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$97,220	$2,928,706	$1,902,350	7030567	7220		18.0

Activity Date 4/15/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description MONITOR CSG & DP PRESSURE, CLEANING MUD PITS, PREPARING FOR SNUBBING UNIT.

CONFIDENTIAL

Times	Hours	Remarks
	5.00	CIRC ON CHOKE @ 35 SPM & ATTEMPT TO COND MUD WT TO 18.1 PPG. HAD TO DUMP 145 BO CONTAMINATED MUD TO RESERVE PIT. HAD 1-5 MIN SHUT DOWN DUE TO LOW MUD WT. MUD LOSSES @ 20+ BPH RATE. LOWERED CSG BACK PRESSURE AS LOW AS 40 PSI TO CONTROL LOSS.
	1.50	SHUT DOWN - UNABLE TO MAINTAIN MUD WT MIXING SACK & BULK BARITE. SICP 2010 PSI, SIDPP 60 PSI. INCREASE MUD WT & VOLUE IN PITS. SICP 2010-2100 PSI. SIDPP 50 PSI (FLOAT HOLDING).
	2.00	RESUME CIRC ON CHOKE. DUMP 45 BBLS OIL CONTAMINATED MUD TO RESERVE PIT. DPP 1040-900 PSI @ 35 SPM, CP 2100-260 PSI. MUD WT AGAIN TOO LOW. SWI. SIDPP 50 PSI, SICP 440 PSI.
	15.50	MONITOR CP INCREASES. BLED OFF GAS 3 TIMES WHILE PRESSURE CLIMBED F/ 440-2000 PSI IN 8 HRS. PRESSURE THEN INCREASED TO 2850 PSI @ 6:00 A.M. (400-2850 PSI) - 200 PSI, SLOWING TO A 30 PSI PER HR INCREASE. SIDPP 0 PSI (FLOAT HOLDING).
		24 PERSONS ON LOCATION.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$50,473	$2,979,179	$1,902,350	7030567	7220		16.5

Activity Date 4/16/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description MONITORING CSG & DPP, BUILDING MUD VOLUME, PREP FOR SNUBBING UNIT.

Times	Hours	Remarks
	4.00	MONITOR CSG & DPP WHILE CLEANING MUD PITS & PREPARING FOR SNUBBING OPERATION. SIDPP 0 PSI (FLOAT HOLDING), SICP 2850 BUILDING TO 3100 PSI.
	1.00	BLEED OFF CP TO 2700 PSI. BLEED GAS UNTIL MUD RETURNS FROM GAS BUSTER. CP ROSE BACK TO 3000 PSI IN 45 MIN.
	19.00	CONTINUE MONITOR CSG & DPP WHILE CLEANING MUD PITS & BUILDING SOME MUD VOLUME IN SUCTION PIT. SICP 3000-3510 PSI (10 PSI GAIN LAST 5 HRS). SIDPP 0 PSI.
		26 PERSONS ON LOCATION.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$34,814	$3,013,993	$1,902,350	7030567	7220		16.5

Activity Date 4/17/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description BUILDING MW IN PITS WHILE MONITORING CSG & DP PRESSURES.

Times	Hours	Remarks
	16.50	MONITOR CSG & DP PRESSURES WHILE CLEANING MUD PITS, BUILD NEW MUD IN PITS & PREPARE RIG FOR SNUBBING OPERATION.
	7.50	OFFLOAD 140 BBLS 11.5 PPG CALC WATER TO SUCTION PIT. BUILD VIS & MW TO 12.25 PPG @ REPORT TIME. SICP 3510-3585 PSI (75 PSI GAIN LAST 24 HRS). SIDPP 0 PSI (FLOAT HOLDING).
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$51,882	$3,065,875	$1,902,350	7030567	7220		18.6

Activity Date 4/18/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKE @ 7185'.

Times	Hours	Remarks
	2.00	UNPLUG BAR HOPPER LINE. MONITOR CSG & DP PRESSURES.
	10.50	MONITOR CSG & DP PRESSURES WHILE BUILDING NEW MUD TO 18.3 PPG IN PITS. SICP 3585-3600 PSI (15 PSI GAIN LAST 12.5 HRS), SIDPP 0 PSI (FLOAT HOLDING).
	0.50	SAFETY MTG. START MUD PUMP FOR KILL OPERATION. DRILL PRESSURED UP TO 800 PSI.
	3.50	BREAK OVER TO 600 PSI. DPP GAUGE ON SWACO CHOKE MANIFOLD FAILED. SWI.
	6.50	REPAIR GAUGE. SICP 3550-3700, SIDPP 260. BLEED OFF PRESS TO ZERO TO RECALIBRATE SENSOR. CIRC 18.3 PPG MUD AROUND THRU CHOKE USING 1ST STEP DRILLERS METHOD. DUMP 250 BBLS CONTAMINATED MUD TO RESERVE PIT UNTIL MUD OUT WAS 17.4 PPG. THEN CLOSE SYSTEM. CONTINUE CIRC, CUTTING MUD WT BACK TO 18.0+ & ATTEMPTING TO BUILD VOLUME.
	1.50	STRIP IN HOLE W/ +-400 PSI CP. START CIRC BOTTOM OF HOLE @ REPORT TIME - BIT DEPTH @ 7185'. SI CSG PRESS 440 PSI, SIDP ZERO - FLOAT HOLDING. PUMPING 18.0+ PPG MUD DOWN HOLE @ 2 BPM.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$47,919	$3,113,794	$1,902,350	7030567	7220		18.0+

Activity Date 4/19/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKE W/ 18.2 PPG MUD @ 7185'.

Times	Hours	Remarks
	3.00	CIRC W/ 18.0+ PPG @ 2 BPM THRU CHOKE @ 7185', CP 410-900-790 PSI, DPP 910-1080 PSI. MUD LOSSES @ 5-15 BPH, MAX BOTTOMS UP GAS AFTER STRIPPING TO BOTTOM WAS 6790 UNITS.
	1.00	BAR HOPPER PLUGGED. SWI. SICP 770 INCREASING TO 840 PSI, SIDPP 660-670 PSI.
	8.00	CONTINUE CIRC ON CHOKE @ 2 BPM. CONDITION MUD WT TO 18.1+ PPG IN, 18.1+ PPG OUT, CP 700-160-560 PSI, DPP 1090-920. MAX BOTTOMS UP GAS AFTER SHUT DOWN 6700 UNITS. MUD LOSSES RANGED F/ 5-20 BPH RATE. HAD GAS INFLUX WHEN CP BELOW 200 PSI W/ 18.1 PPG MUD WT. BGG HAD DROPPED TO A LOW OF 728 UNITS BEFORE - 3010 UNITS AFTER INFLUX.
	12.00	CONTINUE CIRC'G, RAISING MUD WT TO 18.2 PPG, CP 560-350-230-360 PSI. DPP 950-1050 PSI. MUD LOSSES RANGED F/ 10-12 BPH, BGG 3010 TO +-400 UNITS. CURRENTLY CIRC'G OUT GAS INFLUX. MAX 2300 UNITS F/ WHEN CP DROPPED TO 230 PSI WHILE CIRC'G.
		32 PERSONS ON LOCATION.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$233,591	$3,347,385	$1,902,350	7030567	7220		18.2

TUBING BREAKDOWN AS OF

ROD BREAKDOWN AS OF

FAILURES AS OF

CONFIDENTIAL

CASING HISTORY REPORT

SURFACE LEVEL

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 1/15/2004 **TD Hole Time** **Total Depth:** 550 **Hole Size:** 17-1/2"

Joints Ran	Joint Description	Total Footage	Running Ftg.
	INSERT FLOAT	0.00	0.00
11	13-3/8" 48# H-40 CSG	494.80	494.80
1	13-3/8" 48# H-40 CSG	44.70	539.50
	SHOE	1.00	540.50
12	**Total Joints Ran**	**540.50**	

Cemented as follows: **Top Cement:**

Stage 1 - 800 SX "G" W/ 2% CACL2, 1/4 PPS CELLOFLAKE MIXED @ 5.2 GPS (YLD:1.18, WT:15.60)

Comments

1st INTERMEDIATE LEVEL

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 2/23/2004 **TD Hole Time** **Total Depth:** 3943 **Hole Size:** 12-1/4"

Joints Ran	Joint Description	Total Footage	Running Ftg.
88	9-5/8" 40# N-80 CSG	3829.33	3829.33
	KB	24.00	3853.33
2	9-5/8" 40# N-80 CSG	84.59	3937.92
	FLOAT SHOE	1.75	3939.67
	FLOAT COLLAR	1.45	3941.12
90	**Total Joints Ran**	**3941.12**	

Cemented as follows: **Top Cement:**

Stage 1 - 665 SX CLASS "G" W/ 3% D-79, .2% D-46, .25 PPS D-29 MIXED @ 16.3 GPS (YLD:2.66, WT:11.70)
Tail: 195 SX 50:50 "G" POZ W/ .25 PPS D-29, .2% D-20, 2% S-1, .1% D-46, 5 PPS D-24 MIXED @ 5.5 GPS (YLD:1.30, WT:13.50)

Comments

2nd INTERMEDIATE LEVEL

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 3/22/2004 **TD Hole Time** **Total Depth:** 6790 **Hole Size:** 8-3/4"

Joints Ran	Joint Description	Total Footage	Running Ftg.
143	7" 26# P-110 CSG	6670.23	6670.23
	KB	24.00	6694.23
	FLOAT COLLAR	1.50	6695.73
2	7" 26# P-110 CSG	92.67	6788.40
	SHOE	1.00	6789.40
145	**Total Joints Ran**	**6789.40**	

Cemented as follows: **Top Cement:**

Stage 1 - 1016 SX DENSCRETE MIXED @ 2.2 GPS (YLD:0.90, WT:18.60)

Comments

CONFIDENTIAL

040

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: UTU-65972

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

7. UNIT or CA AGREEMENT NAME: Cane Creek Unit

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER CONFIDENTIAL

8. WELL NAME and NUMBER: Cane creek #2-1

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

9. API NUMBER: 43-019-31396

3. ADDRESS OF OPERATOR: 700-17th St. Ste 1700 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 296-3006

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2289' FNL & 518' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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
5/17/2004	☐ 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: Initial Perforate & Test
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Intrepid Oil & Gas, LLC is proposing to initially perforate this well and produce through test equipment to determine economic viability of a producing horizon from +/- 6,790'-7.050' by the following procedure:

1. Circulate and prep well with 10 ppg brine.
2. Run a cement bond log and gamma ray log(s).
3. PU 2-7/8" L-80 tbg. and RIH w/tbg. conveyed perforating guns and 7" retrievable pkr.
4. Set pkr. above liner top @ +/- 6,550', with perforating guns @ +/- 6,790' - 7,050' (depths are approximate until determined by logging)
5. Drop bar to fire funs and produce Cane Creek through test equipment for +/- 7 days.

RECEIVED
MAY 03 2004
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan W. Bohling DATE 4/28/2004

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 5/10/04
BY: [signature]

COPY SENT TO OPERATOR
Date: 5-11-04
Initials: CHD

(See Instructions on Reverse Side)

(5/2000)

041

CONFIDENTIAL

FORM 9

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

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-65972

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

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.

7. UNIT or CA AGREEMENT NAME: Cane Creek Unit

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Cane creek #2-1

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

9. API NUMBER: 43-019-31396

3. ADDRESS OF OPERATOR: 700-17th St., Ste 1700 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 296-3006

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2289' FNL & 518' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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	☐ 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
5/10/2004	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Drilling & Liner or Prod. Csg. Details
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The attached Well History depicts drilling and 4-1/2" Production Liner setting activity from 04/03/2004 (or last Sundry on Drilling & 2nd Intermediate Casing Details) to Rig down & lower Derrick on 05/10/2004.

Hole size is 6-1/8" and Liner size is 4-1/2", 11.6#, P-110 BT&C with TOL @ 6,634' and BOL @ 7,219'. (TD of 6-1/8" hole is 7,220'). 4-1/2" Liner was cmt'd w/450 sx Denscrete mixed @ 2.2 GPS (Yld: 0.90, Wt: 18.60). Drop plug & displace w/80.27 Bbls mud holding 200-250 psi on choke, 1,775 psi. Bump plug to 2,393. Unable to set pkr. Press up to 1500, unsting, hold 140-150 psi on choke & circulate out 35 Bbls cmt @ 4 BPM. Shut in choke. Put 325 psi on backside. Pressure climbed to 375 psi @ report time (4/26/2004).

See report for further specifics from 4/26/04 to 5/05/04 on snubbing operations and work done with the final results of dressing off tieback and seating pkr. in tieback establishing a liner seal, then snubbing out monitoring fill and casing pressures. Then from 5/06/04 to 5/10/04 snubbing back in with 2-3/8" N-80 tbg. and staging out drilling mud with 9.5# brine water prepping well for completion work, then rigging down snubbing unit, LD DP & Tbg., cleaning rig, RD and lowering derrick.

(SEE ATTACHED WELL HISTORY REPORT)

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan W. Bohling DATE 5/11/2004

(This space for State use only)

RECEIVED
MAY 13 2004
DIV OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

Activity Date 4/3/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC, SMOOTH OUT MUD.

CONFIDENTIAL

Times	Hours	Remarks
	5.50	DRLG CMT, FC, CMT & SHOE TO 6790'.
	0.50	RIG SERVICE.
	1.00	DRLG F/ 6790-6798' W/ 205K ROTARY TORQUE SPIKED. THEN RELEASED - WOULD NOT DRILL.
	2.50	CIRC, WORK ON BAR HOPPER. MIX & PUMP PILL.
	7.50	POH, LD MOTOR.
	5.00	MU MOTOR & TEST MOTOR. TIH TO 6790'.
	2.00	CIRC, SMOOTH OUT MUD.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$25,314	$2,478,646	$1,902,350	7030567	6798	8	18.1

Activity Date 4/4/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	0.50	CIRC & COND MUD.
	0.50	DRLG F/ 6798-6810' W/ 20-4K, 55 RPM, 200 GPM, 2200 PSI.
	1.00	CIRC BOTTOMS UP FOR FIT.
	0.50	FORMATION INTEGRITY TEST - 18.1 MW, 330 PSI, 19.0 EMW.
	5.00	UNABLE TO BLEED PRESSURE OFF THRU CHOKE. NO CHOKE & KILL LINES. DRAIN BOPE, FLUSH OUT W/ WATER. FOUND PIECE OF SASH CORD & THICK MUD. NU CHOKE & KILL LINE. WAIT ON TEST PUMP.
	0.50	TEST CHOKE & KILL LINE TO 250 LOW & 10,000 PSI HIGH FOR 15 MIN EACH.
	0.50	PULL TEST PLUG & INSTALL WEAR BUSHING.
	2.50	DRLG F/ 6810-6823' W/ 2-4K, 55 RPM, 200 GPM, 2200 PSI, 50 VIS, 18+MW.
	0.50	RIG SERVICE.
	1.50	DRLG F/ 6823-6851' W/ 2-5K, 55 RPM, 200 GPM, 2200 PSI, 50 VIS, 18+ MW.
	1.00	CIRC COND MW F/ 17.5 - 18.1.
	10.00	DRLG F/ 6851-6983' W/ 2-6K, 60 RPM, 220 GPM, 2400 PSI, 50 VIS, 18+ MW.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$30,004	$2,508,650	$1,902,350	7030567	6983	185	18.0

Activity Date 4/5/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description KILL WELL THRU CHOKE.

Times	Hours	Remarks
	4.00	DRLG F/ 6983-7008' W/ 2-6K, 60 RPM, 220 GPM, 2400 PSI, 50 VIS, 18+ MW - LOSING MUD.
	1.50	CIRC HOLE @ 120 GPM. ATTEMPT TO BUILD VOLUME. LOSING APPROX 1/2 BPM.
	0.50	POH TO SHOE.
	11.75	LOWER MUD WT SLOWLY WHILE BUILDING VOLUME. MUD WT 17.1.
	6.25	SWI. WELL FLOWING - KILL WELL THRU CHOKE, 450 PSI ON CHOKE, CURRENT MW 17.4 PPG. 14.5 MW COMING BACK OUT OF HOLE.
		NO. OF PERSONS OF LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$62,878	$2,571,528	$1,902,350	7030567	7008	25	17.0

Activity Date 4/6/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	15.00	SWI. WELL FLOWING. KILL WELL THRU CHOKE. 120 PSI ON CHOKE, CURRENT MW 17.8 PPG. CIRC OUT KICK W/ 17.8 PPG IN, 15.5 - 16.5 OUT. COND MUD TO 17.8.
	1.00	TIH TO 6884'. TAG BRIDGE.
	2.00	WASH & REAM 6884-7008'.
	3.00	CIRC & COND MUD & HOLE, 17.8 PPG - NO LOSSES.
	3.00	DRLG 6-1/8" HOLE F/ 7008-7025' W/ 2-6K, 207 GPM, 17.8 MW, 50 VIS.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$53,923	$2,625,451	$1,902,350	7030567	7025	17	17.8

Activity Date 4/7/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description WASH & REAM TO BOTTOM.

Times	Hours	Remarks
	3.00	DRLG 6-1/8" HOLE F/ 7025-7040' W/ 2-6K, 207 GPM, 17.8 MW, 50 VIS.
	4.00	UNABLE TO MAKE CONNECTION. WORK TIGHT HOLE. BACK REAM TO MAKE CONNECTION.
	2.00	NO DIFFERENTIAL ON MOTOR. CIRC HOLE CLEAN. FLOW CHECK HOLE. MIX & PUMP SLUG.
	2.00	POH, FLOW CHECK HOLE @ SHOE - NO FLOW. PULL TO 6100'. HOLE NOT TAKING FLUID. SWABBING.
	1.00	TIH TO BOTTOM.
	6.00	CIRC & COND MUD & HOLE. 17.8 MW GAS TO 7200 UNITS. DOWN TO 250 UNITS.
	2.50	FLOW CHECK WELL - NO FLOW. MIX PILL, BULK HOPPERS PLUGGED UP. UNPLUG HOPPERS, MIX & PUMP SLUG.
	2.50	POH TO SHOE. FLOW CHECK - NO FLOW. PU 2 STANDS - HOLE SWABBING. TIH TO 6884'.
	1.00	WASH & REAM 6884' TO BOTTOM - 2400 UNITS GAS.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$34,622	$2,660,073	$1,902,350	7030567	7040	15	17.8

Activity Date 4/8/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description TIH.

Times	Hours	Remarks
	1.00	WASH & REAM F/ 7972-7040'.
	3.00	CIRC COND HOLE & MUD TO TRIP.
	13.50	TRIP FOR MUD MOTOR - NO FLOW. HOLE TAKING PROPER FLUID. LD MUD MOTOR.
	6.50	PU BIT SUB. CHANGE JETS TO 3 X 14. TIH - HOLE DISPLACING PROPER FLUID.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$20,407	$2,680,480	$1,902,350	7030567	7040		17.9

Activity Date 4/9/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC.

Times	Hours	Remarks
	1.50	TIH TO SHOE - HOLE DISPLACING FLUID PROPERLY.
	2.50	CIRC BOTTOMS UP & SLOW PUMP RATE.
	1.50	RIH TO 7040'.
	3.50	DRLG 6-1/8" HOLE F/ 7040-7088' W/ 4-6K, 80 RPM, 210 GPM, 17.8 MW, 45-50 VIS.
	0.50	RIG SERVICE.
	14.00	DRLG 6-1/8" HOLE F/ 7088-7180' W/ 4-6K, 80 RPM, 210 GPM, 17.8 MW, 45-50 VIS.
	0.50	CIRC HOLE FOR SAMPLES.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$28,889	$2,709,369	$1,902,350	7030567	7180	140	17.9

Activity Date 4/10/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SHORT TRIP - WASHING & REAMING TO BOTTOM.

CONFIDENTIAL

Times	Hours	Remarks
	1.00	CIRC SAMPLES FOR GEOLOGIST.
	1.50	DRLG F/ 7180-7190' W/ 4.5K, 80 RPM, 210 GPM.
	1.00	CIRC SAMPLES FOR GEOLOGIST.
	4.00	DRLG F/ 7190-7220' W/ 4.5K, 80 RPM, 210 GPM.
	10.00	CIRC HOLE CLEAN. SMOOTH OUT MUD WT TO 17.8.
	1.50	OBSERVE WELL STATIC. POH TO 6730'. NO ABNORMAL DRAG OR TIGHT SPOTS.
	1.00	WAIT 1 HR. OBSERVING WELL STATIC.
	1.50	RIH. TAG BRIDGE @ 6982'. LD 8 JTS DP.
	2.50	WASH & REAM MULTIPLE TIMES F/ 6942-6993'. MADE CONNECTION. UNABLE TO GET ROTARY BUSHING IN. WORK PIPE, ENGAGE BUSHING, REAM TO 7020'. MAX TRIP GAS 2979 UNITS.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$29,031	$2,738,400	$1,902,350	7030567	7220	40	17.8

Activity Date 4/11/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RU HALLIBURTON TO LOG WELL.

Times	Hours	Remarks
	5.50	WASH & REAM MULTPLE TIMES F/ 6942-6993'. UNABLE TO PASS THRU LEDGE/OBSTRUCTION @ 6983' W/O ROTATING. WASH & REAM TO 7220' W/O FURTHER DIFFICULTY.
	5.50	CIRC & CONDITION MUD TO 18.0 PPG.
	12.00	OBSERVE WELL STATIC. POH SLOWLY. HOLD CONDITIONS GOOD. LD BIT.
	1.00	HOLD SAFETY MTG. RU HALLIBURTON LOGGING SERVICE EQPT.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$34,031	$2,772,431	$1,902,350	7030567	7220		18.0

Activity Date 4/12/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description WASH & REAM THRU OBSTRUCTIONS/LEDGES @ +- 6975'.

Times	Hours	Remarks
	3.50	RIH W/ HWS DENSITY NEUTRON GR/CALIPER TOOL. SET DOWN ON SOLID LEDGE/OBSTRUCTION @ 6969' WLM. UNABLE TO WORK TOOL THRU. POH & RD WL EQPT.
	3.50	RIH W/ ROCK BIT ON 4-3/4" DC'S TO 570'. MONITOR WELL WHILE WAITING O 3-PT REAMERS.
	2.00	POH & PU 2 - 3 PT REAMERS, PLACED 34' & 65' ABOVE BIT.
	4.00	TIH TO 3400'.
	1.00	FILL PIPE & DRAIN TRIP TANK BACK TO SYSTEM.
	3.00	TIH & LD 7 JTS DP.
	3.00	WASH & REAM F/ 6962-6993'. TRIP GAS 5295 UNITS W/ A 16.5 PPG LOW MUD CUT.
	0.50	CONDITION LIGHT SPOT OF MUD BACK TO 18.0 PPG.
	3.50	ATTEMPT TO MAKE CONNECTION @ 6993'. UNABLE TO GET KELLY BUSHINGS IN ROTARY. BREAK JT OUT. WASH & REAM THRU TIGHT SPOT @ 6955' THRU 6964'. MADE CONNECTION. CONTINUE WASHING & REAMING TIGHT SECTIONS @ +-6975' @ REPORT TIME.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$23,220	$2,795,651	$1,902,350	7030567	7220		18.0

Activity Date 4/13/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description CIRC WELL ON CHOKE @ 6712'.

Times	Hours	Remarks
	11.00	WASH & REAM & WORK BOTH REAMERS THRU TIGHT SPOTS F/ 6964-7005'. NOTED GRADUAL IMPROVEMENT W/ BIT PASSING THRU TIGHT SECTIONS W/O ROTATING.
	1.50	CONTINUE WASHING & REAMING TO 7220'. WORK THRU TIGHT SPOTS @ 7130'.
	6.00	CIRC & COND MUD TO 18.0 PPG. LOST PARTIAL RETURNS.
	1.00	MIX & PUMP LCM PILL. ESTABLISH FULL RETURNS (75 BBLS MUD LOST).
	1.00	POH INTO CSG SHOE @ 6712. (WELL FLOWING BACK MUD @ 1 BPM STEADY) W/ 62 BBLS BACK FLOW INCREASED. SWI. SICP 540, SIDPP 40.
	2.00	CIRC OUT THRU CHOKES USING DRILLERS METHOD. MUD RETURNS HEAVILY GAS CUT, FOAMY W/ 5% OIL CUT. @ BOTTOMS UP STROKES, HAD TO SWI DUE TO SWACO CHOKE FAILURE (AIR LINE PART).
	1.00	REPAIR AIR LINE. UNABLE TO CONTINUE CIRC DUE TO PLUGGED CHOKE LINE. SIDPP 250 PSI, CSP 0 PSI. UNPLUG CHOKE LINE & RECORD 310 PSI CP.
	0.50	SIDPP 340 PSI, SICP 370 PSI. CIRC ON CHOKE @ 50 SPM @ REPORT TIME.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$35,835	$2,831,486	$1,902,350	7030567	7220		189.0

Activity Date 4/14/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC WELL ON CHOKE @ 6712'.

Times	Hours	Remarks
	1.00	CIRC ON CHOKE @ 2 BPM W/ 18+ PPG MUD. BAR HOPPER PLUGGED. MUD WT FELL TO 17.2 PPG.
	2.50	UNPLUG BAR HOPPER. CONDITION MUD TO 18.3 PPG. SIDPP 250-400 PSI, CSG 240-390 PSI. BLEED OFF SICP PRESS TWICE TO TAKE CARE OF WELL WHILE WEIGHTING UP & CONDITIONING MUD.
	5.50	CIRC ON CHOKE W/ 18.3 - 18.1+ PPG MUD. #1 MUD PUMP WENT DOWN FOR REPAIR.
	0.50	BUILD VOLUME IN PITS. BLEED OFF SICP ONCE TO LOWER DPP & TAKE CARE OF WELL. SWAPPED TO #2 PUMP.
	2.50	CIRC THRU CHOKE W/ 18.1 PPG MUD. RAN OUT OF BULK BARITE WHILE CIRC W/ 910 DPP, 850 PSI CP.
	1.00	MIX SACK BARITE & WAIT ON BULK TRUCK. SIDPP 150-440 PSI, SICP 1410-1660 PSI. BLEED OFF ONCE.
	4.00	CIRC ON CHOKE W/ 18.3 PPG MUD, DPP 930-1060-860 PSI, CP 1280-190-460. RAN OUT OF BULK BARITE!!
	3.50	MIX SACK BARITE & WAIT ON BULK TRUCK, SIDPP 140-3540 PSI, SICP 970-1400 PSI.
	2.50	CIRC ON CHOKE W/ 18.3 PPG MUD, DPP 870-910 PSI, CP 1250-250-2250 PSI. @ 3333 STROKES OR NEAR CALCULATED BOTTOMS UP, CP ROSE RAPIDLY F/ 450-2250 PSI @ 3900 STROKES. MUD PUMP ALSO MALFUNCTIONED W/ SPM F/ 40-71 SPM @ 3900 STROKES. WELL WAS SHUT IN W/ 2450 SICP.
	1.00	SIDPP 360, SICP 2700 PSI. CIRC ON CHOKE @ 35 SPM, DPP 850 PSI, CP 2700-840 PSI @ REPORT TIME.
		NO. OF PERSONS ON LOCATION 22.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$97,220	$2,928,706	$1,902,350	7030567	7220		18.0

Activity Date 4/15/2004 **Type of Report: DRILLING** **PROGRESS REPORT** CONFIDENTIAL

Description MONITOR CSG & DP PRESSURE, CLEANING MUD PITS, PREPARING FOR SNUBBING UNIT.

Times	Hours	Remarks
	5.00	CIRC ON CHOKE @ 35 SPM & ATTEMPT TO COND MUD WT TO 18.1 PPG. HAD TO DUMP 145 BO CONTAMINATED MUD TO RESERVE PIT. HAD 1-5 MIN SHUT DOWN DUE TO LOW MUD WT. MUD LOSSES @ 20+ BPH RATE. LOWERED CSG BACK PRESSURE AS LOW AS 40 PSI TO CONTROL LOSS.
	1.50	SHUT DOWN - UNABLE TO MAINTAIN MUD WT MIXING SACK & BULK BARITE. SICP 2010 PSI, SIDPP 60 PSI. INCREASE MUD WT & VOLUE IN PITS. SICP 2010-2100 PSI. SIDPP 50 PSI (FLOAT HOLDING).
	2.00	RESUME CIRC ON CHOKE. DUMP 45 BBLS OIL CONTAMINATED MUD TO RESERVE PIT. DPP 1040-900 PSI @ 35 SPM, CP 2100-260 PSI. MUD WT AGAIN TOO LOW. SWI. SIDPP 50 PSI, SICP 440 PSI.
	15.50	MONITOR CP INCREASES. BLED OFF GAS 3 TIMES WHILE PRESSURE CLIMBED F/ 440-2000 PSI IN 8 HRS. PRESSURE THEN INCREASED TO 2850 PSI @ 6:00 A.M. (400-2850 PSI) - 200 PSI, SLOWING TO A 30 PSI PER HR INCREASE. SIDPP 0 PSI (FLOAT HOLDING).
		24 PERSONS ON LOCATION.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$50,473	$2,979,179	$1,902,350	7030567	7220		16.5

Activity Date 4/16/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description MONITORING CSG & DPP, BUILDING MUD VOLUME, PREP FOR SNUBBING UNIT.

Times	Hours	Remarks
	4.00	MONITOR CSG & DPP WHILE CLEANING MUD PITS & PREPARING FOR SNUBBING OPERATION. SIDPP 0 PSI (FLOAT HOLDING), SICP 2850 BUILDING TO 3100 PSI.
	1.00	BLEED OFF CP TO 2700 PSI. BLEED GAS UNTIL MUD RETURNS FROM GAS BUSTER. CP ROSE BACK TO 3000 PSI IN 45 MIN.
	19.00	CONTINUE MONITOR CSG & DPP WHILE CLEANING MUD PITS & BUILDING SOME MUD VOLUME IN SUCTION PIT. SICP 3000-3510 PSI (10 PSI GAIN LAST 5 HRS). SIDPP 0 PSI.
		26 PERSONS ON LOCATION.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$34,814	$3,013,993	$1,902,350	7030567	7220		16.5

Activity Date 4/17/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description BUILDING MW IN PITS WHILE MONITORING CSG & DP PRESSURES.

Times	Hours	Remarks
	16.50	MONITOR CSG & DP PRESSURES WHILE CLEANING MUD PITS, BUILD NEW MUD IN PITS & PREPARE RIG FOR SNUBBING OPERATION.
	7.50	OFFLOAD 140 BBLS 11.5 PPG CALC WATER TO SUCTION PIT. BUILD VIS & MW TO 12.25 PPG @ REPORT TIME. SICP 3510-3585 PSI (75 PSI GAIN LAST 24 HRS). SIDPP 0 PSI (FLOAT HOLDING).
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$51,882	$3,065,875	$1,902,350	7030567	7220		18.6

Activity Date 4/18/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description CIRC THRU CHOKE @ 7185'.

Times	Hours	Remarks
	2.00	UNPLUG BAR HOPPER LINE. MONITOR CSG & DP PRESSURES.
	10.50	MONITOR CSG & DP PRESSURES WHILE BUILDING NEW MUD TO 18.3 PPG IN PITS. SICP 3585-3600 PSI (15 PSI GAIN LAST 12.5 HRS), SIDPP 0 PSI (FLOAT HOLDING).
	0.50	SAFETY MTG. START MUD PUMP FOR KILL OPERATION. DRILL PRESSURED UP TO 800 PSI.
	3.50	BREAK OVER TO 600 PSI. DPP GAUGE ON SWACO CHOKE MANIFOLD FAILED. SWI.
	6.50	REPAIR GAUGE. SICP 3550-3700, SIDPP 260. BLEED OFF PRESS TO ZERO TO RECALIBRATE SENSOR. CIRC 18.3 PPG MUD AROUND THRU CHOKE USING 1ST STEP DRILLERS METHOD. DUMP 250 BBLS CONTAMINATED MUD TO RESERVE PIT UNTIL MUD OUT WAS 17.4 PPG. THEN CLOSE SYSTEM. CONTINUE CIRC, CUTTING MUD WT BACK TO 18.0+ & ATTEMPTING TO BUILD VOLUME.
	1.50	STRIP IN HOLE W/ +-400 PSI CP. START CIRC BOTTOM OF HOLE @ REPORT TIME - BIT DEPTH @ 7185'. SI CSG PRESS 440 PSI, SIDP ZERO - FLOAT HOLDING. PUMPING 18.0+ PPG MUD DOWN HOLE @ 2 BPM.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$47,919	$3,113,794	$1,902,350	7030567	7220		18.0+

Activity Date 4/19/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKE W/ 18.2 PPG MUD @ 7185'.

Times	Hours	Remarks
	3.00	CIRC W/ 18.0+ PPG @ 2 BPM THRU CHOKE @ 7185', CP 410-900-790 PSI, DPP 910-1080 PSI. MUD LOSSES @ 5-15 BPH, MAX BOTTOMS UP GAS AFTER STRIPPING TO BOTTOM WAS 6790 UNITS.
	1.00	BAR HOPPER PLUGGED. SWI. SICP 770 INCREASING TO 840 PSI, SIDPP 660-670 PSI.
	8.00	CONTINUE CIRC ON CHOKE @ 2 BPM. CONDITION MUD WT TO 18.1+ PPG IN, 18.1+ PPG OUT, CP 700-160-560 PSI, DPP 1090-920. MAX BOTTOMS UP GAS AFTER SHUT DOWN 6700 UNITS. MUD LOSSES RANGED F/ 5-20 BPH RATE. HAD GAS INFLUX WHEN CP BELOW 200 PSI W/ 18.1 PPG MUD WT. BGG HAD DROPPED TO A LOW OF 728 UNITS BEFORE - 3010 UNITS AFTER INFLUX.
	12.00	CONTINUE CIRC'G, RAISING MUD WT TO 18.2 PPG, CP 560-350-230-360 PSI. DPP 950-1050 PSI. MUD LOSSES RANGED F/ 10-12 BPH, BGG 3010 TO +-400 UNITS. CURRENTLY CIRC'G OUT GAS INFLUX. MAX 2300 UNITS F/ WHEN CP DROPPED TO 230 PSI WHILE CIRC'G.
		32 PERSONS ON LOCATION.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$233,591	$3,347,385	$1,902,350	7030567	7220		18.2

Activity Date 4/20/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description NU CUDD WELL CONTROL 7-1/16" 10M SNUBBING UNIT.

Times	Hours	Remarks
	3.00	CIRC W/ 18.2 PPM MUD @ 2 BPM THRU CHOKE @7185'. CP 540-260 PSI, DPP 910-1010 PSI. MUD LOSSES @ 15-20 BPH, BGG DECREASING F/ 2400-182 UNITS.
	0.50	HELD SAFETY MTG. SWI. BLED OFF DPP. FLOATS HOLDING. SICP STABILIZED @ 380 PSI.
	0.50	STOOD BACK KELLY. STRIPPED OUT OF HOLE W/ 2 STANDS DP. OBSERVED WELL STABBING W/ CSG PRESS INCREASING TO 460 PSI (DECIDED NOT TO DISPLACE DP VOLUME DOWN KILL LINE).
	2.00	MADE UP KELLY & PULLED 9 SINGLE JTS DP. PUMPED PIPE DISPLACEMENT WHILE PULLING OUT. CP DROPPED F/ 460-350 PSI. CLOSED TIW VALVE & REMOVED IBOP. STRIPPED IN & LANDED DS ON TOP SET BOP RAMS. 12' BELOW RIG FLOOR. LOCKED RAMS CLOSED. STRING WT ON RAMS 100K#. BIT DEPTH 6701'. SICP DROPPED TO 260 PSI WHEN LANDING STRING.
	3.50	ND ROTATING HEAD, 7-1/16" 5M ANNULAR BOP, DSA. SICP 260-400 PSI.
	12.00	NU CUDD 7-1/16" 10M SNUBBING UNIT, 7-1/16" 15M DOUBLE, SPACER SPOOLS, 7-1/16" SINGLE, STRIPPING LOOP, 15M X 5M SPOOL, 7-1/16" SCHAFFER ANNULAR SNUBBING UNIT JACK.
	2.50	HOOKING UP HOSES & STEEL LINES. PREP TO SET WORK BASKET. SICP 459 PSI (59 PSI INCREASE SINCE 3:30 P.M. NO PRESSURE INCREASE LAST 8 HRS.
		NO. OF PERSONS ON LOCATION 47.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$93,183	$3,440,568	$1,902,350	7030567	7220		18.2

Activity Date 4/21/2004 **Type of Report: DRILLING** **PROGRESS REPORT** CONFIDENTIAL

Description ATTEMPTING TO SET WL BRIDGE PLUG IN DS.

Times	Hours	Remarks
	12.00	NU SNUBBING UNIT & EQPT. SICP 459 PSI DECREASING TO 426 PSI IN 12 HRS (33 PSI).
	6.00	PU 2 JTS 4" DP & SCREW INTO TIW VALVE 12' BELOW ROTARY. ATTEMPT TO P-TEST SNUBBING RAMS W/O SUCCESS. RE-DOPE & TIGHTEN DP INTO TIW VALVE. CHASE & REPAIR VARIOUS LEAKS. BLEED OFF VALVES, TEST SNUBBING RAMS TO 6000 PSI - ANNULAR TO 2500 PSI.
	1.00	STRIP OUT & LD 2 JTS DP WHILE DISPLACING PIPE VOLUME DOWN ANNULUS. CP 510 PSI DECREASING TO 250 PSI. OPEN TIW VALVE & FOUND 390 PSI DPP.
	5.00	RU BLUE JET WL W/ LUBRICATOR. ATTEMPT TO RIH W/ 2" GAUGE RING. GAUGE RING WOULD NOT DROP. LD LUBRICATOR & CHECK EQPT. BLEED OFF DPP & ROCK & ATTEMPT TO SEAT FLOAT W/O SUCCESS. MIXING 20 PPG SLUG @ REPORT TIME.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$75,576	$3,516,144	$1,902,350	7030567	7220		18.2

Activity Date 4/22/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RU TO RIH & SET 1.75" OD WL SET BRIDGE PLUG.

Times	Hours	Remarks
	1.00	MONITOR PRESSURES. SIDPP 340 INCREASING TO 390 PSI, SICP 300-310 PSI.
	0.50	LD WL LUBRICATOR. RU TO PUMP DOWN DP. HELD SAFETY MTG.
	0.50	PREP TO CIR THRU CHOKE. MUD WT IN PITS TOO LOW (18.0 PPG). SIDPP 440, SICP 310.
	1.00	UNPLUG BAR HOPPER. RAISE MUD WT IN PITS TO 18.2 PPG.
	2.50	CIRC 18.2 PPG MUD THRU CHOKE. DPP 1900, CP 300-210 PSI, MAX GAS 1028 UNITS DECREASING TO 250 UNITS. MUD LOSSES @ 20+ BPH. CIRC 50 BBLS 19.5 MUD DOWN DP. SIDPP 0 PSI, CP 350 PSI.
	4.00	HOOK UP LUBRICATOR. RIH W/ 2.00" OD GAUGE RING & JUNK BASKET TO TOP OF REMER @ 6641' WLM.
	3.00	RIH W/ BAKER 1.970" OD TYPE "N" BRIDGE PLUG. STOP @ 4351'. THICK MUD, DPP 0, SICP 380 PSI. POH.
	0.50	BULLHEAD 25 BBLS 19.5 PPG MUD (1.4 BPM @ 1100 PSI), SIDPP 0, SICP 380-410 PSI.
	3.00	RIH W/ BAKER 1.98" OD TYPE "N" BRIDGE PLUG. STOP @ 4500'. THICK MUD, DPP 0, SICP 420 PSI. POH.
	8.00	WAIT ON OWEN 1.75 - 2.44 BRIDGE PLUG. PUMP 5 BBLS 19.5 PPG MUD DOWN DP IN INCREMENTS OF 1 HR. CP 420-500-235 PSI. SIDPP 0 PSI.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$111,978	$3,628,122	$1,902,350	7030567	7220		18.2

Activity Date 4/23/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SNUBBING OUT OF HOLE W/ DRLG ASSY.

Times	Hours	Remarks
	4.00	MU & RIH W/ OWEN 1.75" OD MAGNA RANGE BRIDGE PLUG. TAG TOP REAMER & PU 10'. SET PLUG. POH, RD WL. P-TEST PLUG TO 2000 PSI, CP SPIKED F/ 240-350 & SETTLED TO 210 PSI DURING 10 MIN TEST. PRESS THEN FELL TO 150 PSI WHEN DP PRESS BLED OFF.
	1.50	RU MUD BUCKET & LD LINES. FUNCTION TEST EQPT. SICP 150 INCREASING TO 220 PSI.
	1.50	SNUBBED OUT OF HOLE W/ 16 JTS 4" DP. FILLING HOLE W/ CALC PIPE VOLUME IN KILL LINE.
	1.00	SHUT DOWN FOR LUNCH (SNOW, SLEET, RAIN). CP 220 DECREASING TO 90 PSI WHILE SNUBBING.
	4.50	SNUBBED OUT OF HOLE W/ 4" DP, CP 90-120 PSI. PUMPING .5 BBLS PER JT.
	1.00	SAFETY MTG. CHANGE OUT CREWS. SERVICE SNUBBING EQPT.
	2.50	SNUBBED OUT OF HOLE W/ 4" DP. CP 90-120 PSI. PUMPING .5 BBLS PER JT.
	1.00	CLEANED UP WORK AREA.
	1.00	SNUBBED OUT OF HOLE W/ 4" DP. CP +-120 PSI (AFTER PUMPING).
	1.50	REPAIRED HYDRAULIC HOSE ON POWER TONGS.
	4.50	SNUBBED OUT OF HOLE W/ 4" DP. CP +-120 PSI (AFTER PUMPING). HAVE LD 156 OF 171 JTS 4" DP IN STRING.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$66,968	$3,695,090	$1,902,350	7030567	7220		18.2

Activity Date 4/24/2004 **Type of Report: DRILLING** **PROGRESS REPORT** CONFIDENTIAL

Description RU SNUB IN HOLE W/ 4-1/2" LINER.

Times	Hours	Remarks
	2.00	SNUB OUT OF HOLE W/ 171 TOTAL JTS 4" DP, CP 120-130 PSI (AFTER PUMPING).
	3.50	SNUB OUT OF HOLE W/ 30 TOTAL JTS 4" HWDP, CP 130 INCREASING TO 160 PSI (AFTER PUMPING).
	3.00	CHANGE OUT PIPE RAMS & OTHER EQPT TO HANDLE 4-3/4" DC'S. CLEAN FLOOR. CP FLUCTUATING F/ 160-130-205 PSI.
	0.50	SNUBBING UNIT EQUALIZER LINES PLUGGED. WORK & UNPLUG LINE.
	3.00	SNUB OUT W/ 4-3/4" DC'S. WORK REAMER ASSY & BIT 5' ABOVE BLIND RAMS, CP 205-150 PSI.
	12.00	SHUT IN & LOCK BLIND RAMS. LD 2 REAMERS, 2 DC'S & BIT. CLEAN & SERVICE EQPT. CHANGE PIPE RAM & HANDLING EQPT TO 4-1/2". MU 4-1/2" FLOAT EQPT TO CSG SHOE JT. RU, RACK & STRAP DP TO RUN LINER. CP 150 INCREASING TO 247 PSI @ REPORT TIME.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$70,132	$3,765,222	$1,902,350	7030567	7220		18.3

Activity Date 4/25/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SNUBBINE IN HOLE W/ 4-1/2" LINER ASSY.

Times	Hours	Remarks
	6.00	PU 1ST JT 4-1/2" LINER. MU FLOAT EQPT & LANDING COLLAR. PUMP THRU FLOATS & FILL SNUBBING STACK. EQUALIZE PRESSURE & SNUB IN 4-1/2" LINER. CP 240-280-250 PSI.
	4.50	MU LINER HANGER ASSY. RUN THRU SNUBBING STACK (W/ DIFFICULTY). CP 240-160-250 PSI.
	1.50	CHANGE SNUBBING UNIT RAMS & HANDLINE EQPT TO 4".
	6.50	SNUB IN LINER W/ 4" DP FILLING PIPE & PUMPING PIPE VOL EVERY 25 JTS TO PREVENT BLOW BACK. MAINTAINING 250 PSI ON ANNULUS. BUILD MUD VOLUME WHILE TRIPPING IN.
	1.00	CUDD LUNCH.
	1.00	SNUB IN LINER W/ 4" DP FILLING PIPE & PUMPING PIPE VOLUME EVERY 25 JTS TO PREVENT BLOW BACK. MAINTAINING AVG 250 PSI ON ANNULUS. BUILD MUD VOLUME WHILE TRIPPING IN.
	1.00	CHANGE OUT SLIPS ON LOWER RAM.
	2.00	SNUB IN LINER W/ 4" DP TO +-4200'. HAVE PU 115 JTS 4" DP @ 6:00 A.M. (12.7 JTS/HR AVG). MAINTAINING AVG +- 250 PSI ON ANNULUS. TAKING MUD IN RETURNS. CURRENTLY NO GAS @ SURFACE.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$59,875	$3,825,097	$1,902,350	7030567	7220		18.2

Activity Date 4/26/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SHUT IN CHOKE

Times	Hours	Remarks
	4.00	SNUB INHOLE W/ 4-1/2" LINER ON 4" DP TO 5800'. CP 250-280-230 PSI.
	0.50	PUMP DS CAPACITY TO FILL PIPE & AVOID BLOW BACK.
	2.00	CONTINUE SNUBING IN W/ 4-1/2" LINER TO 6780'.
	2.00	PUMP BOTTOMS UP @ 1.5 BPM HOLDING 200 PSI ON CHOKE. HOLE TOOK APPROX 75 BBLS.
	3.00	CONTINUE SNUBBING IN W/ 4-1/2" LINER TO 7220'.
	4.00	CIRC DP & OH VOLUME @ 1.5 BPM. HOLE TOOK APPROX 50 BBLS. RU DOWELL & BATCH MIX MUD PUSH & CMT SLURRY. PUMP DP & OH VOLUME TO ABOVE LINER HANGER @ 2 BPM, 750 PSI ON DP. HOLDING 200 PSI ON CHOKE.
	6.00	SAFETY MTG. SET HANGER & PUMP 35 BBLS MUD PUSH @ 3 BPM, 1400 PSI F/B 450 SX. DENSE CRETE @ 18.6 PPG @ 3 BPM, 1500 PSI. WASH PUMPS & LINES. DROP PLUG & DISPLACE W/ 80.27 BBLS MUD HOLDING 200-250 PSI ON CHOKE, 1775 PSI. BUMP PLUG TO 2393. UNABLE TO SET PKR. PRESS UP TO 1500, UNSTING, HOLD 140-150 PSI ON CHOKE & CIRC OUT 35 BBLS CMT @ 4 BPM. SHUT IN CHOKE. PUT 325 PSI ON BACKSIDE. PRESSURE CLIMBED TO 375 PSI @ REPORT TIME.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$66,889	$3,891,986	$1,902,350	7030567	7220		18.2

Activity Date 4/27/2004 **Type of Report:** **DRILLING** **PROGRESS REPORT** CONFIDENTIAL

Description RU TO SNUB OUT OF HOLE.

Times	Hours	Remarks
	2.50	CSG PRESSURE BUILT UP F/ 380-520', DROPPING TO 400 PSI.
	9.50	BLEED OFF CSG PRESSURE 400-350. WAITING ON WL TRUCK. STEP DOWN PRESS 9:30 (350-300), 10:00 (330-300), 11:30 (405), 12:15 (524), 1:00 (BLEED DOWN 525-30 PSI), 2:15 (BUILD UP TO 290:). ATTEMPT TO SET PKR. PRESSURE BUILT TO 320 PSI.
	2.50	PUMP BOTTOMS UP & SPOT 19.2 PPG MUD ON BOTTOM @ 2 BPM. 770 PSI ON DP. HOLDING 250 ON CSG. ISP 350 PSI ON DP, 510 ON CSG, 5/590 DP, 490 CSG. PUMP 19.2 PPG DOWN DP, 5/DP 0 PSI, 390 PSI ON CSG.
	8.00	RD CMT MANIFOLD & LD 1 JT DP. SAFETY MTG. RU MESA WL & RUN WL BRIDGE PLUG TO 6579'. TEST BRIDGE PLUG TO 1850 PSI. RD WL.
	1.50	RIG UP TO SNUB OUT OF HOLE.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$151,805	$4,043,791	$1,902,350	7030567	7220		18.2

Activity Date 4/28/2004 **Type of Report:** **DRILLING** **PROGRESS REPORT**

Description CLEAN & SERVICE EQPT.

Times	Hours	Remarks
	6.00	SNUB OUT OF HOLE. PUT .5 BBL PER JT DOWN BACKSIDE. HELD 350-450 PSI ON CSG.
	1.00	SERVICE EQPT.
	7.50	SNUB OUT OF HOLE. PUT .5 BBL PER JT DOWN BACKSIDE. HELD 350-450 PSI ON CSG.
	1.50	CHANGE OUT TONGS.
	3.00	SNUB OUT OF HOLE. PUT .5 BBL PER JT DOWN BACKSIDE. HELD 350-450 PSI ON CSG. LD TOOLS.
	5.00	PUT 500 PSI ON CSG. SWI. CLEAN & SERVICE EQPT. CP DROPPED TO 320 @ 1:00. BUILT SLOWLY TO 450 PSI @ 6:00.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$69,047	$4,112,838	$1,902,350	7030567	7220		18.2

Activity Date 4/29/2004 **Type of Report:** **DRILLING** **PROGRESS REPORT**

Description CIRC.

Times	Hours	Remarks
	1.50	CLEAN & SERVICE CUDD EQPT.
	3.50	WORK ON TONGS & SLIPS.
	1.50	SNUB IN HOLE W/ POLISH MILLS TO DRESS OFF TIEBACK.
	1.00	FILL PIPE.
	11.50	SNUB IN HOLE FILLING PIPE EVERY 40 JTS. HOLDING 250 PSI ON CSG.
	1.50	WORK ON SLIPS.
	1.25	CIRC BOTTOMS UP @ 2 BPM, 1170 PSI ON DP, 200 PSI ON CSG.
	1.00	RU SWIVEL & WASH INTO TIEBACK 880 PSI ON DP, 200 PSI ON CSG @ 1.5 BPM.
	0.25	SHEAR DOGS ON PACKOFF W/ 40K#. SET 50K# W/ 500 PSI ON DP, 350 PSI ON CSG, DP BLED TO 300 PSI.
	0.75	BLED OFF DP TO 0, CSG TO 25, BUILT TO 80 PSI IN 45 MIN.
	0.25	CIRC BOTTOMS UP TO DO POSITIVE TEST ON PKR.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$59,733	$4,172,571	$1,902,350	7030567	7220		18.2

Activity Date 4/30/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description WEIGHT UP SYSTEM.

Times	Hours	Remarks
	1.75	CIRC TO TEST PKR.
	1.50	POSITIVE TEST ON PKR - 575 PSI. BLEED DOWN TO 525 IN 1.5 HRS.
	1.00	PUMP PILL. OBSERVE WELL - NO FLOW.
	2.00	LD 8 JTS DP. PULLED WET. POLISH MILL @ 6402'. HANG OFF STRING W/ TIW IN PIPE.
	2.75	RD CUDD SNUBBING UNIT.
	2.00	CP 0-250 PSI. BLEED OFF PRESS - NO FLOW. CONTINUE TO RD CUDD.
	2.75	RD CUDD. WELL FLOWING. GAIN 36 BBLS ON PVT. SWI.
	0.25	SWI - PRESS 800 PSI.
	10.00	RU CUDD. OBSERVE WELL - 800 PSI-666 PSI @ 9:30 P.M. 960 @ 6:00 A.M. WEIGHT UP SYSTEM TO 18.7 PPG.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$59,309	$4,231,880	$1,902,350	7030567	7220		18.7

Activity Date 5/1/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SNUB OUT OF HOLE.

Times	Hours	Remarks
	3.50	RU CUDD. OBSERVE WELL, 960 @ 9:30. WEIGHT UP SYSTEM TO 18.7 PPG.
	6.00	CIRC OUT KICK. COND MUD, RAISE MUD WT TO 18.7.
	2.00	FINISH RU SNUBBING UNIT.
	2.00	TIH TO TOP OF TIEBACK. DRESS OFF TIEBACK.
	0.50	SNUB OUT OF HOLE.
	2.00	WORK ON SLIPS.
	2.00	SNUB OUT OF HOLE.
	1.00	CUDD LUNCH.
	5.00	SNUB OUT OF HOLE.
		NO. OF PERSON ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$73,425	$4,305,305	$1,902,350	7030567	7220		18.7

Activity Date 5/2/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SNUB IN HOLE W/ SCRAPER.

Times	Hours	Remarks
	6.00	SNUB OUT OF HOLE W/ POLISH MILL.
	1.50	CHECK EQPT.
	3.00	SNUB OUT OF HOLE W/ POLISH MILL.
	3.50	SWI. BUILT TO 265 PSI, CLEAN & SERVICE EQPT.
	4.00	MU CSG SCRAPER & BIT & SNUB IN HOLE FILLING PIPE EVERY 40 JTS.
	1.00	CHECK EQPT.
	5.00	SNUB IN HOLE W/ SCRAPER & BIT FILLING PIPE EVERY 40 JTS.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$64,393	$4,369,698	$1,902,350	7030567	7220		18.7

Activity Date 5/3/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SNUB OUT OF HOLE.

Times	Hours	Remarks
	6.00	SNUB IN HOLE W/ SCRAPER & BIT FILLING PIPE EVERY 40 JTS.
	2.50	CIRC, WORK SCRAPER @ TOP OF TIEBACK, 1070 PSI ON DP, 40 PSI ON CSG. CIRC BOTTOMS UP @ 2 BPM.
	2.50	SNUB OUT OF HOLE W/ SCRAPER & BIT.
	1.00	CHANGE OUT POWER UNIT.
	6.00	SNUB OUT OF HOLE W/ SCRAPER & BIT.
	1.50	SERVICE EQPT.
	4.50	SNUB OUT OF HOLE W/ SCRAPER & BIT.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$60,138	$4,429,836	$1,902,350	7030567	7220		18.7

Activity Date 5/4/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description MONITOR FILL.

CONFIDENTIAL

Times	Hours	Remarks
	1.00	SNUB OUT OF HOLE W/ SCRAPER & BIT.
	2.50	CLEAN & SERVICE EQPT. CSG 225 PSI.
	2.50	MU PKR & SNUB IN HOLE.
	1.00	SERVICE EQPT.
	7.50	SNUB IN HOLE W/ PKR, FILL PIPE EVERY 40 JTS.
	1.25	CIRC & SEAT PKR IN TIEBACK. SHEAR @ 32K, SET DOWN 62K, PULL OUT OF PKR.
	2.00	CIRC HOLE W/ FRESH MUD. CLEAR OUT GAS CUT MUD. 1070 PSI ON DP, 280 PSI ON CSG @ 2 BPM.
	3.75	PRESS UP CSG TO 600, DP 960. CLOSE IN CHOKE & PUMPS. CLOSE LOWER PIPE RAMS, MONITOR PRESS. BLEED DP TO 620. 12:00 - 630 DP, 640 CSG. 12:20 660 DP, 670 CSG. 12:40 700 DP, 700 CSG. 1:00 690 DP, 730 CSG. 1:20 680 DP, 740 CSG. 1:40 680 DP, 750 CSG. 2:00 680 DP, 750 CSG. 2:20 690 DP, 760 CSG. 2:30 690, 760. BLEED DP & CSG TO 10 PSI 1 HR TO 70 PSI, 40 PSI IN 15 MIN, 20 PSI IN 45 MIN.
	2.50	BLEED OFF PRESS. OPEN RAMS & CHOKE. SNUB OUT OF HOLE. MONITOR FILL. CSG 10 PSI.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$69,187	$4,499,023	$1,902,350	7030567	7220		18.7

Activity Date 5/5/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description SNUB IN HOLE.

Times	Hours	Remarks
	6.00	SNUB OUT OF HOLE. MONITOR FILL, CSG PSI ZERO.
	1.00	SERVICE EQPT.
	3.00	SNUB OUT OF HOLE. MONITOR FILL, CSG PSI ZERO.
	11.00	WAIT ON RAMS & SLIP DIES FOR 2-3/8"
	1.00	DRESS RAMS & SLIPS FOR 2-3/8"
	2.00	MU 3-7/8" BIT & PU 18 JTS (574') 2-3/8" N-80 TBG & SNUB IN HOLE. CSG PSI ZERO.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$81,119	$4,580,142	$1,902,350	7030567	7220		18.7

Activity Date 5/6/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description CLEAN CUDD SNUBBING UNIT.

Times	Hours	Remarks
	6.00	MU 3-7/8" BIT & PU 18 JTS (574') 2-3/8" N-80 TBG & SNUB IN HOLE. CSG ZERO PSI.
	1.00	SERVICE EQPT.
	3.00	SNUB IN W/ TBG STINGER.
	1.50	WASH OUT THICK HEAVY MUD F/ 7135-7173'.
	5.50	SAFETY MTG. RU HALLIBURTON & STAGE OUT DRLG MUD W/ 9.5# BRINE WATER.
	2.00	SNUB OUT 25 JTS & HANG PIPE ON UPPER PIPE RAMS. CSG PRESSURE ZERO.
	5.00	RD & CLEAN CUDD SNUBBING UNIT.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$64,632	$4,644,774	$1,902,350	7030567	7220		18.1

Activity Date 5/7/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description LD DP.

Times	Hours	Remarks
	8.50	RD, CLEAN & LOAD OUT CUDD SNUBBING UNIT.
	2.50	RU FLOOR TO LD DP.
	1.00	CHECK PRESSURE, PULL DP OFF RAMS, LD SAFETY VALVE.
	12.00	RU LAY DOWN MACHINE. LD DP & TBG.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$46,700	$4,691,474	$1,902,350	7030567	7220		17.9

Activity Date 5/8/2004 **Type of Report:** DRILLING PROGRESS REPORT

CONFIDENTIAL

Description LD DP.

Times	Hours	Remarks
	24.00	CLEAN RIG AFTER SNUBBING OPERATIONS. RIG RELEASED 6:00 5/8/04. MAN HRS 264.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$16,560	$4,708,034	$1,902,350	7030567	7220	7213	

Activity Date 5/9/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description RD.

Times	Hours	Remarks
	24.00	RIG DOWN. MAN HRS 228.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$29,800	$4,737,834	$1,902,350	7030567	7220		

Activity Date 5/10/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description LOWER DERRICK.

Times	Hours	Remarks
	12.00	RIG DOWN - LOWER DERRICK. MAN HRS 216.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$19,910	$4,757,744	$1,902,350	7030567	7220		

TUBING BREAKDOWN AS OF

ROD BREAKDOWN AS OF

FAILURES AS OF

CONFIDENTIAL

CASING HISTORY REPORT

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 1/15/2004 **TD Hole Time** **Total Depth:** 550 **Hole Size:** 17-1/2"

Joints Ran	Joint Description	Total Footage	Running Ftg.
11	13-3/8" 48# H-40 CSG	494.80	494.80
	INSERT FLOAT	0.00	494.80
	SHOE	1.00	495.80
1	13-3/8" 48# H-40 CSG	44.70	540.50
12	**Total Joints Ran**	**540.50**	

Cemented as follows: **Top Cement:**

Stage 1 - 800 SX "G" W/ 2% CACL2, 1/4 PPS CELLOFLAKE MIXED @ 5.2 GPS (YLD:1.18, WT:15.60)

Comments

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 2/23/2004 **TD Hole Time** **Total Depth:** 3943 **Hole Size:** 12-1/4"

Joints Ran	Joint Description	Total Footage	Running Ftg.
88	9-5/8" 40# N-80 CSG	3829.33	3829.33
	KB	24.00	3853.33
2	9-5/8" 40# N-80 CSG	84.59	3937.92
	FLOAT SHOE	1.75	3939.67
	FLOAT COLLAR	1.45	3941.12
90	**Total Joints Ran**	**3941.12**	

Cemented as follows: **Top Cement:**

Stage 1 - 665 SX CLASS "G" W/ 3% D-79, .2% D-46, .25 PPS D-29 MIXED @ 16.3 GPS (YLD:2.66, WT:11.70)
Tail: 195 SX 50:50 "G" POZ W/ .25 PPS D-29, .2% D-20, 2% S-1, .1% D-46, 5 PPS D-24 MIXED @ 5.5 GPS (YLD:1.30, WT:13.50)

Comments

2nd INTERMEDIATE LEVEL

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 3/22/2004 **TD Hole Time** **Total Depth:** 6790 **Hole Size:** 8-3/4"

Joints Ran	Joint Description	Total Footage	Running Ftg.
143	7" 26# P-110 CSG	6670.23	6670.23
	KB	24.00	6694.23
	SHOE	1.00	6695.23
	FLOAT COLLAR	1.50	6696.73
2	7" 26# P-110 CSG	92.67	6789.40
145	**Total Joints Ran**	**6789.40**	

Cemented as follows: **Top Cement:**

Stage 1 - 1016 SX DENSCRETE MIXED @ 2.2 GPS (YLD:0.90, WT:18.60)

CONFIDENTIAL

Comments

PRODUCTION LINER

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 4/10/2004 **TD Hole Time** **Total Depth:** 7220 **Hole Size:** 6-1/8"

Joints Ran	Joint Description	Total Footage	Running Ftg.
	HANGER ASSY	19.46	19.46
	TOP OF LINER	6634.00	6653.46
	SHOE	2.02	6655.48
1	4-1/2" 11.6# P-110 BT&C	41.85	6697.33
	FLOAT COLLAR	1.42	6698.75
	LANDING COLLAR	1.03	6699.78
8	4-1/2" 11.6# P-110 BT&C	355.86	7055.64
1	4-1/2" 11.6# P-110 BT&C X P-110 UTLF	40.64	7096.28
3	4-1/2" 11.6# P-110 UTLF	122.79	7219.07
13	**Total Joints Ran**	**7219.07**	

Cemented as follows: **Top Cement:**

Stage 1 - 450 SX DENSCRETE MIXED @ 2.2 GPS (YLD:0.90, WT:18.60)

Comments

047

FORM 9

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

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: UTU-65972
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT or CA AGREEMENT NAME: Cane Creek Unit
8. WELL NAME and NUMBER: Cane creek #2-1
9. API NUMBER: 019-31396
10. FIELD AND POOL, OR WILDCAT: Wildcat

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER _____
2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.
3. ADDRESS OF OPERATOR: 700-17th St., Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006
4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2289' FNL & 518' FEL COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
Date of work completion: 5/19/2004	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Spill Report 2-1
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Spill Report 2-1

At 5:20 AM 5/19/2004 the well tester equalized two frac tanks since his fist tank was full. He continued flowing into the full one. The equalizer hose plugged and the first tank ran over spilling approximately1 ½ barrels into the rubberized spill containment tarp under the tank. Approximately 1 ½ gallons splashed on the ground.

A hot oiler and vacuum truck were used to remove the spilled oil the same morning. The oil was recycled into the produced oil tanks.

The spill was reported to Jack Johnson with the Moab BLM and he visited the location at 11:00AM the same day.

A new manifold line was constructed such that each tank can be filled individually and equalization will not be necessary. The new manifold will prevent any future problems from this situation.

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.
SIGNATURE Alan W. Bohling DATE 5/24/2004

(This space for State use only)

RECEIVED
MAY 26 2004
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

042

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: UTU-65972
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT or CA AGREEMENT NAME: Cane Creek Unit
8. WELL NAME and NUMBER: Cane creek #2-1
9. API NUMBER: 019-31396
10. FIELD AND POOL, OR WILDCAT: Wildcat

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER _____
2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.
3. ADDRESS OF OPERATOR: 700-17th St., Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006
4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2289' FNL & 518' FEL COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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	☐ 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
5/19/2004	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Spill Report 2-1
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Spill Report 2-1

At 5:20 AM 5/19/2004 the well tester equalized two frac tanks since his fist tank was full. He continued flowing into the full one. The equalizer hose plugged and the first tank ran over spilling approximately1 ½ barrels into the rubberized spill containment tarp under the tank. Approximately 1 ½ gallons splashed on the ground.

A hot oiler and vacuum truck were used to remove the spilled oil the same morning. The oil was recycled into the produced oil tanks.

The spill was reported to Jack Johnson with the Moab BLM and he visited the location at 11:00AM the same day.

A new manifold line was constructed such that each tank can be filled individually and equalization will not be necessary. The new manifold will prevent any future problems from this situation.

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan W. Bohling DATE 5/24/2004

(This space for State use only)

RECEIVED
MAY 26 2004
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

CONFIDENTIAL

043

FORM 9

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

5. LEASE DESIGNATION AND SERIAL NUMBER: ~~UTU-65972~~ ML-40761

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

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.

7. UNIT or CA AGREEMENT NAME: Cane Creek Unit

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Cane creek #2-1

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

9. API NUMBER: 019-31396

3. ADDRESS OF OPERATOR: 700-17th St. Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2289' FNL & 518' FEL COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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
6/1/2004	☐ 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: Continued Testing for Reservoir Evaluation
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Intrepid Oil & Gas, LLC respectfully requests permission to continue testing the Cane Creek #2-1 for an additional 120 days beyond completion of tank battery construction and prior to submitting a flare permit. We have just completed obtaining flowing pressure data and are currently collecting shut-in downhole pressure data (from pressure bombs) and should be completing this phase of testing on or about June 8, 2004. Also, operations are now underway to construct a tank battery augmented with special piping and sampling capabilities to obtain pressurized oil and gas samples. Once these facilities are constructed we plan to commence production for a period of 3-7 days, or as necessary to insure stabilized producing conditions, prior to the initial collection of these pressurized samples . These samples will then be sent to laboratories located in Houston, TX for analysis. All of this collected pressure data and the reservoir fluid properties at reservoir pressures and temperatures will be input into a reservoir simulator program and further utilized to determine reservoir parameters and predict reservoir performance.

These reservoir performance predictions will enhance the operator's ability to forecast optimal produced oil and gas volumes and also provide the Utah DOGM and BLM with the best possible data and information to facilitate determination of flare and other permit needs and applications. However, this collection, assessment, and interpretation of data is anticipated to take between 4-5 months, hence our request for a 120 day "Continued Testing" period.

COPY SENT TO OPERATOR
Date: 6-7-04
Initials: CHD

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan W. Bohling DATE 6/1/2004

RECEIVED
JUN 03 2004
DIV. OF OIL, GAS & MINING

(This space for State use only) APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 6/4/04
BY: [illegible]

(5/2000) (See Instructions on Reverse Side)

* See Conditions of Approval (attached)

CONFIDENTIAL

State of Utah

Department of Natural Resources

Division of Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

CONDITIONS OF APPROVAL TO FLARE GAS FROM AN OIL WELL

Well Name and Number:	Cane Creek 2-1
API Number:	43-019-31396
Operator:	Intrepid Oil & Gas, LLC.
Reference Document:	Sundry Notice dated June 1, 2004, received by DOGM on June 3, 2004.

Approval Conditions:

1. In accordance with R649-3-20-1.2, flaring associated with required testing is approved until October 31, 2004.
2. Flaring beyond October 31, 2004 in excess of the allowed 1800 MCF/month must be brought before and approved by the Board of Oil, Gas and Mining as specified in R649-3-20-5.
3. All requirements in R649-3-19, Well Testing and R649-3-20, Gas Flaring or Venting shall apply.
4. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

June 4, 2004
Date

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7223 • *www.ogm.utah.gov*

Utah!
Where ideas connect

CONFIDENTIAL

FORM 9

044

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

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-65972

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

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.

7. UNIT or CA AGREEMENT NAME: Cane Creek Unit

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER _____

8. WELL NAME and NUMBER: Cane creek #2-1

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

43-

9. API NUMBER: 019-31396

3. ADDRESS OF OPERATOR: 700-17th St., Ste 1700 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 296-3006

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2289' FNL & 518' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
Date of work completion: 6/30/2004	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Drilling History from 1/13/04 - 5/20/04
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please find attached a complete Well (and drilling) History for this well covering the period of 1/13/04 through 5/20/04. If separate monthly breakouts are required instead of this composite report, please advise by calling the contact shown below.

(SEE ATTACHED WELL HISTORY REPORT)

NAME (PLEASE PRINT) Alan W. Bohling (432)-498-8662 TITLE Regulatory Agent for Intrepid Oil & Gas, LLC.

SIGNATURE Alan W. Bohling DATE 6/30/2004

(This space for State use only)

RECEIVED
JUL 02 2004
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

Pure Resources, Inc.

CONFIDENTIAL

Well History

CANE CREEK #2-1(PURE/INTREPID)-100% WI From 1/1/1920 through 6/30/2004

Well Name CANE CREEK #2-1(PURE/INTREPID)-100% WI **Lease Well** 802589-0001

State: UT **County:** GRAND

Activity Date 1/13/2004 **Type of Report:** DRILLING **INITIAL REPORT**

Description

Times	Hours	Remarks
	12.00	MIRU BILL'S RATHOLE SERVICE. DRLG 0-15'. SDON. SPUD @ 4:00 P.M. 1/12/04. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$27,000	$27,000	$1,902,350	7030567	15	15	

Activity Date 1/14/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description UNLOAD 13-3/8" CSG.

Times	Hours	Remarks
	12.00	WELD UP & SET CONDUCTOR. DRLG RAT & MOUSE HOLES. DRLG 17-1/2" HOLE W/ MIST F/ 15-175'. UNLOAD 14 JTS 13-3/8" 48# H-40 CSG. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,250	$37,250	$1,902,350	7030567	175	160	

Activity Date 1/15/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description

Times	Hours	Remarks
	12.00	DRLG 17-1/2" HOLE F/ 175-450' W/ MIST. AVG ROP 35 FPH. HAMMER QUIT DRLG. POH W/ HAMMER. INSPECT HAMMER. TIH, HAMMER WOULD NOT DRILL. POH. SDON. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$15,250	$52,500	$1,902,350	7030567	450	275	

Activity Date 1/16/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description PLUG DOWN.

Times	Hours	Remarks
	14.00	DRLG 17-1/2" HOLE F/ 450-550' W/ MIST. CIRC HOLE CLEAN. POH. RUN 12 JTS 13-3/8" 48# H-40 STC CSG. RU BIG 4 CEMENTERS & PUMP 40 BW, 20 BBLS MUD FLUSH. FOLLOW W/ 800 SX "G" W/ 2% CACL2, 1/4# CELLOFLAKE @ 4.5 BPM @ 50 PSI. DISPLACE W/ 77.7 BW @ 3.5 BPM. MAX PRESS 1200 PSI. CIRC 53 BBLS GOOD CMT TO PIT. DID NOT SEE WATER OR MUD FLUSH @ SURFACE. PLUG DOWN @ 7:00 P.M. BLM REP ON LOCATION DURING CSG & CMT. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$40,480	$92,980	$1,902,350	7030567	550	100	

Activity Date 1/23/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description WAITING ON ROTARY TOOLS.

Times	Hours	Remarks
		WAITING ON ROTARY TOOLS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$92,980	$92,980	$1,902,350	7030567	550		

Activity Date 2/10/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description RIGGING UP.

Times	Hours	Remarks
	12.00	MIRU UNIT DRLG RIG #236. SAFETY MTG. SET MATS & SUB. NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$102,980	$102,980	$1,902,350	7030567	550		

CONFIDENTIAL

Activity Date 2/11/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description RIGGING UP.

Times	Hours	Remarks
	12.00	CONTINUE MIRU UNIT DRLG RIG #236. SAFETY MTG. SET IN COMPOUND, BACK END, DRESS MUD TANKS. NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,000	$112,980	$1,902,350	7030567	550		

Activity Date 2/12/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description RIGGING UP

Times	Hours	Remarks
	12.00	CONTINUE RIGGING UP UNIT DRLG RIG #236. SAFETY MTG. SET IN DERRICK, DRAWWORKS, DOG HOUSES, DRESS MUD TANKS. NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,000	$122,980	$1,902,350	7030567	550		

Activity Date 2/13/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description RIGGING UP.

Times	Hours	Remarks
	12.00	CONTINUE RIGGING UP UNIT DRLG RIG #236. SAFETY MTG. SET IN DERRICK, STRING UP BLOCKS, DRESS DERRICK & SET ON SUB. RU AIR PACKAGE. NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,000	$132,980	$1,902,350	7030567	550		

Activity Date 2/14/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description RIGGING UP.

Times	Hours	Remarks
	12.00	CONTINUE RIGGINGUP UNIT DRLG RIG #236. SAFETY MTG. STRING UP BLOCKS, RAISE DERRICK, RU FLOOR & PLUMBING. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,000	$142,980	$1,902,350	7030567	550		

Activity Date 2/15/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description RIGGING UP.

Times	Hours	Remarks
	12.00	CONTINUE RIGGING UP UNIT DRLG RIG #236. SAFETY MTG. CUT OFF CONDUCTOR & 13-3/8" CSG. WELD ON WH, BUILD BLOW PIT & DITCH TO RESERVE PIT. RU RIG FLOOR. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,762	$184,742	$1,902,350	7030567	550		

Activity Date 2/16/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description RU BLOOIE LINE.

Times	Hours	Remarks
	2.00	CONTINUE RIGGING UP UNIT DRLG RIG #236. SAFETY MTG, PU SWIVEL & KELLY.
	14.00	NU 10K BPE & CHOKE HOUSE.
	5.50	TEST CSG TO 1200 PSI, ANNULAR TO 3500 PSI. TEST BLIND & UPPER & LOWER PIPE RAMS AND CHOKE MANIFOLD TO 5000 PSI.
	2.50	RU BLOOIE LINE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$19,850	$204,592	$1,902,350	7030567	550		

Activity Date 2/17/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	8.50	RU BLOOIE LINE.
	6.50	RACK & MEASURE BHA & TIH. TAG CMT @ 531' KB.
	4.00	TIGHTEN ROTATING HEAD STUDS. DRLG F/ 531-576'.
	5.00	DRLG 12-3/8" HOLE W/ HAMMER, 4-6K, 48 RPM, 2400 SCFM, 250 PSI.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$36,282	$240,874	$1,902,350	7030567	850	274	

Activity Date 2/18/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description DRLG.

Times	Hours	Remarks
	2.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 850-949', 4-6K, 48 RPM, 2400 SCFM, 290 PSI.
	1.50	REPAIR BLOW PIT.
	9.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 949-1480', 4-6K, 48 RPM, 2400 SCFM, 310 PSI.
	0.50	WLS @ 1432' - 3/4 DEG.
	11.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 1480-2250', 4-6K, 48 RPM, 2400 SCFM, 330 PSI.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$29,480	$270,354	$1,902,350	7030567	2250	1400	

Activity Date 2/19/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	2.00	ESTABLISH MIST RATE - HOLE NOT DUSTING PROPERLY @ 2193'.
	1.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 2193-2284' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	WLS @ 2236' - 0 DEG.
	2.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 2284-2348' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	RIG SERVICE.
	16.50	DRLG 12-3/8" HOLE W/ HAMMER F/ 2348-3094' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	1.50	FLOOR MOTOR OUT OF DIESEL - ON GRAVITY SYSTEM W/ 55" IN MAIN TANK.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$25,359	$295,713	$1,902,350	7030567	3094	901	

Activity Date 2/20/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CUT DRLG LINE.

Times	Hours	Remarks
	3.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 3094-3217' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	RIG SERVICE.
	9.50	DRLG 12-3/8" HOLE W/ HAMMER F/ 3217-3560' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	WLS @ 3513' - 3/4 DEG.
	4.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 3560-3743' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	BIT TORQUEING - BLOW HOLE CLEAN.
	4.00	POH, LD HAMMER.
	2.00	CUT DRLG LINE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,157	$336,870	$1,902,350	7030567	3743	649	

Activity Date 2/21/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description WAIT ON WEATHERFORD.

Times	Hours	Remarks
	6.00	MU 12-1/4" BIT. PU BIT & TIH TO 3743'.
	1.00	ATTEMPT TO WORK JUNK BASKET, WEATHERFORD HAD 3 COMPRESSORS GO DOWN.
	17.00	WAIT ON WEATHERFORD TO REPLACE & REPAIR COMPRESSORS.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,157	$378,027	$1,902,350	7030567	3743		

Activity Date 2/22/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
		DRLG F/ 3743-3887'. NO OTHER INFORMATION AVAILABLE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$7,043	$385,070	$1,902,350	7030567	3887	144	

Activity Date 2/23/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description ND BOPE.

Times	Hours	Remarks
	3.50	DRLG 12-1/4" HOLE F/3887-3943' W/ 40K, 70 RPM, 3600 SCFM, AIR MIST.
	0.50	BLOW HOLE CLEAN.
	0.50	WLS @ 3943' - 1 DEG.
	2.50	POH TO RUN CSG.
	1.50	RU TO RUN CSG. SAFETY MTG.
	6.00	RUN 90 JTS 9-5/8" 40# N-80 LTC CSG.
	3.00	ATTEMPT TO UNLOAD HOLE W/ AIR. SAFETY MTG.
	2.00	RU DOWELL & PUMP 30 BW AHEAD & 655 SX LEAD @ 7.8 BPM @ 325 PSI. TAIL W/ 195 SX @ 5.4 BPM @ 200 PSI. DROP PLUG & DISPLACE W/ 293 BW @ 250 PSI AVG. BUMP PLUG W/ 1000 PSI - FLOATS HELD. DID NOT CIRC CMT. PD @ 1:30 A.M. 2/23/04.
	4.50	ND BOPE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$136,778	$521,848	$1,902,350	7030567	3943	56	

Activity Date 2/24/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description TEST UPPER & LOWER PIPE RAMS.

Times	Hours	Remarks
	2.00	RU WINCHES & PU BOP.
	10.00	HAD 60 PSI GAS IN 13-3/8" X 9-5/8" ANNULUS. HELD SAFETY MTG & VENTED OFF GAS. CUT OFF 9-5/8" CSG. INSTALL "B" SECTION.
	6.50	NU BOPE.
	5.50	SET TEST PLUG & TEST KELLY, TIW VALVES & INSIDE BOP VALVES & CHOKE & BLIND RAMS TO 10,000 PSI. TEST UPPER & LOWER PIPE RAMS TO 10,000 PSI.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$29,750	$551,598	$1,902,350	7030567	3943		

Activity Date 2/25/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG CMT.

Times	Hours	Remarks
	6.00	TEST UPPER & LOWER PIPE RAMS TO 10,000 PSI. TEST ANNULAR TO 3500 PSI. TEST CSG TO 4000 PSI. TEST MUD LINE TO 5000 PSI.
	6.00	RU HALLIBURTON WL & RUN GAMMA, CCL & CMT BOND LOG.
	1.50	INSTALL WEAR BUSHING. RU PUMPS TO WATER TANK.
	2.50	LD 8" DC'S.
	3.00	MU 8-3/4" BIT & TIH TO 3848'.
	5.00	DRLG CMT PLUG & FLOAT COLLAR & CMT TO 3880' W/ 8000#, 60 RPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$36,252	$587,850	$1,902,350	7030567	3943		

Activity Date 2/26/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SQUEEZE CMT.

Times	Hours	Remarks
	4.75	DRLG CMT TO 3943'.
	0.50	DRLG 8-3/4" HOLE F/ 3943-3954'.
	0.75	CIRC HOLE CLEAN.
	2.00	RU SCHLUMBERGER & DRILL FIT, 1800 PSI BREAK DOWN - 30 MIN TO 1200 PSI.
	2.50	POH.
	3.50	TIH W/ OEDP TO 3949'.
	7.50	WAIT ON CEMENTERS.
	0.75	SPOT 150 SX CMT @ 13.5 PPG, 500' PLUG.
	0.75	POH TO 2089'.
	1.00	SQUEEZE CMT.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$23,050	$610,900	$1,902,350	7030567	3954	11	

Activity Date 2/27/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description COND MUD.

CONFIDENTIAL

Times	Hours	Remarks
	5.00	SQUEEZE CMT THRU SHOE. PUMP 31 BBLS.
	0.50	POH.
	2.50	RU SCHLUMBERGER & PUMP CMT DOWN 13-3/8" X 9-5/8" ANN. NO PRESSURE.
	16.00	WOC. TIH W/ DRLG ASSY. DISPLACE HOLE TO OIL BASE MUD. COND MUD.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$197,750	$808,650	$1,902,350	7030567	3954		

Activity Date 2/28/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CMT.

Times	Hours	Remarks
	5.50	CIRC & COND MUD. BRING MW UP TO 10.2.
	1.50	DRLG CMT F/ 3872-3954' W/ 10K, 65 RPM & CIRC HOLE CLEAN.
	1.50	RU SCHLUMBERGER & DO FIT. BREAK DOWN @ 600 PSI, 13.1 EMW.
	2.50	POH.
	5.50	WAIT ON RETAINER.
	1.50	MU RETAINER & TIH TO 3863' W/ RETAINER & DP.
	3.00	CIRC HOLE. WAITING ON CEMENTERS. ROAD CLOSED @ UTAH STATE LINE DUE TO SNOW.
	3.00	SAFETY MTG. RU SCHLUMBERGER. TEST PUMPS & LINES TO 4500 PSI. PUMP 5 BW @ 2.7 BPM @ 961 PSI, 10 BBLS CACL2 WATER @ 2.7 BPM @ 1007 PSI, 10 BW @ 2.7 BPM @ 1135 PSI, 10 BBLS ZONE LOCK @ 2.7 BPM @ 1135 PSI, 10 BW @ 2.7 BPM @ 1149 PSI, 300 SX "G" (345 FT3), 63 BBLS "G" @ 15.8 @ 2.7 BPM @ 110 PSI, 20 BW @ 2.7 BPM @ 233 PSI, 10 BBLS CACL2 WATER @ 2.7 BPM @ 499 PSI, 10 BW @ 2.7 BPM @ 838 PSI, 10 BBL ZONE LOCK @ 2.7 BPM @ 1071 PSI, 10 BW @ 2.7 BPM @ 993 PSI, 300 SX (345 FT3), 63 BBLS "G" W/ 1% CACL2, 200 SX TXI LITE (244 FT3) @ 2.7 BPM @ 206 PSI. DISPLACE W/ 50 BBLS @ 2.7 BPM, 1295 PSI.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$33,050	$841,700	$1,902,350	7030567	3954		

Activity Date 2/29/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description WOC.

Times	Hours	Remarks
	21.00	CIRC HOLE, WOC.
	2.50	RU BJ, SAFETY MTG. TEST PUMPS & LINES TO 5000 PSI. PUMP 20 BBLS CACL2 WATER @ 2 BPM @ 1950 PSI, 3 BW @ 2 BPM @ 2330 PSI, 20 BBLS FLOGUARD @ 2.0 BPM @ 2290 PSI, 3 BW @ 2.0 BPM @ 2190 PSI, 158 SX LEAD (62 BBLS - 350 FT3) HIGH STRENGTH FM W/ 5% SALT, 1/4# CELLOFLAK, 0.2% CD-32, .05% FL-52, 6% A-10, 2% SODIUM METASILICATE @ 12.7 PPG @ 2 BPM @ 2700 PSI. TAIL W/ 200 SX (40 BBLS - 228 FT3) CLASS "H" W/ 5% SALT @ 2.2 BPM @ 2100 PSI. DISPLACE W/ 40 BW @ 2.4 BPM @ 2000 PSI. STING OUT OF RETAINER @ 1 BPM @ 2300 PSI. REVERSE OUT WATER & 3 BBLS CMT.
	0.50	CIRC HOLE, WOC.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$115,350	$957,050	$1,902,350	7030567	3954		10.1

Activity Date 3/1/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG OUT RETAINER.

Times	Hours	Remarks
	23.00	CIRC, WOC ABOVE CMT RETAINER.
	1.00	DRLG OUT RETAINER.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$21,348	$978,398	$1,902,350	7030567	3954		10.1

Activity Date 3/2/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description TIH, LD EXTRA DP.

CONFIDENTIAL

Times	Hours	Remarks
	9.50	DRLG OUT CMT, RETAINER & CMT TO 3954'.
	1.50	CIRC HOLE CLEAN. SAFETY MTG W/ HANDS & BJ.
	2.50	FIT TEST - HELD 1600 PSI, 17.7 EMW.
	3.00	POH TO RUN BOND LOG.
	4.00	RU ROCKY MOUNTAIN WL & RUN CBL. PROBLEMS W/ TRUCK - LOST ALTERNATOR. PU BHA, BIT, MOTOR, 2 DC'S, STB, 3 DC'S, STAB, 6 DC'S, JAR, 30 JTS HW DP, -DP & TIH. LD EXTRA DP.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$17,915	$996,313	$1,902,350	7030567	3954		10.0

Activity Date 3/3/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	3.00	PU BHA, BIT, MOTOR, 2 DC'S, STAB, 3 DC'S, STAB, 6 DC'S, JAR, 30 JTS HW DP, -DP & TIH. LD EXTRA DP.
	11.00	DRLG F/ 3954-4170' W/ 5-15K, MM 117 RPM, ROT 50-60, 2550 PSI, 404 GPM.
	0.50	RIG SERVICE.
	9.50	DRLG F/ 4170-4380' W/ 5-15K, MM 117 RPM, ROT 50-60, 2550 PSI, 404 GPM.
		LITHOLOGY: ANHYDRITE, SHALE, SOME SALT. POSSIBLY IN CLASTIC #2. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$42,946	$1,039,259	$1,902,350	7030567	4380	426	11.0

Activity Date 3/4/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	4.50	DRLG F/ 4380-4509' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 2750 PSI, 404 GPM.
	0.50	WLS @ 4479' - 1 DEG.
	19.00	DRLG F/ 4509-4925' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 2750 PSI, 404 GPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$24,200	$1,063,459	$1,902,350	7030567	4925	545	11.2

Activity Date 3/5/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	3.50	DRLG F/ 4925-4975' W/ 5-15K, MM 117 RPM, ROT 50-60, 2750 PSI, 404 GPM.
	1.00	WLS @ 4937' - 2 DEG.
	6.00	DRLG F/ 4975-5130' W/ 5-15K, MM 117 RPM, ROT 50-60, 2825 PSI, 404 GPM.
	0.50	RIG SERVICE.
	13.00	DRLG F/ 5130-5355' W/ 5-15K, MM 117 RPM, ROT 50-60, 3150 PSI, 404 GPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$36,966	$1,100,425	$1,902,350	7030567	5355	430	12.2

Activity Date 3/6/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	7.00	DRLG F/ 5355-5491' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 2750 PSI, 404 GPM.
	1.00	WLS @ 5461' - 1 DEG.
	0.50	RIG SERVICE.
	0.50	REPAIR SUCTION MANIFOLD GASKET.
	12.00	DRLG F/ 5491-5721' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 3150 PSI, 362 GPM.
	1.00	WORK ON PUMPS - SWABS.
	0.50	DRLG F/ 5491-5721' W/ 5-15K, MM 117 RPM, ROTRY 50-60, 3150 PSI, 362 GPM.
	1.00	WORK ON PUMPS - BELTS.
	0.50	DRLG F/ 5721-5730' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 3150 PSI, 362 GPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,860	$1,142,285	$1,902,350	7030567	5730	375	13.0

Activity Date 3/7/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description CHANGING SCREENS.

Times	Hours	Remarks
	5.50	DRLG F/ 5730-5815' W/ 5-15K, MM 100 RPM, ROTARY 60-65, 2850 PSI, 345 GPM.
	1.00	REPLACE BELTS ON #2 PUMP.
	9.00	DRLG F/ 5815-5908' W/ 5-15K, MM 100 RPM, ROTARY 60-65, 2850 PSI, 345 GPM.
	1.00	CHANGE SHAKER SCREENS.
	3.00	DRLG F/ 5908-5955' W/ 5-15K, MM 100 RPM, ROTARY 60-65, 2850 PSI, 345 GPM.
	4.50	CIRC. TRY TO LOWER LG SOLIDS. UNABLE TO KEEP MUD ON SHAKERS. UNABLE TO OPERATE CENTRIFUGE. UNABLE TO CONTACT SWACO FOR REPAIRS OR SHAKER SCREENS. CHANGING SCREENS & USING ALL SCREEN COMBINATIONS ON LOCATION - 84-210 MESH. CURRENTLY HAVE 84 MESH ON ONE, 110 MESH ON #2.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$40,565	$1,182,850	$1,902,350	7030567	5955	225	13.0

Activity Date 3/8/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	8.00	HAD SWACO OUT TO WORK ON SHAKERS TO TRY & KEEP MUD ON SHAKERS. TURNED COUNTER BALANCES & SCREEN COMBINATIONS. HAVE 84'S ON BOTH SHAKERS. WORK ON CENTRIFUGES.
	1.50	DRLG F/ 5955-5974' W/ 5-15K, 60 RPM, 2950 PSI, 315 GPM, MM 91 RPM.
	4.50	CIRC, TRY TO KEEP MUD ON SHAKERS.
	1.00	DRLG F/ 5974-5988' W/ 5-15K, 60 RPM, 3050 PSI, 315 GPM, MM 91 RPM.
	1.00	PULL UP RISERS, CLEAN & SHUT DOWN CENTRIFUGES. PREP TO PARTIALLY BYPASS SHAKERS.
	8.00	DRLG F/ 5988-6115' W/ 5-15K, 60 RPM, 3050 PSI, 315 GPM, MM 91 RPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$35,226	$1,218,076	$1,902,350	7030567	6115	160	15.4

Activity Date 3/9/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CLEAN PITS.

Times	Hours	Remarks
	4.50	DRLG F/ 6115-6182' W/ 5-15K, 60 RPM, 3050 PSI, 315 GPM, MM 91 RPM.
	0.50	CIRC HOLE.
	5.50	TRANSFER MUD, MIX & PUMP PILL.
	4.50	POH.
	9.00	CLEAN PITS.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$40,571	$1,258,647	$1,902,350	7030567	6182	67	15.4

Activity Date 3/10/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description COND MUD & HOLE.

Times	Hours	Remarks
	3.00	MU BIT & TIH TO SHOE.
	6.00	CLEAN PITS & UNPLUG EQUALIZERS.
	15.00	BUILD VOLUME & COND MUD & HOLE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$42,197	$1,300,844	$1,902,350	7030567	6182		15.5

Activity Date 3/11/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

CONFIDENTIAL

Description DRLG.

Times	Hours	Remarks
	3.00	BUILD VOLUME & CONDITION MUD & HOLE @ 4500'. CHANGING SHAKER SCREEN SIZE.
	0.50	TIH TO 5232'.
	3.50	BUILD VOLUME & CONDITION MUD & HOLE @ 4500'. CHANGING SHAKER SCREEN SIZE.
	0.50	TIH TO 6182'.
	8.50	BUILD VOLUME & CONDITION MUD & HOLE @ 6182'. CHANGING SHAKER SCREEN SIZE.
	8.00	DRLG F/ 6218-6315' W/ 30-35K, 70-75 RPM, 2950 PSI, 315 GPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$66,030	$1,366,874	$1,902,350	7030567	6315	133	15.5

Activity Date 3/12/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description POH.

Times	Hours	Remarks
	9.50	DRLG F/ 6315-6475' W/ 30-35K, 70-75 RPM, 3050 PSI, 315 GPM.
	0.50	RIG SERVICE.
	1.00	WLS @ 6475' - 1-1/2 DEG.
	5.50	DRLG F/ 6475-6542' W/ 30-35K, 70-75 RPM, 3050 PSI, 315 GPM. UNABLE TO KEEP MUD ON SHAKERS.
	5.50	CIRC COND MUD. UNABLE TO KEEP MUD ON SCREENS W/ PUMP @ IDLE.
	2.00	PUMP SLUG & POH TO SHOE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$47,146	$1,414,020	$1,902,350	7030567	6542	227	15.5

Activity Date 3/13/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description DISPLACING HOLE W/ 15.5 PPG SALT WATER BASED MUD.

Times	Hours	Remarks
	3.00	TRANSFERRED INVERT TO STORAGE TANKS, CLEAN PITS.
	17.00	CLEAN PITS, BUILD 600 BBL 15.5 PPG SALT WATER BASE MUD.
	1.50	TIH TO 6537'.
	2.50	PUMP & DISPLACE WELL W/ 435 TOTAL BBLS 15.5 PPG SALT WATER BASED MUD @ 5-6 BPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,844	$1,455,864	$1,902,350	7030567	6542		15.5

Activity Date 3/14/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description TIH.

Times	Hours	Remarks
	0.50	FINISH DISPLACING WELL W/ 455 TOTAL BBLS 15.5 PPG SALT WATWE BASED MUD @ 5-6 BPM.
	1.00	MIX & PUMP SLUG. OBSERVE WELL STATIC.
	1.50	POH TO 3893'.
	20.00	FILL MUD PITS W/ BRINE, BUILD VISCOSITY & WEIGHT UP TO 15.5 PPG.
	1.00	TIH TO +-6000' @ 6:00 A.M.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$38,656	$1,494,520	$1,902,350	7030567	6542		15.5

Activity Date 3/15/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description REPAIR RIG DRAWWORKS.

CONFIDENTIAL

Times	Hours	Remarks
	4.00	CIRC & COND MUD. CHANGE SHAKER SCREENS, MAX BOTTOMS UP GAS 80 UNITS.
	2.50	DRLG F/ 6542-6580'.
	1.00	REPAIR SHEARED OFF BOLTS ON RIG DRAWWORKS ENGINE TORQUE CONVERTER.
	7.00	DRLG F/ 6580-6682'. PENETRATION RATE DECREASED TO 2 FPH.
	1.00	DROP SURVEY, OBSERVE WELL STATIC, PUMP SLUG.
	1.00	POH TO 5668'.
	1.00	TROUBLE SHOOT DRAWWORKS CLUTCH. LOW DRIVE CLUTCH LINKAGE IS DAMAGED.
	1.00	POH TO 9-5/8" CSG SHOE (HOLE CONDITIONS GOOD).
	5.50	CONTINUE REPAIRING CLUTCH LINKAGE - INSTALLING NEW CHAIN FOR LOW DRIVE CLUTCH.
		NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$30,865	$1,525,385	$1,902,350	7030567	6682	140	15.5

Activity Date 3/16/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description P-TESTING BOP'S & RELATED EQPT.

Times	Hours	Remarks
	1.50	INSTALL NEW CHAIN FOR DRAWWORKS LOW DRIVE CLUTCH.
	2.50	TIH TO 6682' (OBSERVE WELL FLOWING PENCIL SIZED STREAM WHILE REPAIRING DRAWWORKS).
	8.00	CIRC & RAISE MUD WT F/ 15.5 - 15.8 PPG. 214 UNITS TRIP GAS W/ ,UD CUT TO 14.5 PPG.
	2.00	WORK PIPE 10 MIN W/O PUMP. OBSERVE WELL. CIRC BOTTOMS UP. MAX BOTTOMS UP GAS 4 UNITS.
	2.50	PUMP SLUG. POH TO 9-5/8" CSG SHOE.
	0.50	OBSERVE WELL. STATIC - NO FLOW PER 1/2 HR.
	4.50	CONTINUE POH. RETRIEVE SURVEY (1 DEG @ 6679'). LD BIT & 1 DC.
	1.50	RETRIEVE WEAR BUSHING. OBSERVE WELL STATIC.
	1.00	P-TEST KELLY VALVES WHILE DRAINING STACK.
		MAN HRS 432.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$25,360	$1,550,745	$1,902,350	7030567	6682		15.8

Activity Date 3/17/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKE.

Times	Hours	Remarks
	6.00	P-TEST BOP'S & RELATED EQPT TO PURE & BLM SPECS. TEST RAMS TO 250 LOW/10000 PSI HIGH. TEST HYDRIL TO 250 LOW/3500 PSI HIGH. NO FLOW F/ CSG ANNULUS VALVE THRUOUT TEST.
	1.00	RETRIEVE TEST PLUG, INSTALL WEAR BUSHING.
	2.00	LD WORN HEX KELLY & REPLACE W/ NEW ONE.
	3.00	PU NEW BIT, MOTOR, RIH W/ BHA.
	4.00	RIH TO 6650'. BREAK CIRC @ 9-5/8" CSG SHOE.
	0.50	WASH F/ 6650-6682' - NO FILL. HOLE CONDITIONS GOOD WHILE RUNNING THRU OH SECTION.
	1.00	DRLG F/ 6682-6685'. BOTTOMS UP GAS 18 UNITS.
	0.50	FOAM UP MUD & RUNNING OVER SHAKER PIT. SHUT DOWN & CORRECT PROBLEM.
	3.00	DRLG F/ 6685-6697'. GAS INCREASED TO 3400 UNITS. MUD/FOAM OVER RUNNING SHAKER PIT.
	0.50	SHUT DOWN - FOAMY, GAS CUT MUD. OBSERVE WELL FLOWING THRU GAS BUSTER - VERIFY 4 BBL GAIN - 3 FINGER STREAM. SHUT IN HYDRIL.
	0.50	AFTER 30 MIN, SIDPP 190 PSI, SICP 260 PSI.
	2.00	CIRC OUT THRU CHOKE - DRILLERS METHOD. RECIPROCATED PIPE WHILE CIRCULATING. 5500 TOTAL STROKES PUMPED @ 6:00 A.M. GAS @ 1844 UNITS.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$18,650	$1,569,395	$1,902,350	7030567	6697	15	15.8

Activity Date 3/18/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description CIRC WELL THRU CHOKE W/ 16.4 PPG MUD.

Times	Hours	Remarks
	1.50	CONTINUE CIRC OUT INFLUX THRU CHOKE (7400 TOTAL STROKES). MAX GAS THRU GAS BUSTER 2800 UNITS FALLING TO 889 UNITS. SWI. SIDPP 250 PSI, SICP 320 PSI.
	4.50	CIRC THRU CHOKE W/ 16.1 PPG MUD. BAR HOPPER MALFUNCTIONED. SWI.
	0.50	UNPLUG BAR HOPPER LINE. SIDPP 50 PSI, SICP 140 PSI.
	2.50	CIRC THRU CHOKE W/ 16.3 PPG MUD, BAR HOPPER PARTIALLY PLUGGED. SWI. REPAIR BAR HOPPER. MALFUNCTION RESULTED IN +-30 BBLS OF 15.8 - 16.1 PPG MUD BEING PUMPED DOWN DP.
	4.00	CONTINUE CIRC'G THRU CHOKE W/ 16.3 PPG MUD.
	2.00	RAISE MUD WT TO 16.4 PPG & CONTINUE CIRC & COND MUD (FOAMING PROBLEMS).
	1.00	SWI. MUD WT IN PITS TOO HIGH (16.5+ PPG). SIDPP F/ 0-80 PSI, CP 80-120-100 PSI IN 1/2 HR.
	8.00	CONTINUE CIRC THRU CHOKE W/ 16.4 PPG MUD. COND MUD & ATTEMPT TO LOWER BACKGROUND/TRAPPED GAS IN MUD. BGG 4700-2600-3370. MUD WT OUT 11.0 PPG TO 14.9 - 12.7 PPG. CURRENTLY @ 46 SPM W/ 960 PSI DPP & 170 PSI CP.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$28,215	$1,597,610	$1,902,350	7030567	6697		16.4

Activity Date 3/19/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKES W/ 17.1 PPG MUD.

Times	Hours	Remarks
	1.00	CIRC OUT GAS THRU CHOKE W/ 16.7 PPG MUD.
	2.00	CIRC THRU CHOKE & RAISE MUD WT F/ 16.7 TO 16.8 PPG.
	0.50	SWI. CORRECT LOW MUD WT IN PITS. SIDPP 40-50 PSI. SICP 240-250 PSI IN 25 MIN.
	7.00	CIRC THRU CHOKE & RAISE MUD WT TO 16.9 PPG.
	0.50	SWI. SIDPP 20, SICP 240 PSI. OPEN CHOKE, OPEN HYDRIL & FLOW BACK 7 BBLS MUD IN 5 MIN. SWI & OBSERVED CP RISING F/ 0 TO 90 PSI IN 20 MIN.
	4.00	CIRC WELL THRU CHOKE @ 61 SPM @ 2950 STROKES. MUD RETURNS HEAVILY GAS CUT & FOAMY. CIRC OUT +-1200 STROKES CUT MUD W/ MAX GAS OF 8700 UNITS. CONT CIRC & COND MUD.
	1.00	SWI. SIDPP 0 PSI, SICP 90-150 PSI. MIX LCM IN SUCTION PIT. CHANGE SHALE SHAKER SCREENS.
	3.00	CIRC ON CHOKE W/ 16.9 PPG LCM LADEN MUD. HOLDING 100+ PSI ADD'L BACK PRESSURE ON ANNULUS.
	4.50	CONT CIRC & RAISE MUD WT F/ 16.9 TO 17.1 PPG. PUMP @ 41 SPM WHILE HOLDING 100+ PSI BACK PRESSURE. ADDING BARITE & LCM TO SYSTEM. HAD 17.0 PPG MUD WT OUT @ 5:00 A.M.
	0.50	SWI. SIDPP 0, SICP 90 PSI. BROUGHT PUMPS UP TO 50 SPM. CIRC & HOLDING 100 PSI BACK PRESSURE, 50 SPM @ 1220 PSI W/ 190 PSI CP, BGG @ 3300 UNITS.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$5,625	$1,603,235	$1,902,350	7030567	6697		16.9

Activity Date 3/20/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description CIRC THRU CHOKES W/ 17.4 PPG MUD.

Times	Hours	Remarks
	10.00	CIRC ON CHOKE @ 50 SPM. INITIALLY HOLDING 100 PSI BACK PRESSURE, THEN STAGING BACK PRESSURE UP TO 160 PSI. BGG F/ 4158-5720-2780 UNITS. ADDING LCM TO SYSTEM WHILE CIRC'G.
	2.00	INCREASE MUD WT TO 17.3 PPG & CONTINUE CIRC'G THRU CHOKE.
	0.50	SWI. MUD WT IN PITS TOO HIGH (17.8 PPG), SIDPP 20, SICP 250 PSI. MONITOR WELL.
	3.50	CONTINUE CIRC 17.3 PPG MUD TO SURFACE + 1 BOTTOMS UP. BGG 2500 UNITS.
	1.00	SWI. SIDPP 10 PSI, SICP 130 PSI AFTER 10 MIN. BLED OFF PRESSURE & OPENED HYDRIL. FLOWED BACK3 BBLS IN 20 MIN. FLOW SLOWED DOWN TO 3 GPM. SWI.
	1.50	CIRC THRU CHOKE @ 57 SPM HOLDING 100 PSI BACK PRESSURE. GAS UP TO 5800 UNITS.
	5.50	INCREASE MW TO 17.4 PPG & CONTINUE CIRC THRU CHOKE @ 57 SPM HOLDING 100 PSI BACK PRESSURE. GAS 4000 UNITS DROPPING SLOWLY TO 3200 UNITS @ 6:00 A.M. MUD WT 17.4 PPG IN & 17.3 PPG OUT.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$27,377	$1,630,612	$1,902,350	7030567	6697		17.4

Activity Date 3/21/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG @ 6730'.

Times	Hours	Remarks
	0.50	CONTINUE CIRC THRU CHOKE W/ 17.4 PPG MUD @ 57 SPM HOLDING 100 PSI BACK PRESSURE.
	1.00	BAR HOPPER PLUGGED. SWI. SIDPP 60 TO 160 PSI, CP 160-170 PSI PER 1 HR.
	5.00	CONTINUE CIRC THRU CHOKE W/ 17.4 PPG MUD. @ 57 SPM HOLDING 100 PSI BACK PRESSURE. MAX GAS FROM SHUT IN WAS 6100 PSI.
	1.00	SWI. SIDPP 20 PSI, SICP 30 PSI. OPEN HYDRIL. FLOWED BACK 2 BBLS W/ FLOW DECREASING TO 2 GPM.
	7.50	SWI. CIRC THRU CHOKE & INCREASE MUD WT TO 17.5 PPG, MAX GAS 5700 UNITS.
	0.50	OPEN WELL & FLOCHECK - NO FLOW.
	0.50	DRLG F/ 6697-6699' W/ 10-15K, 65 RPM, 319 GPM, 3100 PSI, 54 VIS, 17.7 MW.
	2.50	REPAIR AIR LINE & QUICK RELEASE ON #2 MOTOR.
	2.50	DRLG F/ 6697-6699' W/ 10-15K, 65 RPM, 319 GPM, 3100 PSI, 54 VIS, 17.7 MW.
	0.50	INCREASE MW IN SUCTION, PROBLEMS W/ BULK COMPRESSOR.
	2.50	DRLG F/ 6722-6730' W/ 10-15K, 65 RPM, 319 GPM, 3100 PSI, 54 VIS, 17.5 MW.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$105,034	$1,735,646	$1,902,350	7030567	6730	33	17.5

Activity Date 3/22/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC & COND 17.7 PPG MUD.

Times	Hours	Remarks
	1.50	DRLG F/ 6730-6744' W/ 10-15K, 65 RPM, 319 GPM, 3100 PSI, 54 VIS, 17.5 MW.
	1.00	REPLACE ROTATING HEAD RUBBER WHILE CONDITIONING MUD & CORRECTING MUD WT IN SUCTION PIT. OBSERVED GAS ROLLING & BREAKING OUT OF MUD IN BELL NIPPLE WHILE CHANGING ROTATING HEAD RUBBER.
	7.00	DRLG F/ 6744-6790' (CSG POINT). BGG 3100-4000-4300 UNITS.
	7.00	CIRC BOTTOMS UP & COND MUD, AVG 3000 UNITS BGG.
	0.50	FLOW CHECK WELL @ SHAKER. GAS MIGRATING UP HOLE IN SPURTS.
	1.00	CIRC BOTTOMS UP TO CHECK GAS INFLUX WHILE FLOW CHECKING. HAD THICK, FOAMY MUD ON BOTTOMS UP W/ A 38 YIELD PT. MUD WT OUT CUT TO 17.3 PPG.
	6.00	RAISE MUD WT TO 17.6 PPG WHILE CONDITIONING MUD. BGG 300-3200 UNITS, MUD WT OUT 17.6 PPG, PV 25, YP 30, API WL 16, PH 10.5, PF .2, MF .7.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$43,212	$1,778,858	$1,902,350	7030567	6790	60	17.4

Activity Date 3/23/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC & COND 17.7 PPG MUD.

CONFIDENTIAL

Times	Hours	Remarks
	2.00	WAIT ON BARITE. WEIGHT UP SUCTION PIT TO 17.7 PPG.
	2.50	CIRC & DISPLACE HOLE W/ 17.7 PPG MUD.
	2.50	MUD WT TOO LOW. RAISE MUD WT IN SUCTION PIT & COND MUD.
	5.00	CIRC W/ 17.7 PPG MUD. CONDITIONING & CORRECTING LIGHT SPOTS IN MUD.
	1.00	MUD WT TOO LOW. CHANGE SHAKER SCREENS TO 175'S. RU NEW BARITE HOPPER COMPRESSORS.
	5.00	CIRC & COND MUD, 17.7 HEAVY, 3000 UNITS AVG BGG.
	1.00	FLOW CHECK WELL. NO FLOW. CHANGE SHAKER SCREENS, CLEAN OUT GAS BUSTER.
	1.50	PUMP SLUG & PULL 1 STAND & ROTATING HEAD. WELL FLOWING, GAS MIGRATING & BUBBLING IN ANNULUS. RE-INSTALL ROTATING HEAD. RIH 90' TO BOTTOM. START CIRCULATION.
	3.50	CIRC & COND MUD & HOLE. CIRC OUT GAS 5350 UNITS MAX, 202 BBLS AFTER STARTING TO PUMP, MW 17.7+ IN, 17.7 OUT, 50 VIS, PV 33, YP 29, WATER LOSS 28, PH 10.0, BGG @ +-3000 UNITS.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$45,517	$1,824,375	$1,902,350	7030567	6790		17.7

Activity Date 3/24/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description FLOW CHECKING WELL. PREPARING FOR SHORT TRIP.

Times	Hours	Remarks
	1.50	MUD WT TOO LOW IN SUCTION PIT. UNPLUG BAR HOPPER LINE. RIASE MUD WT TO 17.7 PPG.
	22.00	RESUME CIRCULATING & CONDITIONING 17.7 PPG MUD PROPERTIES. LOWERED FLUID LOSS. LOWERED YP, STABILIZED GEL STRENGTHS, BGG LOWER - AVG 1800 UNITS.
	0.50	FLOW CHECK WELL. OBSERVING FLOW @ +- 1 GPM. MIXING SLUG FOR SHORT TRIP.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$72,691	$1,897,066	$1,902,350	7030567	6790		17.7

Activity Date 3/25/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CONDITIONING 18.0 PPG MUD FOR SHORT TRIP.

Times	Hours	Remarks
	1.50	FLOW CHECK WELL. OBSERVING FLOW @ +-1 GPM. MIX & PUMP SLUG. OBSERVE WELL.
	1.50	POH SLOWLY - 5 STANDS. HOLE NOT TAKING PROPER FILL. TIH (4 BBL GAIN).
	2.50	CIRC BOTTOMS UP @ 47 SPM. MAX GAS 1907 UNITS.
	7.50	CONTINUE CIRC. RAISE MUD WT TO 18.0 PPG.
	1.00	FLOW CHECK WELL. OBSERVING FLOW @ +-1 GPM. PULL ROTATING HEAD. OBSERVE WELL FLOWING W/ LESS GAS PERCOLATING THRU MUD.
	0.50	CONTINUE PUMPING. ATTEMPT TO CONDITION MUD WT TO 18.1 PPG. LOST PARTIAL RETURNS. SHUT DOWN.
	0.50	MIX 10 PPB STEEL SEAL LCM PILL WHILE WORKING PIPE SLOWLY. CUT MUD WT TO 18.0 PPG IN PIT.
	4.00	CIRC LCM LADEN 18.0 PPG MUD. MUD LOSSES STOPPED AFTER LCM PASSED 1000 STROKES OUT BIT. CONTINUE CIRC & MONITORING LOSSES. CORRECTING LIGHT & HVY SPOTS IN MUD SYSTEM. CONDITION MUD PROPERTIES FOR TRIP. CONDITIONING MUD TO LOWER YIELD POINT FOR SHORT TRIP.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$53,080	$1,950,146	$1,902,350	7030567	6790		17.7

Activity Date 3/26/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description POH.

CONFIDENTIAL

Times	Hours	Remarks
	1.00	CIRC LCM LADEN 18.0 PPG MUD - NO MUD LOSSES.
	1.00	SHUT DOWN. CORRECT LOW MUD WT IN SUCTION PIT. WELL BREATHING, FLOWING PENCIL SIZED STREAM.
	9.00	CONTINUE CIRC, COND MUD PROPERTIES & CORRECTING LIGHT & HVY SPOTS IN MUD.
	1.00	SHUT DOWN & OBSERVE WELL. FLOWING SLIGHTLY W/ NOTABLY DECREASED GAS BREAKING OUT IN BELL NIPPLE. PUMP SLUG, ALLOW TO FALL 15 MIN.
	3.25	POH FOR SHORT TRIP. PULL 7 STANDS - HOLE TIGHT @ 6210' (TOP STABILIZER @ 6032'). WORK PIPE UP, GRADUALLY INCREASING OVERPULL TO 80K.
	2.75	KELLY UP & CIRC, COND WORKING PIPE SLOW. BECAME DIFFERENTIALLY STUCK.
	1.00	WORK PIPE FREE W/ 100 SPM WORKING PIPE DOWN.
	1.00	CIRC HOLE CLEAN. LOT OF FINES COMING OVER SHAKER. 2920 UNITS GAS.
	2.00	BACK REAM 6121-6080'.
	2.00	POH TO 5415'. PU KELLY PULLING TIGHT.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$49,468	$1,999,614	$1,902,350	7030567	6790		18.1

Activity Date 3/27/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description REAM.

Times	Hours	Remarks
	13.00	POH. BACK REAM WHEN NECESSARY TO 9-5/8" SHOE.
	0.50	RIG SERVICE. OBSERVE WELL - NO FLOW.
	5.00	RIH TO 6490'. BREAK CIRC @ 5900.
	3.0	CIRC, COND MUD TO 18.05#. MUD GAS CUT TO 17.4#.
	2.50	REAM F/ 6532-6600' W/ 2-5K, 55 RPM, 1700 PSI, 90 SPM.
		18.1 MW, 50 VIS, 2184 UNITS GAS. MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$17,050	$2,016,664	$1,902,350	7030567	6790		18.0

Activity Date 3/28/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC & COND MUD.

Times	Hours	Remarks
	1.50	REAM F/ 6575-6790' W/ 2-5K, 65 RPM.
	9.00	CIRC & COND MUD FOR WIPER TRIP. RUN NUT PLUG SWEEP.
	0.50	FLOW CHECK WELL - NO FLOW.
	3.00	PUMP PILL & WIPE HOLE TO SHOE - NO DRAG.
	0.50	OBSERVE WELL & RIG SERVICE.
	2.50	TIH - NO FILL OR BRIDGES.
	7.00	CIRC & COND MUD, GAS CUT MUD, SMOOTH OUT MW & GAS.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$48,887	$2,065,551	$1,902,350	7030567	6790		18.0

Activity Date 3/29/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CSG CSG.

Times	Hours	Remarks
	4.50	CIRC & COND MUD, GAS CUT MUD, SMOOTH OUT MW & GAS, 18.1 MW IN, 17.9 OUT.
	0.50	FLOW CHECK - STATIC.
	8.00	PUMP SLUG. POH TO RUN CSG. STAND BACK DC'S. LD MOTOR.
	0.50	FUNCTION TEST ANNULAR, PULL WEAR BUSHING.
	2.00	SAFETY MTG W/ CSG CREW & RIG CREW. RU TO RUN CSG. MONITOR WELL.
	7.00	RUN 145 JTS 7" 26# P-110 LTC (6789.93') CSG. FILL EVERY 3 JTS - FULL RETURNS.
	1.50	CIRC CSG @ 6780'.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$50,230	$2,115,781	$1,902,350	7030567	6790		18.1

Activity Date 3/30/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description ND BOPE.

CONFIDENTIAL

Times	Hours	Remarks
	9.00	CIRC CSG @ 6780'.
	3.50	SAFETY MTG W/ CEMENTERS & RIG HANDS. RU & TEST PUMPS & LINES. PUMP 45 BBLS MUD. PUSH @ 18.0 PPG. FOLLOW W/ 1016 SX (162 BBLS) DENSCRETE @ 18.6 PPG @ 3.9 BPM @ 192 PSI. DROP PLUG & DISPLACE W/ 260.5 BBLS MUD @ 18.15 PPG @ 3.9 BPM. GOOD RETURNS THRUOUT PUMPING. FINAL 463, 1.2 BPM PSI DID NOT BUMP PLUG. SHUT IN HEAD W/ 463 PSI.
	5.50	SHUT IN CSG W/ 45 PSI. SET SLIPS W/ 175K STRING WT. PREPARE TO ND.
	6.00	ND BOPE.
		19 PERSONS ON LOCATION. NO DAILY COST REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$0	$2,115,781	$1,902,350	7030567	6790		18.1

Activity Date 3/31/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description FUNCTION TEST BOP'S.

Times	Hours	Remarks
	6.00	ND 13-5/8" BOP. TRANSFER MUD CROSS VALVES TO 7-1/16" BOP.
	0.50	NU C-SECTION. TEST TO 4300 PSI.
	5.50	NU 7-1/16" BOP.
	8.00	CONTINUE NU 7-1/16" BOP. FABRICATE FLOW LINE EXTENSION.
	1.00	TEST KELLY, UPPER & LOWER KELLY COCKS 250 PSI LOW - 10K HIGH. TEST MUD LINE STAND PIPE 250 PSI LOW - 5000 PSI HIGH.
	3.00	CENTER BOP. INSTALL FLOW LINE EXTENSION FROM ROTATING HEAD TO FLOW LINE. INSTALL ORBIT VALVE. FUNCTION TEST BOP'S.
		19 PERSONS ON LOCATION. TODAY'S COST INCLUDES DAILY COST FOR 3/30/04.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$223,361	$2,339,142	$1,902,350	7030567	6790		18.1

Activity Date 4/1/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description LD DC'S.

Times	Hours	Remarks
	9.00	FUNCTION TEST BOPE. TEST ANNULAR TO 250 LOW - 3500 HIGH. TEST CHOKE, LINES, VALVES, HCR, UPPER PIPE RAMS, BLIND RAS TO 250 LOW - 10,000 HIGH. TEST CS & LOWER PIPE RAMS TO 250 LOW - 10,000 HIGH. ALL TESTS GOOD & WITNESSED BY MR. JACK JOHNSON OF THE MOAB OFFICE OF THE BLM.
	4.00	RU HALLIBURTON WL & RUN GAMMA/CBL FROM 6610-3000'.
	8.00	DRESS PUMPS W/ 5" LINERS.
	3.00	INSTALL WEAR BUSHING & LD 6-1/4" DC'S.
		PERSONS ON LOCATION 19.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$47,150	$2,386,292	$1,902,350	7030567	6790		18.1

Activity Date 4/2/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description DRLG CMT & SHOE.

Times	Hours	Remarks
	3.00	LD BHA, 6-1/4" DC'S & JARS.
	4.00	PU BIT, MOTOR, 15 - 4-3/4" DC'S.
	6.00	RU KELLY SPINNER & CUT DRLG LINE.
	8.00	TIH TO 6683'. INSTALL CSG PROTECTORS ON DP.
	2.00	CIRC OUT HEAVY MUD.
	1.00	DRLG PLUGS, CMT, INSERT, CMT & SHOE.
		PERSONS ON LOCATION 19.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$67,040	$2,453,332	$1,902,350	7030567	6790		18.1

Activity Date 4/3/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC, SMOOTH OUT MUD.

CONFIDENTIAL

Times	Hours	Remarks
	5.50	DRLG CMT, FC, CMT & SHOE TO 6790'.
	0.50	RIG SERVICE.
	1.00	DRLG F/ 6790-6798' W/ 205K ROTARY TORQUE SPIKED. THEN RELEASED - WOULD NOT DRILL.
	2.50	CIRC, WORK ON BAR HOPPER. MIX & PUMP PILL.
	7.50	POH, LD MOTOR.
	5.00	MU MOTOR & TEST MOTOR. TIH TO 6790'.
	2.00	CIRC, SMOOTH OUT MUD.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$25,314	$2,478,646	$1,902,350	7030567	6798	8	18.1

Activity Date 4/4/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	0.50	CIRC & COND MUD.
	0.50	DRLG F/ 6798-6810' W/ 20-4K, 55 RPM, 200 GPM, 2200 PSI.
	1.00	CIRC BOTTOMS UP FOR FIT.
	0.50	FORMATION INTEGRITY TEST - 18.1 MW, 330 PSI, 19.0 EMW.
	5.00	UNABLE TO BLEED PRESSURE OFF THRU CHOKE. NO CHOKE & KILL LINES. DRAIN BOPE, FLUSH OUT W/ WATER. FOUND PIECE OF SASH CORD & THICK MUD. NU CHOKE & KILL LINE. WAIT ON TEST PUMP.
	0.50	TEST CHOKE & KILL LINE TO 250 LOW & 10,000 PSI HIGH FOR 15 MIN EACH.
	0.50	PULL TEST PLUG & INSTALL WEAR BUSHING.
	2.50	DRLG F/ 6810-6823' W/ 2-4K, 55 RPM, 200 GPM, 2200 PSI, 50 VIS, 18+MW.
	0.50	RIG SERVICE.
	1.50	DRLG F/ 6823-6851' W/ 2-5K, 55 RPM, 200 GPM, 2200 PSI, 50 VIS, 18+ MW.
	1.00	CIRC COND MW F/ 17.5 - 18.1.
	10.00	DRLG F/ 6851-6983' W/ 2-6K, 60 RPM, 220 GPM, 2400 PSI, 50 VIS, 18+ MW.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$30,004	$2,508,650	$1,902,350	7030567	6983	185	18.0

Activity Date 4/5/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description KILL WELL THRU CHOKE.

Times	Hours	Remarks
	4.00	DRLG F/ 6983-7008' W/ 2-6K, 60 RPM, 220 GPM, 2400 PSI, 50 VIS, 18+ MW - LOSING MUD.
	1.50	CIRC HOLE @ 120 GPM. ATTEMPT TO BUILD VOLUME. LOSING APPROX 1/2 BPM.
	0.50	POH TO SHOE.
	11.75	LOWER MUD WT SLOWLY WHILE BUILDING VOLUME. MUD WT 17.1.
	6.25	SWI. WELL FLOWING - KILL WELL THRU CHOKE, 450 PSI ON CHOKE, CURRENT MW 17.4 PPG. 14.5 MW COMING BACK OUT OF HOLE.
		NO. OF PERSONS OF LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$62,878	$2,571,528	$1,902,350	7030567	7008	25	17.0

Activity Date 4/6/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	15.00	SWI. WELL FLOWING. KILL WELL THRU CHOKE. 120 PSI ON CHOKE, CURRENT MW 17.8 PPG. CIRC OUT KICK W/ 17.8 PPG IN, 15.5 - 16.5 OUT. COND MUD TO 17.8.
	1.00	TIH TO 6884'. TAG BRIDGE.
	2.00	WASH & REAM 6884-7008'.
	3.00	CIRC & COND MUD & HOLE, 17.8 PPG - NO LOSSES.
	3.00	DRLG 6-1/8" HOLE F/ 7008-7025' W/ 2-6K, 207 GPM, 17.8 MW, 50 VIS.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$53,923	$2,625,451	$1,902,350	7030567	7025	17	17.8

Activity Date 4/7/2004 **Type of Report:** **DRILLING** **PROGRESS REPORT**

Description WASH & REAM TO BOTTOM.

CONFIDENTIAL

Times	Hours	Remarks
	3.00	DRLG 6-1/8" HOLE F/ 7025-7040' W/ 2-6K, 207 GPM, 17.8 MW, 50 VIS.
	4.00	UNABLE TO MAKE CONNECTION. WORK TIGHT HOLE. BACK REAM TO MAKE CONNECTION.
	2.00	NO DIFFERENTIAL ON MOTOR. CIRC HOLE CLEAN. FLOW CHECK HOLE. MIX & PUMP SLUG.
	2.00	POH, FLOW CHECK HOLE @ SHOE - NO FLOW. PULL TO 6100'. HOLE NOT TAKING FLUID. SWABBING.
	1.00	TIH TO BOTTOM.
	6.00	CIRC & COND MUD & HOLE. 17.8 MW GAS TO 7200 UNITS. DOWN TO 250 UNITS.
	2.50	FLOW CHECK WELL - NO FLOW. MIX PILL, BULK HOPPERS PLUGGED UP. UNPLUG HOPPERS, MIX & PUMP SLUG.
	2.50	POH TO SHOE. FLOW CHECK - NO FLOW. PU 2 STANDS - HOLE SWABBING. TIH TO 6884'.
	1.00	WASH & REAM 6884' TO BOTTOM - 2400 UNITS GAS.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$34,622	$2,660,073	$1,902,350	7030567	7040	15	17.8

Activity Date 4/8/2004 **Type of Report:** **DRILLING** **PROGRESS REPORT**

Description TIH.

Times	Hours	Remarks
	1.00	WASH & REAM F/ 7972-7040'.
	3.00	CIRC COND HOLE & MUD TO TRIP.
	13.50	TRIP FOR MUD MOTOR - NO FLOW. HOLE TAKING PROPER FLUID. LD MUD MOTOR.
	6.50	PU BIT SUB. CHANGE JETS TO 3 X 14. TIH - HOLE DISPLACING PROPER FLUID.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$20,407	$2,680,480	$1,902,350	7030567	7040		17.9

Activity Date 4/9/2004 **Type of Report:** **DRILLING** **PROGRESS REPORT**

Description CIRC.

Times	Hours	Remarks
	1.50	TIH TO SHOE - HOLE DISPLACING FLUID PROPERLY.
	2.50	CIRC BOTTOMS UP & SLOW PUMP RATE.
	1.50	RIH TO 7040'.
	3.50	DRLG 6-1/8" HOLE F/ 7040-7088' W/ 4-6K, 80 RPM, 210 GPM, 17.8 MW, 45-50 VIS.
	0.50	RIG SERVICE.
	14.00	DRLG 6-1/8" HOLE F/ 7088-7180' W/ 4-6K, 80 RPM, 210 GPM, 17.8 MW, 45-50 VIS.
	0.50	CIRC HOLE FOR SAMPLES.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$28,889	$2,709,369	$1,902,350	7030567	7180	140	17.9

Activity Date 4/10/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SHORT TRIP - WASHING & REAMING TO BOTTOM.

CONFIDENTIAL

Times	Hours	Remarks
	1.00	CIRC SAMPLES FOR GEOLOGIST.
	1.50	DRLG F/ 7180-7190' W/ 4.5K, 80 RPM, 210 GPM.
	1.00	CIRC SAMPLES FOR GEOLOGIST.
	4.00	DRLG F/ 7190-7220' W/ 4.5K, 80 RPM, 210 GPM.
	10.00	CIRC HOLE CLEAN. SMOOTH OUT MUD WT TO 17.8.
	1.50	OBSERVE WELL STATIC. POH TO 6730'. NO ABNORMAL DRAG OR TIGHT SPOTS.
	1.00	WAIT 1 HR. OBSERVING WELL STATIC.
	1.50	RIH. TAG BRIDGE @ 6982'. LD 8 JTS DP.
	2.50	WASH & REAM MULTIPLE TIMES F/ 6942-6993'. MADE CONNECTION. UNABLE TO GET ROTARY BUSHING IN. WORK PIPE, ENGAGE BUSHING, REAM TO 7020'. MAX TRIP GAS 2979 UNITS.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$29,031	$2,738,400	$1,902,350	7030567	7220	40	17.8

Activity Date 4/11/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RU HALLIBURTON TO LOG WELL.

Times	Hours	Remarks
	5.50	WASH & REAM MULTPLE TIMES F/ 6942-6993'. UNABLE TO PASS THRU LEDGE/OBSTRUCTION @ 6983' W/O ROTATING. WASH & REAM TO 7220' W/O FURTHER DIFFICULTY.
	5.50	CIRC & CONDITION MUD TO 18.0 PPG.
	12.00	OBSERVE WELL STATIC. POH SLOWLY. HOLD CONDITIONS GOOD. LD BIT.
	1.00	HOLD SAFETY MTG. RU HALLIBURTON LOGGING SERVICE EQPT.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$34,031	$2,772,431	$1,902,350	7030567	7220		18.0

Activity Date 4/12/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description WASH & REAM THRU OBSTRUCTIONS/LEDGES @ +- 6975'.

Times	Hours	Remarks
	3.50	RIH W/ HWS DENSITY NEUTRON GR/CALIPER TOOL. SET DOWN ON SOLID LEDGE/OBSTRUCTION @ 6969' WLM. UNABLE TO WORK TOOL THRU. POH & RD WL EQPT.
	3.50	RIH W/ ROCK BIT ON 4-3/4" DC'S TO 570'. MONITOR WELL WHILE WAITING O 3-PT REAMERS.
	2.00	POH & PU 2 - 3 PT REAMERS, PLACED 34' & 65' ABOVE BIT.
	4.00	TIH TO 3400'.
	1.00	FILL PIPE & DRAIN TRIP TANK BACK TO SYSTEM.
	3.00	TIH & LD 7 JTS DP.
	3.00	WASH & REAM F/ 6962-6993'. TRIP GAS 5295 UNITS W/ A 16.5 PPG LOW MUD CUT.
	0.50	CONDITION LIGHT SPOT OF MUD BACK TO 18.0 PPG.
	3.50	ATTEMPT TO MAKE CONNECTION @ 6993'. UNABLE TO GET KELLY BUSHINGS IN ROTARY. BREAK JT OUT. WASH & REAM THRU TIGHT SPOT @ 6955' THRU 6964'. MADE CONNECTION. CONTINUE WASHING & REAMING TIGHT SECTIONS @ +-6975' @ REPORT TIME.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$23,220	$2,795,651	$1,902,350	7030567	7220		18.0

Activity Date 4/13/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC WELL ON CHOKE @ 6712'.

CONFIDENTIAL

Times	Hours	Remarks
	11.00	WASH & REAM & WORK BOTH REAMERS THRU TIGHT SPOTS F/ 6964-7005'. NOTED GRADUAL IMPROVEMENT W/ BIT PASSING THRU TIGHT SECTIONS W/O ROTATING.
	1.50	CONTINUE WASHING & REAMING TO 7220'. WORK THRU TIGHT SPOTS @ 7130'.
	6.00	CIRC & COND MUD TO 18.0 PPG. LOST PARTIAL RETURNS.
	1.00	MIX & PUMP LCM PILL. ESTABLISH FULL RETURNS (75 BBLS MUD LOST).
	1.00	POH INTO CSG SHOE @ 6712. (WELL FLOWING BACK MUD @ 1 BPM STEADY) W/ 62 BBLS BACK FLOW INCREASED. SWI. SICP 540, SIDPP 40.
	2.00	CIRC OUT THRU CHOKES USING DRILLERS METHOD. MUD RETURNS HEAVILY GAS CUT, FOAMY W/ 5% OIL CUT. @ BOTTOMS UP STROKES, HAD TO SWI DUE TO SWACO CHOKE FAILURE (AIR LINE PART).
	1.00	REPAIR AIR LINE. UNABLE TO CONTINUE CIRC DUE TO PLUGGED CHOKE LINE. SIDPP 250 PSI, CSP 0 PSI. UNPLUG CHOKE LINE & RECORD 310 PSI CP.
	0.50	SIDPP 340 PSI, SICP 370 PSI. CIRC ON CHOKE @ 50 SPM @ REPORT TIME.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$35,835	$2,831,486	$1,902,350	7030567	7220		189.0

Activity Date 4/14/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC WELL ON CHOKE @ 6712'.

Times	Hours	Remarks
	1.00	CIRC ON CHOKE @ 2 BPM W/ 18+ PPG MUD. BAR HOPPER PLUGGED. MUD WT FELL TO 17.2 PPG.
	2.50	UNPLUG BAR HOPPER. CONDITION MUD TO 18.3 PPG. SIDPP 250-400 PSI, CSG 240-390 PSI. BLEED OFF SICP PRESS TWICE TO TAKE CARE OF WELL WHILE WEIGHTING UP & CONDITIONING MUD.
	5.50	CIRC ON CHOKE W/ 18.3 - 18.1+ PPG MUD. #1 MUD PUMP WENT DOWN FOR REPAIR.
	0.50	BUILD VOLUME IN PITS. BLEED OFF SICP ONCE TO LOWER DPP & TAKE CARE OF WELL. SWAPPED TO #2 PUMP.
	2.50	CIRC THRU CHOKE W/ 18.1 PPG MUD. RAN OUT OF BULK BARITE WHILE CIRC W/ 910 DPP, 850 PSI CP.
	1.00	MIX SACK BARITE & WAIT ON BULK TRUCK. SIDPP 150-440 PSI, SICP 1410-1660 PSI. BLEED OFF ONCE.
	4.00	CIRC ON CHOKE W/ 18.3 PPG MUD, DPP 930-1060-860 PSI, CP 1280-190-460. RAN OUT OF BULK BARITE!!
	3.50	MIX SACK BARITE & WAIT ON BULK TRUCK, SIDPP 140-3540 PSI, SICP 970-1400 PSI.
	2.50	CIRC ON CHOKE W/ 18.3 PPG MUD, DPP 870-910 PSI, CP 1250-250-2250 PSI. @ 3333 STROKES OR NEAR CALCULATED BOTTOMS UP, CP ROSE RAPIDLY F/ 450-2250 PSI @ 3900 STROKES. MUD PUMP ALSO MALFUNCTIONED W/ SPM F/ 40-71 SPM @ 3900 STROKES. WELL WAS SHUT IN W/ 2450 SICP.
	1.00	SIDPP 360, SICP 2700 PSI. CIRC ON CHOKE @ 35 SPM, DPP 850 PSI, CP 2700-840 PSI @ REPORT TIME.
		NO. OF PERSONS ON LOCATION 22.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$97,220	$2,928,706	$1,902,350	7030567	7220		18.0

Activity Date 4/15/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description MONITOR CSG & DP PRESSURE, CLEANING MUD PITS, PREPARING FOR SNUBBING UNIT.

CONFIDENTIAL

Times	Hours	Remarks
	5.00	CIRC ON CHOKE @ 35 SPM & ATTEMPT TO COND MUD WT TO 18.1 PPG. HAD TO DUMP 145 BO CONTAMINATED MUD TO RESERVE PIT. HAD 1-5 MIN SHUT DOWN DUE TO LOW MUD WT. MUD LOSSES @ 20+ BPH RATE. LOWERED CSG BACK PRESSURE AS LOW AS 40 PSI TO CONTROL LOSS.
	1.50	SHUT DOWN - UNABLE TO MAINTAIN MUD WT MIXING SACK & BULK BARITE. SICP 2010 PSI, SIDPP 60 PSI. INCREASE MUD WT & VOLUE IN PITS. SICP 2010-2100 PSI. SIDPP 50 PSI (FLOAT HOLDING).
	2.00	RESUME CIRC ON CHOKE. DUMP 45 BBLS OIL CONTAMINATED MUD TO RESERVE PIT. DPP 1040-900 PSI @ 35 SPM, CP 2100-260 PSI. MUD WT AGAIN TOO LOW. SWI. SIDPP 50 PSI, SICP 440 PSI.
	15.50	MONITOR CP INCREASES. BLED OFF GAS 3 TIMES WHILE PRESSURE CLIMBED F/ 440-2000 PSI IN 8 HRS. PRESSURE THEN INCREASED TO 2850 PSI @ 6:00 A.M. (400-2850 PSI) - 200 PSI, SLOWING TO A 30 PSI PER HR INCREASE. SIDPP 0 PSI (FLOAT HOLDING).
		24 PERSONS ON LOCATION.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$50,473	$2,979,179	$1,902,350	7030567	7220		16.5

Activity Date 4/16/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description MONITORING CSG & DPP, BUILDING MUD VOLUME, PREP FOR SNUBBING UNIT.

Times	Hours	Remarks
	4.00	MONITOR CSG & DPP WHILE CLEANING MUD PITS & PREPARING FOR SNUBBING OPERATION. SIDPP 0 PSI (FLOAT HOLDING), SICP 2850 BUILDING TO 3100 PSI.
	1.00	BLEED OFF CP TO 2700 PSI. BLEED GAS UNTIL MUD RETURNS FROM GAS BUSTER. CP ROSE BACK TO 3000 PSI IN 45 MIN.
	19.00	CONTINUE MONITOR CSG & DPP WHILE CLEANING MUD PITS & BUILDING SOME MUD VOLUME IN SUCTION PIT. SICP 3000-3510 PSI (10 PSI GAIN LAST 5 HRS). SIDPP 0 PSI.
		26 PERSONS ON LOCATION.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$34,814	$3,013,993	$1,902,350	7030567	7220		16.5

Activity Date 4/17/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description BUILDING MW IN PITS WHILE MONITORING CSG & DP PRESSURES.

Times	Hours	Remarks
	16.50	MONITOR CSG & DP PRESSURES WHILE CLEANING MUD PITS, BUILD NEW MUD IN PITS & PREPARE RIG FOR SNUBBING OPERATION.
	7.50	OFFLOAD 140 BBLS 11.5 PPG CALC WATER TO SUCTION PIT. BUILD VIS & MW TO 12.25 PPG @ REPORT TIME. SICP 3510-3585 PSI (75 PSI GAIN LAST 24 HRS). SIDPP 0 PSI (FLOAT HOLDING).
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$51,882	$3,065,875	$1,902,350	7030567	7220		18.6

Activity Date 4/18/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKE @ 7185'.

CONFIDENTIAL

Times	Hours	Remarks
	2.00	UNPLUG BAR HOPPER LINE. MONITOR CSG & DP PRESSURES.
	10.50	MONITOR CSG & DP PRESSURES WHILE BUILDING NEW MUD TO 18.3 PPG IN PITS. SICP 3585-3600 PSI (15 PSI GAIN LAST 12.5 HRS), SIDPP 0 PSI (FLOAT HOLDING).
	0.50	SAFETY MTG. START MUD PUMP FOR KILL OPERATION. DRILL PRESSURED UP TO 800 PSI.
	3.50	BREAK OVER TO 600 PSI. DPP GAUGE ON SWACO CHOKE MANIFOLD FAILED. SWI.
	6.50	REPAIR GAUGE. SICP 3550-3700, SIDPP 260. BLEED OFF PRESS TO ZERO TO RECALIBRATE SENSOR. CIRC 18.3 PPG MUD AROUND THRU CHOKE USING 1ST STEP DRILLERS METHOD. DUMP 250 BBLS CONTAMINATED MUD TO RESERVE PIT UNTIL MUD OUT WAS 17.4 PPG. THEN CLOSE SYSTEM. CONTINUE CIRC, CUTTING MUD WT BACK TO 18.0+ & ATTEMPTING TO BUILD VOLUME.
	1.50	STRIP IN HOLE W/ +-400 PSI CP. START CIRC BOTTOM OF HOLE @ REPORT TIME - BIT DEPTH @ 7185'. SI CSG PRESS 440 PSI, SIDP ZERO - FLOAT HOLDING. PUMPING 18.0+ PPG MUD DOWN HOLE @ 2 BPM.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$47,919	$3,113,794	$1,902,350	7030567	7220		18.0+

Activity Date 4/19/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKE W/ 18.2 PPG MUD @ 7185'.

Times	Hours	Remarks
	3.00	CIRC W/ 18.0+ PPG @ 2 BPM THRU CHOKE @ 7185', CP 410-900-790 PSI, DPP 910-1080 PSI. MUD LOSSES @ 5-15 BPH, MAX BOTTOMS UP GAS AFTER STRIPPING TO BOTTOM WAS 6790 UNITS.
	1.00	BAR HOPPER PLUGGED. SWI. SICP 770 INCREASING TO 840 PSI, SIDPP 660-670 PSI.
	8.00	CONTINUE CIRC ON CHOKE @ 2 BPM. CONDITION MUD WT TO 18.1+ PPG IN, 18.1+ PPG OUT, CP 700-160-560 PSI, DPP 1090-920. MAX BOTTOMS UP GAS AFTER SHUT DOWN 6700 UNITS. MUD LOSSES RANGED F/ 5-20 BPH RATE. HAD GAS INFLUX WHEN CP BELOW 200 PSI W/ 18.1 PPG MUD WT. BGG HAD DROPPED TO A LOW OF 728 UNITS BEFORE - 3010 UNITS AFTER INFLUX.
	12.00	CONTINUE CIRC'G, RAISING MUD WT TO 18.2 PPG, CP 560-350-230-360 PSI. DPP 950-1050 PSI. MUD LOSSES RANGED F/ 10-12 BPH, BGG 3010 TO +-400 UNITS. CURRENTLY CIRC'G OUT GAS INFLUX. MAX 2300 UNITS F/ WHEN CP DROPPED TO 230 PSI WHILE CIRC'G.
		32 PERSONS ON LOCATION.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$233,591	$3,347,385	$1,902,350	7030567	7220		18.2

Activity Date 4/20/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description NU CUDD WELL CONTROL 7-1/16" 10M SNUBBING UNIT.

Times	Hours	Remarks
	3.00	CIRC W/ 18.2 PPM MUD @ 2 BPM THRU CHOKE @7185'. CP 540-260 PSI, DPP 910-1010 PSI. MUD LOSSES @ 15-20 BPH, BGG DECREASING F/ 2400-182 UNITS.
	0.50	HELD SAFETY MTG. SWI. BLED OFF DPP. FLOATS HOLDING. SICP STABILIZED @ 380 PSI.
	0.50	STOOD BACK KELLY. STRIPPED OUT OF HOLE W/ 2 STANDS DP. OBSERVED WELL STABBING W/ CSG PRESS INCREASING TO 460 PSI (DECIDED NOT TO DISPLACE DP VOLUME DOWN KILL LINE).
	2.00	MADE UP KELLY & PULLED 9 SINGLE JTS DP. PUMPED PIPE DISPLACEMENT WHILE PULLING OUT. CP DROPPED F/ 460-350 PSI. CLOSED TIW VALVE & REMOVED IBOP. STRIPPED IN & LANDED DS ON TOP SET BOP RAMS. 12' BELOW RIG FLOOR. LOCKED RAMS CLOSED. STRING WT ON RAMS 100K#. BIT DEPTH 6701'. SICP DROPPED TO 260 PSI WHEN LANDING STRING.
	3.50	ND ROTATING HEAD, 7-1/16" 5M ANNULAR BOP, DSA. SICP 260-400 PSI.
	12.00	NU CUDD 7-1/16" 10M SNUBBING UNIT, 7-1/16" 15M DOUBLE, SPACER SPOOLS, 7-1/16" SINGLE, STRIPPING LOOP, 15M X 5M SPOOL, 7-1/16" SCHAFFER ANNULAR SNUBBING UNIT JACK.
	2.50	HOOKING UP HOSES & STEEL LINES. PREP TO SET WORK BASKET. SICP 459 PSI (59 PSI INCREASE SINCE 3:30 P.M. NO PRESSURE INCREASE LAST 8 HRS.
		NO. OF PERSONS ON LOCATION 47.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$93,183	$3,440,568	$1,902,350	7030567	7220		18.2

Activity Date 4/21/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description ATTEMPTING TO SET WL BRIDGE PLUG IN DS.

CONFIDENTIAL

Times	Hours	Remarks
	12.00	NU SNUBBING UNIT & EQPT. SICP 459 PSI DECREASING TO 426 PSI IN 12 HRS (33 PSI).
	6.00	PU 2 JTS 4" DP & SCREW INTO TIW VALVE 12' BELOW ROTARY. ATTEMPT TO P-TEST SNUBBING RAMS W/O SUCCESS. RE-DOPE & TIGHTEN DP INTO TIW VALVE. CHASE & REPAIR VARIOUS LEAKS. BLEED OFF VALVES, TEST SNUBBING RAMS TO 6000 PSI - ANNULAR TO 2500 PSI.
	1.00	STRIP OUT & LD 2 JTS DP WHILE DISPLACING PIPE VOLUME DOWN ANNULUS. CP 510 PSI DECREASING TO 250 PSI. OPEN TIW VALVE & FOUND 390 PSI DPP.
	5.00	RU BLUE JET WL W/ LUBRICATOR. ATTEMPT TO RIH W/ 2" GAUGE RING. GAUGE RING WOULD NOT DROP. LD LUBRICATOR & CHECK EQPT. BLEED OFF DPP & ROCK & ATTEMPT TO SEAT FLOAT W/O SUCCESS. MIXING 20 PPG SLUG @ REPORT TIME.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$75,576	$3,516,144	$1,902,350	7030567	7220		18.2

Activity Date 4/22/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RU TO RIH & SET 1.75" OD WL SET BRIDGE PLUG.

Times	Hours	Remarks
	1.00	MONITOR PRESSURES. SIDPP 340 INCREASING TO 390 PSI, SICP 300-310 PSI.
	0.50	LD WL LUBRICATOR. RU TO PUMP DOWN DP. HELD SAFETY MTG.
	0.50	PREP TO CIR THRU CHOKE. MUD WT IN PITS TOO LOW (18.0 PPG). SIDPP 440, SICP 310.
	1.00	UNPLUG BAR HOPPER. RAISE MUD WT IN PITS TO 18.2 PPG.
	2.50	CIRC 18.2 PPG MUD THRU CHOKE. DPP 1900, CP 300-210 PSI, MAX GAS 1028 UNITS DECREASING TO 250 UNITS. MUD LOSSES @ 20+ BPH. CIRC 50 BBLS 19.5 MUD DOWN DP. SIDPP 0 PSI, CP 350 PSI.
	4.00	HOOK UP LUBRICATOR. RIH W/ 2.00" OD GAUGE RING & JUNK BASKET TO TOP OF REMER @ 6641' WLM.
	3.00	RIH W/ BAKER 1.970" OD TYPE "N" BRIDGE PLUG. STOP @ 4351'. THICK MUD, DPP 0, SICP 380 PSI. POH.
	0.50	BULLHEAD 25 BBLS 19.5 PPG MUD (1.4 BPM @ 1100 PSI), SIDPP 0, SICP 380-410 PSI.
	3.00	RIH W/ BAKER 1.98" OD TYPE "N" BRIDGE PLUG. STOP @ 4500'. THICK MUD, DPP 0, SICP 420 PSI. POH.
	8.00	WAIT ON OWEN 1.75 - 2.44 BRIDGE PLUG. PUMP 5 BBLS 19.5 PPG MUD DOWN DP IN INCREMENTS OF 1 HR. CP 420-500-235 PSI. SIDPP 0 PSI.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$111,978	$3,628,122	$1,902,350	7030567	7220		18.2

Activity Date 4/23/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SNUBBING OUT OF HOLE W/ DRLG ASSY.

Times	Hours	Remarks
	4.00	MU & RIH W/ OWEN 1.75" OD MAGNA RANGE BRIDGE PLUG. TAG TOP REAMER & PU 10'. SET PLUG. POH, RD WL. P-TEST PLUG TO 2000 PSI, CP SPIKED F/ 240-350 & SETTLED TO 210 PSI DURING 10 MIN TEST. PRESS THEN FELL TO 150 PSI WHEN DP PRESS BLED OFF.
	1.50	RU MUD BUCKET & LD LINES. FUNCTION TEST EQPT. SICP 150 INCREASING TO 220 PSI.
	1.50	SNUBBED OUT OF HOLE W/ 16 JTS 4" DP. FILLING HOLE W/ CALC PIPE VOLUME IN KILL LINE.
	1.00	SHUT DOWN FOR LUNCH (SNOW, SLEET, RAIN). CP 220 DECREASING TO 90 PSI WHILE SNUBBING.
	4.50	SNUBBED OUT OF HOLE W/ 4" DP, CP 90-120 PSI. PUMPING .5 BBLS PER JT.
	1.00	SAFETY MTG. CHANGE OUT CREWS. SERVICE SNUBBING EQPT.
	2.50	SNUBBED OUT OF HOLE W/ 4" DP. CP 90-120 PSI. PUMPING .5 BBLS PER JT.
	1.00	CLEANED UP WORK AREA.
	1.00	SNUBBED OUT OF HOLE W/ 4" DP. CP +-120 PSI (AFTER PUMPING).
	1.50	REPAIRED HYDRAULIC HOSE ON POWER TONGS.
	4.50	SNUBBED OUT OF HOLE W/ 4" DP. CP +-120 PSI (AFTER PUMPING). HAVE LD 156 OF 171 JTS 4" DP IN STRING.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$66,968	$3,695,090	$1,902,350	7030567	7220		18.2

Activity Date 4/24/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RU SNUB IN HOLE W/ 4-1/2" LINER.

Times	Hours	Remarks
	2.00	SNUB OUT OF HOLE W/ 171 TOTAL JTS 4" DP, CP 120-130 PSI (AFTER PUMPING).
	3.50	SNUB OUT OF HOLE W/ 30 TOTAL JTS 4" HWDP, CP 130 INCREASING TO 160 PSI (AFTER PUMPING).
	3.00	CHANGE OUT PIPE RAMS & OTHER EQPT TO HANDLE 4-3/4" DC'S. CLEAN FLOOR. CP FLUCTUATING F/ 160-130-205 PSI.
	0.50	SNUBBING UNIT EQUALIZER LINES PLUGGED. WORK & UNPLUG LINE.
	3.00	SNUB OUT W/ 4-3/4" DC'S. WORK REAMER ASSY & BIT 5' ABOVE BLIND RAMS, CP 205-150 PSI.
	12.00	SHUT IN & LOCK BLIND RAMS. LD 2 REAMERS, 2 DC'S & BIT. CLEAN & SERVICE EQPT. CHANGE PIPE RAM & HANDLING EQPT TO 4-1/2". MU 4-1/2" FLOAT EQPT TO CSG SHOE JT. RU, RACK & STRAP DP TO RUN LINER. CP 150 INCREASING TO 247 PSI @ REPORT TIME.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$70,132	$3,765,222	$1,902,350	7030567	7220		18.3

Activity Date 4/25/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SNUBBINE IN HOLE W/ 4-1/2" LINER ASSY.

Times	Hours	Remarks
	6.00	PU 1ST JT 4-1/2" LINER. MU FLOAT EQPT & LANDING COLLAR. PUMP THRU FLOATS & FILL SNUBBING STACK. EQUALIZE PRESSURE & SNUB IN 4-1/2" LINER. CP 240-280-250 PSI.
	4.50	MU LINER HANGER ASSY. RUN THRU SNUBBING STACK (W/ DIFFICULTY). CP 240-160-250 PSI.
	1.50	CHANGE SNUBBING UNIT RAMS & HANDLINE EQPT TO 4".
	6.50	SNUB IN LINER W/ 4" DP FILLING PIPE & PUMPING PIPE VOL EVERY 25 JTS TO PREVENT BLOW BACK. MAINTAINING 250 PSI ON ANNULUS. BUILD MUD VOLUME WHILE TRIPPING IN.
	1.00	CUDD LUNCH.
	1.00	SNUB IN LINER W/ 4" DP FILLING PIPE & PUMPING PIPE VOLUME EVERY 25 JTS TO PREVENT BLOW BACK. MAINTAINING AVG 250 PSI ON ANNULUS. BUILD MUD VOLUME WHILE TRIPPING IN.
	1.00	CHANGE OUT SLIPS ON LOWER RAM.
	2.00	SNUB IN LINER W/ 4" DP TO +-4200'. HAVE PU 115 JTS 4" DP @ 6:00 A.M. (12.7 JTS/HR AVG). MAINTAINING AVG +- 250 PSI ON ANNULUS. TAKING MUD IN RETURNS. CURRENTLY NO GAS @ SURFACE.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$59,875	$3,825,097	$1,902,350	7030567	7220		18.2

Activity Date 4/26/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SHUT IN CHOKE

Times	Hours	Remarks
	4.00	SNUB INHOLE W/ 4-1/2" LINER ON 4" DP TO 5800'. CP 250-280-230 PSI.
	0.50	PUMP DS CAPACITY TO FILL PIPE & AVOID BLOW BACK.
	2.00	CONTINUE SNUBING IN W/ 4-1/2" LINER TO 6780'.
	2.00	PUMP BOTTOMS UP @ 1.5 BPM HOLDING 200 PSI ON CHOKE. HOLE TOOK APPROX 75 BBLS.
	3.00	CONTINUE SNUBBING IN W/ 4-1/2" LINER TO 7220'.
	4.00	CIRC DP & OH VOLUME @ 1.5 BPM. HOLE TOOK APPROX 50 BBLS. RU DOWELL & BATCH MIX MUD PUSH & CMT SLURRY. PUMP DP & OH VOLUME TO ABOVE LINER HANGER @ 2 BPM, 750 PSI ON DP. HOLDING 200 PSI ON CHOKE.
	6.00	SAFETY MTG. SET HANGER & PUMP 35 BBLS MUD PUSH @ 3 BPM, 1400 PSI F/B 450 SX. DENSE CRETE @ 18.6 PPG @ 3 BPM, 1500 PSI. WASH PUMPS & LINES. DROP PLUG & DISPLACE W/ 80.27 BBLS MUD HOLDING 200-250 PSI ON CHOKE, 1775 PSI. BUMP PLUG TO 2393. UNABLE TO SET PKR. PRESS UP TO 1500, UNSTING, HOLD 140-150 PSI ON CHOKE & CIRC OUT 35 BBLS CMT @ 4 BPM. SHUT IN CHOKE. PUT 325 PSI ON BACKSIDE. PRESSURE CLIMBED TO 375 PSI @ REPORT TIME.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$66,889	$3,891,986	$1,902,350	7030567	7220		18.2

Activity Date 4/27/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RU TO SNUB OUT OF HOLE.

CONFIDENTIAL

Times	Hours	Remarks
	2.50	CSG PRESSURE BUILT UP F/ 380-520', DROPPING TO 400 PSI.
	9.50	BLEED OFF CSG PRESSURE 400-350. WAITING ON WL TRUCK. STEP DOWN PRESS 9:30 (350-300), 10:00 (330-300), 11:30 (405), 12:15 (524), 1:00 (BLEED DOWN 525-30 PSI), 2:15 (BUILD UP TO 290:). ATTEMPT TO SET PKR. PRESSURE BUILT TO 320 PSI.
	2.50	PUMP BOTTOMS UP & SPOT 19.2 PPG MUD ON BOTTOM @ 2 BPM. 770 PSI ON DP. HOLDING 250 ON CSG. ISP 350 PSI ON DP, 510 ON CSG, 5/590 DP, 490 CSG. PUMP 19.2 PPG DOWN DP, 5/DP 0 PSI, 390 PSI ON CSG.
	8.00	RD CMT MANIFOLD & LD 1 JT DP. SAFETY MTG. RU MESA WL & RUN WL BRIDGE PLUG TO 6579'. TEST BRIDGE PLUG TO 1850 PSI. RD WL.
	1.50	RIG UP TO SNUB OUT OF HOLE.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$151,805	$4,043,791	$1,902,350	7030567	7220		18.2

Activity Date 4/28/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CLEAN & SERVICE EQPT.

Times	Hours	Remarks
	6.00	SNUB OUT OF HOLE. PUT .5 BBL PER JT DOWN BACKSIDE. HELD 350-450 PSI ON CSG.
	1.00	SERVICE EQPT.
	7.50	SNUB OUT OF HOLE. PUT .5 BBL PER JT DOWN BACKSIDE. HELD 350-450 PSI ON CSG.
	1.50	CHANGE OUT TONGS.
	3.00	SNUB OUT OF HOLE. PUT .5 BBL PER JT DOWN BACKSIDE. HELD 350-450 PSI ON CSG. LD TOOLS.
	5.00	PUT 500 PSI ON CSG. SWI. CLEAN & SERVICE EQPT. CP DROPPED TO 320 @ 1:00. BUILT SLOWLY TO 450 PSI @ 6:00.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$69,047	$4,112,838	$1,902,350	7030567	7220		18.2

Activity Date 4/29/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC.

Times	Hours	Remarks
	1.50	CLEAN & SERVICE CUDD EQPT.
	3.50	WORK ON TONGS & SLIPS.
	1.50	SNUB IN HOLE W/ POLISH MILLS TO DRESS OFF TIEBACK.
	1.00	FILL PIPE.
	11.50	SNUB IN HOLE FILLING PIPE EVERY 40 JTS. HOLDING 250 PSI ON CSG.
	1.50	WORK ON SLIPS.
	1.25	CIRC BOTTOMS UP @ 2 BPM, 1170 PSI ON DP, 200 PSI ON CSG.
	1.00	RU SWIVEL & WASH INTO TIEBACK 880 PSI ON DP, 200 PSI ON CSG @ 1.5 BPM.
	0.25	SHEAR DOGS ON PACKOFF W/ 40K#. SET 50K# W/ 500 PSI ON DP, 350 PSI ON CSG, DP BLED TO 300 PSI.
	0.75	BLED OFF DP TO 0, CSG TO 25, BUILT TO 80 PSI IN 45 MIN.
	0.25	CIRC BOTTOMS UP TO DO POSITIVE TEST ON PKR.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$59,733	$4,172,571	$1,902,350	7030567	7220		18.2

Activity Date 4/30/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description WEIGHT UP SYSTEM.

CONFIDENTIAL

Times	Hours	Remarks
	1.75	CIRC TO TEST PKR.
	1.50	POSITIVE TEST ON PKR - 575 PSI. BLEED DOWN TO 525 IN 1.5 HRS.
	1.00	PUMP PILL. OBSERVE WELL - NO FLOW.
	2.00	LD 8 JTS DP. PULLED WET. POLISH MILL @ 6402'. HANG OFF STRING W/ TIW IN PIPE.
	2.75	RD CUDD SNUBBING UNIT.
	2.00	CP 0-250 PSI. BLEED OFF PRESS - NO FLOW. CONTINUE TO RD CUDD.
	2.75	RD CUDD. WELL FLOWING. GAIN 36 BBLS ON PVT. SWI.
	0.25	SWI - PRESS 800 PSI.
	10.00	RU CUDD. OBSERVE WELL - 800 PSI-666 PSI @ 9:30 P.M. 960 @ 6:00 A.M. WEIGHT UP SYSTEM TO 18.7 PPG.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$59,309	$4,231,880	$1,902,350	7030567	7220		18.7

Activity Date 5/1/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description SNUB OUT OF HOLE.

Times	Hours	Remarks
	3.50	RU CUDD. OBSERVE WELL, 960 @ 9:30. WEIGHT UP SYSTEM TO 18.7 PPG.
	6.00	CIRC OUT KICK. COND MUD, RAISE MUD WT TO 18.7.
	2.00	FINISH RU SNUBBING UNIT.
	2.00	TIH TO TOP OF TIEBACK. DRESS OFF TIEBACK.
	0.50	SNUB OUT OF HOLE.
	2.00	WORK ON SLIPS.
	2.00	SNUB OUT OF HOLE.
	1.00	CUDD LUNCH.
	5.00	SNUB OUT OF HOLE.
		NO. OF PERSON ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$73,425	$4,305,305	$1,902,350	7030567	7220		18.7

Activity Date 5/2/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description SNUB IN HOLE W/ SCRAPER.

Times	Hours	Remarks
	6.00	SNUB OUT OF HOLE W/ POLISH MILL.
	1.50	CHECK EQPT.
	3.00	SNUB OUT OF HOLE W/ POLISH MILL.
	3.50	SWI. BUILT TO 265 PSI, CLEAN & SERVICE EQPT.
	4.00	MU CSG SCRAPER & BIT & SNUB IN HOLE FILLING PIPE EVERY 40 JTS.
	1.00	CHECK EQPT.
	5.00	SNUB IN HOLE W/ SCRAPER & BIT FILLING PIPE EVERY 40 JTS.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$64,393	$4,369,698	$1,902,350	7030567	7220		18.7

Activity Date 5/3/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description SNUB OUT OF HOLE.

Times	Hours	Remarks
	6.00	SNUB IN HOLE W/ SCRAPER & BIT FILLING PIPE EVERY 40 JTS.
	2.50	CIRC, WORK SCRAPER @ TOP OF TIEBACK, 1070 PSI ON DP, 40 PSI ON CSG. CIRC BOTTOMS UP @ 2 BPM.
	2.50	SNUB OUT OF HOLE W/ SCRAPER & BIT.
	1.00	CHANGE OUT POWER UNIT.
	6.00	SNUB OUT OF HOLE W/ SCRAPER & BIT.
	1.50	SERVICE EQPT.
	4.50	SNUB OUT OF HOLE W/ SCRAPER & BIT.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$60,138	$4,429,836	$1,902,350	7030567	7220		18.7

Activity Date 5/4/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description MONITOR FILL.

CONFIDENTIAL

Times	Hours	Remarks
	1.00	SNUB OUT OF HOLE W/ SCRAPER & BIT.
	2.50	CLEAN & SERVICE EQPT. CSG 225 PSI.
	2.50	MU PKR & SNUB IN HOLE.
	1.00	SERVICE EQPT.
	7.50	SNUB IN HOLE W/ PKR, FILL PIPE EVERY 40 JTS.
	1.25	CIRC & SEAT PKR IN TIEBACK. SHEAR @ 32K, SET DOWN 62K, PULL OUT OF PKR.
	2.00	CIRC HOLE W/ FRESH MUD. CLEAR OUT GAS CUT MUD. 1070 PSI ON DP, 280 PSI ON CSG @ 2 BPM.
	3.75	PRESS UP CSG TO 600, DP 960. CLOSE IN CHOKE & PUMPS. CLOSE LOWER PIPE RAMS, MONITOR PRESS. BLEED DP TO 620. 12:00 - 630 DP, 640 CSG. 12:20 660 DP, 670 CSG. 12:40 700 DP, 700 CSG. 1:00 690 DP, 730 CSG. 1:20 680 DP, 740 CSG. 1:40 680 DP, 750 CSG. 2:00 680 DP, 750 CSG. 2:20 690 DP, 760 CSG. 2:30 690, 760. BLEED DP & CSG TO 10 PSI 1 HR TO 70 PSI, 40 PSI IN 15 MIN, 20 PSI IN 45 MIN.
	2.50	BLEED OFF PRESS. OPEN RAMS & CHOKE. SNUB OUT OF HOLE. MONITOR FILL. CSG 10 PSI.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$69,187	$4,499,023	$1,902,350	7030567	7220		18.7

Activity Date 5/5/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description SNUB IN HOLE.

Times	Hours	Remarks
	6.00	SNUB OUT OF HOLE. MONITOR FILL, CSG PSI ZERO.
	1.00	SERVICE EQPT.
	3.00	SNUB OUT OF HOLE. MONITOR FILL, CSG PSI ZERO.
	11.00	WAIT ON RAMS & SLIP DIES FOR 2-3/8"
	1.00	DRESS RAMS & SLIPS FOR 2-3/8"
	2.00	MU 3-7/8" BIT & PU 18 JTS (574') 2-3/8" N-80 TBG & SNUB IN HOLE. CSG PSI ZERO.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$81,119	$4,580,142	$1,902,350	7030567	7220		18.7

Activity Date 5/6/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description CLEAN CUDD SNUBBING UNIT.

Times	Hours	Remarks
	6.00	MU 3-7/8" BIT & PU 18 JTS (574') 2-3/8" N-80 TBG & SNUB IN HOLE. CSG ZERO PSI.
	1.00	SERVICE EQPT.
	3.00	SNUB IN W/ TBG STINGER.
	1.50	WASH OUT THICK HEAVY MUD F/ 7135-7173'.
	5.50	SAFETY MTG. RU HALLIBURTON & STAGE OUT DRLG MUD W/ 9.5# BRINE WATER.
	2.00	SNUB OUT 25 JTS & HANG PIPE ON UPPER PIPE RAMS. CSG PRESSURE ZERO.
	5.00	RD & CLEAN CUDD SNUBBING UNIT.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$64,632	$4,644,774	$1,902,350	7030567	7220		18.1

Activity Date 5/7/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description LD DP.

Times	Hours	Remarks
	8.50	RD, CLEAN & LOAD OUT CUDD SNUBBING UNIT.
	2.50	RU FLOOR TO LD DP.
	1.00	CHECK PRESSURE, PULL DP OFF RAMS, LD SAFETY VALVE.
	12.00	RU LAY DOWN MACHINE. LD DP & TBG.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$46,700	$4,691,474	$1,902,350	7030567	7220		17.9

Activity Date 5/8/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description LD DP.

Times	Hours	Remarks
	24.00	CLEAN RIG AFTER SNUBBING OPERATIONS. RIG RELEASED 6:00 5/8/04. MAN HRS 264.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$16,560	$4,708,034	$1,902,350	7030567	7220	7213	

Activity Date 5/9/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description RD.

Times	Hours	Remarks
	24.00	RIG DOWN. MAN HRS 228.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$29,800	$4,737,834	$1,902,350	7030567	7220		

Activity Date 5/10/2004 **Type of Report:** DRILLING FINAL REPORT

Description LOWER DERRICK.

Times	Hours	Remarks
	12.00	RIG DOWN - LOWER DERRICK. MAN HRS 216.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$19,910	$4,757,744	$1,902,350	7030567	7220		

Activity Date 5/13/2004 **Type of Report:** COMPLETION INITIAL REPORT

Description SDON.

Times	Hours	Remarks
		OPEN WELL AND CHECK FOR PRESSURE. WAIT ON DRLG RIG MOVE. CLEAN AND LEVEL LOCATION, MIRU SUSTRUCTURE FOR LCE RIG. CLEAN CELLAR, MIRU LCE RIG #8. NU CHANGE OVER FLANGE O 10K SINGLE BLIND BOP. RIG UP ACCUMULATOR. SDON.

Daily Cost	Cum Cost	AFE Amount	AFE #
$25,300	$4,783,044	$1,902,350	7030567

Activity Date 5/14/2004 **Type of Report:** COMPLETION PROGRESS REPORT

Description SDON.

Times	Hours	Remarks
		HELD SAFETY MEETING. JOB ORIENTATION. OPEN WELL AND CHECK FOR PRESSURE. RU HLS WIRELINE. RU 5K LUBRICATOR SYSTEM. RIH AMD CORRELATE TO HALLIBURTON CBL DATED 3/3/04. TAG FILL @ 7110'. PULL CBL AND GR TO 5900'. LOG SHOWED FAIRLY GOOD TO GOOD BOND ACROSS OBJECTIVE ZONE. RD HLS. NU DOUBLE RAM 10K BOP (2 - 7/8" & 2 - 3/8") ON TOP OF BLINDS. RU AND TEST 2 7/8" RAMS TO 10K, HAD LEAK OFF ON PLUG. RESET PLUG ON TBG TEST RAMS. OK. TEST 2 - 3/8" RAMS TO 10K. OK. SET FLOWBACK TANKS, PIPE RACKS AND UNLOAD 2 7/8" PRODUCTIN STRING. SWI. SDON.

Daily Cost	Cum Cost	AFE Amount	AFE #
$15,800	$4,798,844	$1,902,350	7030567

Activity Date 5/15/2004 **Type of Report:** COMPLETION PROGRESS REPORT

Description SDOD.

Times	Hours	Remarks
		OVERNIGHT PRESS 0#. HELD SAFETY MEETING. WATCHING FOR FLOW. ACTUATE ALL BOP RAMS AND BLINDS OK. PU AND TALLY IN HOLE, BHA 6 1/8" BIT, SCRAPPER, ON 2 7/8" 6.5# N-80 8RD EUEU NEW TBG. TORQUE TBG TO 1500#. TAG TOL @ 6636'. PU & CIRC PKR FLUID. PUH TO 5400'. HOLD BOP DRILL. OK. CONTINUE TOH. STANDING BACK TBG. SWI. SDON. LEFT LOCATION WITH DRY WATCH. CAMPERS CAMPED ALL AROUND LOCATION. SDOS.

Daily Cost	Cum Cost	AFE Amount	AFE #
$51,150	$4,849,994	$1,902,350	7030567

Activity Date 5/17/2004 **Type of Report:** COMPLETION PROGRESS REPORT

Description PREP TO LAND TREE.

Times	Hours	Remarks
		OVERNIGHT PRESS. 0#. HELD SAFETY MEETING. TESTIG TUBING IN HOLE. RU MESA WL COMPANY. PU SCIENTIFIC GYRO TOOL. RIJ TAKING 500' STATIONS. TAG PBTD @ 7110'. RD SCIENTIFIC. PU & RIH W/BH TCP ASSY (TCP GUNS, BLANK GUN, SPACER, FIRING HEAD, 1-JT 2 3/8", R/A MARKER, 10-JTS 2 3/8", 2 7/8"x 2 3/8" X-OVER, 1-JT 2 7/8" N-80, XN NIPPLE 6' PUP, X-NIPPLE, 6' PUP, 7" HLS PLS PACKER. RIH PU & TESTING 196 JTS 2 7/8" 6.5# NEW 8RD EUE TBG. RU WL. RIH W/CCL-GR, CHECK SETTIMG DEPTH. POH. PU AND RIH W/2-10' SUBS, 1-8' SUB, AND 1-JT 2 7/8" TBG. TST NEW CONNECTIONS. SPACE OUT AND SET PKR AMD LAND IN 28 PTS COMPRESSION. RIH W/GR-CCL TO CHECK SPACING. SETTING DEAD ON. SECURE WELL. SDON.

Daily Cost	Cum Cost	AFE Amount	AFE #
$93,850	$4,943,844	$1,902,350	7030567

Activity Date 5/18/2004 **Type of Report:** COMPLETION PROGRESS REPORT

Description PREP TO LAND TREE.

Times	Hours	Remarks
		OVERNIGHT PRESS 0#. HELD SAFETY MEETING. DROPPING BAR AND PERFORATING. NDBOP SYSTEM. NU 10K TREE. FLANGE UP FLOWLINES AND CLEAN LOCATION AREA. RU & SWAB FLUID LEVEL TO 1200'. HOLD SAFETY MEETING. HADPRE-DROP DISCUSSION WITH APPROPRIATE PERSONNEL. DROP BAR @ 1:38PM MST 5/18/04. FLANGE UP PRESSURE GUAGE. BAR HIT AND FIRED @ 3 MIN 10 SECS. FLUID TO SURFACE @ 4 MINUTES. PRESSURE TO 2300# @ 4.6 MINUTES. FLOW WELL TO PIT ON 10/64THS CHOKE. TURN OVER TO FLOW BACK PERSONNEL. SLOWBACK SHEET ATTACHED.

Daily Cost	Cum Cost	AFE Amount	AFE #
$13,850	$4,957,694	$1,902,350	7030567

Activity Date 5/19/2004 **Type of Report:** COMPLETION PROGRESS REPORT

Description FLOW TEST WELL.

Times	Hours	Remarks
		FLOW TEST WELL 24 HRS. DID STEP RATE TEST. WELL THIS AM 3400# 10/64THS CHOKE. STABLE AT 3400# FOR 7 HRS.

Daily Cost	Cum Cost	AFE Amount	AFE #
$10,000	$4,967,694	$1,902,350	7030567

Activity Date 5/20/2004 **Type of Report:** COMPLETION PROGRESS REPORT

Description FLOW TEST WELL.

Times	Hours	Remarks
		FLOW TEST WELL 24 HRS. RU HLS SLICKLINE SERVICE. RIH HOLE HOT/WGUAGE RING TO 6491'. OKAY. PU & RIH AND HANG OFF PRESSURE RECORDERS @ 6491'. WELL PRESSURE FLUCTUATED 100#. CONTINUE FLOW TEST WELL. RD MO DD PU. REPORTS SUSPENDED WILL REPORT FLOW TEST DATA EVERY MORNING UNTIL SHUT IN. PRODUCTION COSTS FOR BATTERY INCLUDED IN ESTIMATE.

Daily Cost	Cum Cost	AFE Amount	AFE #
$199,100	$5,166,794	$1,902,350	7030567

TUBING BREAKDOWN AS OF

ROD BREAKDOWN AS OF

FAILURES AS OF

CONFIDENTIAL

CASING HISTORY REPORT

SURFACE LEVEL

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 1/15/2004 **TD Hole Time** **Total Depth:** 550 **Hole Size:** 17-1/2"

Joints Ran	Joint Description	Total Footage	Running Ftg.
11	13-3/8" 48# H-40 CSG	494.80	494.80
	INSERT FLOAT	0.00	494.80
1	13-3/8" 48# H-40 CSG	44.70	539.50
	SHOE	1.00	540.50
12	**Total Joints Ran**	**540.50**	

Cemented as follows: **Top Cement:**

Stage 1 - 800 SX "G" W/ 2% CACL2, 1/4 PPS CELLOFLAKE MIXED @ 5.2 GPS (YLD:1.18, WT:15.60)

Comments

1st INTERMEDIATE LEVEL

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 2/23/2004 **TD Hole Time** **Total Depth:** 3943 **Hole Size:** 12-1/4"

Joints Ran	Joint Description	Total Footage	Running Ftg.
88	9-5/8" 40# N-80 CSG	3829.33	3829.33
	KB	24.00	3853.33
2	9-5/8" 40# N-80 CSG	84.59	3937.92
	FLOAT SHOE	1.75	3939.67
	FLOAT COLLAR	1.45	3941.12
90	**Total Joints Ran**	**3941.12**	

Cemented as follows: **Top Cement:**

Stage 1 - 665 SX CLASS "G" W/ 3% D-79, .2% D-46, .25 PPS D-29 MIXED @ 16.3 GPS (YLD:2.66, WT:11.70)
Tail: 195 SX 50:50 "G" POZ W/ .25 PPS D-29, .2% D-20, 2% S-1, .1% D-46, 5 PPS D-24 MIXED @ 5.5 GPS (YLD:1.30, WT:13.50)

Comments

2nd INTERMEDIATE LEVEL

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 3/22/2004 **TD Hole Time** **Total Depth:** 6790 **Hole Size:** 8-3/4"

Joints Ran	Joint Description	Total Footage	Running Ftg.
143	7" 26# P-110 CSG	6670.23	6670.23
	KB	24.00	6694.23
	FLOAT COLLAR	1.50	6695.73
2	7" 26# P-110 CSG	92.67	6788.40
	SHOE	1.00	6789.40
145	**Total Joints Ran**	**6789.40**	

Cemented as follows: **Top Cement:**

Stage 1 - 1016 SX DENSCRETE MIXED @ 2.2 GPS (YLD:0.90, WT:18.60)

CONFIDENTIAL

Comments

PRODUCTION LEVEL

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 4/10/2004 **TD Hole Time** **Total Depth:** 7220 **Hole Size:** 6-1/8"

Joints Ran	Joint Description	Total Footage	Running Ftg.
	TOP OF LINER	6634.00	6634.00
	SHOE	2.02	6636.02
1	4-1/2" 11.6# P-110 BT&C	41.85	6677.87
	FLOAT COLLAR	1.42	6679.29
	LANDING COLLAR	1.03	6680.32
8	4-1/2" 11.6# P-110 BT&C	355.86	7036.18
1	4-1/2" 11.6# P-110 BT&C X P-110 UTLF	40.64	7076.82
3	4-1/2" 11.6# P-110 UTLF	122.79	7199.61
	HANGER ASSY	19.46	7219.07
13	**Total Joints Ran**	**7219.07**	

Cemented as follows: **Top Cement:**

Stage 1 - 450 SX DENSCRETE MIXED @ 2.2 GPS (YLD:0.90, WT:18.60)

Comments

045

PURE RESOURCES

500 W. Illinois
Midland, TX 79701
Ph (915) 498-8600
Fax (915) 687-3863

RECEIVED
JUL 30 2004
DIV. OF OIL, GAS & MINING

July 28, 2004

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
ATTN: Mr. Dustin Doucet

CONFIDENTIAL

Re: Confidentiality on All Completion Forms
Cane Creek #2-1
API No. 43-019-31396
Grand County, Utah

T. 26S, R. 19E, S. 2

Dear Mr. Doucet,

Intrepid Oil & Gas, LLC (c/o Pure Resources, L.P. –Agent) respectively requests that all the logs and Utah DOGM completion forms (Forms 8 & 9) and other "Well History" and related documents pertaining to this captioned well be held **"CONFIDENTIAL"** for the maximum period of time allowed. Your consideration and approval of this request is greatly appreciated.

Should you have any questions or need any further information concerning this request, please call me at (432) 498-8662 or e-mail me at abohling@PureResources.com .

Thank you.

Sincerely,

Alan W. Bohling

Alan W. Bohling
Regulatory Agent –Intrepid Oil & Gas
(c/o Pure Resources, L. P.)

CONFIDENTIAL

AMENDED REPORT ☐ (highlight changes)

FORM 8

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-65972

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

7. UNIT or CA AGREEMENT NAME: Cane Creek Unit

8. WELL NAME and NUMBER: Cane Creek #2-1

9. API NUMBER: 43 - 019-31396

10 FIELD AND POOL, OR WILDCAT: Wildcat

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 19E

12. COUNTY: Grand

13. STATE: UTAH

1a. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ DRY ☐ OTHER

b. TYPE OF WORK: NEW WELL ☑ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC

3. ADDRESS OF OPERATOR: 700-17th St., Ste. 1700 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 296-3006

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 2289' FNL & 518' FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW: Same
AT TOTAL DEPTH: Same

CONFIDENTIAL PERIOD EXPIRED ON 6-18-05

14. DATE SPUDDED: 1/12/2004

15. DATE T.D. REACHED: 4/10/2004

16. DATE COMPLETED: 5/18/2004 ABANDONED ☐ READY TO PRODUCE ☑

17. ELEVATIONS (DF, RKB, RT, GL): 5,947' GL

18. TOTAL DEPTH: MD 7,220 TVD

19. PLUG BACK T.D.: MD 7,110 TVD

20. IF MULTIPLE COMPLETIONS, HOW MANY? * No

21. DEPTH BRIDGE PLUG SET: MD TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
No logs except CBL were run. CBL already on file.

23.
WAS WELL CORED? NO ☑ YES ☐ (Submit analysis)
WAS DST RUN? NO ☑ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☑ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
17-1/2"	133/8 H40	48	0	540		G 800		0' CIR	0'
12-1/4"	9-5/8 N80	40	0	3,941		G 850		0' CAL	0'
						G&H 1,308			
8-3/4"	7 P110	26	0	6,789		D-crete 1,016		0' CIR	0'
6-1/8"	4.5 P110	11.6	6,634	7,219		D-crete 450		6,634'	0'

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	7,038	6,474						

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Cane Creek	6,968	7,038	6,968	7,038
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
6,968 7,038	.48"	420	Open ☑ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
6,968' - 7,038'	Natural Completion

RECEIVED
JUL 30 2004
DIV. OF OIL, GAS & MINING

29. ENCLOSED ATTACHMENTS:
☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☑ OTHER: Well History

30. STATUS: Producing

(5/2000)

(CONTINUED ON BACK)

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
6/28/2004	7/12/2004	24		513	657	0	Flowing

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:
10/64	2,760		43.00		1,281		513	657	0	Flowing

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Vented

33. 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.

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.
Cane Creek	6,970	7,050	dolomitic siltstone

34. FORMATION (Log) MARKERS:

Name	Top (Measured Depth)
Cane Creek	6,970

35. ADDITIONAL REMARKS (Include plugging procedure)

Finalized production facilities and 1st sales occurred on June 28, 2004. Well's production still within approved "testing period".

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Alan W. Bohling TITLE Regulatory Agent for Intrepid Oil & Gas, LLC

SIGNATURE Alan W. Bohling DATE 7/28/2004

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

(5/2000)

Pure Resources, Inc.
Well History

CONFIDENTIAL

CANE CREEK #2-1(PURE/INTREPID)-100% WI From 1/1/1920 through 7/28/2004

Well Name CANE CREEK #2-1(PURE/INTREPID)-100% WI **Lease Well** 802589-0001

State: UT **County:** GRAND

Activity Date 1/13/2004 **Type of Report:** DRILLING INITIAL REPORT

Description

Times	Hours	Remarks
	12.00	MIRU BILL'S RATHOLE SERVICE. DRLG 0-15'. SDON. SPUD @ 4:00 P.M. 1/12/04. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$27,000	$27,000	$1,902,350	7030567	15	15	

Activity Date 1/14/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description UNLOAD 13-3/8" CSG.

Times	Hours	Remarks
	12.00	WELD UP & SET CONDUCTOR. DRLG RAT & MOUSE HOLES. DRLG 17-1/2" HOLE W/ MIST F/ 15-175'. UNLOAD 14 JTS 13-3/8" 48# H-40 CSG. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,250	$37,250	$1,902,350	7030567	175	160	

Activity Date 1/15/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description

Times	Hours	Remarks
	12.00	DRLG 17-1/2" HOLE F/ 175-450' W/ MIST. AVG ROP 35 FPH. HAMMER QUIT DRLG. POH W/ HAMMER. INSPECT HAMMER. TIH, HAMMER WOULD NOT DRILL. POH. SDON. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$15,250	$52,500	$1,902,350	7030567	450	275	

Activity Date 1/16/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description PLUG DOWN.

Times	Hours	Remarks
	14.00	DRLG 17-1/2" HOLE F/ 450-550' W/ MIST. CIRC HOLE CLEAN. POH. RUN 12 JTS 13-3/8" 48# H-40 STC CSG. RU BIG 4 CEMENTERS & PUMP 40 BW, 20 BBLS MUD FLUSH. FOLLOW W/ 800 SX "G" W/ 2% CACL2, 1/4# CELLOFLAKE @ 4.5 BPM @ 50 PSI. DISPLACE W/ 77.7 BW @ 3.5 BPM. MAX PRESS 1200 PSI. CIRC 53 BBLS GOOD CMT TO PIT. DID NOT SEE WATER OR MUD FLUSH @ SURFACE. PLUG DOWN @ 7:00 P.M. BLM REP ON LOCATION DURING CSG & CMT. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$40,480	$92,980	$1,902,350	7030567	550	100	

Activity Date 1/23/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description WAITING ON ROTARY TOOLS.

Times	Hours	Remarks
		WAITING ON ROTARY TOOLS.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$92,980	$92,980	$1,902,350	7030567	550		

Activity Date 2/10/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description RIGGING UP.

Times	Hours	Remarks
	12.00	MIRU UNIT DRLG RIG #236. SAFETY MTG. SET MATS & SUB. NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$102,980	$102,980	$1,902,350	7030567	550		

CONFIDENTIAL

Activity Date 2/11/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RIGGING UP.

Times	Hours	Remarks
	12.00	CONTINUE MIRU UNIT DRLG RIG #236. SAFETY MTG. SET IN COMPOUND, BACK END, DRESS MUD TANKS. NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,000	$112,980	$1,902,350	7030567	550		

Activity Date 2/12/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RIGGING UP

Times	Hours	Remarks
	12.00	CONTINUE RIGGING UP UNIT DRLG RIG #236. SAFETY MTG. SET IN DERRICK, DRAWWORKS, DOG HOUSES, DRESS MUD TANKS. NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,000	$122,980	$1,902,350	7030567	550		

Activity Date 2/13/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RIGGING UP.

Times	Hours	Remarks
	12.00	CONTINUE RIGGING UP UNIT DRLG RIG #236. SAFETY MTG. SET IN DERRICK, STRING UP BLOCKS, DRESS DERRICK & SET ON SUB. RU AIR PACKAGE. NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,000	$132,980	$1,902,350	7030567	550		

Activity Date 2/14/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RIGGING UP.

Times	Hours	Remarks
	12.00	CONTINUE RIGGINGUP UNIT DRLG RIG #236. SAFETY MTG. STRING UP BLOCKS, RAISE DERRICK, RU FLOOR & PLUMBING. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$10,000	$142,980	$1,902,350	7030567	550		

Activity Date 2/15/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RIGGING UP.

Times	Hours	Remarks
	12.00	CONTINUE RIGGING UP UNIT DRLG RIG #236. SAFETY MTG. CUT OFF CONDUCTOR & 13-3/8" CSG. WELD ON WH, BUILD BLOW PIT & DITCH TO RESERVE PIT. RU RIG FLOOR. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,762	$184,742	$1,902,350	7030567	550		

Activity Date 2/16/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RU BLOOIE LINE.

Times	Hours	Remarks
	2.00	CONTINUE RIGGING UP UNIT DRLG RIG #236. SAFETY MTG, PU SWIVEL & KELLY.
	14.00	NU 10K BPE & CHOKE HOUSE.
	5.50	TEST CSG TO 1200 PSI, ANNULAR TO 3500 PSI. TEST BLIND & UPPER & LOWER PIPE RAMS AND CHOKE MANIFOLD TO 5000 PSI.
	2.50	RU BLOOIE LINE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$19,850	$204,592	$1,902,350	7030567	550		

Activity Date 2/17/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	8.50	RU BLOOIE LINE.
	6.50	RACK & MEASURE BHA & TIH. TAG CMT @ 531' KB.
	4.00	TIGHTEN ROTATING HEAD STUDS. DRLG F/ 531-576'.
	5.00	DRLG 12-3/8" HOLE W/ HAMMER, 4-6K, 48 RPM, 2400 SCFM, 250 PSI.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$36,282	$240,874	$1,902,350	7030567	850	274	

Activity Date 2/18/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

CONFIDENTIAL

Times	Hours	Remarks
	2.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 850-949', 4-6K, 48 RPM, 2400 SCFM, 290 PSI.
	1.50	REPAIR BLOW PIT.
	9.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 949-1480', 4-6K, 48 RPM, 2400 SCFM, 310 PSI.
	0.50	WLS @ 1432' - 3/4 DEG.
	11.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 1480-2250', 4-6K, 48 RPM, 2400 SCFM, 330 PSI.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$29,480	$270,354	$1,902,350	7030567	2250	1400	

Activity Date 2/19/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	2.00	ESTABLISH MIST RATE - HOLE NOT DUSTING PROPERLY @ 2193'.
	1.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 2193-2284' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	WLS @ 2236' - 0 DEG.
	2.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 2284-2348' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	RIG SERVICE.
	16.50	DRLG 12-3/8" HOLE W/ HAMMER F/ 2348-3094' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	1.50	FLOOR MOTOR OUT OF DIESEL - ON GRAVITY SYSTEM W/ 55" IN MAIN TANK.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$25,359	$295,713	$1,902,350	7030567	3094	901	

Activity Date 2/20/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CUT DRLG LINE.

Times	Hours	Remarks
	3.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 3094-3217' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	RIG SERVICE.
	9.50	DRLG 12-3/8" HOLE W/ HAMMER F/ 3217-3560' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	WLS @ 3513' - 3/4 DEG.
	4.00	DRLG 12-3/8" HOLE W/ HAMMER F/ 3560-3743' W/ 4-6K, 48 RPM, 2400 SCFM, 330 PSI, 20 BPH MIST.
	0.50	BIT TORQUEING - BLOW HOLE CLEAN.
	4.00	POH, LD HAMMER.
	2.00	CUT DRLG LINE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,157	$336,870	$1,902,350	7030567	3743	649	

Activity Date 2/21/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description WAIT ON WEATHERFORD.

Times	Hours	Remarks
	6.00	MU 12-1/4" BIT. PU BIT & TIH TO 3743'.
	1.00	ATTEMPT TO WORK JUNK BASKET, WEATHERFORD HAD 3 COMPRESSORS GO DOWN.
	17.00	WAIT ON WEATHERFORD TO REPLACE & REPAIR COMPRESSORS.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,157	$378,027	$1,902,350	7030567	3743		

Activity Date 2/22/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
		DRLG F/ 3743-3887'. NO OTHER INFORMATION AVAILABLE.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$7,043	$385,070	$1,902,350	7030567	3887	144	

Activity Date 2/23/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description ND BOPE.

Times	Hours	Remarks
	3.50	DRLG 12-1/4" HOLE F/3887-3943' W/ 40K, 70 RPM, 3600 SCFM, AIR MIST.
	0.50	BLOW HOLE CLEAN.
	0.50	WLS @ 3943' - 1 DEG.
	2.50	POH TO RUN CSG.
	1.50	RU TO RUN CSG. SAFETY MTG.
	6.00	RUN 90 JTS 9-5/8" 40# N-80 LTC CSG.
	3.00	ATTEMPT TO UNLOAD HOLE W/ AIR. SAFETY MTG.
	2.00	RU DOWELL & PUMP 30 BW AHEAD & 655 SX LEAD @ 7.8 BPM @ 325 PSI. TAIL W/ 195 SX @ 5.4 BPM @ 200 PSI. DROP PLUG & DISPLACE W/ 293 BW @ 250 PSI AVG. BUMP PLUG W/ 1000 PSI - FLOATS HELD. DID NOT CIRC CMT. PD @ 1:30 A.M. 2/23/04.
	4.50	ND BOPE.
		MAN HRS NOT REPORTED.

CONFIDENTIAL

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$136,778	$521,848	$1,902,350	7030567	3943	56	

Activity Date 2/24/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description TEST UPPER & LOWER PIPE RAMS.

Times	Hours	Remarks
	2.00	RU WINCHES & PU BOP.
	10.00	HAD 60 PSI GAS IN 13-3/8" X 9-5/8" ANNULUS. HELD SAFETY MTG & VENTED OFF GAS. CUT OFF 9-5/8" CSG. INSTALL "B" SECTION.
	6.50	NU BOPE.
	5.50	SET TEST PLUG & TEST KELLY, TIW VALVES & INSIDE BOP VALVES & CHOKE & BLIND RAMS TO 10,000 PSI. TEST UPPER & LOWER PIPE RAMS TO 10,000 PSI.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$29,750	$551,598	$1,902,350	7030567	3943		

Activity Date 2/25/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG CMT.

Times	Hours	Remarks
	6.00	TEST UPPER & LOWER PIPE RAMS TO 10,000 PSI. TEST ANNULAR TO 3500 PSI. TEST CSG TO 4000 PSI. TEST MUD LINE TO 5000 PSI.
	6.00	RU HALLIBURTON WL & RUN GAMMA, CCL & CMT BOND LOG.
	1.50	INSTALL WEAR BUSHING. RU PUMPS TO WATER TANK.
	2.50	LD 8" DC'S.
	3.00	MU 8-3/4" BIT & TIH TO 3848'.
	5.00	DRLG CMT PLUG & FLOAT COLLAR & CMT TO 3880' W/ 8000#, 60 RPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$36,252	$587,850	$1,902,350	7030567	3943		

Activity Date 2/26/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SQUEEZE CMT.

Times	Hours	Remarks
	4.75	DRLG CMT TO 3943'.
	0.50	DRLG 8-3/4" HOLE F/ 3943-3954'.
	0.75	CIRC HOLE CLEAN.
	2.00	RU SCHLUMBERGER & DRILL FIT, 1800 PSI BREAK DOWN - 30 MIN TO 1200 PSI.
	2.50	POH.
	3.50	TIH W/ OEDP TO 3949'.
	7.50	WAIT ON CEMENTERS.
	0.75	SPOT 150 SX CMT @ 13.5 PPG, 500' PLUG.
	0.75	POH TO 2089'.
	1.00	SQUEEZE CMT.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$23,050	$610,900	$1,902,350	7030567	3954	11	

Activity Date 2/27/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description COND MUD.

CONFIDENTIAL

Times	Hours	Remarks
	5.00	SQUEEZE CMT THRU SHOE. PUMP 31 BBLS.
	0.50	POH.
	2.50	RU SCHLUMBERGER & PUMP CMT DOWN 13-3/8" X 9-5/8" ANN. NO PRESSURE.
	16.00	WOC. TIH W/ DRLG ASSY. DISPLACE HOLE TO OIL BASE MUD. COND MUD.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$197,750	$808,650	$1,902,350	7030567	3954		

Activity Date 2/28/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CMT.

Times	Hours	Remarks
	5.50	CIRC & COND MUD. BRING MW UP TO 10.2.
	1.50	DRLG CMT F/ 3872-3954' W/ 10K, 65 RPM & CIRC HOLE CLEAN.
	1.50	RU SCHLUMBERGER & DO FIT. BREAK DOWN @ 600 PSI, 13.1 EMW.
	2.50	POH.
	5.50	WAIT ON RETAINER.
	1.50	MU RETAINER & TIH TO 3863' W/ RETAINER & DP.
	3.00	CIRC HOLE. WAITING ON CEMENTERS. ROAD CLOSED @ UTAH STATE LINE DUE TO SNOW.
	3.00	SAFETY MTG. RU SCHLUMBERGER. TEST PUMPS & LINES TO 4500 PSI. PUMP 5 BW @ 2.7 BPM @ 961 PSI, 10 BBLS CACL2 WATER @ 2.7 BPM @ 1007 PSI, 10 BW @ 2.7 BPM @ 1135 PSI, 10 BBLS ZONE LOCK @ 2.7 BPM @ 1135 PSI, 10 BW @ 2.7 BPM @ 1149 PSI, 300 SX "G" (345 FT3), 63 BBLS "G" @ 15.8 @ 2.7 BPM @ 110 PSI, 20 BW @ 2.7 BPM @ 233 PSI, 10 BBLS CACL2 WATER @ 2.7 BPM @ 499 PSI, 10 BW @ 2.7 BPM @ 838 PSI, 10 BBL ZONE LOCK @ 2.7 BPM @ 1071 PSI, 10 BW @ 2.7 BPM @ 993 PSI, 300 SX (345 FT3), 63 BBLS "G" W/ 1% CACL2, 200 SX TXI LITE (244 FT3) @ 2.7 BPM @ 206 PSI. DISPLACE W/ 50 BBLS @ 2.7 BPM, 1295 PSI.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$33,050	$841,700	$1,902,350	7030567	3954		

Activity Date 2/29/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description WOC.

Times	Hours	Remarks
	21.00	CIRC HOLE, WOC.
	2.50	RU BJ, SAFETY MTG. TEST PUMPS & LINES TO 5000 PSI. PUMP 20 BBLS CACL2 WATER @ 2 BPM @ 1950 PSI, 3 BW @ 2 BPM @ 2330 PSI, 20 BBLS FLOGUARD @ 2.0 BPM @ 2290 PSI, 3 BW @ 2.0 BPM @ 2190 PSI, 158 SX LEAD (62 BBLS - 350 FT3) HIGH STRENGTH FM W/ 5% SALT, 1/4# CELLOFLAK, 0.2% CD-32, .05% FL-52, 6% A-10, 2% SODIUM METASILICATE @ 12.7 PPG @ 2 BPM @ 2700 PSI. TAIL W/ 200 SX (40 BBLS - 228 FT3) CLASS "H" W/ 5% SALT @ 2.2 BPM @ 2100 PSI. DISPLACE W/ 40 BW @ 2.4 BPM @ 2000 PSI. STING OUT OF RETAINER @ 1 BPM @ 2300 PSI. REVERSE OUT WATER & 3 BBLS CMT.
	0.50	CIRC HOLE, WOC.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$115,350	$957,050	$1,902,350	7030567	3954		10.1

Activity Date 3/1/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG OUT RETAINER.

Times	Hours	Remarks
	23.00	CIRC, WOC ABOVE CMT RETAINER.
	1.00	DRLG OUT RETAINER.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$21,348	$978,398	$1,902,350	7030567	3954		10.1

Activity Date 3/2/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description TIH, LD EXTRA DP.

CONFIDENTIAL

Times	Hours	Remarks
	9.50	DRLG OUT CMT, RETAINER & CMT TO 3954'.
	1.50	CIRC HOLE CLEAN. SAFETY MTG W/ HANDS & BJ.
	2.50	FIT TEST - HELD 1600 PSI, 17.7 EMW.
	3.00	POH TO RUN BOND LOG.
	4.00	RU ROCKY MOUNTAIN WL & RUN CBL. PROBLEMS W/ TRUCK - LOST ALTERNATOR. PU BHA, BIT, MOTOR, 2 DC'S, STB, 3 DC'S, STAB, 6 DC'S, JAR, 30 JTS HW DP, -DP & TIH. LD EXTRA DP.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$17,915	$996,313	$1,902,350	7030567	3954		10.0

Activity Date 3/3/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	3.00	PU BHA, BIT, MOTOR, 2 DC'S, STAB, 3 DC'S, STAB, 6 DC'S, JAR, 30 JTS HW DP, -DP & TIH. LD EXTRA DP.
	11.00	DRLG F/ 3954-4170' W/ 5-15K, MM 117 RPM, ROT 50-60, 2550 PSI, 404 GPM.
	0.50	RIG SERVICE.
	9.50	DRLG F/ 4170-4380' W/ 5-15K, MM 117 RPM, ROT 50-60, 2550 PSI, 404 GPM.
		LITHOLOGY: ANHYDRITE, SHALE, SOME SALT. POSSIBLY IN CLASTIC #2. MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$42,946	$1,039,259	$1,902,350	7030567	4380	426	11.0

Activity Date 3/4/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	4.50	DRLG F/ 4380-4509' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 2750 PSI, 404 GPM.
	0.50	WLS @ 4479' - 1 DEG.
	19.00	DRLG F/ 4509-4925' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 2750 PSI, 404 GPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$24,200	$1,063,459	$1,902,350	7030567	4925	545	11.2

Activity Date 3/5/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	3.50	DRLG F/ 4925-4975' W/ 5-15K, MM 117 RPM, ROT 50-60, 2750 PSI, 404 GPM.
	1.00	WLS @ 4937' - 2 DEG.
	6.00	DRLG F/ 4975-5130' W/ 5-15K, MM 117 RPM, ROT 50-60, 2825 PSI, 404 GPM.
	0.50	RIG SERVICE.
	13.00	DRLG F/ 5130-5355' W/ 5-15K, MM 117 RPM, ROT 50-60, 3150 PSI, 404 GPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$36,966	$1,100,425	$1,902,350	7030567	5355	430	12.2

Activity Date 3/6/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	7.00	DRLG F/ 5355-5491' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 2750 PSI, 404 GPM.
	1.00	WLS @ 5461' - 1 DEG.
	0.50	RIG SERVICE.
	0.50	REPAIR SUCTION MANIFOLD GASKET.
	12.00	DRLG F/ 5491-5721' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 3150 PSI, 362 GPM.
	1.00	WORK ON PUMPS - SWABS.
	0.50	DRLG F/ 5491-5721' W/ 5-15K, MM 117 RPM, ROTRY 50-60, 3150 PSI, 362 GPM.
	1.00	WORK ON PUMPS - BELTS.
	0.50	DRLG F/ 5721-5730' W/ 5-15K, MM 117 RPM, ROTARY 50-60, 3150 PSI, 362 GPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,860	$1,142,285	$1,902,350	7030567	5730	375	13.0

Activity Date 3/7/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description CHANGING SCREENS.

Times	Hours	Remarks
	5.50	DRLG F/ 5730-5815' W/ 5-15K, MM 100 RPM, ROTARY 60-65, 2850 PSI, 345 GPM.
	1.00	REPLACE BELTS ON #2 PUMP.
	9.00	DRLG F/ 5815-5908' W/ 5-15K, MM 100 RPM, ROTARY 60-65, 2850 PSI, 345 GPM.
	1.00	CHANGE SHAKER SCREENS.
	3.00	DRLG F/ 5908-5955' W/ 5-15K, MM 100 RPM, ROTARY 60-65, 2850 PSI, 345 GPM.
	4.50	CIRC. TRY TO LOWER LG SOLIDS. UNABLE TO KEEP MUD ON SHAKERS. UNABLE TO OPERATE CENTRIFUGE. UNABLE TO CONTACT SWACO FOR REPAIRS OR SHAKER SCREENS. CHANGING SCREENS & USING ALL SCREEN COMBINATIONS ON LOCATION - 84-210 MESH. CURRENTLY HAVE 84 MESH ON ONE, 110 MESH ON #2.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$40,565	$1,182,850	$1,902,350	7030567	5955	225	13.0

Activity Date 3/8/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	8.00	HAD SWACO OUT TO WORK ON SHAKERS TO TRY & KEEP MUD ON SHAKERS. TURNED COUNTER BALANCES & SCREEN COMBINATIONS. HAVE 84'S ON BOTH SHAKERS. WORK ON CENTRIFUGES.
	1.50	DRLG F/ 5955-5974' W/ 5-15K, 60 RPM, 2950 PSI, 315 GPM, MM 91 RPM.
	4.50	CIRC, TRY TO KEEP MUD ON SHAKERS.
	1.00	DRLG F/ 5974-5988' W/ 5-15K, 60 RPM, 3050 PSI, 315 GPM, MM 91 RPM.
	1.00	PULL UP RISERS, CLEAN & SHUT DOWN CENTRIFUGES. PREP TO PARTIALLY BYPASS SHAKERS.
	8.00	DRLG F/ 5988-6115' W/ 5-15K, 60 RPM, 3050 PSI, 315 GPM, MM 91 RPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$35,226	$1,218,076	$1,902,350	7030567	6115	160	15.4

Activity Date 3/9/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CLEAN PITS.

Times	Hours	Remarks
	4.50	DRLG F/ 6115-6182' W/ 5-15K, 60 RPM, 3050 PSI, 315 GPM, MM 91 RPM.
	0.50	CIRC HOLE.
	5.50	TRANSFER MUD, MIX & PUMP PILL.
	4.50	POH.
	9.00	CLEAN PITS.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$40,571	$1,258,647	$1,902,350	7030567	6182	67	15.4

Activity Date 3/10/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description COND MUD & HOLE.

Times	Hours	Remarks
	3.00	MU BIT & TIH TO SHOE.
	6.00	CLEAN PITS & UNPLUG EQUALIZERS.
	15.00	BUILD VOLUME & COND MUD & HOLE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$42,197	$1,300,844	$1,902,350	7030567	6182		15.5

Activity Date 3/11/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

CONFIDENTIAL

Times	Hours	Remarks
	3.00	BUILD VOLUME & CONDITION MUD & HOLE @ 4500'. CHANGING SHAKER SCREEN SIZE.
	0.50	TIH TO 5232'.
	3.50	BUILD VOLUME & CONDITION MUD & HOLE @ 4500'. CHANGING SHAKER SCREEN SIZE.
	0.50	TIH TO 6182'.
	8.50	BUILD VOLUME & CONDITION MUD & HOLE @ 6182'. CHANGING SHAKER SCREEN SIZE.
	8.00	DRLG F/ 6218-6315' W/ 30-35K, 70-75 RPM, 2950 PSI, 315 GPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$66,030	$1,366,874	$1,902,350	7030567	6315	133	15.5

Activity Date 3/12/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description POH.

Times	Hours	Remarks
	9.50	DRLG F/ 6315-6475' W/ 30-35K, 70-75 RPM, 3050 PSI, 315 GPM.
	0.50	RIG SERVICE.
	1.00	WLS @ 6475' - 1-1/2 DEG.
	5.50	DRLG F/ 6475-6542' W/ 30-35K, 70-75 RPM, 3050 PSI, 315 GPM. UNABLE TO KEEP MUD ON SHAKERS.
	5.50	CIRC COND MUD. UNABLE TO KEEP MUD ON SCREENS W/ PUMP @ IDLE.
	2.00	PUMP SLUG & POH TO SHOE.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$47,146	$1,414,020	$1,902,350	7030567	6542	227	15.5

Activity Date 3/13/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DISPLACING HOLE W/ 15.5 PPG SALT WATER BASED MUD.

Times	Hours	Remarks
	3.00	TRANSFERRED INVERT TO STORAGE TANKS, CLEAN PITS.
	17.00	CLEAN PITS, BUILD 600 BBL 15.5 PPG SALT WATER BASE MUD.
	1.50	TIH TO 6537'.
	2.50	PUMP & DISPLACE WELL W/ 435 TOTAL BBLS 15.5 PPG SALT WATER BASED MUD @ 5-6 BPM.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$41,844	$1,455,864	$1,902,350	7030567	6542		15.5

Activity Date 3/14/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description TIH.

Times	Hours	Remarks
	0.50	FINISH DISPLACING WELL W/ 455 TOTAL BBLS 15.5 PPG SALT WATWE BASED MUD @ 5-6 BPM.
	1.00	MIX & PUMP SLUG. OBSERVE WELL STATIC.
	1.50	POH TO 3893'.
	20.00	FILL MUD PITS W/ BRINE, BUILD VISCOSITY & WEIGHT UP TO 15.5 PPG.
	1.00	TIH TO +-6000' @ 6:00 A.M.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$38,656	$1,494,520	$1,902,350	7030567	6542		15.5

Activity Date 3/15/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description REPAIR RIG DRAWWORKS.

Times	Hours	Remarks
	4.00	CIRC & COND MUD. CHANGE SHAKER SCREENS, MAX BOTTOMS UP GAS 80 UNITS.
	2.50	DRLG F/ 6542-6580'.
	1.00	REPAIR SHEARED OFF BOLTS ON RIG DRAWWORKS ENGINE TORQUE CONVERTER.
	7.00	DRLG F/ 6580-6682'. PENETRATION RATE DECREASED TO 2 FPH.
	1.00	DROP SURVEY, OBSERVE WELL STATIC, PUMP SLUG.
	1.00	POH TO 5668'.
	1.00	TROUBLE SHOOT DRAWWORKS CLUTCH. LOW DRIVE CLUTCH LINKAGE IS DAMAGED.
	1.00	POH TO 9-5/8" CSG SHOE (HOLE CONDITIONS GOOD).
	5.50	CONTINUE REPAIRING CLUTCH LINKAGE - INSTALLING NEW CHAIN FOR LOW DRIVE CLUTCH.
		NO MAN HRS REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$30,865	$1,525,385	$1,902,350	7030567	6682	140	15.5

Activity Date 3/16/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description P-TESTING BOP'S & RELATED EQPT.

Times	Hours	Remarks
	1.50	INSTALL NEW CHAIN FOR DRAWWORKS LOW DRIVE CLUTCH.
	2.50	TIH TO 6682' (OBSERVE WELL FLOWING PENCIL SIZED STREAM WHILE REPAIRING DRAWWORKS).
	8.00	CIRC & RAISE MUD WT F/ 15.5 - 15.8 PPG. 214 UNITS TRIP GAS W/ ,UD CUT TO 14.5 PPG.
	2.00	WORK PIPE 10 MIN W/O PUMP. OBSERVE WELL. CIRC BOTTOMS UP. MAX BOTTOMS UP GAS 4 UNITS.
	2.50	PUMP SLUG. POH TO 9-5/8" CSG SHOE.
	0.50	OBSERVE WELL. STATIC - NO FLOW PER 1/2 HR.
	4.50	CONTINUE POH. RETRIEVE SURVEY (1 DEG @ 6679'). LD BIT & 1 DC.
	1.50	RETRIEVE WEAR BUSHING. OBSERVE WELL STATIC.
	1.00	P-TEST KELLY VALVES WHILE DRAINING STACK.
		MAN HRS 432.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$25,360	$1,550,745	$1,902,350	7030567	6682		15.8

Activity Date 3/17/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKE.

Times	Hours	Remarks
	6.00	P-TEST BOP'S & RELATED EQPT TO PURE & BLM SPECS. TEST RAMS TO 250 LOW/10000 PSI HIGH. TEST HYDRIL TO 250 LOW/3500 PSI HIGH. NO FLOW F/ CSG ANNULUS VALVE THRUOUT TEST.
	1.00	RETRIEVE TEST PLUG, INSTALL WEAR BUSHING.
	2.00	LD WORN HEX KELLY & REPLACE W/ NEW ONE.
	3.00	PU NEW BIT, MOTOR, RIH W/ BHA.
	4.00	RIH TO 6650'. BREAK CIRC @ 9-5/8" CSG SHOE.
	0.50	WASH F/ 6650-6682' - NO FILL. HOLE CONDITIONS GOOD WHILE RUNNING THRU OH SECTION.
	1.00	DRLG F/ 6682-6685'. BOTTOMS UP GAS 18 UNITS.
	0.50	FOAM UP MUD & RUNNING OVER SHAKER PIT. SHUT DOWN & CORRECT PROBLEM.
	3.00	DRLG F/ 6685-6697'. GAS INCREASED TO 3400 UNITS. MUD/FOAM OVER RUNNING SHAKER PIT.
	0.50	SHUT DOWN - FOAMY, GAS CUT MUD. OBSERVE WELL FLOWING THRU GAS BUSTER - VERIFY 4 BBL GAIN - 3 FINGER STREAM. SHUT IN HYDRIL.
	0.50	AFTER 30 MIN, SIDPP 190 PSI, SICP 260 PSI.
	2.00	CIRC OUT THRU CHOKE - DRILLERS METHOD. RECIPROCATED PIPE WHILE CIRCULATING. 5500 TOTAL STROKES PUMPED @ 6:00 A.M. GAS @ 1844 UNITS.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$18,650	$1,569,395	$1,902,350	7030567	6697	15	15.8

Activity Date 3/18/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC WELL THRU CHOKE W/ 16.4 PPG MUD.

Times	Hours	Remarks
	1.50	CONTINUE CIRC OUT INFLUX THRU CHOKE (7400 TOTAL STROKES). MAX GAS THRU GAS BUSTER 2800 UNITS FALLING TO 889 UNITS. SWI. SIDPP 250 PSI, SICP 320 PSI.
	4.50	CIRC THRU CHOKE W/ 16.1 PPG MUD. BAR HOPPER MALFUNCTIONED. SWI.
	0.50	UNPLUG BAR HOPPER LINE. SIDPP 50 PSI, SICP 140 PSI.
	2.50	CIRC THRU CHOKE W/ 16.3 PPG MUD, BAR HOPPER PARTIALLY PLUGGED. SWI. REPAIR BAR HOPPER. MALFUNCTION RESULTED IN +-30 BBLS OF 15.8 - 16.1 PPG MUD BEING PUMPED DOWN DP.
	4.00	CONTINUE CIRC'G THRU CHOKE W/ 16.3 PPG MUD.
	2.00	RAISE MUD WT TO 16.4 PPG & CONTINUE CIRC & COND MUD (FOAMING PROBLEMS).
	1.00	SWI. MUD WT IN PITS TOO HIGH (16.5+ PPG). SIDPP F/ 0-80 PSI, CP 80-120-100 PSI IN 1/2 HR.
	8.00	CONTINUE CIRC THRU CHOKE W/ 16.4 PPG MUD. COND MUD & ATTEMPT TO LOWER BACKGROUND/TRAPPED GAS IN MUD. BGG 4700-2600-3370. MUD WT OUT 11.0 PPG TO 14.9 - 12.7 PPG. CURRENTLY @ 46 SPM W/ 960 PSI DPP & 170 PSI CP.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$28,215	$1,597,610	$1,902,350	7030567	6697		16.4

Activity Date 3/19/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKES W/ 17.1 PPG MUD.

Times	Hours	Remarks
	1.00	CIRC OUT GAS THRU CHOKE W/ 16.7 PPG MUD.
	2.00	CIRC THRU CHOKE & RAISE MUD WT F/ 16.7 TO 16.8 PPG.
	0.50	SWI. CORRECT LOW MUD WT IN PITS. SIDPP 40-50 PSI. SICP 240-250 PSI IN 25 MIN.
	7.00	CIRC THRU CHOKE & RAISE MUD WT TO 16.9 PPG.
	0.50	SWI. SIDPP 20, SICP 240 PSI. OPEN CHOKE, OPEN HYDRIL & FLOW BACK 7 BBLS MUD IN 5 MIN. SWI & OBSERVED CP RISING F/ 0 TO 90 PSI IN 20 MIN.
	4.00	CIRC WELL THRU CHOKE @ 61 SPM @ 2950 STROKES. MUD RETURNS HEAVILY GAS CUT & FOAMY. CIRC OUT +-1200 STROKES CUT MUD W/ MAX GAS OF 8700 UNITS. CONT CIRC & COND MUD.
	1.00	SWI. SIDPP 0 PSI, SICP 90-150 PSI. MIX LCM IN SUCTION PIT. CHANGE SHALE SHAKER SCREENS.
	3.00	CIRC ON CHOKE W/ 16.9 PPG LCM LADEN MUD. HOLDING 100+ PSI ADD'L BACK PRESSURE ON ANNULUS.
	4.50	CONT CIRC & RAISE MUD WT F/ 16.9 TO 17.1 PPG. PUMP @ 41 SPM WHILE HOLDING 100+ PSI BACK PRESSURE. ADDING BARITE & LCM TO SYSTEM. HAD 17.0 PPG MUD WT OUT @ 5:00 A.M.
	0.50	SWI. SIDPP 0, SICP 90 PSI. BROUGHT PUMPS UP TO 50 SPM. CIRC & HOLDING 100 PSI BACK PRESSURE, 50 SPM @ 1220 PSI W/ 190 PSI CP, BGG @ 3300 UNITS.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$5,625	$1,603,235	$1,902,350	7030567	6697		16.9

Activity Date 3/20/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKES W/ 17.4 PPG MUD.

CONFIDENTIAL

Times	Hours	Remarks
	10.00	CIRC ON CHOKE @ 50 SPM. INITIALLY HOLDING 100 PSI BACK PRESSURE, THEN STAGING BACK PRESSURE UP TO 160 PSI. BGG F/ 4158-5720-2780 UNITS. ADDING LCM TO SYSTEM WHILE CIRC'G.
	2.00	INCREASE MUD WT TO 17.3 PPG & CONTINUE CIRC'G THRU CHOKE.
	0.50	SWI. MUD WT IN PITS TOO HIGH (17.8 PPG), SIDPP 20, SICP 250 PSI. MONITOR WELL.
	3.50	CONTINUE CIRC 17.3 PPG MUD TO SURFACE + 1 BOTTOMS UP. BGG 2500 UNITS.
	1.00	SWI. SIDPP 10 PSI, SICP 130 PSI AFTER 10 MIN. BLED OFF PRESSURE & OPENED HYDRIL. FLOWED BACK3 BBLS IN 20 MIN. FLOW SLOWED DOWN TO 3 GPM. SWI.
	1.50	CIRC THRU CHOKE @ 57 SPM HOLDING 100 PSI BACK PRESSURE. GAS UP TO 5800 UNITS.
	5.50	INCREASE MW TO 17.4 PPG & CONTINUE CIRC THRU CHOKE @ 57 SPM HOLDING 100 PSI BACK PRESSURE. GAS 4000 UNITS DROPPING SLOWLY TO 3200 UNITS @ 6:00 A.M. MUD WT 17.4 PPG IN & 17.3 PPG OUT.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$27,377	$1,630,612	$1,902,350	7030567	6697		17.4

Activity Date 3/21/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG @ 6730'.

Times	Hours	Remarks
	0.50	CONTINUE CIRC THRU CHOKE W/ 17.4 PPG MUD @ 57 SPM HOLDING 100 PSI BACK PRESSURE.
	1.00	BAR HOPPER PLUGGED. SWI. SIDPP 60 TO 160 PSI, CP 160-170 PSI PER 1 HR.
	5.00	CONTINUE CIRC THRU CHOKE W/ 17.4 PPG MUD. @ 57 SPM HOLDING 100 PSI BACK PRESSURE. MAX GAS FROM SHUT IN WAS 6100 PSI.
	1.00	SWI. SIDPP 20 PSI, SICP 30 PSI. OPEN HYDRIL. FLOWED BACK 2 BBLS W/ FLOW DECREASING TO 2 GPM.
	7.50	SWI. CIRC THRU CHOKE & INCREASE MUD WT TO 17.5 PPG, MAX GAS 5700 UNITS.
	0.50	OPEN WELL & FLOCHECK - NO FLOW.
	0.50	DRLG F/ 6697-6699' W/ 10-15K, 65 RPM, 319 GPM, 3100 PSI, 54 VIS, 17.7 MW.
	2.50	REPAIR AIR LINE & QUICK RELEASE ON #2 MOTOR.
	2.50	DRLG F/ 6697-6699' W/ 10-15K, 65 RPM, 319 GPM, 3100 PSI, 54 VIS, 17.7 MW.
	0.50	INCREASE MW IN SUCTION, PROBLEMS W/ BULK COMPRESSOR.
	2.50	DRLG F/ 6722-6730' W/ 10-15K, 65 RPM, 319 GPM, 3100 PSI, 54 VIS, 17.5 MW.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$105,034	$1,735,646	$1,902,350	7030567	6730	33	17.5

Activity Date 3/22/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC & COND 17.7 PPG MUD.

Times	Hours	Remarks
	1.50	DRLG F/ 6730-6744' W/ 10-15K, 65 RPM, 319 GPM, 3100 PSI, 54 VIS, 17.5 MW.
	1.00	REPLACE ROTATING HEAD RUBBER WHILE CONDITIONING MUD & CORRECTING MUD WT IN SUCTION PIT. OBSERVED GAS ROLLING & BREAKING OUT OF MUD IN BELL NIPPLE WHILE CHANGING ROTATING HEAD RUBBER.
	7.00	DRLG F/ 6744-6790' (CSG POINT). BGG 3100-4000-4300 UNITS.
	7.00	CIRC BOTTOMS UP & COND MUD, AVG 3000 UNITS BGG.
	0.50	FLOW CHECK WELL @ SHAKER. GAS MIGRATING UP HOLE IN SPURTS.
	1.00	CIRC BOTTOMS UP TO CHECK GAS INFLUX WHILE FLOW CHECKING. HAD THICK, FOAMY MUD ON BOTTOMS UP W/ A 38 YIELD PT. MUD WT OUT CUT TO 17.3 PPG.
	6.00	RAISE MUD WT TO 17.6 PPG WHILE CONDITIONING MUD. BGG 300-3200 UNITS, MUD WT OUT 17.6 PPG, PV 25, YP 30, API WL 16, PH 10.5, PF .2, MF .7.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$43,212	$1,778,858	$1,902,350	7030567	6790	60	17.4

Activity Date 3/23/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC & COND 17.7 PPG MUD.

Times	Hours	Remarks
	2.00	WAIT ON BARITE. WEIGHT UP SUCTION PIT TO 17.7 PPG.
	2.50	CIRC & DISPLACE HOLE W/ 17.7 PPG MUD.
	2.50	MUD WT TOO LOW. RAISE MUD WT IN SUCTION PIT & COND MUD.
	5.00	CIRC W/ 17.7 PPG MUD. CONDITIONING & CORRECTING LIGHT SPOTS IN MUD.
	1.00	MUD WT TOO LOW. CHANGE SHAKER SCREENS TO 175'S. RU NEW BARITE HOPPER COMPRESSORS.
	5.00	CIRC & COND MUD, 17.7 HEAVY, 3000 UNITS AVG BGG.
	1.00	FLOW CHECK WELL. NO FLOW. CHANGE SHAKER SCREENS, CLEAN OUT GAS BUSTER.
	1.50	PUMP SLUG & PULL 1 STAND & ROTATING HEAD. WELL FLOWING, GAS MIGRATING & BUBBLING IN ANNULUS. RE-INSTALL ROTATING HEAD. RIH 90' TO BOTTOM. START CIRCULATION.
	3.50	CIRC & COND MUD & HOLE. CIRC OUT GAS 5350 UNITS MAX, 202 BBLS AFTER STARTING TO PUMP, MW 17.7+ IN, 17.7 OUT, 50 VIS, PV 33, YP 29, WATER LOSS 28, PH 10.0, BGG @ +-3000 UNITS.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$45,517	$1,824,375	$1,902,350	7030567	6790		17.7

Activity Date 3/24/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description FLOW CHECKING WELL. PREPARING FOR SHORT TRIP.

Times	Hours	Remarks
	1.50	MUD WT TOO LOW IN SUCTION PIT. UNPLUG BAR HOPPER LINE. RIASE MUD WT TO 17.7 PPG.
	22.00	RESUME CIRCULATING & CONDITIONING 17.7 PPG MUD PROPERTIES. LOWERED FLUID LOSS. LOWERED YP, STABILIZED GEL STRENGTHS, BGG LOWER - AVG 1800 UNITS.
	0.50	FLOW CHECK WELL. OBSERVING FLOW @ +- 1 GPM. MIXING SLUG FOR SHORT TRIP.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$72,691	$1,897,066	$1,902,350	7030567	6790		17.7

Activity Date 3/25/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CONDITIONING 18.0 PPG MUD FOR SHORT TRIP.

Times	Hours	Remarks
	1.50	FLOW CHECK WELL. OBSERVING FLOW @ +-1 GPM. MIX & PUMP SLUG. OBSERVE WELL.
	1.50	POH SLOWLY - 5 STANDS. HOLE NOT TAKING PROPER FILL. TIH (4 BBL GAIN).
	2.50	CIRC BOTTOMS UP @ 47 SPM. MAX GAS 1907 UNITS.
	7.50	CONTINUE CIRC. RAISE MUD WT TO 18.0 PPG.
	1.00	FLOW CHECK WELL. OBSERVING FLOW @ +-1 GPM. PULL ROTATING HEAD. OBSERVE WELL FLOWING W/ LESS GAS PERCOLATING THRU MUD.
	0.50	CONTINUE PUMPING. ATTEMPT TO CONDITION MUD WT TO 18.1 PPG. LOST PARTIAL RETURNS. SHUT DOWN.
	0.50	MIX 10 PPB STEEL SEAL LCM PILL WHILE WORKING PIPE SLOWLY. CUT MUD WT TO 18.0 PPG IN PIT.
	4.00	CIRC LCM LADEN 18.0 PPG MUD. MUD LOSSES STOPPED AFTER LCM PASSED 1000 STROKES OUT BIT. CONTINUE CIRC & MONITORING LOSSES. CORRECTING LIGHT & HVY SPOTS IN MUD SYSTEM. CONDITION MUD PROPERTIES FOR TRIP. CONDITIONING MUD TO LOWER YIELD POINT FOR SHORT TRIP.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$53,080	$1,950,146	$1,902,350	7030567	6790		17.7

Activity Date 3/26/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description POH.

Times	Hours	Remarks
	1.00	CIRC LCM LADEN 18.0 PPG MUD - NO MUD LOSSES.
	1.00	SHUT DOWN. CORRECT LOW MUD WT IN SUCTION PIT. WELL BREATHING, FLOWING PENCIL SIZED STREAM.
	9.00	CONTINUE CIRC, COND MUD PROPERTIES & CORRECTING LIGHT & HVY SPOTS IN MUD.
	1.00	SHUT DOWN & OBSERVE WELL. FLOWING SLIGHTLY W/ NOTABLY DECREASED GAS BREAKING OUT IN BELL NIPPLE. PUMP SLUG, ALLOW TO FALL 15 MIN.
	3.25	POH FOR SHORT TRIP. PULL 7 STANDS - HOLE TIGHT @ 6210' (TOP STABILIZER @ 6032'). WORK PIPE UP, GRADUALLY INCREASING OVERPULL TO 80K.
	2.75	KELLY UP & CIRC, COND WORKING PIPE SLOW. BECAME DIFFERENTIALLY STUCK.
	1.00	WORK PIPE FREE W/ 100 SPM WORKING PIPE DOWN.
	1.00	CIRC HOLE CLEAN. LOT OF FINES COMING OVER SHAKER. 2920 UNITS GAS.
	2.00	BACK REAM 6121-6080'.
	2.00	POH TO 5415'. PU KELLY PULLING TIGHT.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$49,468	$1,999,614	$1,902,350	7030567	6790		18.1

Activity Date 3/27/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description REAM.

Times	Hours	Remarks
	13.00	POH. BACK REAM WHEN NECESSARY TO 9-5/8" SHOE.
	0.50	RIG SERVICE. OBSERVE WELL - NO FLOW.
	5.00	RIH TO 6490'. BREAK CIRC @ 5900.
	3.0	CIRC, COND MUD TO 18.05#. MUD GAS CUT TO 17.4#.
	2.50	REAM F/ 6532-6600' W/ 2-5K, 55 RPM, 1700 PSI, 90 SPM.
		18.1 MW, 50 VIS, 2184 UNITS GAS. MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$17,050	$2,016,664	$1,902,350	7030567	6790		18.0

Activity Date 3/28/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC & COND MUD.

Times	Hours	Remarks
	1.50	REAM F/ 6575-6790' W/ 2-5K, 65 RPM.
	9.00	CIRC & COND MUD FOR WIPER TRIP. RUN NUT PLUG SWEEP.
	0.50	FLOW CHECK WELL - NO FLOW.
	3.00	PUMP PILL & WIPE HOLE TO SHOE - NO DRAG.
	0.50	OBSERVE WELL & RIG SERVICE.
	2.50	TIH - NO FILL OR BRIDGES.
	7.00	CIRC & COND MUD, GAS CUT MUD, SMOOTH OUT MW & GAS.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$48,887	$2,065,551	$1,902,350	7030567	6790		18.0

Activity Date 3/29/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CSG CSG.

Times	Hours	Remarks
	4.50	CIRC & COND MUD, GAS CUT MUD, SMOOTH OUT MW & GAS, 18.1 MW IN, 17.9 OUT.
	0.50	FLOW CHECK - STATIC.
	8.00	PUMP SLUG. POH TO RUN CSG. STAND BACK DC'S. LD MOTOR.
	0.50	FUNCTION TEST ANNULAR, PULL WEAR BUSHING.
	2.00	SAFETY MTG W/ CSG CREW & RIG CREW. RU TO RUN CSG. MONITOR WELL.
	7.00	RUN 145 JTS 7" 26# P-110 LTC (6789.93') CSG. FILL EVERY 3 JTS - FULL RETURNS.
	1.50	CIRC CSG @ 6780'.
		MAN HRS 456.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$50,230	$2,115,781	$1,902,350	7030567	6790		18.1

Activity Date 3/30/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description ND BOPE.

CONFIDENTIAL

Times	Hours	Remarks
	9.00	CIRC CSG @ 6780'.
	3.50	SAFETY MTG W/ CEMENTERS & RIG HANDS. RU & TEST PUMPS & LINES. PUMP 45 BBLS MUD. PUSH @ 18.0 PPG. FOLLOW W/ 1016 SX (162 BBLS) DENSCRETE @ 18.6 PPG @ 3.9 BPM @ 192 PSI. DROP PLUG & DISPLACE W/ 260.5 BBLS MUD @ 18.15 PPG @ 3.9 BPM. GOOD RETURNS THRUOUT PUMPING. FINAL 463, 1.2 BPM PSI DID NOT BUMP PLUG. SHUT IN HEAD W/ 463 PSI.
	5.50	SHUT IN CSG W/ 45 PSI. SET SLIPS W/ 175K STRING WT. PREPARE TO ND.
	6.00	ND BOPE.
		19 PERSONS ON LOCATION. NO DAILY COST REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$0	$2,115,781	$1,902,350	7030567	6790		18.1

Activity Date 3/31/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description FUNCTION TEST BOP'S.

Times	Hours	Remarks
	6.00	ND 13-5/8" BOP. TRANSFER MUD CROSS VALVES TO 7-1/16" BOP.
	0.50	NU C-SECTION. TEST TO 4300 PSI.
	5.50	NU 7-1/16" BOP.
	8.00	CONTINUE NU 7-1/16" BOP. FABRICATE FLOW LINE EXTENSION.
	1.00	TEST KELLY, UPPER & LOWER KELLY COCKS 250 PSI LOW - 10K HIGH. TEST MUD LINE STAND PIPE 250 PSI LOW - 5000 PSI HIGH.
	3.00	CENTER BOP. INSTALL FLOW LINE EXTENSION FROM ROTATING HEAD TO FLOW LINE. INSTALL ORBIT VALVE. FUNCTION TEST BOP'S.
		19 PERSONS ON LOCATION. TODAY'S COST INCLUDES DAILY COST FOR 3/30/04.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$223,361	$2,339,142	$1,902,350	7030567	6790		18.1

Activity Date 4/1/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description LD DC'S.

Times	Hours	Remarks
	9.00	FUNCTION TEST BOPE. TEST ANNULAR TO 250 LOW - 3500 HIGH. TEST CHOKE, LINES, VALVES, HCR, UPPER PIPE RAMS, BLIND RAS TO 250 LOW - 10,000 HIGH. TEST CS & LOWER PIPE RAMS TO 250 LOW - 10,000 HIGH. ALL TESTS GOOD & WITNESSED BY MR. JACK JOHNSON OF THE MOAB OFFICE OF THE BLM.
	4.00	RU HALLIBURTON WL & RUN GAMMA/CBL FROM 6610-3000'.
	8.00	DRESS PUMPS W/ 5" LINERS.
	3.00	INSTALL WEAR BUSHING & LD 6-1/4" DC'S.
		PERSONS ON LOCATION 19.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$47,150	$2,386,292	$1,902,350	7030567	6790		18.1

Activity Date 4/2/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG CMT & SHOE.

Times	Hours	Remarks
	3.00	LD BHA, 6-1/4" DC'S & JARS.
	4.00	PU BIT, MOTOR, 15 - 4-3/4" DC'S.
	6.00	RU KELLY SPINNER & CUT DRLG LINE.
	8.00	TIH TO 6683'. INSTALL CSG PROTECTORS ON DP.
	2.00	CIRC OUT HEAVY MUD.
	1.00	DRLG PLUGS, CMT, INSERT, CMT & SHOE.
		PERSONS ON LOCATION 19.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$67,040	$2,453,332	$1,902,350	7030567	6790		18.1

Activity Date 4/3/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC, SMOOTH OUT MUD.

CONFIDENTIAL

Times	Hours	Remarks
	5.50	DRLG CMT, FC, CMT & SHOE TO 6790'.
	0.50	RIG SERVICE.
	1.00	DRLG F/ 6790-6798' W/ 205K ROTARY TORQUE SPIKED. THEN RELEASED - WOULD NOT DRILL.
	2.50	CIRC, WORK ON BAR HOPPER. MIX & PUMP PILL.
	7.50	POH, LD MOTOR.
	5.00	MU MOTOR & TEST MOTOR. TIH TO 6790'.
	2.00	CIRC, SMOOTH OUT MUD.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$25,314	$2,478,646	$1,902,350	7030567	6798	8	18.1

Activity Date 4/4/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	0.50	CIRC & COND MUD.
	0.50	DRLG F/ 6798-6810' W/ 20-4K, 55 RPM, 200 GPM, 2200 PSI.
	1.00	CIRC BOTTOMS UP FOR FIT.
	0.50	FORMATION INTEGRITY TEST - 18.1 MW, 330 PSI, 19.0 EMW.
	5.00	UNABLE TO BLEED PRESSURE OFF THRU CHOKE. NO CHOKE & KILL LINES. DRAIN BOPE, FLUSH OUT W/ WATER. FOUND PIECE OF SASH CORD & THICK MUD. NU CHOKE & KILL LINE. WAIT ON TEST PUMP.
	0.50	TEST CHOKE & KILL LINE TO 250 LOW & 10,000 PSI HIGH FOR 15 MIN EACH.
	0.50	PULL TEST PLUG & INSTALL WEAR BUSHING.
	2.50	DRLG F/ 6810-6823' W/ 2-4K, 55 RPM, 200 GPM, 2200 PSI, 50 VIS, 18+MW.
	0.50	RIG SERVICE.
	1.50	DRLG F/ 6823-6851' W/ 2-5K, 55 RPM, 200 GPM, 2200 PSI, 50 VIS, 18+ MW.
	1.00	CIRC COND MW F/ 17.5 - 18.1.
	10.00	DRLG F/ 6851-6983' W/ 2-6K, 60 RPM, 220 GPM, 2400 PSI, 50 VIS, 18+ MW.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$30,004	$2,508,650	$1,902,350	7030567	6983	185	18.0

Activity Date 4/5/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description KILL WELL THRU CHOKE.

Times	Hours	Remarks
	4.00	DRLG F/ 6983-7008' W/ 2-6K, 60 RPM, 220 GPM, 2400 PSI, 50 VIS, 18+ MW - LOSING MUD.
	1.50	CIRC HOLE @ 120 GPM. ATTEMPT TO BUILD VOLUME. LOSING APPROX 1/2 BPM.
	0.50	POH TO SHOE.
	11.75	LOWER MUD WT SLOWLY WHILE BUILDING VOLUME. MUD WT 17.1.
	6.25	SWI. WELL FLOWING - KILL WELL THRU CHOKE, 450 PSI ON CHOKE, CURRENT MW 17.4 PPG. 14.5 MW COMING BACK OUT OF HOLE.
		NO. OF PERSONS OF LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$62,878	$2,571,528	$1,902,350	7030567	7008	25	17.0

Activity Date 4/6/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description DRLG.

Times	Hours	Remarks
	15.00	SWI. WELL FLOWING. KILL WELL THRU CHOKE. 120 PSI ON CHOKE, CURRENT MW 17.8 PPG. CIRC OUT KICK W/ 17.8 PPG IN, 15.5 - 16.5 OUT. COND MUD TO 17.8.
	1.00	TIH TO 6884'. TAG BRIDGE.
	2.00	WASH & REAM 6884-7008'.
	3.00	CIRC & COND MUD & HOLE, 17.8 PPG - NO LOSSES.
	3.00	DRLG 6-1/8" HOLE F/ 7008-7025' W/ 2-6K, 207 GPM, 17.8 MW, 50 VIS.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$53,923	$2,625,451	$1,902,350	7030567	7025	17	17.8

Activity Date 4/7/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description WASH & REAM TO BOTTOM.

Times	Hours	Remarks
	3.00	DRLG 6-1/8" HOLE F/ 7025-7040' W/ 2-6K, 207 GPM, 17.8 MW, 50 VIS.
	4.00	UNABLE TO MAKE CONNECTION. WORK TIGHT HOLE. BACK REAM TO MAKE CONNECTION.
	2.00	NO DIFFERENTIAL ON MOTOR. CIRC HOLE CLEAN. FLOW CHECK HOLE. MIX & PUMP SLUG.
	2.00	POH, FLOW CHECK HOLE @ SHOE - NO FLOW. PULL TO 6100'. HOLE NOT TAKING FLUID. SWABBING.
	1.00	TIH TO BOTTOM.
	6.00	CIRC & COND MUD & HOLE. 17.8 MW GAS TO 7200 UNITS. DOWN TO 250 UNITS.
	2.50	FLOW CHECK WELL - NO FLOW. MIX PILL, BULK HOPPERS PLUGGED UP. UNPLUG HOPPERS, MIX & PUMP SLUG.
	2.50	POH TO SHOE. FLOW CHECK - NO FLOW. PU 2 STANDS - HOLE SWABBING. TIH TO 6884'.
	1.00	WASH & REAM 6884' TO BOTTOM - 2400 UNITS GAS.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$34,622	$2,660,073	$1,902,350	7030567	7040	15	17.8

Activity Date 4/8/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description TIH.

Times	Hours	Remarks
	1.00	WASH & REAM F/ 7972-7040'.
	3.00	CIRC COND HOLE & MUD TO TRIP.
	13.50	TRIP FOR MUD MOTOR - NO FLOW. HOLE TAKING PROPER FLUID. LD MUD MOTOR.
	6.50	PU BIT SUB. CHANGE JETS TO 3 X 14. TIH - HOLE DISPLACING PROPER FLUID.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$20,407	$2,680,480	$1,902,350	7030567	7040		17.9

Activity Date 4/9/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC.

Times	Hours	Remarks
	1.50	TIH TO SHOE - HOLE DISPLACING FLUID PROPERLY.
	2.50	CIRC BOTTOMS UP & SLOW PUMP RATE.
	1.50	RIH TO 7040'.
	3.50	DRLG 6-1/8" HOLE F/ 7040-7088' W/ 4-6K, 80 RPM, 210 GPM, 17.8 MW, 45-50 VIS.
	0.50	RIG SERVICE.
	14.00	DRLG 6-1/8" HOLE F/ 7088-7180' W/ 4-6K, 80 RPM, 210 GPM, 17.8 MW, 45-50 VIS.
	0.50	CIRC HOLE FOR SAMPLES.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$28,889	$2,709,369	$1,902,350	7030567	7180	140	17.9

Activity Date 4/10/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SHORT TRIP - WASHING & REAMING TO BOTTOM.

CONFIDENTIAL

Times	Hours	Remarks
	1.00	CIRC SAMPLES FOR GEOLOGIST.
	1.50	DRLG F/ 7180-7190' W/ 4.5K, 80 RPM, 210 GPM.
	1.00	CIRC SAMPLES FOR GEOLOGIST.
	4.00	DRLG F/ 7190-7220' W/ 4.5K, 80 RPM, 210 GPM.
	10.00	CIRC HOLE CLEAN. SMOOTH OUT MUD WT TO 17.8.
	1.50	OBSERVE WELL STATIC. POH TO 6730'. NO ABNORMAL DRAG OR TIGHT SPOTS.
	1.00	WAIT 1 HR. OBSERVING WELL STATIC.
	1.50	RIH. TAG BRIDGE @ 6982'. LD 8 JTS DP.
	2.50	WASH & REAM MULTIPLE TIMES F/ 6942-6993'. MADE CONNECTION. UNABLE TO GET ROTARY BUSHING IN. WORK PIPE, ENGAGE BUSHING, REAM TO 7020'. MAX TRIP GAS 2979 UNITS.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$29,031	$2,738,400	$1,902,350	7030567	7220	40	17.8

Activity Date 4/11/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RU HALLIBURTON TO LOG WELL.

Times	Hours	Remarks
	5.50	WASH & REAM MULTPLE TIMES F/ 6942-6993'. UNABLE TO PASS THRU LEDGE/OBSTRUCTION @ 6983' W/O ROTATING. WASH & REAM TO 7220' W/O FURTHER DIFFICULTY.
	5.50	CIRC & CONDITION MUD TO 18.0 PPG.
	12.00	OBSERVE WELL STATIC. POH SLOWLY. HOLD CONDITIONS GOOD. LD BIT.
	1.00	HOLD SAFETY MTG. RU HALLIBURTON LOGGING SERVICE EQPT.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$34,031	$2,772,431	$1,902,350	7030567	7220		18.0

Activity Date 4/12/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description WASH & REAM THRU OBSTRUCTIONS/LEDGES @ +- 6975'.

Times	Hours	Remarks
	3.50	RIH W/ HWS DENSITY NEUTRON GR/CALIPER TOOL. SET DOWN ON SOLID LEDGE/OBSTRUCTION @ 6969' WLM. UNABLE TO WORK TOOL THRU. POH & RD WL EQPT.
	3.50	RIH W/ ROCK BIT ON 4-3/4" DC'S TO 570'. MONITOR WELL WHILE WAITING O 3-PT REAMERS.
	2.00	POH & PU 2 - 3 PT REAMERS, PLACED 34' & 65' ABOVE BIT.
	4.00	TIH TO 3400'.
	1.00	FILL PIPE & DRAIN TRIP TANK BACK TO SYSTEM.
	3.00	TIH & LD 7 JTS DP.
	3.00	WASH & REAM F/ 6962-6993'. TRIP GAS 5295 UNITS W/ A 16.5 PPG LOW MUD CUT.
	0.50	CONDITION LIGHT SPOT OF MUD BACK TO 18.0 PPG.
	3.50	ATTEMPT TO MAKE CONNECTION @ 6993'. UNABLE TO GET KELLY BUSHINGS IN ROTARY. BREAK JT OUT. WASH & REAM THRU TIGHT SPOT @ 6955' THRU 6964'. MADE CONNECTION. CONTINUE WASHING & REAMING TIGHT SECTIONS @ +-6975' @ REPORT TIME.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$23,220	$2,795,651	$1,902,350	7030567	7220		18.0

Activity Date 4/13/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC WELL ON CHOKE @ 6712'.

CONFIDENTIAL

Times	Hours	Remarks
	11.00	WASH & REAM & WORK BOTH REAMERS THRU TIGHT SPOTS F/ 6964-7005'. NOTED GRADUAL IMPROVEMENT W/ BIT PASSING THRU TIGHT SECTIONS W/O ROTATING.
	1.50	CONTINUE WASHING & REAMING TO 7220'. WORK THRU TIGHT SPOTS @ 7130'.
	6.00	CIRC & COND MUD TO 18.0 PPG. LOST PARTIAL RETURNS.
	1.00	MIX & PUMP LCM PILL. ESTABLISH FULL RETURNS (75 BBLS MUD LOST).
	1.00	POH INTO CSG SHOE @ 6712. (WELL FLOWING BACK MUD @ 1 BPM STEADY) W/ 62 BBLS BACK FLOW INCREASED. SWI. SICP 540, SIDPP 40.
	2.00	CIRC OUT THRU CHOKES USING DRILLERS METHOD. MUD RETURNS HEAVILY GAS CUT, FOAMY W/ 5% OIL CUT. @ BOTTOMS UP STROKES, HAD TO SWI DUE TO SWACO CHOKE FAILURE (AIR LINE PART).
	1.00	REPAIR AIR LINE. UNABLE TO CONTINUE CIRC DUE TO PLUGGED CHOKE LINE. SIDPP 250 PSI, CSP 0 PSI. UNPLUG CHOKE LINE & RECORD 310 PSI CP.
	0.50	SIDPP 340 PSI, SICP 370 PSI. CIRC ON CHOKE @ 50 SPM @ REPORT TIME.
		MAN HRS NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$35,835	$2,831,486	$1,902,350	7030567	7220		189.0

Activity Date 4/14/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC WELL ON CHOKE @ 6712'.

Times	Hours	Remarks
	1.00	CIRC ON CHOKE @ 2 BPM W/ 18+ PPG MUD. BAR HOPPER PLUGGED. MUD WT FELL TO 17.2 PPG.
	2.50	UNPLUG BAR HOPPER. CONDITION MUD TO 18.3 PPG. SIDPP 250-400 PSI, CSG 240-390 PSI. BLEED OFF SICP PRESS TWICE TO TAKE CARE OF WELL WHILE WEIGHTING UP & CONDITIONING MUD.
	5.50	CIRC ON CHOKE W/ 18.3 - 18.1+ PPG MUD. #1 MUD PUMP WENT DOWN FOR REPAIR.
	0.50	BUILD VOLUME IN PITS. BLEED OFF SICP ONCE TO LOWER DPP & TAKE CARE OF WELL. SWAPPED TO #2 PUMP.
	2.50	CIRC THRU CHOKE W/ 18.1 PPG MUD. RAN OUT OF BULK BARITE WHILE CIRC W/ 910 DPP, 850 PSI CP.
	1.00	MIX SACK BARITE & WAIT ON BULK TRUCK. SIDPP 150-440 PSI, SICP 1410-1660 PSI. BLEED OFF ONCE.
	4.00	CIRC ON CHOKE W/ 18.3 PPG MUD, DPP 930-1060-860 PSI, CP 1280-190-460. RAN OUT OF BULK BARITE!!
	3.50	MIX SACK BARITE & WAIT ON BULK TRUCK, SIDPP 140-3540 PSI, SICP 970-1400 PSI.
	2.50	CIRC ON CHOKE W/ 18.3 PPG MUD, DPP 870-910 PSI, CP 1250-250-2250 PSI. @ 3333 STROKES OR NEAR CALCULATED BOTTOMS UP, CP ROSE RAPIDLY F/ 450-2250 PSI @ 3900 STROKES. MUD PUMP ALSO MALFUNCTIONED W/ SPM F/ 40-71 SPM @ 3900 STROKES. WELL WAS SHUT IN W/ 2450 SICP.
	1.00	SIDPP 360, SICP 2700 PSI. CIRC ON CHOKE @ 35 SPM, DPP 850 PSI, CP 2700-840 PSI @ REPORT TIME.
		NO. OF PERSONS ON LOCATION 22.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$97,220	$2,928,706	$1,902,350	7030567	7220		18.0

Activity Date 4/15/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description MONITOR CSG & DP PRESSURE, CLEANING MUD PITS, PREPARING FOR SNUBBING UNIT.

Times	Hours	Remarks
	5.00	CIRC ON CHOKE @ 35 SPM & ATTEMPT TO COND MUD WT TO 18.1 PPG. HAD TO DUMP 145 BO CONTAMINATED MUD TO RESERVE PIT. HAD 1-5 MIN SHUT DOWN DUE TO LOW MUD WT. MUD LOSSES @ 20+ BPH RATE. LOWERED CSG BACK PRESSURE AS LOW AS 40 PSI TO CONTROL LOSS.
	1.50	SHUT DOWN - UNABLE TO MAINTAIN MUD WT MIXING SACK & BULK BARITE. SICP 2010 PSI, SIDPP 60 PSI. INCREASE MUD WT & VOLUE IN PITS. SICP 2010-2100 PSI. SIDPP 50 PSI (FLOAT HOLDING).
	2.00	RESUME CIRC ON CHOKE. DUMP 45 BBLS OIL CONTAMINATED MUD TO RESERVE PIT. DPP 1040-900 PSI @ 35 SPM, CP 2100-260 PSI. MUD WT AGAIN TOO LOW. SWI. SIDPP 50 PSI, SICP 440 PSI.
	15.50	MONITOR CP INCREASES. BLED OFF GAS 3 TIMES WHILE PRESSURE CLIMBED F/ 440-2000 PSI IN 8 HRS. PRESSURE THEN INCREASED TO 2850 PSI @ 6:00 A.M. (400-2850 PSI) - 200 PSI, SLOWING TO A 30 PSI PER HR INCREASE. SIDPP 0 PSI (FLOAT HOLDING).
		24 PERSONS ON LOCATION.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$50,473	$2,979,179	$1,902,350	7030567	7220		16.5

Activity Date 4/16/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description MONITORING CSG & DPP, BUILDING MUD VOLUME, PREP FOR SNUBBING UNIT.

Times	Hours	Remarks
	4.00	MONITOR CSG & DPP WHILE CLEANING MUD PITS & PREPARING FOR SNUBBING OPERATION. SIDPP 0 PSI (FLOAT HOLDING), SICP 2850 BUILDING TO 3100 PSI.
	1.00	BLEED OFF CP TO 2700 PSI. BLEED GAS UNTIL MUD RETURNS FROM GAS BUSTER. CP ROSE BACK TO 3000 PSI IN 45 MIN.
	19.00	CONTINUE MONITOR CSG & DPP WHILE CLEANING MUD PITS & BUILDING SOME MUD VOLUME IN SUCTION PIT. SICP 3000-3510 PSI (10 PSI GAIN LAST 5 HRS). SIDPP 0 PSI.
		26 PERSONS ON LOCATION.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$34,814	$3,013,993	$1,902,350	7030567	7220		16.5

Activity Date 4/17/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description BUILDING MW IN PITS WHILE MONITORING CSG & DP PRESSURES.

Times	Hours	Remarks
	16.50	MONITOR CSG & DP PRESSURES WHILE CLEANING MUD PITS, BUILD NEW MUD IN PITS & PREPARE RIG FOR SNUBBING OPERATION.
	7.50	OFFLOAD 140 BBLS 11.5 PPG CALC WATER TO SUCTION PIT. BUILD VIS & MW TO 12.25 PPG @ REPORT TIME. SICP 3510-3585 PSI (75 PSI GAIN LAST 24 HRS). SIDPP 0 PSI (FLOAT HOLDING).
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$51,882	$3,065,875	$1,902,350	7030567	7220		18.6

Activity Date 4/18/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKE @ 7[illegible].

CONFIDENTIAL

Times	Hours	Remarks
	2.00	UNPLUG BAR HOPPER LINE. MONITOR CSG & DP PRESSURES.
	10.50	MONITOR CSG & DP PRESSURES WHILE BUILDING NEW MUD TO 18.3 PPG IN PITS. SICP 3585-3600 PSI (15 PSI GAIN LAST 12.5 HRS), SIDPP 0 PSI (FLOAT HOLDING).
	0.50	SAFETY MTG. START MUD PUMP FOR KILL OPERATION. DRILL PRESSURED UP TO 800 PSI.
	3.50	BREAK OVER TO 600 PSI. DPP GAUGE ON SWACO CHOKE MANIFOLD FAILED. SWI.
	6.50	REPAIR GAUGE. SICP 3550-3700, SIDPP 260. BLEED OFF PRESS TO ZERO TO RECALIBRATE SENSOR. CIRC 18.3 PPG MUD AROUND THRU CHOKE USING 1ST STEP DRILLERS METHOD. DUMP 250 BBLS CONTAMINATED MUD TO RESERVE PIT UNTIL MUD OUT WAS 17.4 PPG. THEN CLOSE SYSTEM. CONTINUE CIRC, CUTTING MUD WT BACK TO 18.0+ & ATTEMPTING TO BUILD VOLUME.
	1.50	STRIP IN HOLE W/ +-400 PSI CP. START CIRC BOTTOM OF HOLE @ REPORT TIME - BIT DEPTH @ 7185'. SI CSG PRESS 440 PSI, SIDP ZERO - FLOAT HOLDING. PUMPING 18.0+ PPG MUD DOWN HOLE @ 2 BPM.
		NO. OF PERSONS ON LOCATION NOT REPORTED.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$47,919	$3,113,794	$1,902,350	7030567	7220		18.0+

Activity Date 4/19/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC THRU CHOKE W/ 18.2 PPG MUD @ 7185'.

Times	Hours	Remarks
	3.00	CIRC W/ 18.0+ PPG @ 2 BPM THRU CHOKE @ 7185', CP 410-900-790 PSI, DPP 910-1080 PSI. MUD LOSSES @ 5-15 BPH, MAX BOTTOMS UP GAS AFTER STRIPPING TO BOTTOM WAS 6790 UNITS.
	1.00	BAR HOPPER PLUGGED. SWI. SICP 770 INCREASING TO 840 PSI, SIDPP 660-670 PSI.
	8.00	CONTINUE CIRC ON CHOKE @ 2 BPM. CONDITION MUD WT TO 18.1+ PPG IN, 18.1+ PPG OUT, CP 700-160-560 PSI, DPP 1090-920. MAX BOTTOMS UP GAS AFTER SHUT DOWN 6700 UNITS. MUD LOSSES RANGED F/ 5-20 BPH RATE. HAD GAS INFLUX WHEN CP BELOW 200 PSI W/ 18.1 PPG MUD WT. BGG HAD DROPPED TO A LOW OF 728 UNITS BEFORE - 3010 UNITS AFTER INFLUX.
	12.00	CONTINUE CIRC'G, RAISING MUD WT TO 18.2 PPG, CP 560-350-230-360 PSI. DPP 950-1050 PSI. MUD LOSSES RANGED F/ 10-12 BPH, BGG 3010 TO +-400 UNITS. CURRENTLY CIRC'G OUT GAS INFLUX. MAX 2300 UNITS F/ WHEN CP DROPPED TO 230 PSI WHILE CIRC'G.
		32 PERSONS ON LOCATION.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$233,591	$3,347,385	$1,902,350	7030567	7220		18.2

Activity Date 4/20/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description NU CUDD WELL CONTROL 7-1/16" 10M SNUBBING UNIT.

Times	Hours	Remarks
	3.00	CIRC W/ 18.2 PPM MUD @ 2 BPM THRU CHOKE @7185'. CP 540-260 PSI, DPP 910-1010 PSI. MUD LOSSES @ 15-20 BPH, BGG DECREASING F/ 2400-182 UNITS.
	0.50	HELD SAFETY MTG. SWI. BLED OFF DPP. FLOATS HOLDING. SICP STABILIZED @ 380 PSI.
	0.50	STOOD BACK KELLY. STRIPPED OUT OF HOLE W/ 2 STANDS DP. OBSERVED WELL STABBING W/ CSG PRESS INCREASING TO 460 PSI (DECIDED NOT TO DISPLACE DP VOLUME DOWN KILL LINE).
	2.00	MADE UP KELLY & PULLED 9 SINGLE JTS DP. PUMPED PIPE DISPLACEMENT WHILE PULLING OUT. CP DROPPED F/ 460-350 PSI. CLOSED TIW VALVE & REMOVED IBOP. STRIPPED IN & LANDED DS ON TOP SET BOP RAMS. 12' BELOW RIG FLOOR. LOCKED RAMS CLOSED. STRING WT ON RAMS 100K#. BIT DEPTH 6701'. SICP DROPPED TO 260 PSI WHEN LANDING STRING.
	3.50	ND ROTATING HEAD, 7-1/16" 5M ANNULAR BOP, DSA. SICP 260-400 PSI.
	12.00	NU CUDD 7-1/16" 10M SNUBBING UNIT, 7-1/16" 15M DOUBLE, SPACER SPOOLS, 7-1/16" SINGLE, STRIPPING LOOP, 15M X 5M SPOOL, 7-1/16" SCHAFFER ANNULAR SNUBBING UNIT JACK.
	2.50	HOOKING UP HOSES & STEEL LINES. PREP TO SET WORK BASKET. SICP 459 PSI (59 PSI INCREASE SINCE 3:30 P.M. NO PRESSURE INCREASE LAST 8 HRS.
		NO. OF PERSONS ON LOCATION 47.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$93,183	$3,440,568	$1,902,350	7030567	7220		18.2

Activity Date 4/21/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

CONFIDENTIAL

Description ATTEMPTING TO SET WL BRIDGE PLUG IN DS.

Times	Hours	Remarks
	12.00	NU SNUBBING UNIT & EQPT. SICP 459 PSI DECREASING TO 426 PSI IN 12 HRS (33 PSI).
	6.00	PU 2 JTS 4" DP & SCREW INTO TIW VALVE 12' BELOW ROTARY. ATTEMPT TO P-TEST SNUBBING RAMS W/O SUCCESS. RE-DOPE & TIGHTEN DP INTO TIW VALVE. CHASE & REPAIR VARIOUS LEAKS. BLEED OFF VALVES, TEST SNUBBING RAMS TO 6000 PSI - ANNULAR TO 2500 PSI.
	1.00	STRIP OUT & LD 2 JTS DP WHILE DISPLACING PIPE VOLUME DOWN ANNULUS. CP 510 PSI DECREASING TO 250 PSI. OPEN TIW VALVE & FOUND 390 PSI DPP.
	5.00	RU BLUE JET WL W/ LUBRICATOR. ATTEMPT TO RIH W/ 2" GAUGE RING. GAUGE RING WOULD NOT DROP. LD LUBRICATOR & CHECK EQPT. BLEED OFF DPP & ROCK & ATTEMPT TO SEAT FLOAT W/O SUCCESS. MIXING 20 PPG SLUG @ REPORT TIME.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$75,576	$3,516,144	$1,902,350	7030567	7220		18.2

Activity Date 4/22/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RU TO RIH & SET 1.75" OD WL SET BRIDGE PLUG.

Times	Hours	Remarks
	1.00	MONITOR PRESSURES. SIDPP 340 INCREASING TO 390 PSI, SICP 300-310 PSI.
	0.50	LD WL LUBRICATOR. RU TO PUMP DOWN DP. HELD SAFETY MTG.
	0.50	PREP TO CIR THRU CHOKE. MUD WT IN PITS TOO LOW (18.0 PPG). SIDPP 440, SICP 310.
	1.00	UNPLUG BAR HOPPER. RAISE MUD WT IN PITS TO 18.2 PPG.
	2.50	CIRC 18.2 PPG MUD THRU CHOKE. DPP 1900, CP 300-210 PSI, MAX GAS 1028 UNITS DECREASING TO 250 UNITS. MUD LOSSES @ 20+ BPH. CIRC 50 BBLS 19.5 MUD DOWN DP. SIDPP 0 PSI, CP 350 PSI.
	4.00	HOOK UP LUBRICATOR. RIH W/ 2.00" OD GAUGE RING & JUNK BASKET TO TOP OF REMER @ 6641' WLM.
	3.00	RIH W/ BAKER 1.970" OD TYPE "N" BRIDGE PLUG. STOP @ 4351'. THICK MUD, DPP 0, SICP 380 PSI. POH.
	0.50	BULLHEAD 25 BBLS 19.5 PPG MUD (1.4 BPM @ 1100 PSI), SIDPP 0, SICP 380-410 PSI.
	3.00	RIH W/ BAKER 1.98" OD TYPE "N" BRIDGE PLUG. STOP @ 4500'. THICK MUD, DPP 0, SICP 420 PSI. POH.
	8.00	WAIT ON OWEN 1.75 - 2.44 BRIDGE PLUG. PUMP 5 BBLS 19.5 PPG MUD DOWN DP IN INCREMENTS OF 1 HR. CP 420-500-235 PSI. SIDPP 0 PSI.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$111,978	$3,628,122	$1,902,350	7030567	7220		18.2

Activity Date 4/23/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SNUBBING OUT OF HOLE W/ DRLG ASSY.

Times	Hours	Remarks
	4.00	MU & RIH W/ OWEN 1.75" OD MAGNA RANGE BRIDGE PLUG. TAG TOP REAMER & PU 10'. SET PLUG. POH, RD WL. P-TEST PLUG TO 2000 PSI, CP SPIKED F/ 240-350 & SETTLED TO 210 PSI DURING 10 MIN TEST. PRESS THEN FELL TO 150 PSI WHEN DP PRESS BLED OFF.
	1.50	RU MUD BUCKET & LD LINES. FUNCTION TEST EQPT. SICP 150 INCREASING TO 220 PSI.
	1.50	SNUBBED OUT OF HOLE W/ 16 JTS 4" DP. FILLING HOLE W/ CALC PIPE VOLUME IN KILL LINE.
	1.00	SHUT DOWN FOR LUNCH (SNOW, SLEET, RAIN). CP 220 DECREASING TO 90 PSI WHILE SNUBBING.
	4.50	SNUBBED OUT OF HOLE W/ 4" DP, CP 90-120 PSI. PUMPING .5 BBLS PER JT.
	1.00	SAFETY MTG. CHANGE OUT CREWS. SERVICE SNUBBING EQPT.
	2.50	SNUBBED OUT OF HOLE W/ 4" DP. CP 90-120 PSI. PUMPING .5 BBLS PER JT.
	1.00	CLEANED UP WORK AREA.
	1.00	SNUBBED OUT OF HOLE W/ 4" DP. CP +-120 PSI (AFTER PUMPING).
	1.50	REPAIRED HYDRAULIC HOSE ON POWER TONGS.
	4.50	SNUBBED OUT OF HOLE W/ 4" DP. CP +-120 PSI (AFTER PUMPING). HAVE LD 156 OF 171 JTS 4" DP IN STRING.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$66,968	$3,695,090	$1,902,350	7030567	7220		18.2

Activity Date 4/24/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RU SNUB IN HOLE W/ 4-1/2" LINER.

CONFIDENTIAL

Times	Hours	Remarks
	2.00	SNUB OUT OF HOLE W/ 171 TOTAL JTS 4" DP, CP 120-130 PSI (AFTER PUMPING).
	3.50	SNUB OUT OF HOLE W/ 30 TOTAL JTS 4" HWDP, CP 130 INCREASING TO 160 PSI (AFTER PUMPING).
	3.00	CHANGE OUT PIPE RAMS & OTHER EQPT TO HANDLE 4-3/4" DC'S. CLEAN FLOOR. CP FLUCTUATING F/ 160-130-205 PSI.
	0.50	SNUBBING UNIT EQUALIZER LINES PLUGGED. WORK & UNPLUG LINE.
	3.00	SNUB OUT W/ 4-3/4" DC'S. WORK REAMER ASSY & BIT 5' ABOVE BLIND RAMS, CP 205-150 PSI.
	12.00	SHUT IN & LOCK BLIND RAMS. LD 2 REAMERS, 2 DC'S & BIT. CLEAN & SERVICE EQPT. CHANGE PIPE RAM & HANDLING EQPT TO 4-1/2". MU 4-1/2" FLOAT EQPT TO CSG SHOE JT. RU, RACK & STRAP DP TO RUN LINER. CP 150 INCREASING TO 247 PSI @ REPORT TIME.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$70,132	$3,765,222	$1,902,350	7030567	7220		18.3

Activity Date 4/25/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SNUBBINE IN HOLE W/ 4-1/2" LINER ASSY.

Times	Hours	Remarks
	6.00	PU 1ST JT 4-1/2" LINER. MU FLOAT EQPT & LANDING COLLAR. PUMP THRU FLOATS & FILL SNUBBING STACK. EQUALIZE PRESSURE & SNUB IN 4-1/2" LINER. CP 240-280-250 PSI.
	4.50	MU LINER HANGER ASSY. RUN THRU SNUBBING STACK (W/ DIFFICULTY). CP 240-160-250 PSI.
	1.50	CHANGE SNUBBING UNIT RAMS & HANDLINE EQPT TO 4".
	6.50	SNUB IN LINER W/ 4" DP FILLING PIPE & PUMPING PIPE VOL EVERY 25 JTS TO PREVENT BLOW BACK. MAINTAINING 250 PSI ON ANNULUS. BUILD MUD VOLUME WHILE TRIPPING IN.
	1.00	CUDD LUNCH.
	1.00	SNUB IN LINER W/ 4" DP FILLING PIPE & PUMPING PIPE VOLUME EVERY 25 JTS TO PREVENT BLOW BACK. MAINTAINING AVG 250 PSI ON ANNULUS. BUILD MUD VOLUME WHILE TRIPPING IN.
	1.00	CHANGE OUT SLIPS ON LOWER RAM.
	2.00	SNUB IN LINER W/ 4" DP TO +-4200'. HAVE PU 115 JTS 4" DP @ 6:00 A.M. (12.7 JTS/HR AVG). MAINTAINING AVG +- 250 PSI ON ANNULUS. TAKING MUD IN RETURNS. CURRENTLY NO GAS @ SURFACE.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$59,875	$3,825,097	$1,902,350	7030567	7220		18.2

Activity Date 4/26/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SHUT IN CHOKE

Times	Hours	Remarks
	4.00	SNUB INHOLE W/ 4-1/2" LINER ON 4" DP TO 5800'. CP 250-280-230 PSI.
	0.50	PUMP DS CAPACITY TO FILL PIPE & AVOID BLOW BACK.
	2.00	CONTINUE SNUBING IN W/ 4-1/2" LINER TO 6780'.
	2.00	PUMP BOTTOMS UP @ 1.5 BPM HOLDING 200 PSI ON CHOKE. HOLE TOOK APPROX 75 BBLS.
	3.00	CONTINUE SNUBBING IN W/ 4-1/2" LINER TO 7220'.
	4.00	CIRC DP & OH VOLUME @ 1.5 BPM. HOLE TOOK APPROX 50 BBLS. RU DOWELL & BATCH MIX MUD PUSH & CMT SLURRY. PUMP DP & OH VOLUME TO ABOVE LINER HANGER @ 2 BPM, 750 PSI ON DP. HOLDING 200 PSI ON CHOKE.
	6.00	SAFETY MTG. SET HANGER & PUMP 35 BBLS MUD PUSH @ 3 BPM, 1400 PSI F/B 450 SX. DENSE CRETE @ 18.6 PPG @ 3 BPM, 1500 PSI. WASH PUMPS & LINES. DROP PLUG & DISPLACE W/ 80.27 BBLS MUD HOLDING 200-250 PSI ON CHOKE, 1775 PSI. BUMP PLUG TO 2393. UNABLE TO SET PKR. PRESS UP TO 1500, UNSTING, HOLD 140-150 PSI ON CHOKE & CIRC OUT 35 BBLS CMT @ 4 BPM. SHUT IN CHOKE. PUT 325 PSI ON BACKSIDE. PRESSURE CLIMBED TO 375 PSI @ REPORT TIME.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$66,889	$3,891,986	$1,902,350	7030567	7220		18.2

Activity Date 4/27/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description RU TO SNUB OUT OF HOLE.

CONFIDENTIAL

Times	Hours	Remarks
	2.50	CSG PRESSURE BUILT UP F/ 380-520', DROPPING TO 400 PSI.
	9.50	BLEED OFF CSG PRESSURE 400-350. WAITING ON WL TRUCK. STEP DOWN PRESS 9:30 (350-300), 10:00 (330-300), 11:30 (405), 12:15 (524), 1:00 (BLEED DOWN 525-30 PSI), 2:15 (BUILD UP TO 290:). ATTEMPT TO SET PKR. PRESSURE BUILT TO 320 PSI.
	2.50	PUMP BOTTOMS UP & SPOT 19.2 PPG MUD ON BOTTOM @ 2 BPM. 770 PSI ON DP. HOLDING 250 ON CSG. ISP 350 PSI ON DP, 510 ON CSG, 5/590 DP, 490 CSG. PUMP 19.2 PPG DOWN DP, 5/DP 0 PSI, 390 PSI ON CSG.
	8.00	RD CMT MANIFOLD & LD 1 JT DP. SAFETY MTG. RU MESA WL & RUN WL BRIDGE PLUG TO 6579'. TEST BRIDGE PLUG TO 1850 PSI. RD WL.
	1.50	RIG UP TO SNUB OUT OF HOLE.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$151,805	$4,043,791	$1,902,350	7030567	7220		18.2

Activity Date 4/28/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CLEAN & SERVICE EQPT.

Times	Hours	Remarks
	6.00	SNUB OUT OF HOLE. PUT .5 BBL PER JT DOWN BACKSIDE. HELD 350-450 PSI ON CSG.
	1.00	SERVICE EQPT.
	7.50	SNUB OUT OF HOLE. PUT .5 BBL PER JT DOWN BACKSIDE. HELD 350-450 PSI ON CSG.
	1.50	CHANGE OUT TONGS.
	3.00	SNUB OUT OF HOLE. PUT .5 BBL PER JT DOWN BACKSIDE. HELD 350-450 PSI ON CSG. LD TOOLS.
	5.00	PUT 500 PSI ON CSG. SWI. CLEAN & SERVICE EQPT. CP DROPPED TO 320 @ 1:00. BUILT SLOWLY TO 450 PSI @ 6:00.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$69,047	$4,112,838	$1,902,350	7030567	7220		18.2

Activity Date 4/29/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description CIRC.

Times	Hours	Remarks
	1.50	CLEAN & SERVICE CUDD EQPT.
	3.50	WORK ON TONGS & SLIPS.
	1.50	SNUB IN HOLE W/ POLISH MILLS TO DRESS OFF TIEBACK.
	1.00	FILL PIPE.
	11.50	SNUB IN HOLE FILLING PIPE EVERY 40 JTS. HOLDING 250 PSI ON CSG.
	1.50	WORK ON SLIPS.
	1.25	CIRC BOTTOMS UP @ 2 BPM, 1170 PSI ON DP, 200 PSI ON CSG.
	1.00	RU SWIVEL & WASH INTO TIEBACK 880 PSI ON DP, 200 PSI ON CSG @ 1.5 BPM.
	0.25	SHEAR DOGS ON PACKOFF W/ 40K#. SET 50K# W/ 500 PSI ON DP, 350 PSI ON CSG, DP BLED TO 300 PSI.
	0.75	BLED OFF DP TO 0, CSG TO 25, BUILT TO 80 PSI IN 45 MIN.
	0.25	CIRC BOTTOMS UP TO DO POSITIVE TEST ON PKR.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$59,733	$4,172,571	$1,902,350	7030567	7220		18.2

Activity Date 4/30/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description WEIGHT UP SYSTEM.

CONFIDENTIAL

Times	Hours	Remarks
	1.75	CIRC TO TEST PKR.
	1.50	POSITIVE TEST ON PKR - 575 PSI. BLEED DOWN TO 525 IN 1.5 HRS.
	1.00	PUMP PILL. OBSERVE WELL - NO FLOW.
	2.00	LD 8 JTS DP. PULLED WET. POLISH MILL @ 6402'. HANG OFF STRING W/ TIW IN PIPE.
	2.75	RD CUDD SNUBBING UNIT.
	2.00	CP 0-250 PSI. BLEED OFF PRESS - NO FLOW. CONTINUE TO RD CUDD.
	2.75	RD CUDD. WELL FLOWING. GAIN 36 BBLS ON PVT. SWI.
	0.25	SWI - PRESS 800 PSI.
	10.00	RU CUDD. OBSERVE WELL - 800 PSI-666 PSI @ 9:30 P.M. 960 @ 6:00 A.M. WEIGHT UP SYSTEM TO 18.7 PPG.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$59,309	$4,231,880	$1,902,350	7030567	7220		18.7

Activity Date 5/1/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SNUB OUT OF HOLE.

Times	Hours	Remarks
	3.50	RU CUDD. OBSERVE WELL, 960 @ 9:30. WEIGHT UP SYSTEM TO 18.7 PPG.
	6.00	CIRC OUT KICK. COND MUD, RAISE MUD WT TO 18.7.
	2.00	FINISH RU SNUBBING UNIT.
	2.00	TIH TO TOP OF TIEBACK. DRESS OFF TIEBACK.
	0.50	SNUB OUT OF HOLE.
	2.00	WORK ON SLIPS.
	2.00	SNUB OUT OF HOLE.
	1.00	CUDD LUNCH.
	5.00	SNUB OUT OF HOLE.
		NO. OF PERSON ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$73,425	$4,305,305	$1,902,350	7030567	7220		18.7

Activity Date 5/2/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SNUB IN HOLE W/ SCRAPER.

Times	Hours	Remarks
	6.00	SNUB OUT OF HOLE W/ POLISH MILL.
	1.50	CHECK EQPT.
	3.00	SNUB OUT OF HOLE W/ POLISH MILL.
	3.50	SWI. BUILT TO 265 PSI, CLEAN & SERVICE EQPT.
	4.00	MU CSG SCRAPER & BIT & SNUB IN HOLE FILLING PIPE EVERY 40 JTS.
	1.00	CHECK EQPT.
	5.00	SNUB IN HOLE W/ SCRAPER & BIT FILLING PIPE EVERY 40 JTS.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$64,393	$4,369,698	$1,902,350	7030567	7220		18.7

Activity Date 5/3/2004 **Type of Report: DRILLING** **PROGRESS REPORT**

Description SNUB OUT OF HOLE.

Times	Hours	Remarks
	6.00	SNUB IN HOLE W/ SCRAPER & BIT FILLING PIPE EVERY 40 JTS.
	2.50	CIRC, WORK SCRAPER @ TOP OF TIEBACK, 1070 PSI ON DP, 40 PSI ON CSG. CIRC BOTTOMS UP @ 2 BPM.
	2.50	SNUB OUT OF HOLE W/ SCRAPER & BIT.
	1.00	CHANGE OUT POWER UNIT.
	6.00	SNUB OUT OF HOLE W/ SCRAPER & BIT.
	1.50	SERVICE EQPT.
	4.50	SNUB OUT OF HOLE W/ SCRAPER & BIT.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$60,138	$4,429,836	$1,902,350	7030567	7220		18.7

Activity Date 5/4/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description MONITOR FILL.

CONFIDENTIAL

Times	Hours	Remarks
	1.00	SNUB OUT OF HOLE W/ SCRAPER & BIT.
	2.50	CLEAN & SERVICE EQPT. CSG 225 PSI.
	2.50	MU PKR & SNUB IN HOLE.
	1.00	SERVICE EQPT.
	7.50	SNUB IN HOLE W/ PKR, FILL PIPE EVERY 40 JTS.
	1.25	CIRC & SEAT PKR IN TIEBACK. SHEAR @ 32K, SET DOWN 62K, PULL OUT OF PKR.
	2.00	CIRC HOLE W/ FRESH MUD. CLEAR OUT GAS CUT MUD. 1070 PSI ON DP, 280 PSI ON CSG @ 2 BPM.
	3.75	PRESS UP CSG TO 600, DP 960. CLOSE IN CHOKE & PUMPS. CLOSE LOWER PIPE RAMS, MONITOR PRESS. BLEED DP TO 620. 12:00 - 630 DP, 640 CSG. 12:20 660 DP, 670 CSG. 12:40 700 DP, 700 CSG. 1:00 690 DP, 730 CSG. 1:20 680 DP, 740 CSG. 1:40 680 DP, 750 CSG. 2:00 680 DP, 750 CSG. 2:20 690 DP, 760 CSG. 2:30 690, 760. BLEED DP & CSG TO 10 PSI 1 HR TO 70 PSI, 40 PSI IN 15 MIN, 20 PSI IN 45 MIN.
	2.50	BLEED OFF PRESS. OPEN RAMS & CHOKE. SNUB OUT OF HOLE. MONITOR FILL. CSG 10 PSI.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$69,187	$4,499,023	$1,902,350	7030567	7220		18.7

Activity Date 5/5/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description SNUB IN HOLE.

Times	Hours	Remarks
	6.00	SNUB OUT OF HOLE. MONITOR FILL, CSG PSI ZERO.
	1.00	SERVICE EQPT.
	3.00	SNUB OUT OF HOLE. MONITOR FILL, CSG PSI ZERO.
	11.00	WAIT ON RAMS & SLIP DIES FOR 2-3/8"
	1.00	DRESS RAMS & SLIPS FOR 2-3/8"
	2.00	MU 3-7/8" BIT & PU 18 JTS (574') 2-3/8" N-80 TBG & SNUB IN HOLE. CSG PSI ZERO.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$81,119	$4,580,142	$1,902,350	7030567	7220		18.7

Activity Date 5/6/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description CLEAN CUDD SNUBBING UNIT.

Times	Hours	Remarks
	6.00	MU 3-7/8" BIT & PU 18 JTS (574') 2-3/8" N-80 TBG & SNUB IN HOLE. CSG ZERO PSI.
	1.00	SERVICE EQPT.
	3.00	SNUB IN W/ TBG STINGER.
	1.50	WASH OUT THICK HEAVY MUD F/ 7135-7173'.
	5.50	SAFETY MTG. RU HALLIBURTON & STAGE OUT DRLG MUD W/ 9.5# BRINE WATER.
	2.00	SNUB OUT 25 JTS & HANG PIPE ON UPPER PIPE RAMS. CSG PRESSURE ZERO.
	5.00	RD & CLEAN CUDD SNUBBING UNIT.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$64,632	$4,644,774	$1,902,350	7030567	7220		18.1

Activity Date 5/7/2004 **Type of Report:** DRILLING PROGRESS REPORT

Description LD DP.

Times	Hours	Remarks
	8.50	RD, CLEAN & LOAD OUT CUDD SNUBBING UNIT.
	2.50	RU FLOOR TO LD DP.
	1.00	CHECK PRESSURE, PULL DP OFF RAMS, LD SAFETY VALVE.
	12.00	RU LAY DOWN MACHINE. LD DP & TBG.
		NO. OF PERSONS ON LOCATION 32.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$46,700	$4,691,474	$1,902,350	7030567	7220		17.9

Activity Date 5/8/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

CONFIDENTIAL

Description LD DP.

Times	Hours	Remarks
	24.00	CLEAN RIG AFTER SNUBBING OPERATIONS. RIG RELEASED 6:00 5/8/04. MAN HRS 264.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$16,560	$4,708,034	$1,902,350	7030567	7220	7213	

Activity Date 5/9/2004 **Type of Report:** DRILLING **PROGRESS REPORT**

Description RD.

Times	Hours	Remarks
	24.00	RIG DOWN. MAN HRS 228.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$29,800	$4,737,834	$1,902,350	7030567	7220		

Activity Date 5/10/2004 **Type of Report:** DRILLING **FINAL REPORT**

Description LOWER DERRICK.

Times	Hours	Remarks
	12.00	RIG DOWN - LOWER DERRICK. MAN HRS 216.

Daily Cost	Cum Cost	AFE Amount	AFE #	Current Depth	Ftg Made	Mud Wt.
$19,910	$4,757,744	$1,902,350	7030567	7220		

Activity Date 5/13/2004 **Type of Report:** COMPLETION **INITIAL REPORT**

Description SDON.

Times	Hours	Remarks
		OPEN WELL AND CHECK FOR PRESSURE. WAIT ON DRLG RIG MOVE. CLEAN AND LEVEL LOCATION, MIRU SUSTRUCTURE FOR LCE RIG. CLEAN CELLAR, MIRU LCE RIG #8. NU CHANGE OVER FLANGE O 10K SINGLE BLIND BOP. RIG UP ACCUMULATOR. SDON.

Daily Cost	Cum Cost	AFE Amount	AFE #
$25,300	$4,783,044	$1,902,350	7030567

Activity Date 5/14/2004 **Type of Report:** COMPLETION **PROGRESS REPORT**

Description SDON.

Times	Hours	Remarks
		HELD SAFETY MEETING. JOB ORIENTATION. OPEN WELL AND CHECK FOR PRESSURE. RU HLS WIRELINE. RU 5K LUBRICATOR SYSTEM. RIH AMD CORRELATE TO HALLIBURTON CBL DATED 3/3/04. TAG FILL @ 7110'. PULL CBL AND GR TO 5900'. LOG SHOWED FAIRLY GOOD TO GOOD BOND ACROSS OBJECTIVE ZONE. RD HLS. NU DOUBLE RAM 10K BOP (2 - 7/8" & 2 - 3/8") ON TOP OF BLINDS. RU AND TEST 2 7/8" RAMS TO 10K, HAD LEAK OFF ON PLUG. RESET PLUG ON TBG TEST RAMS. OK. TEST 2 - 3/8" RAMS TO 10K. OK. SET FLOWBACK TANKS, PIPE RACKS AND UNLOAD 2 7/8" PRODUCTIN STRING. SWI. SDON.

Daily Cost	Cum Cost	AFE Amount	AFE #
$15,800	$4,798,844	$1,902,350	7030567

Activity Date 5/15/2004 **Type of Report:** COMPLETION **PROGRESS REPORT**

Description SDOD.

Times	Hours	Remarks
		OVERNIGHT PRESS 0#. HELD SAFETY MEETING. WATCHING FOR FLOW. ACTUATE ALL BOP RAMS AND BLINDS OK. PU AND TALLY IN HOLE, BHA 6 1/8" BIT, SCRAPPER, ON 2 7/8" 6.5# N-80 8RD EUEU NEW TBG. TORQUE TBG TO 1500#. TAG TOL @ 6636'. PU & CIRC PKR FLUID. PUH TO 5400'. HOLD BOP DRILL. OK. CONTINUE TOH. STANDING BACK TBG. SWI. SDON. LEFT LOCATION WITH DRY WATCH. CAMPERS CAMPED ALL AROUND LOCATION. SDOS.

Daily Cost	Cum Cost	AFE Amount	AFE #
$51,150	$4,849,994	$1,902,350	7030567

Activity Date 5/17/2004 **Type of Report:** COMPLETION PROGRESS REPORT

Description PREP TO LAND TREE.

Times	Hours	Remarks
		OVERNIGHT PRESS. 0#. HELD SAFETY MEETING. TESTIG TUBING IN HOLE. RU MESA WL COMPANY. PU SCIENTIFIC GYRO TOOL. RIJ TAKING 500' STATIONS. TAG PBTD @ 7110'. RD SCIENTIFIC. PU & RIH W/BH TCP ASSY (TCP GUNS, BLANK GUN, SPACER, FIRING HEAD, 1-JT 2 3/8", R/A MARKER, 10-JTS 2 3/8", 2 7/8"x 2 3/8" X-OVER, 1-JT 2 7/8" N-80, XN NIPPLE 6' PUP, X-NIPPLE, 6' PUP, 7" HLS PLS PACKER. RIH PU & TESTING 196 JTS 2 7/8" 6.5# NEW 8RD EUE TBG. RU WL. RIH W/CCL-GR, CHECK SETTIMG DEPTH. POH. PU AND RIH W/2-10' SUBS, 1-8' SUB, AND 1-JT 2 7/8" TBG. TST NEW CONNECTIONS. SPACE OUT AND SET PKR AMD LAND IN 28 PTS COMPRESSION. RIH W/GR-CCL TO CHECK SPACING. SETTING DEAD ON. SECURE WELL. SDON. HALLIBURTON PLS PKR @ 6474 2.313 x NIPPLE @ 6485 2 7/8 x 2 3/8 CROSSOVER @ 6527 3 3/8" VANN GUNS 6 SPF, 60 DEG PHASED, 25G MILLENIUM CHARGES, .48" ENTRY HOLE TO SP SHOT @ 6968, BOTTOM SHOT @ 7038, BULL PLUG BELOW BOTTOM SHOT. GUNS WERE NOT DROPPED - NO RELEASE MECHANISM RUN.

Daily Cost	Cum Cost	AFE Amount	AFE #
$93,850	$4,943,844	$1,902,350	7030567

Activity Date 5/18/2004 **Type of Report:** COMPLETION PROGRESS REPORT

Description PREP TO LAND TREE.

Times	Hours	Remarks
		OVERNIGHT PRESS 0#. HELD SAFETY MEETING. DROPPING BAR AND PERFORATING. NDBOP SYSTEM. NU 10K TREE. FLANGE UP FLOWLINES AND CLEAN LOCATION AREA. RU & SWAB FLUID LEVEL TO 1200'. HOLD SAFETY MEETING. HADPRE-DROP DISCUSSION WITH APPROPRIATE PERSONNEL. DROP BAR @ 1:38PM MST 5/18/04. FLANGE UP PRESSURE GUAGE. BAR HIT AND FIRED @ 3 MIN 10 SECS. FLUID TO SURFACE @ 4 MINUTES. PRESSURE TO 2300# @ 4.6 MINUTES. FLOW WELL TO PIT ON 10/64THS CHOKE. TURN OVER TO FLOW BACK PERSONNEL. SLOWBACK SHEET ATTACHED. AVG FTP, PSI / CHOKE SIZE / BOPD / MCFPD 3300 / 10/64 / 492 / 51

Daily Cost	Cum Cost	AFE Amount	AFE #
$13,850	$4,957,694	$1,902,350	7030567

Activity Date 5/19/2004 **Type of Report:** COMPLETION PROGRESS REPORT

Description FLOW TEST WELL.

Times	Hours	Remarks
		FLOW TEST WELL 24 HRS. DID STEP RATE TEST. WELL THIS AM 3400# 10/64THS CHOKE. STABLE AT 3400# FOR 7 HRS. AVG FTP, PSI / CHOKE SIZE / BOPD / MCFPD 3440 / 10/64 / 786 / 203 FLOWED THE WELL OM AN 8/64, A 10,64, AND THEN A 12/64 CHOKE, THE HIGHEST RATE WE OBSERVED WAS 1320 BOPD ON A 12/64 CHOKE 3100 PSI FTP.

Daily Cost	Cum Cost	AFE Amount	AFE #
$10,000	$4,967,694	$1,902,350	7030567

Activity Date 5/20/2004 **Type of Report:** COMPLETION PROGRESS REPORT

Description FLOW TEST WELL.

Times	Hours	Remarks
		FLOW TEST WELL 24 HRS. RU HLS SLICKLINE SERVICE. RIH HOLE HOT/WGUAGE RING TO 6491'. OKAY. PU & RIH AND HANG OFF PRESSURE RECORDERS @ 6491'. WELL PRESSURE FLUCTUATED 100#. CONTINUE FLOW TEST WELL. RD MO DD PU. REPORTS SUSPENDED WILL REPORT FLOW TEST DATA EVERY MORNING UNTIL SHUT IN. PRODUCTION COSTS FOR BATTERY INCLUDED IN ESTIMATE. AVG FTP, PSI / CHOKE SIZE / BOPD / MCFPD 3400 / 10/64 / 674 / 220

Daily Cost	Cum Cost	AFE Amount	AFE #
$199,100	$5,166,794	$1,902,350	7030567

Activity Date 5/21/2004 **Type of Report:** **COMPLETION** **PROGRESS REPORT**

Description

Times	Hours	Remarks			
		AVG FTP, PSI	CHOKE SIZE	BOPD	MCFPD
		3325	10/64	874	218

Daily Cost	Cum Cost	AFE Amount	AFE #
$0	$5,166,794	$1,902,350	7030567

Activity Date 5/22/2004 **Type of Report:** **COMPLETION** **PROGRESS REPORT**

Description

Times	Hours	Remarks			
		AVG FTP, PSI	CHOKE SIZE	BOPD	MCFPD
		3225	10/64	769	178

Daily Cost	Cum Cost	AFE Amount	AFE #
$0	$5,166,794	$1,902,350	7030567

Activity Date 5/23/2004 **Type of Report:** **COMPLETION** **PROGRESS REPORT**

Description

Times	Hours	Remarks			
		AVG FTP, PSI	CHOKE SIZE	BOPD	MCFPD
		3200	10/64	720	179

Daily Cost	Cum Cost	AFE Amount	AFE #
$0	$5,166,794	$1,902,350	7030567

Activity Date 5/24/2004 **Type of Report:** **COMPLETION** **PROGRESS REPORT**

Description

Times	Hours	Remarks			
		AVG FTP, PSI	CHOKE SIZE	BOPD	MCFPD
		3150	10/64	714	170

Daily Cost	Cum Cost	AFE Amount	AFE #
$0	$5,166,794	$1,902,350	7030567

Activity Date 5/26/2004 **Type of Report:** **COMPLETION** **PROGRESS REPORT**

Description

Times	Hours	Remarks
		SITP 3950 PSI.

Daily Cost	Cum Cost	AFE Amount	AFE #
$0	$5,166,794	$1,902,350	7030567

Activity Date 6/28/2004 **Type of Report:** **COMPLETION** **FINAL REPORT**

Description PUT WELL TO SALES.

Times	Hours	Remarks
		FACILITY CONSTRUCTION COMPLETE. PUT WELL TO SALES. SITP 4000 PSI OIL TNCK HAULED BY GIANT GAS FLARED.

Daily Cost	Cum Cost	AFE Amount	AFE #
$0	$5,166,794	$1,902,350	7030567

CONFIDENTIAL

TUBING BREAKDOWN AS OF

ROD BREAKDOWN AS OF

FAILURES AS OF

CONFIDENTIAL

CASING HISTORY REPORT

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 1/15/2004 **TD Hole Time** **Total Depth:** 550 **Hole Size:** 17-1/2"

Joints Ran	Joint Description	Total Footage	Running Ftg.
	INSERT FLOAT	0.00	0.00
1	13-3/8" 48# H-40 CSG	44.70	44.70
11	13-3/8" 48# H-40 CSG	494.80	539.50
	SHOE	1.00	540.50
12	**Total Joints Ran**	**540.50**	

Cemented as follows: **Top Cement:**

Stage 1 - 800 SX "G" W/ 2% CACL2, 1/4 PPS CELLOFLAKE MIXED @ 5.2 GPS (YLD:1.18, WT:15.60)

Comments

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 2/23/2004 **TD Hole Time** **Total Depth:** 3943 **Hole Size:** 12-1/4"

Joints Ran	Joint Description	Total Footage	Running Ftg.
88	9-5/8" 40# N-80 CSG	3829.33	3829.33
	KB	24.00	3853.33
2	9-5/8" 40# N-80 CSG	84.59	3937.92
	FLOAT SHOE	1.75	3939.67
	FLOAT COLLAR	1.45	3941.12
90	**Total Joints Ran**	**3941.12**	

Cemented as follows: **Top Cement:**

Stage 1 - 665 SX CLASS "G" W/ 3% D-79, .2% D-46, .25 PPS D-29 MIXED @ 16.3 GPS (YLD:2.66, WT:11.70)
Tail: 195 SX 50:50 "G" POZ W/ .25 PPS D-29, .2% D-20, 2% S-1, .1% D-46, 5 PPS D-24 MIXED @ 5.5 GPS (YLD:1.30, WT:13.50)

Comments

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 3/22/2004 **TD Hole Time** **Total Depth:** 6790 **Hole Size:** 8-3/4"

Joints Ran	Joint Description	Total Footage	Running Ftg.
143	7" 26# P-110 CSG	6670.23	6670.23
	KB	24.00	6694.23
	FLOAT COLLAR	1.50	6695.73
2	7" 26# P-110 CSG	92.67	6788.40
	SHOE	1.00	6789.40
145	**Total Joints Ran**	**6789.40**	

Cemented as follows: **Top Cement:**

Stage 1 - 1016 SX DENSCRETE MIXED @ 2.2 GPS (YLD:0.90, WT:18.60)

CONFIDENTIAL

Comments

Location 2300' FNL, 529' FEL, SEC 2, R-26S, T-19E

TD Date 4/10/2004 **TD Hole Time** **Total Depth:** 7220 **Hole Size:** 6-1/8"

Joints Ran	Joint Description	Total Footage	Running Ftg.
	TOP OF LINER	6634.00	6634.00
	SHOE	2.02	6636.02
1	4-1/2" 11.6# P-110 BT&C	41.85	6677.87
	FLOAT COLLAR	1.42	6679.29
	LANDING COLLAR	1.03	6680.32
8	4-1/2" 11.6# P-110 BT&C	355.86	7036.18
1	4-1/2" 11.6# P-110 BT&C X P-110 UTLF	40.64	7076.82
3	4-1/2" 11.6# P-110 UTLF	122.79	7199.61
	HANGER ASSY	19.46	7219.07
13	**Total Joints Ran**	**7219.07**	

Cemented as follows: **Top Cement:**

Stage 1 - 450 SX DENSCRETE MIXED @ 2.2 GPS (YLD:0.90, WT:18.60)

Comments

CONFIDENTIAL

FORM 9

048

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

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-65972

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

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.

7. UNIT or CA AGREEMENT NAME: Cane Creek Unit

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: Cane Creek #2-1

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

9. API NUMBER: 43-019-31396

3. ADDRESS OF OPERATOR: 700-17th St. Ste 1700 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 296-3006

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2289' FNL & 518' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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	☐ 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
10/6/2004	☐ COMMINGLE PRODUCING FORMATIONS	☑ RECLAMATION OF WELL SITE	☑ OTHER: Reserve Pit Reclamation Plan
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Intrepid Oil & Gas, LLC respectfully submits the attached "plan of action" to reclaim the reserve pit on the Cane Creek 2-1 for your approval?

For further inquiry's or requests for additional information concerning this plan, please contact Mr. Richard Miller at Intrepid Oil & Gas, LLC at the above shown address and phone number.

COPY SENT TO OPERATOR
Date: 10-19-04
Initials: CHD

NAME (PLEASE PRINT) Richard Miller

TITLE Special Projects Manager

SIGNATURE Richard Miller

DATE 10/6/2004

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 10-18-04
BY: [redacted]

RECEIVED
OCT 12 2004
DIV. OF OIL, GAS & MINING

(5/2000)

(See Instructions on Reverse Side)

INSTRUCTIONS

This form shall be submitted by the operator to show the intention and/or completion of the following:

- miscellaneous work projects and actions for which other specific report forms do not exist;
- all other work and events as identified in section 11, Type of Action, or as required by the Utah Oil and Gas Conservation General Rules, including:
  - minor deepening of an existing well bore,
  - plugging back a well,
  - recompleting to a different producing formation within an existing well bore (intent only),
  - reperforating the current producing formation,
  - drilling a sidetrack to repair a well,
  - reporting monthly the status of each drilling well.

This form is not to be used for <u>proposals</u> to

- drill new wells,
- reenter previously plugged and abandoned wells,
- significantly deepen existing wells below their current bottom-hole depth,
- drill horizontal laterals from an existing well bore,
- drill hydrocarbon exploratory holes such as core samples and stratigraphic tests.

Use Form 3, Application for Permit to Drill (APD) for such proposals.

NOTICE OF INTENT - A notice of intention to do work on a well or to change plans previously approved shall be submitted in duplicate and must be received and approved by the division before the work is commenced. The operator is responsible for receipt of the notice by the division in ample time for proper consideration and action. In cases of emergency, the operator may obtain verbal approval to commence work. Within five days after receiving verbal approval, the operator shall submit a Sundry Notice describing the work and acknowledging the verbal approval.

SUBSEQUENT REPORT - A subsequent report shall be submitted to the division within 30 days of the completion of the outlined work. Specific details of the work performed should be provided, including dates, well depths, placement of plugs, etc.

WELL ABANDONMENT - Proposals to abandon a well and subsequent reports of abandonment should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, and method of parting of any casing, liner, or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

In addition to any Sundry Notice forms submitted, **Form 8, Well Completion or Recompletion Report and Log** must be submitted to the division to report the <u>results</u> of the following operations:

- completing or plugging a new well,
- reentering a previously plugged and abandoned well,
- significantly deepening an existing well bore below the current bottom-hole depth,
- drilling horizontal laterals from an existing well bore,
- drilling hydrocarbon exploratory holes such as core samples and stratigraphic tests,
- recompleting to a different producing formation.

Send to:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

CONFIDENTIAL

INTREPID POTASH

The Intrepid Companies
700 17th Street, Suite 1700
Denver, CO 80202
303.296.3006
303.298.7502 fax

October 6, 2004

State Of Utah
Division of Oil, Gas & Mining
Mr. Gil Hunt
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

RE: Plan Of Action, Cain Creek #2-1, Drilling Fluid Pit, Section 2, Township 26 South, Range 19 East, Grand County, Utah

Intrepid Oil & Gas, LLC. (IOG) the lease holder and Pure Resources (PR) the joint venture partner, offers the following Plan of Action for the drilling fluid pit reclamation at the Cane Creek #2-1 well location.

The results from the pit testing completed on July 6, 2004 using EPA Method 418.1 for Total Petroleum Hydrocarbon (TPH) revealed the upper portion of the reserve pit material had a result of 27,000 PPM and 82,000 PPM respectively. The fluid tested from the frac tanks associated with this project had a 750 PPM and 160,000 PPM respectively. The former was taken from the skid on the frac tank. The latter was taken within the top portion of the frac tank. Specific Conductance ranged from 1400 µmhos/cm to 9200 µmhos/cm. The EPA Method 8021 test for Volatiles saw the only significant hit on Xylenes that ranged from 8 to 50 PPM.

Plan of Action

Liquid Removal

To begin the stabilization process, IOG would first remove as much of the free liquids as possible. Our pumper (Charles Harrison) estimates that approximately three tanker loads of pumpable liquids could be removed. Each tanker is estimated to be one hundred barrels in capacity. The liquids removed would have to be disposed of in an injection well designed to take such a product or otherwise properly disposed of in accordance with the Rule R649 regulations. Disposal may take place by hauling these liquids to an authorized disposal pit near Roosevelt Utah.

Stabilization

The remaining pit material will be hauled to an authorized landfarm or mixed to stabilize directly in the pit on the drill site and left on in the pit.

CONFIDENTIAL

The pit material hauled to the land farm will be blended in a pit with dirt from the landfarm as a bulking agent to stabilize as necessary for spreading on the farm in accordance with their permitted method. The bulking agent may be beneficial to help identify where the soil was left at the landfarm both now and in the future.

When the pit volume is reduced to a point where additional material may be added IOG may stabilize the remainder of the material in place by blending with cement, fly ash or dirt using a front loader and/or excavator. This blended material will be mixed directly in the reserve pit on location and covered as the final phase of the pit stabilization.
If dirt or other material is used to dilute pit contents on location prior to burial the remaining pit contents will meet the following criteria: EC less than or equal to 12 mmhos/cm, TPH 3% or less, 50% or less moisture by weight.

The use of other products for blending will be submitted for acceptance to DOGM prior to use.

Transport

Transporting the reserve pit materials to the landfarm will be done in compliance with all applicable DOT and other state or local regulations. If necessary the reserve pit soils can be stabilized further at the landfarm using native soils that are plentiful if necessary.

The landfarm will manifest the loads and identify where the final product was distributed as required. Disking or tilling at the landfarm will need to be carefully timed to ensure the end product was blended before drying to increase workability. An occasional cleaning out of the haul trucks may be warranted if product builds up while in transfer.

Closure

When the pit is completely cleaned or stabilized in place the liner would be folded in and the surrounding soil and rock will be used to cover the pit area. Reseeding the pit area may be necessary to re-vegetate the area and reduce erosion. This re-vegetation phase will be completed according to SITLA and or BLM requirements.

Schedule

Our goal would be to transport and close the pit on the Cane Creek #2-1 prior to May 28, 2005.

Sincerely,

Richard Miller

Richard Miller

well file

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

TAKE PRIDE IN AMERICA

IN REPLY REFER TO
3180
UT-922

December 20, 2004

Intrepid Oil & Gas, LLC
Attn: Richard Miller
700 17th Street, Suite 1700
Denver, Colorado 80202

Re: Initial Cane Creek Formation PA
Cane Creek Unit
Grand and San Juan Counties, Utah

Gentlemen:

The Initial Cane Creek Formation Participating Area, Cane Creek Unit, UTU80000A, is hereby approved effective as of May 18, 2004, pursuant to Section 11 of the Cane Creek Unit Agreement, Grand and San Juan Counties, Utah.

The Initial Cane Creek Formation Participating Area results in an Initial Participating Area of 715.52 acres and is based upon the completion of Well No. 2-1, API No. 43-019-31396, in the SE¼NE¼ of Section 2, Township 26 South, Range 19 East, SLM&B, Federal Unit Tract No. 54, on a State Lease, as being a well capable of producing unitized substances in paying quantities. Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the establishment of the Initial Cane Creek Formation Participating Area, Cane Creek Unit, and the effective date.

Sincerely,

/s/ Terry Catlin

Terry Catlin
Acting Chief, Branch of Fluid Minerals

Enclosure
bcc: Dockets w/exhibit b
Division of Oil, Gas & Mining
Cane Creek Unit w/enclosure
MMS - Data Management Division (Attn: James Sykes)
Field Manager - Moab w/enclosure
Agr. Sec. Chron.
Reading File
Central Files
UT922:TATHOMPSON:tt:12/20/04

RECEIVED
DEC 23 2004
DIV. OF OIL, GAS & MINING

049

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

FORM 6

ENTITY ACTION FORM

Operator: Intrepid Oil & Gas LLC

Operator Account Number: N 6810

Address: 700 17th St, Suite 1700

city Denver

state CO zip 80202

Phone Number: (303) 296-3006

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301931396	Cane Creek 2-1		SENE	2	26S	19E	Grand
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
D	13477	14505				1/18/2005	

Comments: Correction requested by operator to separate entity number. (DOGM error) Please correct production reports back to beginning of production.

CONFIDENTIAL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301931310	Kane Springs Fed 27-1		NWSE	27	25S	19E	Grand
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
D	11180	14506				1/18/2005	

Comments: Correction requested by operator due to unit change. Please correct reports effective 5/18/2004. (PA "A")

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43019 31334	Kane Springs Fed 25-19-34-1		NWNE	34	25S	19E	Grand
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
D	11521	~~14506~~/14511				1/18/2005	

Comments: Correction requested by operator due to unit change. Please correct reports effective 5/18/2004. (PA "A")

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)

Earlene Russell For DOGM
Name (Please Print)

Earlene Russell
Signature

Engineering Tech
Title

1/18/2005
Date

(5/2000)

INTREPID POTASH

The Intrepid Companies
700 17th Street, Suite 1700
Denver, CO 80202
303.296.3006
303.298.7502 fax

February 22, 2005

Mr. Dustin Doucet
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 W. North Temple, Suite 1210
PO Box 145801
Salt Lake City, UT 84114-5801

Dear Mr. Doucet,

Attached are copies of Notice of Intent to Install Conventional Pumping Unit for the 2-1 well in the Cane Creek Unit. Please return an approved copy in the self addressed stamped envelope upon your approval.

Sincerely,

Richard Miller

Richard Miller
Special Projects Manager

RECEIVED
FEB 24 2005
DIV. OF OIL, GAS & MINING

050

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: ~~UTU-65972~~ ML-40761
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT or CA AGREEMENT NAME: Cane Creek Unit
8. WELL NAME and NUMBER: Cane Creek #2-1
9. API NUMBER: 43-019-31396
10. FIELD AND POOL, OR WILDCAT: Wildcat

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER CONFIDENTIAL

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC.

3. ADDRESS OF OPERATOR: 700-17th St., Ste 1700 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2289' FNL & 518' FEL COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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: 3/30/2005	☐ 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: Install Conventional Pumping Unit
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Intrepid Oil & Gas, LLC respectfully requests permission to install a conventional pumping unit, painted an approved Juniper Green color, similar to the conventional pumping units found on the Cane Springs #19-1 and the Long Canyon #1 wells.

We are requesting permission for a conventional pumping unit installation instead of a low profile pumping unit due to higher installation and maintenance costs associated with the low profile pumping unit operations. Also, the low profile pumping unit installations require a more massive area, or elevated exposure, due to buildings required to house the pumping drive motors. The conventional pumping unit, although slightly taller, has a lesser profile or exposure area at a relative height.

RECEIVED
FEB 24 2005
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Richard Miller (303) 296-3006 TITLE Special Projects Manager, Intrepid Oil & Gas, LLC.

SIGNATURE Richard Miller DATE 2/16/2005

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE 2/24/05
BY: [signature]
(See Instructions on Reverse Side)

COPY SENT TO OPERATOR
Date: 2-25-05
Initials: CHD

(5/2000)

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: UTU-65972
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT or CA AGREEMENT NAME: Cane Creek Unit
8. WELL NAME and NUMBER: Cane Creek #2-1
9. API NUMBER: 019-31396
10. FIELD AND POOL, OR WILDCAT: Wildcat

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR: Intrepid Oil & Gas, LLC

3. ADDRESS OF OPERATOR: 700 17th Street CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 296-3006

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2289' FNL & 518' FEL COUNTY: Grand
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 2 26S 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	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
Date of work completion: 12/2/2005	☐ COMMINGLE PRODUCING FORMATIONS	☑ RECLAMATION OF WELL SITE	☑ OTHER: Res Pit Reclamation complete
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The reserve pit reclamation is complete according to Utah State requirements. Bart Kettle witnessed the reclamation operations as needed.

Accepted by the State of Utah Division of Oil, Gas and Mining
Date: 2-24-06
By: [illegible]

NAME (PLEASE PRINT) Richard Miller TITLE Special Project Manager
SIGNATURE Richard Miller DATE 1/11/2006

(This space for State use only)

RECEIVED
JAN 19 2006
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X - Change of Operator (Well Sold) Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **10/1/2006**

FROM: (Old Operator):	**TO:** (New Operator):
N6810-Intrepid Oil & Gas, LLC 700 17th St, Suite 1700 Denver, CO 80202	N3135-Babcock & Brown Energy, Inc. 1512 Larimer St, Suite 550 Denver, CO 80202
Phone: 1 (303) 296-3006	Phone: 1 (303) 460-1132

CA No. **Unit:** **CANE CREEK**

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: 12/18/2006
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 12/18/2006
3. The new company was checked on the **Department of Commerce, Division of Corporations Database on:** 12/28/2006

4a. Is the new operator registered in the State of Utah: YES Business Number: 6404096-0143

5a. (R649-9-2)Waste Management Plan has been received on: REQUESTED

5b. Inspections of LA PA state/fee well sites complete on n/a

5c. Reports current for Production/Disposition & Sundries on: OK

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: BLM 12/19/2006 BIA
7. **Federal and Indian Units:**
   The BLM or BIA has approved the successor of unit operator for wells listed on: 12/19/2006
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: n/a

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database on:** 12/28/2006
2. Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 12/26/2006
3. Bond information entered in RBDMS on: 12/28/2006
4. Fee/State wells attached to bond in RBDMS on: 12/28/2006
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 12/28/2006

BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UTB000240

3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 8785513659

3b. The **FORMER** operator has requested a release of liability from their bond on: not yet

LEASE INTEREST OWNER NOTIFICATION:

4. (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

FORM 9

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

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: See attached Exhibit

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME: See attached Exhibit

8. WELL NAME and NUMBER: See attached Exhibit

9. API NUMBER: See attach

10. FIELD AND POOL, OR WILDCAT: See attached Exhibit

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR: Babcock & Brown Energy Inc. N3135

3. ADDRESS OF OPERATOR: 1512 Larimer St, Suite 550 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 460-~~1205~~ 1132

4. LOCATION OF WELL

FOOTAGES AT SURFACE: SEE ATTACHED EXHIBIT FOR ALL WELLS & DETAILS

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

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.

Effective October 1, 2006, Intrepid Oil & Gas LLC resigned as Operator of the wells listed on the attached Exhibit and Babcock & Brown Energy Inc. has been designated as successor Operator. Concurrent with this action, Intrepid Oil & Gas LLC resigns as Operator of this well and names Babcock & Brown Energy Inc. as successor Operator. Bond Number 8785513659 will be used to cover operations by Babcock & Brown Energy Inc.

(BLM Statewide Bond UTB-00240)

Intrepid Oil & Gas LLC
By: Intrepid Mining, LLC, its Sole Member

N6810

Robert P. Jornayvax, Manager

NAME (PLEASE PRINT) Van Z. Spence TITLE President

SIGNATURE _____ DATE 11/15/2006

(This space for State use only)

APPROVED 1/11/07 = UIC 12/28/06 all other wells

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

RECEIVED
DEC 18 2006
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

EXHIBIT "A"

Attached to Form 9, Change of Operator, from Intrepid Oil & Gas LLC to Babcock & Brown Energy Inc., effective October 1, 2006

LEASE	UNIT	WELL NAME/NUMBER	API NO.	FIELD	LOCATION							TYPE
					Footage		QrtQrt	Sec.	Twp	Rge	County	
UTU 047858	N/A	Long Canyon No. 1	43-019-15925	Long Canyon	2,339' FNL	2,473' FWL	SENW	9	26S	20E	Grand	Oil Well
UTU 065971	Kane Springs	Kane Springs Federal No. 27-1	43-019-31310	Big Flat	1,650' FSL	1,700' FEL	NWSE	27	25S	19E	Grand	Oil Well
UTU 053626	Kane Springs	Kane Springs Federal No. 19-1A	43-019-31324	Park Road	800' FSL	1,918' FEL	SWNE	19	26S	20E	Grand	Oil Well
ML-40761	Cane Creek	Cane Creek No. 2-1	43-019-31396	Big Flat	2,289' FNL	518' FEL	SENE	2	26S	19E	Grand	Oil Well
UTU 047858	Kane Springs	Kane Springs Federal No. 10-1	43-019-31331	Hell Roaring	2,333' FSL	2,112' FEL	NWSE	10	25S	18E	Grand	Oil Well
UTU 053624	Kane Springs	Kane Springs Federal No. 25-19-34-1	43-019-31334	Big Flat	934' FNL	1,678' FEL	NWNE	34	25S	19E	Grand	Oil Well
ML 44333	Kane Springs	Kane Springs Federal No. 16-1	43-019-31341	Wildcat	960' FSL	1,960' FWL	SESW	16	25S	18E	Grand	Water Disposal
UTU 065972	Cane Creek	Cane Creek No. 1-1 (Permit)	43-019-31446	Wildcat	2,240' FSL	1,317' FWL	NWSW	1	26S	19E	Grand	Oil Well
UTU 068122	Cane Creek	Cane Creek No.8-1 (Permit)	43-019-31449	Wildcat	2,563' FNL	1,429' FWL	SENW	8	26S	20E	Grand	Oil Well
UTU 046693	Cane Creek	Cane Creek 24-1 (Permit)	43-019-31447	Wildcat	682' FNL	2,829' FEL	NENW	24	26S	19E	Grand	Oil Well

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

TAKE PRIDE IN AMERICA

IN REPLY REFER TO
3180
UT-922

DEC 19 2006

Babcock & Brown Energy Inc.
1512 Larimer, Suite 550
Denver, CO 80202

Re: Cane Creek Unit
Grand & San Juan Counties,

Gentlemen:

On December 18, 2006, we received an indenture dated October 1, 2006, whereby Intrepid Oil & Gas LLC resigned as Unit Operator and Babcock & Brown Energy Inc. was designated as Successor Unit Operator for the Cane Creek Unit, Grand and San Juan Counties, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effectiveDecember 19, 2006. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Cane Creek Unit Agreement.

Your statewide (Utah) oil and gas Bond No. UTB000240 will be used to cover all operations within the Cane Creek Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Douglas Cook

Douglas Cook
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager -Moab (w/enclosure)
SITLA
Division of Oil, Gas & Mining
Dockets
File -Cane Creek Unit (w/enclosure)
Agr. Sec. Chron
Reading File
Central Files

CSeare:cs12/19/06Babcock

RECEIVED
DEC 21 2006
DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **1/1/2008**

FROM: (Old Operator):	**TO:** (New Operator):
N3135-Babcock & Brown Energy, Inc.	N3155-Fidelity Exploration & Production Co
1512 Larimer St, Suite 550	1700 Broadway, Suite 2800
Denver, CO 80202	Denver, CO 80203
Phone: 1 (303) 460-1132	Phone: 1 (303) 893-3133

CA No. **Unit:** **CANE CREEK**

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
KANE SPRINGS FED 27-1	27	250S	190E	4301931310	14506	FEDERAL	OW	P
KANE SPRINGS FED 19-1A	19	260S	200E	4301931324	14507	FEDERAL	OW	P
KANE SPRINGS FED 10-1	10	250S	180E	4301931331	14509	FEDERAL	OW	P
KANE SPRINGS FED 25-19-34-1	34	250S	190E	4301931334	14511	FEDERAL	OW	P
KANE SPRINGS 16-1	16	250S	180E	4301931341	11484	STATE	WD	A
CANE CREEK 2-1	02	260S	190E	4301931396	14505	STATE	OW	P

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: 1/11/2008
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 1/11/2008
3. The new company was checked on the **Department of Commerce, Division of Corporations Database on:** 1/28/2008

4a. Is the new operator registered in the State of Utah: yes Business Number: 4917099-0143

5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE

5b. Inspections of LA PA state/fee well sites complete on: n/a

5c. Reports current for Production/Disposition & Sundries on:

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: BLM not yet BIA
7. **Federal and Indian Units:**
   The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
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: 1/29/2008

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database on:** 1/31/2008
2. Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 1/31/2008
3. Bond information entered in RBDMS on: 1/31/2008
4. Fee/State wells attached to bond in RBDMS on: 1/31/2008
5. Injection Projects to new operator in RBDMS on: 1/31/2008
6. Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: CO1345

3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 190017646

3b. The **FORMER** operator has requested a release of liability from their bond on: not yet

LEASE INTEREST OWNER NOTIFICATION:

4. (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: 3 Wells on list were previously moved due to Designation of Agent

FORM 9

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

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: See Attached Exhibit
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME: See Attached Exhibit
8. WELL NAME and NUMBER: See Attached Exhibit
9. API NUMBER: See Attach
10. FIELD AND POOL, OR WILDCAT: See Attached Exhibit

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR: Fidelity Exploration & Production Company N3155

3. ADDRESS OF OPERATOR: 1700 Broadway, Suite 2800 CITY Denver STATE CO ZIP 80203 PHONE NUMBER: (303) 893-3133

4. LOCATION OF WELL
FOOTAGES AT SURFACE: SEE ATTACHED EXHIBIT FOR ALL WELLS AND DETAILS COUNTY:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 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.

Effective January 1, 2008, Babcock & Brown Energy Inc. resigned as Operator of the wells listed on the attached Exhibit and Fidelity Exploration & Production Company has been designated as successor Operator. Concurrent with this action, Babcock & Brown Energy Inc. resigns as Operator of these wells and names Fidelity Exploration & Production Company as successor Operator. BLM Blanket Bond Number CO1345 and Utah OGCC Blanket Bond Number 190017646 will be used to cover operations by Fidelity Exploration & Production Company.

BABCOCK & BROWN ENERGY INC. N3135

By _____
Van Z. Spence, President
1512 Larimer St., Suite 550
Denver Co 80202
(303) 460-1132

NAME (PLEASE PRINT) Michael C. Caskey TITLE Executive Vice President & Chief Operating Officer

SIGNATURE _____ DATE January 1, 2008

(This space for State use only)

APPROVED 1/31/2008
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED
JAN 11 2008
DIV. OF OIL, GAS & MINING

(5/2000)

EXHIBIT "A"

Attached to Form 9, Change of Operator, from Babcock & Brown Energy Inc. to Fidelity Exploration & Production Company, effective January 1, 2008

LEASE	UNIT	WELL NAME/NUMBER	API NO.	FIELD	LOCATION							TYPE
					Footage		QrtQrt	Sec.	Twp	Rge	County	
UTU 010529	N/A	Long Canyon No. 1	43-019-15925	Long Canyon	2,339' FNL	2,473' FWL	SENW	9	26S	20E	Grand	Oil Well
UTU 065971	Cane Creek	Kane Springs Federal No. 27-1	43-019-31310	Big Flat	1,650' FSL	1,700' FEL	NWSE	27	25S	19E	Grand	Oil Well
UTU 053626	Cane Creek	Kane Springs Federal No. 19-1A ST	43-019-31324	Park Road	800' FSL	1,918' FEL	SWSE	19	26S	20E	Grand	Oil Well
ML-40761 / UTU 065972	Cane Creek	Cane Creek No. 2-1	43-019-31396	Big Flat	2,289' FNL	518' FEL	SENE	2	26S	19E	Grand	Oil Well
UTU 047858	Cane Creek	Kane Springs Federal No. 10-1	43-019-31331	Hell Roaring	2,333' FSL	2,112' FEL	NWSE	10	25S	18E	Grand	Oil Well
UTU 053624	Cane Creek	Kane Springs Federal No. 25-19-34-1	43-019-31334	Big Flat	934' FNL	1,678' FEL	NWNE	34	25S	19E	Grand	Oil Well
ML-44333	Cane Creek	Kane Springs Federal No. 16-1	43-019-31341	Wildcat	960' FSL	1,960' FWL	SESW	16	25S	18E	Grand	Water Disposal
UTU 065972	Cane Creek	Cane Creek No. 1-1 * (Permit)	43-019-31446	Wildcat	2,240' FSL	1,317' FWL	NWSW	1	26S	19E	Grand	
UTU 068122	Cane Creek	Cane Creek No. 8-1 * (Drilling)	43-019-31449	Wildcat	2,563' FNL	1,429' FWL	SENW	8	26S	20E	Grand	
UTU 065973	Cane Creek	Cane Creek No. 24-1 * (Drilling)	43-019-31447	Big Flat	682' FNL	2,829' FEL	NENW	24	26S	19E	Grand	

* previously changed by Designation of Operator

Form 3160-5
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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 page 2.*

5. Lease Serial No.
UTU65972

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Cane Creek 2-1

2. Name of Operator
Fidelity Exploration & Production Company

9. API Well No.
43-019-31396

3a. Address
1700 Lincoln St Suite 2800 Denver, CO 80203

3b. Phone No. *(include area code)*
303-893-3133

10. Field and Pool or Exploratory Area
Big Flat

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
2289 FNL 518 FEL Sec 2 T26S R19E

11. County or Parish, State
Grand, UT

12. CHECK THE 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
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other Gas Gathering
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Please see the attached engineering details and description of work to be done.

Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only

RECEIVED
JAN 13 2014
DIV. OF OIL, GAS & MINING

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

Title Sr. Engineering Tech

Signature

Date 1/8/2014

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 page 2)

FIDELITY
Exploration & Production Company

1/3/2014

Project Description: Cane Creek Unit 2-1 (API No. 43-019-31396) Gas Gathering Line
Drawing Reference: Cane Creek 2-1 Gathering Line Plan

A 1080-foot long gathering line will be installed to transfer produced gas from the pressurized process equipment at the Cane Creek Unit 2-1 location and deliver it to the Dead Horse Lateral pipeline for subsequent compression and processing for natural gas liquids recovery and sales-grade natural gas transmission. This gas gathering will reduce flaring emissions and increase total resource recovery. The Cane Creek Unit 2-1 flare will remain in place and will be used during planned, unplanned, and emergency outages of the gathering, pipeline, booster compression, and gas plant systems. The gas gathering line will cross Section 2, T26S, R19E, which is owned by the state of Utah and administered by SITLA.

The Cane Creek Unit 2-1 gathering line will be constructed of 6 1/2-inch Fiberspar piping material with carbon steel transitions in locations where the buried gathering line comes to surface to make connections with associated systems, from the Cane Creek Unit 36-1 gathering line. The gathering line will be buried at a minimum depth of 3-feet. The Cane Creek Unit 2-1 gathering line will surface at the well pad, the tie-in point to the Cane Creek Unit 36-1 gathering line, and low point drain sites located at the topographical low points.

Low point drain valves will extend approximately 2.5-feet above grade (Detail M8 Low Point Drain) and will be protected by a 3-foot high by 3-foot wide by 3-foot long pipe barrier (Detail M1B Pigging Valve Protection). The low point drain locations are shown in the Cane Creek Unit 2-1 gathering line plan and profile views on Sheet C-6.

The Cane Creek Unit 2-1 gathering line will be installed in the existing road right-of-way, and for access roads constructed as part of the original APD, within the 35-foot access road construction width. The construction corridor will be 30-feet wide, minimized wherever possible depending upon the terrain. Trenched road crossings with a minimum 3-foot buried depth will be used to route the gathering line along a path that minimizes surface disturbance and rock blasting. The gathering line will be protected with a steel sleeve for all trenched crossings (Details M4 & M5).

The gathering line will transfer water saturated produced gas from the wellsite to the Dead Horse Lateral pipeline. A certain amount of liquid condensation is anticipated and planned for in the design. Low Point Drain collection points will be sited at topographical low points to allow a vacuum truck to connect to the gathering line to removed standing liquids that would otherwise impede the flow of gas. In addition, low-profile pigging valves will be installed at the wellsite, at any tee connection to the gathering line, and at the connection point to the Dead Horse Lateral pipeline. The pigging valves are necessary to provide for clean out of any condensate that may collect in the line.

RECEIVED
JAN 13 2014
DIV. OF OIL, GAS & MINING

1700 Lincoln Street Suite – 2800, Denver, Colorado 80203 • 303-893-3133 • Fax 303-893-1964

A typical pig launcher to be installed at the wellsite is shown in Detail M7. The pig launcher will be supported by a pigging support stand (Detail M2) and will be protected by a 3-foot high by 4-foot wide by 16-foot long (approximately) pipe barrier (Detail M1A pigging valve protection). A unique pig receiver is not required for the Can Creek Unit 2-1 pigging operations; the WYE connection directs the pig to the downstream receiver on the Cane Creek Unit 36-1 gathering line.

Isolation valves are provided at the connection of the gathering line to the Dead Horse Lateral pipeline. The isolation valve allows maintenance to be performed on the gathering line without requiring the Dead Horse Lateral pipeline and other associated gathering lines to be taken offline thus minimizing gas flaring volumes during maintenance procedures.

Each gathering line installation crew will consist of five workers. Two or three crews may be working simultaneously in different locations under the supervision of one superintendent in order to meet the total project schedule. One road boring crew, consisting of five people, will install the bored road crossings under State Route 313. Construction will commence in early 2014, as soon as approval is received from BLM and UDOGM.

RECEIVED

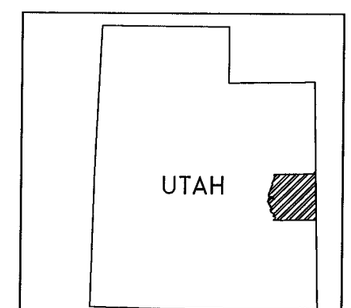
JAN 13 2014

DIV. OF OIL, GAS & MINING

FIDELITY
Exploration & Production Company
An MDU Resources Group company

FIDELITY EXPLORATION AND PRODUCTION
GAS GATHERING PROJECT
DEAD HORSE LATERAL
MOAB, UTAH

RECEIVED
JAN 13 2014
DIV. OF OIL, GAS & MINING



GENERAL LOCATION

TOWNSHIPS 26S & 25S RANGES 19E & 20E
SECTIONS 12, 13, 17, 18, 36
MOAB, GRAND COUNTY
UTAH

DRAWING INDEX

C-0	COVER SHEET
C-1	CANE CREEK 12-1 GATHERING LINE PLAN & PROFILE
C-2	CANE CREEK 17-1 & 17-2 GATHERING LINE PLAN & PROFILE
C-3	CANE CREEK 18-1 & 18-2 GATHERING LINE PLAN & PROFILE
C-4	CANE CREEK 24-1 GATHERING LINE PLAN & PROFILE
C-5	CANE CREEK 36-1 GATHERING LINE PLAN & PROFILE
C-6	CANE CREEK 2-1 GATHERING LINE PLAN & PROFILE
C-7	CANE CREEK 7-1 GATHERING LINE PLAN & PROFILE
C-8	CANE CREEK 26-2 & 26-3 GATHERING LINE PLAN & PROFILE
C-9	CANE CREEK GATHERING LINE DETAILS

©2005, COLUMBIA ENGINEERING SERVICES

REFERENCES

dwg. no.	title

REVISIONS

rev	description	b	date	chk by	chk date
	PIPE SCH CHANGES		12/12/13		
	REVISION		12/31/13		
	REVISED PER COMMENTS		01/06/14		

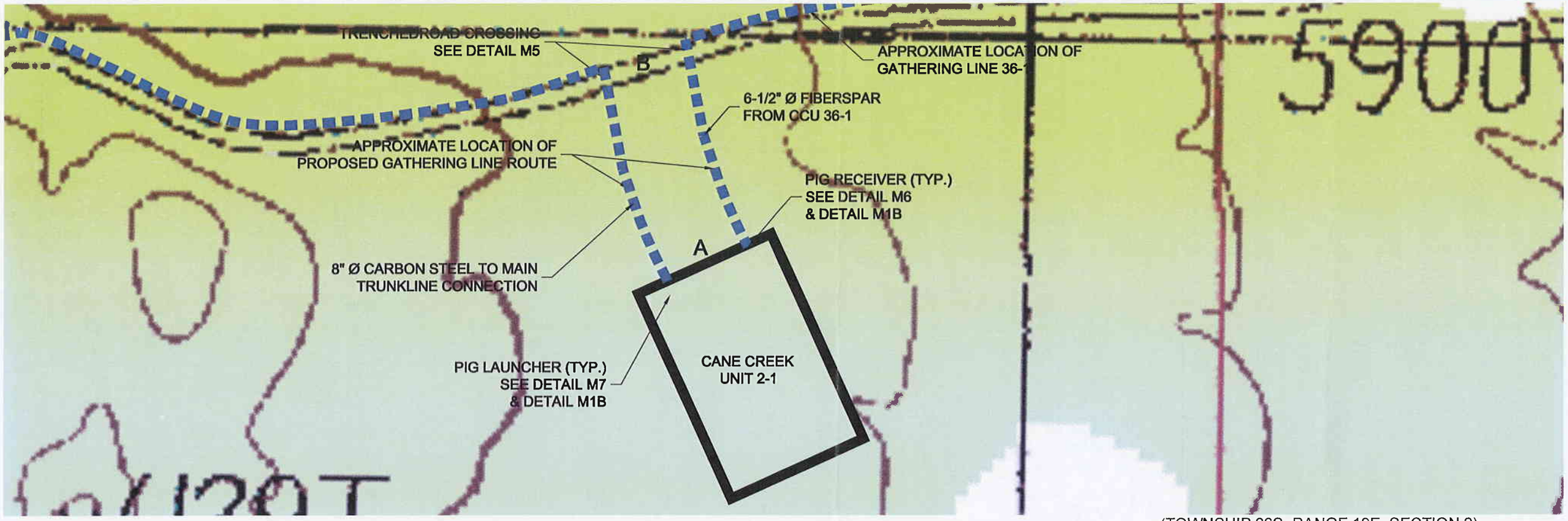
rk mechanical

Columbia Engineering
LAND PLANNERS • CIVIL ENGINEERS • LANDSCAPE ARCHITECTS • SURVEYORS
2763 MEADOW CHURCH RD
SUITE 100
DULUTH, GA 30097
(770) 925-0357

RCE RIVER CITY ENGINEERING

DATE
11/05/2013
Job Number
4160.10

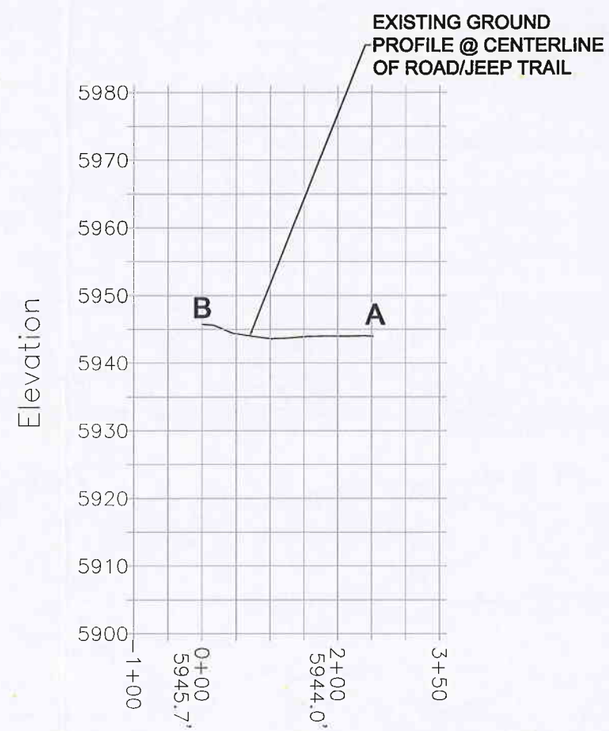
C-0



NOTE:
BACKGROUND IMAGES TAKEN FROM QUAD MAPS: GOLD BAR CANYON, UTAH - PROVISIONAL EDITION 1985 - 38109-E6-TF-024 & THE KNOLL, UTAH - PROVISIONAL EDITION - 1988 - 38109-E7-TF-024

CANE CREEK 2-1 GATHERING LINE PLAN

(TOWNSHIP 26S, RANGE 19E, SECTION 2)



CANE CREEK 2-1 GATHERING LINE PROFILE

NOTE:
GROUND RUN PROFILE WAS TAKEN FROM A SURVEY, PREPARED BY KEOGH LAND SURVEYING, DATED 09/18/2013. ASSUMED ALIGNMENT IS AT THE CENTERLINE OF ROAD. THE ACTUAL PROFILE LENGTH & GROUND ELEVATIONS AT THE PROPOSED GATHERING LINE LOCATION MAY VARY FROM WHAT IS SHOWN.

MOAB GATHERING LINES PROJECT 2-1

2-PAD TO DHL LEG DESCRIPTION	DISTANCE OF LEG	UNITS SERVED	ESTIMATED PEAK FLOW	ESTIMATED MID FLOW	ESTIMATED LOW FLOW	GATHERING LINE SIZE			
						SCH 40 CS		FS 750	
			MMSCFD			NOM	I.D.	NOM	I.D.
A to B	1080'	2-1	2.00	1.00	0.50	6	6.025	6-1/2	5.60
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-

GRAPHIC SCALE
100 0 50 100 200 400
(IN FEET)

PIPE LINE LEGEND

- 12" MAIN GAS TRUNK LINE
- 2-1 GATHERING LINE
- FUTURE / BRANCH / GATHERING LINES

RECEIVED
JAN 13 2014
DIV. OF OIL, GAS & MINING

COLUMBIA ENGINEERING
2763 MEADOW CHURCH RD
SUITE 100
DULUTH, GEORGIA 30097
(770) 925-0357

PROJECT
PARADOX GAS GATHERING LINES
TOWNSHIP 26S, RANGE 19E, SECTION 2)
GRAND COUNTY, UTAH

CLIENT
FIDELITY EPCO
1700 LINCOLN ST, SUITE 2800
DENVER, CO 80203

THIS DRAWING AND DESIGN ARE THE PROPERTY OF THE CONSULTANT. THEY ARE NOT TO BE USED, REPRODUCED, COPIED, IN WHOLE OR IN PART, OR USED FOR FURTHER DISTRIBUTION TO OTHERS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE CONSULTANT. ALL COMMON LAW RIGHTS OF COPYRIGHT AND OTHERWISE ARE HEREBY SPECIFICALLY RESERVED.

- ☐ APPROVED FOR CONSTRUCTION
- ■ NOT APPROVED FOR CONSTRUCTION

REVISIONS	DATE
PIPE SCH CHANGES	12/12/13
REVISION	12/31/13
REVISED PER COMMENTS	01/06/14

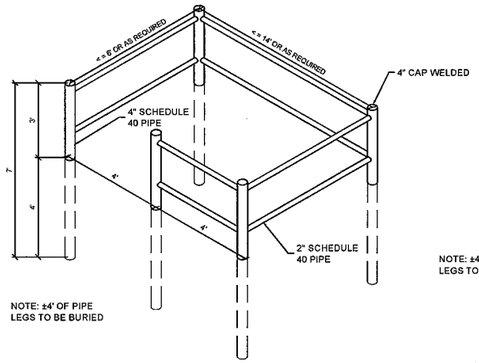
DRAWING TITLE
CANE CREEK
2-1
GATHERING LINE

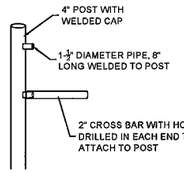
DRAWINGFILE		
DRAWN BY	JCW	DRAWING NO.
DATE	11/05/2013	C-6
PROJECT NO.	4160.10	

© 2007, COLUMBIA ENGINEERING SERVICES

COLUMBIA ENGINEERING

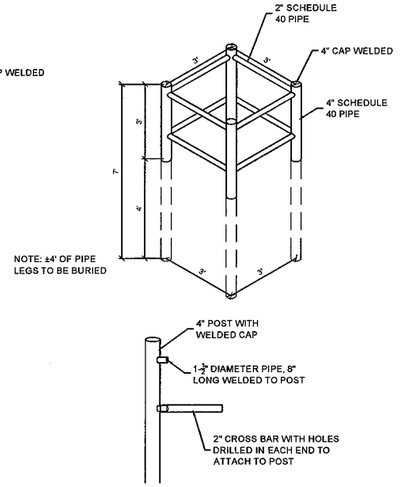
CIVIL ENGINEERS * LAND PLANNERS
LANDSCAPE ARCHITECTS * SURVEYORS





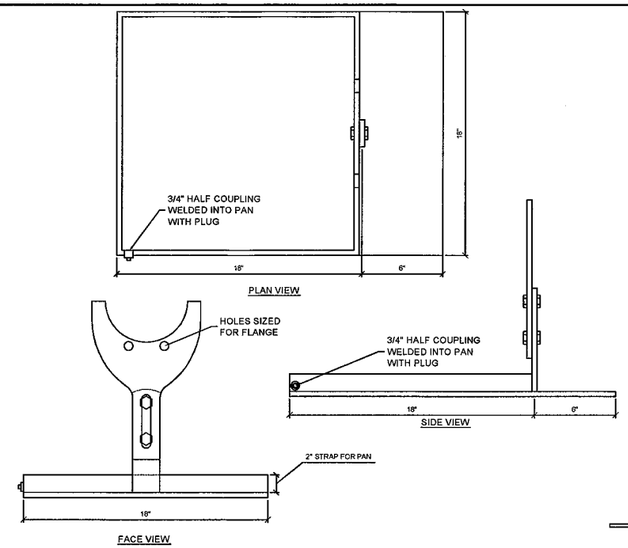
M1A PIGGING VALVE PROTECTION

NOT TO SCALE



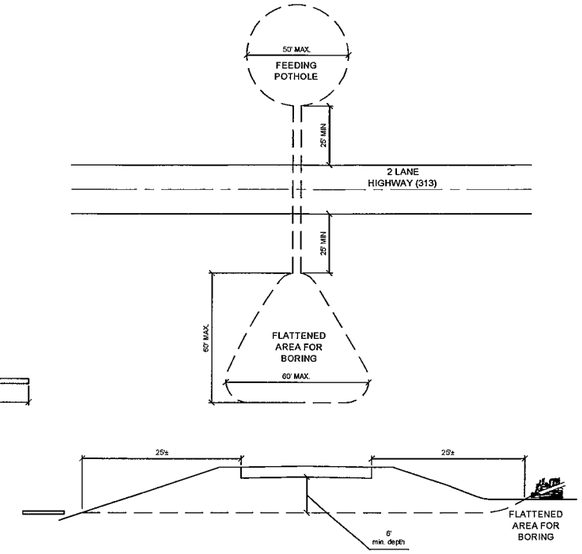
M1B PIGGING VALVE PROTECTION

NOT TO SCALE



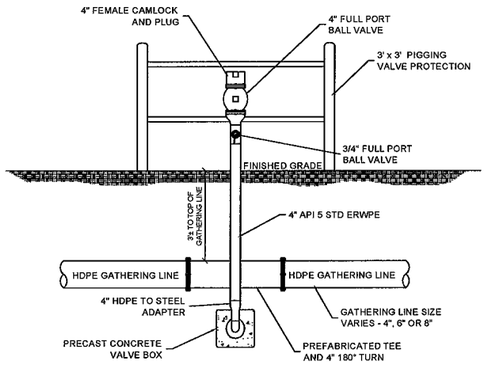
M2 TYPICAL PIGGING SUPPORT STAND

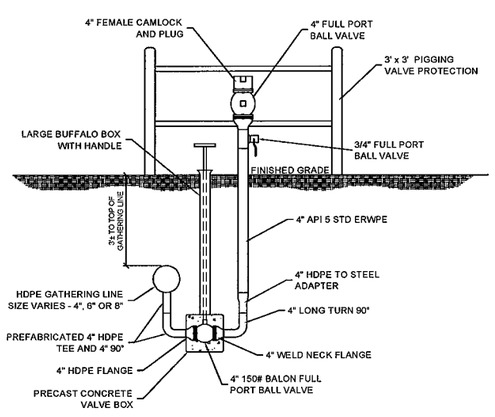
NOT TO SCALE



M3 TYPICAL BORED ROAD CROSSING

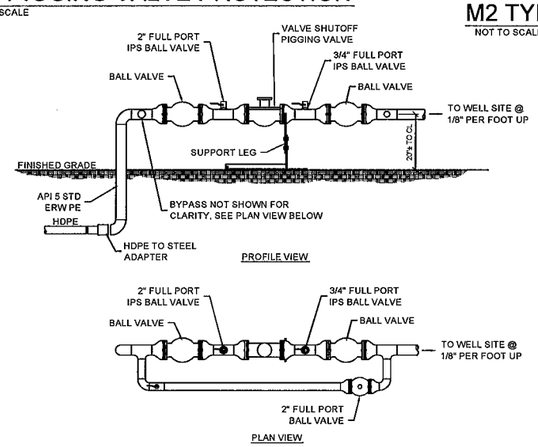
NOT TO SCALE





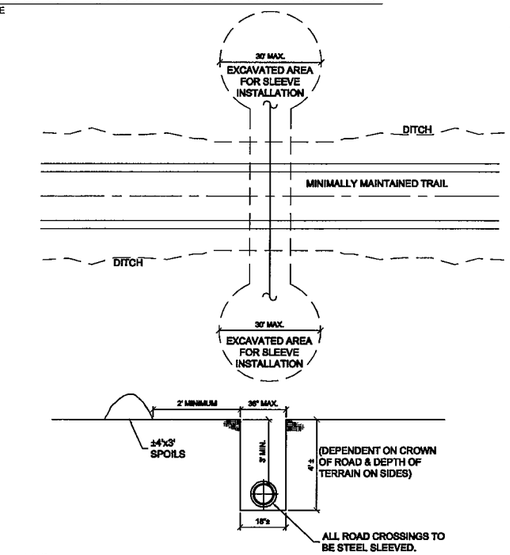
M8 LOW POINT DRAIN

NOT TO SCALE



M7 TYPICAL PIG LAUNCHER

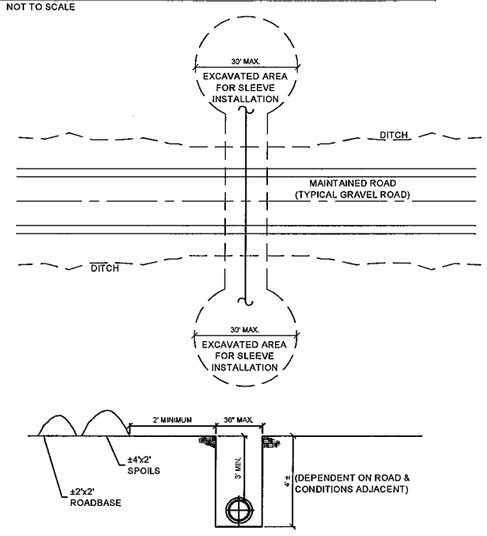
NOT TO SCALE



NOTE:
TRENCHED ROAD CROSSING ON A MINIMAL/ NON-MAINTAINED ACCESS ROAD/TRAIL TO BE COMPACTED TO 90% IN A MAXIMUM OF 1' LIFTS DURING BACKFILL OPERATIONS. SURFACE CONDITIONS TO BE FINISHED AS CLOSE AS POSSIBLE TO EXISTING CONDITIONS OR BETTER.

M5 TYPICAL TRENCHED ROAD CROSSING

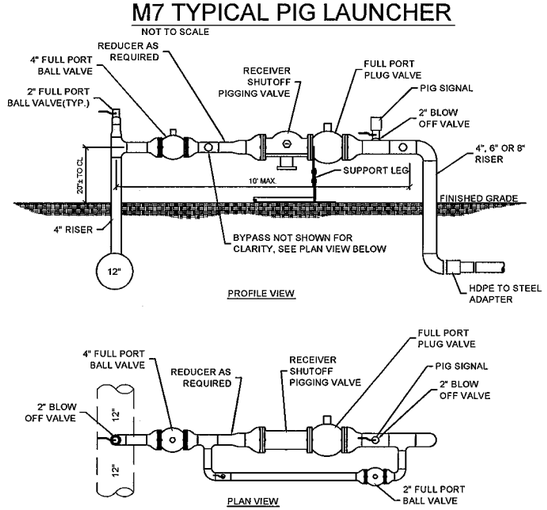
NOT TO SCALE



NOTE:
TRENCHED ROAD CROSSING ON A MAINTAINED ROAD. CARRIER PIPE TO HAVE A STEEL SLEEVE TO PROTECT FROM CRUSH. SLEEVE TO EXTEND 4' ± FROM EDGE OF NORMALLY TRAVELED SURFACE. ROAD BASE TO BE REMOVED PRIOR TO TRENCHING AND REPLACED ON TOP. SPOILS TO BE COMPACTED TO 95% IN A MAXIMUM OF 1' LIFTS DURING BACKFILL OPERATIONS. SURFACE CONDITIONS TO BE FINISHED AS CLOSE AS POSSIBLE TO EXISTING CONDITIONS OR BETTER.

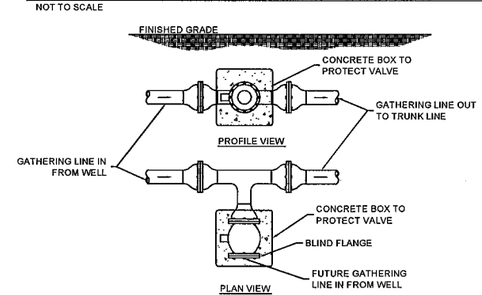
M4 TYPICAL TRENCHED ROAD CROSSING

NOT TO SCALE



M6 GATHERING LINE CONEECTION & BYPASS

NOT TO SCALE



M9 FUTURE TIE IN DETAIL

NOT TO SCALE

RECEIVED

JAN 13 2014

DIV. OF OIL, GAS & MINING

COLUMBIA ENGINEERING
2763 MEADOW CHURCH RD
SUITE 100
DULUTH, GEORGIA 30097
(770) 925-0357

PROJECT
PARADOX GAS GATHERING LINES
- GRAND COUNTY, UTAH

CLIENT
FIDELITY EPCO
1700 LINCOLN ST, SUITE 2800
DENVER, CO 80203

THIS DRAWING AND DESIGN ARE THE PROPERTY OF THE CONSULTANT. THEY ARE NOT TO BE USED, REPRODUCED, COPIED, IN WHOLE OR IN PART, OR USED FOR FURNISHING INFORMATION TO OTHERS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE CONSULTANT. ALL COMMON LAW RIGHTS OF COPYRIGHT AND OTHERWISE ARE HEREBY SPECIFICALLY RESERVED.

☐ APPROVED FOR CONSTRUCTION
■ NOT APPROVED FOR CONSTRUCTION

REVISIONS	DATE

DRAWING TITLE

CANE CREEK GATHERING LINE DETAILS

DRAWING FILE		
DRAWN BY	JCW	DRAWING NO.
DATE	11/05/2013	C-9
PROJECT NO.	4160.10	

© 2007, COLUMBIA ENGINEERING SERVICES

COLUMBIA ENGINEERING

CIVIL ENGINEERS * LAND PLANNERS
LANDSCAPE ARCHITECTS * SURVEYORS

FIDELITY
Exploration & Production Company

RECEIVED
JAN 13 2014
DIV. OF OIL, GAS & MINING

January 9, 2014

Marie McGann
BLM – Moab Field Office
82 East Dogwood
Moab, UT 84532

RE: Sundry submittals for the Cane Creek Gas Gathering Project

Dear Ms. McGann:

On November 8, 2013, we received the Decision Record and Finding of No Significant Impact for the Dead Horse Lateral Right-of-Way Amendment for a Natural Gas Pipeline (UTU-67385) Environmental Assessment (DOI-BLM-UT-Y010-2013-067-EA). We are currently in process of beginning construction on the Dead Horse Lateral pipeline. To tie-in existing wells to the Dead Horse Lateral pipeline, we respectfully submit the attached packet of sundries for the Cane Creek Unit 12-1 (API Well No. 43-019-31592), Cane Creek Unit 17-1 (API Well No. 43-019-50028), Cane Creek Unit 18-1 (API Well No. 43-019-50012), Cane Creek Unit 24-1 (API Well No. 43-019-31447), Cane Creek 36-1 (API Well No. 43-019-50030), Cane Creek 2-1 (API Well No. 43-019-31396), Cane Cree Unit 7-1 (API Well No. 43-019-50010), and Cane Creek Unit 26-2 (API Well No. 43-019-50011) gathering lines (Attachment 1). As part of the sundry, the gathering line for each location has a project description, plan and profile drawing and detail sheet attached. In addition, Map 1 provides an overview of the entire gas gathering project. A compact disc is enclosed with corresponding ArcGIS shapefiles for the gas gathering project (Projection: NAD_1983_StatePlane_Utah_Central_FIPS_4302_Feet).

The gas gathering system will be constructed as described in the Big Flat Area 9-Well Oil and Gas Exploration Project (DOI-BLM-UT-Y010-2010-0117-EA) and referenced in the Dead Horse Lateral Right-of-Way Environmental Assessment. As stated in the Big Flat Area 9-Well EA:

A gas gathering system would be constructed to connect to each well location to the Dead Horse Lateral...Belowground gathering lines would be installed from each well head adjacent to a well's access road. A gathering line would be constructed within the 35-foot construction width for an access road. Each gathering line would tie into the Dead Horse Lateral as it passes through the Cane Creek Unit.

Additionally, the Dead Horse Lateral EA referenced the gas gathering system as stated:

Pipeline infrastructure may include valves, pigging facilities, and tie-in risers for possible connections to gathering lines from wells...Aboveground valves would be

1700 Lincoln Street Suite – 2800, Denver, Colorado 80203 • 303-893-3133 • Fax 303-893-1964

installed to ensure safe operations and provide the opportunity for connection to existing or possible future facilities. Seven 3-foot high tie-in risers would be installed within the 50-foot ROW where well gathering lines would connect to the pipeline. Each riser would be surrounded by a pipe barrier, approximately 3 feet long and 3 feet wide.

There are two areas where the gas gathering lines will not be installed within the existing road right-of-way and will need to cross either previously disturbed or undisturbed areas to tie-in to the Dead Horse Lateral pipeline. On the Cane Creek 36-1, approximately 1830-feet of the gas gathering line will cross a previously disturbed and reclaimed well pad and access road in Section 2, T26S, R19E. In addition, on the Cane Creek Unit 26-2, the gas gathering line will cross approximately 350-feet of undisturbed surface in Section 27, T25S, R19E.

Because the crossing for the Cane Creek 36-1, follows a previously disturbed and reclaimed access road and drill pad, Cane Creek 2-2 (API Well No. 43-019-31568), an Application for Permit to Drill with the State of Utah was completed and received by Fidelity. Most pertinent to the sundry request herein is the cultural resources inventory and paleontology evaluation, both of which are attached (Attachments 2 and 3, respectively). In addition, the access road to the Cane Creek 2-2 was inventoried as part of the Fertilizer 3-D Project Environmental Assessment (UT-062-01-011), completed by Veritas DGC Land Inc. for Intrepid Oil & Gas, LLC.

Even though the undisturbed area crossing for the Cane Creek Unit 26-2 gas gathering line is only 350-feet in extent (between State Highway 313 and the tie-in point), the cultural resources inventory for the Dead Horse Lateral pipeline would only have included 100-feet of that distance. A cultural resources inventory will need to be completed for the remaining 250-feet of disturbance; this inventory is scheduled to be completed as soon as weather allows. The paleontology evaluation for the Dead Horse Lateral pipeline would have been inclusive of the proposed gas gathering line crossing and the applicable conditions of approval will apply.

Thank you for your prompt attention to this project. We are very excited to begin delivering our produced gas to market. Please feel free to contact me with any questions or comments at dina.brown@fidelityepco.com or 720-917-3069.

Sincerely,

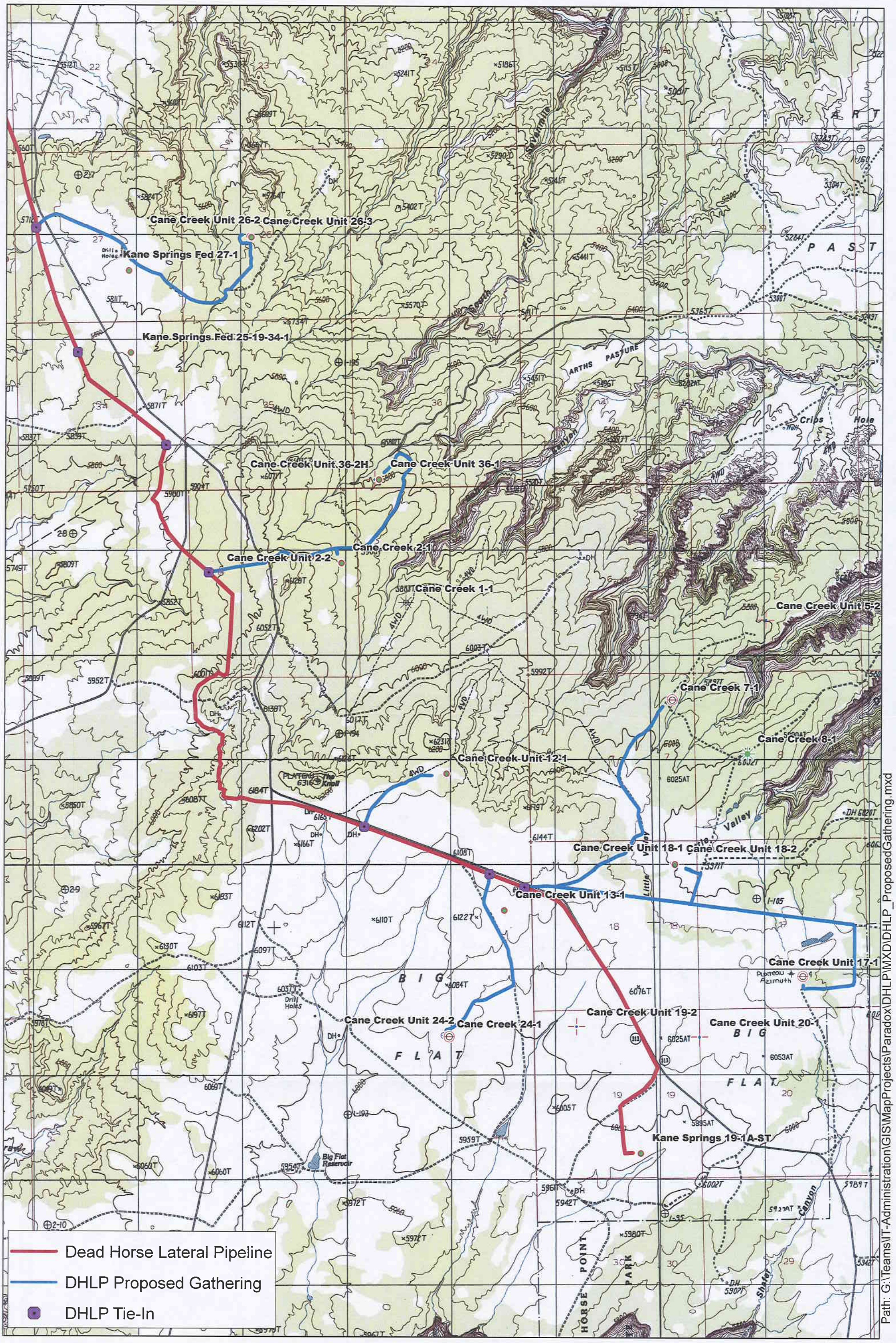
Dina Brown
Senior Environmental Engineer

Attachments
Enclosure

cc: Utah Division of Oil, Gas, and Mining
Bonnie Carson, Smiling Lake Consulting

RECEIVED
JAN 13 2014
DIV. OF OIL, GAS & MINING

Attachment 1



Map 1 - Gas Gathering to the Dead Horse Lateral Pipeline from the Cane Creek Unit

Moab, Utah

0 0.5 1 2 Miles

FIDELITY Exploration & Production Company
An MDU Resources Group company

RECEIVED
JAN 13 2014
DIV. OF OIL, GAS & MINING

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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: ML-40761

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.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: CANE CREEK

1. TYPE OF WELL Oil Well

8. WELL NAME and NUMBER: CANE CREEK 2-1

2. NAME OF OPERATOR: FIDELITY E&P COMPANY

9. API NUMBER: 43019313960000

3. ADDRESS OF OPERATOR: 1700 Lincoln Street Ste 2800 , Denver, CO, 80203

PHONE NUMBER: 720 931-6459 Ext

9. FIELD and POOL or WILDCAT: BIG FLAT

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2289 FNL 0518 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 02 Township: 26.0S Range: 19.0E Meridian: S

COUNTY: GRAND

STATE: UTAH

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

TYPE OF SUBMISSION

- ✓ NOTICE OF INTENT — Approximate date work will start: 6/1/2014
- ☐ SUBSEQUENT REPORT — Date of Work Completion:
- ☐ SPUD REPORT — Date of Spud:
- ☐ DRILLING REPORT — Report Date:

TYPE OF ACTION

☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
☐ WILDCAT WELL DETERMINATION	✓ OTHER	OTHER: gas gathering

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please see the attached project description.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
April 30, 2014

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Joy Gardner	720 956-5763	Sr. Engineering Tech

SIGNATURE	DATE
N/A	4/15/2014

RECEIVED: Apr. 15, 2014

Dead Horse Lateral Natural Gas Gathering Lines

Project Description

Fidelity Exploration & Production Company (the Operator) proposes to construct, operate, maintain, and eventually decommission 19 gas gathering lines that would connect current and possibly future wells on 19 well pads in and near the Cane Creek Unit (CCU) to the Dead Horse Lateral (DHL) gas gathering pipeline, which is currently under construction. The produced natural gas would be transported through the DHL pipeline to an approved natural gas processing plant near Blue Hills Road that is also under construction. The natural gas would be compressed and processed for liquids recovery at the gas plant. The sales-grade gas would subsequently be delivered via the existing Greentown pipeline to the existing Northwest pipeline. The gathering lines would remain in operation as long as the Operator's producing wells supply sufficient gas to justify its use. The life of a productive well may last as long as 30 years.

In addition, the Operator proposes to upgrade one Class D road to provide alternate access to existing and future well locations currently being accessed via the Class B Mineral Point Road.

All applicable federal, state, and county regulations and Bureau of Land Management (BLM) conditions of approval would be adhered to during gathering line construction and operation. Construction operations would employ the principles contained in the BLM's *Hydraulic Considerations for Pipelines Crossing Stream Channels* (2007) and *Surface Operating Standards for Oil and Gas Exploration and Development, 4th Edition* (Gold Book) (2007). Cultural, paleontological, and biological resource inventories are in progress, and reports of the findings will be submitted to the BLM prior to the initiation of construction operations.

Design features, environmental protection measures, and safety procedures committed to by the Operator are listed at the end of this project description. Additional safety procedures that would be utilized as part of the DHL gathering system are contained in DOI-BLM-UT-Y010-2013-067-EA, Appendix D (BLM, 2013). If the project is approved, the Operator would utilize an independent 3rd-party compliance monitor to ensure that gathering line construction operations would be conducted in accordance with applicable conditions of approval.

Location and Access

Gathering Lines

Approximately 25 miles of gathering lines (132,056 feet) would be constructed across federal and State of Utah lands in Grand County, Utah, approximately 12 miles west of Moab. The

gathering line routes would be reached by traveling north from Moab along US Highway 191 until reaching State Highway (SH) 313. The gathering lines would tie into the DHL pipeline at various locations along SH 313 and the Dubinky Well Road (See attached maps). New roads would not be constructed to construct the gathering lines. Table 1 shows the lengths of the gathering line routes related to surface ownership. The gathering lines are named according to the name of the well pad from which they originate.

Table 1: Gathering Line Lengths and Land Ownership

Gathering Line	Location	Federal Surface Length (feet)	State Surface Length (feet)	Total
Cane Creek 1-1	T25S-R19E, Sections 1, 2	1,366	987	2,353
Cane Creek 2-1	T25S-R19E, Section 2	0	0	0
Cane Creek Unit 2-1-25-18	T25S-R18E, Section 2	0	1,697	1,697
Cane Creek Unit 7-1	T26S-R20E, Sections 7, 18	10,825 [1]	0	10,825 [1]
Cane Creek 8-1	T26S-R20E, Sections 8, 18	4,101	0	4,101
Cane Creek Unit 12-1	T25S-R19E, Section 11, 12	2,883	0	2,883
Cane Creek Unit 16-2	T24S-R18E, Sections 35, 36 T25S-R18E, Sections 2, 10, 11, 15, 16	10,493	19,937	30,430
Cane Creek Unit 17-1	T26S-R20E, 17, 18	7,660	0	7,660
Cane Creek Unit 18-1	T26S-R20E, Section 18	1,347	0	1,347
Cane Creek 24-1	T26S-R19E, Sections 13, 24	6,336	0	6,336
Cane Creek Unit 26-2	T25S-R19E, Sections 26, 27	9,602	0	9,602
Cane Creek Unit 28-2	T25S-R19E, Section 28	1,111	0	1,111
Cane Creek Unit 32-1-25-19	T25S-R19E, Section 32	0	2,557	2,557
Cane Creek 36-1-25-18	T25S-R18E, Section 36 T25S-R19E, Sections 28, 31, 32, 33	14,207	10,171	24,378
Cane Creek Unit 36-1	T25S-R19E, Section 36 T26S-R19E, Sections 1, 2	140	7,077	7,217
Kane Springs Federal 10-1	T25S-R18E, Section 10	5,509	0	5,509
Kane Springs 19-1A-ST	T26S-R19E, Section 24 T26S-R20E, Sections 19, 30	12,606	0	12,606
Kane Springs Federal 27-1	T25S-R19E, Section 27	34	0	34
Kane Springs Federal 25-19-34-1	T25S-R19E, Section 34	1,410	0	1,410
Total Length by Surface Owner		89,630	42,426	132,056

[1] Includes 2,274 feet within the DHL ROW

Through traffic in both directions would be maintained on SH 313 during construction operations. Through traffic may be temporarily stopped on the Class B Gemini Bridges Road near the intersection with the CCU 2-1 well pad access road to accommodate construction operations where the CCU 36-1 gathering line would cross the road. Gemini Bridges Road

would be closed in this area for approximately three hours total, but would be open at intervals within this time so that traffic could pass the construction area. An additional two-hour period would be needed to trench beneath Gemini Bridges Road and bury the pipeline beneath the road.

Appropriate controls would be in place to warn the public and control traffic while constructing a gathering line adjacent to a road or while constructing a trench across a road. Traffic cones and "construction zone" signs would be used to notify oncoming traffic of construction operations. Flagmen would be placed at either end of the work area if visibility is less than 100 yards. Installation of a gathering line along a Class D road may generally allow vehicles to proceed past construction operations.

Class D Road

The Operator proposes to upgrade an existing Class D road to that would provide access to its leases along Mineral Point Road and bypass Horsethief Campground. The Operator has drilled two wells that currently utilize the Mineral Point Road for access and may drill additional wells in the future that would otherwise utilize Mineral Point Road without the alternate route that the upgraded Class D road would provide. The Class D road is located north of Mineral Point Road and is located entirely on federal surface. It currently intersects Mineral Point Road approximately 1.5 miles west of Horsethief Campground to SH 313 near the CCU 28-2 well pad.

Table 2: Class D Road Upgrade Location and Length

Road Upgrade	Location	Length (feet)
Cane Creek 36-1-25-18	T25S-R19E, Sections 28, 33	7,597

Construction Schedule and Personnel Requirements

The Operator plans to initiate gathering line construction as soon as it receives regulatory approval but anticipates initiating construction in June 2014. Four to five months would be needed to construct all gathering lines. Each gathering line would require 1-2 weeks for construction, depending on its length and terrain considerations. Construction activities would generally occur during daylight hours. Pipeline integrity testing may be performed at night.

Procedures have been developed to ensure that gathering line installation occurs as quickly and safely as possible in a planned sequence of operations along the routes. Two or three construction crews may work simultaneously at different locations to meet the project schedule. Each installation crew would consist of five workers. One 5-person road boring crew would be responsible for the SH 313 crossings.

Gathering Line Design

The design, materials, construction, operation, maintenance, and termination practices of the pipeline would meet or exceed safe and proven engineering practices, industry standards, and would comply with all applicable requirements. These gathering lines have been designed and would be constructed to meet and exceed applicable industry standards, which include, but are not limited to: API 5L, API 6D, API 15 HR, ASTM D2517, ASME 31.8 and ANSI pipeline material standards .

The gathering lines would be installed above and below ground, depending on site conditions along the routes. Buried lines would be constructed of 4.5 or 6.5-inch (outside diameter) Fiberspar (or equivalent), or 8 or 12-inch steel. Aboveground line would be constructed of uncoated steel so that the outside surface would rust. The highest normal operating pressure on the gas gathering system would be 75 pounds per square inch (psi) gauge and would occur at the well site, where it would be limited by mechanical pressure relief valves on the upstream separation equipment. Maintenance operations may temporarily require the normal operating pressure to be exceeded. The pipe wall thickness would ensure sufficient structural integrity for the low-pressure system. Gas production from each well would be measured by an orifice meter. A well pad may require installation of more than one pipe in a trench. If so, these gathering lines would be positioned vertically within a single trench.

All gathering lines would be surveyed in place so that precise locations with respect to adjacent roads and buried depths can be ascertained. The as-built survey would be provided to the BLM at the completion of the project.

Construction Operations

Gathering Line Construction

Equipment needed to install the buried gathering lines would include flatbed trailers, trenching machines, mini-excavators, bulldozers, rotary jackhammers, offset booms, spoolers, cables, water trucks, and pickup trucks. Vehicle traffic during construction operations would include the transportation of materials and heavy equipment, workforce commuting, and daily operation of construction equipment. Installation equipment, pipe, and other construction materials would be hauled to the work site by flatbed semi-tractor trailers and stored temporarily on existing well pads. Pipe would be transported from well pads to strategic locations along a gathering line route within the construction corridor on a daily basis. Construction equipment may be left overnight within the construction corridor but would not be parked overnight on Class B roads. To minimize the introduction of noxious invasive species, the construction contractor would be required to have equipment arrive at construction sites in a clean condition, free of weeds and soil.

The gathering line routes have been located to avoid trees and shrubs as much as possible. Where dead trees are found within a 30-foot construction corridor, the trees would be transported to disturbed areas and mulched. The mulch would be spread over the disturbed areas.

All pipeline installation equipment would operate within a 30-foot construction corridor.

Aboveground Cross-Country Gathering Lines. Some gathering line routes would travel cross-country to minimize impacts to topography, soils, vegetation, and recreation and visual resources. Installing a gathering line aboveground on cross-country routes would prevent visual scarring by eliminating the need to remove the shrub and tree cover that would otherwise result from trenching. The ground surface would not be bladed. Vegetation would not be removed. Trees and cultural resource sites would be avoided.

Aboveground gathering line would be installed using one of two methods. The first method would utilize a cable that would be placed by hand along a cross-country segment of the route. Several sections of the pipe would be welded together on a well pad and attached to the end of the cable. A bulldozer would be stationed at the receiving end to pull the cable and position the welded pipe in place along the route. Pipe segments would be pre-welded on the well pad. Using this procedure, surface disturbance would result only from placing the cable by hand and by dragging the pipeline in place, affecting approximately five feet along the length of the cross-country segment.

Alternatively, pipe segments would be welded on a well pad and pulled along the cross-country route with the use of a single pass of a bulldozer. The ground surface would not be bladed, and trees would be avoided by the bulldozer. An approximate 15-foot drive route would be used by the bulldozer while pulling the gathering line in place.

Buried Gathering Lines adjacent to Roads. Where a gathering line would be buried parallel to a well access road or Class D road, the gathering line would generally be installed immediately adjacent to the 14-foot road running surface. Each gathering line would be installed at least 4 feet deep to ensure a minimum cover of 3 feet below the surface. The top of the trench would be approximately 12 inches in width. It may be necessary to consider installing a gathering line aboveground and adjacent to a Class D road where hard bedrock is extremely hard, in which case one of the two procedures described above would be utilized (cable pull or tractor pull).

Where a gathering line would be installed adjacent to a Class B road, the gathering line and aboveground infrastructure would be installed as far from the centerline of the Class B road as possible while generally remaining within the Class B road ROW. Alternatively, the gathering line would be installed adjacent to the running surface of the Class B road in a trench sufficiently deep to provide a minimum coverage of five feet. Installation of a gathering line at this depth

would allow road maintenance operations to be conducted safely and minimize surface disturbance away from the roadway.

Open trenching would be performed using a trencher, the size of which would be determined by site-specific terrain conditions, soil depth, and hardness of bedrock. Previous testing of a rock sample from the project area determined that most trenching operations would be performed with standard trenching equipment. Where operating on harder bedrock, a trencher may be equipped with a rock wheel. In areas where the rock surface is even harder, a rotary jackhammer may be used to create a trench. If absolutely necessary, bedrock may be blasted using small explosive charges and appropriate public safety measures would be taken.

A small trencher would be used to dig a trench where the terrain provides suitable safe access. Ideally, it would be used on the edge of the running surface of all Class D or access roads and as much as possible on Class B roads where terrain conditions are favorable. If trenching slightly off the road surface, this trencher would permit maximum flexibility in choosing the optimal route to avoid trees and large shrubs. An offset boom, operating on the road, would be used to place the pipe farther off the road running surface. Using the small trencher would not generally require the ground surface to be bladed or graded. The small trencher would use floatation tires with an approximate ground pressure of 20 psi. It would create an approximate 10-foot wide track with the trench centered beneath it. Topsoil and spoils would be mixed and placed on either side of the trench within the trencher tire tracks. Following installation of the pipe, the trench would be backfilled with the materials excavated from the trench using a V-plow equipped with skids so that the ground surface is not gouged. Another pass would compact the surface above the trench. An approximate 15-foot corridor would be affected along the gathering line route if a bulldozer is used.

A large trencher would be used where hard bedrock is encountered. The gathering line route may require grading and/or blading where the terrain is too rough for placement of the trencher. For trenches larger than 18 inches in width, spoils and topsoil would be temporarily placed in the 30-foot construction corridor in piles opposite the working side of the trench. Topsoil, as available, would be stored separately from the spoils and placed in piles adjacent to the spoil piles. After the pipe is lowered in the trench, spoils would be replaced in the trench and compacted. Extra spoil would be placed on top of the trench and spread. Topsoil would be redistributed on top of the spoils. Extra spoil materials may be used to camouflage the appearance of the surface-installed infrastructure from adjacent Class B roads and/or SH 313.

Road crossings would be performed either by open-trenching an unpaved road surface or by boring under the paved SH 313. Any Fiberspar gathering line that would be installed beneath a road would be protected with a steel sleeve. The BLM would be provided with a three-week notice regarding upcoming Class B road crossings. One week prior to the crossing, the Operator

would confer with the BLM to confirm the crossing schedule. At Class B road crossings, the public would be prevented from using the road for up to five hours while the road is being trenched and the pipe installed. If possible, the road would be intermittently re-opened for through public vehicle passage during this time. One mini-excavator would be used at each side of a Class B road crossing in a 30 by 30-foot area, which would be graded and bladed prior to trenching across the road. Topsoil would be stripped and temporarily stored in a small pile within the mini-staging areas. After installation of the pipe, the contours of the mini-staging areas would be restored and topsoil re-spread. Mulch would then be applied.

To avoid disrupting traffic, a horizontal directional drill (HDD) would be used to bore beneath SH 313. The depth of the trench beneath SH 313 would be increased per UDOT regulations. Using the HDD would require two approximate 100 by 100-foot temporary use areas on both sides of SH 313 where the bore would enter and exit the surface. Surface preparation would remove portions of the topsoil, which would be temporarily stored within the disturbance area; however, large shrubs would be retained where possible. The HDD would drill a pilot hole beneath the surface at a depth that maintains minimum coverage requirements, after which the hole would be enlarged with a reamer to a diameter sufficient to accommodate the pipe diameter. A pre-welded and pre-tested section of pipe would be pulled into the hole from the side of the bore hole opposite the drilling equipment.

Buried gathering line segments would be installed at least 4.5 feet below all active wash bottom elevations. Generally, this increased depth would be extended for a distance of half the width of the wash on either side of the wash. For example, if the wash is 20 feet wide, the increased depth would extend 10 feet beyond each side of the wash. Disturbed wash banks would be stabilized with natural erosion control materials including rocks, erosion control blankets, rip rap, or other stabilizing materials.

A hydrostatic pressure test would be performed for each gathering line prior to operation. The gathering lines would be tested to at least 110 percent of maximum operating pressure using up to 465,000 gallons of water (total). The water would be obtained from a permitted source or a private owner that holds valid water rights. Disposal of the test water would be in conformance with applicable state and BLM requirements.

Road Upgrade

Up to 35 feet may be required to upgrade the Class D to an all-weather access road. Upgrading the Class D road would require short re-routes to eliminate sharp corners and allow for safe travel by tractor trailers and tanker trucks. A surveyed route showing proposed modifications to the configuration of the existing road would be provided to the BLM prior to project approval. The upgraded road would require a 14-foot running surface.

The road surface would be bladed and graded. High wash banks would be bladed, and the extra material would be used as fill in the wash bottoms and on adjacent sections of the road. Where slickrock exposures or rocky areas exist along the road, materials remaining from grading would be used to smooth out the surface. Dry wash crossings would be used where possible, but culverts and cattle guards would be installed if necessary to control drainage and livestock movement. Turnouts would be constructed according to Gold Book standards. The Operator would obtain road surfacing materials from permitted sources. Construction would not be conducted during wet conditions when soils are saturated. Approximately seven days would be needed to upgrade the Class D road.

Other Infrastructure

Gathering line infrastructure would include surface and subsurface equipment. All aboveground equipment would be painted shale green, or other flat color specified by the BLM, and would be positioned to be screened from view or blend in with the immediate natural surroundings as much as possible. Where located adjacent to a Class B road or SH 313, the Operator would place the aboveground infrastructure behind trees, shrubs, or rocks, where present. Alternatively, existing soil berms or ridges may be built up or rocks placed to provide visual screening from travelers on an adjacent road.

Subsurface tee and stubs for possible future connections would be installed below the ground surface. Such equipment would be prefabricated off-site and installed within the construction corridor where needed.

Pig receiver and launcher valves would be used to clean and inspect the interior of the gathering lines. Pig receivers or a combination of receiver and launcher valves in a single valve assembly would be installed aboveground along the DHL pipeline ROW or along the gathering line construction corridor where pipe diameter changes. One pig launcher would be installed on each existing well pad. Pig receivers would be installed where a gathering line joins another gathering line or where a gathering line joins the DHL pipeline. In addition to the measures previously described to minimize the visual impacts, the Operator would install low profile in-line valves that are about 1/10 the size of typical pig launchers and receivers. Each pigging valve assembly would be protected by a steel pipe tubing enclosure measuring approximately 3 feet high, 4 feet wide, and 16 feet long. Alternatively, rocks may be brought in and placed nearby to serve as security bollards.

Low point drain valves would be sited at topographic lows along the gathering lines. Produced natural gas typically contains some amount of water, which condenses out of the gas phase as the gas cools. The standing liquids would be collected by a vacuum truck that would be temporarily connected to the gathering line. Low point drain valves would rise approximately 2.5 feet above

the ground surface and would be protected by a 3-foot high, 3-foot wide, 3-foot long pipe enclosure and/or with rocks.

Flares would remain in place at the well pads to be used during maintenance operations that require that a well be taken offline, during which time natural gas would be temporarily flared at the well pad(s) served by the gathering line. Table 3 summarizes the construction details for each gas gathering line.

Table 3: Gathering Line Construction Details [1]

Gathering Line	Well Status	Construction Details
Cane Creek 1-1	Active well.	Connects to the CCU 36-1 gathering line. Buried along well access road. Surface laid cross-country to the CCU 2-1 well pad via cable pull.
Cane Creek 2-1	Active well.	Connects to the CCU 36-1 gathering line, entirely on CCU 2-1 well pad.
Cane Creek Unit 2-1-25-18	Drilling and completion.	Well pad on state surface. Connects to the CCU 16-2 gathering line. Buried along well access road.
Cane Creek Unit 7-1	Active well.	Connects to the DHL pipeline. Buried along well access road and Class D road. Trenched under Long Canyon Road. Bored under SH 313. 2,274 feet within the DHL ROW.
Cane Creek 8-1	Shut-in.	Connects the CCU 8-1 well pad to CCU 18-1 gathering line at CCU 18-1 well pad. Buried along Class D road.
Cane Creek Unit 12-1	Active well.	Connects to the DHL pipeline. Buried along Class D road. Bored under SH 313.
Cane Creek Unit 16-2	APD approved	Well pad on state surface. Connects to DHL pipeline. Surface laid cross-country via bulldozer pull to CCU 10-1 tie-in. Trenched under Class B road.
Cane Creek Unit 17-1	Active well.	Connects to the CCU 18-1 gathering line. Surface laid along Class D road to Long Canyon Road via bulldozer pull. Surface laid cross-country to the CCU 18-1 tie-in via cable pull. Trenched under Long Canyon Road.
Cane Creek Unit 18-1	Active well.	Connects to the CCU 7-1 gathering line. Surface laid cross-country via bulldozer pull.
Cane Creek 24-1	Active well.	Connect to the DHL pipeline. Buried along well access road and Class D road. Also, carries production from the CCU 13-1 well.
Cane Creek Unit 26-2	Active well.	Connects to the DHL pipeline. Buried along well access road, Class D road, and Class B road. Bored beneath SH 313.
Cane Creek Unit 28-2	Active well.	Connects to the DHL pipeline. Buried along well access road.
Cane Creek Unit 32-1-25-19	Drilling and completion.	Connects to the CCU 36-1-25-18 gathering line. Buried along well access road.
Cane Creek 36-1-25-18	Drilling and completion.	Connects to the DHL pipeline. Buried along well access road, Mineral Point Road, and upgraded Class D road. Trenched under Mineral Point Road.
Cane Creek Unit 36-1	Active well.	Connects to the DHL pipeline. Surface laid cross-country via cable pull to the CCU 2-1 well pad. Surface laid cross-country via bulldozer pull to the DHL. Trenched under Gemini Bridges Road. Bored beneath SH 313.
Kane Springs Federal 10-1	Active well.	Connects to the CCU 16-2 gathering line. Buried along Class B road.
Kane Springs 19-1A-ST	Active well.	Connects to the CCU 24-1 gathering line. Buried along well access road and Class D road.
Kane Springs Federal 27-1	Active well.	Connects to the CCU 26-2 gathering line. Buried along well access road.
Kane Springs Federal 25-19-34-1	Active well.	Connects to the DHL pipeline. Buried along well access road. Bored beneath SH 313.

[1] The Long Canyon 1 well is not connected because it no longer produces natural gas.

Routine Maintenance and Operations

The gathering lines would operate 24 hours each day, 365 days a year. The Operator would adhere to applicable pipeline operational and maintenance standards. Although not currently planned, the buried section of the gathering lines may be marked along its route with warning signs that would display the contents of the line and the operator's name and emergency contact information. If the installation of signs is necessary to ensure gathering line safety by identifying the route, the Operator will consult with the BLM to determine sign height necessary for safety and visibility.

The gathering line routes would be routinely patrolled and inspected by personnel on foot or in vehicles to check for problems such as erosion, general condition of the surface, unauthorized encroachment, and any other conditions that could cause a safety hazard or require preventive maintenance. At a minimum, an annual line patrol would detect any integrity issues with the surface facilities. The acquired information would be compiled, cataloged, and filed for the life of the pipeline system.

Gathering lines generally require little maintenance. Valves would be exercised regularly to ensure they will seal when needed. If damage to a gathering line would occur, detailed line break and emergency procedures would be followed. A safety manual developed for the DHL pipeline, including an Emergency Response Plan, would apply to the operation of the gathering lines. Standard emergency procedures include notification protocols, response procedures for fires, explosions, facility damage, adverse weather conditions, civil disorders, and vandalism.

The Operator would periodically inspect the pipeline route and other temporary use areas for the presence of noxious weeds during the first two years following construction activities. If noxious weeds are identified, they would be promptly treated and controlled according to the Operator's approved Pesticide Use Proposal. The Operator would utilize spot-spraying of individual plants as the principal method of control rather than broadcast spraying large areas.

Reclamation

Reclamation operations would be performed in conformance with the Operator's Reclamation Plan for the Dead Horse Lateral Pipeline submitted to the Moab FO in July 2013. The Reclamation Plan emphasizes the importance of pre-disturbance planning, with consideration given to vegetation management, soil management, and facility visibility and describes procedures for topsoil salvage and surface preparation for seeding. All equipment and materials not necessary for gathering line operation and maintenance would be removed from the construction corridor after construction is complete. The surfaces of all unpaved Class B and Class D roads would be restored to existing road conditions after construction is finished.

Reclamation after construction would essentially comprise final reclamation. All surface areas affected by gathering line construction and installation would be reclaimed. Immediate reclamation measures would be taken to stabilize disturbed areas, restore topsoil and encourage vegetative cover, and control erosion. The upgraded road would be reclaimed outside of the running surface. Additional areas needed to trench or bore under roads would be reclaimed. Where salvaged, topsoil would be evenly distributed, mulch applied, as available, and the disturbed area aggressively seeded.

All disturbed areas would be seeded using a certified weed-free seed mix intended to provide a self-sustaining plant community consistent with pre-disturbance vegetation. Seeding would be performed immediately after construction operations are complete. Mulch, silt fencing, waddles, hay bales, and other erosion control devices would be used in areas at risk of soil movement from wind and water erosion.

Reclamation would be determined successful when the basal cover of desirable perennial species is representative of baseline survey conditions or at least 75 percent of the basal cover on adjacent or nearby undisturbed areas where vegetation is in a healthy condition. Actions would be taken to ensure that reclamation standards are met as quickly as reasonably practical and are maintained during the life of the project. During the life of the gathering lines, reclaimed areas receiving incidental disturbance during maintenance activities would be reseeded as soon as practical. Reclaimed areas would be monitored semi-annually. Annual monitoring of the gathering line routes would be documented in conjunction with monitoring the condition of the DHL route. The documentation would be submitted to the BLM by May 1. The report would document the extent to which the reclamation objectives are met. If the standards are not met, a timeline for achievement of the objectives without additional actions would be estimated. Alternatively, actions would be identified needed to meet the objectives and standards.

The gathering lines would be decommissioned following the productive lives of all connected wells. The buried pipe would be left in place; however, pig launchers, receivers, and all aboveground valves/infrastructure would be removed. Areas disturbed during infrastructure removal, would be reclaimed as previously described. The routes would be seeded to re-establish native/desired vegetation. Monitoring and inspections would be performed to achieve the desired objectives.

Surface Disturbance

Surface disturbance would result from the gathering line construction corridors and upgrading the Class D road. Where a gathering line would be installed adjacent to a well access road or Class D road, the 14-foot running surface of the access road would be used for construction operations, reducing the effective disturbance corridor along access roads from 30 feet to 16 feet. Although one lane of a Class B road may be used for construction operations where a gathering

line would be installed adjacent to it, the entire 30-foot construction width was conservatively included in the disturbance estimates. The upgraded Class D road would utilize the 14-footwidth of the existing road plus an additional 21 feet. The 35-foot total construction width for this road would include the surface needed to install the adjacent gathering line. The estimates of construction disturbance include the additional areas need to trench or bore under roads. Approximately 2,274 feet of the CCU 7-1 gathering line route would be placed inside the ROW for the DHL pipeline. Surface disturbance for the DHL pipeline was analyzed in DOI-BLM-UT-Y010-2013-067-EA, and this portion of the gathering line system was not included in the estimate of new surface disturbance.

Infrastructure that would be placed on existing well pads and belowground equipment were not included in the disturbance estimates. Each pigging assembly would affect approximately 0.001 acre and each low point drain would affect approximately 0.0002 acre. They would be positioned at various points along the gathering line routes, would not effectively preclude use of the surface, and are therefore considered incidental disturbance because total disturbance from these facilities would be very low.

Long-term disturbance corresponds to the area that would not be reclaimed after gathering line construction. It consists of the aboveground pig valve assemblies and the low point drain connections. A summary of surface disturbance is provided in Table 4.

Table 4: Alternative A - Surface Disturbance Summary (acres)

Gathering Line	Construction Disturbance (acres)	Reclamation (acres)	Long-term Disturbance (acres)
CCU 1-1	0.4	0.4	0
CCU 2-1	0	0	0
CCU 2-1-25-18	0.6	0.6	0
CCU 7-1	3.7	3.7	0
CCU 8-1	1.5	1.5	0
CCU 12-1	1.5	1.5	0
CCU 16-2	20.0	20.0	0
CCU 17-1	2.3	2.3	0
CCU 18-1	0.5	0.5	0
CCU 24-1	2.3	2.3	0
CCU 26-2	5.2	5.2	0
CCU 28-2	0.4	0.4	0
CCU 32-1-25-19	0.9	0.9	0
CCU 36-1-25-18	13.4	13.4	0
CCU 36-1	2.3	2.3	0
Kane Springs Federal 10-1	3.8	3.8	0
Kane Springs 19-1A-ST	4.6	4.6	0
Kane Springs Federal 27-1	0 [1]	0 [1]	0
Kane Springs Federal 25-19-34-1	1.0	1.0	0
Class D Road Upgrade	3.7	3.7	0
Total	68.1	68.1	0

[1] Approximately 0.01 acre.

Project Design Features and Applicant Commitments

Table 5 summarizes the design features that would be incorporated into project execution. They are intended in provide protection to the environmental resources of the project area.

Table 5: Project Design Features and Environmental Protection Measures

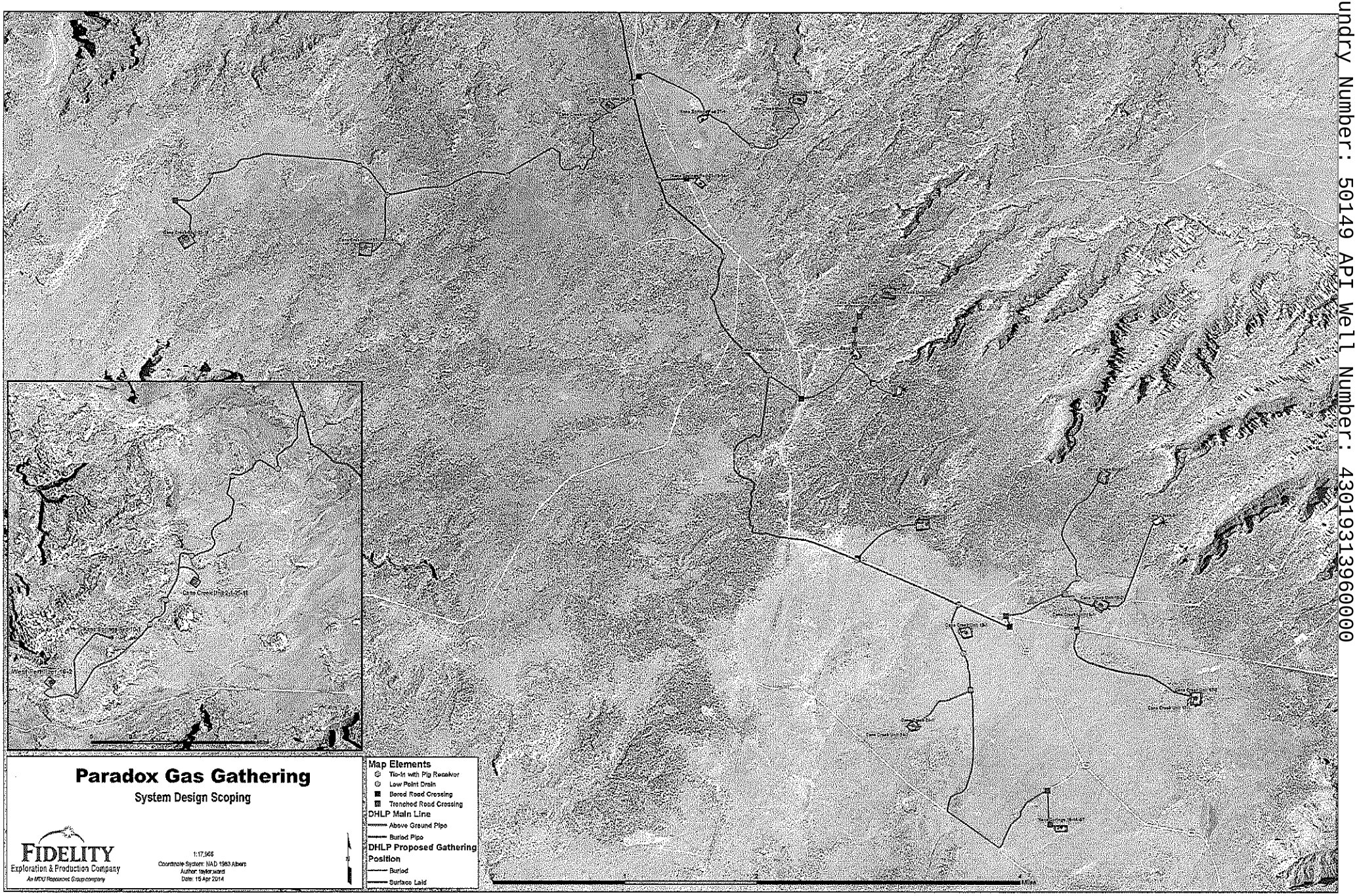
Project Design Features
General
The Operator will adhere to all applicable federal, state, county, and BLM regulations, including Conditions of Approval, while performing all operations associated with the Proposed Action.
Construction operations would be conducted in consideration of the *Surface Operating Standards for Oil and Gas Exploration and Development, 4th Edition* (Gold Book) (USDI and USDA, 2007).
The Operator will follow guidance presented in the BLM publication *Hydraulic Considerations for Pipelines Crossing Stream Channels* (2007).
The Operator will provide "survey in place" documentation to the BLM to display construction details associated with each gathering line, including surveyed locations and depths of buried pipe.
The Operator will utilize an independent 3rd-party compliance monitor to ensure that gathering line construction operations would be conducted in accordance with applicable conditions of approval.
The Operator will perform internal inspections of its facilities to ensure that normal operations will be in compliance with the Onshore Orders and other rules and regulations that apply to the project, the Cane Creek Reclamation Plan, and commitments as described in this EA. The Operator will provide an annual report to the BLM describing the progress of its reclamation operations until the BLM agrees that reclamation has been successful.
The Operator will implement hiring policies that would encourage the employment of area residents and, to the extent feasible, will purchase equipment and materials from local area merchants.
Firearms will not be allowed at construction sites, and the Operator's drug, alcohol, and firearms policies will be rigorously enforced.
Access
The Operator will provide a surveyed route to the BLM prior to project approval showing proposed changes to the existing orientation of the Class D road that would be upgraded to bypass the Horsethief Campground.
Where possible, the Operator will utilize the construction corridor of existing access roads for gathering line installation.
The Operator will not inhibit public use of SH 313. Gemini Bridges or Long Canyon Roads may be closed briefly during trench road crossings. Wildlife or livestock movement would not be inhibited.
Where installed adjacent but offset to Class B roads, the Operator will locate the gathering line route as distant from the centerline of the Class B road as possible while saving as many trees as possible. The construction corridor will remain 30 feet wide.
Where installed adjacent to well pad access roads or Class D roads (not maintained by Grand County), the Operator will install the pipeline as close as possible to the access or Class D road.
Where installed below the borrow ditch immediately adjacent to Class B roads, the gathering line will be installed with a minimum of five feet of coverage. A survey "in place" of these lines will confirm the depth below the surface, and will be provided to the BLM and Grand County.
Construction equipment may be left overnight within the construction corridor but would not be parked overnight on Class B roads to ensure public access along these roads.
Air Quality
During construction operations, the Operator will perform dust mitigation with the application of water, as needed.
The Operator will instruct its employees and contractors not to exceed 20 miles per hour on any well access road during construction or normal daily activities to discourage the generation of fugitive dust.
Cultural Resources

Project Design Features
The Operator has conducted Class III cultural resource surveys on undisturbed lands that would be affected by gathering line construction and will avoid all sites determined to be eligible to the National Register of Historic Places. The results of these surveys will be submitted to the BLM.
Construction activities occurring within and near archaeological sites will be monitored by permitted archaeologists. Permitted archaeologists will perform open trench inspection along the entire length of any trenching activities for unexpected discoveries, regardless of the trench location.
Should cultural resources be discovered during construction of the proposed pipeline and associated facilities, all work would stop and the Moab BLM Field Office immediately contacted.
The Operator will prohibit staff and contractors from illegal collection or destruction of cultural resources and will discipline workers violating such policies and laws.
Paleontological Resources
The Operator has conducted a paleontological inventory on State of Utah and BLM lands affected by surface-disturbing activities. The results of the inventory will be submitted to the BLM.
A paleontology monitor would monitor all surface disturbing activities that occur within a Potential Fossil Yield Classification (PFYC) of 5, including the Morrison Formation. Monitoring in areas of PFYC 5 would be performed during ongoing operations, and in some cases extended periods of work may be required, although efforts would be made to complete any fossil recovery with minimal work stoppage. The Mancos Shale would be spot-checked in areas where any trenching or boring is to be done. Spot-check monitoring would be conducted when the Mancos is exposed to view or before pipe is placed and the trench backfilled. Monitoring would be required for any surface-laid pipe within PFYC 5 areas where there would be blading or grading of the surface more than 12 inches wide AND/OR greater than 1 meter deep. A monitor would spot check for any surface-laid pipe within PFYC 4 areas where there would be blading or grading of the surface more than 12 inches wide AND/OR greater than 1 meter deep. Areas of PFYC 3 are recommended for spot checks; although this maybe waved in areas that are covered in moderate to deep eolian sediments (3% of the proposed pipeline route is in a PFYC 3 area, with no PFYC 4 currently impacted). These include the Mancos Shale, Navajo Sandstone and the Kayenta Formation. Spot-checking is conducted when the fossil-bearing bedrock is exposed to view or prior to placing spoil material back into the excavation, such as when a pipeline trenching operation is complete but before pipe is placed and the trench backfilled.
Should paleontological resources be discovered during construction of the proposed pipeline and associated facilities, all work would stop and the Moab BLM Field Office immediately contacted.
Recreation and Safety
The Operator will ensure public safety at all times. During construction operations, public access would be maintained on Gemini Bridges and Long Canyon Roads by utilizing just one lane at any particular time so that one lane would remain open, or vehicle traffic would be temporarily routed to detour along the temporary construction ROW. Appropriate controls would be in place during construction within a roadbed or adjacent shoulders of the road to warn the public and control traffic. Traffic cones and "construction zone" signs would be used to warn oncoming traffic of construction operations. Sufficient space would be allowed for passage of a single vehicle. Flagmen would be placed at either end of the work area if visibility is less than 100 yards.
Off-road (cross-country) construction operations, including vehicle movement and travel, will be conducted within the approved temporary construction corridor.

Project Design Features
Although trees will be generally avoided, the Operator will take the following measures to reduce fuel loads and prevent possible fires: While performing construction operations, if any standing live or dead trees were to be damaged, cut down, or knocked over by grading or construction equipment, the Operator will take actions to mitigate the fuel loads from resultant slash. In areas where reclamation of the site would be expected and slash would be utilized to help reclaim the site, the Operator may temporary stockpile slash until termination of this activity. Disposal actions include chipping materials on site with dispersal along the road or pad edge. Disposal of materials will be conducted with the following stipulations: a. The BLM would pre-approve the disposal location. b. Piled vegetation will not be within 15 feet of standing live trees.
Soils and Vegetation
The Operator will use the reclamation plan developed for the DHL PL to direct reclamation operations on each gathering line to ensure that reclamation operations meet acceptable standards. The Operator will monitor reclamation progress semi-annually and provide the BLM with an annual report detailing reclamation status.
The Operator's reclamation performance goals include: • Preserving the viable use of topsoil; • Re-establishing vegetation; and • Minimizing visual impacts resulting from bare ground and the appearance of slopes created during construction operations.
Reclamation of the gathering line construction corridors will begin as soon as practicable after line installation
The Operator will re-distribute topsoil and re-seed as much of a gathering line construction corridor as possible to maintain topsoil viability and revegetate bare ground.
Reclaimed areas above buried gathering lines receiving incidental disturbance during maintenance activities will be reseeded as soon as practical with a seed mix approved by the BLM.
The Operator will power-wash construction equipment prior to entry into the project area.
The Operator will monitor growth of invasive species resulting from surface disturbance caused by project activities and will control weeds by the application of commercial herbicides in accordance with its approved Pesticide Use Proposal.
The Operator will conduct pre-construction briefings during which the field crew would be educated to identify and avoid soil crusts where possible.
Surface Water
The Operator will utilize best management practices for control of nonpoint sources of water pollution to prevent soil erosion, sedimentation, and damage to floodplains of drainages that transport ephemeral water.
Visual Resources
The Operator will paint all permanent aboveground structures (onsite 6 months or longer), constructed or installed, Shale Green or a flat, nonreflective color as determined by the BLM.
The Operator will install low profile in-line pigging valves that are about 1/10 the size of typical pigging valves in order to minimize the visual impacts of surface equipment.
Where aboveground equipment would be located adjacent to a Class B road or SH 313 in VRM II areas, the Operator will place the aboveground gathering line equipment behind trees, shrubs, and rocks, where present, to prevent viewing by travelers on the road as much as possible to assist in maintaining consistency with the VRM II objective which allows activities to be seen but diminishes the likelihood of attracting the attention of a casual observer. Where trees or rocks are not available in the vicinity of aboveground gathering equipment, the Operator will bring in natural materials to place between the Class B road or SH 313 and the equipment to discourage a direct

Project Design Features
view of the equipment.
Existing roads will be used for construction purposes and vehicle access for inspections and maintenance. Using designated routes for construction and inspection purposes would prevent unnecessary and unintended adverse effects to soils, vegetation, and visual resources.
If the installation of signs is necessary to ensure gathering line safety by identifying the route, the Operator will consult with the BLM to determine sign height necessary for safety and visibility.
Wildlife
During the spring of 2014, an approved biological contractor is conducting raptor surveys for the presence of active nests in the vicinity of the proposed gathering line routes. If an active nest is found, applicable spatial and seasonal buffers will be applied to construction operations until the nest is fledged. The results of the survey will be provided to the BLM.
The Operator will any conduct additional biological resource surveys as directed by the BLM.

Sundry Number: 50149 API Well Number: 43019313960000



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

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: ML-40761

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.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: CANE CREEK

1. TYPE OF WELL Oil Well

8. WELL NAME and NUMBER: CANE CREEK 2-1

2. NAME OF OPERATOR: FIDELITY E&P COMPANY

9. API NUMBER: 43019313960000

3. ADDRESS OF OPERATOR: 1801 California St. Ste 2500 , Denver, CO, 80202

PHONE NUMBER: 713 351-1968 Ext

9. FIELD and POOL or WILDCAT: BIG FLAT

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2289 FNL 0518 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 02 Township: 26.0S Range: 19.0E Meridian: S

COUNTY: GRAND

STATE: UTAH

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

TYPE OF SUBMISSION

- ☐ NOTICE OF INTENT — Approximate date work will start:
- ✓ SUBSEQUENT REPORT — Date of Work Completion: 10/27/2014
- ☐ SPUD REPORT — Date of Spud:
- ☐ DRILLING REPORT — Report Date:

TYPE OF ACTION

☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
☐ TUBING REPAIR	☐ VENT OR FLARE	✓ WATER DISPOSAL
☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Produced water generated from this well is disposed of either at the Fidelity-operated Kane Springs 16-1 injection well or the commercial Danish Flats facility in Grand County, Utah.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
October 29, 2014

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Sandi Stocker	720 931-9637	Engineering Tech

SIGNATURE	DATE
N/A	10/27/2014

RECEIVED: Oct. 27, 2014

Division of Oil, Gas and Mining
Operator Change/Name Change Worksheet-for State use only

Effective Date: 3/1/2016

FORMER OPERATOR:	NEW OPERATOR:
Fidelity E&P Company N3155 1801 Califorina Street, Suite 2500 Denver, CO 80202	Wesco Operating, Inc. N4030 PO Box 1650 Casper, WY 82602
CA Number(s):	Unit(s): Cane Creek Threemile

WELL INFORMATION:

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
See Attached List									

OPERATOR CHANGES DOCUMENTATION:

1. Sundry or legal documentation was received from the **FORMER** operator on: 4/12/2016
2. Sundry or legal documentation was received from the **NEW** operator on: 4/12/2016
3. New operator Division of Corporations Business Number: 8742016-0143

REVIEW:

1. Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: 4/12/2016
2. Receipt of Acceptance of Drilling Procedures for APD on: 4/12/2016
3. Reports current for Production/Disposition & Sundries: 4/19/2016
4. OPS/SI/TA well(s) reviewed for full cost bonding: 4/19/2016
5. UIC5 on all disposal/injection/storage well(s) approved on: 4/13/2016
6. Surface Facility(s) included in operator change: Blue Hills Gas Plant
   Dead House Lateral Pipeline
   Dubinky Booster Station
   Long Canyon Facility
7. Inspections of PA state/fee well sites complete on (only upon operators request): N/A

NEW OPERATOR BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UTB0000685
2. Indian well(s) covered by Bond Number: N/A
3.State/fee well(s) covered by Bond Number(s): RLB0016443

DATA ENTRY:

1. Well(s) update in the **OGIS** on: 4/21/2016✓
2. Entity Number(s) updated in **OGIS** on: 4/21/2016
3. Unit(s) operator number update in **OGIS** on: 4/21/2016
4. Surface Facilities update in **OGIS** on: 4/21/2016
5. State/Fee well(s) attached to bond(s) in **RBDMS** on: 4/21/2016
6. Surface Facilities update in **RBDMS** on: 4/21/2016

LEASE INTEREST OWNER NOTIFICATION:

1. The **NEW** operator of the Fee (Mineral) 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:

From: Fidelity Exploration Production Comany N3155
To: Wesco Operating, Inc. N4030
Effective: 3/1/2016

Well Name	Section	TWN	RNG	API Numner	Entity	Mineral	Surface	Type	Status	Unit
KANE SPRINGS 16-1	16	250S	180E	4301931341	11484	State	State	WD	A	CANE CREEK
CANE CREEK UNIT 2-2-25-18	2	250S	180E	4301950044		State	State	OW	APD	CANE CREEK
Cane Creek Unit 25-1-25-19	25	250S	190E	4301950048		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 6-1-25-19	6	250S	190E	4301950052		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 29-1-25-19	29	250S	190E	4301950053		Federal	Federal	OW	APD	CANE CREEK
Cane Creek 10-1-25-19	10	250S	190E	4301950054		Federal	Federal	OW	APD	
Cane Creek Unit 30-1-25-19	30	250S	190E	4301950055		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 19-2-26-20	19	260S	200E	4301950056		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 14-1-25-19	14	250S	190E	4301950057		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 2-3-25-18	2	250S	180E	4301950058		Federal	State	OW	APD	CANE CREEK
Cane Creek Unit 16-3-25-18	16	250S	180E	4301950059		Federal	State	OW	APD	CANE CREEK
Cane Creek Unit 19-1-25-19	19	250S	190E	4301950060		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 32-2-25-19	32	250S	190E	4301950061		State	State	OW	APD	CANE CREEK
Cane Creek Unit 17-1-25-19	17	250S	190E	4301950062		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 16-4-25-18	16	250S	180E	4301950063		Federal	State	OW	APD	CANE CREEK
Cane Creek Unit 2-4-25-18	2	250S	180E	4301950064		Federal	State	OW	APD	CANE CREEK
Cane Creek Unit 5-1-25-18	5	250S	180E	4301950065		Federal	Federal	OW	APD	CANE CREEK
8-2-26-20	8	260S	200E	4301950068		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 19-3-26-20	19	260S	200E	4301950069		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 21-1-25-19	21	250S	190E	4301950070		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 12-2-26-19	12	260S	190E	4301950071		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 26-4-25-19	26	250S	190E	4301950072		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 21-1-25-18	21	250S	180E	4301950073		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 9-1-25-18	9	250S	180E	4301950074		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 7-1-25-19	7	250S	190E	4301950075		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 5-2-25-18	5	250S	180E	4301950076		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 7-1-25-18	7	250S	180E	4301950077		Federal	Federal	OW	APD	CANE CREEK
Cane Creek Unit 13-1-25-18	13	250S	180E	4301950078		Federal	Federal	OW	APD	CANE CREEK
Three Mile Unti 12-3-29-21	12	290S	210E	4303750070		Federal	Federal	OW	APD	THREEMILE
Three Mile Unit 16-2-29-22	16	290S	220E	4303750071		Federal	State	OW	APD	THREEMILE
Cane Creek Unit 7-2-26-20	7	260S	200E	4301950051	19706	Federal	Federal	OW	OPS	CANE CREEK
THREEMILE 16-17	16	290S	220E	4303750003	17984	State	State	OW	OPS	THREEMILE
Three Mile Unit 12-2-29-21	12	290S	210E	4303750069	19646	Federal	Federal	OW	OPS	THREEMILE
KANE SPRINGS FED 27-1	27	250S	190E	4301931310	14505	Federal	Federal	OW	P	CANE CREEK
KANE SPRINGS FED 19-1A	19	260S	200E	4301931324	14505	Federal	Federal	OW	P	CANE CREEK
KANE SPRINGS FED 10-1	10	250S	180E	4301931331	14509	Federal	Federal	OW	P	CANE CREEK
KANE SPRINGS FED 25-19-34-1	34	250S	190E	4301931334	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK 2-1	2	260S	190E	4301931396	14505	State	State	OW	P	CANE CREEK
CANE CREEK UNIT 12-1	12	260S	190E	4301950009	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK UNIT 7-1	7	260S	200E	4301950010	18923	Federal	Federal	OW	P	CANE CREEK
CANE CREEK UNIT# 26-2	26	250S	190E	4301950011	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK UNIT #18-1	18	260S	200E	4301950012	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK U #13-1	13	260S	190E	4301950014	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK UNIT 26-3	26	250S	190E	4301950019	14505	Federal	Federal	OW	P	CANE CREEK
CANE CREEK UNIT 28-2	28	250S	190E	4301950020	18681	Federal	Federal	OW	P	
Cane Creek Unit 17-1	17	260S	200E	4301950028	18980	Federal	Federal	OW	P	CANE CREEK
Cane Creek Unit 36-1	36	250S	190E	4301950030	14505	State	State	OW	P	CANE CREEK
Cane Creek Unit 36-2H	36	250S	190E	4301950033	14505	State	State	OW	P	CANE CREEK
Cane Creek Unit 24-2H	24	260S	190E	4301950034	19342	Federal	Federal	OW	P	CANE CREEK
Cane Creek Unit 36-3H	36	250S	190E	4301950035	19528	State	State	OW	P	CANE CREEK
CANE CREEK UNIT 2-1-25-18	2	250S	180E	4301950036	19343	Federal	State	OW	P	CANE CREEK
Cane Creek Unit 32-1-25-19	32	250S	190E	4301950037	19396	State	State	OW	P	
Cane Creek Unit 28-3	28	250S	190E	4301950045	19767	Federal	Federal	OW	P	CANE CREEK
Cane Creek 32-1-25-20	32	250S	200E	4301950049	19588	State	State	OW	P	
HATCH POINT 1	14	290S	210E	4303731658	11356	Federal	Federal	OW	P	
THREEMILE 43-18H	18	290S	220E	4303731857	17276	Federal	Federal	OW	P	
LONG CANYON 1	9	260S	200E	4301915925	674	Federal	Federal	OW	S	
CANE CREEK 1-1	1	260S	190E	4301931446	14505	Federal	Federal	OW	S	CANE CREEK

From: Fidelity Exploration Production Comany N3155
To: Wesco Operating, Inc. N4030
Effective: 3/1/2016

CANE CREEK 24-1	24	260S	190E	4301931447	14505	Federal	Federal	OW	S	CANE CREEK
CANE CREEK 8-1	8	260S	200E	4301931449	16464	Federal	Federal	OW	S	CANE CREEK
Cane Creek Unit 18-2	18	260S	200E	4301950027	14505	Federal	Federal	OW	S	CANE CREEK
Cane Creek Unit 17-2	17	260S	200E	4301950032	14505	Federal	Federal	OW	S	CANE CREEK
Cane Creek 36-1-25-18	36	250S	180E	4301950038	19440	State	State	OW	S	
CHEVRON FED 1	24	290S	230E	4303730005	975	Federal	Federal	OW	S	
Threemile 12-7	12	290S	210E	4303750001	17837	Federal	Federal	OW	S	THREEMILE
LA SAL 29-28	29	290S	230E	4303750002	17920	Federal	Federal	OW	S	
CANE CREEK UNIT 16-2-25-18	16	250S	180E	4301950046	19512	State	State	OW	TA	CANE CREEK

WESCO OPERATING, INC.

OIL & GAS OPERATIONS

RECEIVED
APR 12 2016
DIV. OF OIL, GAS & MINING

April 8, 2016

John Rogers
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210 Box 145801
Salt Lake City, Utah 84114

RE: Change of Operator
A) Wells
B) APD'S
C) Dubinky Booster Station
D) Blue Hills Gas Plant
E) Dead Horse Lateral Pipeline
F) Authority to Inject
Sundry Notices

Dear John Rodgers,

Please find enclosed the following documents from Fidelity Exploration & Production Company to Wesco Operating, Inc for your further handing. If you have any further questions please contact us..

Sincerely,

Cassy Hague

Cassy Hague
307-577-5337

120 S. Durbin • P.O. Box 1650 • Casper, WY 82602 • 307/472-4618 • 307/265-1791 FAX

FORM 9

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

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: See Attached Exhibit

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: See Attached Exhibit

7. UNIT or CA AGREEMENT NAME: See Attached Exhibit

1. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ OTHER

8. WELL NAME and NUMBER: See Attached Exhibit

2. NAME OF OPERATOR: Fidelity Exploration & Production Company

9. API NUMBER:

3. ADDRESS OF OPERATOR: 1801 California St., STE 2500 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 893-3133

10. FIELD AND POOL, OR WILDCAT: See Attached Exhibit

4. LOCATION OF WELL

FOOTAGES AT SURFACE: See attached exhibit for all wells and details

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

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
	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
Approximate date work will start:	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
3/1/2016	☐ 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
	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
Date of work completion:	☐ 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.

Effective March 1, 2016, Fidelity Exploration & Production Company (Operator Number N1355) resigns as Operator of the wells listed on the attached exhibit and Wesco Operating, Inc. has been designated as successor Operator.

Wesco Operating, Inc.
P.O. Box 1650
Casper, Wyoming 82602
Phone 307-265-5178

Fidelity Exploration & Production Company
1801 California Street, Suite 2500
Denver, Colorado 80202
Phone 303-893-3133

Wesco Operating, Inc.
Robert W. Kirkwood, President

Signature

NAME (PLEASE PRINT) Darwin Subart TITLE Chief Financial Officer

SIGNATURE Darwin Subart DATE 4/4/2016

(This space for State use only) BLM:

APPROVED
APR 21 2016
DIV. OIL GAS & MINING
BY: Rachel Medina

(5/2000) (See Instructions on Reverse Side)

Fidelity Exploration & Production Company Paradox Well & APD List

Entity #	API #	Permitted Well Name	AKA Well Name	Township	Range	Section(s)	County	State	Mineral	Surface	Well Type	Well Status
14506	4301931310	KANE SPRINGS FED 27-1	KANE SPRINGS FED 27-1-25-19	25S	19E	27	GRAND	UT	Federal	Federal	OW	P ✓
14505	4301931324	KANE SPRINGS FED 19-1A	KANE SPRINGS FED 19-1A-ST-26-20	26S	20E	19	GRAND	UT	Federal	Federal	OW	P ✓
14509	4301931331	KANE SPRINGS FED 10-1	KANE SPRINGS FED 10-1-25-18	25S	18E	10	GRAND	UT	Federal	Federal	OW	P ✓
14506	4301931334	KANE SPRINGS FED 25-19-34-1	KANE SPRINGS FED 25-19-34-1	25S	19E	34	GRAND	UT	Federal	Federal	OW	P ✓
	4301931341	KANE SPRINGS 16-1-25-18	Disposal Well	25S	18E	16	GRAND	UT	State	State	SWD	P ✓
14505	4301931396	CANE CREEK 2-1	CANE CREEK UNIT 2-1-26-19	26S	19E	2	GRAND	UT	State	State	OW	P ✓
14505	4301931446	CANE CREEK 1-1	CANE CREEK UNIT 1-1-26-19	26S	19E	1	GRAND	UT	Federal	Federal	OW	P ✓
14505	4301950009	CANE CREEK UNIT 12-1	CANE CREEK UNIT 12-1-26-19	26S	19E	12	GRAND	UT	Federal	Federal	OW	P ✓
18923	4301950010	CANE CREEK UNIT 7-1	CANE CREEK UNIT 7-1-26-20	26S	20E	7	GRAND	UT	Federal	Federal	OW	P ✓
14506	4301950011	CANE CREEK UNIT# 26-2	CANE CREEK UNIT 26-2-25-19	25S	19E	26	GRAND	UT	Federal	Federal	OW	P ✓
14505	4301950012	CANE CREEK UNIT #18-1	CANE CREEK UNIT 18-1-26-20	26S	20E	18	GRAND	UT	Federal	Federal	OW	P ✓
14505	4301950014	CANE CREEK U #13-1	CANE CREEK UNIT 13-1-26-19	26S	19E	13	GRAND	UT	Federal	Federal	OW	P ✓
14506	4301950019	CANE CREEK UNIT 26-3	CANE CREEK UNIT 26-3-25-19	25S	19E	26	GRAND	UT	Federal	Federal	OW	P ✓
18681	4301950020	CANE CREEK UNIT 28-2	CANE CREEK UNIT 28-2-25-19	25S	19E	28	GRAND	UT	Federal	Federal	OW	P ✓
14505	4301950027	Cane Creek Unit 18-2	CANE CREEK UNIT 18-2-26-20	26S	20E	18	GRAND	UT	Federal	Federal	OW	P ✓
18980	4301950028	Cane Creek Unit 17-1	CANE CREEK UNIT 17-1-26-20	26S	20E	17	GRAND	UT	Federal	Federal	OW	P ✓
19057	4301950030	Cane Creek Unit 36-1	CANE CREEK UNIT 36-1-25-19	25S	19E	36	GRAND	UT	State	State	OW	P ✓
14505	4301950032	Cane Creek Unit 17-2	CANE CREEK UNIT 17-2-26-20	26S	20E	17	GRAND	UT	Federal	Federal	OW	P ✓
19527	4301950033	Cane Creek Unit 36-2H	CANE CREEK UNIT 36-2H-25-19	25S	19E	36	GRAND	UT	State	State	OW	P ✓
19342	4301950034	Cane Creek Unit 24-2H	CANE CREEK UNIT 24-2-26-19	26S	19E	24	GRAND	UT	Federal	Federal	OW	P ✓
19528	4301950035	Cane Creek Unit 36-3H	CANE CREEK UNIT 36-3H-25-19	25S	19E	36	GRAND	UT	State	State	OW	P ✓
19396	4301950037	Cane Creek Unit 32-1-25-19	CANE CREEK UNIT 32-1-25-19	25S	19E	32	GRAND	UT	State	State	OW	P ✓
19767	4301950045	Cane Creek Unit 28-3	CANE CREEK UNIT 28-3-25-19	26S	19E	28	GRAND	UT	Federal	Federal	OW	P ✓
19588	4301950049	Cane Creek 32-1-25-20	CANE CREEK 32-1-25-20	25S	20E	32	GRAND	UT	State	State	OW	P ✓
11356	4303731658	HATCH POINT 1	HATCH POINT FEDERAL 1	29S	21E	14	SAN JUAN	UT	Federal	Federal	OW	P ✓ 26-P
17276	4303731857	THREEMILE 43-18H	THREEMILE UNIT 43-18H-29-22	29S	22E	18	SAN JUAN	UT	Federal	Federal	OW	P ✓
19706	4301950051	Cane Creek Unit 7-2-26-20	CANE CREEK UNIT 7-2-26-20	26S	20E	7	GRAND	UT	Federal	Federal	OW	OPS ✓
17984	4303750003	THREEMILE 16-17	THREEMILE UNIT 16-17-29-22	29S	22E	16	SAN JUAN	UT	State	State	OW	OPS ✓ 3-OPS
19646	4303750069	Three Mile Unit 12-2-29-21	THREE MILE UNIT 12-2-29-21	29S	21E	12	SAN JUAN	UT	Federal	Federal	OW	OPS ✓
19343	4301950036	CANE CREEK UNIT 2-1-25-18	CANE CREEK UNIT 2-1-25-18	25S	18E	2	GRAND	UT	Federal	State	OW	TA ✓
19512	4301950046	CANE CREEK UNIT 16-2-25-18	CANE CREEK UNIT 16-2-25-18	25S	18E	16	GRAND	UT	State	State	OW	TA ✓ 2TA
674	4301915925	LONG CANYON 1	LONG CANYON 1	26S	20E	9	GRAND	UT	Federal	Federal	OW	S ✓
14505	4301931447	CANE CREEK 24-1	CANE CREEK UNIT 24-1-26-19	26S	19E	24	GRAND	UT	Federal	Federal	OW	S ✓
16464	4301931449	CANE CREEK 8-1	CANE CREEK UNIT 8-1-26-20	26S	20E	8	GRAND	UT	Federal	Federal	OW	S ✓
19440	4301950038	Cane Creek 36-1-25-18	CANE CREEK 36-1-25-18	25S	18E	36	GRAND	UT	State	State	OW	S ✓
975	4303730005	CHEVRON FED 1	CHEVRON FEDERAL 1H	29S	23E	24	SAN JUAN	UT	Federal	Federal	OW	S ✓ 7-S
17837	4303750001	Threemile 12-7	THREEMILE UNIT 12-7-29-21	29S	21E	12	SAN JUAN	UT	Federal	Federal	OW	S ✓
17920	4303750002	LA SAL 29-28	LA SAL UNIT 29-28-29-23	29S	23E	29	SAN JUAN	UT	Federal	Federal	OW	S ✓
	4301950044	CANE CREEK UNIT 2-2-25-18		250S	180E	2	GRAND	UT	State	State	OW	APD ✓
	4301950048	Cane Creek Unit 25-1-25-19		250S	190E	25	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950052	Cane Creek Unit 6-1-25-19		250S	190E	6	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950053	Cane Creek Unit 29-1-25-19		250S	190E	29	GRAND	UT	Federal	Federal	OW	APD ✓ 3APD
	4301950054	Cane Creek 10-1-25-19		250S	190E	10	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950055	Cane Creek Unit 30-1-25-19		250S	190E	30	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950056	Cane Creek Unit 19-2-26-20		260S	200E	19	GRAND	UT	Federal	Federal	OW	APD ✓

Entity #	API #	Permitted Well Name	AKA Well Name	Township	Range	Section(s)	County	State	Mineral	Surface	Well Type	Well Status
	4301950057	Cane Creek Unit 14-1-25-19		250S	190E	14	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950058	Cane Creek Unit 2-3-25-18		250S	180E	2	GRAND	UT	Federal	State	OW	APD ✓
	4301950059	Cane Creek Unit 16-3-25-18		250S	180E	16	GRAND	UT	Federal	State	OW	APD ✓
	4301950060	Cane Creek Unit 19-1-25-19		250S	190E	19	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950061	Cane Creek Unit 32-2-25-19		250S	190E	32	GRAND	UT	State	State	OW	APD ✓
	4301950062	Cane Creek Unit 17-1-25-19		250S	190E	17	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950063	Cane Creek Unit 16-4-25-18		250S	180E	16	GRAND	UT	Federal	State	OW	APD ✓
	4301950064	Cane Creek Unit 2-4-25-18		250S	180E	2	GRAND	UT	Federal	State	OW	APD ✓
	4301950065	Cane Creek Unit 5-1-25-18		250S	180E	5	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950068	8-2-26-20		260S	200E	8	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950069	Cane Creek Unit 19-3-26-20		260S	200E	19	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950070	Cane Creek Unit 21-1-25-19		250S	190E	21	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950071	Cane Creek Unit 12-2-26-19		260S	190E	12	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950072	Cane Creek Unit 26-4-25-19		250S	190E	26	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950073	Cane Creek Unit 21-1-25-18		250S	180E	21	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950074	Cane Creek Unit 9-1-25-18		250S	180E	9	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950075	Cane Creek Unit 7-1-25-19		250S	190E	7	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950076	Cane Creek Unit 5-2-25-18		250S	180E	5	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950077	Cane Creek Unit 7-1-25-18		250S	180E	7	GRAND	UT	Federal	Federal	OW	APD ✓
	4301950078	Cane Creek Unit 13-1-25-18		250S	180E	13	GRAND	UT	Federal	Federal	OW	APD ✓
	4303750070	Three Mile Unti 12-3-29-21		290S	210E	12	SAN JUAN	UT	Federal	Federal	OW	APD ✓
	4303750071	Three Mile Unit 16-2-29-22		290S	220E	16	SAN JUAN	UT	Federal	State	OW	APD ✓
	4301950036	CANE CREEK UNIT 2-1-25-18H2		25S	18E	2	GRAND	UT	Federal	State	OW	APD ✓

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

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	See attached well list
API number:	
Location:	Qtr-Qtr: Section: Township: Range:
Company that filed original application:	Fidelity Exploration & Production Company
Date original permit was issued:	
Company that permit was issued to:	Fidelity Exploration & Production Company

Check one	Desired Action:
	Transfer pending (unapproved) Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
✓	**Transfer approved Application for Permit to Drill to new operator**
	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	**Yes**	**No**
If located on private land, has the ownership changed?		✓
If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		✓
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		✓
Is bonding still in place, which covers this proposed well? Bond No. _____		

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Robert W. Kirkwood Title President

Signature [signature] Date 4/7/10

Representing (company name) Wesco Operating, Inc.

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

Fidelity Exploration & Production Company Paradox APD List

Date Issued	API #	Permitted Well Name	Township	Range	Section(s)	County	State	Mineral	Surface	Well Type	Well Status
3/4/2014	4301950044	CANE CREEK UNIT 2-2-25-18	250S	180E	2	GRAND	UT	State	State	OW	APD
2/19/2015	4301950048	Cane Creek Unit 25-1-25-19	250S	190E	25	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950052	Cane Creek Unit 6-1-25-19	250S	190E	6	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950053	Cane Creek Unit 29-1-25-19	250S	190E	29	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950054	Cane Creek 10-1-25-19	250S	190E	10	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950055	Cane Creek Unit 30-1-25-19	250S	190E	30	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950056	Cane Creek Unit 19-2-26-20	260S	200E	19	GRAND	UT	Federal	Federal	OW	APD
6/26/2014	4301950057	Cane Creek Unit 14-1-25-19	250S	190E	14	GRAND	UT	Federal	Federal	OW	APD
7/21/2014	4301950058	Cane Creek Unit 2-3-25-18	250S	180E	2	GRAND	UT	Federal	State	OW	APD
8/6/2014	4301950059	Cane Creek Unit 16-3-25-18	250S	180E	16	GRAND	UT	Federal	State	OW	APD
8/6/2014	4301950060	Cane Creek Unit 19-1-25-19	250S	190E	19	GRAND	UT	Federal	Federal	OW	APD
9/22/2014	4301950061	Cane Creek Unit 32-2-25-19	250S	190E	32	GRAND	UT	State	State	OW	APD
7/30/2014	4301950062	Cane Creek Unit 17-1-25-19	250S	190E	17	GRAND	UT	Federal	Federal	OW	APD
8/12/2014	4301950063	Cane Creek Unit 16-4-25-18	250S	180E	16	GRAND	UT	Federal	State	OW	APD
9/24/2014	4301950064	Cane Creek Unit 2-4-25-18	250S	180E	2	GRAND	UT	Federal	State	OW	APD
9/2/2014	4301950065	Cane Creek Unit 5-1-25-18	250S	180E	5	GRAND	UT	Federal	Federal	OW	APD
11/25/2014	4301950068	8-2-26-20	260S	200E	8	GRAND	UT	Federal	Federal	OW	APD
12/19/2014	4301950069	Cane Creek Unit 19-3-26-20	260S	200E	19	GRAND	UT	Federal	Federal	OW	APD
1/14/2015	4301950070	Cane Creek Unit 21-1-25-19	250S	190E	21	GRAND	UT	Federal	Federal	OW	APD
1/13/2015	4301950071	Cane Creek Unit 12-2-26-19	260S	190E	12	GRAND	UT	Federal	Federal	OW	APD
1/13/2015	4301950072	Cane Creek Unit 26-4-25-19	250S	190E	26	GRAND	UT	Federal	Federal	OW	APD
1/14/2015	4301950073	Cane Creek Unit 21-1-25-18	250S	180E	21	GRAND	UT	Federal	Federal	OW	APD
1/20/2015	4301950074	Cane Creek Unit 9-1-25-18	250S	180E	9	GRAND	UT	Federal	Federal	OW	APD
1/14/2015	4301950075	Cane Creek Unit 7-1-25-19	250S	190E	7	GRAND	UT	Federal	Federal	OW	APD
1/20/2015	4301950076	Cane Creek Unit 5-2-25-18	250S	180E	5	GRAND	UT	Federal	Federal	OW	APD
1/14/2015	4301950077	Cane Creek Unit 7-1-25-18	250S	180E	7	GRAND	UT	Federal	Federal	OW	APD
1/14/2015	4301950078	Cane Creek Unit 13-1-25-18	250S	180E	13	GRAND	UT	Federal	Federal	OW	APD
7/8/2014	4303750070	Three Mile Unti 12-3-29-21	290S	210E	12	SAN JUAN	UT	Federal	Federal	OW	APD
10/2/2014	4303750071	Three Mile Unit 16-2-29-22	290S	220E	16	SAN JUAN	UT	Federal	State	OW	APD
12/16/2014	4301950036	Cane Creek Unit 2-1-25-18 H2	25S	18E	2	GRAND	UT	Federal	State	OW	APD

FORM 9

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

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-90108

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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.

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER Blue Hills Gas Plant

8. WELL NAME and NUMBER: Blue Hills Gas Plant

2. NAME OF OPERATOR: Fidelity Exploration & Production Company

9. API NUMBER:

3. ADDRESS OF OPERATOR: 1801 California St., STE 2500 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 893-3133

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

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
3/1/2016	☐ 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.

Effective March1, 2016, Fidelity Exploration & Production Company (Operator Number N1355) resigns as Operator of the Blue Hills Gas Plant located in T23S-R19E, Sections 20, 29. Wesco Operating, Inc. has been named as successor Operator.

Wesco Operating, Inc.
P.O Box 1650
Casper, Wyoming 82602
Phone 307-265-5178

Fidelity Exploration & Production Company
1801 California Street, Suite 2500
Denver, Colorado 80202
Phone 303-893-3133

Wesco Operating, Inc.
Robert W. Kirkwood, President

Signature

NAME (PLEASE PRINT) Darwin Subart TITLE Chief Financial Officer

SIGNATURE DATE 4/4/2016

(This space for State use only)

APPROVED

APR 21 2016

DIV. OIL GAS & MINING

BY: Rachel Medina

(5/2000) (See Instructions on Reverse Side)

FORM 9

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

5. LEASE DESIGNATION AND SERIAL NUMBER:

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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.

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER Compressor Booster Station

8. WELL NAME and NUMBER: Dubinky Booster Station

2. NAME OF OPERATOR: Fidelity Exploration & Production Company

9. API NUMBER:

3. ADDRESS OF OPERATOR: 1801 California St., STE 2500 CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 893-3133

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

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
3/1/2016	☐ 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.

Effective March1, 2016, Fidelity Exploration & Production Company (Operator Number N1355) resigns as Operator of the Dubinky Booster Station located along Dubinky Road, approximately 18 miles northwest of Moab, 599142 E 4280872 N UTM Zone 12, NAD83. Wesco Operating, Inc. has been named as successor Operator.

Wesco Operating, Inc.
P.O. Box 1650
Casper, Wyoming 82602
Phone 307-265-5178

Fidelity Exploration & Production Company
1801 California Street, Suite 2500
Denver, Colorado 80202
Phone 303-893-3133

Wesco Operating, Inc.
Robert W. Kirkwood, President

Signature

NAME (PLEASE PRINT) Darwin Subart TITLE Chief Financial Officer

SIGNATURE Darwin Subart DATE 4/4/2016

(This space for State use only)

APPROVED

APR 21 2016

DIV. OIL GAS & MINING

BY: Rachel Medina

(5/2000) (See Instructions on Reverse Side)

UIC FORM 5

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

TRANSFER OF AUTHORITY TO INJECT

Well Name and Number Kane Springs 16-1	API Number 4301931341
Location of Well Footage : 960' FSL 1960' FWL County : Grand QQ, Section, Township, Range: SESW 16 25 18 State : UTAH	Field or Unit Name Cane Creek Lease Designation and Number ML-44333

EFFECTIVE DATE OF TRANSFER: 3/1/2016

CURRENT OPERATOR

Company: Fidelity Exploration & Production Company
Address: 1801 California Street, Suite 2500
city Denver state CO zip 80202
Phone: (303) 893-3133
Comments:

Name: Darwin Subart
Signature: Darwin Subart
Title: Chief Financial Officer
Date: 4/4/2016

NEW OPERATOR

Company: Wesco Operating, Inc.
Address: P.O. Box 1650
city Casper state WY zip 82602
Phone: (307) 265-5178
Comments:

Name: Robert W. Kirkwood
Signature: Robert W. Kirkwood
Title: President
Date: 4/4/16

(This space for State use only)

Transfer approved by: Dan Jarvis
Title: UIC Geologist
Approval Date: 4/13/16

Comments:

(5/2000)