

**PERMITS WEST**, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87508

(505) 466-8120

May 18, 2004

Diana Whitney  
Utah Div. of Oil, Gas, & Mining  
P. O. Box 145801  
Salt Lake City, Ut. 84114-5801

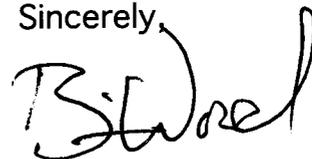
Dear Diana,

On behalf of MSC Exploration L. P., I am applying for approval of an exception location for their Cactus Rose MSC 2-1 wildcat oil well in Section 2, T. 21 S., R. 18 E., Grand County. I am requesting an exception because of topography.

This well is staked at 1110' FSL & 495' FEL on a 342.92 acre state lease. An orthodox well could be staked at 860' FSL & 495' FEL, but this would be too rugged. There will be 20' of cut on the location "as is". (MSC wanted to drill at 557' south of the requested location, but that was even more rugged.) MSC is requesting permission to drill at 1110' FSL & 495' FEL 2-21s-18e. This is the only oil or gas well existing or planned in the quarter-quarter. The only well of any type within a mile radius is a P&A well over 4,000' southeast. Closest lease line is 495' east. MSC is owner of all drilling units within a minimum 495' radius of the proposed exception. This includes all of Section 2 and at least three of the eight directly or diagonally offsetting drilling units. The unit (NESE Sec. 2) toward which the well encroaches is part of the same MSC State lease.

Please keep this well "CONFIDENTIAL".

Sincerely,



Brian Wood

cc: Faust

RECEIVED

MAY 20 2004

DIV. OF OIL, GAS & MINING

001

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47721
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>	7. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: MSC EXPLORATION L. P. 16800 IMPERIAL VALLEY DR., SUITE 380		8. WELL NAME and NUMBER: CACTUS ROSE MSC 2-1
3. ADDRESS OF OPERATOR: CITY HOUSTON STATE TX ZIP 77060		9. FIELD AND POOL, OR WILDCAT: <del>WILDCAT</del> Undesignated
PHONE NUMBER: (281) 931-8933		10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 2 21S 18E S
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1110 FSL & 495 FEL 595760X 39.01068 AT PROPOSED PRODUCING ZONE: SAME 4318334 Y -109.89400		
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 21 MILES NE OF GREEN RIVER		11. COUNTY: GRAND 12. STATE: UTAH
14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 495	15. NUMBER OF ACRES IN LEASE: 343	16. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160
17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) N/A	18. PROPOSED DEPTH: 7,700	19. BOND DESCRIPTION: SINGLE (to be submitted)
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,440 GL	21. APPROXIMATE DATE WORK WILL START: 6/1/2004	22. ESTIMATED DURATION: 6 WEEKS (to drill & complete)

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
10-5/8	8-5/8 J-55 24.85	500	CLASS G	175 SX	1.18 15.2
7-7/8	5-1/2 N-80 17	7,700	BLEND	300 SX	3.82 11.0
			50/50 POZ	300 SX	1.21 14.4

24. **ATTACHMENTS** **CONFIDENTIAL**

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

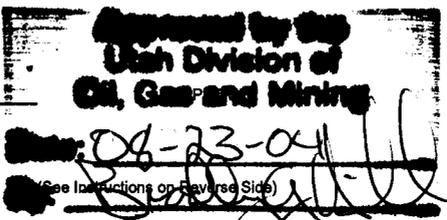
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) BRIAN WOOD PHONE: (505) 466-8120 TITLE CONSULTANT FAX: (505) 466-9682

SIGNATURE *Brian Wood* DATE 5/18/2004

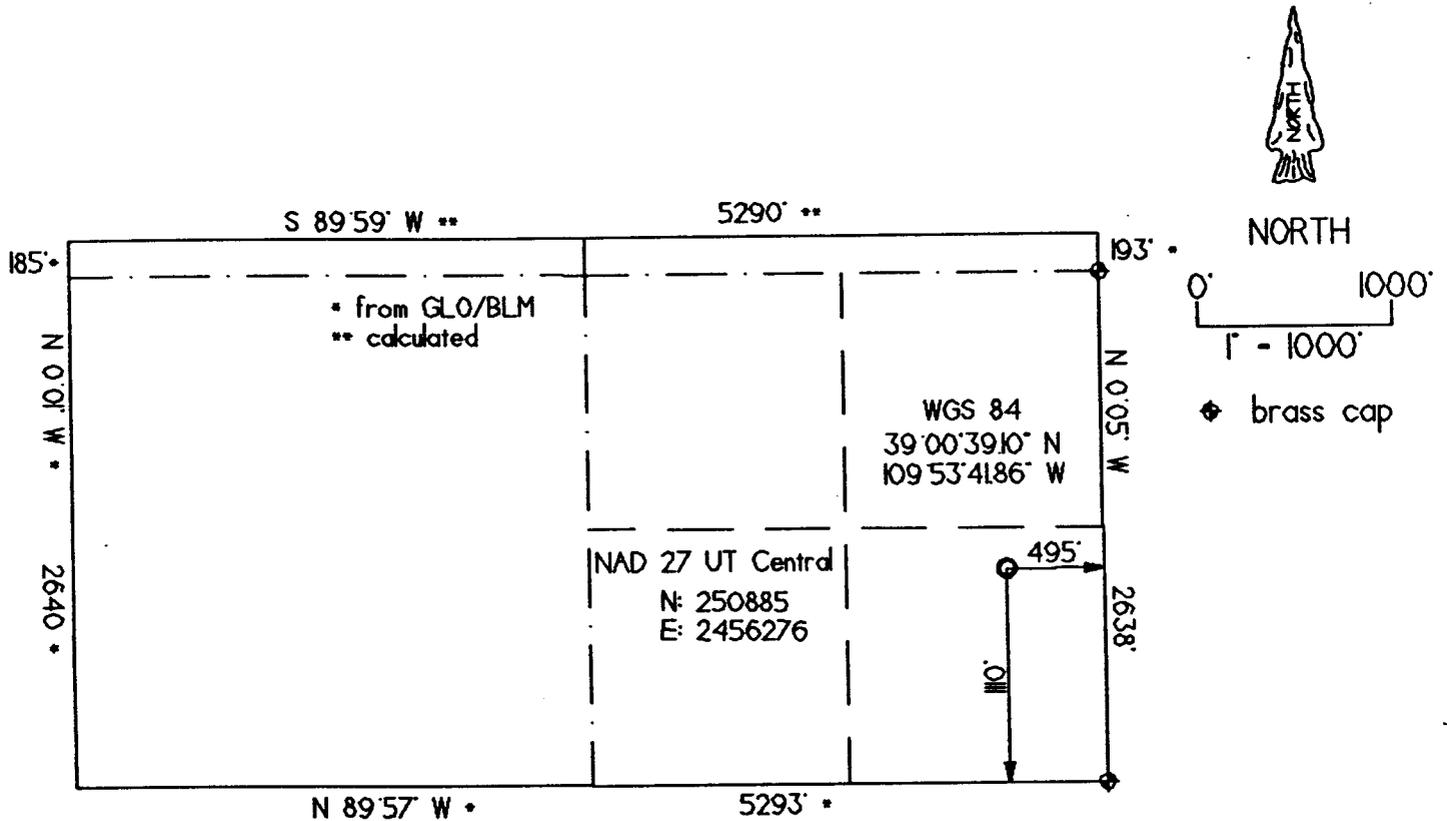
(This space for State use only)

API NUMBER ASSIGNED: 43-019-31402



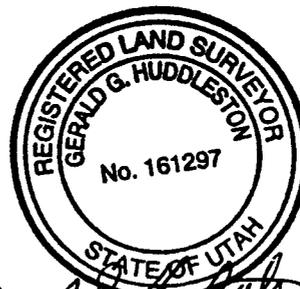
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**MAY 20 2004**  
DIV. OF OIL, GAS & MINING

Well Location Plat



Well Location Description

MSC EXPLORATION, L.P.  
CACTUS ROSE MSC # 2 - 1  
110' FSL & 495' FEL  
Section 2, T.21 S., R.18 E., SLM  
Grand County, UT  
5440' grd. el. ( from GPS)



05/06/04

*Gerald G. Huddleston*  
Gerald G. Huddleston, LS

The above is true and correct to my knowledge and belief.

MSC Exploration L. P.  
 Cactus Rose MSC 2-1  
 1110' FSL & 495' FEL  
 Sec. 2, T. 21 S., R. 18 E.  
 Grand County, Utah

CONFIDENTIAL

### Drilling Program

<u>1. Formation Name</u>	<u>Depth from GL</u>	<u>Depth from KB</u>	<u>Elevation</u>
Mancos Shale	0'	12'	+5,440'
Dakota Sandstone	3,745'	3,757'	+1,695'
Morrison	3,865'	3,877'	+1,575'
Moab Tongue	4,555'	4,567'	+885'
Navajo Sandstone	5,195'	5,207'	+245'
Wingate Sandstone	5,995'	6,007'	-555'
White Rim Sandstone	7,395'	7,407'	-1,955'
Total Depth	7,700'	7,712'	-2,260'

(All depths are based on an ungraded ground level of 5,440')

### 2. NOTABLE ZONES

Pennsylvanian is the primary goal. Other potential oil or gas zones are the Dakota, Moab, Navajo, Wingate, and White Rim. The Glen Canyon group of sandstones are possible water zones.

### 3. PRESSURE CONTROL (Also see "5." on PAGE 2)

A 3,000 psi BOP and choke manifold will be used from the bottom of the surface casing to TD. (A typical 3,000 psi BOP system is on Page 3. Actual model will not be known until the bid is let.) BOP Equipment and the 8 5/8 casing will be pressure tested to rated pressures prior to drilling out of the 8 5/8" surface casing. BOP rams will be function tested on trips and the stack will be pressure tested every 30 days if necessary. Tests will be recorded in the driller's log. BOPs will be inspected and operated daily to assure good mechanical working order.

MSC Exploration L. P.  
Cactus Rose MSC 2-1  
1110' FSL & 495' FEL  
Sec. 2, T. 21 S., R. 18 E.  
Grand County, Utah

CONFIDENTIAL

#### 4. CASING & CEMENTING

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<u>Setting Depth</u>
10-5/8"	8-5/8"	24	J-55	S T & C	New	500'
7-7/8"	5-1/2"	17	N-80	L T & C	New	7,700'

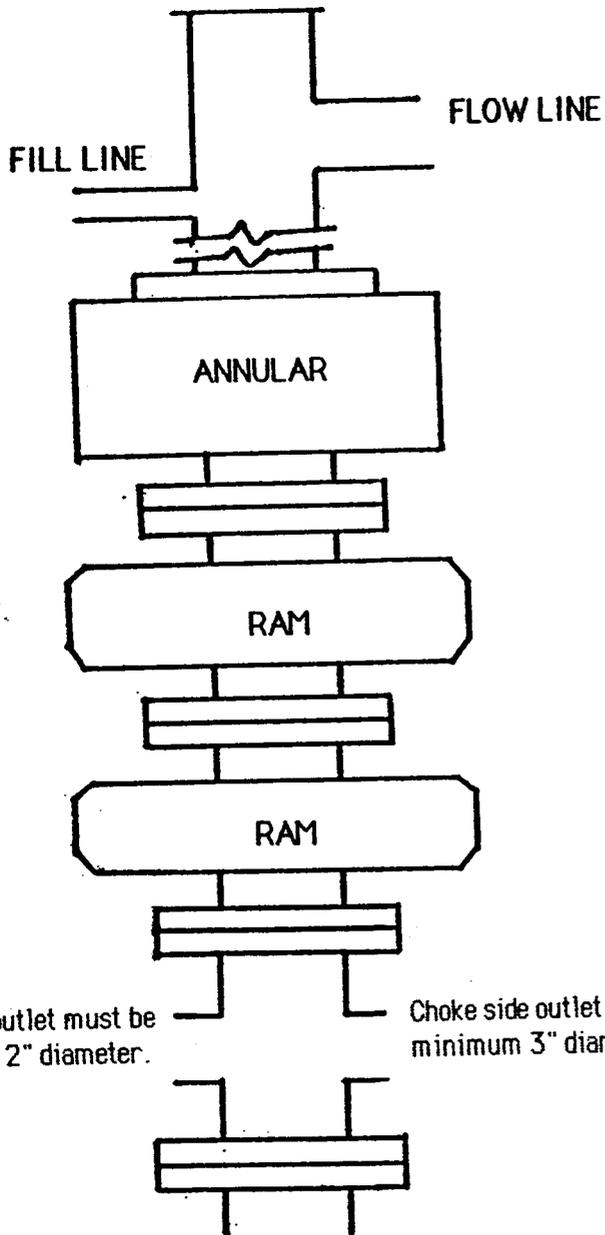
All tubular goods will be new or inspected to premium specifications. Casing strings will be pressure tested to 0.22 psi/ft of casing string length or to 1,500 psi whichever is greater (not to exceed 70% of the internal yield strength of the casing), after cementing and prior to drilling out from under the casing shoe. Surface casing shoe will be set in a competent formation. 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.

Surface casing will be cemented to the surface with  $\approx$ 175 sacks ( $\approx$ 100% excess) Class G (weight = 15.2 pounds per gallon & yield 1.18 cubic feet per sack).

Production casing will be cemented to the surface with >10% excess. Lead cement will consist of  $\approx$ 300 sacks Blend weight (weight = 11.0 pounds per gallon & yield = 3.82 cubic feet per sack). Tail with  $\approx$ 300 sacks 50/50 poz (weight = 14.4 pounds per gallon & yield 1.21 cubic feet per sack). Wait on cement, set slips with casing in full tension. Actual volumes to be determined after reviewing logs and shows. All potentially productive zones will be covered with cement.

#### 5. MUD PROGRAM

Will drill from surface to  $\approx$ 500' with air and/or fresh water mud system. Will drill remainder of hole with air and/or LSND.



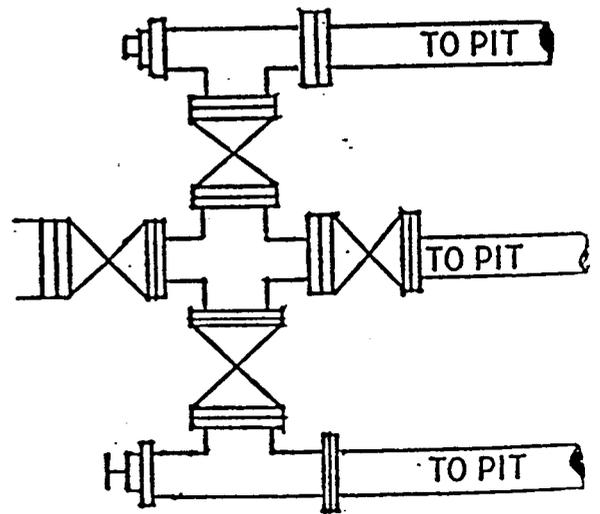
TYPICAL BOP STACK & CHOKE MANIFOLD

There will be at least 2 chokes and 2 choke line valves (3" minimum). The choke line will be 3" in diameter. There will be a pressure gauge on the choke manifold.

Kill side outlet must be minimum 2" diameter.

Choke side outlet must be minimum 3" diameter.

Kill line will be minimum 2" diameter and have 2 valves, one of which shall be a minimum 2" check valve.



Upper kelly cock will have handle available.  
 Safety valve and subs will fit all drill string connections in use  
 All BOPE connections subjected to well pressure will be flanged, welded, or clamped.

MSC Exploration L. P.  
Cactus Rose MSC 2-1  
1110' FSL & 495' FEL  
Sec. 2, T. 21 S., R. 18 E.  
Grand County, Utah

PAGE 4

CONFIDENTIAL

## 6. DATA GATHERING

May cut cores or may run drill stem tests depending on shows. Mud loggers will be on site from  $\approx$ 500' to TD and will collect samples every 10'. They will have FID and chromatograph unit. Will run following log suites:

GR/Dual Induction - SFL  
GR/Bore Hole Compensated Sonic  
GR/Neutron Density  
Continuous Dip meter - FMI  
Gamma Ray - Directional

## 7. DOWN HOLE CONDITIONS

Maximum anticipated bottom hole pressure is  $\approx$ 3,300 psi. No hydrogen sulfide, abnormal pressures, nor abnormal temperatures are expected.

## 8. MISCELLANEOUS

Projected spud date is June 1, 2004. It will take  $\approx$ 4 weeks to drill the well and  $\approx$ 2 weeks to complete the well.

MSC Exploration L. P.  
Cactus Rose MSC 2-1  
1110' FSL & 495' FEL  
Sec. 2, T. 21 S., R. 18 E.  
Grand County, Utah

PAGE 5

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### Surface Use Plan

#### 1. EXISTING ROADS & DIRECTIONS (See PAGES 9 & 10)

From the Ranch Exit #173 on I-70 ...  
Go West 0.3 miles on the paved frontage road  
then turn right and go NE 3.4 miles on dirt county road 225  
Then turn left and go N 2.3 miles on dirt county road 226  
Then turn left and go NW 2.4 miles on dirt county road 226/329  
Then turn left and follow flagging cross country W for 449.55' to the well

#### 2. ROAD TO BE UPGRADED & BUILT

Upgrading will consist of installing an 18" x 20' culvert and trimming a hilltop in Section 11. These two actions will reduce vertical curves and eliminate high centering. Road will not be widened or realigned.

The last 449.55' of road will be built with a minimum 14' wide running surface. Maximum disturbed width = 25'. Maximum grade = 10%. Maximum cut or fill = 10'. No cattle guard is needed.

#### 3. EXISTING WELLS

There are no existing injection, disposal, oil, or gas wells within a mile radius.

#### 4. PROPOSED PRODUCTION FACILITIES

A tank battery, separator, and pump will be installed on the pad. All surface equipment will be painted a flat tan or juniper green color.

MSC Exploration L. P.  
Cactus Rose MSC 2-1  
1110' FSL & 495' FEL  
Sec. 2, T. 21 S., R. 18 E.  
Grand County, Utah

PAGE 6

CONFIDENTIAL

#### 5. WATER SUPPLY

Water will be trucked from Thompson and Marsing Construction and Ready Mix (right #92-117) in Green River or Thompson Special Service District (right #92-180) in Thompson Springs.

#### 6. CONSTRUCTION MATERIALS & METHODS

Topsoil and brush will be stripped and stockpiled east of the pad. Excess subsoil will be formed into a berm and stored south of the pad. A diversion ditch will be cut southwest of the pad. The reserve pit will be lined with minimum 12 mil plastic. Gravel will be bought from a private landowner.

#### 7. WASTE DISPOSAL

The reserve pit will be fenced 4' high on 3 sides with 4 strands of barbed wire or woven wire topped with barbed wire. The fourth side will be fenced once the rig moves off hole. The fence will be kept in good repair while the pit dries.

All trash will be placed in a trash cage. When full, it will be hauled to a state approved landfill. There will be no trash burning or disposal of trash in the reserve pit. Chemical toilets will be used for human waste. Their contents will be disposed of in state approved facilities.

No oil will be allowed on the reserve pit. Any oil which accumulates on the pit will be pumped or skimmed off and hauled to a state approved recycle facility. Once dry, the reserve pit contents will be buried in place. The pit will be back filled sufficiently deep so no liner is exposed.

MSC Exploration L. P.  
Cactus Rose MSC 2-1  
1110' FSL & 495' FEL  
Sec. 2, T. 21 S., R. 18 E.  
Grand County, Utah

PAGE 7

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## 8. ANCILLARY FACILITIES

There will be no airstrip or formal camp. Camper trailers will be on site for the company man, roughnecks, mud logger, tool pusher, etc.

## 9. WELL SITE LAYOUT

See PAGES 12 & 13 for depictions of the well pad, cross sections, cut and fill diagrams, reserve pit, burn pit, access road onto the pad, parking, living facilities, and rig orientation.

## 10. RECLAMATION

After completing drilling, the well site and immediate area will be cleared of all debris and material not needed for production.

Reclamation will start when the reserve pit is dry. At least 2' of cover will be placed on the reserve pit. All areas not needed for production will be back filled, contoured to match natural contours, and reserved topsoil and brush evenly spread. If the well is a producer, then enough topsoil will be kept aside to reclaim the rest of the pad. Disturbed areas will be ripped, harrowed, or scarified before seeding.

All reclaimed areas will be broadcast seeded in late fall or winter with seed mix specified by the State. Seeded areas will be left rough and lightly harrowed or drug with a chain after seeding.

Entire well site and 449.55' of new road will be reclaimed once the well is plugged and abandoned. Road will be blocked and four water bars installed.

MSC Exploration L. P.  
Cactus Rose MSC 2-1  
1110' FSL & 495' FEL  
Sec. 2, T. 21 S., R. 18 E.  
Grand County, Utah

PAGE 8

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11. SURFACE OWNER

All well site and most road construction is on lease and on State and Institutional Trust Land Authority land. The east most 90.78' of road is on BLM for which a road right-of-way application will be filed.

12. OTHER INFORMATION

Closest first aid is the Green River Medical Center at 305 West Main in Green River, Utah. Its phone number is (435) 564-3434. It is a 1/2 hour drive.

Archaeology report (GRI #2415) was filed by Grand River on May 14, 2004.

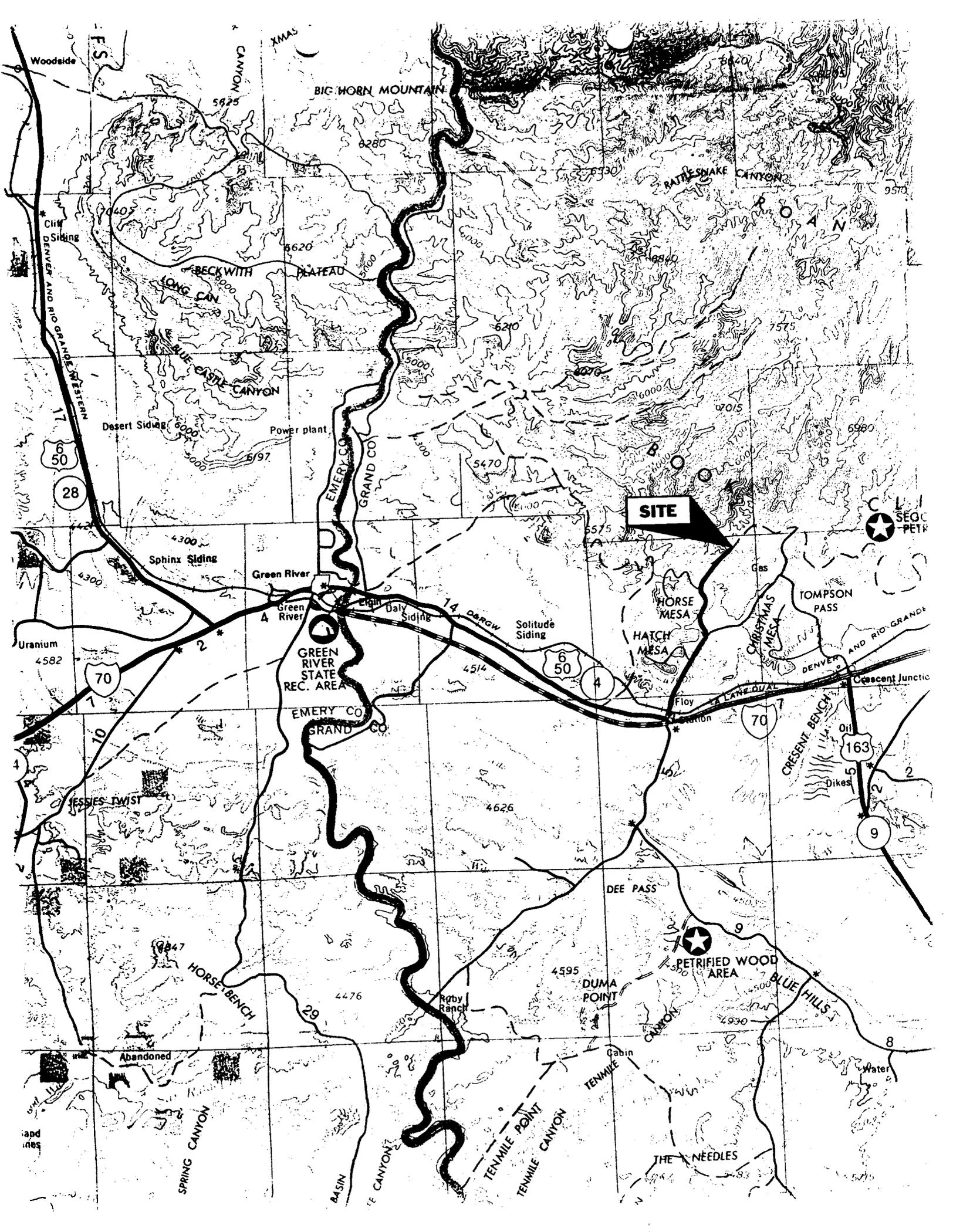
13. REPRESENTATION

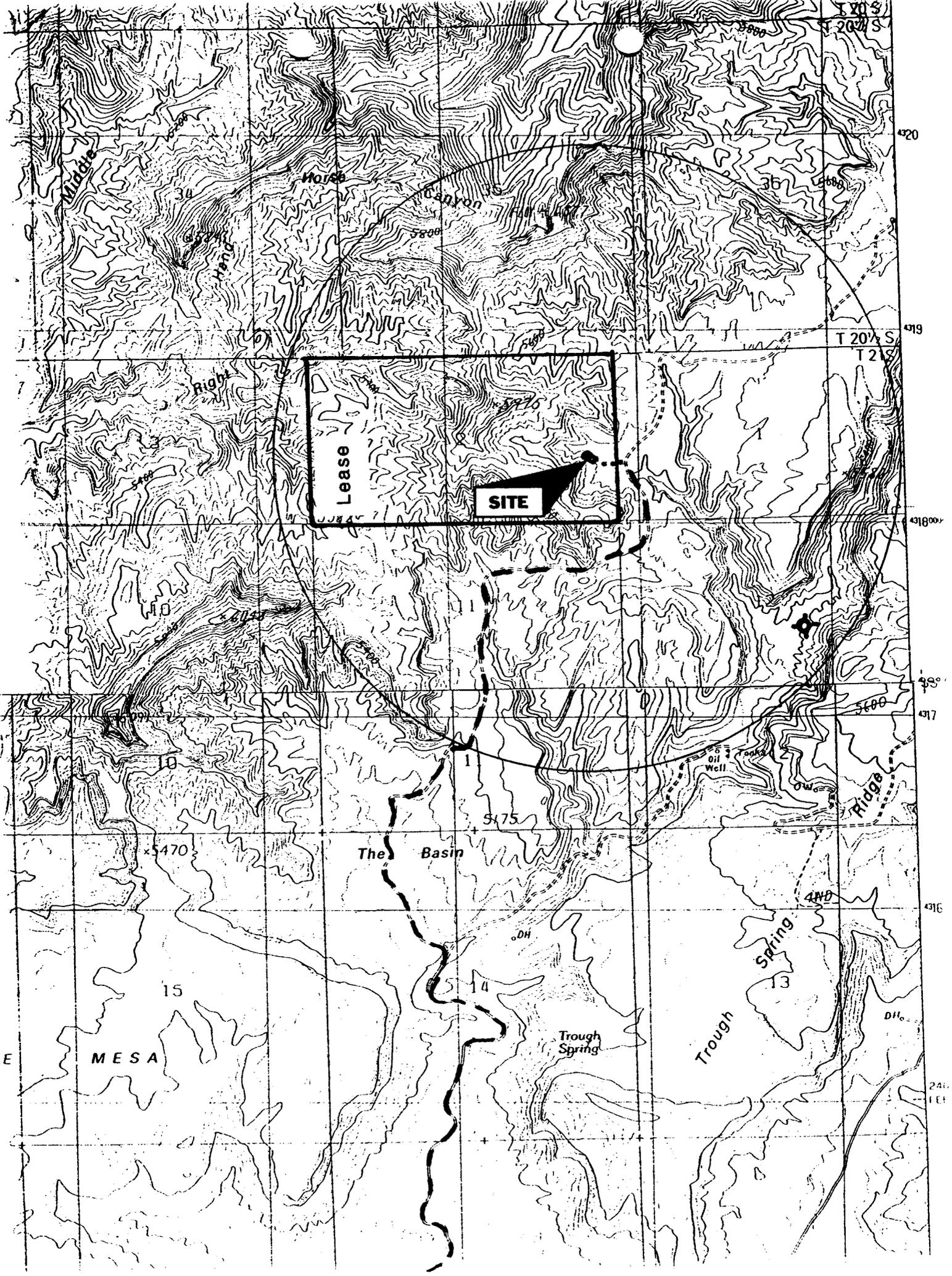
Anyone having questions concerning the APD should contact:

Brian Wood  
Permits West, Inc.  
37 Verano Loop  
Santa Fe, NM 87508  
(505) 466-8120    FAX: (505) 466-9682    Mobile: (505) 699-2276

The operator's contact is:

Lynn Faust or Jack Stanley  
MSC Exploration L. P.  
16800 Imperial Valley Dr., Suite 380  
Houston, TX 77060  
(281) 931-8933    FAX (281) 931-8655    Mobile: (832) 434-9900





Lease

SITE

MESA

The Basin

Trough Spring

Trough Spring

Ridge

Oil Well

4140

5475

15

14

13

36

34

T 20 S

T 21 S

420

419

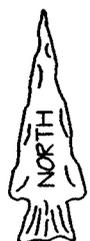
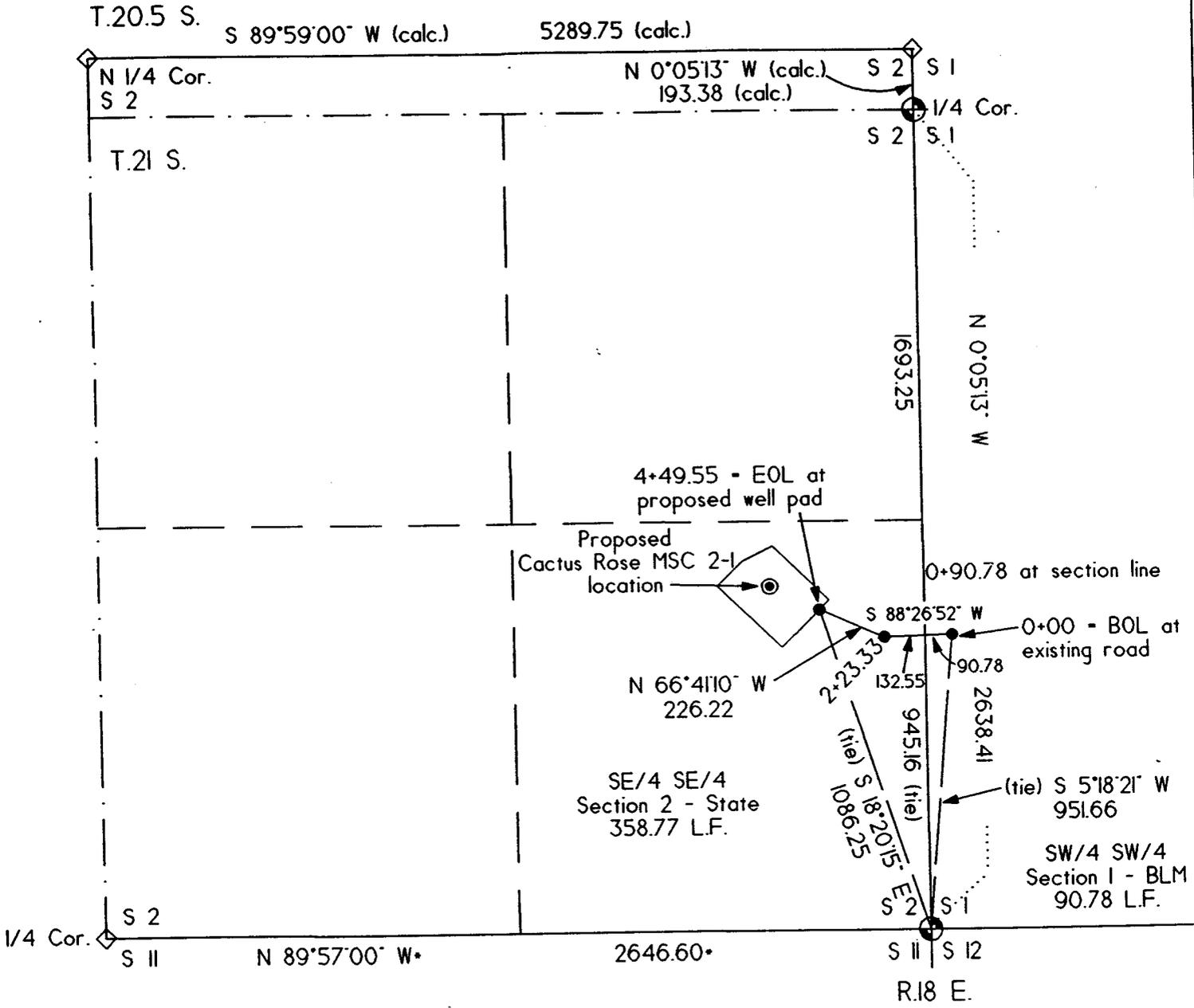
418000

418

417

416

241  
1 E



0' 500'  
Scale: 1" = 500'



- ⊕ fnd. std. GLO monument
- ◇ calculated corner
- from GLO plat of record
- survey centerline PI

Basis of Bearing:  
GPS state plane  
coordinates rotated.

MSC EXPLORATION, L.P.

Proposed Cactus Rose MSC 2 #1 access road  
right-of-way -  
Sections 1 and 2.  
T.21 S., R.18 E., SLM.  
Grand County, Utah

6 May 2004

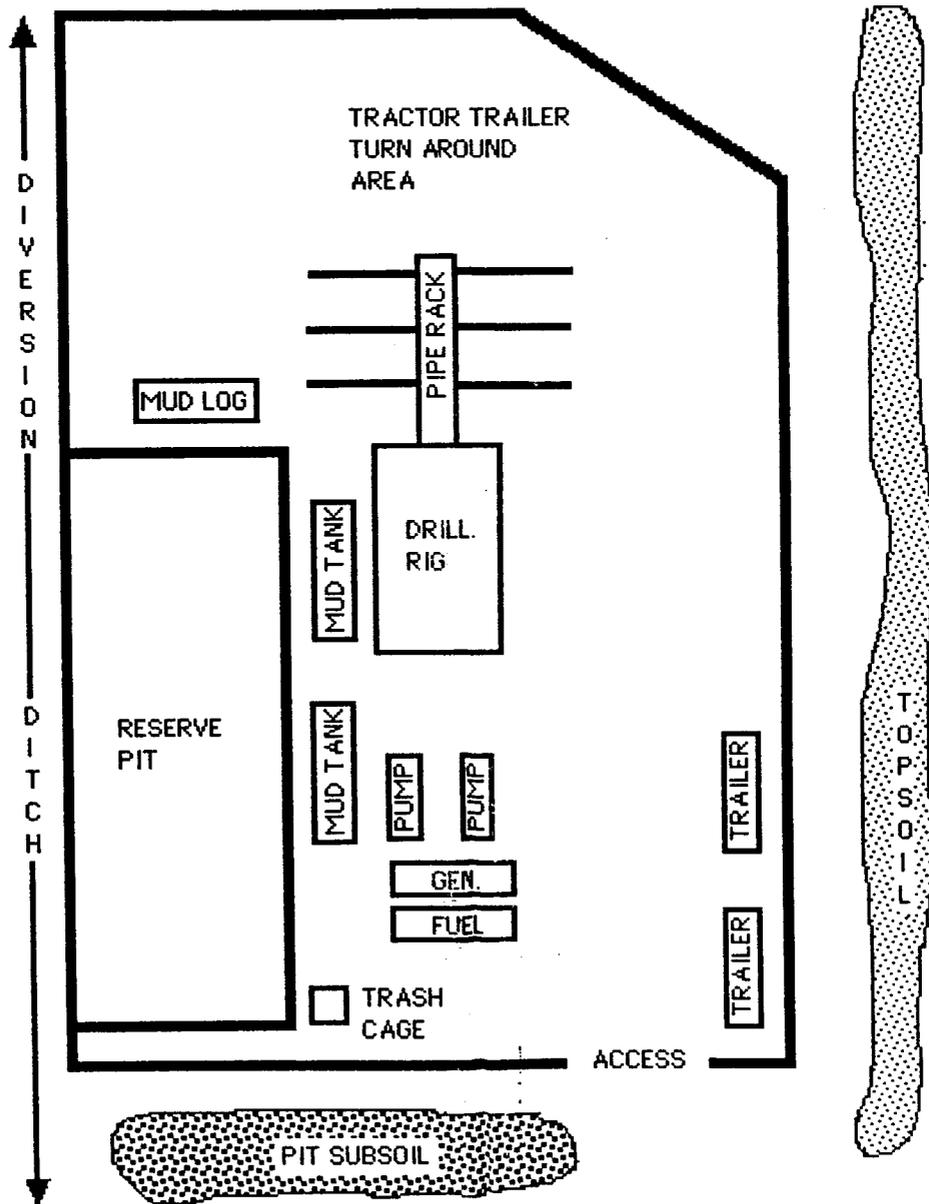
HUDDLESTON LAND SURVEYING  
P.O. DRAWER KK / CORTEZ, CO 81321 / 970-565-3330

MSC Exploration L. P.  
Cactus Rose MSC 2-1  
1110' FSL & 495' FEL  
Sec. 2, T. 21 S., R. 18 E.  
Grand County, Utah

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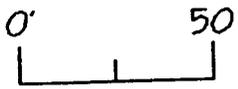


1" = 50'



front

N 45° W

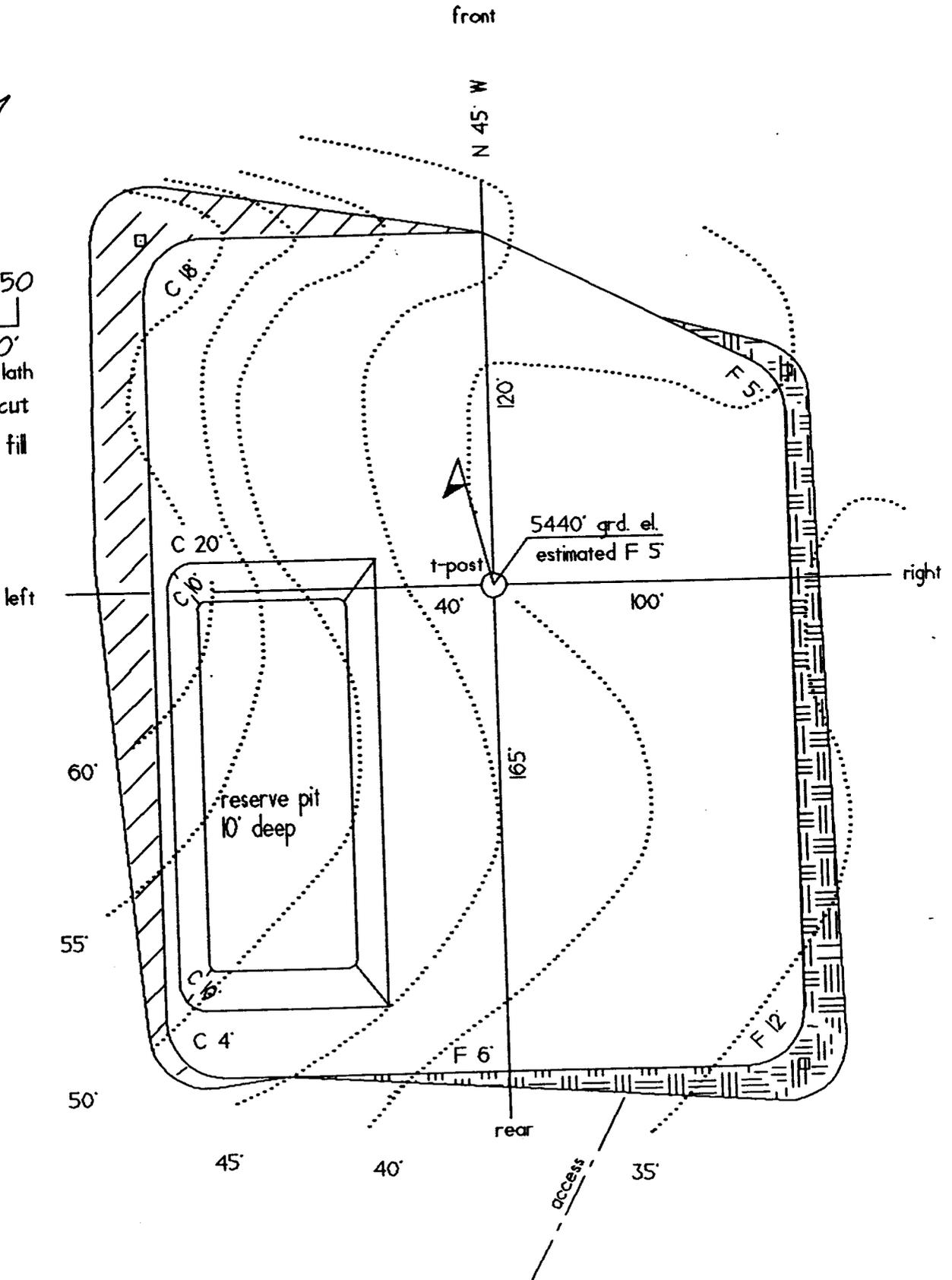


Scale 1" = 50'

□ set stake & lath

/// cut

||||| fill



WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/20/2004

API NO. ASSIGNED: 43-019-31402

WELL NAME: CACTUS ROSE MSC 2-1

OPERATOR: MSC EXPLORATION, LP ( N2595 )

CONTACT: BRIAN WOOD

PHONE NUMBER: 505-466-8120

PROPOSED LOCATION:

SESE 02 210S 180E  
SURFACE: 1110 FSL 0495 FEL  
BOTTOM: 1110 FSL 0495 FEL  
GRAND  
UNDESIGNATED ( 2 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKSD	6/4/04
Geology		
Surface		

LEASE TYPE: 3 - State  
LEASE NUMBER: ML-47721  
SURFACE OWNER: 3 - State  
PROPOSED FORMATION: WHRM  
COALBED METHANE WELL? NO

LATITUDE: 39.01068  
LONGITUDE: 109.89400

RECEIVED AND/OR REVIEWED:

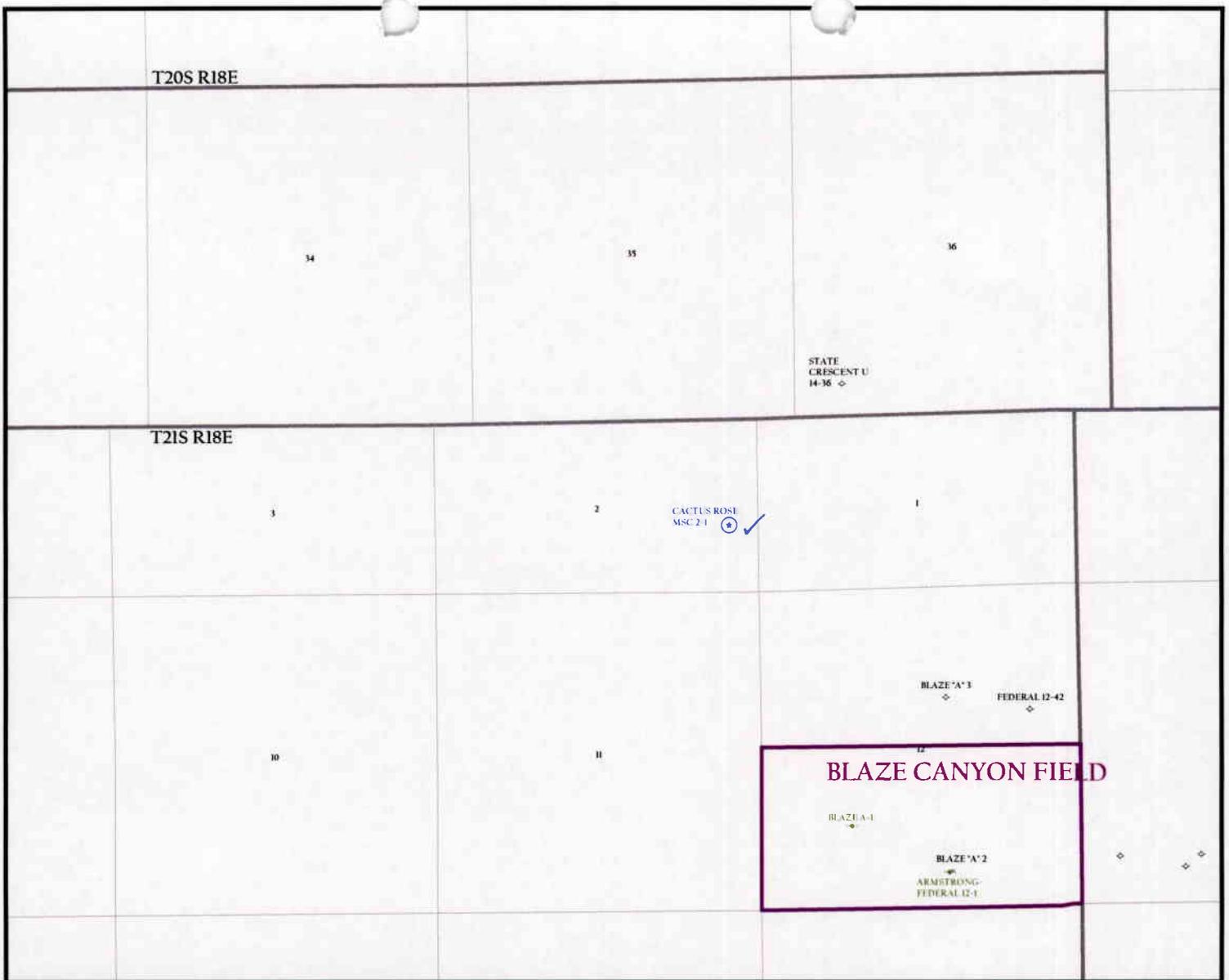
- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]  
(No. 04-003 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 92-180 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

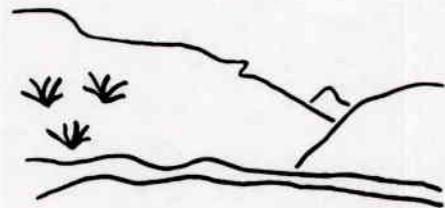
- R649-2-3.  
Unit \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception  
Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

COMMENTS: Needs Permit (05-20-04)

STIPULATIONS: 1- Spacing Strip  
2- STATEMENT OF BASIS



OPERATOR: MSC EXPLORATION LP (N2595)  
 SEC. 2 T.21S, R.18E  
 FIELD: UNDESIGNATED (002)  
 COUNTY: GRAND  
 CAUSE: R649-3-3 / EXCEPTION LOCATION



Utah Oil Gas and Mining

Well Status

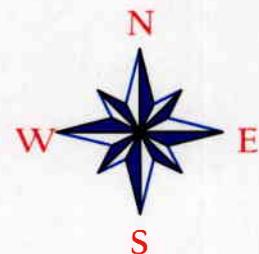
- ⊕ GAS INJECTION
- ⊖ GAS STORAGE
- ∖ LOCATION ABANDONED
- ⊙ NEW LOCATION
- ◇ PLUGGED & ABANDONED
- ⊕ PRODUCING GAS
- PRODUCING OIL
- ⊕ SHUT-IN GAS
- ⊕ SHUT-IN OIL
- ⊗ TEMP. ABANDONED
- ◇ TEST WELL
- △ WATER INJECTION
- ◆ WATER SUPPLY
- ⊕ WATER DISPOSAL

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



PREPARED BY: DIANA WHITNEY  
 DATE: 21-MAY-2004

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

**OPERATOR:** MSC Exploration L.P.  
**WELL NAME & NUMBER:** Cactus Rose 2-1  
**API NUMBER:** 43-019-31402  
**LEASE:** State **FIELD/UNIT:** \_\_\_\_\_  
**LOCATION:** 1/4,1/4 SESE **Sec:** 2 **TWP:** 21S **RNG:** 18E 1110 **FSL** 495 **FEL**  
**LEGAL WELL SITING:** 460 F **SEC. LINE;** 460 F **1/4,1/4 LINE;** 920 F **ANOTHER WELL.**

**PARTICIPANTS**

M. Jones (DOGM), Brian Wood (Permits West).

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

Proposed location is ~2 miles northeast of Green River, Utah in the Floy Canyon area. Staked location lies north of I-70 exit 175 about 1.25 miles. Approximately 450' of new access will be built to access this well. There is a 90' piece of road that will be on BLM surface, for which a right-of-way from the BLM has been initiated. The direct area drains to the southeast.

**SURFACE USE PLAN**

CURRENT SURFACE USE: Wildlife habitat and grazing.

PROPOSED SURFACE DISTURBANCE: 200' x 285' and a 165' x 60' x 10' pit. 450 feet of new access road will be built for this well.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 1 PA well within a 1 mile radius.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Production facilities will be on location and no pipeline is planned for at this time.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and transported in.

ANCILLARY FACILITIES: None anticipated.

**WASTE MANAGEMENT PLAN:**

The reserve pit will be fenced 4' high on 3 sides with 4 strands of barbed wire or woven wire topped with barbed wire. The fourth side will be fenced once the rig moves off the hole. The fence will be kept in good repair while the pit dries. All trash will be placed in a trash cage. When full, it will be hauled to a state approved landfill. There will be no trash burning or disposal of trash in the reserve pit. Chemical toilets will be used for human waste. Their contents will be disposed of in state approved facilities. No oil will be allowed on the reserve pit. Any oil which accumulates on the pit will be skimmed off and hauled to a state approved recycle facility. Once dry, the reserve pit contents will be buried in place. The pit will be back filled sufficiently deep so no liner is exposed.

**ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: Dry washes.

FLORA/FAUNA: 4-winged salt brush, grasses, sagebrush, globe mallow, prickly pear, deer, antelope, small game, raptors and other fowl, rodents and reptiles.

SOIL TYPE AND CHARACTERISTICS: Rocky sandy loam.

EROSION/SEDIMENTATION/STABILITY: Stable until disturbed.

PALEONTOLOGICAL POTENTIAL: None observed.

**RESERVE PIT**

CHARACTERISTICS: Dugout earthen.

LINER REQUIREMENTS (Site Ranking Form attached): None required.

**SURFACE RESTORATION/RECLAMATION PLAN**

As per surface use agreement.

SURFACE AGREEMENT: As per SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: Arch survey completed by Grand River Institute.

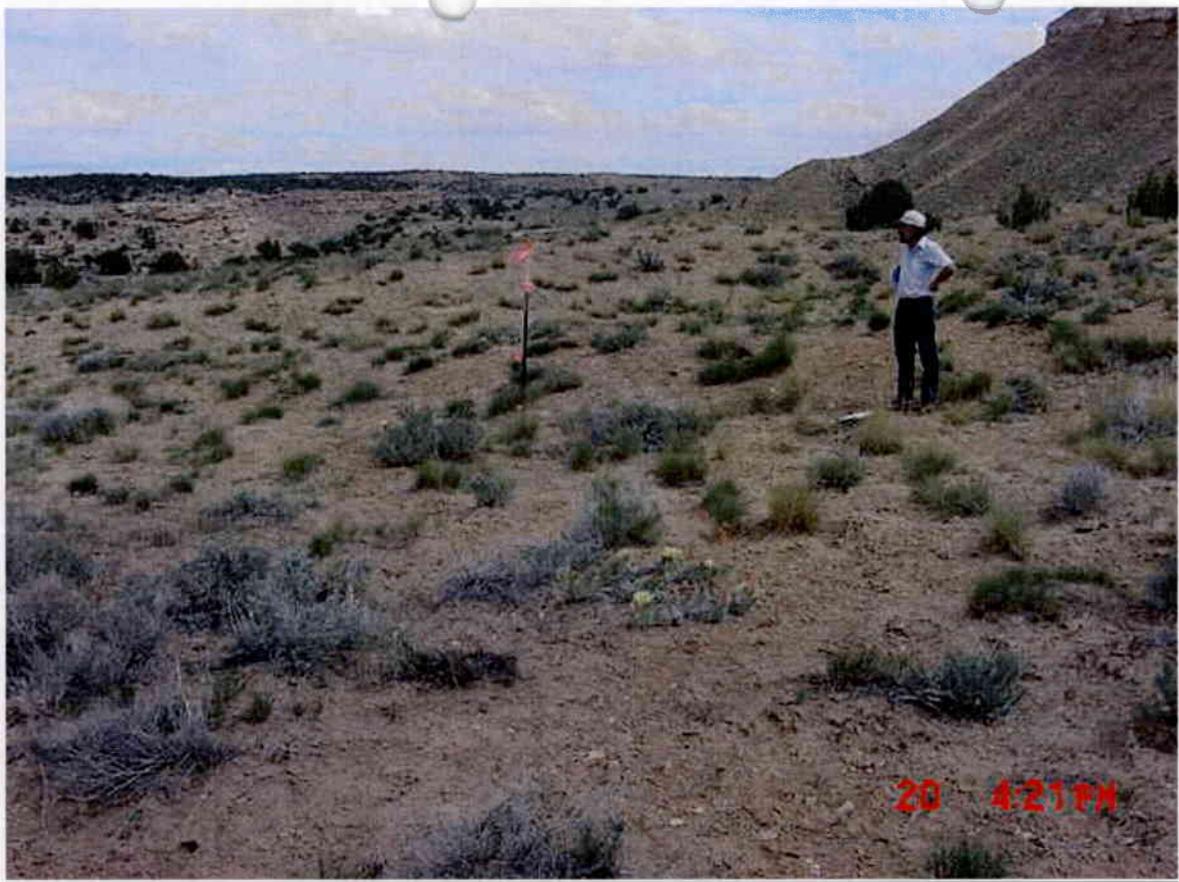
**OTHER OBSERVATIONS/COMMENTS**

**ATTACHMENTS**

Photos of this location were taken and placed on file.

Mark L. Jones  
DOGM REPRESENTATIVE

May 20, 2004 / 4:00 pm  
DATE/TIME



# LINDQUIST & VENNUM P.L.L.P.

600 17TH STREET, SUITE 1800 SOUTH  
DENVER, CO 80202-5441  
TELEPHONE: 303-573-5900  
FAX: 303-573-1956

IN MINNEAPOLIS:  
4200 IDS CENTER  
80 SOUTH EIGHTH STREET  
MINNEAPOLIS, MN 55402-2274  
TELEPHONE: 612-371-3211  
FAX: 612-371-3207

IN ST. PAUL:  
444 CEDAR STREET, SUITE 1700  
ST. PAUL, MN 55101-3157  
TELEPHONE: 651-312-1300  
FAX: 651-223-5332

ATTORNEYS AT LAW

[www.lindquist.com](http://www.lindquist.com)

MARILYN R. DAVIES  
(303) 454-0535  
[mdavies@lindquist.com](mailto:mdavies@lindquist.com)

May 21, 2004

## VIA OVERNIGHT MAIL

UT Division of Oil Gas and Mining  
1594 W.N. Temple, #1210  
Salt Lake City, UT 84114-5801

Attention: Earlene Russell

Re: Designations of Agent or Operator  
Lease Numbers ML-47721, and FE-10001

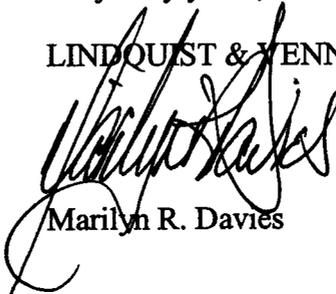
Dear Earlene:

Enclosed are two Designations of Agent of Operator for lands in Grand County UT for filing with the State of Utah. I have enclosed an extra copy of the Designations and a self-addressed stamped envelope. Please return a stamped copy for our records.

Feel free to call me if you have any questions or you need additional information.

Very truly yours,

LINDQUIST & VENNUM P.L.L.P.

  
Marilyn R. Davies

Encs.  
cc: Jim Jones

RECEIVED

MAY 24 2004

DIV. OF OIL, GAS & MIN.

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

**DESIGNATION OF AGENT OR OPERATOR**

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: Tidewater Oil + Gas LLC  
Rocksource Energy Corp.  
LEASE NUMBER: ML47721

and hereby designates

NAME: MSC Exploration, L.P.  
ADDRESS: 16800 Imperial Valley Dr. Ste 380  
city Houston state TX zip 77060

as his (check one) agent  / operator  with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)  
  
T215, R18E Cactus Rose  
Section 2, ALL  
GRAND COUNTY

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

RECEIVED  
MAY 24 2004

Effective Date of Designation: 5-12-04

BY: (Name) Thomas A. Collins  
(Signature) [Signature]  
(Title) President  
(Phone) 281-260-0700

OF: (Company) Rocksource Energy Corp.  
(Address) Box 691847  
city Houston, TX 77269-1847  
state zip

(5/2000)

By: NAME - JAMES S. JONES, Manager of: Tidewater Oil + Gas LLC  
SIGN - [Signature]  
PHONE - 303-462-0656  
11614 Elk Head Range Rd.  
Littleton, CO 80202

## **INSTRUCTIONS**

If a well is to be operated or a company's business is to be conducted by an individual or company other than the lessee, then a designation of agent or operator shall be submitted to the division prior to the commencement of operations. A designation of agent or operator will, for purposes of the general rules and orders, be accepted as evidence of authority of agent to fulfill the obligations of the owner, to sign any required documents or reports on behalf of the owner, and to receive all authorized orders or notices given by the board or the division. All changes of address and any termination of the designated agent's or operator's authority shall be promptly reported in writing to the division, and in the latter case a designation of a new agent or operator shall be promptly made.

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

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

**OPERATOR:** MSC Exploration L.P.  
**WELL NAME & NUMBER:** Cactus Rose 2-1  
**API NUMBER:** 43-019-31402  
**LOCATION:** 1/4,1/4 SESE Sec: 2 TWP: 21S RNG: 18E 1110 FSL 495 FEL

**Geology/Ground Water:**

Significant volumes of high quality ground water are unlikely to be encountered in the bedrock at this location. A poorly permeable soil is likely to be developed on Buck Tongue Member of the Mancos Shale. The Castlegate Sandstone Member is immediately below the Buck Tongue Member and above the top of the Mancos Shale, proper. The Buck Tongue Member is sufficiently thick and impermeable as to obviate the need for a pit liner. A shallow fresh water resource is unlikely to be encountered in the Castlegate Sandstone owing to its elevated, drained prominence along the line of the Book Cliffs in the area of the proposed location. Poor quality water is likely to be encountered in permeable Mesozoic and upper Paleozoic sandstones found below the Mancos Shale. The proposed casing and cementing program should adequately isolate any zones of fresh water that may be penetrated. No underground and two surface point-to-point water rights have been filed on an area within a mile of the proposed well site.

**Reviewer:** Christopher J. Kierst **Date:** 5/28/2004

**Surface:**

Proposed location is ~2 miles northeast of Green River, Utah in the Floy Canyon area. Staked location lies north of I-70 exit 175 about 1.25 miles. Approximately 450' of new access will be built to access this well. There is a 90' piece of road that will be on BLM surface, for which a right-of-way from the BLM has been initiated. Upgrades to existing roads will only include cutting both sides of a small wash crossing and installing a culvert. The direct area drains to the southeast. DWR, SITLA, and Grand County were all invited to attend the pre-drill meeting for this well, none of whom chose to attend.

**Reviewer:** Mark L. Jones **Date:** May 26, 2004

**Conditions of Approval/Application for Permit to Drill:**

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

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

**Final Score**      10      (Level III 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.



Search Utah.gov

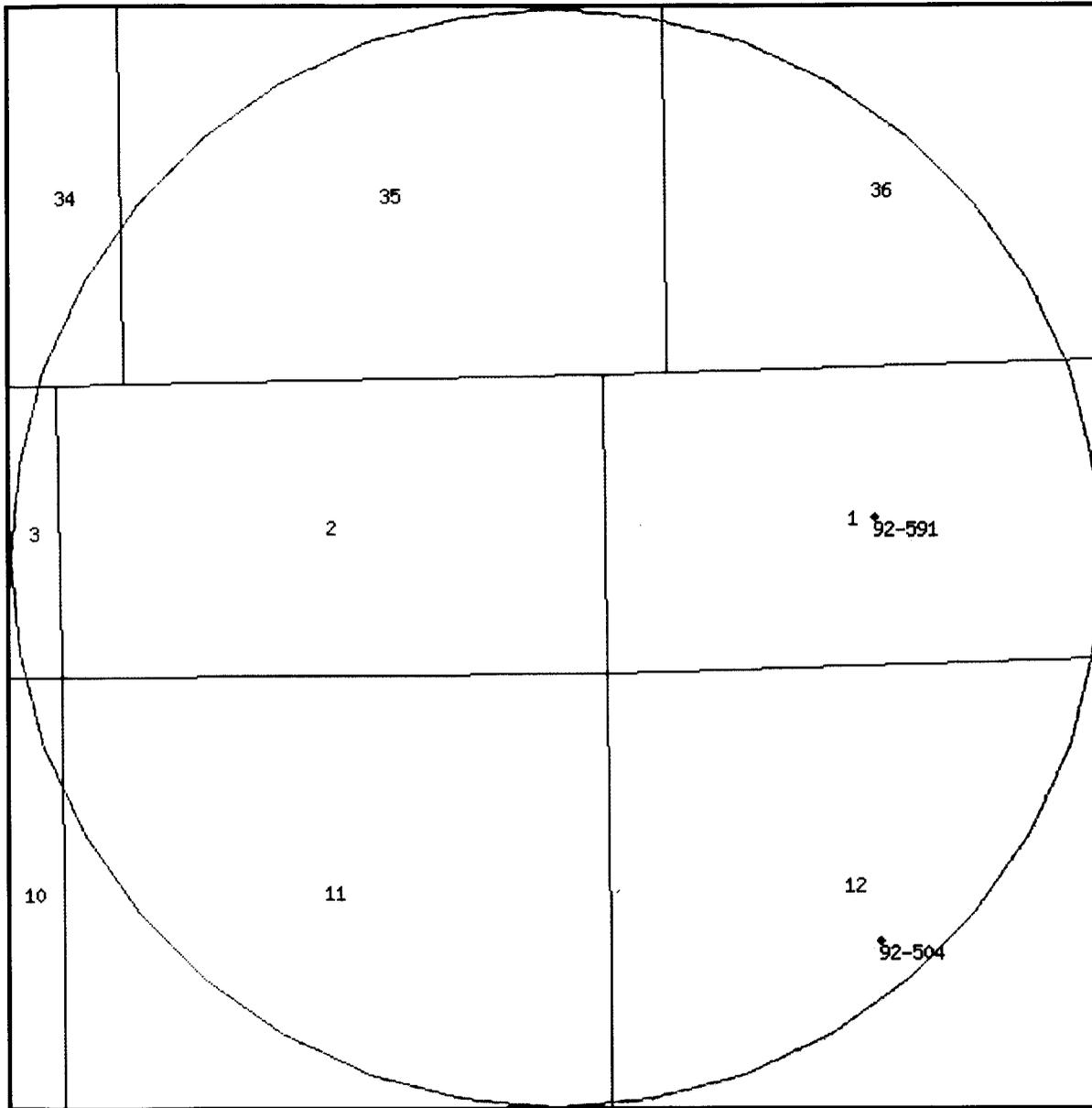
GO

# UTAH DIVISION OF WATER RIGHTS

## WRPLAT Program Output Listing

Version: 2004.03.26.00      Rundate: 05/28/2004 10:09 AM

Radius search of 5280 feet from a point N1110 W495 from the SE corner, section 02, Township 21S, Range 18E, SL  
b&m Criteria:wrtypes=W,C,E podtypes=all status=U,A,P usetypes=all



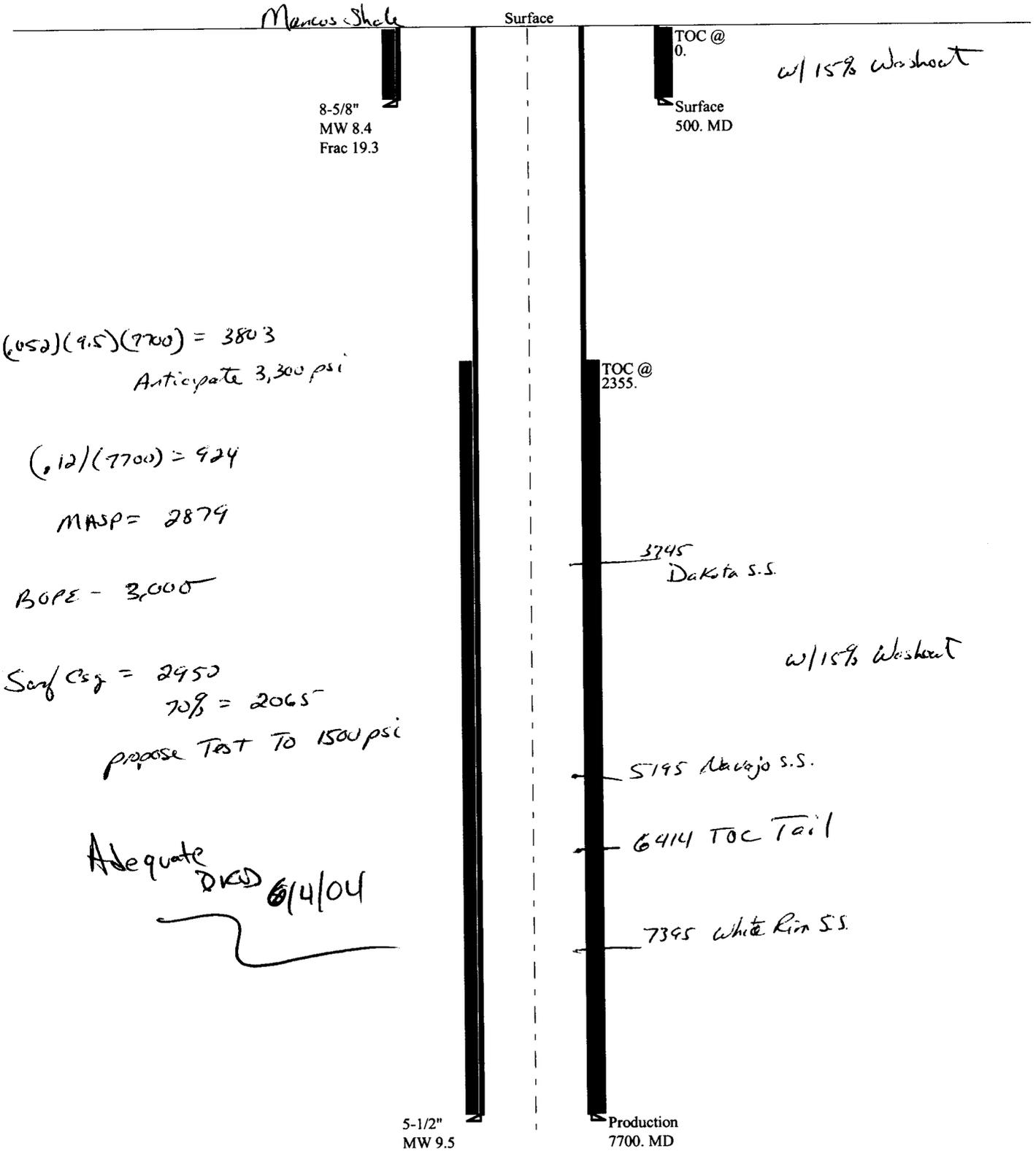
0 700 1400 2100 2800 ft

**Water Rights**

<b>WR Number</b>	<b>Diversion Type/Location</b>	<b>Well Log</b>	<b>Status</b>	<b>Priority</b>	<b>Uses</b>	<b>CFS</b>	<b>ACFT</b>	<b>Owner Name</b>
<u>92-504</u>	Point to Point 0 0 12 21S 18E SL		P	18750000	OS	0.045	0.000	Price Field Office USA Bureau of Land Management 125 South 600 West
<u>92-591</u>	Point to Point 0 0 01 21S 18E SL		P	18750000	OS	0.000	0.000	Price Field Office USA Bureau of Land Management 125 South 600 West

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

05-04 MSC Cactus Rose 2  
Casing Schematic



Well name:	<b>05-04 MSC Cactus Rose 2-1</b>	
Operator:	<b>MSC Exploration LP</b>	Project ID:
String type:	Surface	43-019-31402
Location:	Grand County	

**Design parameters:**

**Collapse**

Mud weight: 8.400 ppg  
 Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 72 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 200 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 200 psi  
 Internal gradient: 0.468 psi/ft  
 Calculated BHP 434 psi

No backup mud specified.

**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: 437 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 7,700 ft  
 Next mud weight: 9.500 ppg  
 Next setting BHP: 3,800 psi  
 Fracture mud wt: 19.250 ppg  
 Fracture depth: 500 ft  
 Injection pressure 500 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 (ft <sup>3</sup> )
1	500	8.625	24.00	J-55	ST&C	500	500	7.972	24.1
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	218	1370	6.279	434	2950	6.80	12	244	20.33 J

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

Phone: 801-538-5281  
 FAX: 801-359-3940

Date: May 28, 2004  
 Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 500 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:	<b>05-04 MSC Cactus Rose 2-1</b>	
Operator:	<b>MSC Exploration LP</b>	Project ID:
String type:	Production	43-019-31402
Location:	Grand County	

**Design parameters:**

**Collapse**

Mud weight: 9.500 ppg  
 Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 200 psi  
 Internal gradient: 0.468 psi/ft  
 Calculated BHP: 3,800 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: 6,591 ft

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 173 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 368 ft  
  
 Cement top: 2,355 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 (ft³)
1	7700	5.5	17.00	N-80	LT&C	7700	7700	4.767	265.3

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
1	3800	6290	1.655	3800	7740	2.04	131	348	2.66 J

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

Phone: 801-538-5281  
 FAX: 801-359-3940

Date: May 28, 2004  
 Salt Lake City, Utah

Remarks:  
 Collapse is based on a vertical depth of 7700 ft, a mud weight of 9.5 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.

**From:** LaVonne Garrison  
**To:** Diana Whitney; Shaver, Monson  
**Date:** 8/19/2004 3:33:43 PM  
**Subject:** Well Clearance

The following well is cleared by SITLA for APD approval purposes

43-019-31402  
Cactus Rose MSC 2-1  
SESE 2-21S-18E

**CC:** Ed Bonner



State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

August 23, 2004

MSC Exploration, L P  
16800 Imperial Valley Dr., Suite 380  
Houston, TX 77060

Re: Cactus Rose MSC 2-1 Well, 1110' FSL, 495' FEL, SE SE, Sec. 2, T. 21 South,  
R. 18 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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31402.

Sincerely,

John R. Baza  
Associate Director

pab  
Enclosures

cc: Grand County Assessor  
SITLA

Operator: MSC Exploration, L P  
Well Name & Number Cactus Rose MSC 2-1  
API Number: 43-019-31402  
Lease: ML-47721

Location: SE SE                      Sec. 2                      T. 21 South                      R. 18 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)

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

**DIVISION OF OIL, GAS AND MINING****SPUDDING INFORMATION**Name of Company: MSC EXPLORATION LPWell Name: CACTUS ROSE MSC 2-1Api No: 43-019-31402 Lease Type: STATESection 02 Township 21S Range 18E County GRANDDrilling Contractor BOB BEAMAN RIG # RATHOLE**SPUDDED:**Date 09/09/04Time 7:30 AMHow DRY**Drilling will commence:** \_\_\_\_\_Reported by GAYLIN WILLIAMSTelephone # 1-713-705-0765Date 09/13/2004 Signed CHD

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL: OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR: MSC Exploration LP

3. ADDRESS OF OPERATOR: 10800 Imperial Valley Dr. Houston, TX 77060 PHONE NUMBER: 2819318933

4. LOCATION OF WELL: FOOTAGES AT SURFACE: 1110 FSL + 495 FEL COUNTY: GRAND QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 2 215 18E S STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47721

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

7. UNIT or CA AGREEMENT NAME: N/A

8. WELL NAME and NUMBER: CACTUS ROSE MSC 2-1

9. API NUMBER: 43-019-31402

10. FIELD AND POOL OR WILDCAT: Wildcat

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Change proposed depth from 7,700' to [8500']  
 Cementing of 12-1/4" from G 3505 x 1.18 to  
 → [Type 1 (Class A) 2405 x 2054/yd 14.5]   
 → was used @ 5 10 7/8"   
 → 1.35 cft/yk

RECEIVED  
 SEP 10 2004  
 DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Lynn Faust TITLE Administrator

SIGNATURE [Signature] DATE 9-10-04

(This space for State use only)

COPY SENT TO OPERATOR  
 Date: 9-16-04  
 Initials: CHF

(5/2000)

APPROVED BY THE STATE  
 OF UTAH DIVISION OF  
 OIL, GAS, AND MINING

(See instructions on Reverse Side)

DATE: 9/15/04  
 BY: [Signature]

## 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),
  - re-perforating 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 proposals 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 results 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

(52000)

09-04 MSC Cactus Rose 2-uv.  
Casing Schematic

CONFIDENTIAL

Surface

Muncos

8-5/8"  
MW 8.4  
Frac 19.3  
12 1/4" hole  
from 10 5/8" hole  
listed originally

TOC @  
21.

Surface  
500. MD

w/189 washout

BOP

BHP

$$(0.052)(9.5)(8500) = 4199 \text{ psi}$$

Anticipate 3300 psi

3745' -  
Dakota 4

gas

$$(0.12)(8500) = 1020 \text{ psi}$$

MASP = 3179 psi

gas/mud

$$(0.22)(8500) = 1870 \text{ psi; } 5195 = \text{Mudj0}$$

MASP = 2329 psi

w/158 washout

3M BOP proposed ✓  
test tot 500 psi

Adequate  
DUD 9/15/04

7385' -  
whitekem

TOC @  
3156.

7214' -  
TOC tail

5-1/2"  
MW 9.5

Production  
8500. MD

Well name:	<b>09-04 MSC Cactus Rose 2-1 rev.</b>		
Operator:	<b>MSC Exploration LP</b>		Project ID:
String type:	Production		43-019-31402
Location:	Grand County		

**Design parameters:**

**Collapse**

Mud weight: 9.500 ppg  
 Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 184 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 368 ft

Cement top: 3,156 ft

**Burst**

Max anticipated surface pressure: 221 psi  
 Internal gradient: 0.468 psi/ft  
 Calculated BHP 4,195 psi

No backup mud specified.

**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)

Non-directional string.

Tension is based on air weight.  
 Neutral point: 7,275 ft

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 <sup>3</sup> )
1	8500	5.5	17.00	N-80	LT&C	8500	8500	4.767	292.9
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	4195	6290	1.499	4195	7740	1.85	144	348	2.41 J

Prepared by: Dustin K. Doucet  
 Utah Div. of Oil & Mining

Phone: 801-538-5281  
 FAX: 801-359-3940

Date: September 15, 2004  
 Salt Lake City, Utah

Remarks:  
 Collapse is based on a vertical depth of 8500 ft, a mud weight of 9.5 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.*

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

008

ENTITY ACTION FORM

Operator: MSC Exploration LP Operator Account Number: N 2295  
Address: 16800 Imperial Valley Dr. Ste 380  
city Houston  
state Texas zip 77060 Phone Number: 281-931-8933

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-019-31402	Cactus Rose MSC 2-1		MUSE	2	21S	18E	GRAND
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	9999	14306	9-9-04		9/16/04		
Comments: <u>WHRM</u> <b>CONFIDENTIAL</b>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

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

Lynn Faust  
Name (Please Print)  
L Faust  
Signature  
Admin. 9-16-04  
Title Date

RECEIVED

SEP 16 2004

(5/2000)

DIV. OF OIL, GAS & MINING





# MSC Exploration Daily Completion Report

Block, Lease and Well No. Floy Canyon - State Cactus Rose MSC #2-1				Contract Rig Lead #692		DOL 39	DFS 39	Date on Location 10/17/2004	Completion Date Oct 17, 2004	Report Date Nov 25, 2004
MD 6,450	TVD 6,450	Footage PBDT	AFE No.	AFE Amount \$347,000	Auth. TD.	Company Representative Norm Woods				
Present Operation Sabbing perms 6320' - 42'				Rig Phone: 254-241-5317	Toolpusher Allen Cermack					

Current Weather	DONR Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth	ft
Sky:	<input type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF	ft

**CASING RECORD**

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	DV Tool MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'	20'						
Surface	8 5/8"	24	K55	STC	12	525'	525'			8.6			
Production	5 1/2"	17	L80	LTC	154	6,850'	6,850'	4,270'	4,270'	8.8			

**BIT, WEIGHT, SPEED AND HYDRAULICS RECORD**

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			1/4	1/2	3/4
1	9 x 6	3.15												
2	9 x 6	3.15												

**BHA**

Length:	Description:
---------	--------------

**MUD DATA**

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT															
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer		Mud Company					
PIT					#1	#2	Desand	Cent.							
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost \$3,723					

**DIRECTIONAL SURVEYS**

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

**OPERATIONS SUMMARY**

TIME		Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Status:
FROM	TO						
0600	0730	1.5	28	WO Crew		Time Summary	
0730	0815	0.8	28	Start rig. TP = 10 psi. RU to pull tubing.		Activity	Daily Cum.
0815	1045	2.5	21	Unseat packer. POOH standing back. Fluid in 133 rd jt. 2000' of fluid in tbq. RU to swab tubing dry. Rec 9 bbls of acid & dark changing to light water on first run. LD swab.		1. Mob/DeMob	26
						2. Cement	4
						3. Circulate	16.5
1045	1130	0.8	21	POOH with tubing. 203 jts standing in derrick. LD Hornet packer & SN		4. Directional Work	
1130	1230	1.0	28	RU Excell to run CIBP.		5. Drilling	4.5
1230	1245	0.3	28	RIH with CIBP Set @ 6450' KB. (14" long). POOH. LD setting tool		6. Drive Pipe	
1245	1315	0.5	28	PU 4" casing guns. RIH. Perforate 6320' to 6342' (22') w/ .43" holes, 49.5" penetration. 4 spf, total 88 holes. All shots fired		7. Fishing	
				Had 40' of fluid rise following perforating.		8. OH Logging	
1315	1330	0.3	28	RD Excell.		9. Lost Circ.	
1330	1400	0.5	28	RU to run tubing. PU 1 jt of tubing. Put SN (1.1') then Hornet packer.(8')		10. Drill Cmt./LOT	
				Installed Washington style stripping head.		11. N.U./N.D.	5
1400	1600	2.0	21	RIH with packer and tubing. Have total of 197 jts of tubing. (6210')		12. P.U./L.D. BHA	1
				Total 6219' KB. Set packer with 20K lbs of tension.		13. P.U./L.D. Pipe	
1600	1615	0.3	28	RU to swab.		14. R/U; R/D	52.5
1615	1700	0.8	28	1st swab run. FL= 4400'. (600' of fluid rise after perforating) Rec 6 bbls black fluid. No gas. No oil		15. Rig Repair	1.5
				2nd run. FL= 5400'. Rec 5 bbls black fluid. No gas No oil		16. Run Casing	8.5
				RD swab. SWI. SDFN Total 11 bbls recovered.		17. Service Rig	
						18. Sidetrack Op.	
						19. Stuck Pipe	
						20. Survey	
						21. Trips	5.25 28.5
						22. Tst. BOPs	5
						23. UR/HO	
						24. W.O.W.	
						25. Wash & Ream	
						26. Well Control	
						27. WOC	
						28. Other	5.75 133.01
						Total	11 286.01
Total Hours		11.0		Bulk Material on Board		Previous Cost	\$451,736
Rig Downtime		Fuel Usage		Cement:		Daily Cost	\$12,297
Daily	Daily	Gals		Barite:		Cum. Cost	RECEIVED
Cum.	Cum.	2153 Gals		sx			

T 215 R18E S-02  
43-019-31402

DEC 03 2004



CONFIDENTIAL



# MSC Exploration Daily Completion Report

Block, Lease and Well No. Floy Canyon - State Cactus Rose MSC #2-1				Contract Rig Lead #692	DOL 37	DPS 37	Date on Location 10/17/2004	Completion Date Oct 17, 2004	Report Date Nov 23, 2004
MD 6,802	TVD 6,802	Footage PBDT	AFE No.	AFE Amount \$347,000	Auth. TD.	Company Representative Norm Woods			
Present Operation Swabbing Well- Prep to stimulate				Rig Phone: 254-241-5317	Toolpusher Allen Cermack				

Current Weather	DONR Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS		
Wind: <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB	15 ft	
Seas: <input type="checkbox"/> Problem? <input type="checkbox"/> Yes			Contractor	Next BOP Test Date	Water Depth	ft	
Sky: <input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			RKB-CHF	ft	

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	DV Tool MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'	20'						
Surface	8 5/8"	24	K55	STC	12	525'	525'			8.6			
Production	5 1/2"	17	L80	LTC	154	6,850'	6,850'	4,270'	4,270'	8.8			

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade					
											Tooth	Bearing	Gage			
Bit Remarks:											Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque	
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures				
								DC	DP			1/4	Pump #1	Pump #2	Pump #3	
1	9 x 6	3.15								1/2						
2	9 x 6	3.15								3/4						

BHA	
Length:	Description:

MUD DATA	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer	Mud Company							
PIT					#1	#2	Desand	Cent.								
					#3	#4	Desilt	Mud Cl	Daily Cost				Cumulative Cost			
																\$3,723

DIRECTIONAL SURVEYS	MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY									
TIME		Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Time Summary		
FROM	TO						Activity	Daily	Cum.
0600	0730	1.5	28	WO Crew					
0730	0745	0.3	28	Start rig. TP= 0 psi, RU 2 7/8" swab					
0745	0900	1.3	28	1st swab run. FL=5200'. Rec 6 bbls dark black fluid. No oil. No gas	1. Mob/DeMob			26	
				2nd run. FL= 6000'. Rec 3 bbls dark black fluid. No oil. No gas	2. Cement			4	
				3rd run. FL=6100'. Made 3 short runs. Rec 3 bbls dark black fluid.	3. Circulate			16.5	
				No oil. No gas Solids settle to bottom of jar. Clear water on top	4. Directional Work				
0900	0930	0.5	28	SWI for 1/2 hr.	5. Drilling			4.5	
0930	1000	0.5	28	4th run. FL= 6200'. No gas. No fluid rec	6. Drive Pipe				
1000	1100	1.0	28	SWI for 1 hr. Installed new flags on swab line	7. Fishing				
1100	1200	1.0	28	5th run. FL= 6200'. Made short runs for 20 min. No gas. No fluid rec.	8. OH Logging				
1200	1330	1.5	28	SWI for 1.5 hrs. Worked on low spots in road for Halliburton tomorrow	9. Lost Circ.				
1330	1400	0.5	28	6 th run. FL= 6100'. Made 4 short runs. Rec 1 bbls of black fluid. No gas	10. Drill Cmt./LOT				
1400	1500	1.0	28	SWI for 1 hr. Worked on road.	11. N.U./ N.D.			5	
1500	1530	0.5	28	7th run. FL = 6200' Made short runs for 20 mins, Rec 1/2 bbl black fluid. No gas	12. P.U./L.D. BHA			1	
				SWI for 1 hr.	13. P.U./L.D. Pipe				
1530	1630	1.0	28	8th run. FL= 6100'. Made 4 short runs. No gas. Rec 1/2 bbl black fluid.	14. R/U; R/D			52.5	
1630	1700	0.5	28	Laid down swab	15. Rig Repair			1.5	
				SWI SDFN	16. Run Casing			8.5	
				Total fluid rec. = 14 bbls. Fluid samples sent to Larry Moyer	17. Service Rig				
					18. Sidetrack Op.				
					19. Stuck Pipe				
					20. Survey			23.25	
					21. Trips			5	
					22. Tst. BOPs				
					23. UR/HO				
					24. W.O.W.				
					25. Wash & Ream				
					26. Well Control				
					27. WOC				
					28. Other			11	116.25
					Total			11	264
Total Hours		11.0				Previous Cost		\$420,222	
Rig Downtime				Fuel Usage		Bulk Material on Board		Daily Cost	
Daily		Daily	Gals	Cement:	sx	Daily Cost		\$13,386	
Cum.		Cum.	2153 Gals	Barite:	sx	Cum. Cost		\$433,698	

T215 R18E S-02  
43-019-31402

DEC 03 2004

DIV. OF OIL, GAS & MINING



# MSC Exploration Daily Completion Report

Block, Lease and Well No. Floy Canyon - State Cactus Rose MSC #2-1				Contract Rig Lead #692	DOL 36	DFS 36	Date on Location 10/17/2004	Completion Date Oct 17, 2004	Report Date Nov 22, 2004
MD 6,802	TVD 6,802	Footage PBDT	AFE No.	AFE Amount \$347,000	Auth. TD. 8,700'	Company Representative Norm Woods			
Present Operation Swabbing perms 6509 - 18'				Rig Phone: 435-220-0999	Rig Fax: 435-220-0999		Toolpusher Allen Cermack		

Current Weather	DONR Visit <input type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Operator	Contractor	Next BOP Test Date	RKB	15 ft
Seas:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			Water Depth	ft
Sky:					RKB-CHF	ft

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		DV Tool		MW when Run	Pres	LOT	Leakoff?
						MD	TVD	MD	TVD				
Conductor	12-3/4"	24	LP	W	1	20'	20'						
Surface	8 5/8"	24	K55	STC	12	525'	525'			8.6			
Production	5 1/2"	17	L80	LTC	154	6,850'	6,850'	4,270'	4,270'	8.8			

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/4					
2	9 x 6	3.15								1/2					
										3/4					

### BHA

Length:	Description:

### MUD DATA

PIT	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl	Daily Cost	Cumulative Cost									
																\$3,723

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

### OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:	Crew Boat Name:	Status:																																																																																													
FROM	TO																																																																																																				
0600	0600			Shut down for Sunday.																																																																																																	
								<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3">Time Summary</th> </tr> <tr> <th>Activity</th> <th>Daily</th> <th>Cum.</th> </tr> </thead> <tbody> <tr><td>1. Mob/DeMob</td><td></td><td>26</td></tr> <tr><td>2. Cement</td><td></td><td>4</td></tr> <tr><td>3. Circulate</td><td></td><td>16.5</td></tr> <tr><td>4. Directional Work</td><td></td><td></td></tr> <tr><td>5. Drilling</td><td></td><td>4.5</td></tr> <tr><td>6. Drive Pipe</td><td></td><td></td></tr> <tr><td>7. Fishing</td><td></td><td></td></tr> <tr><td>8. OH Logging</td><td></td><td></td></tr> <tr><td>9. Lost Circ.</td><td></td><td></td></tr> <tr><td>10. Drill Cmt./LOT</td><td></td><td></td></tr> <tr><td>11. N.U./N.D.</td><td></td><td>5</td></tr> <tr><td>12. P.U./L.D. BHA</td><td></td><td>1</td></tr> <tr><td>13. P.U./L.D. Pipe</td><td></td><td></td></tr> <tr><td>14. R/U; R/D</td><td></td><td>52.5</td></tr> <tr><td>15. Rig Repair</td><td></td><td>1.5</td></tr> <tr><td>16. Run Casing</td><td></td><td>8.5</td></tr> <tr><td>17. Service Rig</td><td></td><td></td></tr> <tr><td>18. Sidetrack Op.</td><td></td><td></td></tr> <tr><td>19. Stuck Pipe</td><td></td><td></td></tr> <tr><td>20. Survey</td><td></td><td></td></tr> <tr><td>21. Trips</td><td></td><td>23.25</td></tr> <tr><td>22. Tst. BOPs</td><td></td><td>5</td></tr> <tr><td>23. UR/HO</td><td></td><td></td></tr> <tr><td>24. W.O.W.</td><td></td><td></td></tr> <tr><td>25. Wash &amp; Ream</td><td></td><td></td></tr> <tr><td>26. Well Control</td><td></td><td></td></tr> <tr><td>27. WOC</td><td></td><td></td></tr> <tr><td>28. Other</td><td></td><td>105.25</td></tr> <tr><td><b>Total</b></td><td></td><td><b>253</b></td></tr> </tbody> </table>	Time Summary			Activity	Daily	Cum.	1. Mob/DeMob		26	2. Cement		4	3. Circulate		16.5	4. Directional Work			5. Drilling		4.5	6. Drive Pipe			7. Fishing			8. OH Logging			9. Lost Circ.			10. Drill Cmt./LOT			11. N.U./N.D.		5	12. P.U./L.D. BHA		1	13. P.U./L.D. Pipe			14. R/U; R/D		52.5	15. Rig Repair		1.5	16. Run Casing		8.5	17. Service Rig			18. Sidetrack Op.			19. Stuck Pipe			20. Survey			21. Trips		23.25	22. Tst. BOPs		5	23. UR/HO			24. W.O.W.			25. Wash & Ream			26. Well Control			27. WOC			28. Other		105.25	<b>Total</b>		<b>253</b>
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Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost																																																																																															
Daily	Daily	Gals	Cement:	sx		\$416,812																																																																																															
Cum.	Cum.	2153 Gals	Barite:	sx		Daily Cost \$3,410																																																																																															
						Cum. Cost \$420,222																																																																																															



# MSC Exploration Daily Completion Report

CONFIDENTIAL

Block, Lease and Well No. Floy Canyon - State Cactus Rose MSC #2-1				Contract Rig Leed #692	DOL 35	DFS 35	Date on Location 10/17/2004	Completion Date Oct 17, 2004	Report Date Nov 21, 2004
MD 6,802	TVD 6,802	Footage PBDT	AFE No.	AFE Amount \$347,000	Auth. TD. 8,700'	Company Representative Norm Woods			
Present Operation Shut down for Sunday				Rig Phone: 435-220-0999	Rig Fax: 435-220-0999		Toolpusher Allen Cermack		

Current Weather	DONR Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth	ft
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF	ft

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	DV Tool MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'	20'						
Surface	8 5/8"	24	K55	STC	12	525'	525'			8.6			
Production	5 1/2"	17	L80	LTC	154	6,850'	6,850'	4,270'	4,270'	8.8			

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
Bit Remarks:											Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	1/2	3/4	
1	9 x 6	3.15													
2	9 x 6	3.15													

BHA	Length:	Description:
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WT.	VIS	PV	YP	GELS	WL	HHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT															
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer		Mud Company					
PIT					#1	#2	Desand	Cent.	Cumulative Cost						
					#3	#4	Desilt	Mud Cl	Daily Cost	\$3,723					

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:
TIME FROM	TO	HOUR	Time Code	Crew Boat Name:	Status:	
0600	0730	1.5	28	WO Crew		
0730	0745	0.3	28	Start rig. TP = 0 psi		
0745	0900	1.3	28	1st swab run FL=5600' ( 600' fluid rise) Rec 6 bbls black fluid, No oil		1. Mob/DeMob 26
				2nd run FL= 6100' Made several short runs. Rec 1 bbl black fluid. No gas		2. Cement 4
				RU rig pump. Mixed 15 gal C19 KCL concentrate and 1 gal ionic wetting agent. Circ H2O with pump for 1 hr to mix.		3. Circulate 16.5
						4. Directional Work
0900	1000	1.0	28	SWI for 1 hr.		5. Drilling 4.5
1000	1030	0.5	28	3rd run. FL= 6200' Made short runs for 20 min. Rec 1 bbl black fluid		6. Drive Pipe
				No gas		7. Fishing
1030	1130	1.0	28	SWI for 1 hr.		8. OH Logging
1130	1200	0.5	28	4th run. FL= 6200' Made short runs. No fluid rec No gas		9. Lost Circ.
1200	1300	1.0	28	SWI for 1 hr.		10. Drill Cmt./LOT
1300	1330	0.5	28	5th run FL= 6200', Made short runs. No fluid rec. No gas		11. N.U./N.D. 5
1330	1430	1.0	28	SWI for 1 hr.		12. P.U./L.D. BHA 1
1430	1500	0.5	28	6th swab run. FL= 6200'. Made short runs. No fluid rec. No gas		13. P.U./L.D. Pipe
1500	1630	1.5	28	SWI for 1.5 hr.		14. R/U; R/D 52.5
1630	1700	0.5	28	7th run FL- 6100'. Made 3 short runs. Rec small amount black fluid.		15. Rig Repair 1.5
				No gas. Black settles out to clear water w/ 1/2" black solids in bottom of jar.		16. Run Casing 8.5
				SWI SDFN Rec 8 bbls of fluid during day		17. Service Rig
						18. Sidetrack Op.
						19. Stuck Pipe
						20. Survey
						21. Trips 23.25
						22. Tst. BOPs 5
						23. UR/HO
						24. W.O.W.
						25. Wash & Ream
						26. Well Control
						27. WOC
						28. Other 11 105.25
Total Hours		11.0				Total 11 253
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost \$409,653
Daily	Daily	Gals	Cement:	sx	Daily Cost	\$7,159
Cum.	Cum.	2153 Gals	Barite:	sx	Cum. Cost	\$416,812

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DIV. OF OIL, GAS & MINING



# MSC Exploration Daily Completion Report

Block, Lease and Well No. Floy Canyon - State Cactus Rose MSC #2-1				Contract Rig Lead #692	DOL 34	DFS 34	Date on Location 10/17/2004	Completion Date Oct 17, 2004	Report Date Nov 20, 2004
MD 6,802	TVD 6,802	Footage PBSD	AFE No.	AFE Amount \$347,000	Auth. TD. 8,700'		Company Representative Carl Hulslander		
Present Operation Swabbing perms 6509 - 18'				Rig Phone: 435-220-0999	Rig Fax: 435-220-0999		Toolpusher Conrad Tenney		

Current Weather	DONR Visit <input type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Operator		RKB	15 ft
Seas:			Contractor	Next BOP Test Date	Water Depth	ft
Sky:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF	ft

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		DV Tool		MW when Run	LOT			
						MD	TVD	MD	TVD		Pres	EMW	Leakoff?	
Conductor	12-3/4"	24	LP	W	1	20'	20'							
Surface	8 5/8"	24	K55	STC	12	525'	525'			8.6				
Production	5 1/2"	17	L80	LTC	154	6,850'	6,850'	4,270'	4,270'	8.8				

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/4				
2	9 x 6	3.15								1/2				
										3/4				

### BHA

Length:	Description:

### MUD DATA

PIT	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
	#1	#2	Desand	Cent.	Chuck Golightly		M-I Drilling Fluids									
#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost										
												\$3,723				

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

### OPERATIONS SUMMARY

TIME		HOURLY	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Time Summary		
FROM	TO							Activity	Daily	Cum.
0600	0730	1.5	28	WO Crew						
0730	0745	0.3	28	Start rig. TP= 0 psi. RU 2 7/8" swab						
0745	1000	2.3	28	1st run. FL= 4800'. Rec 6 bbls of black fluid. No oil, No gas				1. Mob/DeMob		26
				2nd run FL= 5400' Rec 3 bbls black fluid, No gas				2. Cement		4
				3rd run FL=5600' Rec 2 bbls black fluid. Settles out clear water, fines on bottom				3. Circulate		16.5
				4th run FL= 5800', 3 - 1000' short run . No fluid rec. No gas				4. Directional Work		4.5
1000	1100	1.0	28	SWI for 1 hr.				5. Drilling		
1100	1130	0.5	28	5th run FL=5900' 3 short runs. No fluid rec. No gas				6. Drive Pipe		
1130	1200	0.5	28	6th run Made short runs for 30 mins. Rec 1 bbl black fluid. No gas				7. Fishing		
1200	1300	1.0	28	SWI for 1 hr.				8. OH Logging		
1300	1330	0.5	28	7th run. FL=6100'. Rec 1 bbl black fluid. No gas. No oil				9. Lost Circ.		
1330	1430	1.0	28	SWI for 1 hr.				10. Drill Cmt./LOT		
1430	1500	0.5	28	8th run. FL= 6200' Rec no fluid. No gas.				11. N.U./N.D.		5
1500	1600	1.0	28	SWI for 1 hr.				12. P.U./L.D. BHA		1
1600	1630	0.5	28	9th run. FL= 6100'. Rec 1 bbl black fluid. No gas				13. P.U./L.D. Pipe		
				SWI SDFN				14. R/U; R/D		52.5
				Total fluid recovered 14 bbls				15. Rig Repair		1.5
				Manifolded all tanks together ( 4 tanks) Laid choke line.				16. Run Casing		8.5
								17. Service Rig		
								18. Sidetrack Op.		
								19. Stuck Pipe		
								20. Survey		
								21. Trips		23.25
								22. Tst. BOPs		5
								23. UR/HO		
								24. W.O.W.		
								25. Wash & Ream		
								26. Well Control		
								27. WOC		
								28. Other	10.5	94.25
Total Hours		10.5						Total	10.5	242
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		Daily Cost		
Daily		Daily	Gals	Cement:			\$402,433	Daily Cost		\$7,220
Cum.		Cum.	2153 Gals	Barite:				Cum. Cost		\$409,653





# MSC Exploration Daily Completion Report

<b>Block, Lease and Well No.</b>				<b>Contract Rig</b>		<b>DOL</b>	<b>DFS</b>	<b>Date on Location</b>		<b>Completion Date</b>		<b>Report Date</b>		
Floy Canyon - State Cactus Rose MSC #2-1				Leed #692		32	32	10/17/2004		Oct 17, 2004		Nov 18, 2004		
<b>MD</b>	<b>TVD</b>	<b>Footage</b>		<b>AFE No.</b>		<b>AFE Amount</b>		<b>Auth. TD.</b>		<b>Company Representative</b>				
6,802	6,802	PBTB				\$347,000		8,700'		Norm Woods				
<b>Present Operation</b>						<b>Rig Phone:</b>			<b>254-241-5317</b>			<b>Toolpusher</b>		
Swabbing wellbore						<b>Rig Fax:</b>						Allen Cernack		

<b>Current Weather</b>		<b>DONR Visit</b>		<b>NPDES</b>		<b>People on Loc.:</b>		<b>Last BOP Test Date</b>		<b>RIG ELEVATIONS</b>			
Wind:		<input type="checkbox"/> Yes <input type="checkbox"/> No		LC50 Sample Date		Operator		10/22/2004		RKB		15 ft	
Seas:		Problem? <input type="checkbox"/> Yes				Contractor		<b>Next BOP Test Date</b>		Water Depth		ft	
Sky:		<input type="checkbox"/> No		<input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service				RKB-CHF		ft	

**CASING RECORD**

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		DV Tool		MW when Run	LOT			
						MD	TVD	MD	TVD		Pres	EMW	Leakoff?	
Conductor	12-3/4"	24	LP	W	1	20'	20'							
Surface	8 5/8"	24	K55	STC	12	525'	525'			8.6				
Production	5 1/2"	17	L80	LTC	154	6,850'	6,850'	4,270'	4,270'	8.8				

**BIT, WEIGHT, SPEED AND HYDRAULICS RECORD**

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade						
											Tooth	Bearing	Gage				
<b>Bit Remarks:</b>											Cum. ROT. Hrs			PU Wt	SO Wt	ROT Wt	Torque
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures					
								DC	DP			Pump #1	Pump #2	Pump #3			
1	9 x 6	3.15								1/4							
2	9 x 6	3.15								1/2							
										3/4							

**BHA**

Length:	Description:

**MUD DATA**

PIT	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer		Mud Company					
						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost					
											\$3,723					

**DIRECTIONAL SURVEYS**

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

**OPERATIONS SUMMARY**

TIME		Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Time Summary			
FROM	TO						HOURL	Activity	Daily	Cum.
0600	0730	1.5	28	WO Crew.						
0730	0900	1.5	15	Started rig. Working on tubing board.						
0900	0930	0.5	14	Lay down floor. RU accumulator on BOP						
0930	1230	3.0	21	TOH with 2 7/8" tubing standing back. LD BHA (4 - 3.5" DCs, xo, 5.5" scraper and 4.75" bit)	1. Mob/DeMob		26			
1230	1300	0.5	28	RU Excell wireline	2. Cement		4			
1300	1430	1.5	28	Ran CBL from 6800' to 1910'. Good bond across all potential perfs	3. Circulate		16.5			
1430	1615	1.8	28	RD Excell	4. Directional Work					
1615	1630	0.3	28	TIH with 2 7/8" tubing with 2 7/8" seating nipple. Tubing @ 6002' KB	5. Drilling		4.5			
1630	1715	0.8	28	RU 2 7/8" swab.	6. Drive Pipe					
1715	1730	0.3	28	Swab well. Swabbing 6% KCL to tank. 3 runs Rec 20 bbls KCL water	7. Fishing					
				FL= 1000'.	8. OH Logging					
				LD swab. SWI. SDFN	9. Lost Circ.					
					10. Drill Cmt./LOT					
					11. N.U./N.D.		5			
					12. P.U./L.D. BHA		1			
					13. P.U./L.D. Pipe					
					14. R/U; R/D	0.5	52.5			
					15. Rig Repair	1.5	1.5			
					16. Run Casing		8.5			
					17. Service Rig					
					18. Sidetrack Op.					
					19. Stuck Pipe					
					20. Survey					
					21. Trips	3	20			
					22. Tst. BOPs		5			
					23. UR/HO					
					24. W.O.W.					
					25. Wash & Ream					
					26. Well Control					
					27. WOC					
					28. Other	6.5	76			
<b>Total Hours</b>		11.5				<b>Total</b>	11.5	220.5		
<b>Rig Downtime</b>										
<b>Daily</b>	<b>Daily</b>	<b>Fuel Usage</b>		<b>Bulk Material on Board</b>		<b>Previous Cost</b>	\$374,850			
			Gals	Cement:		<b>Daily Cost</b>	\$14,206			
<b>Cum.</b>	<b>Cum.</b>	2153	Gals	Barite:	sx	<b>Cum. Cost</b>	\$389,056			





# MSC Exploration Daily Completion Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL 20	DFS 20	Date on Location 10/17/2004	Completion Date Oct 17, 2004	Report Date Nov 6, 2004
MD 6,802	TVD 6,802	Footage PBSD	AFE No.	AFE Amount \$347,000	Auth. TD.	Company Representative 8,700' Carl Hulslander			
Present Operation Waiting on completion rig				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney				
				Rig Fax: 435-220-0999					

Current Weather	DONR Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date 10/22/2004	RIG ELEVATIONS RKB 15 ft	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Operator	Next BOP Test Date	Water Depth ft	
Seas:		Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Contractor		RKB-CHF ft	
Sky:			Service			

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		DV Tool		MW when Run	Pres	LOT	Leakoff?
						MD	TVD	MD	TVD			EMW	
Conductor	12-3/4"	24	LP	W	1	20'	20'						
Surface	8 5/8"	24	K55	STC	12	525'	525'			8.6			
Production	5 1/2"	17	L80	LTC	154	6,850'	6,850'	4,270'	4,270'	8.8			

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
Bit Remarks:											Cum. ROT, Hrs	PU Wt	SO Wt	ROT Wt	Torque
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/4					
2	9 x 6	3.15								1/2					
										3/4					

### BHA

Length:	Description:

### MUD DATA

PIT	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pi/Mf
PIT	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens				Hours		Mud Engineer	Mud Company				
					#1	#2	Desand	Cent.								
											Chuck Gollightly	M-I Drilling Fluids				
											Daily Cost	Cumulative Cost				
												\$3,723				

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

### OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Status:			
FROM	TO										
0600	0600										
				Surveyed access to Cactus Rose 2-1 with BLM, rep. Rich McClure to have rehab areas marked. Two areas were pointed out where trucks and construction equipment had driven off the traveled road and disturbed the dirt and sagebrush. He requested that we smooth out the areas and rebuild the berms. He also requested a short section be fenced with steel posts and 1 strand of smooth wire. Rich was told that MSC would comply.				Time Summary			
									Activity	Daily	Cum.
									1. Mob/DeMob		26
									2. Cement		4
									3. Circulate		16.5
									4. Directional Work		
									5. Drilling		4.5
									6. Drive Pipe		
									7. Fishing		
									8. OH Logging		
									9. Lost Circ.		
									10. Drill Cmt./LOT		
									11. N.U./N.D.		5
									12. P.U./L.D. BHA		1
									13. P.U./L.D. Pipe		
									14. R/U; R/D		47
									15. Rig Repair		
									16. Run Casing		8.5
									17. Service Rig		
									18. Sidetrack Op.		
									19. Stuck Pipe		
									20. Survey		
									21. Trips		17
									22. Tst. BOPs		5
									23. UR/HO		
									24. W.O.W.		
									25. Wash & Ream		
									26. Well Control		
									27. WOC		
									28. Other		63.5
									Total		198
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$317,703			
Daily		Daily	Gals	Cement:			Daily Cost	\$53,967			
Cum.		Cum.	2153	Barite:			Cum. Cost	\$371,670			

CONFIDENTIAL



# MSC Exploration Daily Completion Report

*Cactus Run*

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1			Contract Rig Union #7	DOL 10	DFS 10	Date on Location 10/17/2004	Completion Date Oct 17, 2004	Report Date Oct 27, 2004
MD 6,802	TVD 6,802	Footage PBSD	AFE No.	AFE Amount \$347,000	Auth. TD. 8,700'	Company Representative Carl Hulslander		
Present Operation Waiting on completion rig			Rig Phone: 435-220-0999	Rig Fax: 435-220-0999		Toolpusher Conrad Tenney		

Current Weather	DONR Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date 10/22/2004	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Operator	Contractor	Next BOP Test Date	RKB	15 ft
Seas:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			Water Depth	ft
Sky:					RKB-CHF	ft

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	DV Tool MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'	20'			8.6			
Surface	8 5/8"	24	K55	STC	12	525'	525'			8.8			
Production	5 1/2"	17	L80	LTC	154	6,850'	6,850'	4,270'	4,270'				

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
Bit Remarks:											Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			Pump #1	Pump #2	Pump #3	
1	9 x 6	3.15								1/4					
2	9 x 6	3.15								1/2					
										3/4					

BHA	Length:	Description:
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WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT															
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer		Mud Company					
					#1	#2	Desand	Cent.	Chuck Golightly		M-I Drilling Fluids				
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost					
					\$3,723										

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
DIRECTIONAL SURVEYS							

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:																																																																																													
TIME FROM	TO	HOUR	Time Code	Crew Boat Name:	Status:																																																																																														
0600	1800	12.0	1	Demobilizing rig off location		<table border="1"> <thead> <tr> <th colspan="3">Time Summary</th> </tr> <tr> <th>Activity</th> <th>Daily</th> <th>Cum.</th> </tr> </thead> <tbody> <tr><td>1. Mob/DeMob</td><td>12</td><td>26</td></tr> <tr><td>2. Cement</td><td></td><td>4</td></tr> <tr><td>3. Circulate</td><td></td><td>16.5</td></tr> <tr><td>4. Directional Work</td><td></td><td></td></tr> <tr><td>5. Drilling</td><td></td><td>4.5</td></tr> <tr><td>6. Drive Pipe</td><td></td><td></td></tr> <tr><td>7. Fishing</td><td></td><td></td></tr> <tr><td>8. OH Logging</td><td></td><td></td></tr> <tr><td>9. Lost Circ.</td><td></td><td></td></tr> <tr><td>10. Drill Cmt./LOT</td><td></td><td></td></tr> <tr><td>11. N.U./N.D.</td><td></td><td>5</td></tr> <tr><td>12. P.U./L.D. BHA</td><td></td><td>1</td></tr> <tr><td>13. P.U./L.D. Pipe</td><td></td><td></td></tr> <tr><td>14. R/U; R/D</td><td></td><td>47</td></tr> <tr><td>15. Rig Repair</td><td></td><td></td></tr> <tr><td>16. Run Casing</td><td></td><td>8.5</td></tr> <tr><td>17. Service Rig</td><td></td><td></td></tr> <tr><td>18. Sidetrack Op.</td><td></td><td></td></tr> <tr><td>19. Stuck Pipe</td><td></td><td></td></tr> <tr><td>20. Survey</td><td></td><td></td></tr> <tr><td>21. Trips</td><td></td><td>17</td></tr> <tr><td>22. Tst. BOPs</td><td></td><td>5</td></tr> <tr><td>23. UR/HO</td><td></td><td></td></tr> <tr><td>24. W.O.W.</td><td></td><td></td></tr> <tr><td>25. Wash &amp; Ream</td><td></td><td></td></tr> <tr><td>26. Well Control</td><td></td><td></td></tr> <tr><td>27. WOC</td><td></td><td></td></tr> <tr><td>28. Other</td><td></td><td>63.5</td></tr> <tr><td><b>Total</b></td><td><b>12</b></td><td><b>198</b></td></tr> </tbody> </table>	Time Summary			Activity	Daily	Cum.	1. Mob/DeMob	12	26	2. Cement		4	3. Circulate		16.5	4. Directional Work			5. Drilling		4.5	6. Drive Pipe			7. Fishing			8. OH Logging			9. Lost Circ.			10. Drill Cmt./LOT			11. N.U./N.D.		5	12. P.U./L.D. BHA		1	13. P.U./L.D. Pipe			14. R/U; R/D		47	15. Rig Repair			16. Run Casing		8.5	17. Service Rig			18. Sidetrack Op.			19. Stuck Pipe			20. Survey			21. Trips		17	22. Tst. BOPs		5	23. UR/HO			24. W.O.W.			25. Wash & Ream			26. Well Control			27. WOC			28. Other		63.5	<b>Total</b>	<b>12</b>	<b>198</b>
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				95% of rig gone. Trash baskets and trailers left on location																																																																																															
				Trucks released																																																																																															
				Last Report until Completion Rig moves in.																																																																																															
Total Hours		12.0		Fuel Usage		Previous Cost \$317,703																																																																																													
Rig Downtime				Bulk Material on Board		Daily Cost																																																																																													
Daily				Cement: sx		Cum. Cost \$317,703																																																																																													
Cum.				Barite: sx																																																																																															

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43-019-31402

DEC 03 2004

DIV. OF OIL, GAS & MINING



# MSC Exploration Daily Completion Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL 9	DFS 9	Date on Location 10/17/2004	Completion Date Oct 17, 2004	Report Date Oct 26, 2004
MD 6,802	TVD 6,802	Footage PBDT	AFE No.	AFE Amount \$347,000	Auth. TD. 8,700'	Company Representative Carl Hulslander			
Present Operation Demobilizing Union Rig #7				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney				
				Rig Fax: 435-220-0999					

Current Weather	DONR Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date 10/22/2004	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Operator	Next BOP Test Date	RKB	15 ft
Seas:		Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Contractor		Water Depth	ft
Sky:			Service		RKB-CHF	ft

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		DV Tool		MW when Run	LOT		
						MD	TVD	MD	TVD		Pres	EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'	20'						
Surface	8 5/8"	24	K55	STC	12	525'	525'			8.6			
Production	5 1/2"	17	L80	LTC	154	6,850'	6,850'	4,270'	4,270'	8.8			

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
Bit Remarks:											Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/4					
2	9 x 6	3.15								1/2					
										3/4					

### BHA

Length:	Description:

### MUD DATA

PIT	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company					
					#1	#2	Desand	Cent.	Chuck Golightly		M-I Drilling Fluids					
					#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost					
												\$3,723				

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

### OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:
FROM	TO				
0600	1800	12.0	1	Demobilizing rig off location	
				Got 80% of rig moved off location	
				No rain. Road in good shape.	
Time Summary					
				Activity	Cum.
				Daily	
				1. Mob/DeMob	14
				2. Cement	4
				3. Circulate	16.5
				4. Directional Work	
				5. Drilling	4.5
				6. Drive Pipe	
				7. Fishing	
				8. OH Logging	
				9. Lost Circ.	
				10. Drill Cmt./LOT	
				11. N.U./N.D.	5
				12. P.U./L.D. BHA	1
				13. P.U./L.D. Pipe	
				14. R/U; R/D	47
				15. Rig Repair	
				16. Run Casing	8.5
				17. Service Rig	
				18. Sidetrack Op.	
				19. Stuck Pipe	
				20. Survey	
				21. Trips	17
				22. Tst. BOPs	5
				23. UR/HO	
				24. W.O.W.	
				25. Wash & Ream	
				26. Well Control	
				27. WOC	
				28. Other	63.5
Total Hours		12.0		Total	12
Rig Downtime					186
Daily		Daily	Fuel Usage	Bulk Material on Board	Previous Cost
Cum.		Cum.	Gals	Cement:	\$280,051
			Gals	Barite:	Daily Cost
		2153		sx	\$31,892
				sx	Cum. Cost
					\$311,943



*Cactus Rose*

# MSC Exploration Daily Completion Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1		Contract Rig Union #7	DOL 8	DFS 8	Date on Location 10/17/2004	Completion Date Oct 17, 2004	Report Date Oct 25, 2004
MD 6,802	TVD 6,802	Footage PBDT	AFE No.	AFE Amount \$347,000	Auth. TD. 8,700'	Company Representative Carl Hulslander	
Present Operation Rigging Down Union Rig #7			Rig Phone: 435-220-0999	Toolpusher Conrad Tenney			
			Rig Fax: 435-220-0999				

Current Weather	DONR Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date 10/22/2004	RIG ELEVATIONS RKB 15 ft	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Operator	Contractor	Next BOP Test Date	Water Depth ft	
Seas:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			RKB-CHF ft	

**CASING RECORD**

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	DV Tool MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20' 20'					
Surface	8 5/8"	24	K55	STC	12	525' 525'		8.6			
Production	5 1/2"	17	L80	LTC	154	6,850' 6,850'	4,270' 4,270'	8.8			

**BIT, WEIGHT, SPEED AND HYDRAULICS RECORD**

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gpm	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			1/4	1/2	3/4
1	9 x 6	3.15								1/4				
2	9 x 6	3.15								3/4				

**BHA**

Length:	Description:
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**MUD DATA**

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT															
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
PIT					#1	#2	Desand	Cent.	Chuck Golightly		M-I Drilling Fluids				
					#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
											\$3,723				

**DIRECTIONAL SURVEYS**

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

**OPERATIONS SUMMARY**

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:	Time Summary	
FROM	TO						Activity	Daily
0600	0600	24.0	14	Rigging down Union Rig #7				
				Dawn Trucking scheduled for Monday morning @ 0800				
				Light rain all day				
							1. Mob/DeMob	2
							2. Cement	4
							3. Circulate	16.5
							4. Directional Work	
							5. Drilling	4.5
							6. Drive Pipe	
							7. Fishing	
							8. OH Logging	
							9. Lost Circ.	
							10. Drill Cmt./LOT	
							11. N.U./N.D.	5
							12. P.U./L.D. BHA	1
							13. P.U./L.D. Pipe	
							14. R/U; R/D	24
							15. Rig Repair	
							16. Run Casing	8.5
							17. Service Rig	
							18. Sidetrack Op.	
							19. Stuck Pipe	
							20. Survey	
							21. Trips	17
							22. Tst. BOPs	5
							23. UR/HO	
							24. W.O.W.	
							25. Wash & Ream	
							26. Well Control	
							27. WOC	
							28. Other	63.5
							Total	24
								174
Total Hours		24.0						
Rig Downtime			Fuel Usage	Bulk Material on Board		Previous Cost	\$271,170	
Daily	Daily		168 Gals	Cement:	sx	Daily Cost	\$8,881	
Cum.	Cum.		2153 Gals	Barite:	sx	Cum. Cost	\$280,051	

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43-019-31402

DEC 03 2004

CONFIDENTIAL





# MSC Exploration Daily Completion Report

CONFIDENTIAL

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7		DOL 2	DFS 2	Date on Location 10/17/2004	Completion Date Oct 17, 2004	Report Date Oct 19, 2004
MD 6,802	TVD 6,802	Footage PBDT	AFE No.	AFE Amount \$347,000	Auth. TD. 8,700'	Company Representative Carl Hulslander				
Present Operation Prepare to complete well				Rig Phone: 435-220-0999	Rig Fax: 435-220-0999	Toolpusher Conrad Tenney				

Current Weather	DONR Visit	NPDES	People on Loc.:	14	Last BOP Test Date	RIG ELEVATIONS	
Wind: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	1	10/3/2004	RKB	15 ft	
Seas: <input type="checkbox"/> Problem? <input type="checkbox"/> Yes	Contractor	Next BOP Test Date	11		Water Depth	ft	
Sky: <input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service	2	11/3/2004	RKB-CHF	ft		

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting MD	Depth TVD	DV Tool MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'	20'						
Surface	8 5/8"	24	K55	STC	12	525'	525'			8.6			
Production	5 1/2"	17	L80	LTC	154	6,850'	6,850'	4,216'	4,216'	8.8			

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
Bit Remarks:											Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	1/2	3/4	
1	9 x 6	3.15								1/4					
2	9 x 6	3.15								3/4					

BHA	Length:	Description:
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WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT															
Chlorides															
Ca++															
Smpl Temp															
F.L. Temp															
Shaker Screens															
#1 #2 Desand Cent.															
Hours Mud Engineer															
#3 #4 Desilt Mud Cl															
Chuck Gofightly															
M-I Drilling Fluids															
Daily Cost															
Cumulative Cost															
\$562															

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
PIT							

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:
TIME FROM	TO	HOUR	Time Code	Crew Boat Name:	Status:	
0600	0900	3.0	3	Circulate through DV tool.		
0900	1030	1.5	2	Cement thru DV, Bump plug @ 3000 psi, 1800 psi over pump pressure. Calc displ. 78 bbls, displ with 78 bbls. Tool held 33 bbls cement to pit		
				Cmtd lead w/ 532 sx - Premium Lite 2, 0.5% static free, 5#/sx CSE .25#/sx cello flake, 3#/sx Kol seal, 6% bentonite, 1.5% sodium metasilicate 105% water		
				Tail w/ 78 sx - 50-50 Poz, Class G, w/ .05% static free, 3% CaCl, 1/4#/sx cello flake, 4#/sx kol seal, .5% FL52, .002 gal/sx FP-6L, 2% bentonite, 51.9% water. Yield 1.26 gal/sx		
1030	1100	0.5	2	Rig down BJ		
1100	1200	1.0	11	Nipple down BOP. Set slips in full tension. 102000 lbs		
1200	2000	8.0	14	Change pipe rams, dump and clean pits		
2000	2300	3.0	28	Set pipe racks for DCs inspection		
2300	0300	4.0	11	Remove BOP from substructure		
0300	0400	1.0	28	Set up racks for tubing delivery		
0400	0600	2.0	1	Rig down mud cleaning equipment for move		
Total Hours				24.0		
Rig Downtime					Fuel Usage	Bulk Material on Board
Daily	Daily	252	Gals	Cement:	sx	Previous Cost \$118,092
Cum.	Cum.	1271	Gals	Barite:	sx	Daily Cost \$70,953
						Cum. Cost \$189,045

T 215 R18E S-02  
43-019-31402

RECORDED

DEC 03 2004

DIV. OF OIL, GAS & MINING



# MSC Exploration Daily Completion Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL 1	DFS 1	Date on Location 10/17/2004	Completion Date Oct 17, 2004	Report Date Oct 18, 2004
MD 6,850	TVD 6,850	Footage TD	AFE No.	AFE Amount \$347,000	Auth. TD.	8,700'		Company Representative Carl Hulstander	
Present Operation Circulating through DV tool				Rig Phone: 435-220-0999	435-220-0999		Toolpusher Conrad Tenney		

Current Weather	DONR Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date 10/3/2004	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Operator	Next BOP Test Date 11/3/2004	RKB	15 ft
Seas:			Contractor		Water Depth	ft
Sky:	<input type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF	ft

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'							
Surface	8 5/8"	24	K55	STC	12	525'				8.6			
Production	5 1/2"	17	L80	LTC	154	6,850'				8.8			

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade					
											Tooth	Bearing	Gage			
Bit Remarks:												Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque
Pump No.	Stroke X Liner	Output gpm	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures				
								DC	DP			1/4	Pump #1	Pump #2	Pump #3	
1	9 x 6	3.15	120	378	1000	194		379	207	1/2						
2	14 x 5.5	4.37								3/4						

### BHA

Length: 578.85'	Description:
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### MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.8	57	13	19	10/37	6.2		2	4.3			tr	10	10	0.5	4/6

	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company
PIT					#1 #2 Desand Cent.		Chuck Golightly	M-I Drilling Fluids
					#3 #4 Desilt Mud Cl		Daily Cost	Cumulative Cost
							\$450	\$562

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

### OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO					Activity	Daily	Cum.
0000	0200	2.0	3	Circulate and condition				
0200	0800	6.0	21	Pump pill, TOOH laying down drill pipe				
0800	0900	1.0	12	Lay down BHA. Pull wear bushing				
0900	1130	2.5	16	Rig up T & M Casing Crews. Change out pipe rams	1. Mob/DeMob			
1130	1200	0.5	16	Run casing to 500'	2. Cement	2	2	
1200	1730	5.5	16	Run casing to 6850'. 154 jts, 5 1/2" 17#/FT, LTC, L80 casing	3. Circulate	6.5	8	
				Centralizers- (29) - 6803', 6755', 6664', 6530', 6444', 6306', 6261',	4. Directional Work			
				6127', 6038', 5902', 5771', 5635', 5547', 5455', 5065, 4934', 4890', 4665',	5. Drilling			
				4620', 4576', 4486', 4264', 4172', 4080', 4035', 441', 305', 169', 80'	6. Drive Pipe			
				DV tool @ 4216'	7. Fishing			
1730	2100	3.5	3	RD casers. Circulate and condition hole while BJ rigs up.	8. OH Logging			
2100	2300	2.0	2	Cementing with BJ. Plug down at 0445 hrs. Bumped plug at 1820 psi	9. Lost Circ.			
				600 psi over. Calc displacement 157.8, displaced with 157 bbls	10. Drill Cmt./LOT			
				Float held.	11. N.U./N.D.			
				Cemented w/ 490 sx - 50-50 Poz, Class G, w/ .05% static free, 3% CaCl,	12. P.U./L.D. BHA	1	1	
				1/4#/sx cello flake, 4#/sx kol seal, .5% FL52, .002 gal/sx FP-6L,	13. P.U./L.D. Pipe			
				2% bentonite, 51.9% water. Yield 1.26 gal/sx	14. R/U; R/D			
2300	0000	1.0	3	Open DV tool. Circulate through DV tool.	15. Rig Repair			
					16. Run Casing	8.5	8.5	
					17. Service Rig			
					18. Sidetrack Op.			
				Rain created road conditions that required a dozer and road grader	19. Stuck Pipe			
				to bring in water and BJ trucks. Raining & snowing in area.	20. Survey			
					21. Trips	6	10.5	
					22. Tst. BOPs			
					23. UR/HO			
					24. W.O.W.			
					25. Wash & Ream			
					26. Well Control			
					27. WOC			
					28. Other			
Total Hours		24.0			Total	24	30	

Rig Downtime	Fuel Usage	Bulk Material on Board	Previous Cost
Daily	Daily 924 Gals	Cement: sx	\$6,248
Cum.	Cum. 1019 Gals	Barite: sx	Daily Cost \$111,844
			Cum. Cost \$118,092

CONFIDENTIAL



# MSC Exploration Daily Drilling Report

*Cartier Rose*

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL 40	DFS 38	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Oct 17, 2004
MD 6,850	TVD 6,850	Footage	AFE No.	AFE Amount \$937,000	Auth. TD. 8,500'	Company Representative Carl Hulslander			
Present Operation Circulating & conditioning mud				Rig Phone: 435-220-0999	Rig Fax: 435-220-0999		Toolpusher Conrad Tenney		

Current Weather	DONR Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: Operator	19 3	Last BOP Test Date 10/3/2004	RIG ELEVATIONS RKB 15 ft			
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Contractor	11	Next BOP Test Date	Water Depth ft			
Seas:			Service	5	11/3/2004	RKB-CHF ft			
Sky:									

**CASING RECORD**

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'					
Surface	8 5/8"	24	K55	STC	12	525'		8.6			

**BIT, WEIGHT, SPEED AND HYDRAULICS RECORD**

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage			
3rr	7 7/8	Smith ER7031	MW4779	Open										
Bit Remarks:						Cum. ROT. Hrs 212.25	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gpm	SPM	GPM	Pressure	JV	Pb	AV DC DP		Speed	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3		
1	9 x 6	3.15	120	378	1000	194		379	207	1/4				
2	9 x 6	3.15								3/4				

**BHA**

Length: 578.85	Description: bit, 12 - DC 6 1/4" (335.13'), 1- 6 1/4" Jars(36.22'), 6- 6 1/4" DC (206.54')
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**MUD DATA**

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.9	57	13	19	10/37	6.2		2	4.3			tr	10	10	0.5	4/6
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company					
PIT	10000	80	86	86	#1 #2	Desand Cent.			Chuck Golightly		M-I Drilling Fluids					
		2% KCL			145 145	24			Daily Cost		Cumulative Cost					
					#3 #4	Desilt Mud Cl			\$450		\$58,104					
					145 255	24										

**DIRECTIONAL SURVEYS**

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

**OPERATIONS SUMMARY**

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO	HOUR	Crew Boat Name:			Activity	Daily Cum.	
0600	0630	0.5	8	RU Halliburton logs.				
0630	2330	17.0	8	Log well				
2330	0430	5.0	21	RD loggers. TIH		1. Mob/DeMob	33	
0430	0600	1.5	3	Circulate and condition hole		2. Cement	2.5	
						3. Circulate	1.5 17.5	
						4. Directional Work		
						5. Drilling	212.25	
						6. Drive Pipe		
						7. Fishing	9	
						8. OH Logging	17.5 18	
						9. Lost Circ.		
						10. Drill Cmt./LOT	1.5	
						11. N.U./N.D.	10	
						12. P.U./L.D. BHA	5	
						13. P.U./L.D. Pipe		
						14. R/U; R/D	3	
				Buck Tongue - 0'	Castlegate 65'	15. Rig Repair	27.5	
				Mancos Shale - 296'	Dakota Silt 3872'	16. Run Casing	2.5	
				Dakota Sandstone 4062'	Morrison (Brushy Basin) 4164'	17. Service Rig	4.5	
				Morrison (Salt Wash) 4534'	Moab Tongue 4926'	18. Sidetrack Op.		
				Entrada 5087'	Carmel 5429'	19. Stuck Pipe		
				Navajo 5577'	Wingate 6330'	20. Survey	8.75	
				Chinle 6664'		21. Trips	5 55	
				Probable fault lower Wingate or top of Chinle		22. Tst. BOPs	5.5	
						23. UR/HO		
				BG = u		24. W.O.W.		
				CG = u		25. Wash & Ream	2.5	
				TG = n/a u		26. Well Control		
				Max FG = u		27. WOC		
						28. Other	50	
						Total	24 468	
Total Hours		24.0						
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		
Daily		Daily	378 Gals	Cement:	sx	Daily Cost	\$559,333 \$46,903	
Cum.		Cum.	10490 Gals	Barite:	sx	Cum. Cost	\$606,236	

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43-019-31402



# MSC Exploration Daily Drilling Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL 39	DFS 37	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Oct 16, 2004
MD 6,850	TVD 6,850	Footage 141	AFE No.	AFE Amount \$937,000	Auth. TD.	Company Representative Carl Hulslander			
Present Operation TOH for logging				Rig Phone: 435-220-0999	8,500'		Toolpusher Conrad Tenney		
				Rig Fax: 435-220-0999					

Current Weather	DONR Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: 15	Last BOP Test Date 10/3/2004	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Operator 1	Next BOP Test Date 11/3/2004	RKB	15 ft
Seas:			Contractor 11		Water Depth	ft
Sky:	<input type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service 3		RKB-CHF	ft

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'							
Surface	8 5/8"	24	K55	STC	12	525'				8.6			

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
3rr	7 7/8	Smith ER7031	MW4779	16,16,16	6,556'	1,222'	68 1/2	30/38	30/40	17.8	7	5	1/8

Bit Remarks:				Cum. ROT. Hrs 198.75	PU Wt 142	SO Wt 122	ROT Wt 132	Torque
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Pump No.	Stroke X Liner	Output gpm	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	Pump #1	Pump #2	Pump #3
1	9 x 6	3.15	120	378	1500	194		379	207	1/2	62	380			
2	9 x 6	3.15								3/4					

### BHA

Length: 606.44	Description: bit, 1- mud motor (27.59')
12 - DC 6 1/4" (335.13'), 1- 6 1/4" jars(36.22'), 6- 61/4" DC (206.54')	
Mud motor .24" 378 gpm = 91 rpm, + 40 rot table = 131 rpm on bit	

### MUD DATA

PIT	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT	8.9	55	13	18	12/36	6.2		2	4.3				10	10	0.6	5/7

PIT	Chlorides	Ca++	Smp Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer	Mud Company
					#1	#2			
PIT	10000	80	91	91	#1	#2	Desand	Cent.	Chuck Golightly
		2% KCL			145	145			
					#3	#4	Desilt	Mud Cl	
								Daily Cost	\$6,003
								Cumulative Cost	\$57,654

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
6790	6790	4.00°					

### OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO					Activity	Daily	Cum.
0600	1200	6.0	5	Drill 6709' to 6771'				
1200	1230	0.5	17	Service rig				
1230	2000	7.5	5	Drill to 6850'				
2000	2100	1.0	3	Circulate bottoms up	1. Mob/DeMob			33
2100	2230	1.5	21	Short trip. 20 stands, no drag, hole in good shape	2. Cement			2.5
2230	0000	1.5	3	Circulate and condition mud for logs	3. Circulate	3		16
0000	0030	0.5	3	Pump pill	4. Directional Work			
0030	0100	0.5	20	Drop survey - 6790 - 4 deg	5. Drilling	13.5		212.25
0100	0530	4.5	21	TIH for logs	6. Drive Pipe			
0530	0600	0.5	8	RU Halliburton loggers	7. Fishing			9
					8. OH Logging	0.5		0.5
					9. Lost Circ.			
					10. Drill Cmt./LOT			1.5
					11. N.U./N.D.			10
					12. P.U./L.D. BHA			5
					13. P.U./L.D. Pipe			
					14. R/U; R/D			3
				Buck Tongue - 0'	15. Rig Repair			27.5
				Mancos Shale - 296'	16. Run Casing			2.5
				Dakota Sandstone 4062'	17. Service Rig	0.5		4.5
				Morrison (Salt Wash) 4534'	18. Sidetrack Op.			
				Entrada 5087'	19. Stuck Pipe			
				Navajo 5577'	20. Survey	0.5		8.75
				Chinle 6664'	21. Trips	6		50
				Probable fault lower Wingate or top of Chinle	22. Tst. BOPs			5.5
				BG = 12 u	23. UR/HO			
				CG = 13 u	24. W.O.W.			
				TG = na u	25. Wash & Ream			2.5
				Max FG = 16 u	26. Well Control			
				No new shows	27. WOC			
					28. Other			50
Total Hours		24.0		Total		24		444

Rig Downtime	Fuel Usage	Bulk Material on Board	Previous Cost
Daily	924 Gals	Cement: sx	\$530,867
Cum.	10112 Gals	Barite: sx	Daily Cost \$28,466
			Cum. Cost \$559,333



# MSC Exploration Daily Drilling Report

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Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL 38	DFS 36	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Oct 15, 2004
MD 6,709	TVD 6,709	Footage 153	AFE No.	AFE Amount \$937,000	Auth. TD. 8,500'	Company Representative Carl Hulslander			
Present Operation Drilling				Rig Phone: 435-220-0999	435-220-0999		Toolpusher Conrad Tenney		
				Rig Fax: 435-220-0999					

Current Weather	DONR Visit	NPDES	People on Loc.:	16	Last BOP Test Date	RIG ELEVATIONS			
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	2	10/3/2004	RKB 15 ft			
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Contractor	11	Next BOP Test Date	Water Depth ft			
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service	3	11/3/2004	RKB-CHF ft			

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'					
Surface	8 5/8"	24	K55	STC	12	525'		8.6			

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
3rr	7 7/8	Smith ER7031	MW4779	16,16,16	6,556'	1,081'	55	30	40	19.7					
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque							
				198.75	141	120	130								
Pump No.	Stroke X Liner	Output gpm	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			Pump #1	Pump #2	Pump #3	
1	9 x 6	3.15	120	378	1460	194		379	207	1/4	62	360			
2	9 x 6	3.15								3/4					

BHA	
Length: 606.44	Description: bit, 1- mud motor (27.59')
12 - DC 6 1/4" (335.13'), 1- 6 1/4" jars(36.22'), 6- 6 1/4" DC (206.54')	
Mud motor .24" 378 gpm = 91 rpm, + 40 rot table = 131 rpm on bit	

	WT.	VIS.	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.8	44	11	13	8/26	6.0		2	3.5			TR	10	11	1.5	1.1/1.5

PIT	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer	Mud Company
					#1	#2	Desand	Cent.		
	10000	80	89	89	145	145	24	Chuck Golightly	M-I Drilling Fluids	
	2% KCL				#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost
					145	255	24	\$3,052	\$51,651	

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
6577	6577	2.25 °					

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:
TIME FROM	TIME TO	HOUR	Time Code	Crew Boat Name:	Status:	
0600	0900	3.0	7			
0900	1000	1.0	7			
1000	1100	1.0	17			
1100	1430	3.5	21			
1430	1530	1.0	15			
1530	1730	2.0	21			
1730	1900	1.5	3			
1900	2000	1.0	3			
2000	0130	5.5	5			
0130	0200	0.5	20			
0200	0600	4.0	5			
				Contacted by Rich McClure, BLM, He stated that we had complied with courtesy citation. He further stated that we would communicate next week regarding using some of our eq. to remove truck tire tracks we created off of the main traveled portion of the road.		
				Buck Tongue - 0'	Castlegate 65'	
				Mancos Shale - 296'	Dakota Silt 3872'	
				Dakota Sandstone 4062'	Morrison (Brushy Basin) 4164'	
				Morrison (Salt Wash) 4534'	Moab Tongue 4926'	
				Entrada 5087'	Carmel 5429'	
				Navajo 5577'	Wingate 6290'	
				BG = 8 u		
				CG = 10 u		
				TG = 26 u		
				Max FG = 15 u		
				No new shows		
Total Hours				24.0		
Rig Downtime						
Fuel Usage				588 Gals		
Bulk Material on Board				Cement: sx		
				Barite: sx		
Previous Cost				\$509,903		
Daily Cost				\$20,964		
Cum. Cost				\$530,867		

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# MSC Exploration Daily Drilling Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL 37	DFS 35	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Oct 14, 2004
MD 6,556	TVD 6,556	Footage	AFE No.	AFE Amount \$937,000	Auth. TD. 8,500'	Company Representative Carl Hulslander			
Present Operation TOOH with fishing tools				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney			Rig Fax: 435-220-0999	

Current Weather	DONR Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: 16	Last BOP Test Date 10/3/2004	RIG ELEVATIONS				
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Operator 2	Contractor 11	Next BOP Test Date 11/3/2004	RKB	15 ft			
Seas:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service 3			Water Depth	ft			
Sky:					RKB-CHF	ft			

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'							
Surface	8 5/8"	24	K55	STC	12	525'				8.6			

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
5	7 7/8	Hughes GX20	5054763	16,16,16	5,624'	932'	38 1/2	20/35	45/55	24.2	8	8	0		
Bit Remarks:						Cum. ROT. Hrs 189.25	PU Wt 147	SO Wt 123	ROT Wt 133	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	Pump #1	Pump #2	Pump #3
1	9 x 6	3.15	120	378	850	194		379	207	1/2	62	400			
2	9 x 6	3.15								3/4					

### BHA

Length: 585.44	Description: 1 globe basket (4.08'), 1 boot (junk) basket (3.35'), junk basket (2.07'), bit sub (3.24'), 12 - DC 6 1/4" (335.13'), 1- 6 1/4" jars(36.22'), 6- 61/4" DC (206.54') Mud motor .24" 378 gpm = 91 rpm, + 50 rot table = 141 rpm on bit
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### MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.8	43	11	12	8/25	6.0		2	3.5			tr	10	11	1.4	1.2/1.6

	Chlorides	Ca++	Smp Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company					
					#1	#2	Desand	Cent.	Chuck Golightly	Daily Cost		Cumulative Cost				
PIT	10000	80	90	90	145	145	24									
		2% KCL			145	255	24			\$1,174						\$48,599

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

### OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO					Activity	Daily	Cum.
0600	0800	2.0	21	TOOH, Chained out. Drive line broke. Lost 2 cones				
0800	1700	9.0	15	Rig repair. Repair right drive line, fix oil leaks.				
1700	1800	1.0	21	PU fishing tools, globe and 2 junk baskets	1. Mob/DeMob		33	
1800	2230	4.5	21	TIH	2. Cement		2.5	
2230	0330	5.0	7	Fishing for cones. Pump pill.	3. Circulate		10.5	
0330	0600	2.5	21	TOOH	4. Directional Work			
					5. Drilling		189.25	
					6. Drive Pipe			
				Pipe tubs and construction equipment removed from the area	7. Fishing	5	5	
				Attempted to contact, Rich McClure BLM office. Out for 2 days. Will try again 10/14/04.	8. OH Logging			
					9. Lost Circ.			
					10. Drill Cmt./LOT		1.5	
					11. N.U./N.D.		10	
					12. P.U./L.D. BHA		5	
					13. P.U./L.D. Pipe			
					14. R/U; R/D		3	
				Buck Tongue - 0'	15. Rig Repair	9	26.5	
				Mancos Shale - 296'	16. Run Casing		2.5	
				Dakota Sandstone 4062'	17. Service Rig		3	
				Morrison (Salt Wash) 4534'	18. Sidetrack Op.			
				Entrada 5087'	19. Stuck Pipe			
				Navajo 5577'	20. Survey		7.75	
					21. Trips	10	38.5	
					22. Tst. BOPs		5.5	
					23. UR/HO			
				BG = u	24. W.O.W.			
				CG = u	25. Wash & Ream		2.5	
				TG = u	26. Well Control			
				Max FG = u	27. WOC			
					28. Other		50	
Total Hours		24.0			Total	24	396	
Rig Downtime			Fuel Usage		Bulk Material on Board		Previous Cost	
Daily	Daily	588	Gals	Cement:	sx	Previous Cost	\$475,823	
Cum.	Cum.	8600	Gals	Barite:	sx	Daily Cost	\$34,080	
						Cum. Cost	\$509,903	





# MSC Exploration Daily Drilling Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL 35	DFS 33	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Oct 12, 2004
MD 6,281	TVD 6,281	Footage 657	AFE No.	AFE Amount \$937,000	Auth. TD. 8,500'	Company Representative Carl Huislander			
Present Operation Drilling				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney			Rig Fax: 435-220-0999	

Current Weather	DONR Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: 14	Last BOP Test Date 10/3/2004	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Operator 1	Contractor 11	Next BOP Test Date 11/3/2004	RKB	15 ft
Seas:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service 2			Water Depth	ft
Sky:					RKB-CHF	ft

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	Setting Depth TVD	Liner Top MD	Liner Top TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'							
Surface	8 5/8"	24	K55	STC	12	525'				8.6			

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
5	7 7/8	Hughes GX20	5054763	16,16,16	5,624'	657'	20	15/35	45/55	32.9			

Bit Remarks:				Cum. ROT. Hrs 116.75	PU Wt 136	SO Wt 122	ROT Wt 110	Torque
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Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures				
								DC	DP			1/4	48	350	Pump #1	Pump #2
1	9 x 6	3.15	120	378	1550	144		379	209	1/2						
2	9 x 6	3.15								3/4						

### BHA

Length: 606.44	Description: bit, 1- mud motor (27.59'), 1- 6 1/4" DC (30.82'), 10 - DC 6 1/4" (302.16') 1- 6 1/4" jars(36.22'), 7- 6 1/4" DC (208.65') Mud motor .24* 378 gpm = 91 rpm, + 50 rot table = 141 rpm on bit
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### MUD DATA

PIT	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
	8.9	39	11	9	6/24	6.8		2	4.3				10	11	1.5	1.8/1.7

PIT	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company
	10000	80	90	90	#1 #2 Desand Cent. 180 180 24		Chuck Gollightly	M-I Drilling Fluids
					#3 #4 Desilt Mud Cl 180 245 24		Daily Cost \$8,786	Cumulative Cost \$30,124

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
5788	5788	1.75 °					

### OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO					HOURLY	Activity	Daily
0600	0700	1.0	21	TIH with Bit #5.				
0700	0730	0.5	3	Load hole & circulate out gas @ 3726'				
0730	0830	1.0	21	TIH with Bit #5.	1. Mob/DeMob		33	
0830	0900	0.5	5	Drilling 5625 to 5848'	2. Cement		2.5	
0900	1000	1.0	20	Circ. Bottoms up. Run survey 5788.	3. Circulate	0.5	9.5	
1000	1030	0.5	17	Service rig.	4. Directional Work			
1030	0130	15.0	5	Drilling from 5848 to 6281'.	5. Drilling	15.5	170.75	
					6. Drive Pipe			
					7. Fishing			
					8. OH Logging			
					9. Lost Circ.			
					10. Drill Cmt./LOT		1.5	
					11. N.U./N.D.		10	
				Buck Tongue - 0'	12. P.U./L.D. BHA		5	
				Mancos Shale - 296'	13. P.U./L.D. Pipe			
				Dakota Sandstone 4062'	14. R/U; R/D		3	
				Morrison (Salt Wash) 4534'	15. Rig Repair		17.5	
				Entrada 5087'	16. Run Casing		2.5	
				Navajo 5577'	17. Service Rig	0.5	2.5	
					18. Sidetrack Op.			
					19. Stuck Pipe			
				BG = 7 - 14 u	20. Survey	1	7.25	
				CG = 2 - 3 u	21. Trips	2	25	
				TG = 45 u	22. Tst. BOPs		5.5	
				Max FG = 0 u	23. UR/HO			
				Comments: Oil seen in the samples with naked eye @ 5311-5388'.	24. W.O.W.			
				Correct footage on Show #5 is 5087-5540 = 453'	25. Wash & Ream		2.5	
					26. Well Control			
					27. WOC			
					28. Other		50	
Total Hours		19.5			Total	19.5	348	

Rig Downtime	Fuel Usage	Bulk Material on Board	Previous Cost
Daily	798 Gals	Cement: sx	\$365,591
Cum.	7301 Gals	Barite: sx	Daily Cost \$26,863
			Cum. Cost \$392,454





# MSC Exploration Daily Drilling Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL 33	DFS 31	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Oct 10, 2004
MD 5,407	TVD 5,407	Footage 457	AFE No.	AFE Amount \$937,000	Auth. TD. 8,700'	Company Representative Carl Hulslander			
Present Operation Drilling				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney			Rig Fax: 435-220-0999	

Current Weather	DONR Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES	People on Loc.: 14	Last BOP Test Date 10/3/2004	RIG ELEVATIONS	
Wind:	LC50 Sample Date	Operator 1	Water Depth 15 ft			
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Contractor 11	Next BOP Test Date 11/3/2004		Water Depth ft	
Sky:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service 2			RKB-CHF ft	

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'							
Surface	8 5/8"	24	K55	STC	12	525'				8.6			

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade								
											Tooth	Bearing	Gage						
4	7 7/8	Reed HP 51A	H38229	16,16,16	4,776'	631'	32	15/30	45/55	19.7									
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque											
				116.75	124	100	112												
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures							
												Pump #1	Pump #2	Pump #3					
												DC	DP	1/4	1/2	3/4			
1	9 x 5.5	2.64	120	378	1350	193		376	207	1/2	47	240							
2	9 x 6	3.15								3/4									

### BHA

Length: 615.57	Description: bit, 1- mud motor (27.59'), 1-IBS (4.93)- 1- 6 1/4" DC (30.82'), 1 IBS (4.20'), 10 - DC 6 1/4" (302.16') 1- 6 1/4" jars(36.22'), 7- 61/4" DC (208.65') Mud motor .24" 378 gpm = 91 rpm, + 50 rot table = 141 rpm on bit
----------------	--

### MUD DATA

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.5	44	8	12	8/24	8.2	2	1.5			tr		9.6	0.5	.4/6
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
10000		80	90	90	#1	#2	Desand	Cent.	Chuck Goughly		M-I Drilling Fluids				
		2% KCL			145	145		12	Daily Cost		Cumulative Cost				
					145	255		24	\$4,003		\$15,698				

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
5014	5014	3.00 °					
5324	5324	1.00 °					

### OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	
FROM	TO	HOURL	Crew Boat Name:		Status:	
0600	1800	12.0	5	Drill 4950' to 5084'		
1800	1830	0.5	20	Survey 5014' - 3 deg		
1830	1900	0.5	17	Service rig, Function check annular		
1900	0430	9.5	5	Drill 5084' to 5395'		
0430	0500	0.5	20	Survey 5324' - 1 deg		
0500	0600	1.0	5	Drilling 5407'		
Time Summary						
Activity						
				Daily	Cum.	
				1. Mob/DeMob	33	
				2. Cement	2.5	
				3. Circulate	8	
				4. Directional Work		
				5. Drilling	22.5 139.25	
				6. Drive Pipe		
				7. Fishing		
				8. OH Logging		
				9. Lost Circ.		
				10. Drill Cmt./LOT	1.5	
				11. N.U./N.D.	10	
				12. P.U./L.D. BHA	5	
				13. P.U./L.D. Pipe		
				14. R/U; R/D	3	
				15. Rig Repair	17.5	
				16. Run Casing	2.5	
				17. Service Rig	0.5 2	
				18. Sidetrack Op.		
				19. Stuck Pipe		
				20. Survey	1 6.25	
				21. Trips	16	
				22. Tst. BOPs	5.5	
				23. UR/HO		
				24. W.O.W.		
				25. Wash & Ream	2.5	
				26. Well Control		
				27. WOC		
				28. Other	50	
Total Hours		24.0			Total	24 304.5
Rig Downtime		Fuel Usage		Bulk Material on Board		
Daily	Daily	760	Gals	Cement:	Previous Cost \$310,728	
Cum.	Cum.	5503	Gals	Barite: sx	Daily Cost \$22,968	
					Cum. Cost \$333,696	



*Cactus Rose*

# MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL 32	DFS 30	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Oct 9, 2004
MD 4,950	TVD 4,950	Footage 196	AFE No.	AFE Amount \$937,000	Auth. TD. 8,700'	Company Representative Roger Knight			
Present Operation Drilling				Rig Phone: 435-220-0999	435-220-0999		Toolpusher Conrad Tenney		
				Rig Fax: 435-220-0999					

Current Weather	DONR Visit	NPDES	People on Loc.:	14	Last BOP Test Date	RIG ELEVATIONS			
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	1	10/3/2004	RKB 15 ft			
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Contractor	11	Next BOP Test Date	Water Depth ft			
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service	2	11/3/2004	RKB-CHF ft			

**CASING RECORD**

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'					
Surface	8 5/8"	24	K55	STC	12	525'		8.6			

**BIT, WEIGHT, SPEED AND HYDRAULICS RECORD**

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
3	7 7/8	Smith ER-7031	MW 4779	16,16,16	3,848'	928'	45 1/2	18/20	45/55	20.4	3	3	1/16		
4	7 7/8	Reed HP 51A	H38229	16,16,16	4,776'	196'	9 1/2	20/25	45/55	20.6					
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt			Torque					
				116.75											
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	Pump #1	Pump #2	Pump #3
1	9 x 5.5	2.64	120	378	1320	193		376	207	1/2	47	240			
2	9 x 6	3.15								3/4					

**BHA**

Length: 615.57	Description: bit, 1- mud motor (27.59'), 1-IBS (4.93)- 1- 6 1/4" DC (30.82'), 1 IBS (4.20'), 10 - DC 6 1/4" (302.16')
	1- 6 1/4" jars(36.22'), 7- 61/4" DC (208.65')
	Mud motor .24" 378 gpm = 91 rpm, + 50 rot table = 141 rpm on bit

**MUD DATA**

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.5	39	8	11	6/14	9.6		2	1.5			tr		9.8	0.6	5/7

	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company
PIT	1500	80	87	87	#1 #2	Desand Cent.	Chuck Golightly	M-I Drilling Fluids
					145 145		Daily Cost	Cumulative Cost
					#3 #4	Desilt Mud Cl	\$2,040	\$11,695
					145 255			

**DIRECTIONAL SURVEYS**

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
4830	4830	4.00 °					

**OPERATIONS SUMMARY**

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO						Activity	Daily	Cum.
0600	0800	2.0	5	Drill 4754' to 4776'. Lost 400 psi pressure.					
0800	0930	1.5	3	Put #1 pump on hole, same pressure loss. Pumped flag, no pressure increase. Pumped pill for trip					
0930	1400	4.5	21	TOOH looking for hole in string, No hole		1. Mob/DeMob		33	
1400	1730	3.5	21	Pu bit # 4, new jars, TIH		2. Cement		2.5	
1730	1800	0.5	3	Load hole, circ. Out gas @ 2912'		3. Circulate	2	8	
1800	1830	0.5	21	TIH		4. Directional Work			
1830	1900	0.5	25	Wash & ream 4592' to 4634'		5. Drilling	11.5	116.75	
1900	1930	0.5	21	TIH, Wash & ream 42' to bottom.		6. Drive Pipe			
1930	0300	7.5	5	Drill 4776' to 4900'		7. Fishing			
0300	0330	0.5	20	Circ and survey 4830' - 4 deg		8. OH Logging			
0330	0400	0.5	17	Service rig, Check pipe rams		9. Lost Circ.			
0400	0600	2.0	5	Drill 4900' to 4950'		10. Drill Cmt./LOT		1.5	
						11. N.U./N.D.		10	
						12. P.U./L.D. BHA		5	
						13. P.U./L.D. Pipe			
						14. R/U; R/D		3	
				Buck Tongue - 0'	Castlegate 65'	15. Rig Repair		17.5	
				Mancos Shale - 296'	Dakota Silt 3872'	16. Run Casing		2.5	
				Dakota Sandstone 4062'	Morrison (Brushy Basin) 4164'	17. Service Rig	0.5	1.5	
				Morrison (Salt Wash) 4534'	Moab Tongue 4926'	18. Sidetrack Op.			
						19. Stuck Pipe			
						20. Survey	0.5	5.25	
				No New Show -		21. Trips	9	16	
				BG = 10 - 31 u		22. Tst. BOPs		5.5	
				CG = 16 - 23 u		23. UR/HO			
				TG = 60 u		24. W.O.W.			
				Max FG = 0 u		25. Wash & Ream	0.5	2.5	
						26. Well Control			
						27. WOC			
						28. Other		50	
						Total	24	280.5	
Total Hours	24.0								
Rig Downtime			Fuel Usage	Bulk Material on Board		Previous Cost		\$286,294	
Daily	Daily	672	Gals	Cement:	sx	Daily Cost		\$24,434	
Cum.	Cum.	4743	Gals	Barite:	sx	Cum. Cost		\$310,728	

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# MSC Exploration Daily Drilling Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL 27	DFS 25	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Oct 4, 2004
MD 1,547	TVD 1,547	Footage 1,037	AFE No.	AFE Amount \$937,000	Auth. TD. 8,700'	Company Representative Roger Knight			
Present Operation Drilling				Rig Phone: Rig Fax:	435-220-0999 435-220-0999	Toolpusher Conrad Tenney			

Current Weather	DONR Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: Operator	15 1	Last BOP Test Date 10/3/2004	RIG ELEVATIONS RKB 15 ft			
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Contractor	11	Next BOP Test Date	Water Depth ft			
Seas:			Service	3		RKB-CHF ft			
Sky:									

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'					
Surface	8 5/8"	24	K55	STC	12	525'		8.6			

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
2	7 7/8	Marquis C683G	MB78112	3/8"	525'	1,022'	12	3/5	45	85.2					
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque							
				18.5											
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	Pump #1	Pump #2	Pump #3
1	9 x 5.5	2.64								1/4					
2	9 x 6	3.15								1/2					
										3/4					

### BHA

Length: 543.72	Description: Air hammer bit(4.66') - bit sub (3.21'), 12- 6 1/4" DC (362.19'), jars (36.22'), 6 - DC 6 1/4" (179.46')
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### MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	Drilling with air at 2400 cuft/min. & 230 psi															
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl	Daily Cost	Cumulative Cost									
						\$990	\$990									

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
506 / 1007	506 / 1007	2.00 °					
1497	1497	3.75 °					

### OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary	
FROM	TO					Activity	Daily
0600	0900	3.0	11	Nipping up blooie line for air drilling. Installed wear bushing			
0900	1200	3.0	14	Rig up air lines			
1200	1430	2.5	12	PU BHA. Installed rotating head.	1. Mob/DeMob		33
1430	1530	1.0	3	Unload hole with air	2. Cement		2.5
1530	1700	1.5	10	Tagged cement @ 445'. Drilled plug & cement 445' to 525'	3. Circulate	1	1.5
1700	2330	6.5	5	Drill from 525' to 1057', Survey @ 506' - 2 deg	4. Directional Work		
2330	0000	0.5	20	Survey @ 1007' - 2 deg	5. Drilling	12	30.5
0000	0530	5.5	5	Drill from 1057' to 1547'	6. Drive Pipe		
0530	0600	0.5	20	Survey @ 1447' - 3.75 deg	7. Fishing		
					8. OH Logging		
					9. Lost Circ.		
					10. Drill Cmt./LOT	1.5	1.5
					11. N.U./N.D.	3	10
					12. P.U./L.D. BHA	2.5	2.5
					13. P.U./L.D. Pipe		
					14. R/U; R/D	3	3
					15. Rig Repair		17
					16. Run Casing		2.5
					17. Service Rig		
					18. Sidetrack Op.		
					19. Stuck Pipe		
					20. Survey	1	1
					21. Trips		
					22. Tst. BOPs		5.5
					23. UR/HO		
					24. W.O.W.		
					25. Wash & Ream		
					26. Well Control		
					27. WOC		
					28. Other		50
Total Hours	24.0				Total	24	160.5
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost	
Daily	Daily	714	Gals	Cement:	sx	\$126,375	
Cum.	Cum.	714	Gals	Barite:	sx	\$52,012	
						\$178,387	



*Cactus Rose*

# MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1		Contract Rig Union #7	DOL 26	DFS 24	Date on Location 9/7/04	Spud Date Sep 9, 2004	Report Date Oct 3, 2004
MD 510	TVD 510	Footage	AFE No.	AFE Amount \$937,000	Auth. TD. 8,700'	Company Representative Roger Knight	
Present Operation RU Blooie line to pit.			Rig Phone: 435-220-0999	Rig Fax: 435-220-0999		Toolpusher Conrad Tenney	

Current Weather	DONR Visit	NPDES	People on Loc.:	12	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	1	10/3/04	RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	11	Next BOP Test Date	Water Depth	
Sky:	<input type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		11/3/04	RKB-CHF	ft

**CASING RECORD**

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'							
Surface	8 5/8"	24	K55	STC	12	510'				8.6			

**BIT, WEIGHT, SPEED AND HYDRAULICS RECORD**

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
						18.5								
Pump No.	Stroke X Liner	Output gpm	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			1/4	1/2	3/4
1	9 x 5.5	2.64								1/4				
2	9 x 6	3.15								3/4				

**BHA**

Length:	Description:

**MUD DATA**

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
PIT	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer		Mud Company					
						#1	#2	Desand	Cent.							
						#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost					

**DIRECTIONAL SURVEYS**

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

**OPERATIONS SUMMARY**

TIME		HOURL	Time Code	Boats:	Supply Boat Name:	Status:	Time Summary			
FROM	TO						Activity	Daily	Cum.	
0600	2100	15.0	1	Finish rigging up Union #7.						
2100	2300	2.0	11	NU BOPs' & rotating head on casinghead.						
2300	0000	1.0	11	PU kelly				1. Mob/DeMob	15	33
0000	0530	5.5	22	Pressure test kelly and BOP's. Rams to 3000 psi for 10 mins. Annular to 1500 psi for 10 mins. Choke and kill lines, upper kelly, safety valves choke manifold to 3000 psi for 10 mins. All tested to 250 psi low for 5 mins.				2. Cement		2.5
								3. Circulate		0.5
								4. Directional Work		
								5. Drilling		18.5
0530	0600	0.5	28	Test casing to 1500 psi for 30 mins. OK.				6. Drive Pipe		
								7. Fishing		
								8. OH Logging		
								9. Lost Circ.		
								10. Drill Cmt./LOT		
								11. N.U./N.D.	3	7
								12. P.U./L.D. BHA		
								13. P.U./L.D. Pipe		
								14. R/U; R/D		
								15. Rig Repair		17
								16. Run Casing		2.5
								17. Service Rig		
								18. Sidetrack Op.		
								19. Stuck Pipe		
								20. Survey		
								21. Trips		
								22. Tst. BOPs	5.5	5.5
								23. UR/HO		
								24. W.O.W.		
								25. Wash & Ream		
								26. Well Control		
								27. WOC		
								28. Other	0.5	50
Total Hours		24.0						Total	24	136.5

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Rig Downtime	Fuel Usage	Bulk Material on Board	Previous Cost	\$120,705
Daily	Daily	Cement: sx	Daily Cost	\$5,670
Cum.	Cum.	Barite: sx	Cum. Cost	\$126,375



# MSC Exploration Daily Drilling Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7		DOL 25	DFS 23	Date on Location 9/7/04	Spud Date Sep 9, 2004	Report Date Oct 2, 2004
MD 510	TVD 510	Footage	AFE No.	AFE Amount \$937,000	Auth. TD. 8,700'	Company Representative Roger Knight				
Present Operation Prep to move remainder of loads to location				Rig Phone: 435-220-0999	Rig Fax: 435-220-0999			Toolpusher Conrad Tenney		

Current Weather	DONR Visit <input type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Operator	Contractor	Next BOP Test Date	RKB	15 ft
Seas:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			Water Depth	ft
Sky:					RKB-CHF	ft

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'					
Surface	8 5/8"	24	K55	STC	12	510'		8.6			

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
Bit Remarks:						Cum. ROT. Hrs 18.5	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	Pump #1	Pump #2	Pump #3
1	9 x 5.5	2.64								1/4					
2	9 x 6	3.15								1/2					
										3/4					

### BHA

Length:	Description:

### MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer									Mud Company
PIT					#1	#2	Desand	Cent.								
					#3	#4	Desilt	Mud Cl	Daily Cost							Cumulative Cost

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

### OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO					Activity	Daily	Cum.
0600	1600	10.0	28	Repairing washed out road and location.				
					1. Mob/DeMob		18	
					2. Cement		2.5	
					3. Circulate		0.5	
					4. Directional Work			
					5. Drilling		18.5	
					6. Drive Pipe			
					7. Fishing			
					8. OH Logging			
					9. Lost Circ.			
					10. Drill Cmt./LOT			
					11. N.U./N.D.		4	
					12. P.U./L.D. BHA			
					13. P.U./L.D. Pipe			
					14. R/U; R/D			
					15. Rig Repair		17	
					16. Run Casing		2.5	
					17. Service Rig			
					18. Sidetrack Op.			
					19. Stuck Pipe			
					20. Survey			
					21. Trips			
					22. Tst. BOPs			
					23. UR/HO			
					24. W.O.W.			
					25. Wash & Ream			
					26. Well Control			
					27. WOC			
					28. Other	10	49.5	
					Total	10	112.5	
Total Hours		10.0						
Rig Downtime			Fuel Usage		Bulk Material on Board		Previous Cost	\$118,635
Daily	Daily		Gals	Cement:			Daily Cost	\$2,070
Cum.	Cum.		Gals	Barite:			Cum. Cost	\$120,705

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# MSC Exploration Daily Drilling Report

*Cactus Rose*

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1		Contract Rig Union #7	DOL 24	DFS 22	Date on Location 9/7/04	Spud Date Sep 9, 2004	Report Date Oct 1, 2004
MD	TVD	Footage	AFE No.	AFE Amount \$937,000	Auth. TD. 8,700'	Company Representative Roger Knight	
Present Operation Repairing road			Rig Phone: 435-220-0999	Rig Fax: 435-220-0999	Toolpusher Conrad Tenney		

Current Weather	DONR Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS		
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	Next BOP Test Date	RKB	15 ft	
Seas:	<input type="checkbox"/> Problem? <input type="checkbox"/> Yes		Contractor		Water Depth	ft	
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF	ft	

**CASING RECORD**

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'							
Surface	8 5/8"	24	K55	STC	12	510'				8.6			

**BIT, WEIGHT, SPEED AND HYDRAULICS RECORD**

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:						Cum. ROT. Hrs 18.5	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			1/4	1/2	3/4
1	9 x 5.5	2.64								1/2				
2	9 x 6	3.15								3/4				

**BHA**

Length:	Description:
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**MUD DATA**

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer	Mud Company							
PIT					#1	#2	Desand	Cent.								
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost						

**DIRECTIONAL SURVEYS**

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

**OPERATIONS SUMMARY**

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:		
FROM	TO								
0600	0600								
				SD for rain and flash flooding.			Time Summary		
				Should move remainder of loads from 35-1 today.					
							Activity	Daily	Cum.
							1. Mob/DeMob		18
							2. Cement		2.5
							3. Circulate		0.5
							4. Directional Work		
							5. Drilling		18.5
							6. Drive Pipe		
							7. Fishing		
							8. OH Logging		
							9. Lost Circ.		
							10. Drill Cmt./LOT		
							11. N.U./N.D.		4
							12. P.U./L.D. BHA		
							13. P.U./L.D. Pipe		
							14. R/U; R/D		
							15. Rig Repair		17
							16. Run Casing		2.5
							17. Service Rig		
							18. Sidetrack Op.		
							19. Stuck Pipe		
							20. Survey		
							21. Trips		
							22. Tst. BOPs		
							23. UR/HO		
							24. W.O.W.		
							25. Wash & Ream		
							26. Well Control		
							27. WOC		
							28. Other		39.5
							Total		102.5
Total Hours									
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost	\$116,565		
Daily	Daily	Gals	Cement:	sx	Daily Cost	\$2,070			
Cum.	Cum.	Gals	Barite:	sx	Cum. Cost	\$118,635			

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*Cactus Run*

# MSC Exploration Daily Drilling Report

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Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1			Contract Rig Union #7	DOL 23	DFS 21	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Sep 30, 2004
MD	TVD	Footage	AFE No.	AFE Amount \$937,000	Auth. TD. 8,700'	Company Representative Roger Knight		
Present Operation SD for flash flooding and rain				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney			
				Rig Fax: 435-220-0999				

Current Weather	DONR Visit <input type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Operator			RKB	15 ft
Seas:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Contractor		Next BOP Test Date	Water Depth	ft
Sky:		Service			RKB-CHF	ft

**CASING RECORD**

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when Run	LOT			
						MD	TVD	MD	TVD		Pres	EMW	Leakoff?	
Conductor	12-3/4"	24	LP	W	1	20'								
Surface	8 5/8"	24	K55	STC	12	510'				8.6				

**BIT, WEIGHT, SPEED AND HYDRAULICS RECORD**

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:						Cum. ROT. Hrs 18.5	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			1/4	1/2	3/4
1	9 x 5.5	2.64								1/4				
2	9 x 6	3.15								1/2				
										3/4				

**BHA**

Length:	Description:

**MUD DATA**

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	P/MF
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer				Mud Company					
PIT					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl	Daily Cost				Cumulative Cost						

**DIRECTIONAL SURVEYS**

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

**OPERATIONS SUMMARY**

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary	
FROM	TO						Activity
0600	1400	8.0	1	SD Mobilization due to flash flooding on access road. One crew on location rigging up. SD for high water.		1. Mob/DeMob 8 18	
						2. Cement 2.5	
						3. Circulate 0.5	
						4. Directional Work	
				Plan to resume Mobilization tomorrow.		5. Drilling 18.5	
						6. Drive Pipe	
						7. Fishing	
						8. OH Logging	
						9. Lost Circ.	
						10. Drill Cmt./LOT	
						11. N.U./N.D. 4	
						12. P.U./L.D. BHA	
						13. P.U./L.D. Pipe	
						14. R/U; R/D	
						15. Rig Repair 17	
						16. Run Casing 2.5	
						17. Service Rig	
						18. Sidetrack Op.	
						19. Stuck Pipe	
						20. Survey	
						21. Trips	
						22. Tst. BOPs	
						23. UR/HO	
						24. W.O.W.	
						25. Wash & Ream	
						26. Well Control	
						27. WOC	
						28. Other 39.5	
Total Hours		8.0				Total 8 102.5	
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost	
Daily	Daily	Gals	Cement:	sx	Previous Cost	\$114,495	
Cum.	Cum.	Gals	Barite:	sx	Daily Cost	\$2,070	
					Cum. Cost	\$116,565	



# MSC Exploration Daily Drilling Report

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Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL 22	DFS 20	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Sep 29, 2004
MD 510	TVD 510	Footage	AFE No.	AFE Amount \$937,000	Auth. TD.	8,700'		Company Representative Carl Hulstander	
Present Operation SD Mobilization due to flash flooding				Rig Phone: Rig Fax:	435-220-0999 435-220-0999		Toolpusher Conrad Tenney		

Current Weather	DONR Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth	ft
Sky:	<input type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF	ft

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'					
Surface	8 5/8"	24	K55	STC	12	510'		8.6			

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:						Cum. ROT. Hrs 18.5	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			1/4	1/2	3/4
1	9 x 5.5	2.64								1/4				
2	9 x 6	3.15								1/2				
										3/4				

BHA	
Length:	Description:

MUD DATA																
	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
PIT	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer		Mud Company					
	#1	#2	Desand	Cent.												
	#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost										

DIRECTIONAL SURVEYS							
MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:
TIME FROM	TIME TO	HOUR	Time Code	Crew Boat Name:		Status:
0600	1800	12.0		Howcroft Trucking mobilizing rig to location		
				Time Summary		
				Activity	Daily	Cum.
				1. Mob/DeMob		10
				2. Cement		2.5
				3. Circulate		0.5
				4. Directional Work		
				5. Drilling		18.5
				6. Drive Pipe		
				7. Fishing		
				8. OH Logging		
				9. Lost Circ.		
				10. Drill Cmt./LOT		
				11. N.U./N.D.		4
				12. P.U./L.D. BHA		
				13. P.U./L.D. Pipe		
				14. R/U; R/D		
				15. Rig Repair		17
				16. Run Casing		2.5
				17. Service Rig		
				18. Sidetrack Op.		
				19. Stuck Pipe		
				20. Survey		
				21. Trips		
				22. Tst. BOPs		
				23. UR/HO		
				24. W.O.W.		
				25. Wash & Ream		
				26. Well Control		
				27. WOC		
				28. Other		39.5
				Total		94.5
Total Hours	12.0			DIV. OF OIL, GAS & MINING		
Rig Downtime	Fuel Usage			Bulk Material on Board		Previous Cost \$112,425
Daily	Daily	Gals	Cement:	sx		Daily Cost \$2,070
Cum.	Cum.	Gals	Barite:	sx		Cum. Cost \$114,495

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**Debra Olson**

---

**From:** Williams, Galan [gwilliams@PPITech.net]  
**Sent:** Tuesday, October 19, 2004 9:06 AM  
**To:** 'Debra Olson'  
**Subject:** RE: Daily Drilling Cost 2-1

Didn't have any.....

-----Original Message-----

From: Debra Olson [mailto:dkorel@sbcglobal.net]  
Sent: Tuesday, October 19, 2004 9:30 AM  
To: Galan Williams  
Cc: Lynn Faust  
Subject: Daily Drilling Cost 2-1

Good Morning Again!

I'm also missing Daily Drilling Cost Reports on the 2-1 for 9/20, 9/21, 9/22, 9/23, 9/24, 9/25, 9/26, 9/27, and 9/28.

Can you please send them to me?

Thank you,

Debbie

---

Outgoing mail is certified Virus Free.

Checked by AVG anti-virus system (<http://www.grisoft.com>).

Version: 6.0.778 / Virus Database: 525 - Release Date: 10/15/2004

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Incoming mail is certified Virus Free.

Checked by AVG anti-virus system (<http://www.grisoft.com>).

Version: 6.0.778 / Virus Database: 525 - Release Date: 10/15/2004



*Cactus Rose*

# MSC Exploration Daily Drilling Report

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Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1		Contract Rig Union #7		DOL 12	DFS 10	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Sep 19, 2004
MD 510	TVD 510	Footage	AFE No.	AFE Amount \$937,000	Auth. TD. 8,700'	Company Representative Carl Hulslander		
Present Operation Mobilizing Union Rig #7				Rig Phone: 435-220-0999	Next BOP Test Date 435-220-0999		Toolpusher Conrad Tenney	

Current Weather	DONR Visit	NPDES	People on Loc.:	12	Last BOP Test Date	RIG ELEVATIONS		
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	1		RKB	15	ft
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Contractor	11	Next BOP Test Date	Water Depth ft		
Sky:	<input type="checkbox"/> Yes <input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			RKB-CHF ft		

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'					
Surface	8 5/8"	24	K55	STC	12	510'		8.6			

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:						Cum. ROT. Hrs 18.5	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3		
1	9 x 5.5	2.64						DC	DP	1/4				
2	9 x 6	3.15								1/2				
										3/4				

BHA	Length:	Description:
-----	---------	--------------

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT															
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer		Mud Company					
					#1	#2	Desand	Cent.							
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost					

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
PIT							

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:		
TIME FROM	TIME TO	HOUR	Time Code	Crew Boat Name:	Status:			
0600	0900	3.0	28					
0900	1900	10.0	1					
				Waiting on trucks	Time Summary			
				Moving rig, Five trucks moving equipment	Activity	Daily	Cum.	
				Finish moving equipment today	1. Mob/DeMob	10	10	
				Rigging up tomorrow	2. Cement		2.5	
					3. Circulate		0.5	
					4. Directional Work			
					5. Drilling		18.5	
					6. Drive Pipe			
					7. Fishing			
					8. OH Logging			
					9. Lost Circ.			
					10. Drill Cmt./LOT			
					11. N.U./N.D.		4	
					12. P.U./L.D. BHA			
					13. P.U./L.D. Pipe			
					14. R/U; R/D			
					15. Rig Repair		17	
					16. Run Casing		2.5	
					17. Service Rig			
					18. Sidetrack Op.			
					19. Stuck Pipe			
					20. Survey			
					21. Trips			
					22. Tst. BOPs			
					23. UR/HO			
					24. W.O.W.			
					25. Wash & Ream			
					26. Well Control			
					27. WOC			
					28. Other	3	39.5	
					Total	13	94.5	
Total Hours		13.0		DIV. OF OIL, GAS & MINING			Previous Cost	\$107,846
Rig Downtime	Fuel Usage		Bulk Material on Board		Daily Cost			\$4,579
Daily	Daily	Gals	Cement:	sx	Cum. Cost			\$112,425
Cum.	Cum.	Gals	Barite:	sx				

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# MSC Exploration Daily Drilling Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL 11	DFS 9	Date on Location 9/7/04	Spud Date Sep 9, 2004	Report Date Sep 18, 2004	
MD 510	TVD 510	Footage	AFE No.	AFE Amount \$937,000	Auth. TD.	Company Representative Carl Hulslander				
Present Operation WO Union Rig #7				Rig Phone:	Rig Fax:			Toolpusher Todd Beeman		

Current Weather	DONR Visit <input type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Operator		RKB	15 ft
Seas:			Contractor	Next BOP Test Date	Water Depth	ft
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF	ft

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when Run	LOT		
						MD	TVD	MD	TVD		Pres	EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'							
Surface	8 5/8"	24	K55	STC	12	510'				8.6			

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
Bit Remarks:						Cum. ROT. Hrs 18.5	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/4					
2	14 x 5.5	4.37								1/2					
										3/4					

### BHA

Length:	Description:

### MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer		Mud Company						
PIT					#1	#2	Desand	Cent.								
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost						

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

### OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Crew Boat Name:	Status:		
FROM	TO								
0600	0900	3.0	28	WO Cameron Wellhead & welder					
0900	1300	4.0	11	Install 8-5/8" SO x 11", 3M casinghead. Test to 700 psi. OK. Install cover over hole. SD until Union Rig #7 moves on location.					
Time Summary									
							Activity	Daily	Cum.
							1. Mob/DeMob		
							2. Cement		2.5
							3. Circulate		0.5
							4. Directional Work		
							5. Drilling		18.5
							6. Drive Pipe		
							7. Fishing		
							8. OH Logging		
							9. Lost Circ.		
							10. Drill Cmt./LOT		
							11. N.U./N.D.	4	4
							12. P.U./L.D. BHA		
							13. P.U./L.D. Pipe		
							14. R/U; R/D		
							15. Rig Repair		17
							16. Run Casing		2.5
							17. Service Rig		
							18. Sidetrack Op.		
							19. Stuck Pipe		
							20. Survey		
							21. Trips		
							22. Tst. BOPs		
							23. UR/HO		
							24. W.O.W.		
							25. Wash & Ream		
							26. Well Control		
							27. WOC		
							28. Other	3	36.5
Total Hours							7.0	7	81.5
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$97,312	
Daily	Daily	Gals	Cement:				Daily Cost	\$10,534	
Cum.	Cum.	Gals	Barite:				Cum. Cost	\$107,846	



*Castro Lee*

# MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL 10	DFS 8	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Sep 17, 2004
MD	TVD	Footage	AFE No.	AFE Amount \$937,000	Auth. TD 8,700'	Company Representative Carl Huislander			
Present Operation				Rig Phone:	Rig Fax:		Toolpusher Todd Beeman		

Current Weather	DONR Visit <input type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Operator	Contractor	Next BOP Test Date	RKB	15 ft
Seas:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			Water Depth	ft
Sky:					RKB-CHF	ft

**CASING RECORD**

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'							
Surface	8 5/8"	24	K55	STC	12	510'				8.6			

**BIT, WEIGHT, SPEED AND HYDRAULICS RECORD**

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:						Cum. ROT. Hrs 18.5	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/4				
2	14 x 5.5	4.37								1/2				
										3/4				

**BHA**

Length:	Description:
---------	--------------

**MUD DATA**

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT															
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer		Mud Company					
PIT					#1	#2	Desand	Cent.							
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost					

**DIRECTIONAL SURVEYS**

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

**OPERATIONS SUMMARY**

TIME		Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Time Summary	
FROM	TO						Activity	Daily
0600	0600		RD Beeman Rathole.	Install cellar ring around well.				
							1. Mob/DeMob	
							2. Cement	2.5
							3. Circulate	0.5
							4. Directional Work	
							5. Drilling	18.5
							6. Drive Pipe	
							7. Fishing	
							8. OH Logging	
							9. Lost Circ.	
							10. Drill Cmt./LOT	
							11. N.U./N.D.	
							12. P.U./L.D. BHA	
							13. P.U./L.D. Pipe	
							14. R/U; R/D	
							15. Rig Repair	17
							16. Run Casing	2.5
							17. Service Rig	
							18. Sidetrack Op.	
							19. Stuck Pipe	
							20. Survey	
							21. Trips	
							22. Tst. BOPs	
							23. UR/HO	
							24. W.O.W.	
							25. Wash & Ream	
							26. Well Control	
							27. WOC	
							28. Other	25.5
							Total	66.5

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Total Hours					Previous Cost	\$87,363
Rig Downtime		Fuel Usage	Bulk Material on Board		Daily Cost	\$9,949
Daily	Daily	Gals	Cement:	sx	Cum. Cost	\$97,312
Cum.	Cum.	Gals	Barite:	sx		





Cactus Rose

# MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL 8	DFS 6	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Sep 15, 2004
MD 510	TVD 510	Footage	AFE No.	AFE Amount \$937,000	Auth. TD. 8,700'	Company Representative Carl Hulslander			
Present Operation Waiting in cement				Rig Phone:	Rig Fax:		Toolpusher Todd Beeman		

Current Weather	DONR Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS		
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	Next BOP Test Date	RKB	15	ft
Seas:	<input type="checkbox"/> Problem? <input type="checkbox"/> Yes	Contractor	Service	Water Depth			ft
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No			RKB-CHF			ft

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'					
Surface	8 5/8"	24	K55	STC	12	510'		8.6			

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage			
Bit Remarks:						Cum. ROT. Hrs 18.5	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP	Speed 1/4 1/2 3/4	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3			
1	9 x 6	3.15												
2	14 x 5.5	4.37												

BHA	Length:	Description:

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT															
Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer	Mud Company							
PIT				#1	#2	Desand	Cent.								
				#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost						

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:
TIME		Time Code	Boats:	Crew Boat Name:	Status:	
FROM	TO	HOUR	Code			
0600	0800	2.0	28	WO rig crews		
0800	1030	2.5	16	Run 8 5/8" casing to 510'. 12 jts, K55, STC, 24#/ft. Float collar at 472'		
1030	1100	0.5	3	RU & Circulate. Fill casing with mud		
1100	1330	2.5	2	Cement with 300 sx Ready Mix. 2 bbls into displacement, cement to surface Bump plug at 450 psi. Set well. SDFN & WOC		
				Time Summary		
				Activity	Daily	Cum.
				1. Mob/DeMob		
				2. Cement	2.5	2.5
				3. Circulate	0.5	0.5
				4. Directional Work		
				5. Drilling		18.5
				6. Drive Pipe		
				7. Fishing		
				8. OH Logging		
				9. Lost Circ.		
				10. Drill Cmt./LOT		
				11. N.U./N.D.		
				12. P.U./L.D. BHA		
				13. P.U./L.D. Pipe		
				14. RU; R/D		
				15. Rig Repair		17
				16. Run Casing	2.5	2.5
				17. Service Rig		
				18. Sidetrack Op.		
				19. Stuck Pipe		
				20. Survey		
				21. Trips		
				22. Tst. BOPs		
				23. UR/HO		
				24. W.O.W.		
				25. Wash & Ream		
				26. Well Control		
				27. WOC		
				28. Other	2	17.5
				Total	7.5	58.5
Total Hours	7.5				Previous Cost	\$49,938
Rig Downtime			Fuel Usage		Bulk Material on Board	Daily Cost \$36,325
Daily	Daily	Gals	Cement:	sx	Cum. Cost	\$86,263
Cum.	Cum.	Gals	Barite:	sx		

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# MSC Exploration Daily Drilling Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7		DOL 7	DFS 5	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Sep 14, 2004
MD 510	TVD 510	Footage 140	AFE No.	AFE Amount \$937,000	Auth. TD. 8,700'	Company Representative Carl Hulslander				
Present Operation Prep to run 8-5/8" Surface Casing				Rig Phone: Rig Fax:			Toolpusher Todd Beeman			

Current Weather	DONR Visit <input type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Operator	Contractor	Next BOP Test Date	RKB	15 ft
Seas:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			Water Depth	ft
Sky:					RKB-CHF	ft

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'							

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
1	12	Air Hammer Bit			20'	510'	18 1/2			27.6					
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
						18.5									
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/4					
2	14 x 5.5	4.37								1/2					
										3/4					

### BHA

Length:	Description:

### MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT					#1 #2 Desand Cent.											
					#3 #4 Desilt Mud Cl	Daily Cost	Cumulative Cost									

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

### OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary			
FROM	TO					Activity	Daily	Cum.	
0600	0800	2.0	28	WO crews					
0800	1600	8.0	5	Air drill to 510'. Plan to run 8-5/8" surface casing on 9/14 am. Plan to cement at 1300 hrs	1. Mob/DeMob				
				DONR called, Fri, Sat, Sun, Mon unable to leave message State office called Mon. left message.	2. Cement				
				Galan Williams notified Bart Kettle with DONR of casing cementing job.	3. Circulate				
					4. Directional Work				
					5. Drilling	8	18.5		
					6. Drive Pipe				
					7. Fishing				
					8. OH Logging				
					9. Lost Circ.				
					10. Drill Cmt./LOT				
					11. N.U./N.D.				
					12. P.U./L.D. BHA				
					13. P.U./L.D. Pipe				
					14. R/U; R/D				
					15. Rig Repair		17		
					16. Run Casing				
					17. Service Rig				
					18. Sidetrack Op.				
					19. Stuck Pipe				
					20. Survey				
					21. Trips				
					22. Tst. BOPs				
					23. UR/HO				
					24. W.O.W.				
					25. Wash & Ream				
					26. Well Control				
					27. WOC				
					28. Other	2	15.5		
Total Hours						10.0			
Rig Downtime									
Daily		Daily		Fuel Usage		Bulk Material on Board		Previous Cost	
Cum.		Cum.		Gals		Cement: sx		\$48,058	
				Gals		Barite: sx		Daily Cost	
								\$1,880	
								Cum. Cost	
								\$49,938	

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# MSC Exploration Daily Drilling Report

*Carl Hulst*

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL 6	DFS 4	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Sep 13, 2004
MD 370	TVD 370	Footage	AFE No.	AFE Amount \$937,000	Auth. TD 8,700'	Company Representative Carl Hulst			
Present Operation Prep to drill ahead				Rig Phone:	Toolpusher Todd Beeman		Rig Fax:		

Current Weather	DONR Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Contractor	Next BOP Test Date	Water Depth	ft
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF	ft

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'					

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
1	12	Air Hammer Bit			20'	350'	10 1/2			33.3			
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque	Slow Pump Pressures			
					6.5						Pump #1	Pump #2	Pump #3
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM		
1	9 x 6	3.15						DC	DP	1/4			
2	14 x 5.5	4.37								1/2			
										3/4			

BHA	Length:	Description:

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf	
PIT																
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer	Mud Company							
PIT					#1	#2	Desand	Cent.								
					#3	#4	Desilt	Mud Cl	Daily Cost				Cumulative Cost			

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Status:	
FROM	TO								
0600	0600								
SD for Sunday. Prep to drill ahead Monday morning.								Time Summary	
							Activity	Daily	Cum.
							1. Mob/DeMob		
							2. Cement		
							3. Circulate		
							4. Directional Work		
							5. Drilling		10.5
							6. Drive Pipe		
							7. Fishing		
							8. OH Logging		
							9. Lost Circ.		
							10. Drill Cmt./LOT		
							11. N.U./ N.D.		
							12. P.U./L.D. BHA		
							13. P.U./L.D. Pipe		
							14. R/U; R/D		
							15. Rig Repair		17
							16. Run Casing		
							17. Service Rig		
							18. Sidetrack Op.		
							19. Stuck Pipe		
							20. Survey		
							21. Trips		
							22. Tst. BOPs		
							23. UR/HO		
							24. W.O.W.		
							25. Wash & Ream		
							26. Well Control		
							27. WOC		
							28. Other		13.5
							Total		41
Total Hours					DIV. OF OIL, GAS & MINING		Daily Cost		\$48,058
Rig Downtime	Fuel Usage		Bulk Material on Board				Daily Cost		
Daily	Daily	Gals	Cement:	sx			Cum. Cost		\$48,058
Cum.	Cum.	Gals	Barite:	sx					

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# MSC Exploration Daily Drilling Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7		DOL 5	DFS 3	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Sep 12, 2004	
MD 370	TVD 370	Footage 155	AFE No.	AFE Amount \$937,000	Auth. TD. 8,700'	Company Representative Carl Hulslander					
Present Operation Shyut Down for Sunday				Rig Phone: Rig Fax:			Toolpusher Todd Beeman				

Current Weather	DONR Visit <input type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Operator		RKB	15 ft
Seas:			Contractor	Next BOP Test Date	Water Depth	ft
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF	ft

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when Run	LOT		
						MD	TVD	MD	TVD		Pres	EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'							

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
1	12	Air Hammer Bit			20'	350'	10 1/2			33.3					
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque							
				6.5											
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/4					
2	14 x 5.5	4.37								1/2					
										3/4					

### BHA

Length:	Description:

### MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf	
PIT																	
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer		Mud Company						
PIT						#1	#2	Desand	Cent.								
						#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost						

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

### OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO					HOURLY	Activity	Daily
0600	0800	2.0	28	WO crews				
0800	1500	7.0	15	Repairing rig				
1500	1900	4.0	5	Drilling to 370'	1. Mob/DeMob			
					2. Cement			
					3. Circulate			
					4. Directional Work			
					5. Drilling	4	10.5	
				Sunday down	6. Drive Pipe			
				Shut down until Monday	7. Fishing			
				Cement planned for Tuesday @ 0900. DONR will be notified	8. OH Logging			
					9. Lost Circ.			
					10. Drill Cmt./LOT			
					11. N.U./ N.D.			
					12. P.U./L.D. BHA			
					13. P.U./L.D. Pipe			
					14. R/U; R/D			
					15. Rig Repair	7	17	
					16. Run Casing			
					17. Service Rig			
					18. Sidetrack Op.			
					19. Stuck Pipe			
					20. Survey			
					21. Trips			
					22. Tst. BOPs			
					23. UR/HO			
					24. W.O.W.			
					25. Wash & Ream			
					26. Well Control			
					27. WOC			
					28. Other	2	13.5	
Total Hours		13.0			Total	13	41	
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		
Daily	Daily	Gals	Cement:	sx	Previous Cost	\$47,380		
Cum.	Cum.	Gals	Barite:	sx	Daily Cost	\$678		
					Cum. Cost	\$48,058		



Cactus Rose

# MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7		DOL 4	DFS 2	Date on Location 9/7/2004	Spud Date Sep 9, 2004	Report Date Sep 11, 2004
MD 215	TVD 215	Footage 37	AFE No.	AFE Amount \$937,000	Auth. TD.	Company Representative Carl Hulslander				
Present Operation Rig Repair to Air Hammer & Pump				Rig Phone:		Toolpusher Todd Beeman				
				Rig Fax:						

Current Weather	DONR Visit <input type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Operator	Contractor	Next BOP Test Date	RKB	15 ft
Seas:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			Water Depth	ft
Sky:					RKB-CHF	ft

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting MD	Depth TVD	Liner Top MD	Liner Top TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-3/4"	24	LP	W	1	20'							

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
1	12	Air Hammer Bit			20'	195'	6 1/2			30.0				
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque						
				6.5										
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			1/4	1/2	3/4
1	9 x 6	3.15								1/4				
2	14 x 5.5	4.37								1/2				
										3/4				

BHA	Length:	Description:

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT															
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer		Mud Company					
					#1	#2	Desand	Cent.							
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost					

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:
TIME		Time Code	Boats:	Crew Boat Name:	Status:	
FROM	TO	HOUR	Code			
0600	0800	2.0	28	WO crews to arrive		
				Beeman stuck and broke down @ 215'. Worked free, could not drill ahead		
0800	1800	10.0	15	WO parts for rig and injection pump		
				Repaired rig. Est. ready to drill 9/11		
				1800 hrs. Contacted Rod, toolpusher for Beeman		
				Still making repairs through 9/11/04		
				Time Summary		
				Activity	Daily	Cum.
				1. Mob/DeMob		
				2. Cement		
				3. Circulate		
				4. Directional Work		
				5. Drilling	6.5	
				6. Drive Pipe		
				7. Fishing		
				8. OH Logging		
				9. Lost Circ.		
				10. Drill Cmt./LOT		
				11. N.U./N.D.		
				12. P.U./L.D. BHA		
				13. P.U./L.D. Pipe		
				14. R/U; R/D		
				15. Rig Repair	10	10
				16. Run Casing		
				17. Service Rig		
				18. Sidetrack Op.		
				19. Stuck Pipe		
				20. Survey		
				21. Trips		
				22. Tst. BOPs		
				23. UR/HO		
				24. W.O.W.		
				25. Wash & Ream		
				26. Well Control		
				27. WOC		
				28. Other	2	11.5
				Total	12	28
Total Hours	12.0			Bulk Material on Board		Previous Cost \$45,740
Rig Downtime	Fuel Usage			Cement: sx		Daily Cost \$1,640
Daily	Daily	Gals	Barite: sx	Cum. Cost \$47,380		
Cum.	Cum.	Gals				

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# MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7		DOL 2	DFS	Date on Location 9/7/04	Spud Date	Report Date Sep 9, 2004
MD 20	TVD 20	Footage 20	AFE No.	AFE Amount \$937,000	Auth. TD.	Company Representative Carl Hulslander				
Present Operation SDFN				Rig Phone: Rig Fax:			Toolpusher Todd Beeman			

Current Weather	DONR Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Contractor	Next BOP Test Date	Water Depth	ft
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF	ft

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12-1/4"		LP	W	1	20'					

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
1	14-3/4"	Air Hammer bit				20'	2			10.0				
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			1/4	1/2	3/4
1	9 x 6	3.15								1/4				
2	14 x 5.5	4.37								3/4				

BHA	
Length:	Description:

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT															
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer		Mud Company					
					#1	#2	Desand	Cent.							
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost					

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
DIRECTIONAL SURVEYS							

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:		
TIME		Time Code	Boats:	Crew Boat Name:	Status:	Time Summary		
FROM	TO	HOUR	Code			Activity	Daily	Cum.
0600	1400	8.0	28	MIRU Bob Beeman Drilling				
				Set 12-3/4" Conductor @ 20'. SDFN				
						1. Mob/DeMob		
						2. Cement		
						3. Circulate		
						4. Directional Work		
						5. Drilling		
						6. Drive Pipe		
						7. Fishing		
						8. OH Logging		
						9. Lost Circ.		
						10. Drill Cmt./LOT		
						11. N.U./N.D.		
						12. P.U./L.D. BHA		
						13. P.U./L.D. Pipe		
						14. R/U; R/D		
						15. Rig Repair		
						16. Run Casing		
						17. Service Rig		
						18. Sidetrack Op.		
						19. Stuck Pipe		
						20. Survey		
						21. Trips		
						22. Tst. BOPs		
						23. UR/HO		
						24. W.O.W.		
						25. Wash & Ream		
						26. Well Control		
						27. WOC		
						28. Other	8	8
						Total	8	8

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Total Hours	8.0	Fuel Usage	Bulk Material on Board	Previous Cost	\$18,009
Rig Downtime		Gals	Cement:	Daily Cost	
Daily		Gals	Barite:	Cum. Cost	\$18,009
Cum.		Gals			



# MSC Exploration Daily Drilling Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1			Contract Rig Union #7	DOL 1	DFS	Date on Location 9/7/04	Spud Date	Report Date Sep 8, 2004
MD	TVD	Footage	AFE No.	AFE Amount \$937,000	Auth. TD. 8,700'	Company Representative Carl Hulslander		
Present Operation MIRU Beeman Rathole rig				Rig Phone:	Toolpusher Todd Beeman			
				Rig Fax:				

Current Weather	DONR Visit <input type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS		
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Operator		RKB	15 ft	
Seas:			Contractor	Next BOP Test Date	Water Depth	ft	
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF	ft	

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when Run	LOT		
						MD	TVD	MD	TVD		Pres	EMW	Leakoff?
Conductor													

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque						
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			1/4	Pump #1	Pump #2
1	9 x 6	3.15								1/4				
2	14 x 5.5	4.37								1/2				
										3/4				

### BHA

Length:	Description:

### MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer	Mud Company							
PIT					#1	#2	Desand	Cent.								
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost						

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

### OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Crew Boat Name:	Status:		
FROM	TO								
0600	0600								
			Finish working county road. Set anchors for rig. MIRU Bob Beeman Rathole.						
							Time Summary		
							Activity		
							Daily		
							Cum.		
							1. Mob/DeMob		
							2. Cement		
							3. Circulate		
							4. Directional Work		
							5. Drilling		
							6. Drive Pipe		
							7. Fishing		
							8. OH Logging		
							9. Lost Circ.		
							10. Drill Cmt./LOT		
							11. N.U./N.D.		
							12. P.U./L.D. BHA		
							13. P.U./L.D. Pipe		
							14. R/U; R/D		
							15. Rig Repair		
							16. Run Casing		
							17. Service Rig		
							18. Sidetrack Op.		
							19. Stuck Pipe		
							20. Survey		
							21. Trips		
							22. Tst. BOPs		
							23. UR/HO		
							24. W.O.W.		
							25. Wash & Ream		
							26. Well Control		
							27. WOC		
							28. Other		
Total Hours							Total		
Rig Downtime		Fuel Usage		Bulk Material on Board			Previous Cost		
Daily	Daily	Gals	Cement:	sx			Daily Cost	\$3,500	
Cum.	Cum.	Gals	Barite:	sx			Daily Cost	\$14,509	
							Cum. Cost	\$18,009	





# MSC Exploration Daily Drilling Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL	DFS	Date on Location	Spud Date	Report Date Sep 6, 2004	
MD	TVD	Footage	AFE No.	AFE Amount \$937,000	Auth. TD.	8,700'		Company Representative Carl Hulstlander		
Present Operation Working on County Road				Rig Phone:				Toolpusher		
				Rig Fax:						

Current Weather	DONR Visit <input type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes		Operator		RKB	15 ft
Seas:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Contractor	Next BOP Test Date	Water Depth	ft
Sky:			Service		RKB-CHF	ft

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when Run	LOT			
						MD	TVD	MD	TVD		Pres	EMW	Leakoff?	
Conductor														

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/2					
2	14 x 5.5	4.37								3/4					

### BHA

Length:	Description:

### MUD DATA

PIT	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
	#1	#2	Desand	Cent.												
	#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost										

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

### OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Status:		
FROM	TO								
0600	0600		MI Poorboy Mining & Construction. Working on county road and hauling rock.						
							Time Summary		
							Activity		
							Daily		
							Cum.		
							1. Mob/DeMob		
							2. Cement		
							3. Circulate		
							4. Directional Work		
							5. Drilling		
							6. Drive Pipe		
							7. Fishing		
							8. OH Logging		
							9. Lost Circ.		
							10. Drill Cmt./LOT		
							11. N.U./ N.D.		
							12. P.U./L.D. BHA		
							13. P.U./L.D. Pipe		
							14. R/U; R/D		
							15. Rig Repair		
							16. Run Casing		
							17. Service Rig		
							18. Sidetrack Op.		
							19. Stuck Pipe		
							20. Survey		
							21. Trips		
							22. Tst. BOPs		
							23. UR/HO		
							24. W.O.W.		
							25. Wash & Ream		
							26. Well Control		
							27. WOC		
							28. Other		
Total Hours							Total		
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$3,500	
Daily	Daily	Gals		Cement:		Daily Cost			
Cum.	Cum.	Gals		Barite:		Cum. Cost		\$3,500	



# MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1		Contract Rig Union #7	DOL	DFS	Date on Location	Spud Date	Report Date Sep 3, 2004
MD	TVD	Footage	AFE No.	AFE Amount \$937,000	Auth. TD. 8,700'	Company Representative Carl Hulslander	
Present Operation Working on County Road			Rig Phone: Rig Fax:			Toolpusher	

Current Weather	DONR Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind: <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB	15 ft
Seas: <input type="checkbox"/> Problem? <input type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Contractor	Next BOP Test Date	Water Depth	ft
Sky: <input type="checkbox"/> No			Service		RKB-CHF	ft

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor													

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures		
								DC	DP			1/4	1/2	3/4
1	9 x 6	3.15								1/2				
2	14 x 5.5	4.37								3/4				

### BHA

Length:	Description:

### MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer									
PIT					#1	#2	Desand	Cent.								
					#3	#4	Desilt	Mud Cl	Daily Cost							Cumulative Cost

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

### OPERATIONS SUMMARY

TIME		Boats:	Supply Boat Name:	Status:
FROM	TO	Code	Crew Boat Name:	Status:
0600	0600			
Watering, grading and preparing county for rock. Enlarge reserve pit.				Time Summary
				Activity
				Daily
				Cum.
1. Mob/DeMob				
2. Cement				
3. Circulate				
4. Directional Work				
5. Drilling				
6. Drive Pipe				
7. Fishing				
8. OH Logging				
9. Lost Circ.				
10. Drill Cmt./LOT				
11. N.U./N.D.				
12. P.U./L.D. BHA				
13. P.U./L.D. Pipe				
14. R/U; R/D				
15. Rig Repair				
16. Run Casing				
17. Service Rig				
18. Sidetrack Op.				
19. Stuck Pipe				
20. Survey				
21. Trips				
22. Tst. BOPs				
23. UR/HO				
24. W.O.W.				
25. Wash & Ream				
26. Well Control				
27. WOC				
28. Other				
Total				
Total Hours				
Rig Downtime		Fuel Usage	Bulk Material on Board	Previous Cost
Daily	Daily	Gals	Cement: sx	Daily Cost
Cum.	Cum.	Gals	Barite: sx	Cum. Cost
				\$3,500
				\$3,500

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# MSC Exploration Daily Drilling Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL	DFS	Date on Location	Spud Date	Report Date Sep 2, 2004	
MD	TVD	Footage	AFE No.	AFE Amount \$937,000	Auth. TD.	8,700'		Company Representative Carl Hulslander		
Present Operation Waiting on Rock for County Road				Rig Phone:	Rig Fax:			Toolpusher David Wilcox		

Current Weather	DONR Visit <input type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Operator	Contractor	Next BOP Test Date	RKB	15 ft
Seas:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service			Water Depth	ft
Sky:					RKB-CHF	ft

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when Run	Pres	LOT EMW	Leakoff?
						MD	TVD	MD	TVD				
Conductor													

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/2					
2	14 x 5.5	4.37								3/4					

### BHA

Length:	Description:

### MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer									Mud Company
PIT					#1 #2	Desand Cent.										
					#3 #4	Desilt Mud Cl	Daily Cost									Cumulative Cost

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

### OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Status:
FROM	TO						
0600	0600						
							Time Summary
							Activity      Daily      Cum.
							1. Mob/DeMob
							2. Cement
							3. Circulate
							4. Directional Work
							5. Drilling
							6. Drive Pipe
							7. Fishing
							8. OH Logging
							9. Lost Circ.
							10. Drill Cmt./LOT
							11. N.U./N.D.
							12. P.U./L.D. BHA
							13. P.U./L.D. Pipe
							14. R/U; R/D
							15. Rig Repair
							16. Run Casing
							17. Service Rig
							18. Sidetrack Op.
							19. Stuck Pipe
							20. Survey
							21. Trips
							22. Tst. BOPs
							23. UR/HO
							24. W.O.W.
							25. Wash & Ream
							26. Well Control
							27. WOC
							28. Other
Total Hours							Total
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost	
Daily		Daily	Gals	Cement:		Daily Cost	\$3,500
Cum.		Cum.	Gals	Barite:		Cum. Cost	\$3,500



*Cactus Rose*

# MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1				Contract Rig Union #7	DOL	DFS	Date on Location	Spud Date	Report Date Sep 1, 2004	
MD	TVD	Footage	AFE No.	AFE Amount \$937,000	Auth. TD.	8,700'		Company Representative Carl Hulslander		
Present Operation Waiting on Rock for County Road				Rig Phone:	Rig Fax:			Toolpusher David Wilcox		

Current Weather	DONR Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	Next BOP Test Date	RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor		Water Depth	ft
Sky:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF	ft

**CASING RECORD**

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth	Liner Top	MW when Run	Pres	LOT	Leakoff?
						MD	TVD	MD	TVD	EMW	
Conductor											

**BIT, WEIGHT, SPEED AND HYDRAULICS RECORD**

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade	Leakoff?	
											Tooth	Bearing	Gage
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque			
Pump No.	Stroke X Liner	Output gpm	SPM	GPM	Pressure	JV	Pb	AV	Speed	SPM	Slow Pump Pressures		
								DC	DP	1/4	Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/2			
2	14 x 5.5	4.37								3/4			

**BHA**

Length:	Description:

**MUD DATA**

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer	Mud Company							
PIT					#1	#2	Desand	Cent.								
					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost						

**DIRECTIONAL SURVEYS**

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

**OPERATIONS SUMMARY**

TIME		HOUR	Time Code	Boats:	Supply Boat Name:		Status:		
FROM	TO				Crew Boat Name:		Status:		
0600	0600								
							Time Summary		
							Activity	Daily	Cum.
							1. Mob/DeMob		
							2. Cement		
							3. Circulate		
							4. Directional Work		
							5. Drilling		
							6. Drive Pipe		
							7. Fishing		
							8. OH Logging		
							9. Lost Circ.		
							10. Drill Cmt./LOT		
							11. N.U./N.D.		
							12. P.U./L.D. BHA		
							13. P.U./L.D. Pipe		
							14. R/U; R/D		
							15. Rig Repair		
							16. Run Casing		
							17. Service Rig		
							18. Sidetrack Op.		
							19. Stuck Pipe		
							20. Survey		
							21. Trips		
							22. Tst. BOPs		
							23. UR/HO		
							24. W.O.W.		
							25. Wash & Ream		
							26. Well Control		
							27. WOC		
							28. Other		
							Total		
Total Hours		Fuel Usage		Bulk Material on Board		Previous Cost	\$3,500		
Rig Downtime	Daily	Daily	Gals	Cement:	sx	Daily Cost			
Cum.	Cum.	Cum.	Gals	Barite:	sx	Cum. Cost	\$3,500		

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# MSC Exploration Daily Drilling Report

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1			Contract Rig Union #7	DOL	DFS	Date on Location	Spud Date	Report Date Aug 31, 2004
MD	TVD	Footage	AFE No.	AFE Amount \$937,000	Auth. TD. 8,700'	Company Representative Galan Williams		
Present Operation Watering County Road				Rig Phone:	Toolpusher		David Wilcox	
				Rig Fax:				

Current Weather	DONR Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS		
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB	15 ft	
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth	ft	
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service		RKB-CHF	ft	

### CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when Run	LOT		
						MD	TVD	MD	TVD		Pres	EMW	Leakoff?
Conductor													

### BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/2					
2	14 x 5.5	4.37								3/4					

### BHA

Length:	Description:

### MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT																
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT					#1 #2	Desand Cent.										
					#3 #4	Desilt Mud Cl	Daily Cost	Cumulative Cost								

### DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

### OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Crew Boat Name:	Status:
FROM	TO						
0600	0600						
							Time Summary
							Activity      Daily      Cum.
							1. Mob/DeMob
							2. Cement
							3. Circulate
							4. Directional Work
							5. Drilling
							6. Drive Pipe
							7. Fishing
							8. OH Logging
							9. Lost Circ.
							10. Drill Cmt./LOT
							11. N.U./N.D.
							12. P.U./L.D. BHA
							13. P.U./L.D. Pipe
							14. R/U; R/D
							15. Rig Repair
							16. Run Casing
							17. Service Rig
							18. Sidetrack Op.
							19. Stuck Pipe
							20. Survey
							21. Trips
							22. Tst. BOPs
							23. UR/HO
							24. W.O.W.
							25. Wash & Ream
							26. Well Control
							27. WOC
							28. Other
Total Hours							Total
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost	
Daily	Daily	Gals	Cement:	sx	Daily Cost	\$3,500	
Cum.	Cum.	Gals	Barite:	sx	Cum. Cost	\$3,500	





*Cactus Fox*

# MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. Floy Canyon Wildcat - State MSC #2-1		Contract Rig Union #7	DOL	DFS	Date on Location	Spud Date	Report Date Aug 29, 2004
MD	TVD	Footage	AFE No.	AFE Amount \$937,000	Auth. TD. 8,700'	Company Representative Galan Williams	
Present Operation Building Location			Rig Phone: Rig Fax:		Toolpusher David Wilcox		

Current Weather	DONR Visit	NPDES	People on Loc.:	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator		RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	Next BOP Test Date	Water Depth	ft
Sky:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service		RKB-CHF	ft

**CASING RECORD**

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when Run	Pres	LOT	
						MD	TVD	MD	TVD			EMW	Leakoff?
Conductor													

**BIT, WEIGHT, SPEED AND HYDRAULICS RECORD**

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade				
											Tooth	Bearing	Gage		
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque							
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	Pump #1	Pump #2	Pump #3
1	9 x 6	3.15								1/4					
2	14 x 5.5	4.37								1/2					
										3/4					

**BHA**

Length:	Description:
---------	--------------

**MUD DATA**

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	PI/Mf
PIT																
PIT	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer	Mud Company							
					#1	#2				Desand	Cent.					
PIT					#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost						

**DIRECTIONAL SURVEYS**

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

**OPERATIONS SUMMARY**

TIME		Time Code	Boats:	Supply Boat Name:	Status:																																																																																													
FROM	TO					Hour	Crew Boat Name:	Status:																																																																																										
0600	0600		MIRU Neilson Construction.	Building location and digging reserve pit	8/26/04 through 8/29/04																																																																																													
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T 115 R18E S02  
43-019-31402

43.019.31402  
215 18E 2

### NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
  - Form 8, Well Completion or Recompletion Report and Log
  - A copy of electric and radioactivity logs, if run
  - A copy of drillstem test reports,
  - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
  - A copy of core analyses, and lithologic logs or sample descriptions if compiled
  - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

---

As of the mailing of this notice, the division has not received the required reports for

Operator: MSC EXPLORATION LP Today's Date: 08/02/2005

Well: API Number: Drilling Commenced:

SEE ATTACHED LIST:

No monthly drilling reports since 12/2004

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: Well File  
Compliance File

Operator	Location Twp-Rng-Sec			Well Name	API Number	Spud Date - Dry	Spud Date - Rotary	Lease Type
MSC EXPLORATION, LP	210S	200E	16	STATE MSC 16-1	4301931401	05/14/04	05/17/04	State
MSC EXPLORATION, LP	210S	190E	35	STATE MSC 35-1	4301931404	07/27/04		State
MSC EXPLORATION, LP	210S	180E	02	CACTUS ROSE MSC 2-1	4301931402	09/09/04		State
MSC EXPLORATION, LP	210S	200E	02	N THOMPSON 2-1	4301931412	10/29/04		State
MSC EXPLORATION, LP	210S	190E	26	FEDERAL MSC 26-1	4301931407	11/08/04	11/12/04	Federal

NO WELL COMPLETION OR RECOMPLETION REPORT AND LOG RECEIVED FOR THE FEDERAL MSC ~~06~~-1

MSC EXPLORATION, L.P.  
16800 IMPERIAL VALLEY DR., SUITE 380  
HOUSTON, TEXAS 77060  
PHONE: 281-931-8933 FAX: 281-931-8655

---

FACSIMILE TRANSMITTAL SHEET

---

TO: <i>Carol Daniels</i>	FROM:
COMPANY	DATE:
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
PHONE NUMBER	SENDER'S REFERRNCE NUMBER:
RE:	YOUR REFERENCE NUMBER:

---

RECEIVED  
OCT 19 2005  
DIV. OF OIL, GAS & MINING

CONFIDENTIAL

2/18 18E 02 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.

1. TYPE OF WELL: OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR: MSC Exploration LP

3. ADDRESS OF OPERATOR: 16800 Imperial Valley Dr. Ste 380 Houston, TX 77060 PHONE NUMBER: 281-931-8933

4. LOCATION OF WELL: FOOTAGES AT SURFACE: \_\_\_\_\_ COUNTY: Grand  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: \_\_\_\_\_ STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER: \_\_\_\_\_

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: \_\_\_\_\_

7. UNIT or CO-AGREEMENT NAME: N/A

8. WELL NAME and NUMBER: Cactus Rose MSC 2-1

9. API NUMBER: 4301931402

10. FIELD AND POOL, OR WILDCAT: Wildcat

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
Jan 2005 - Oct. 2005 - Well has been shut-in awaiting BLM approval to move back on site for completion. Rig move in on 10/26/2005.

NAME (PLEASE PRINT) Lynn Faust TITLE Administrator

SIGNATURE L Faust DATE 10-18-05

(This space for State use only)

RECEIVED  
OCT 19 2005

CONFIDENTIAL

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

AMENDED REPORT  FORM 8  
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47576

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

7. UNIT or CA AGREEMENT NAME: N/A

8. WELL NAME and NUMBER: ACTOS ROSE 2-1

9. API NUMBER: 43-019-31402

10. FIELD AND POOL OR WILDCAT: Wildcat

11. QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE, 2, 21S, 18E

12. COUNTY: GRAND 13. STATE: UTAH

14. DATE SPUNDED: 9-9-2004 15. DATE T.D. REACHED: 11-1-05 16. DATE COMPLETED: 11-1-05 ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL): 15

18. TOTAL DEPTH: MD 6273 TVD 6273 19. PLUG BACK T.D.: MD          TVD          20. IF MULTIPLE COMPLETIONS, HOW MANY?          21. DEPTH BRIDGE MD          TVD          PLUG SET:         

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each):  
Enclosed SD/DS/N, SONIC, PH, CBL, CAL

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 (#/L)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
16	12 3/4	LP	Surf	20'	-	G			
12.25	8 5/8"	24.0	Surf	525'	-	Blends 300		Surf	
77/8	5 1/2	17.0	Surf	6850		50,50P 490		Surf	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A)				
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
6509-6518	4"	36	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
5094-5104	4"	40	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:

- ELECTRICAL/MECHANICAL LOGS
- SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION
- GEOLOGIC REPORT
- CORE ANALYSIS
- DST REPORT
- OTHER: \_\_\_\_\_
- DIRECTIONAL SURVEY

30. WELL STATUS:

Shut-in  
RECEIVED

DEC 13 2005

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:
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 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.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof. Corrod intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) LYNN FAUST TITLE Administrator  
 SIGNATURE L Faust DATE 12-13-05

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 Phone: 801-538-5340  
 1594 West North Temple, Suite 1210  
 Box 145801 Fax: 801-359-3940  
 Salt Lake City, Utah 84114-5801

RECEIVED  
 DEC 13 2005

DIV. OF OIL, GAS & MINING

(5/2000)

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

AMENDED REPORT  FORM 8  
(highlight changes)

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML 47721**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:  
**Cactus Rose MSC 2-1**

9. API NUMBER:  
**4301931402**

10. FIELD AND POOL, OR WILDCAT  
**WILDCAT**

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  
**NWSW 2 21S 20E**

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:  
**MSC Exploration**

3. ADDRESS OF OPERATOR: **1645 Court Pl. #300** CITY **Denver** STATE **CO** ZIP **80202** PHONE NUMBER: **(303) 468-0656**

4. LOCATION OF WELL (FOOTAGES):  
AT SURFACE: **1110 FSL, 495 FEL**  
AT TOP PRODUCING INTERVAL REPORTED BELOW: **1110 FSL, 495 FEL**  
AT TOTAL DEPTH: **1110 FSL, 495 FEL**

**CONFIDENTIAL**

14. DATE SPUDDED: **10/17/2004** 15. DATE T.D. REACHED: **10/17/2004** 16. DATE COMPLETED: **11-1-2005** ABANDONED  READY TO PRODUCE  17. ELEVATIONS (DF, RKB, RT, GL): **15' RKB**

18. TOTAL DEPTH: MD **6,850** TVD **6,850** 19. PLUG BACK T.D.: MD **6,850** TVD **6,850** 20. IF MULTIPLE COMPLETIONS, HOW MANY? \* 21. DEPTH BRIDGE MD **5,015** TVD **5,015**

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
**DLL/MDL/DSN/SDL/SL/GR - DIPMETER**  
**Dual Induction**

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
16	12 3/4 LP		0	20				SURF	
12	8 5/8 K55	24	0	525	525	A 300		SURF	10000
7 7/8	5 1/2 L80	17	0	6,850	4,216	G 1,190	266	3310	102000

**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 7/8	4.837	4.837						

**26. PRODUCING INTERVALS** *ENWIN*

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Wingate	6,330	6,664	6,330	6,664	6,509 6,518	.43	36	Open <input type="checkbox"/> Squeezed <input checked="" type="checkbox"/>
(B) Wingate	6,330	6,664	6,330	6,664	6,320 6,342	.43	88	Open <input type="checkbox"/> Squeezed <input checked="" type="checkbox"/>
(C) Entrada	5,087	5,429	5,087	5,429	5,094 5,104	.43	40	Open <input type="checkbox"/> Squeezed <input checked="" type="checkbox"/>
(D) Moab	4,926	5,087	4,926	5,087	4,921 4,931	.43	40	Open <input type="checkbox"/> Squeezed <input checked="" type="checkbox"/>

**28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.**

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
6509' - 6518'	25 Bbls Fe Acid 7.5% Fe Acid. w/ 2 G Halh85M, 2 q Penn 1085, 2 G Lourf 300, 50 G Fer Chek @.
6320' - 6342'	1000 Gals 7 1/2% Fe Acid 2 Gal Hel 85, 10 Gals Scale Check Lp 55

**29. ENCLOSED ATTACHMENTS:**

- ELECTRICAL/MECHANICAL LOGS  GEOLOGIC REPORT  DST REPORT  DIRECTIONAL SURVEY  
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION  CORE ANALYSIS  OTHER: \_\_\_\_\_

**30. WELL STATUS:**

**TEMP SI**

RECORDED  
**MAY 01 2006**  
DIV. OF OIL, GAS AND MINING

**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:
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 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.)**

Temporary SI

**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.

**34. FORMATION (Log) MARKERS:**

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				Mancos Shale	296
				Dakota Silt	3,872
				Dakota Sandstone	4,062
				Moab Tongue	4,926
				Entrada	5,087
				Navajo	5,577
				Wingate	6,330
				Chinle	6,664

**35. ADDITIONAL REMARKS (Include plugging procedure)**

Well Shut-in waiting on completion rig for completion of upper producing zones. CIBP @ 6450'; RBP @ 6273' & 5015'

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) R.E. Knight TITLE Agent  
 SIGNATURE *R.E. Knight* DATE 4/17/2006

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

CONFIDENTIAL

**CACTUS ROSE 2-1**  
**API # 4301931402**  
**1,110' FSL & 495' FEL**

<b>Spud Date:</b>	<b>10/17/2004</b>
-------------------	-------------------

<b>Depth</b>	<b>survey</b>
506	2.00
1007	2.00
1497	3.75
2019	3.75
2514	3.75
3011	3.25
3522	2.00
4016	2.00
4507	5.5
4650	5.0
4830	4.0
5014	3.0
5324	1.0
5788	1.75
6272	2.5
6577	2.25
6790	4.00

**DESIGNATION OF AGENT OR OPERATOR**

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: \_\_\_\_\_

LEASE NUMBER: \_\_\_\_\_

and hereby designates

NAME: Tidewater Oil & Gas LLC N3000

ADDRESS: 1645 Court Place, Suite 301

city DENVER state CO zip 80202

as his (check one) agent  / operator , with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)

43-019-31401 STATE MSC 16-1  
~~43-019-31402 CACTUS ROSE MSC 2-1~~  
~~43-019-31404 FEDERAL MSC 26-1~~  
43-019-31408 STATE MSC 35-2  
43-019-31394 STATE 1-32  
43-019-31399 STATE 21-19 (32-16D)  
43-019-31404 STATE MSC 35-1  
43-019-31412 N THOMPSON 2-1

APPROVED 10/25/06

*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

MSC HAS BONDED THESE WELLS - ER

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: 10/10/2006

BY: (Name) Michael Carrish  
(Signature) *[Signature]*  
(Title) President  
(Phone) (203) 994-1079

OF: (Company) MSC Exploration, LP N2595  
(Address) 369 Florida Hill Rd.  
city RIDGEFIELD  
state CT zip 06877

RECEIVED  
OCT 25 2006

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 bottomhole depth, reenter plugged wells, or to drill treatment intervals. Use APPLICATION FOR PERMIT TO DRILL form for such purposes.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		6. LEASE DESIGNATION AND SERIAL NUMBER ML-47721
2. NAME OF OPERATOR Tidewater Oil & Gas, LLC		7. UNIT OR CLAIM/FORMATION NAME
3. ADDRESS OF OPERATOR 1645 Court Plaza, Ste. 301 CITY Denver STATE CO ZIP 80202		8. WELL NAME and NUMBER Cactus Rose MSC 2-1
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ COUNTY: _____ QUARTER, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE UTAH		9. API NUMBER 4301931402
		10. FIELD AND POOL, OR WILDCAT Undesignated
		PHONE NUMBER (303) 458-0656

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT <small>(Submit in Duplicate)</small> Approximate date work will start: 2/24/2007	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> HORIZONATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT <small>(Submit Original Form Only)</small> Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SOFTTRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANE	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> FLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMENCE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input checked="" type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
The proposed operations are as follows:

1. MIRU completion rig. ND wellhead. NU BOPE.
2. TOH with 2-7/8" tubing.
3. RU wireline. Set RBP in 5-1/2" casing at 8,200'.
4. Record baseline bradenhead pressure and monitor throughout job.
5. RIH and perforate selective intervals from 2,400' - 3,100' in Mancos Shale.  
(Initial target intervals 2,542'-52"; 2,630' -40"; and 3,045'-56")  
Top of cement at 2,080' per cement bond log run 11/17/04.
6. Fracture stimulate perforated intervals down casing (or down frac string, if necessary).
7. Flow test well. (TIH with tubing and flow test up tubing, if necessary).
8. TA well. ND BOPE. NU WH. RDMO.

**RECEIVED**  
**FEB 23 2007**  
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) James Jones TITLE Manager  
SIGNATURE [Signature] DATE 2/23/2007

(This space for State use only)

**APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING**

DATE: 2/23/07  
BY: [Signature]

COPY SENT TO OPERATOR  
Date: 2/27/07  
Initials: [Initials]



facsimile cover sheet

fax:

370 17th Street, Suite 1700  
Denver, CO 80202

Date: 2/23/2007

No. of Pages: (including cover) 3

To:

Name	Company	Fax
Jim Jones	Tidewater	435.259.8601

From: Oscar Duarte  
Fax No.: 720.876.6361  
Telephone No.: 720.876.6361

*ATTN: Dustin Doucet*

Message:

To Whom It May Concern:

Enclosed is a fax for Jim Jones. Jim is currently staying at your hotel.

Jim - Please execute this form in the correct space. Once you have done so, please fax it to: 801.359.3940 atn: Dustin Doucet

This needs to be done by 5 o'clock today. Thank you for your help.

Oscar

- please handle
- for your information
- per our conversation
- for distribution
- please approve
- per your request
- For your file
- please call

Call Oscar at 720.876.6361  
if problems are encountered with this transmission.

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www.encana.com

# TIDEWATER OIL & GAS COMPANY LLC

1645 Court Place, Suite 301

Denver, Colorado 80202

(303) 468-0656

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

July 12, 2007

RE: **Reclaimed MSC pits in Grand County, Utah**

Cactus Rose MSC 2-1

43.019.31402

Gentlemen,

## **Cactus Rose MSC 2-1 -**

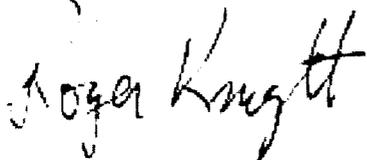
This pit has not been closed, and Tidewater has removed much of the excess fluid on the pit. Approximately half of the pit is dry, while the other ½ of the pit has a very small amount of water collected from seepage and weather.

Tidewater proposes to begin covering the pit by filling in the dry side of the pit at this time. The side with water will be reduced in size and the remaining water removed. The pit should dry out with the hot weather that has been experienced, and the remaining portion of the pit closed in approximately 1 month, after the fluid has evaporated from the soils. Tidewater will have S&S (435-564-3291) remove the accumulated liquids from the pit during the first week. Tidewater will monitor the pit so that it can be closed at the earliest possible time.

Additional work is being considered on this well, but the existing pit will not be utilized for any flow back water from completion stimulations. Attached is a chemical analysis of the water in the pit taken July 9, 2007 after water had been removed and evaporation had occurred. Tidewater does not want to close this pit before the soils have dried sufficiently to prevent any contamination by the wet soils floating to surface during closing.

Contact me if you have any questions at 303-808-5672 or James Jones, Manager  
Tidewater Oil & Company LLC at (303) 468-0656 ext 201.

Thank you



R. E. Knight, Agent  
Attached: Water analysis, current pit picture

RECEIVED

JUL 17 2007

DIV. OF OIL, GAS & MINING

# HALLIBURTON

Halliburton Energy Services  
The Rockies NWA District Laboratory  
Grand Junction, CO 970) 523-3692

## Water Analysis Report

### Contact Information

Company	Tide Water and Oil & Gas	Date Received	July 10, 2007
Reported To	Roger Knight	Date Tested	July 10, 2007
Reported By	Deba Shafiee	Tested By	Ann Ekx

### Sample 1 Physical Characteristics

Well Name	_____	Temperature	77 °F
Location	_____	pH	73
Specific Gravity	1.059	Color	Black
Corrected SG	1.062 at 60°F	Turbidity	Severe
TDS (calculated)	132512 ppm	Resistivity	0.09 Ω·m

### Sample 1 Chemical Characteristics

<b>Anions</b>	Chloride	73500	mg/L	<b>Cations</b>	Total Iron	0.0	mg/L
	Sulfate	0	mg/L		Ferrous Iron	0.0	mg/L
	Bicarbonate	500	mg/L		Potassium	50900	mg/L
	Carbonate	0	mg/L		Calcium	8200	mg/L
	Hydroxide	_____	mg/L		Magnesium	1400	mg/L
					Sodium (calculated)	5830	mg/L

NOTICE: This report is for information only, and the content is limited to the sample described. Halliburton makes no warranties, expressed or implied, as to the accuracy of the contents or results. Any user of this report agrees Halliburton shall not be liable for any loss or damage, regardless of cause, resulting from the use hereof.

### General Comments

Sample was filtered prior to the testing for clarity.

RECEIVED  
JUL 17 2007  
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:

**2/12/2008**

<b>FROM:</b> (Old Operator): N3000-Tidewater Oil & Gas Company, LLC 110 16th St, Suite 1200 Denver, CO 80202  Phone: 1 (303) 327-7134	<b>TO:</b> ( New Operator): N3440-NAE, LLC 16800 Imperial Valley Dr, Suite 380 Houston, TX 77060  Phone: 1 (281) 931-8933
--	--

WELL NAME	CA No.	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
CACTUS ROSE MSC 2-1	02	210S	180E	4301931402	14306	State	OW	S	
CACTUS ROSE 36-43-2217	36	220S	170E	4301931535	16184	State	OW	PA	
CACTUS ROSE 16-11-2118	16	210S	180E	4301931546	16416	State	OW	DRL	

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 2/26/2008
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 2/22/2008
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 1/15/2008
- a. Is the new operator registered in the State of Utah: Business Number: 6666480-0161
- b. If **NO**, the operator was contacted on: \_\_\_\_\_
- a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- b. Inspections of LA PA state/fee well sites complete on: ok
- c. Reports current for Production/Disposition & Sundries on: ok
- 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
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- 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:**

- Changes entered in the **Oil and Gas Database** on: 2/27/2008
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 2/27/2008
- Bond information entered in RBDMS on: 2/27/2008
- Fee/State wells attached to bond in RBDMS on: 2/27/2008
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 2/27/2008

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: UTB000296
- Indian well(s) covered by Bond Number: n/a
- a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 8030575893
- b. The **FORMER** operator has requested a release of liability from their bond on: 2/22/2008  
The Division sent response by letter on: n/a

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **NEW** 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:**

**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: \_\_\_\_\_

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: \_\_\_\_\_

7. UNIT or CA AGREEMENT NAME: \_\_\_\_\_

8. WELL NAME and NUMBER:  
*see attached list*

9. API NUMBER: \_\_\_\_\_

10. FIELD AND POOL, OR WILDCAT: \_\_\_\_\_

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
NAE, LLC *N3440*

3. ADDRESS OF OPERATOR:  
16800 Imperial Valley Dr. CITY Ste. 380 HOUSTON STATE TX ZIP 77060  
PHONE NUMBER: (281) 931-8933

4. LOCATION OF WELL

FOOTAGES AT SURFACE: \_\_\_\_\_ 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		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

NAE, LLC will be assuming all plugging and reclamation liabilities for the wells on the schedule attached hereto.

Effective Date: 2/12/08

Federal Bond Number: UTB000296  
State Bond Number: 8030575893

Name: Tidewater Oil & Gas Company LLC. Address: 110 16th St., Ste 1200, Denver, CO 80202

Signature: *[Signature]* *N3000*

Title: *Manager*

Date: *02/21/08*

NAME (PLEASE PRINT) *MICHAEL CORWISIT* TITLE *MANAGER NAE*

SIGNATURE *[Signature]* DATE *2/13/08*

(This space for State use only)

**APPROVED** *2/13/08*

*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

**RECEIVED**  
**FEB 22 2008**  
DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

September 29, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6343

Mr. Walter Lowry  
North American Exploration, LLC  
110 16<sup>th</sup> Street, STE# 1220  
Denver, CO 80202

215 18E 2

Re: State 21-19 (32-16D) API 43-019-31399; State MSC 16-1 API 43-019-31401;  
Cactus Rose MSC 2-1 API 43-019-31402; State MSC 35-1 API 43-019-31404;  
N Thompson 2-1 API 43-019-31412  
Extended Shut-in and Temporarily Abandoned Requirements for Wells on Fee or State Leases

Dear Mr. Lowry:

North American Exploration, LLC has five (5) Mineral Lease Wells (see Attachment A) that are currently in non-compliance for extended shut-in and temporary abandonment (SI/TA) status. It is understood that a couple of these wells have been or will be plugged shortly. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and



Page 2

September 29, 2008

Mr. Lowry

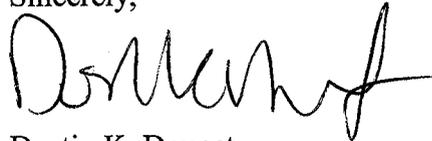
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3)

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

JP/js  
Enclosure

cc: Jim Davis, SITLA  
Compliance File  
Well File

### Attachment A

	<b>Well Name</b>	<b>API</b>	<b>Lease Type</b>	<b>Years Inactive</b>
1	STATE 21-19 (32-16D)	43-019-31399	ML-47441	4 Years 11 Months
2	STATE MSC 16-1	43-019-31401	ML-46760	3 Years 9 Months
3	CACTUS ROSE MSC 2-1	43-019-31402	ML-47721	2 Years 9 Months
4	STATE MSC 35-1	43-019-31404	ML-47576	3 Years 5 Months
5	N THOMPSON 2-1	43-019-31412	ML-46759	3 Years 10 Months



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

February 23, 2009

CERTIFIED MAIL NO.: 7005 0390 0000 7507 4238

Mr. Walter Lowry  
North American Exploration, LLC  
110 16<sup>th</sup> Street, STE# 1220  
Denver, CO 80202

215 18E 2

Subject: **SECOND NOTICE: Extended Shut-in and Temporarily Abandoned Requirements for Wells on Fee or State Leases**

State 21-19 (32-16D) API 43-019-31399; State MSC 16-1 API 43-019-31401;  
Cactus Rose MSC 2-1 API 43-019-31402; State MSC 35-1 API 43-019-31404;  
N Thompson 2-1 API 43-019-31412

Dear Mr. Lowry:

North American Exploration, LLC ("NAE") has five (5) Mineral Lease Wells (see Attachment A) that are currently in non-compliance for extended shut-in and temporary abandonment (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

Based on a sundry dated February 13, 2008 it was understood by the Division that NAE would be "assuming all plugging and reclamation liabilities" for the above listed wells. The N THOMPSON 2-1 well had a sundry dated July 18, 2008 with intent to plug and abandon (P&A). Condition of approval to P&A was sent to NAE July 22, 2008. The STATE 21-19 (32-16D) also had a sundry dated August 22, 2008 with intent to P&A. Condition of approval to plug this well was sent September 3, 2008. A notice of SI/TA status for wells listed (Attachment A) was sent via certified mail September 29, 2008. To date the Division has no record of the proposed work being done on these wells, nor received any such correspondence addressing the issue. Please address this matter promptly.



Page 2  
North American Exploration, LLC  
February 23, 2009

For extended SI/TA consideration the operator shall provide the Division with the following:

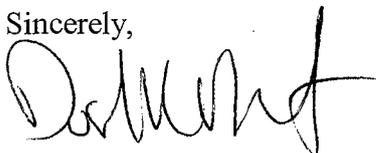
1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3)

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, a notice of violation will be issued. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

DKD/JP/js  
Enclosure  
cc: Jim Davis, SITLA  
Compliance File  
Well File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

## Attachment A

	<b>Well Name</b>	<b>API</b>	<b>Lease Type</b>	<b>Years Inactive</b>
1	STATE 21-19 (32-16D)	43-019-31399	ML-47441	5 Years 3 Months
2	STATE MSC 16-1	43-019-31401	ML-46760	4 Years 2 Months
3	CACTUS ROSE MSC 2-1	43-019-31402	ML-47721	3 Years 2 Months
4	STATE MSC 35-1	43-019-31404	ML-47576	3 Years 10 Months
5	N THOMPSON 2-1	43-019-31412	ML-46759	4 Years 3 Months

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML-47721**

**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 \_\_\_\_\_

8. WELL NAME and NUMBER:  
**CACTUS ROSE MSC 2-1**

2. NAME OF OPERATOR:  
**NAE LLC**

9. API NUMBER:  
**4301931402**

3. ADDRESS OF OPERATOR:  
110 16TH ST., STE 1220 CITY **DENVER** STATE **CO** ZIP **80202** PHONE NUMBER: **(303) 327-7169**

10. FIELD AND POOL, OR WILDCAT:  
**WILDCAT**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **1110 FSL, 495 FEL**

COUNTY: **GRAND**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWSW 2 21S 18E 2**

STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input checked="" type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <b>3/5/2007</b>	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input checked="" type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

2/25/2007 Set CIBP @ 3200', perf Mancos 3045-55'  
2/26/2007 Frac Mancos 3045-55 w/ 70Q N2 foam, 111,000 lbs 20/40 frac sand  
3/3/2007 flow test well  
3/4/2007 Shut in well

NAME (PLEASE PRINT) Mark Grummon

TITLE Exec VP

SIGNATURE \_\_\_\_\_

DATE 8/21/2009

(This space for State use only)

**RECEIVED**  
**AUG 26 2009**  
**DIV. OF OIL, GAS & MINING**

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

FORM 6

ENTITY ACTION FORM

Operator: NAE, LLC Operator Account Number: N 3440  
Address: 110 SIXTEENTH ST, SUITE 1220  
city DENVER  
state CO zip 80202 Phone Number: (303) 327-7169

Well 1

*SESE*

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301931402	CACTUS ROSE MSC 2-1		<del>NWSW</del>	2	21S	18E	GRAND
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>E</i>	<i>14306</i>	<i>14306</i>	9/10/2004		<i>9/2/09</i>		
Comments: <i>WHRM</i> <u>Recompleted in the Mancos formation on 3/5/2007</u>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301931595	SVA 23-33-2119		NWSW	33	21S	19E	GRAND
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>E</i>	<i>17247</i>	<i>17247</i>	9/30/2008		<i>9/2/09</i>		
Comments: <i>CHIN</i> <u>COMPLETE WELL IN THE WINGATE FORMATION</u> <i>BHL = NWNW</i>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301931572	CRU 31-24-2218		SESW	31	22S	18E	
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>A</i>	<i>99999</i>	<i>99998</i>	4/25/2008		<i>9/2/09</i>		
Comments: <i>CHIN</i> <u>- well PA'd 5/8/09</u> <b>CONFIDENTIAL</b>							

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)

*Mark Grummon*  
Name (Please Print)  
*Mark Grummon*  
Signature  
*Exec VP*  
Title  
*9/1/2009*  
Date

(5/2000)

RECEIVED

SEP 02 2009

DIV. OF OIL, GAS & MINING



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

February 22, 2011

Certified Mail No. 7004 1160 0003 0190 4857

## DIVISION ORDER

North American Exploration, LLC  
38C Grove Street  
Richfield, CT 06877

43 019 31402  
215 18E 2

Subject: Division Order to Plug and Abandon the Cactus Rose MSC 2-1, Cactus Rose 16-11-2118, SVA 23-33-2119 and State MSC 35-1 wells operated by North American Energy, LLC

To Whom It May Concern:

The Division of Oil, Gas and Mining (the Division) received notice of North American Exploration, LLC (NAE) Chapter 7 Bankruptcy, District of Delaware (Case 10-13199) on January 12, 2011.

Due to the bankruptcy the Division is concerned with NAE's future ability to continue operating within the legal and financial constraints of the Utah Oil and Gas Conservation Act. NAE is required to be able to meet its duty to plug each dry or abandoned well, prevent waste or pollution, and maintain and restore each well site (Utah Code § 40-6-5 and rule R649-3-1.2).

The Cactus Rose MSC 2-1, Cactus Rose 16-11-2118, SVA 23-33-2119 and State MSC 35-1 wells are all currently in shut-in status. In addition, these wells are in noncompliance with Oil and Gas Conservation General Rule R649-3-36 (Shut-in and Temporarily Abandoned Wells).

The Division is hereby ordering NAE to Plug and Abandon the Cactus Rose MSC 2-1 (API 43-019-31402), Cactus Rose 16-11-2118 (API 43-019-31546), SVA 23-33-2119 (API 43-019-31595) and State MSC 35-1 (API 43-019-31404) wells.

The wells shall be plugged in accordance with R649-3-24. Within 30 days of receipt of this order NAE shall submit notices of intent sundries, for Division approval, to plug and abandon each well.



Page 2

North American Exploration, LLC

February 22, 2011

Therefore, NAE has 30 days from receipt of this Order to enter into an agreement for execution of the Order.

NAE has the right to appeal the Division Order by filing to the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of the order.

In the event NAE does not respond to the Division Plugging and Abandonment Order, within 30 days of receipt, the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the Utah Administrative Code R641, requesting a Board Order to plug and restore the well sites. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-1.16) and liability for plugging costs in excess of bond forfeiture amounts (R649-3-1-4).

Questions regarding this order may be directed to Clinton Dworshak, Compliance Manager at (801) 538-5280 or Dustin Doucet, Engineer, at (801) 538-5281.

Sincerely,



Clinton Dworshak  
Compliance Manager

CLD/js

cc: John Rogers, Associate Director  
Steve Alder, Assistant Attorney General  
Dustin Doucet, Engineer  
Randy Thackeray, Lead Auditor  
LaVonne Garrison, SITLA  
Bill Kreussling, NAE, LLC  
Michael S. Cornish, MSC Exploration  
James Jones, Tidewater Oil and Gas  
United States Bankruptcy Court  
Compliance File  
Bond File  
Well File



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

October 25, 2011

Certified Mail 7010167000148103133

Dodie Lilley  
Wells Fargo Bank  
MAC T5916-011  
21314 Kuykendahl Road  
Spring, TX 77379

SUBJECT: Claim Against CDs 9398350612, 9398350620, 9398350596 and 9398350604 issued by Wells Fargo Bank, as Surety on behalf of NAE, LLC, as Principal

Dear Ms. Lilley:

21S 18E 2

This letter serves as a claim against the referenced CDs by the Utah Division of Oil, Gas and Mining ("the Division"). North American Exploration, LLC aka NAE, LLC ("NAE") is the operator of record for the SVA Unit 23-33-2119 Well (API 43-019-31595); Cactus Rose MSC 2-1 (API 43-019-31402); State MSC 35-1 (API 43-019-31404) and Cactus Rose 16-11-2118 (API 43-019-31546) ("the wells"). NAE has defaulted on conditions set forth in the referenced bond as follows: (bond copies attached)

"NOW THEREFORE, if the above bound principal shall comply with all of the provisions of the laws of this State, and the rules and regulations and orders of the Division of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging of said well(s), and filing with the Division of the State, all notices and records required by said office, then this obligation is void, otherwise the same shall be in full force and effect."

NAE has failed to reply to or comply with our demands for compliance with the Shut-in/Temporarily Abandoned Well Requirements and Notice of Violation ("NOV") letters regarding noncompliance with Division Rule R649-3-36, Shut-in and Temporarily Abandoned Wells. A Division Order to plug the well was dated February 22, 2011. Copies of those letters and the return receipts are available upon request.

The Division has reviewed the Utah Division of Corporations and Commercial Code concerning the whereabouts of NAE without success.

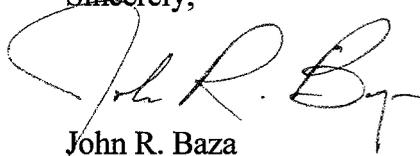
Page Two  
Wells Fargo Bank  
October 25, 2011

NAE filed Chapter 7 Bankruptcy on January 12, 2011; the Trustee's Abandonment of Estate Property for the wells dated July 15, 2011 and August 24, 2011 are attached. Alyse Aruch representing the Chapter Trustee sent authorization to release the CDs to the Division dated September 20, 2011. Therefore, the Division has concluded that NAE is defunct as the operator of the wells and that the wells have been abandoned.

The Board of Oil, Gas and Mining ("the Board") has ordered the CDs be claimed to resolve the matter. The Division therefore requests Wells Fargo to surrender of the CDs along with any accrued interest payable to the "State of Utah, Division of Oil, Gas & Mining" to plug the wells and reclaim the well locations. Upon receipt of certified funds, Wells Fargo is hereby relieved of responsibility to protect the funds for the Division

Due to the presence of potential environmental hazards at the well site, the Division appreciates your prompt attention to this matter. If you have any questions, please contact Dustin Doucet, Petroleum Engineer at (801) 538-5281 or John Rogers, Associate Director – Oil and Gas Program at (801) 538-5349.

Sincerely,



John R. Baza  
Director  
Division of Oil, Gas and Mining

Attachments (5)  
JRB/jr/rt/er

cc: James T. Jensen, Board Chairman (via e-mail)  
Steve Alder, Assistant Attorney General (via e-mail)  
Alyse M. Aruch, McCarter & English (via e-mail)  
John Rogers, Associate Director (via e-mail)  
Dustin Doucet, Petroleum Engineer (via e-mail)  
LaVonne Garrison, SITLA (via state mail)  
NAE, LLC Certified Mail 70101670000148103140  
Bond File  
Well Files

**RELEASE**

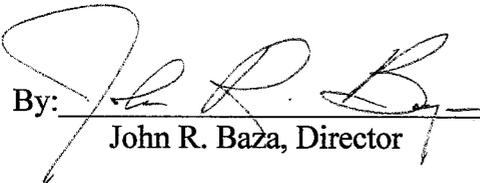
**WHEREAS**, NAE, LLC (“Operator”), as principal and Wells Fargo Bank (“Bond Agent”), as bond, issued Certificates of Deposits (CDs) numbered 9398350612, 9398350620, 9398350596 and 9398350604 in the aggregate amount of One Hundred Fifty Thousand Dollars (\$30,000, \$60,000, \$30,000, \$30,000; totaling \$150,000) on November 25, 2009 in favor of the State of Utah, which CDs provided the State some assurance that certain wells would be plugged pursuant to the rules and regulations of the State of Utah.

**WHEREAS**, The State of Utah has made a demand on the operator and bond numbers under the referenced bond, claim number 222-15 in the amounts totaling \$150,000, pursuant to the terms of the bonds.

**NOW, THEREFORE**, in consideration of the payment of One Hundred Fifty Thousand and no Dollars (\$150,000), the State of Utah fully discharges and releases the bonds of any and all claims, whether known or unknown, relating to the obligation stated within the terms of the bonds. This release shall take full force and effect only upon receipt of certified funds by the State of Utah of the payment in the amount totaling \$150,000, referenced above.

**SIGNED AND SEALED** this 25th day of October, 2011.

**THE STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING:**

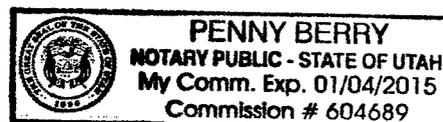
By:   
John R. Baza, Director

STATE OF UTAH                    )  
  ) ss:  
COUNTY OF SALT LAKE    )

On the 25th day of October 2011, personally appeared before me, John R. Baza, who being duly sworn did say that he, the said John R. Baza, is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he duly acknowledged to me that he executed the foregoing release by authority of law on behalf of the State of Utah.

  
Notary Public  
Residing at: Salt Lake

1/4/2015  
My Commission Expires:



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	:
NORTH AMERICAN EXPLORATION, LLC	:
Debtor.	:
	:

: Chapter 7  
: Case No. 10-13199 (PJW)  
: Related Docket No. 43

**ORDER GRANTING CHAPTER 7 TRUSTEE'S ABANDONMENT OF ESTATE PROPERTY**

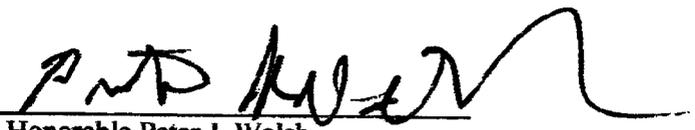
Upon consideration of the Proposed Notice of Abandonment of Estate Property (the "Notice") of the Chapter 7 Trustee for the entry of an order abandoning the estate property known as (1) Cactus Rose MSC 2-1 (API# 43-019-31402) ML 47721, (2) State MSC 35-1 (API# 43-019-31404) ML 47576, and (3) Cactus Rose 16-11-2118 (API# 43-019-31546) ML 47575 (the "Property"); and it appearing that the Court has jurisdiction over this matter; and it appearing that notice of the Notice was sufficiently provided, and that no other or further notice need be provided; and it further appearing that the relief requested in the Notice is in the best interest of the bankruptcy estate; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefore, it is hereby

ORDERED that the Property is hereby abandoned; and it is further

ORDERED that the Chapter 7 Trustee is authorized and empowered to take all actions necessary to implement the relief granted in this Order; and it is further

ORDERED that this Court shall, and hereby does, retain jurisdiction with respect to all matters arising from or in relation to the implementation of this Order.

Dated: Aug 24, 2011  
Wilmington, Delaware

  
The Honorable Peter J. Walsh  
United States Bankruptcy Judge

September 20, 2011

VIA E-MAIL AND US MAIL

Steven F. Adler  
Assistant Utah Attorney General  
1594 West North Temple St. #300  
Salt Lake City, Utah 84118

Re: In re North American Exploration, LLC  
Chapter 7, Case No.: 10-13199 (PJW)

Alyse M. Aruch  
Associate  
T. 973.849.4157  
F. 973.624.7070  
aaruch@mccarter.com

Dear Mr. Adler:

As you know, this Firm represents Charles A. Stanziale, Jr. as the Chapter Trustee (the "Trustee") to North American Exploration, LLC (the "Debtor") in the above-referenced bankruptcy case. The Debtor is the designated operator of the oil and gas wells set forth below, each of which is located in Utah (the "Wells").

McCarter & English, LLP  
Four Gateway Center  
100 Mulberry Street  
Newark, NJ 07102-4056  
T. 973.622.4444  
F. 973.624.7070  
www.mccarter.com

The Trustee understands that as operator, the Debtor is responsible for plugging and restoring the well site for each Well. The Trustee is aware that prior to filing its bankruptcy petition, the Debtor provided the Utah Division of Oil Gas & Mining (the "Division") with certain Certificates of Deposit (the "CDs") to be held by Wells Fargo Bank as bonds to secure the plugging and abandonment of the Wells as required by Utah state law. The amount and account number for each CD is set forth below. On February 22, 2011 the Division issues a Division Order requiring the plugging of the Wells. The Trustee has not and will not be taking any steps to plug the Wells.

	<u>Well</u>	<u>Account Number</u>	<u>Amount</u>
BOSTON	SVA Unit #23-33-2119	#9398350612	\$30,000
HARTFORD	State MSC 35-1	#9398350620	\$60,000
NEW YORK	Cactus Rose MSC 2-1	#9398350596	\$30,000
NEWARK	Cactus Rose 16-11-21182	#9398350604	\$30,000

On July 15, 2011 and August 24, 2011 the Bankruptcy Court entered two orders (the "Abandonment Orders") approving the Trustee's abandonment of the Wells. The Abandonment Orders authorized the Trustee to take any and all necessary action to implement the abandonment of the Wells.

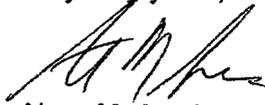
STAMFORD

WILMINGTON

September 20, 2011  
Page 2

Pursuant to the Division Order and the Abandonment Orders, the Trustee hereby authorizes the Division to instruct Wells Fargo Bank to release the CDs to the Division.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alyse M. Aruch', written in a cursive style.

Alyse M. Aruch

**FILED**

OCT 13 2011

**SECRETARY, BOARD OF  
OIL, GAS & MINING**

Steven F. Alder (00033)  
Emily Lewis (13280)  
Assistants Utah Attorney General  
1594 West North Temple St. #300  
Salt Lake City, Utah 84118  
Telephone 801 538 5348

**BEFORE THE BOARD OF OIL, GAS, AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
STATE OF UTAH**

IN THE MATTER OF THE DIVISION OF OIL, GAS, AND MINING'S NOTICE OF AGENCY ACTION FOR AN ORDER FORFEITING TO THE STATE OF UTAH ALL INTEREST IN THE CERTIFICATES OF DEPOSIT #9398350612, #9398350620, #9398350596, AND #9398350604 BEING HELD BY WELLS FARGO BANK FOR AND ON BEHALF OF THE STATE OF UTAH AS SURETY FOR THE PLUGGING AND ABANDONMENT OF THE FOLLOWING WELLS OPERATED BY NORTH AMERICAN EXPLORATION, LLC: SVA UNIT #23-33-2119, STATE MSC 35-1, CACTUS ROSE MSC 2-1, AND CACTUS ROSE 16-11-2118; ALL IN GRAND COUNTY, UTAH

**FINDINGS OF FACT,  
CONCLUSION OF LAW,  
AND ORDER**

Docket No. 2011-016

Cause No. 222-15

The foregoing titled Notice of Agency Action (NAA) filed by the Utah Division of Oil Gas & Mining, ("Division") seeking an Order of the Board requiring that North American Exploration proceed to forfeit the bonds provided for the purpose of plugging the wells and a reclaiming the well sites, and other relief came on for hearing on Thursday, September 29, 2011 at a regularly scheduled meeting of the Board.

The Following members of the Board were present and participated in the hearing: Ruland J. Gill, Jr., Kelley L. Payne, Charles D. Hansen, Carl F. Kendell, and James T. Jensen, Chairman. Michael Johnson, Assistant Attorney General represented the Board. Division employees, Clinton Dworshak, and Earlene Russell provided testimony and presented evidence in support of the NAA. The Division was represented by Steven F. Alder, Assistant Utah Attorney General. No persons appeared on behalf of the Respondent, North American Exploration or any other party in opposition to the NAA. The Board heard the testimony and reviewed the pleadings and exhibits presented and being fully apprised of the premises makes the following,

#### FINDINGS OF FACT

1. North American Exploration, LLC a/k/a NAE, LLC (“NAE”) is a Delaware corporation qualified to do business in Utah.
2. NAE is the designated Operator of the following oil and gas wells drilled at the following locations in Grand County, Utah:

SVA Unit #23-33-2119	Section 33 Township 21 S, Range 19 E, SLM
State MSC 35-1,	Section 35 Township 21 S, Range 19 E, SLM
Cactus Rose MSC 2-1,	Section 2, Township 21 S, Range 18 E SLM, and
Cactus Rose 16-11-2118	Section 16, Township 21 S, Range 18 E, SLM.
3. NAE as Operator is responsible to plug the wells and restore the well sites for each of the above wells.
4. NAE as operator provided to the Division Certificates of Deposit (CDs) to be held by Wells Fargo Bank as bonds to secure the plugging and abandonment of the wells as required by

Utah code § 40-6-5(2)(f)(2011) and Utah Admin. Code R649-3-1(1), in the amounts and for the wells as shown below:

SVA Unit #23-33-2119	#9398350612,	\$30,000.00;
State MSC 35-1,	#9398350620,	\$60,000.00;
Cactus Rose MSC 2-1,	#9398350596,	\$30,000.00; and
Cactus Rose 16-11-21182.	#9398350604,	\$30,000.00.

5. For each CD provided to the Division as a bond for the costs of plugging and restoring the well site, NAE through its authorized agent executed a Collateral Bond agreement on the Division's form 4B which provides that the CD's is payable to the Director of the Division of Oil, Gas and Mining as agent of the State of Utah unless the well is properly plugged and well site restored.

6. For each CD provided to the Division as a bond, the Division was provided a Time Account Receipt/Disclosure (identifying the number and amount of the CD and indicating it is to be automatically renewed), a Time Account Maintenance Request, (indicating that the Payee is the director of the Utah Division of Oil Gas and Mining), a Time Account Detail (indicating that the CD are subject to a Hold), and a Hold Detail (indicating the Hold does not expire and that written authorization is required to remove the restraint).

7. NAE has filed a voluntary petition under Chapter 7 of the United States Bankruptcy code, in the United States Bankruptcy Court for the District of Delaware on October 1, 2010.

8. On February 22, 2011 the Division issued its Division Order requiring the plugging of the subject wells as required by the rules.

9. As a result of the filing of its voluntary Chapter 7 bankruptcy and the abandonment by the bankruptcy trustee of any interest in the wells for which the CD's are being held, the Operator NAE is without financial means to conduct plugging and site restoration.

10. NAE, as the operator; the bankruptcy trustee on behalf of NAE; and Dawn Trucking as assignees have not responded to the Division Order to plug the wells and restore the sites and have otherwise refused to plug the sites despite having the opportunity to do so.

11. On September 20, 2011 the bankruptcy trustee advised counsel for the Division by letter that it had abandoned all interest in the wells and any claims to the CD's and has authorized the Division to instruct Wells Fargo Bank to release the CD's to the Division.

#### CONCLUSIONS OF LAW

1. Proper and adequate notice of the hearing on the Division's NAA was given to North American Exploration d/b/a NAE, as operator; to the bankruptcy trustee on behalf of the operator and interests of the bankruptcy estate, if any; to Wells Fargo Bank as holder of the CD's, to Dawn Trucking Company as assignee; and to all other persons who may be entitled to notice under the rules of the Board.

2. NAE as Operator is responsible to plug the wells and restore the well sites for each of the above wells.

3. The Operator has refused and due to the bankrupt status is otherwise unable to complete plugging of the wells and reclamation of the well sites.

4. It is necessary and appropriate that the Board order that the following Certificates of Deposit which were provided as surety for the plugging of the wells and reclamation of the well sites be forfeited to the Division:

<u>Well</u>	<u>CD</u>	<u>Amount</u>
SVA Unit #23-33-2119	#9398350612,	\$30,000.00;
State MSC 35-1,	#9398350620,	\$60,000.00;
Cactus Rose MSC 2-1,	#9398350596,	\$30,000.00; and
Cactus Rose 16-11-21182.	#9398350604,	\$30,000.00.

5. It is appropriate and necessary that upon request by the Director that Wells Fargo Bank deliver to the Division the full face value of amount for each CD as shown above to be used by the Division to plug the wells and restore the sites as required by the Division's rules.

6. The Division is obligated to use the forfeited funds to effect the plugging of the wells and the restoration of the sites to the standards required by the Division's rules.

**NOW THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:**

1. The following Certificates of Deposit and any accrued interest held by Wells Fargo Bank and provided as surety for the plugging of the listed wells and reclamation of the well sites are ordered forfeited to the Division:

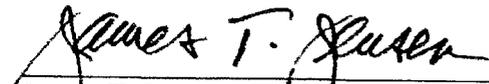
<u>Well</u>	<u>CD</u>	<u>Amount</u>
SVA Unit #23-33-2119	#9398350612,	\$30,000.00;
State MSC 35-1,	#9398350620,	\$60,000.00;
Cactus Rose MSC 2-1,	#9398350596,	\$30,000.00; and
Cactus Rose 16-11-21182.	#9398350604,	\$30,000.00.

2. The Division is Ordered to use all amounts forfeited to plug the above identified wells and reclaim the well sites to the standards required by the law.

3. The Division is authorized to make demand and to take any and all actions necessary to complete the forfeiture of the bonds, recovery of the amounts held as surety, and to effect the proper plugging of the wells and restoration of the well sites.

Dated this 13<sup>th</sup> day of October, 2011

STATE OF UTAH  
BOARD OF OIL, GAS AND MINING

  
James T. Jensen, Chairman  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84116

**CERTIFICATE OF SERVICE**

I hereby certify that I caused a true and correct copy of the foregoing FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER for Docket No. 2011-016, Cause No. 222-15 to be mailed with postage prepaid, this 14th day of October, 2011, to the following:

North American Exploration, LLC  
38 C Grove Street  
Ridgefield, CT 06877

Michael S. Johnson  
Assistant Attorneys General  
Utah Board of Oil, Gas & Mining  
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**[Via Email]**

Steven F. Alder  
Assistant Attorneys General  
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\_\_\_\_\_

**Division of Oil, Gas and Mining**  
**ORPHAN-NO RESPONSIBLE OPERATOR**  
**CHANGE WORKSHEET (for state use only)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:	<b>12/20/2011</b>
<b>FROM:</b> (Old Operator): N3440- NAE, LLC	<b>TO:</b> ( New Operator): N9999-Orphan-No Responsible Operator

<b>Docket Number:</b>	2011-016	Board: X	Division:					
<b>Cause Number:</b>	222-15							
<b>WELL NAME</b>	<b>SEC</b>	<b>TWN</b>	<b>RNG</b>	<b>API NO</b>	<b>ENTITY NO</b>	<b>LEASE TYPE</b>	<b>WELL TYPE</b>	<b>WELL STATUS</b>
CACTUS ROSE 16-11-2118	16	210S	180E	4301931546	16416	State	OW	S
CACTUS ROSE MSC 2-1	02	210S	180E	4301931402	14306	State	GW	S
STATE MSC 35-1	35	210S	190E	4301931404	14259	State	GW	S
SVA 23-33-2119	33	210S	190E	4301931595	17247	State	OW	S

**DATA ENTRY:**

1. Date bond received on: 12/20/2011
2. Changes entered in the Oil and Gas Database on: 11/30/2012
3. Date RBDMS changed to "Calimed" on: 12/20/2011

**COMMENTS:**

Per the Board of Oil, Gas and Mining well(s) moved to N9999 Orphan-No Responsible Operator for Division plugging.

Division of Oil, Gas and Mining  
**ORPHAN-NO RESPONSIBLE OPERATOR**  
**CHANGE WORKSHEET (for state use only)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:	<b>12/20/2011</b>
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<b>Docket Number:</b>	2011-016	Board: X	Division:					
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<b>WELL NAME</b>	<b>SEC</b>	<b>TWN</b>	<b>RNG</b>	<b>API NO</b>	<b>ENTITY NO</b>	<b>LEASE TYPE</b>	<b>WELL TYPE</b>	<b>WELL STATUS</b>
CACTUS ROSE 16-11-2118	16	210S	180E	4301931546	16416	State	OW	S
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STATE MSC 35-1	35	210S	190E	4301931404	14259	State	GW	S
SVA 23-33-2119	33	210S	190E	4301931595	17247	State	OW	S

**DATA ENTRY:**

- Date bond received on: 12/20/2011
- Changes entered in the **Oil and Gas Database** on: 11/30/2012
- Date RBDMS changed to "Calimed" on: 12/20/2011

**COMMENTS:**

Well(s) moved to N9999 Orphan-No Resonsible Operator for plugging.