

001

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47576
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 type="checkbox"/> GAS <input checked="" 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: STATE MSC 35-1
3. ADDRESS OF OPERATOR: CITY HOUSTON STATE TX ZIP 77060		9. FIELD AND POOL, OR WILDCAT: WILDCAT
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 470 FNL & 1320 FWL 604729 X 38.94853 AT PROPOSED PRODUCING ZONE: SAME 4311552Y -109.79147		10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW 35 21S 19E S NW
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 1 MILE EAST OF CRESCENT JUNCTION		11. COUNTY: GRAND 12. STATE: UTAH
14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 470	15. NUMBER OF ACRES IN LEASE: 1,600	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: 7,800	19. BOND DESCRIPTION: STATE WIDE (to be submitted)
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4,876 GL	21. APPROXIMATE DATE WORK WILL START: 6/21/2004	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
12-1/4	8-5/8 K-55 24	500	CLASS G 350 SX 1.18 15.2
7-7/8	5-1/2 N-80 17	7,800	BLEND 300 SX 3.82 11.0
			50/50 POZ 300 SX 1.21 14.4

24. **ATTACHMENTS**

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

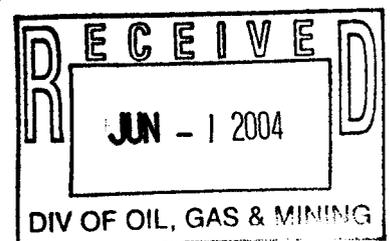
NAME (PLEASE PRINT) BRIAN WOOD PHONE: (505) 466-8120 TITLE CONSULTANT FAX: (505) 466-9682

SIGNATURE Brian Wood DATE 5/31/2004

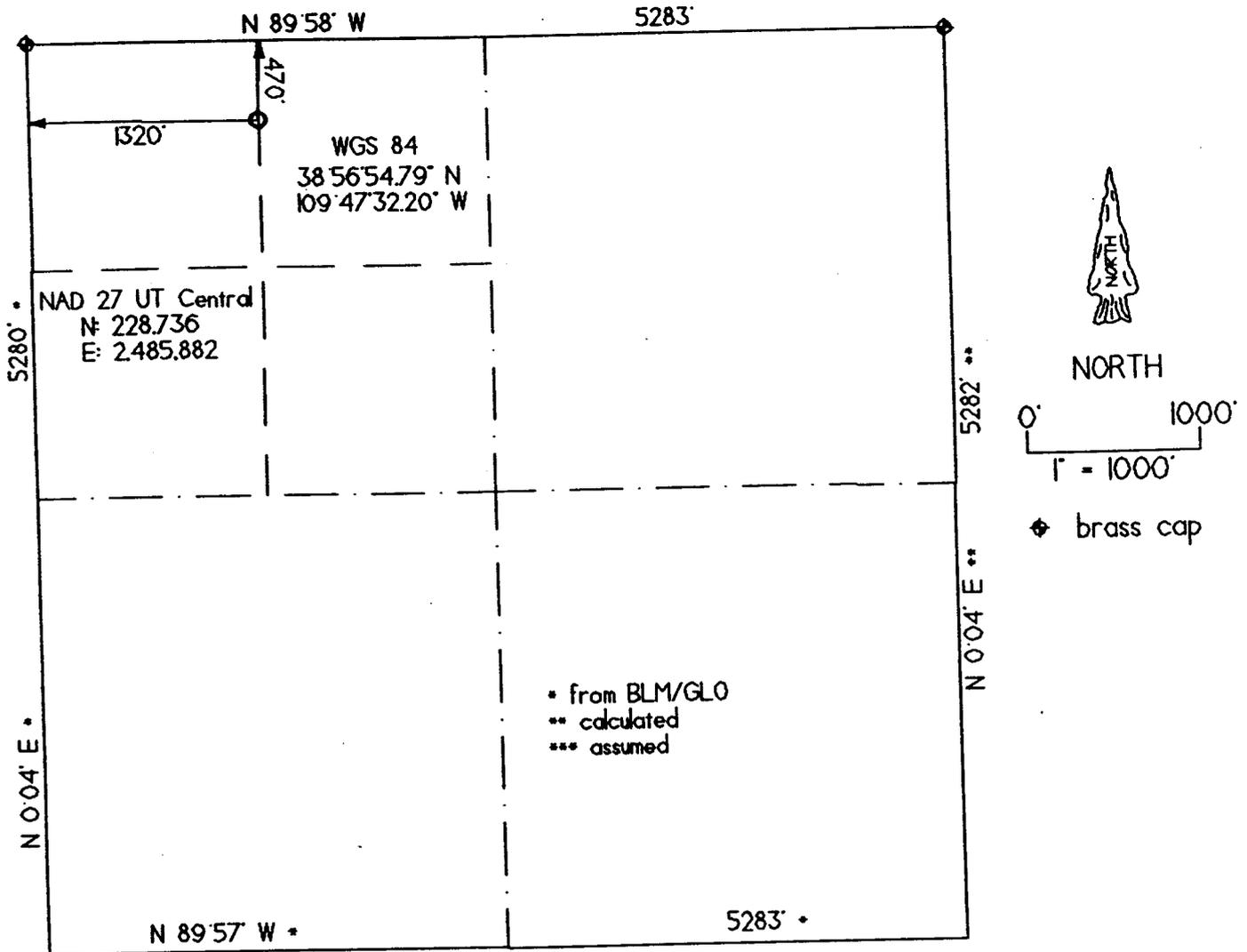
(This space for State use only)

API NUMBER ASSIGNED: 43019-31404

APPROVAL:

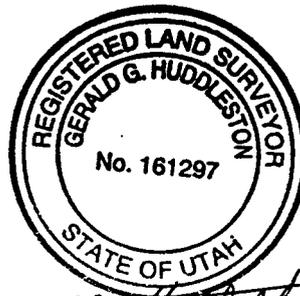


Well Location Plat



Well Location Description

MSC EXPLORATION, L.P.
 STATE MSC # 35 - 1
 470' FNL & 1320' FWL
 Section 35, T.21 S., R.19 E., SLM
 Grand County, UT
 4876' grd. el. (from GPS)



05/20/04

Gerald G. Huddleston
 Gerald G. Huddleston, LS

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

HUDDLESTON LAND SURVEYING - BOX KK - CORTEZ, CO - (970) 565 -3330

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/01/2004

API NO. ASSIGNED: 43-019-31404

WELL NAME: STATE MSC 35-1
OPERATOR: MSC EXPLORATION, LP (N2595)
CONTACT: BRIAN WOOD

PHONE NUMBER: 505-466-8120

PROPOSED LOCATION:

NWNW 35 210S 190E
SURFACE: 0470 FNL 1320 FWL
BOTTOM: 0470 FNL 1320 FWL
GRAND
WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	7/2/04
Geology		
Surface		

LEASE TYPE: 3 - State
LEASE NUMBER: ML-47576
SURFACE OWNER: 3 - State
PROPOSED FORMATION: WINGT
COALBED METHANE WELL? NO

LATITUDE: 38.94853
LONGITUDE: 109.79147

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]
(No. 15,000 Cash or Per Ed Bonds)
- Potash (Y/N) 04-003
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 92-117)
- RDCC Review (Y/N)
(Date: 06/23/2004)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

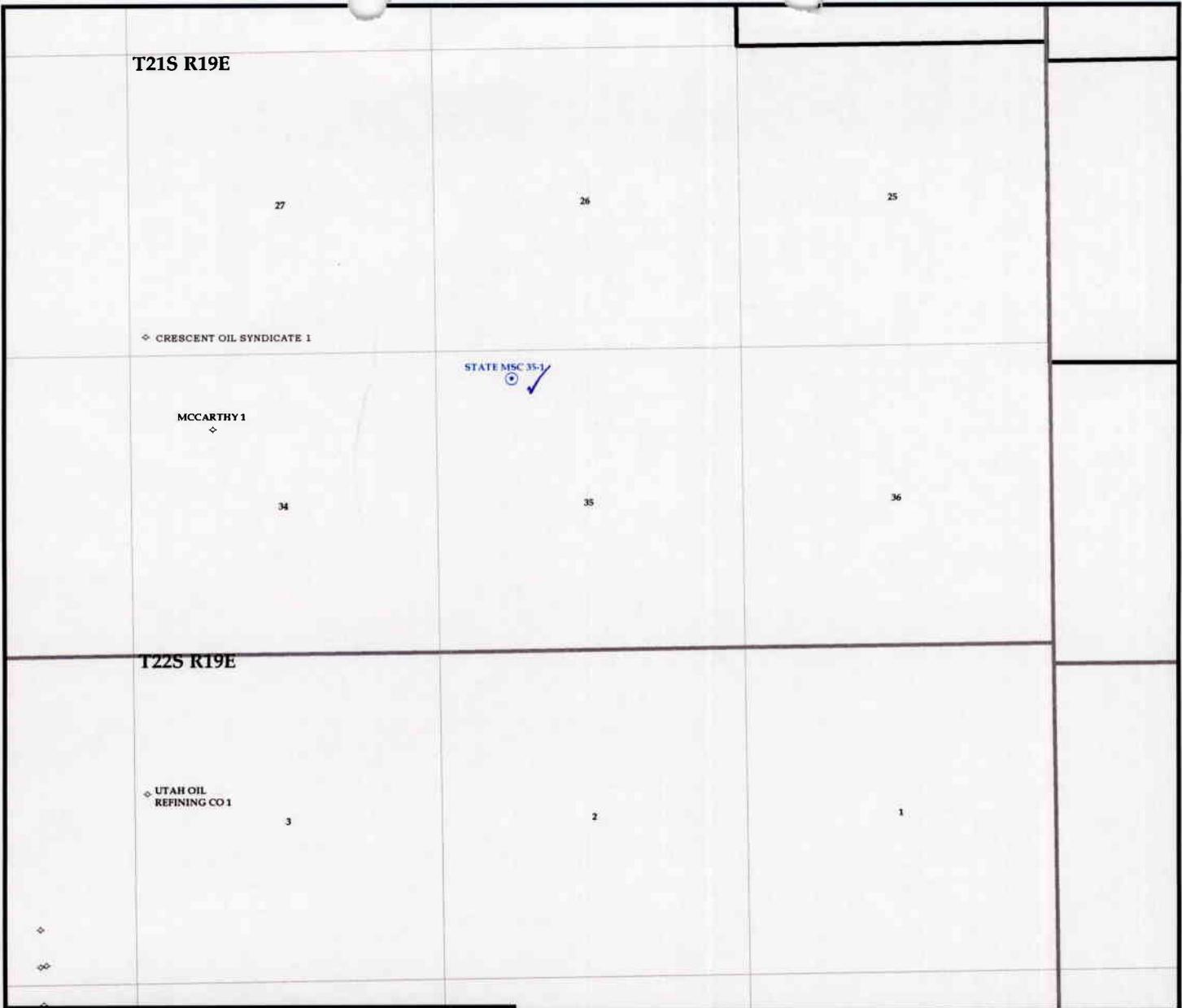
- R649-2-3.
Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS:

Needs Permit (06-02-04)

STIPULATIONS:

- 1- Spacing Slip
- 2- ~~Surface~~ Production casing should be brought above Dakota ~~ss~~ (+1900')
- 3- STATEMENT OF BASIS



OPERATOR: MSC EXPLORATION LP (N2595)

SEC. 35 T.21S, R.19E

FIELD: WILDCAT (001)

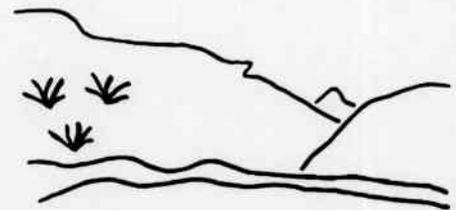
COUNTY: GRAND

SPACING: R649-3-3 / EXCEPTION LOCATION

- | 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 |

Land Status

- Private Not Classified
- Forest Service
- BLM
- State Lands
- Native American
- Private
- Military
- National Parks
- State Parks
- State Wilderness
- National Recreation
- US Wildlife
- Wilderness
- Bankhead Jones
- Sovereign Lands
- Water
- Intermittent Water
- Section Line
- Township Boundary



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 8-JUNE-2004

001

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PHONE NUMBER: (281) 931-8933		10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW 35 21S 19E S NW
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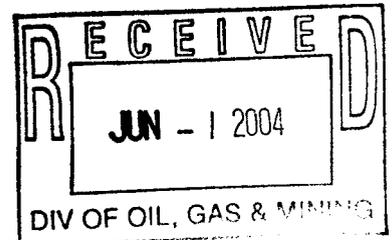
NAME (PLEASE PRINT) BRIAN WOOD PHONE: (505) 466-8120 TITLE CONSULTANT FAX: (505) 466-9682

SIGNATURE Brian Wood DATE 5/31/2004

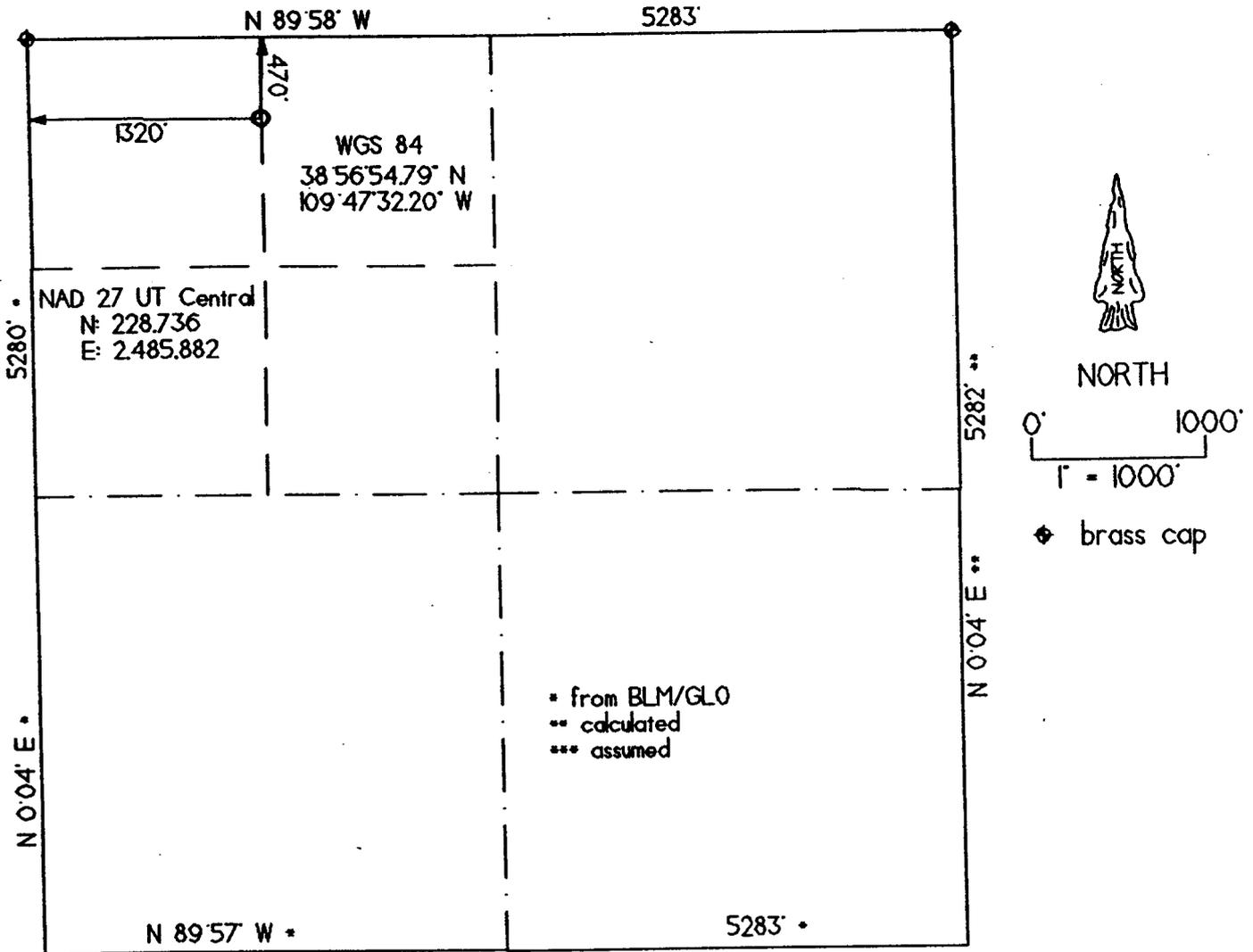
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API NUMBER ASSIGNED: 43019-31404

Approved by the
Utah Division of
Oil, Gas and Mining
APPROVAL:
Date: 07-15-04
By: [Signature]

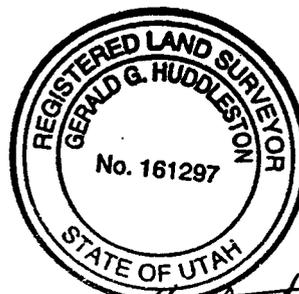


Well Location Plat



Well Location Description

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Section 35, T.21 S., R.19 E., SLM
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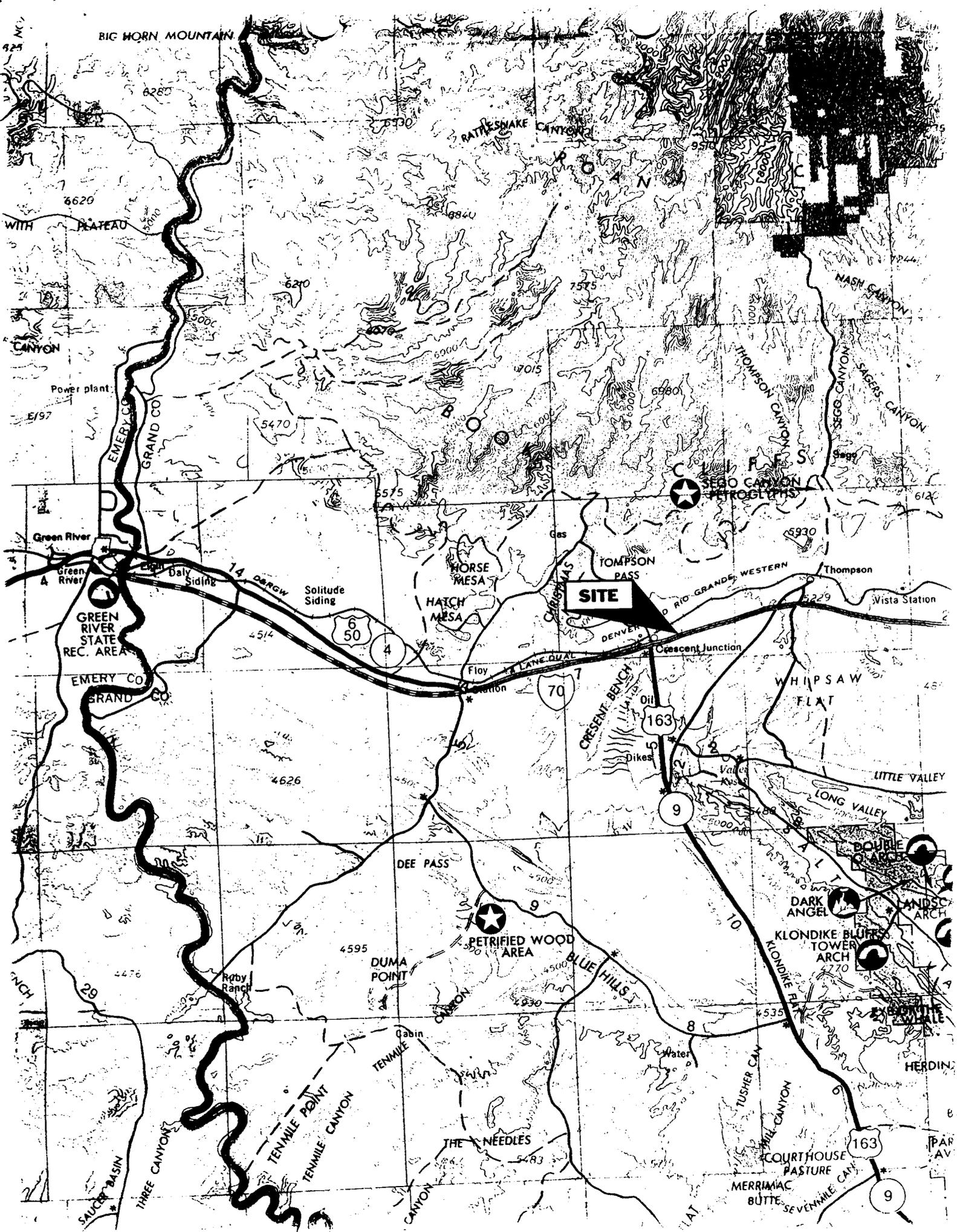


05/20/04

Gerald G. Huddleston
Gerald G. Huddleston, LS

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

HUDDLESTON LAND SURVEYING - BOX KK - CORTEZ, CO - (970) 565 -3330



PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87508

(505) 466-8120

May 31, 2004

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

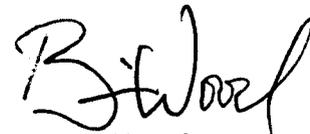
Dear Diana,

On behalf of MSC Exploration L. P., I am applying for approval of an exception location for their State MSC 35-1 wildcat gas well in Section 35, T. 21 S., R. 19 E., Grand County. I am requesting an exception because of topography and land use.

This well is staked at 470' FNL & 1320' FWL on a 1,600 acre state lease. An orthodox well was planned for a seismically defined target at 470' FNL & 2150' FWL, but this fell into a mix of I-70, I-70 right-of-way fence, erosion control dikes protecting I-70, power lines, and a deep arroyo. It was only after the well was moved 830' west that a suitable location was found. MSC is requesting permission to drill at 470' FNL & 1320' FWL 35-21s-19e. This is the only oil or gas well existing or planned in the quarter-quarter. The only wells of any type within a mile radius are two P&A wells. Closest lease line is 470' north. MSC is owner of all drilling units within a minimum 470' radius of the proposed exception. This includes all of Section 35. The drilling unit (NENW Sec. 35) toward which the well encroaches is part of the same MSC state lease.

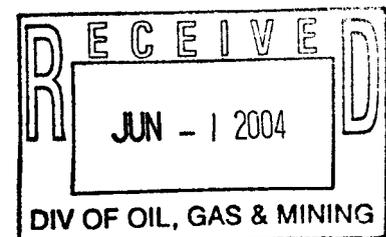
Please keep this well **"CONFIDENTIAL"**.

Sincerely,



Brian Wood

cc: Faust
Jones



003 MSC Exploration L. P.
State MSC 35-1
470' FNL & 1320' FWL
Sec. 35, T. 21 S., R. 19 E.
Grand County, Utah

PAGE 1

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Drilling Program

<u>1. Formation Name</u>	<u>Depth from GL</u>	<u>Depth from KB</u>	<u>Elevation</u>
Mancos Shale	0'	12'	+4,876'
Dakota Sandstone	1,971'	1,983'	+2,905'
Morrison formation			+2,460'
Moab Tongue	3,694'	3,706'	+2,065'
Wingate Sandstone	4,964'	4,976'	+460'
White Rim Sandstone	5,764'	5,766'	-1,035'
Base of White Rim	6,667'	6,679'	-1,635'
Total Depth	7,800'	7,812'	-2,924'

(All depths are based on an ungraded ground level of 4,876')

2. NOTABLE ZONES

Pennsylvanian is the primary goal. Other potential oil or gas zones are the Dakota, Moab, 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.
State MSC 35-1
470' FNL & 1320' FWL
Sec. 35, T. 21 S., R. 19 E.
Grand County, Utah

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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>
12-1/4"	8-5/8"	24	K-55	S T & C	New	500'
7-7/8"	5-1/2"	17	N-80	L T & C	New	7,800'

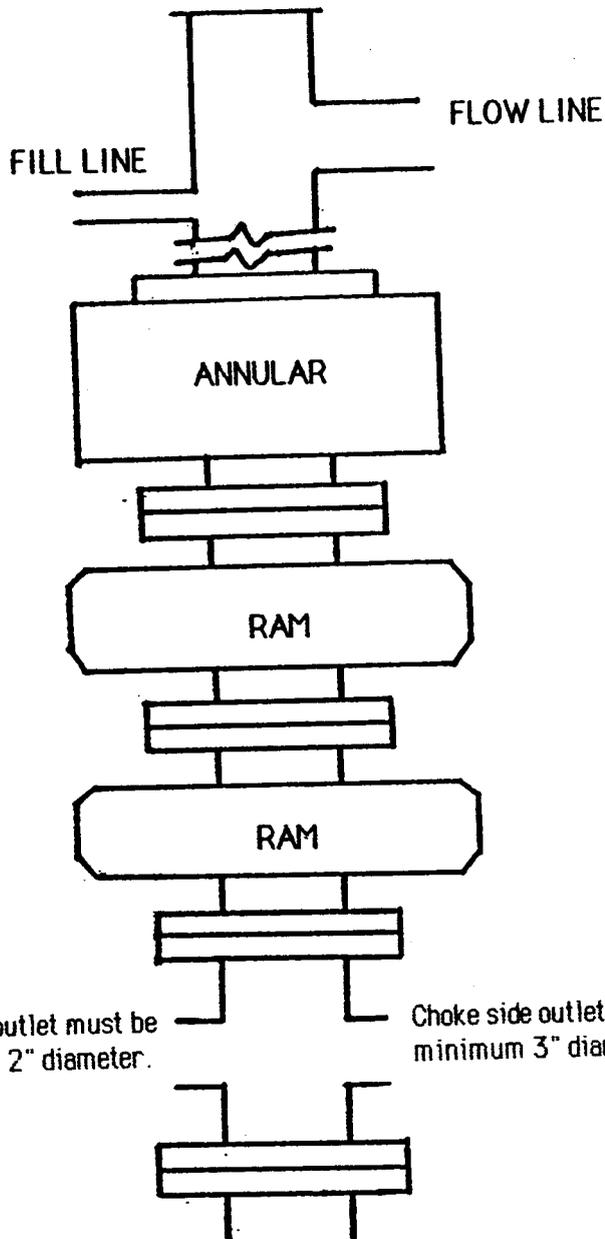
All tubular goods will be new or inspected to premium specifications. Casing strings will be pressure tested to 0.22 psi/ft of casing string length or to 1,500 psi whichever is greater (not to exceed 70% of the internal yield strength of the casing), after cementing and prior to drilling out from under 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 350 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. 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 from \approx 500' to \approx 3,000' with air mist. Will drill remainder of hole with aerated LSND.

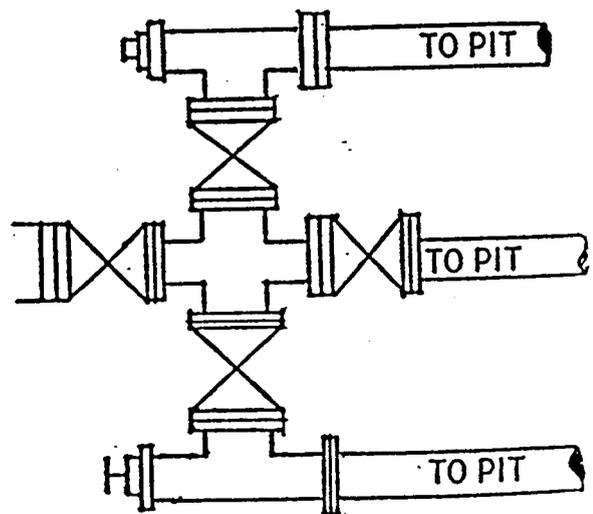


TYPICAL BOP STACK & CHOKE MANIFOLD

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.

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State MSC 35-1
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Grand County, Utah

PAGE 4

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6. DATA GATHERING

May cut cores or may run drill stem tests depending on shows. Two 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 $\approx 3,377$ psi. No hydrogen sulfide, abnormal pressures, nor abnormal temperatures are expected.

8. MISCELLANEOUS

Projected spud date is June 21, 2004. It will take ≈ 3 weeks to drill the well and ≈ 2 weeks to complete the well.

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Grand County, Utah

PAGE 5

CONFIDENTIAL

Surface Use Plan

1. EXISTING ROADS & DIRECTIONS (See PAGES 9 - 11)

From the closed gas station at Crescent Junction (Exit #180 on I-70) ...
Go East 1.2 miles on a paved county road 175 to \approx 150' East of Mile Post 154
Then turn right and follow flags cross country SE for 1,159.39' to the well

2. ROAD TO BE BUILT (See PAGES 10 & 11)

No upgrading is needed as long as the county weight limit (30 tons) is obeyed.
The 1,159.39' of new road will be crowned and ditched with a \approx 14' wide running surface. The first 50' of road south from the pavement will be graveled with 4" of 4" minus pit run topped with 2" of gravel. Maximum disturbed width = 40'. Maximum grade = 1%. Maximum cut or fill = 1'.

3. EXISTING WELLS (See PAGE 10)

There are no existing water, injection, disposal, oil, or gas wells within a mile radius. There are two P & A wells.

4. PROPOSED PRODUCTION FACILITIES

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

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Grand County, Utah

PAGE 6

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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 (See PAGES 12 & 13)

Beware of low power lines south of the pad. Topsoil and brush will be stripped and piled north of the pad. Pit subsoil will be piled north of the pit. A diversion ditch will be cut north of the piles. Gravel will be bought from a private source.

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.

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PAGE 7

CONFIDENTIAL

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 a natural shape, and reserved topsoil 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 a seed mix specified by the State. Seeded areas will be left rough and lightly harrowed or drug with a chain after seeding.

11. SURFACE OWNER

All construction is on lease and on State and Institutional Trust Land.

MSC Exploration L. P.
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Grand County, Utah

PAGE 8

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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 ≈20 minute drive.

Closest hospital is Allen Memorial Hospital at 719 West 400 North in Moab. Its phone number is (435) 259-7191. It is a ≈30 minute drive.

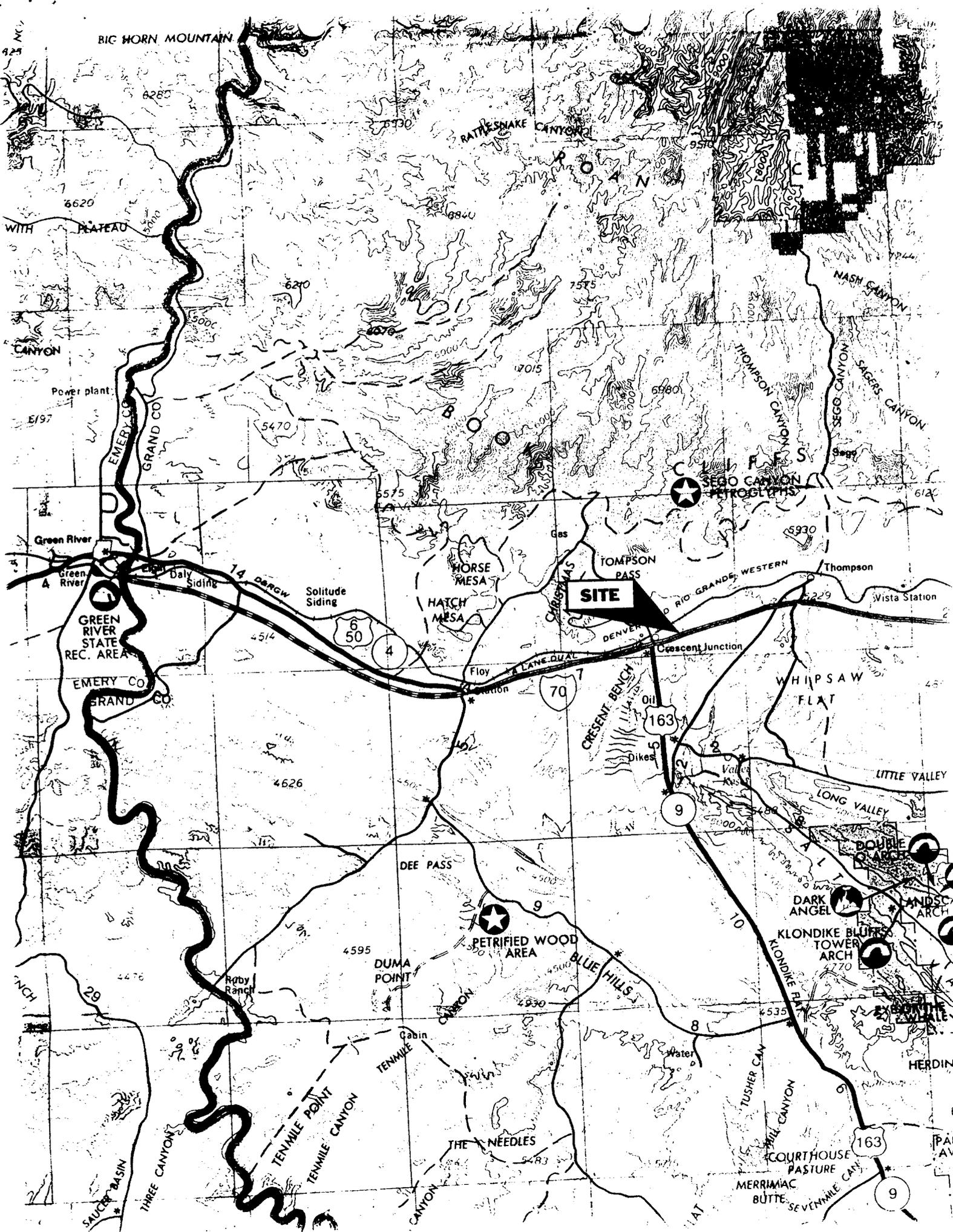
13. REPRESENTATION

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



BIG HORN MOUNTAIN

RATTLESNAKE CANYON

WITH PLATEAU

NASH CANYON

Power plant
E197

EMERY CO
GRAND CO

SEGO CANYON
PETROGLYPHS

Green River

GREEN RIVER
STATE
REC. AREA

SITE

HORSE
MESA
HATCH
MESA

TOMPSON
PASS

Thompson

EMERY CO
GRAND CO

70

163

WHIPSAW
FLAT

LITTLE VALLEY

LONG VALLEY

DOUBLE
ARCH

DARK
ANGEL

KLONDIKE BLUFFS
TOWER
ARCH

LANDSCAPE
ARCH

SEVENTEEN
MILE
ARCH

HERDING
ARCH

PETRIFIED WOOD
AREA

BLUE HILLS

DUMA
POINT

TENMILE
CANYON

THE NEEDLES

COURTHOUSE
PASTURE

MERRIMAC
BUTTE

SAUCHER BASIN

THREE CANYONS

TENMILE POINT

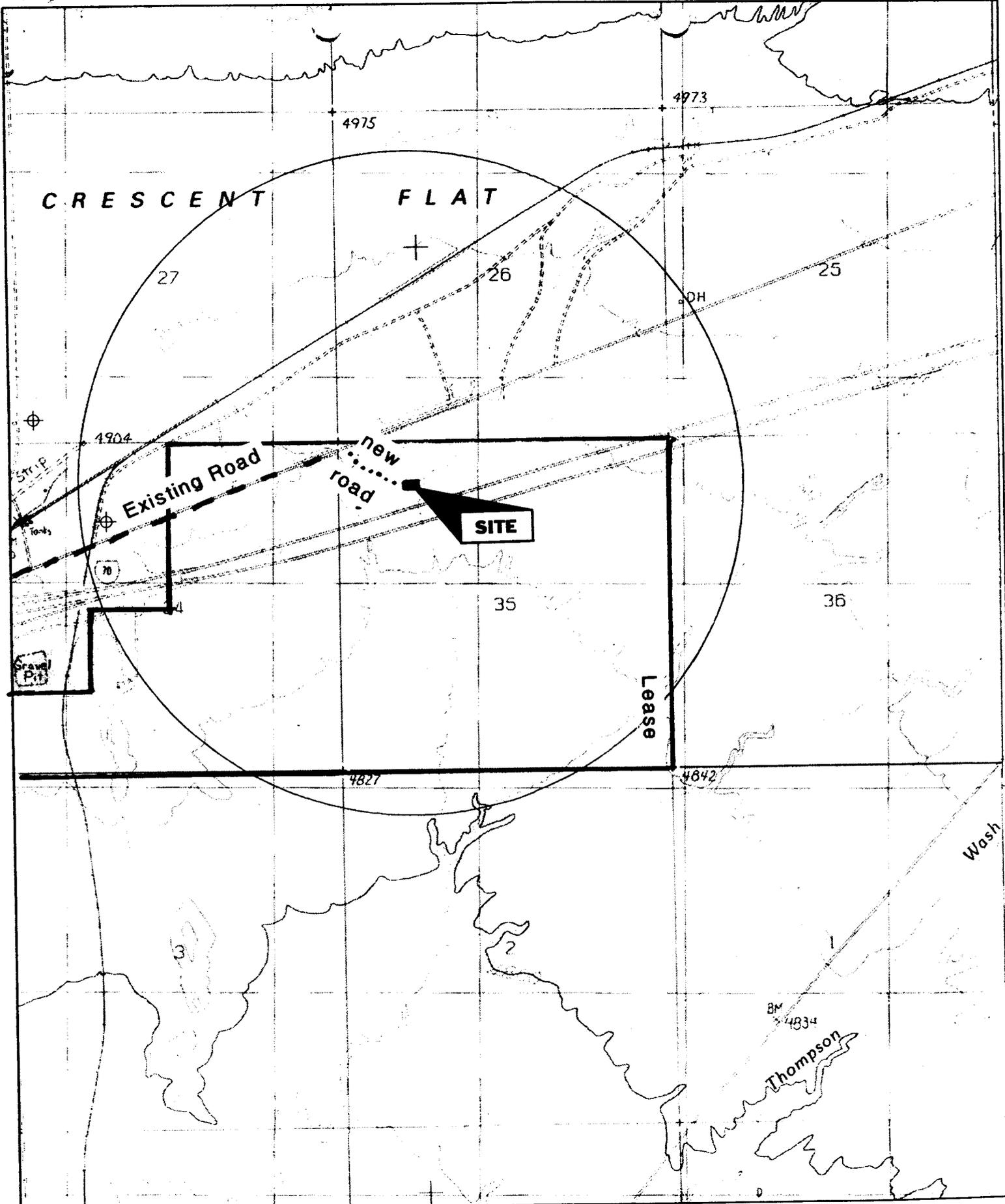
TENMILE
CANYON

TUSHER CANYON

HILL CANYON

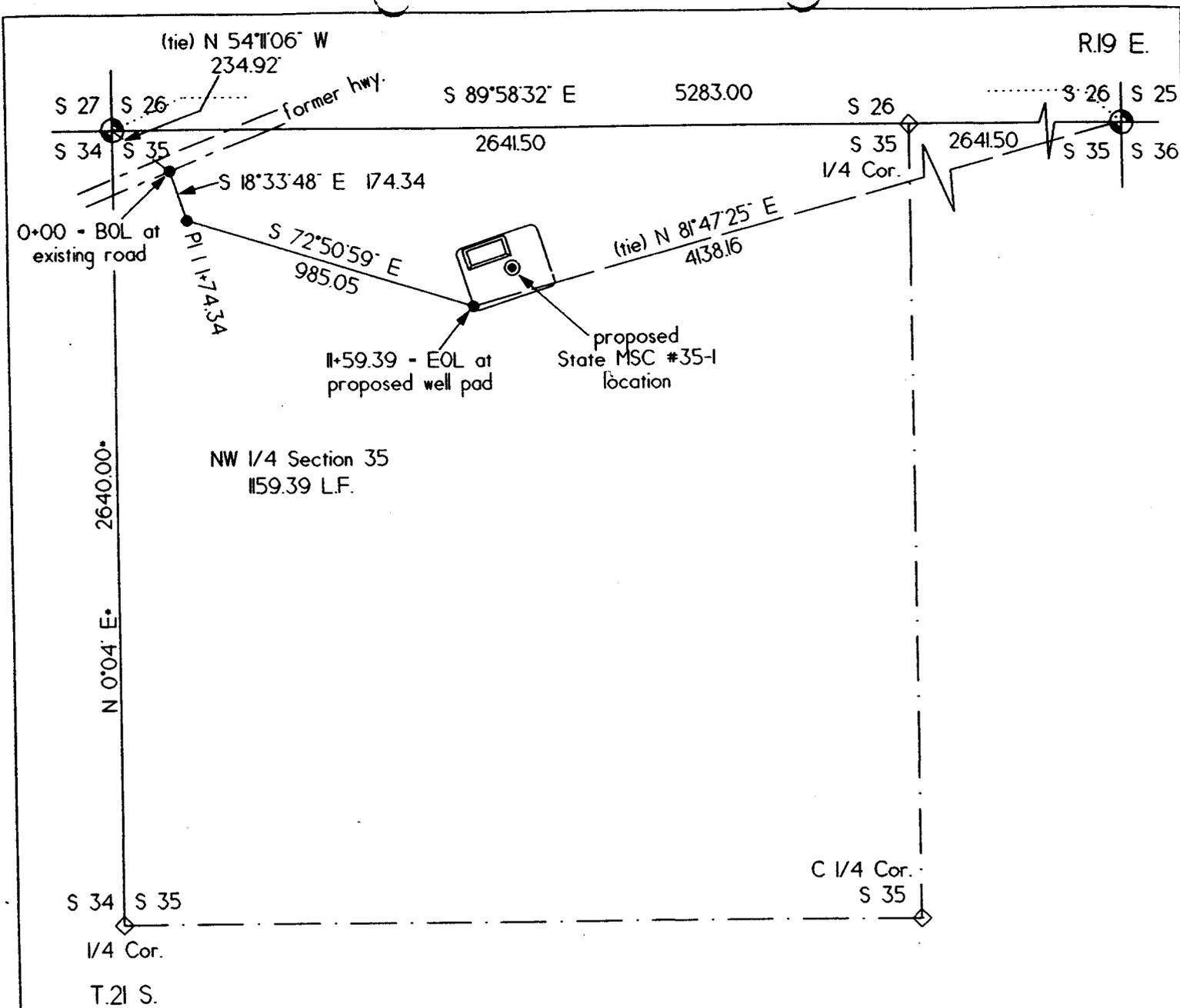
SEVENMILE CANYON

PARK
AV



Name: CRESCENT JUNCTION
 Date: 5/26/2004
 Scale: 1 inch equals 2000 feet

Location: 038.9424789° N 109.7873232° W
 Caption: 35, 21S-19E



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 State MSC #35-1 access road
right-of-way -

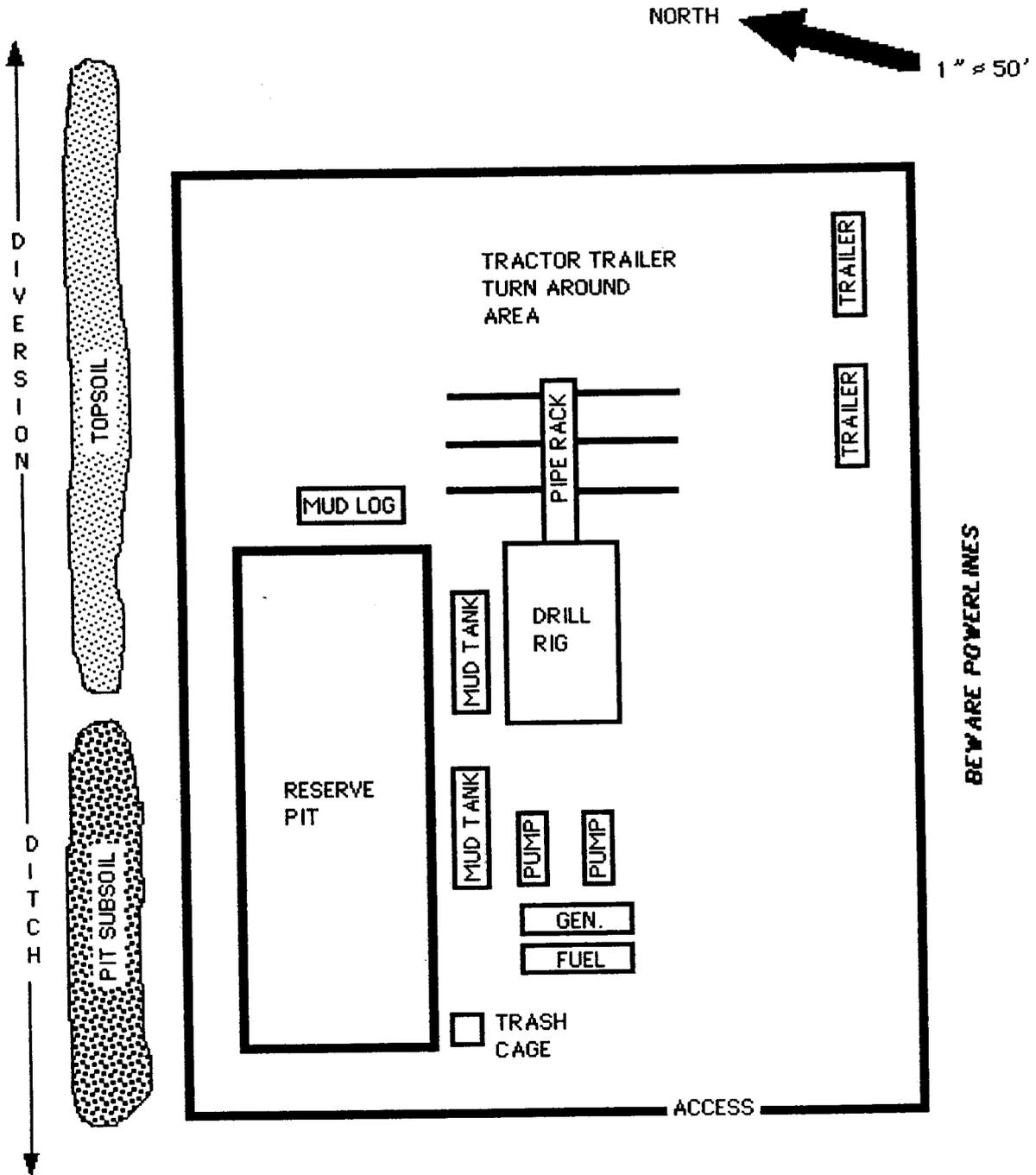
NW/4 of Section 35.
T.21 S., R.19 E., SLM.
Grand County, Utah

21 May 2004

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

MSC Exploration L. P.
State MSC 35-1
470' FNL & 1320' FWL
Sec. 35, T. 21 S., R. 19 E.
Grand County, Utah

CONFIDENTIAL



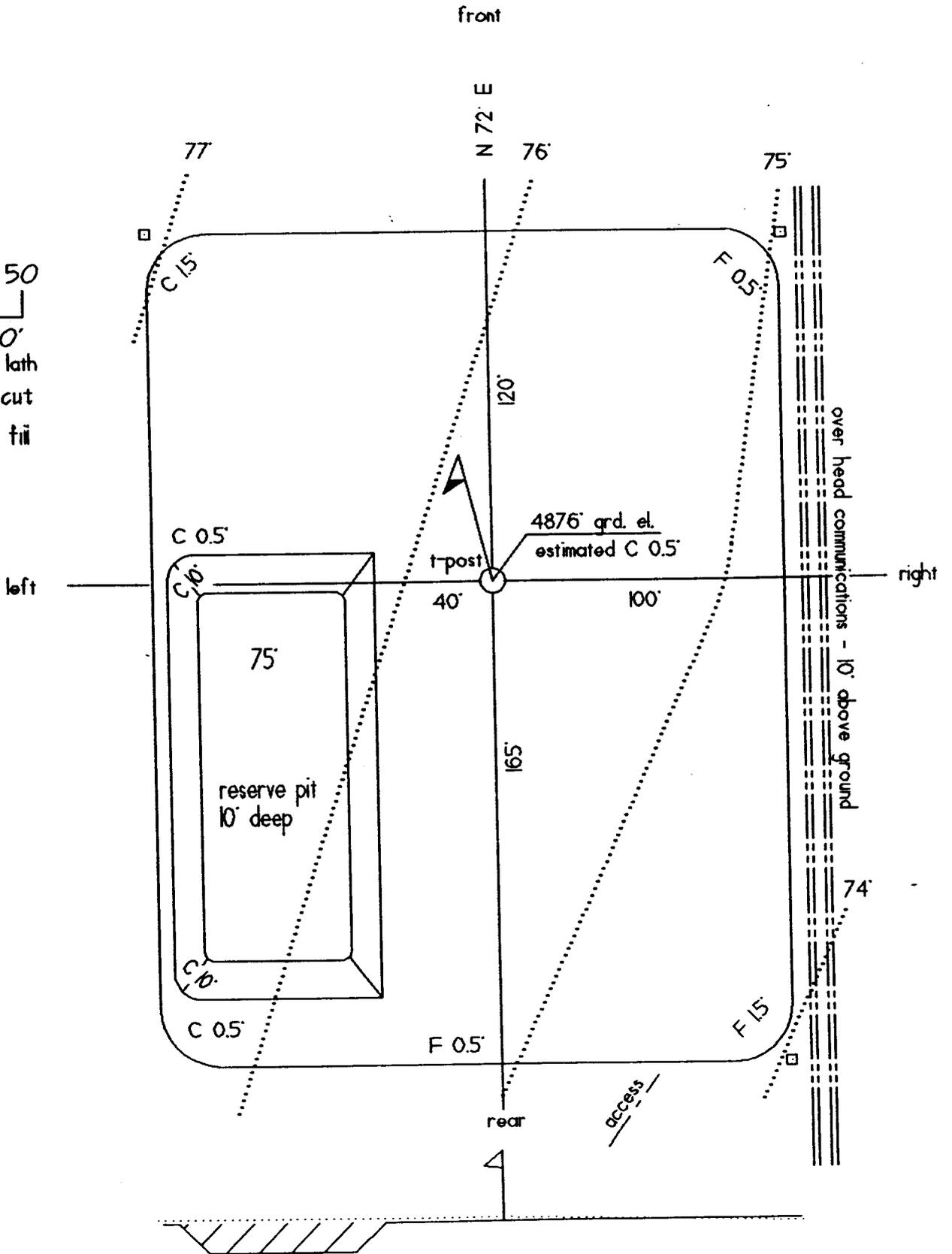


Scale 1" = 50'

□ set stake & lath

/// cut

▨ fill



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

OPERATOR: MSC Exploration L.P.

WELL NAME & NUMBER: MSC 35-1

API NUMBER: 43-019-31404

LEASE: State FIELD/UNIT: _____

LOCATION: 1/4,1/4 NWNW Sec: 35 TWP: 21S RNG: 19E 470 FNL 1320 FWL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): X = _____ E; Y = _____ N SURFACE OWNER: SITLA.

PARTICIPANTS

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

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is ~2 miles east of Crescent Junction on I-70 and ~5 miles west of Thompson Springs, Utah. Staked location lies north of Interstate 70 and south of the old highway between Crescent Junction and Thompson Springs. Access to the proposed site is off of the old highway. Approximately 1160' of new access will be built to access this well. The direct area drains to the south.

SURFACE USE PLAN

CURRENT SURFACE USE: Wildlife habitat and grazing.

PROPOSED SURFACE DISTURBANCE: 215' x 285' and a 165' x 75' x 10' pit. 266 feet of new access road will be built for this well.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: None.

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: Halogeton, greasewood, antelope, small game, raptors and other fowl, rodents and reptiles.

SOIL TYPE AND CHARACTERISTICS: Clay.

EROSION/SEDIMENTATION/STABILITY: Stable until disturbed.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout earthen.

LINER REQUIREMENTS (Site Ranking Form attached): Liner optional.

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: In negotiation with landowner.

CULTURAL RESOURCES/ARCHAEOLOGY: Arch survey completed by Grand River Institute. Clear, and submitted to SITLA.

OTHER OBSERVATIONS/COMMENTS

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

June 2, 2004 / 10:00 am
DATE/TIME

**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>10</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 15 (Level II 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.

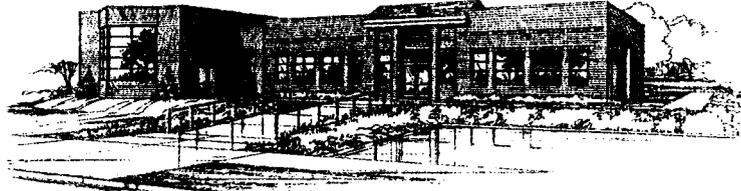




SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

DREW SITTERUD
CHAIRMAN

William D. Howell
EXECUTIVE DIRECTOR



375 SOUTH CARBON AVE.
P.O. DRAWER 1106
PRICE, UTAH 84501
(435) 637-5444
FAX (435) 637-5448

AREA WIDE CLEARINGHOUSE REVIEW

Federal Action _____ State Action x Approved (x) Yes () No

Other (indicate) _____

Applicant Address:

Oil, Gas & Mining

1594 West North Temple #1210

SLC, UT 84114-5801

Name and phone number Diana Whitney 801-538-5312

Title/Project Description Application for Permit to Drill - Well to be drilled on State Lease

ML-47576, Grand County.

- [] No Comment
[] See comment below

Comments: Approved on 6/10/04 at SEUAOG Executive Board Meeting.

Lorraine Benzhill
SEUALG

6/10/04
DATE

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

OPERATOR: MSC Exploration L.P.
WELL NAME & NUMBER: MSC 35-1
API NUMBER: 43-019-31404
LOCATION: 1/4,1/4 NWNW Sec: 9 TWP: 21S RNG: 19E 470 FNL 1320 FWL

Geology/Ground Water:

MSC plans to set 500 feet of surface casing in the proposed well. The surface formation at this location is the Mancos Shale. The Mancos is not known to be a prolific aquifer but records indicate that water is present in some zones of the Mancos. There are 4 water wells within a 10,000 foot radius of the proposed location. One well is owned by a private individual. This well is over a mile from the proposed well. The well is approximately 100 feet deep and is listed for domestic use and stock watering. The remaining 3 wells are also over a mile from the proposed location. These wells are owned by SITLA and are listed as mining/industrial use. These wells are over 2,000 feet deep and probably produce from the Dakota Sandstone. The proposed casing and cementing program should adequately protect any useable ground water in this area.

Reviewer: Brad Hill **Date:** 06-15-04

Surface:

Proposed location is ~2 miles east of Crescent Junction on I-70 and ~5 miles west of Thompson Springs, Utah. Staked location lies north of Interstate 70 and south of the old highway between Crescent Junction and Thompson Springs. Access to the proposed site is off of the old highway. Approximately 1160' of new access will be built to access this well. The direct area drains to the south. DWR, SITLA, and Grand County were all invited to attend the pre-drill meeting for this well- none of whom chose to attend. DWR submitted written comments with no wildlife issues for this well.

Reviewer: Mark L. Jones **Date:** June 7, 2004

Conditions of Approval/Application for Permit to Drill:

1. A 12 mil. minimum thickness liner will be optional lining the reserve pit.
2. Berm the location on 4 sides.



Search Utah.gov

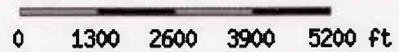
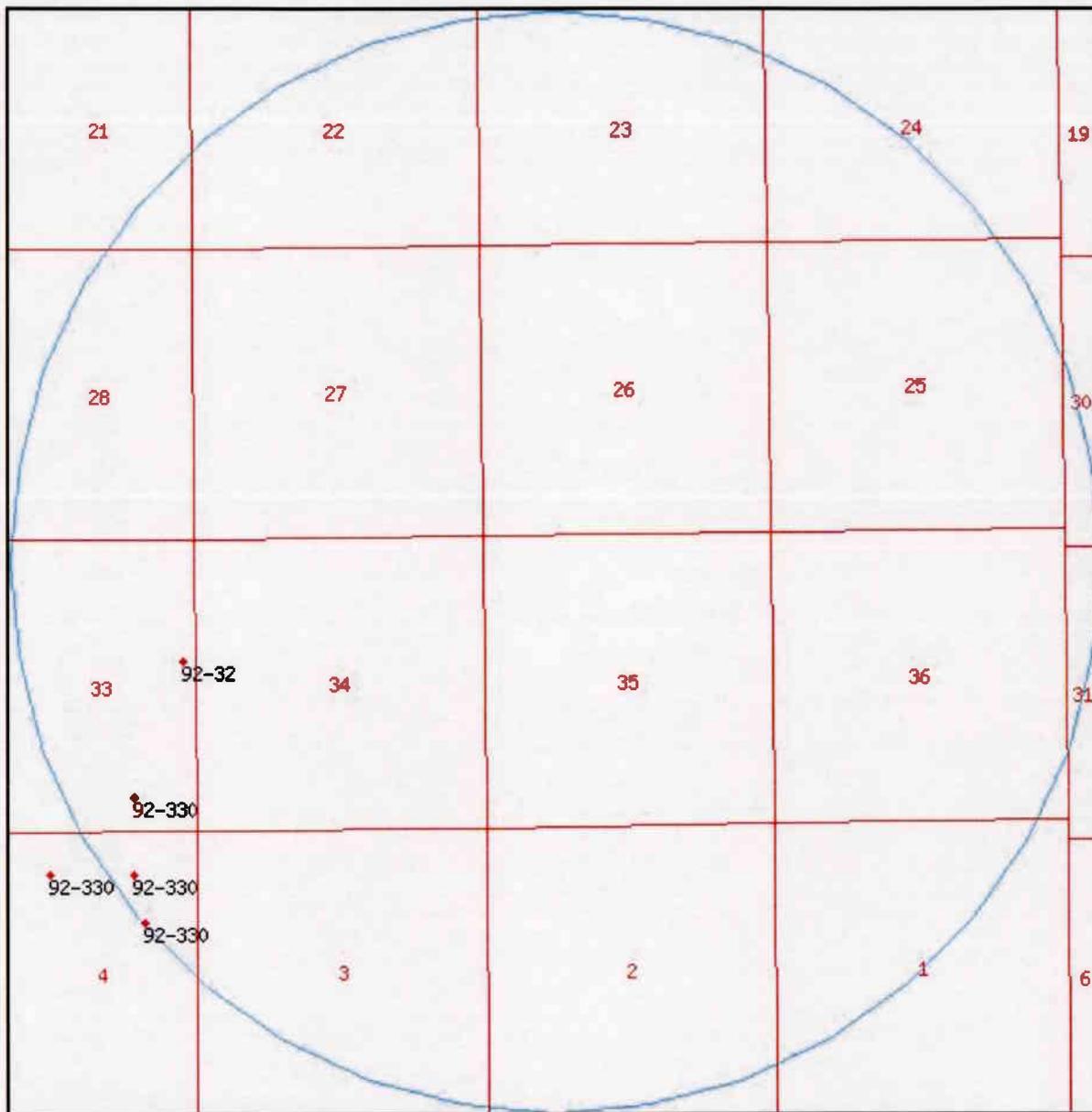
UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.03.26.00 Rundate: 06/15/2004 09:03 AM

) **Radius search of 10000 feet from a point S470 E1320 from the NW corner, section 35, Township 21S, Range 19E, SL b&m**
Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all

)

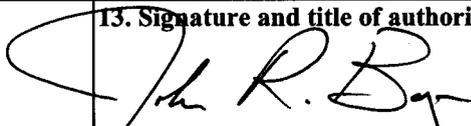


Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>92-32</u>	Underground S2186 W230 NE 33 21S 19E SL		P	19530122	DIS	0.015	0.000	Erma S. Wimmer Thompson UT
<u>92-330</u>	Underground N600 W1150 SE 33 21S 19E SL		U	19841016	DOX	11.200	8100.000	Utah School and Institutional Trust Lands Admin. 675 East 500 South, 5th Floor
<u>92-330</u>	Underground S1650 W950 NE 04 22S 19E SL		U	19841016	DOX	11.200	8100.000	Utah School and Institutional Trust Lands Admin. 675 East 500 South, 5th Floor
<u>92-330</u>	Underground S800 W2700 NE 04 22S 19E SL		U	19841016	DOX	11.200	8100.000	Utah School and Institutional Trust Lands Admin. 675 East 500 South, 5th Floor
<u>92-330</u>	Underground S800 W1150 NE 04 22S 19E SL		U	19841016	DOX	11.200	8100.000	Utah School and Institutional Trust Lands Admin. 675 East 500 South, 5th Floor

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

STATE ACTIONS
Governor's Office of Planning and Budget
Resource Development Coordinating Committee
P.O. Box 145610
1594 W. North Temple, Suite 3710
SLC, UT 84114-5610
538-5535

1. Administering State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or June 21, 2004
3. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Southeastern Utah Association of Governments	
4. Type of action: // Lease / <input checked="" type="checkbox"/> / Permit // License // Land Acquisition // Land Sale // Land Exchange // Other _____	
5. Title of proposed action: Application for Permit to Drill	
6. Description: MSC Exploration, L.P. proposes to drill the State MSC 35-1 well (wildcat) on State lease ML-47576, Grand County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
7. Land affected (site location map required) (indicate county) – include UTM coordinates where possible 470' FNL 1320' FWL NW/4, NW/4, Section 35, Township 21 S, Range 19 E, Grand County, Utah	
8. Jordan River Natural Areas Forum review – If the proposed action affects lands within the Jordan River Natural Areas Corridor. N/A	
9. Has the local government(s) been contacted? No If yes, a. How was contact made? b. Who was contacted? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
10. Possible significant impacts likely to occur: Degree of impact is based on the discovery of oil or gas in commercial quantities.	
11. Name and phone of district representative from your agency near project site, if applicable: N/A	
12. For further information, contact: Diana Whitney Phone: (801) 538-5312	13. Signature and title of authorized officer  John R. Baza, Associate Director Date: June 8, 2004



The State of Utah

Department of
Natural Resources

Division of
Wildlife Resources

ROBERT L. MORGAN
Executive Director

KEVIN K. CONWAY
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

22 June, 2004

Carolyn Wright
Department of Natural Resources
Center for Policy and Planning
1594 West North Temple, Suite 3710
Salt Lake City, Utah 84114-5610

Subject: RDCC # 4120, APD MSC 35-1

Dear Ms. Wright;

In regards to the subject action, the Utah Division of Wildlife Resources has the following comments.

This area may contain active white-tailed prairie dog (a state species of concern) colonies which provide habitat for associated species such as the burrowing owl, also a state species of concern. Two Utah rare plants, Cisco milk vetch and Canyonlands lomatium are known to occur nearby. Development-related activities could negatively impact these animal and plant species.

We recommend that the area be surveyed for sensitive species prior to construction of the well pad and access road. These facilities should be located where they do not destroy occupied habitat. If a power supply is necessary, no power poles should be installed within prairie dog colonies.

Thank-you for the opportunity to review and comment on this proposed action. If you have any questions, please contact Tony Wright, oil and gas mitigation biologist, at our Price office, (435) 636-0267.

Sincerely,

Derris Jones
Regional Supervisor

22 June, 2004

Carolyn Wright
Department of Natural Resources
Center for Policy and Planning
1594 West North Temple, Suite 3710
Salt Lake City, Utah 84114-5610

Subject: RDCC # 4120, APD MSC 35-1

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Sincerely,

Derris Jones
Regional Supervisor

Well name:	06-04 MSC State 35-1	
Operator:	MSC Exploration LP	Project ID:
String type:	Surface	43-019-31404
Location:	Grand County	

Design parameters:

Collapse

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

Burst

Max anticipated surface pressure: 203 psi
 Internal gradient: 0.468 psi/ft
 Calculated BHP: 436 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: 437 ft

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

Non-directional string.

Re subsequent strings:

Next setting depth: 7,800 ft
 Next mud weight: 9.500 ppg
 Next setting BHP: 3,849 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 (ft³)
1	500	8.625	24.00	K-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	6.284	436	2950	6.76	12	263	21.93 J

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

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

Date: June 29, 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:	06-04 MSC State 35-1	
Operator:	MSC Exploration LP	Project ID:
String type:	Production	43-019-31404
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: 3,849 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: 6,676 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 174 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 368 ft

Cement top: 2,455 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	7800	5.5	17.00	N-80	LT&C	7800	7800	4.767	268.8
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	3849	6290	1.634	3849	7740	2.01	133	348	2.62 J

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

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

Date: June 29, 2004
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 7800 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.

06-04 MSC State 35-1

Casing Schematic

propose To Surface

Mancos shale

Surface

8-5/8"
MW 8.4
Frac 19.3

TOC @
0.

w/ 15% Washout

Surface
500. MD

$(0.52)(9.5)(7800) = 3852$
Anticipate 3377

Gas
 $(.12)(7800) = 936$

MAFP = 2916

BOPE = 3,000 ✓

Surf/Csg - 2950
708 = 2065 *

Test to 2000PSI ✓

Adequate OKD
7/2/04

1971 Dakota S.S. → Strip

TOC @
2455.

4964 Wingate

w/ 15% Washout

2% Washout - Surface

6514 TOC Tail

5-1/2"
MW 9.5

Production
7800. MD

TIDEWATER OIL & GAS COMPANY LLC

11614 Elk Head Range Road

Littleton, Colorado 80202

(303) 468-0656

6/26/04

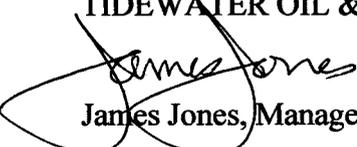
Ms. Diana Whitney
State Of Utah Oil, Gas & Mining
1594 W. N. Temple Ste 1210
Salt Lake City, UT 84114

RE: MSC Exploration, L.P. Designation of Operator for T21S R19E Sec. 35 All

Ms. Whitney,

Please find the attached sign Designation of Agent or Operator form for the subject section. If you have any questions I can be reached at (303) 468-0656.

Sincerely,
TIDEWATER OIL & GAS COMPANY LLC


James Jones, Manager

RECEIVED
JUN 29 2004
DIV. OF OIL, GAS & MINING

DESIGNATION OF AGENT OR OPERATOR

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

LEASE NAME: Rocksource/Tidewater
LEASE NUMBER: ML 47576

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.)

T 215 R 19 E Sec. 35 ALL

RECEIVED
JUN 29 2004
DIV. OF OIL, GAS & MINING

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: 5-22-04

BY: (Name) James Jones
(Signature) [Signature]
(Title) Manager
(Phone) 203-570-1331

OF: (Company) Tidewater Oil & Gas Co. LLC
(Address) 11614 Elk Head Range Rd.
city Houston
state Co zip 80127

DESIGNATION OF AGENT OR OPERATOR

901 359 3940

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

LEASE NAME: Rocksource/Tidewater

LEASE NUMBER: ML 47576

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.)

T 21 S R 19 E Sec. 35 ALL

RECEIVED
JUN 29 2004
DIV. OF OIL, GAS & MINING

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

Effective Date of Designation: 5-22-04

BY: (Name) Thomas A. Collins
(Signature) [Signature]
(Title) President
(Phone) 281-266-0700

OF: (Company) Rocksource Energy Corp.
(Address) Box 691847
city Houston
state TX zip 77269-0700

From: Ed Bonner
To: Whitney, Diana
Date: 7/19/2004 3:05:00 PM
Subject: Well Clearance

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

CDX Rockies, LLC
Atchee Canyon State 36-12-25 #1

MSC Exploration LP
State MSC 35-1

Westport Oil & Gas Company
North Bench State 24-18
State 1022-36E

Dominion Exploration & Production, Inc
LCU 10-2H (2 sites in access road on BLM land which must be avoided)

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

CC: Garrison, LaVonne; Hill, Brad; Hunt, Gil



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

July 15, 2004

MSC Exploration, L.P.
16800 Imperial Valley Drive, Suite 380
Houston, Texas 77060

Re: State MSC 35-1 Well, 470' FNL, 1320' FWL, NW NW, Sec. 35, T. 21 South,
R. 19 East, Grand County, Utah

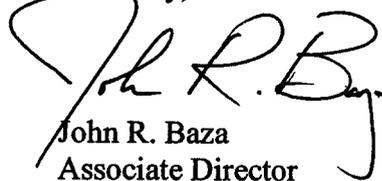
Gentlemen:

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

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 43-019-31404.

Sincerely,



John R. Baza
Associate Director

jc
Enclosures

cc: Grand County Assessor
SITLA

Operator: MSC Exploration, L.P.
Well Name & Number State MSC 35-1
API Number: 43-019-31404
Lease: ML-47576

Location: NW NW **Sec.** 35 **T.** 21 South **R.** 19 East

Conditions of Approval

1. **General**

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

2. **Notification Requirements**

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

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

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

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

3. **Reporting Requirements**

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

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

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

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.
7. Production casing cement should be brought above Dakota Sandstone ($\pm 1900'$)

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: MSC EXPLORATION LP

Well Name: STATE MSC 35-1

Api No: 43-019-31404 Lease Type: STATE

Section 35 Township 21S Range 19E County GRAND

Drilling Contractor BOB BEAMAN RIG # RATHOLE

SPUDDED:

Date 07/27/04

Time _____

How DRY

Drilling will commence: _____

Reported by GAYLIN WILLIAMS

Telephone # _____

Date 07/28/2004 Signed CHD

MSC EXPLORATION, LP
16800 IMPERIAL VALLEY DRIVE
SUITE 380
HOUSTON, TEXAS 77060
281-931-8933 & 281-931-8655 FAX

FACSIMILE TRANSMITTAL SHEET

TO: Dustin Duatt FROM: Lynn Faust
COMPANY: St of ut DATE: 7-28-04
FAX NUMBER: 801-359-3940 TOTAL NO. OF PAGES INCLUDING COVER:
PHONE NUMBER:

RE:

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

NOTES/COMMENTS:

RECEIVED
JUL 28 2004

DIV. OF OIL, GAS & MINING

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

(5/2000)

06-04 MSC State 35-1

Casing Schematic

Surface

MancoS

8-5/8"
MW 8.4
Frac 19.3

TOC @
0.
Surface
500. MD

w/138 washout

1971'
Dakota

TOC @ 1926' w/88 washout

Stop to ± 1900' to
Protect Dakota ss

2416'
Morrison

TOC @
3155.

BHP = 4199 psi

Mud wt = (0.22)(8500) = 1870'

MASP = 2329 psi

3694'
Niobrara

3M BOP E proposed

Adequate DKO

4961'
Horsley Wingate

5764'
Whitehorn

w/158 washout

5-1/2"
MW 9.5

Production
8500. MD

Well name:

06-04 MSC State 35-1

Operator: **MSC Exploration LP**

String type: **Production**

Project ID:
43-019-31404

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: 218 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: 7,276 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 (ft³)
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	145	348	2.41 J

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

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

Date: July 28, 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 & Kernier 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.

007

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

FORM 6

ENTITY ACTION FORM

Operator: MSC EXPLORATION, LP Operator Account Number: N 2595
Address: 16800 Imperial Valley, Ste 380
city Houston
state Texas zip 77060 Phone Number: 281-931-8933

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-019-31404	MSC 35-1	NWSE	35	215	19E	Grand
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	99999	14259	7-28-04		8/12/04	
Comments: <u>WINGT</u> CONFIDENTIAL						

Well 2

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

Well 3

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

Post-It® Fax Note	7671	Date	# of pages ▶
To: <u>EARLENE</u>	From		
Co./Dept. <u>RUSSELL</u>	Co.		
Phone #	Phone #		
Fax #	Fax #		

g entity

Lynn Faust
Name (Please Print)
L Faust
Signature
Administrator
Title

8/12-04
Date RECEIVED
AUG 12 2004
DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL: OIL WELL GAS WELL OTHER **CONFIDENTIAL**

2. NAME OF OPERATOR: MSC Exploration, L.P. Houston, TX 77060

3. ADDRESS OF OPERATOR: 16800 Imperial Valley Dr. Ste 380 PHONE NUMBER: 281-931-8923

4. LOCATION OF WELL: T. 21S, R. 19E, S. 35 COUNTY: Utah STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47576

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER: State MSC 35-1

9. API NUMBER: 43-019-31404

10. FIELD AND POOL, OR WILDCAT: Wildcat

FOOTAGES AT SURFACE:

CONTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

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 checked="" 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 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"/> 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.

Proposed depth 8500'
new proposed depth 9700'

COPY SENT TO OPERATOR
Date: 9-3-04
Initials: LF

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-02-04
By: [Signature]

RECEIVED

SEP 01 2004

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Lynn Faust TITLE Admin.

SIGNATURE [Signature] DATE 8-31-04

(This space for State use only)

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

FORM 9

011

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:

ML 47576

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL

OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:

State MSC 35-1

2. NAME OF OPERATOR:

MSC Exploration LP 16800 Imperial Valley Dr. Ste 380

9. API NUMBER:

43-019-31404

3. ADDRESS OF OPERATOR:

Houston CITY TX STATE ZIP 77060

PHONE NUMBER(S)

2819218733

10. FIELD AND POOL OR WILDCAT:

Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY:

QTR/QR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

T. 21 S R. 19 E S 35

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 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"/> 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.

Proposed depth change } from 10,850 to 11,100

RECEIVED
SEP 16 2004

DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR

Date: 7-10-05

Initials: CHD

NAME (PLEASE PRINT)

Lynn Faust

TITLE

Admin

SIGNATURE

L Faust

DATE

9-16-04

(This space for State use only)

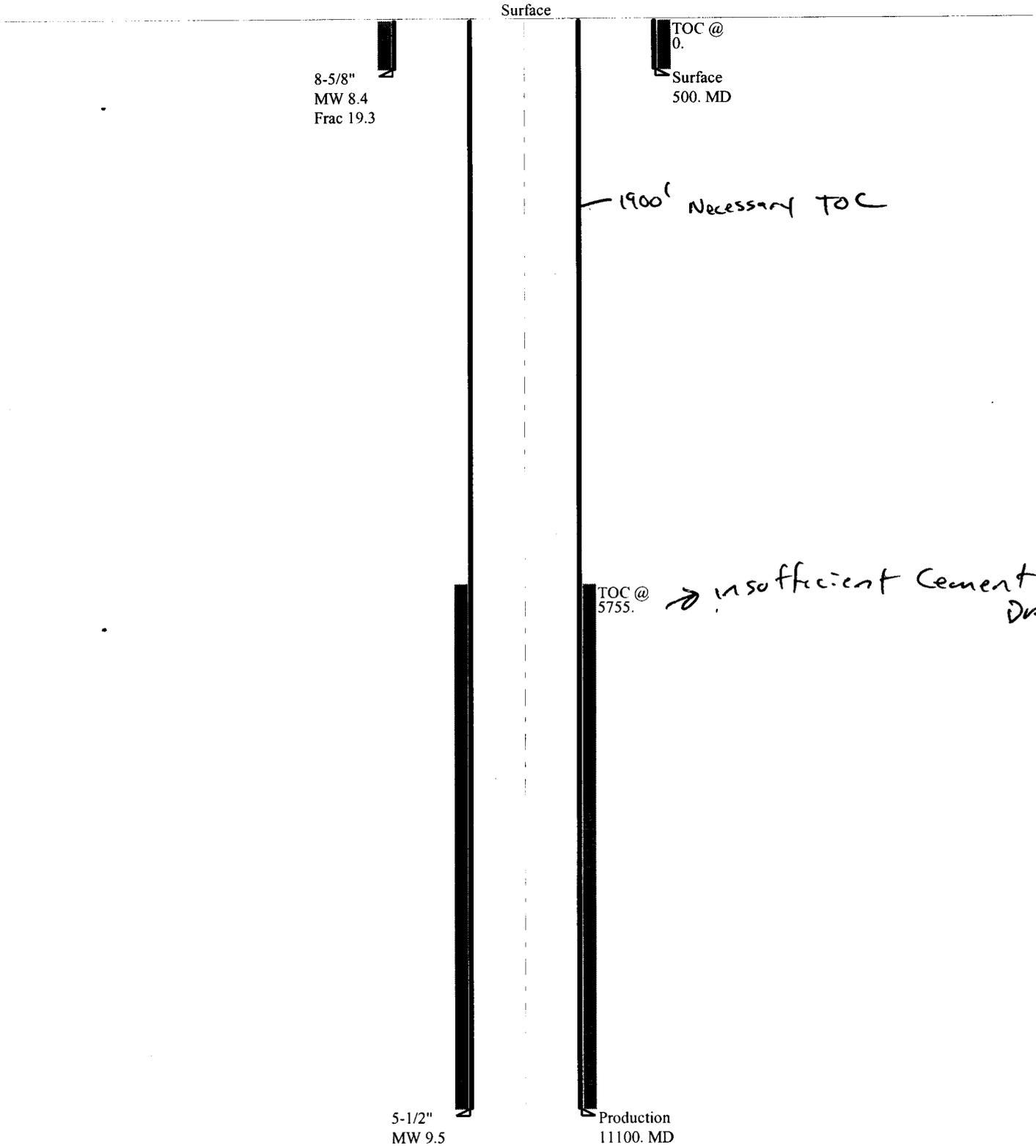
Waiting for proper bonding
TDof 10,997 reached (before approval) on 9/19/04 Dkd

(5/2000)

(See Instructions on Reverse Side)

06-04 MSC State 35-1 rev. 9-

Casing Schematic



Well name:

06-04 MSC State 35-1rev. 9-04

Operator: **MSC Exploration LP**

String type: **Production**

Project ID:

43-019-31404

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: 220 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: 5,755 ft

Burst

Max anticipated surface pressure: 285 psi
Internal gradient: 0.468 psi/ft
Calculated BHP 5,478 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: 9,501 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 (ft³)
1	11100	5.5	17.00	N-80	LT&C	11100	11100	4.767	382.5
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	5478	6290	1.148	5478	7740	1.41	189	348	1.84 J

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

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

Date: January 6, 2005
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 11100 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.



MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL	OFS	Date on Location	Spud Date	Report Date Jul 24, 2004
MD	TVD	Footage	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Toojpousher David Wilcox			
Present Operation Building Location				Rig Phone:	Rig Fax:				

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

CASING RECORD													
Casing String	OD	WT.	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when Run	Pres	LOT	Leakoff?
Surface						MD	TVD	MD	TVD				
<p>For various reasons, this group of papers were scanned in as one document.</p>													
BIT, WEIGHT, SPEED AND HYD													
BIT No.	Size	Bit Type or Manufacturer		Avg ROP		Grade		ROT Wt		Torque			
										Slow Pump Pressures			
Bit Remarks:										SPM	Pump #1	Pump #2	Pump #3
Pump No.	Stroke X Liner												
1	9 x 6												
2	14 x 5.5												
BHA													
Length	Description												
MUD DATA													
PIT	WT.	VIS	MBT		pH	Pm	Pt/Mt						
	Chlorides												
PIT													
				#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	Hour	Code	Crew Boat Name:	Status:				
0600	0600			Building location and digging 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		Fuel Usage		Bulk Material on Board		Previous Cost		\$3,500	
Daily	Daily	Gals	Cement:	sx	Daily Cost	\$1,000			
Cum.	Cum.	Gals	Barite:	sx	Cum. Cost	\$4,500			

T 215 R19E S-35
43-019-31404

RECEIVED
DEC 13 2004
DIV. OF OIL, GAS & MINING



MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 2	DFS 1	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Jul 29, 2004
MD 35	TVD 35	Footage	AFE No.	AFE Amount \$827,000	Auth. TD.	Company Representative Norman Woods			
Present Operation PU BHA & WO Cement				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	<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 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	wd	2	35'	35'			Air			
Surface													

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				
						3								
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: 12.25" air hammer bit, 9.75 stab, 1-6"20' DC
---------	---

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
				#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:	Time Summary		
FROM	TO					Activity	Daily	Cum.
0600	0830	2.5	28	Waiting on 12-3/4" Conductor pipe to arrive.				
0830	1200	3.5	15	Work on rig fuel system.				
1200	1400	2.0	16	PU 10' section of 12-3/4" conductor, weld pipe, Cement w/ 19 sx of cement.	1. Mob/DeMob		9.5	
1400	1730	3.5	12	Weld on companion flange. PU 12.25" hammer bit, 9.75" stabilizer & DC installed rotating head. WO cement to set up. SDFN.	2. Cement		1	
1730	0600	12.5	27	WO Cement to set up.	3. Circulate			
				Placing gravel on location.	4. Directional Work			
					5. Drilling		3	
					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	3.5	3.5	
					13. P.U./L.D. Pipe			
					14. R/U; R/D			
					15. Rig Repair	3.5	3.5	
					16. Run Casing	2	2	
					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	12.5	12.5	
					28. Other	2.5	2.5	
Total Hours		24.0			Total	24	37.5	

Rig Downtime	Fuel Usage	Bulk Material on Board	Previous Cost
Daily	Daily	Gals	\$24,000
Cum.	Cum.	Gals	Daily Cost \$38,075
		Barite: sx	Cum. Cost \$62,075



MSC Exploration Daily Drilling Report

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Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7		DOL 5	DFS 4	Date on Location 7/27/04	Spud Date Jul 28, 2004	Report Date Aug 1, 2004
MD 520	TVD 520	Footage	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Norman Woods				
Present Operation MIRU Union Rig #7				Rig Phone:		Toolpusher				
				Rig Fax:						

Current Weather	DONR Visit <input type="checkbox"/> Yes <input type="checkbox"/> No	NPDES	People on Loc.: 1	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator 1		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 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	12 3/4"	24	LP	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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 19.25	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								3/4				

BHA

Length: 84'	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:	Status:
FROM	TO					
0600	0630	0.5	28	Waiting on rig crews		
0630	0930	3.0	21	Trip out of hole laying down drillpipe and BHA.		
0930	1000	0.5	16	RU to run Surface casing		
1000	1400	4.0	16	Ran 13 jts 8 5/8" casing with float shoe on bottom. Landed casing @513'		
1400	1530	1.5	2	Cement with 14 yds (378 cf) of ready mix cement (Type 1, Class A). Pumping cement @ 100 psi on casing, dropped plug at 1515 hrs. Plug hit with 300 psi. Held pressure for 4 mins. Released pressure, pressure held. 20 bbls cement returns pumped to pit. RD cement equip.		
1530	1630	1.0	14	RD Bob Beeman Rathole rig and moved rig and equipment off location.		
1630	1700	0.5	28	Dig cellar around casing.		
1700	1845	1.8	28	Weld on Cooper Cameron 8-5/8" SO x 11", 3M casinghead on casing. 3 passes on outside, 2 passes on inside. Test head to 1000 psi. OK SDFN. Waiting on Union Rig #7.		
				Shipped 1 jt, 42.55' of 8 5/8" casing back to Beeman's yard. Will grade location and place more gravel today Will install 48" culvert for cellar		
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Total Hours		12.8				
Rig Downtime				Fuel Usage	Bulk Material on Board	Previous Cost \$80,434
Daily	Daily			Gals	Cement: sx	Daily Cost \$14,462
Cum.	6.3 hrs	Cum.		Gals	Barite: sx	Cum. Cost \$94,896
						23. UR/HO
						24. W.O.W.
						25. Wash & Ream
						26. Well Control
						27. WOC
						28. Other
						Total



MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 4	DFS 3	Date on Location 7/27/04	Spud Date Jul 28, 2004	Report Date Jul 31, 2004
MD 520	TVD 520	Footage 240	AFE No.	AFE Amount \$827,000	Auth. TD.	Company Representative Norman Woods			
Present Operation Circulate hole to run Surface Casing				Rig Phone:	Toolpusher Todd Beeman			Rig Fax:	

Current Weather	DONR Visit	NPDES	People on Loc.:	6	Last BOP Test Date	RIG ELEVATIONS				
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	1		RKB	15 ft			
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	5	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 MD	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12 3/4"	24	LP	Weld	2	35'	35'			Air			
Surface													

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	12 1/4	Halco	Air Hammer Bit	open	35'	485'	16 1/4	2	10	29.8					
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
						19.25									
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:	84'	Description:	12.25" air hammer bit (6'), 9.75 stab(17'), 3- 6" DC (60')
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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		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary			
FROM	TO					Activity	Daily	Cum.	
0600	0630	0.5	28	WO rathole rig crew					
0630	0700	0.5	15	Start rig and compressor. Repair air line to stinger.					
0700	0730	0.5	3	Circulate hole. About 20 bbls of water in hole	1. Mob/DeMob		9.5		
0730	0830	1.0	5	Air drill 280' to 300'. .33 ft/min	2. Cement		1		
0830	0900	0.5	15	Rig repair. Cut off pulley on airline, tied back airlines	3. Circulate	2	2		
0900	1100	2.0	5	Air drilling 300' to 362'. .5 ft/min	4. Directional Work				
1100	1500	4.0	5	Air drilling 362' to 500'. Ran out of water. .58 ft/hr	5. Drilling	7.5	19.25		
1500	1600	1.0	28	Waiting on water	6. Drive Pipe				
1600	1630	0.5	5	Air drilling 500' to 520'. TD for surface casing.	7. Fishing				
1630	1645	0.3	3	Circulate & condition hole.	8. OH Logging				
1645	1800	1.3	3	Mixing mud. Filling hole w/ 8.4 ppg mud. Total 38 bbls. Circ. Hole to pit	9. Lost Circ.				
1800	0600	12.0	28	SDFN	10. Drill Cmt./LOT				
					11. N.U./N.D.				
					12. P.U./L.D. BHA		3.5		
					13. P.U./L.D. Pipe				
					14. R/U; R/D		0.5		
					15. Rig Repair	1	6.25		
					16. Run Casing		2		
					17. Service Rig		0.5		
					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		12.5		
					28. Other		13.5	28.5	
					Total	24	85.5		
Total Hours		24.0							
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$78,334	
Daily	1.0 hrs	Daily		Cement:	sx	Daily Cost	\$2,100		
Cum.	6.3 hrs	Cum.		Barite:	sx	Cum. Cost	\$80,434		

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wkcat - State MSC #35-1				Contract Rig Union #7		DOL 6	DFS 5	Date on Location 7/27/2004	Spud Date Jul 26, 2004	Report Date Aug 2, 2004	
MQ 520	IWD 520	Footage	AFF No.	AFF Amount \$827,000	Auth. TD.	8,500'		Company Representative Norman Woods			
Present Operation MIRU Union Rig #7					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"/> Pass? <input type="checkbox"/> No		Contractor	Next BOP Test Date	Water Depth	R
Sky: <input type="checkbox"/> No			Service		RKB-CHF	ft

Casing String	OD	WL	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when Run	Pres	LOT	Leakoff?
						MD	TVD	MD	TVD			EMW	
Conductor	12 3/4"	24	LP	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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					
						19.25									
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	HHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	P/M
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				Boats:	Supply Boat Name:	Status:
TIME FROM	TIME TO	HOUR	Time Code	Crew Boat Name:		Status:
0600	1800	12.0	1	Moving rig to location. Mud tanks on location. Rig moving on location 8/2 and 8/3.		
				Neilson Construction on location 0800 - 1200 hrs, spread 4 loads of 2" rock on location. Est. 144 ton		
				Unable to get 48" cellar ring. Will deliver Monday morning.		
				Time Summary		
				Activity	Daily	Cum.
				1. Mob/DeMob	12	21.5
				2. Cement	2.5	
				3. Circulate		2
				4. Directional Work		
				5. Drilling		19.25
				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		3.5
				13. P.U./L.D. Pipe		
				14. R/U; R/D		1.5
				15. Rig Repair		6.25
				16. Run Casing		6.5
				17. Service Rig		0.5
				18. Sidetrack Op.		
				19. Stuck Pipe		
				20. Survey		
				21. Trips		3
				22. Tst. BOPs		
				23. UR/HO		
				24. W.O.W.		
				25. Wash & Ream		
				26. Well Control		
				27. WOC		12.5
				28. Other		31.25
				Total	12	110.25
Total Hours		12.0				
Rig Downtime	Fuel Usage		Bulk Material on Board		Previous Cost \$94,896	
Daily	Daily	Gals	Cement:	sx	Daily Cost \$1,600	
Cum.	6.3 hrs	Cum.	Gals	Barite:	sx	Cum. Cost \$98,496

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MSC Exploration Daily Drilling Report

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Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7		DOL 7	DFS 6	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Aug 3, 2004
MD 520	TVD 520	Footage	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Norman Woods				
Present Operation MIRU Union Rig #7				Rig Phone: 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 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	12 3/4"	24	LP	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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 19.25	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	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		HOUR	Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO						Activity	Daily	Cum.
0600	0800	2.0	28	Spreading gravel and watering down location.					
0800	1130	3.5	28	Installed 48" cellar ring around wellhead. Bladed gravel where rig will set.					
1130	1800	6.5	1	Waiting on rig to arrive. Derrick arrived at 1730 hrs					
						1. Mob/DeMob	6.5	28	
						2. Cement		2.5	
						3. Circulate		2	
						4. Directional Work			
						5. Drilling		19.25	
				On location: Dailey jars, 4 - stabilizers, 2 - mud pumps, mud cleaner		6. Drive Pipe			
						7. Fishing			
				Trailers coming in today:		8. OH Logging			
				From Mountain West Rentals:		9. Lost Circ.			
				Company Man's trailer/office		10. Drill Cmt./LOT			
				Mud Engineer's Shack		11. N.U./N.D.			
				From Great Divide:		12. P.U./L.D. BHA		3.5	
				Mud Loggin Unit w/ quarters		13. P.U./L.D. Pipe			
				From Mr. Ballsley:		14. R/U; R/D		1.5	
				Trailer for Jim Jones & Jack Stanley		15. Rig Repair		6.25	
				From Larry Moyer:		16. Run Casing		6.5	
				Personal Travel Trailer		17. Service Rig		0.5	
						18. Sidetrack Op.			
				Total 5 trailers on location.		19. Stuck Pipe			
						20. Survey			
						21. Trips		3	
						22. Tst. BOPs			
						23. UR/HO			
						24. W.O.W.			
						25. Wash & Ream			
						26. Well Control			
						27. WOC		12.5	
						28. Other	5.5	36.75	
						Total	12	122.25	
Total Hours		12.0							
Rig Downtime				Fuel Usage	Bulk Material on Board	Previous Cost	\$96,496		
Daily		Daily		Gals	Cement: sx	Daily Cost	\$6,088		
Cum.	6.3 hrs	Cum.		Gals	Barite: sx	Cum. Cost	\$102,584		

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MSC Exploration Daily Drilling Report

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Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7		DOI 9	DFS 8	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Aug 5, 2004
MD 520	TVD 520	Footage	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Huislander				
Present Operation RU Union #7				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		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 RECORD

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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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 19.25	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:
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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										
					\$777	\$777										

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	1800	12.0	1								
				Trucking in remainder of drilling rig. All rig compents on location.				Time Summary			
				Set mud cleaner and centrifuge in place.					Activity		
								Daily			
								Cum.			
				Mud products arrived on location				1. Mob/DeMob	12	51	
				Started water haul				2. Cement		2.5	
				Internet installed in 3 trailers				3. Circulate		2	
				Correction to trailers on location:				4. Directional Work			
				From Mountain West Rentals:				5. Drilling		19.25	
				Company Man's trailer/office				6. Drive Pipe			
				Mud Engineer's Shack				7. Fishing			
				From Great Divide:				8. OH Logging			
				Mud Logging Unit w/ quarters				9. Lost Circ.			
				From Mr. Ballsley:				10. Drill Cmt./LOT			
				Trailer for Jim Jones, Larry Moyer & Jack Stanley				11. N.U./N.D.			
				From Union Rig #7:				12. P.U./L.D. BHA		3.5	
				Toolpusher's trailer				13. P.U./L.D. Pipe			
								14. R/U; R/D		1.5	
								15. Rig Repair		6.25	
								16. Run Casing		6.5	
								17. Service Rig		0.5	
								18. Sidetrack Op.			
								19. Stuck Pipe			
								20. Survey			
								21. Trips		3	
								22. Tst. BOPs			
								23. UR/HO			
								24. W.O.W.			
								25. Wash & Ream			
								26. Well Control			
								27. WOC		12.5	
								28. Other		36.75	
								Total	12	145.25	
Total Hours		12.0						D.V. OF OIL, GAS & MINING		Pump Cost \$106,630	
Rig Downtime		Fuel Usage		Bulk Material on Board		Cement: sx		Daily Cost		\$7,898	
Daily		Gals		Barite: sx		Cum. Cost				\$114,528	
Cum.	6.3 hrs	Cum.									

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 8	DFS 7	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Aug 4, 2004
MD 520	TVD 520	Footage	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Norman Woods			
Present Operation WO Trucks to Move Union Rig #7				Rig Phone: 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 MD TVD	Liner Top MD TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12 3/4"	24	LP	Weld	2	35' 35'		Air			
Surface	8 5/8"	24	K55	STC	13	513' 513'		8.4			

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 19.25	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:
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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		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO					Activity	Daily	Cum.
0600	0630	0.5	1	WO rig crew				
0630	1230	6.0	1	Substructure on location, installed derrick on rig, set substructure over hole, set rig substructure	1. Mob/DeMob	11	39	
1230	1700	4.5	1	Waiting on rest of rig to arrive. Truck broke down.	2. Cement		2.5	
					3. Circulate		2	
					4. Directional Work			
					5. Drilling		19.25	
				Estimated 4 of total 13 loads of rig on location. DP has to be inspected before drilling.	6. Drive Pipe			
				Septic tanks on location @ 1830 hrs.	7. Fishing			
					8. OH Logging			
					9. Lost Circ.			
					10. Drill Cmt./LOT			
					11. N.U./N.D.			
					12. P.U./L.D. BHA		3.5	
					13. P.U./L.D. Pipe			
					14. R/U; R/D		1.5	
					15. Rig Repair		6.25	
					16. Run Casing		6.5	
					17. Service Rig		0.5	
					18. Sidetrack Op.			
					19. Stuck Pipe			
					20. Survey			
					21. Trips		3	
					22. Tst. BOPs			
					23. UR/HO			
					24. W.O.W.			
					25. Wash & Ream			
					26. Well Control			
					27. WOC		12.5	
					28. Other		36.75	
Total Hours		11.0			Total	11	133.25	
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$102,584
Daily	Daily	Gals	Cement:	sx	Daily Cost	\$4,046		
Cum.	6.3 hrs	Cum.	Gals	Barite:	sx	Cum. Cost	\$106,630	



MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 11	DFS 10	Date on Location 7/27/04	Spud Date Jul 28, 2004	Report Date Aug 7, 2004
MD 602	TVD 602	Footage 74	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulstander			
Present Operation Drilling				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney		Rig Fax: 435-220-0999		

Current Weather	DONR Visit <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	NPDES	People on Loc.: 14	Last BOP Test Date 8/6/04	RIG ELEVATIONS				
Wind:	LC50 Sample Date	Operator	1	Next BOP Test Date 9/6/04	Water Depth 15 ft				
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Contractor	11	Service	RKB-CHF ft				
Sky:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No								

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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

BIT, WEIGHT, SPEED AND HYDRAULICS RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jats	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
3	7 7/8"	MX11 Hughes	5023539	11, 12, 12	528'	74'	4	5-15	70-80	18.5				
Bit Remarks:						Cum. ROT. Hrs 23.25	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								3/4				

BHA

Length: 587'	Description: bit, 1-bit sub (3.22'), 2- 6 1/4" DC (61.70'), 1 IBS (4.05'), 1- 6 1/4" DC (30.84'), 1- IBS (4.45'), 9 - DC 6 1/4" (275.35') 1- 6 1/4" Jars(30.23'), 6- 6 1/4" DC (176.18')
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MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Fm	Pf/Mf
PIT	8.4	38	12	6	5/12	10.0		0/0	0.5			nil		9	0.25	0.8
	Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer		Mud Company					
PIT	100		80	87	87	#1	#2	Desand	Cent.	John Limon		M-I				
						145	145	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
						145	145			\$1,562		\$3,189				

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
528	528	2.75°					

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Time Summary		
FROM	TO							Activity	Daily	Cum.
0800	0700	1.0	14	Installed flow line						
0700	1200	5.0	22	Tested rams, choke and kill lines, upper kelly, safety valves, choke manifold to 3000 psi for 10 mins. Low to 250 psi 5 min. Tested good				1. Mob/DeMob		75
				Annular tested 1500 psi for 10 mins. Low 250 psi for 5 mins. Casing tested at 1500 psi for 30 mins, Everything tested good				2. Cement		2.5
				Installed wear ring, drive bushing, strapped BHA				3. Circulate		2
1200	1400	2.0	12	Unload 4 - 6 1/4" DC's				4. Directional Work		
1400	1500	1.0	12	PU BHA				5. Drilling	4	23.25
1500	1700	2.0	12	Swarm of flying ants accumulated on rig floor. Drove rig hands off floor				6. Drive Pipe		
				Repair air leaks				7. Fishing		
1700	1800	1.0	15	Continue to PU BHA. Tagged cement at 523.5'				8. OH Logging		
1800	2230	4.5	12	Drill 5' cement, baffle plate and shoe				9. Lost Circ.		
2230	0130	3.0	10	Drilling formation. 528'- 570'				10. Drill Cmt./LOT	3	3
0130	0230	1.0	5	Survey & Service Rig - 528' 2.75 deg				11. N.U./N.D.		
0230	0300	0.5	20	Drilling 570' to 602'				12. P.U./L.D. BHA	9.5	13
0300	0600	3.0	5					13. P.U./L.D. Pipe		
								14. R/U; R/D	1	2.5
								15. Rig Repair	1	7.25
								16. Run Casing		6.5
								17. Service Rig		0.5
								18. Sidetrack Op.		
								19. Stuck Pipe		
								20. Survey	0.5	0.5
								21. Trips		3
								22. Tst. BOPs	5	5
								23. UR/HO		
								24. W.O.W.		
								25. Wash & Ream		
								26. Well Control		
								27. WOC		12.5
								28. Other		36.75
Total									24	193.25
Total Hours		24.0		Fuel Usage		Bulk Material on Board		Previous Cost		\$119,756
Rig Downtime		Daily		Gals	Cement:	Barite:	sx	Daily Cost		\$35,073
Cum.	6.3 hrs	Cum.		Gals			sx	Cum. Cost		\$154,829

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 10	DFS 9	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Aug 6, 2004
MD 520	TVD 520	Footage	AFE No.	AFE Amount \$827,000	Auth. TD.	8,500'		Company Representative Carl Hulslander	
Present Operation RU flowline. Prep to install BOP's				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			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	LOT		
						MD	TVD	MD	TVD		Pres	EMW	Leakoff?
Conductor	12 3/4"	24	LP	Weid	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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					
						19.25									
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			
												\$850	\$1,627			

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME			Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:																																																																																													
FROM	TO	HOUR																																																																																																		
0600	1800	12.0	1	Continue to rig up. Tools ordered to drill mouse and rat hole. Brandt and Swaco continue to rig up equipment.																																																																																																
1800	1900	1.0	1	Unload tools to drill mouse and rat hole																																																																																																
1900	2000	1.0	1	Work shut down due to severe rain wind and lightning, Flash flooding washed through 2' berm on west side of location and entered location. Berm rebuilt. Water traveled around north side of location and berm on south side held. Watered flowed by location for at least 2 hrs before slowing down and subsiding.																																																																																																
2000	2200	2.0	1	RU pumps and cellar jet																																																																																																
2200	0000	2.0	1	RU mouse and rat hole drilling tools																																																																																																
0000	0500	5.0	1	Drill mouse and rat holes																																																																																																
0500	0600	1.0	1	RU flow line																																																																																																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">Time Summary</th> <th rowspan="2">Daily</th> <th rowspan="2">Cum.</th> </tr> <tr> <th>Activity</th> <th></th> </tr> </thead> <tbody> <tr><td>1. Mob/DeMob</td><td>24</td><td>75</td></tr> <tr><td>2. Cement</td><td></td><td>2.5</td></tr> <tr><td>3. Circulate</td><td></td><td>2</td></tr> <tr><td>4. Directional Work</td><td></td><td></td></tr> <tr><td>5. Drilling</td><td></td><td>19.25</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></td></tr> <tr><td>12. P.U./L.D. BHA</td><td></td><td>3.5</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>1.5</td></tr> <tr><td>15. Rig Repair</td><td></td><td>6.25</td></tr> <tr><td>16. Run Casing</td><td></td><td>6.5</td></tr> <tr><td>17. Service Rig</td><td></td><td>0.5</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>3</td></tr> <tr><td>22. Tst. BOPs</td><td></td><td></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 & 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>12.5</td></tr> <tr><td>28. Other</td><td></td><td>36.75</td></tr> <tr><td>Total</td><td>24</td><td>169.25</td></tr> </tbody> </table>								Time Summary		Daily	Cum.	Activity		1. Mob/DeMob	24	75	2. Cement		2.5	3. Circulate		2	4. Directional Work			5. Drilling		19.25	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		3.5	13. P.U./L.D. Pipe			14. R/U; R/D		1.5	15. Rig Repair		6.25	16. Run Casing		6.5	17. Service Rig		0.5	18. Sidetrack Op.			19. Stuck Pipe			20. Survey			21. Trips		3	22. Tst. BOPs			23. UR/HO			24. W.O.W.			25. Wash & Ream			26. Well Control			27. WOC		12.5	28. Other		36.75	Total	24	169.25
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Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost																																																																																														
Daily	Daily	Gals	Cement:	sx		\$114,528																																																																																														
Cum.	6.3 hrs	Cum.	Gals	Barite:	sx		Daily Cost \$5,228																																																																																													
						Cum. Cost \$119,756																																																																																														



MSC Exploration Daily Drilling Report

Block Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 13	DFS 12	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Aug 9, 2004
MD 961	TVD 961	Footage 139	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	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 type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: Operator	Last BOP Test Date 8/6/2004	RIG ELEVATIONS RKB 15 ft	
Wind:	Problem? <input type="checkbox"/> Yes	Contractor	Next BOP Test Date	Water Depth ft		
Seas:	<input type="checkbox"/> No	Service	9/6/2004	RKB-CHF ft		
Sky:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No					

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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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"	MX11 Hughes	5023539	11, 12, 12	528'	345'	38	10/25	80/100	9.1	2	1	1		
3 RR	7 7/8"	MX11 Hughes	5023539	11, 12, 12	873'	88'	8	10/25	80/100	11.0					
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque							
				65.25	61	61	61								
Pump No.	Stroke X Liner	Output gpm	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	46	320	Pump #1
1	9 x 6	3.15	118	371	1450			266	201	1/2	89	870			
2	9 x 6	3.15								3/4	118	1450			

BHA

Length: 587'	Description: bit, 1-bit sub (3.22'), 2- 6 1/4" DC (61.70'), 1 IBS (4.05'), 1- 6 1/4" DC (30.84'), 1- IBS (4.45'), 9- DC 6 1/4" (275.35') 1- 6 1/4" jars(30.23'), 6- 6 1/4" DC (176.18')
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MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.6	40	17	12	7/12	7.8		2	2	0.2			8.2	9.5	0.3	.15/.55

	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer	Mud Company	
PIT	7500	60	86	86	#1	#2	Desand	Cent.	John Limon	M-I
					145	145	24		Daily Cost	Cumulative Cost
					#3	#4	Desilt	Mud Cl	\$2,953	\$11,537

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
801	801	2.75 °					
861	861	3.50 °					

OPERATIONS SUMMARY

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Status:		
FROM	TO									
0600	0930	3.5	5	Drilling to 843'						
0930	1000	0.5	20	Survey @ 801' - 2.75 deg						
1000	1030	0.5	17	Service rig						
1030	1800	7.5	5	Drilling to 873'						
1800	1830	0.5	20	Survey @ 861' - 3.5 deg						
1830	2030	2.0	21	TOOH, Found a 1 1/2" x 3/8" x 3/4" piece of hardened metal dangling between cones of bit. Minimal flattening to 4 buttons on two cones bit rerunable, changed out IBS to under gage size.						
2030	2200	1.5	21	TIH						
2200	0600	8.0	5	Drilling to 961'. Weight 8-10 K, 100 rpm, 20 ft/ hr avg. At 0300, pushed additional junk aside, drilling rate increased at that time						
				Formation Mancos Shale - 2% sand, 98 % shale						
				BG = 5 -25 units						
				CG = 0 units						
				TG - 65 units						
				Form G = 0						
								Time Summary		
								Activity	Daily	Cum.
								1. Mob/DeMob		75
								2. Cement		2.5
								3. Circulate		2
								4. Directional Work		
								5. Drilling	19	65.25
								6. Drive Pipe		
								7. Fishing		
								8. OH Logging		
								9. Lost Circ.		
								10. Drill Cmt./LOT		3
								11. N.U./N.D.		
								12. P.U./L.D. BHA		13
								13. P.U./L.D. Pipe		
								14. R/U; R/D		2.5
								15. Rig Repair		7.75
								16. Run Casing		6.5
								17. Service Rig	0.5	1.5
								18. Sidetrack Op.		
								19. Stuck Pipe		
								20. Survey	1	1.5
								21. Trips	3.5	6.5
								22. Tst. BOPs		5
								23. UR/HO		
								24. W.O.W.		
								25. Wash & Ream		
								26. Well Control		
								27. WOC		12.5
								28. Other		36.75
								Total	24	241.25
Total Hours		24.0								
Rig Downtime				Fuel Usage		Bulk Material on Board		Previous Cost \$180,413		
Daily		Daily		Gals	Cement:	sx	Daily Cost	\$21,816		
Cum.	6.3 hrs	Cum.		Gals	Barite:	sx	Cum. Cost	\$202,229		

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MSC Exploration Daily Drilling Report

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Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7		DOL 15	DFS 14	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Aug 11, 2004
MD 2,864	TVD 2,864	Footage 1,167	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulslander				
Present Operation Circulate air and adding foamer to unload hole				Rig Phone: 435-220-0999	Rig Fax: 435-220-0999	Toolpusher Conrad Tenney				

Current Weather	DONR Visit	NPDES	People on Loc.:	16	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	1	8/6/2004	RKB 15 ft				
Seas: <input type="checkbox"/> 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				
Sky: <input type="checkbox"/> No	<input type="checkbox"/> No	<input type="checkbox"/> No	Service	4	9/6/2004	RKB-CHF ft				

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth		Liner Top		MW when Run	Pres	LOT EMW	Leakoff?
						MD	TVD	MD	TVD				
Conductor	12 3/4"	24	LP	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
4 RR	7 7/8"	Marquis C683G	mb78112	open	1,147'	1,717'	28 1/2	2/3	40	60.2				
Bit Remarks: Used bit from State MSC #16-1						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
						101.25	94	82	88					
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								1/2				

BHA	Length: 582'	Description: Air hammer bit(4.58') - bit sub (3.22'), 12- 6 1/4" DC (367.89'), jars (30.23'), 6 - DC 6 1/4" (176.18')
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WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT DRILLING WITH AIR AT 2400 CFM & 200 PS															
Chlorides															
Ca++															
Smpl Temp															
F.L. Temp															
Shaker Screens															
Hours															
Mud Engineer															
Mud Company															
#1 #2 Desand Cent. John Limon M-I															
145 145 N															
#3 #4 Desilt Mud Cl Daily Cost Cumulative Cost															
145 N \$14,072															

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
1655		3.25 °					
2159/2809		3.00 °					

TIME		FROM	TO	HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Status:	Time Summary					
											Activity	Daily	Cum.			
		0600	1300	7.0	5	Air drilling to 2097'					1. Mob/DeMob		75			
		1300	1600	3.0	28	Weld water spray assembly to blooie line					2. Cement		2.5			
		1600	1730	1.5	5	Air drilling to 2189'					3. Circulate	2	5			
		1730	1800	0.5	20	Survey @ 2159' - 3 deg					4. Directional Work					
		1800	0030	6.5	5	Air drilling to 2651'					5. Drilling	18	101.25			
		0030	0100	0.5	20	Survey @ 2609' - 3 deg					6. Drive Pipe					
		0100	0400	3.0	5	Air drilling to 2864'. Encountered water.					7. Fishing					
		0400	0600	2.0	3	Circulate and adding foamer to clean hole. Waiting for returns.					8. OH Logging					
							Formation Mancos Shale - surface to Dakota sd					9. Lost Circ.				
							Dakota Sand stone. - 2230'					10. Drill Cmt./LOT		3		
							Morrison - 2460'					11. N.U./N.D.				
							BG = 5 -25 units					12. P.U./L.D. BHA		13		
							CG = 0 units					13. P.U./L.D. Pipe				
							TG - 0 units					14. R/U; R/D		2.5		
							Form G = 0					15. Rig Repair		7.75		
												16. Run Casing		6.5		
												17. Service Rig		2		
												18. Sidetrack Op.				
												19. Stuck Pipe				
												20. Survey	1	3.5		
												21. Trips		10		
												22. Tst. BOPs		5		
												23. UR/HO				
												24. W.O.W.				
												25. Wash & Ream				
												26. Well Control				
												27. WOC		12.5		
												28. Other	3	39.75		
												Total	24	289.25		
Total Hours				24.0							Previous Cost		\$226,366			
Rig Downtime						Fuel Usage					Daily Cost		\$28,761			
Daily		Daily		882		Gals		Bulk Material on Board					Cum. Cost		\$255,127	
Cum.		7.8 hrs		Cum.		5920		Gals		Cement: sx						
								Barite: sx								

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MSC Exploration Daily Drilling Report

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Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 19	DFS 18	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Aug 15, 2004
MD 4,612	TVD 4,612	Footage 412	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulstlander			
Present Operation Trip for new bit				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.: Operator	15 1	Last BOP Test Date 8/6/2004	RIG ELEVATIONS RKB 15 ft			
Wind:	Problem? <input type="checkbox"/> Yes		Contractor	11	Next BOP Test Date	Water Depth ft			
Seas:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service	3	9/6/2004	RKB-CHF ft			
Sky:									

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	Weld	2	35' 35'		Air			
Surface	8 5/8"	24	K55	STC	13	513' 513'		8.4			

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"	HTC GTS18	5041747	12,13,13	2,864'	1,748'	62 1/4	35/38	80	28.1					
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
						163.5	115	98	105						
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	180	Pump #1	Pump #2
1	9 x 6	3.15	120	378	1550			294	179	1/2	60	350			
2	9 x 6	3.15								3/4	75	680			

BHA	Length: 585'	Description: bit, 1-bit sub (3.22'), 1- 6 1/4" DC (30.85'), 1 IBS (3.90'), 1- 6 1/4" DC (30.845), 1- IBS (3.07'), 10 - DC 6 1/4" (306.19') 1- 6 1/4" jars(30.23'), 6- 61/4" DC (176.18')
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WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.8	40	11	11	8/13	8.4		2	3		0.25	9.5	9.5	0.25	.1/32
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
1000		80	110	119	#1	#2	Desand	Cent.	John Limon		M-I				
2% KCl					145	145	24		Daily Cost		Cumulative Cost				
					#3	#4	Desilt	Mud Cl	\$2,452		\$25,169				
					145		24								

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
4284	4284	4.00°					
4552	4552	4.00°					

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:
TIME FROM TO	HOURLY	Time Code	Boats:	Crew Boat Name:	Status:	
0600 0930	3.5	5	Drilling to 4316'			Time Summary Activity Daily Cum.
0930 1000	0.5	20	Survey 4284' 4 deg			
1000 1100	1.0	17	Service rig and repair rig transmission			1. Mob/DeMob 7.5
1100 0200	15.0	5	Drilling to 4594'			2. Cement 2.5
0200 0300	1.0	20	Circulate and survey 4552' 4 deg			3. Circulate 8.5
0300 0415	1.3	5	Drilling to 4612'			4. Directional Work
0415 0600	1.8	21	Pump pill and TOO. Will run mud motor.			5. Drilling 19.75 163.5
						6. Drive Pipe
						7. Fishing
			Shows:			8. OH Logging
			4116'-4310' , (194') SI-med yellow ring			9. Lost Circ.
			4490'-4540' (50') B=9 u, D = 15 u			10. Drill Cmt./LOT 3
			Formation Mancos Shale - surface			11. N.U./ N.D.
			Dakota Sand stone. - 2230'			12. P.U./L.D. BHA 13
			Morrison - 2460'			13. P.U./L.D. Pipe
			Curtis/Moab tongue - 3096'			14. R/U; R/D 2.5
			Entrada - 3262'			15. Rig Repair 7.75
			Carnel - 3612'			16. Run Casing 6.5
			Navajo - 3684'			17. Service Rig 1 3
			Kayenta - 4104'			18. Sidetrack Op.
						19. Stuck Pipe
						20. Survey 1.5 6.5
						21. Trips 1.75 16.75
			BG = 0 - 10 units			22. Tst. BOPs 5
			CG = 0 units			23. UR/HO
			TG = 0 units			24. W.O.W.
			Max FG 15 units			25. Wash & Ream 16
						26. Well Control
						27. WOC 12.5
						28. Other 43.25
Total Hours	24.0					Total 24 385.25
Rig Downtime		Fuel Usage	Bulk Material on Board		Previous Cost	\$394,403
Daily	Daily	1050 Gals	Cement:	sx	Daily Cost	\$27,047
Cum.	7.8 hrs	9216 Gals	Barite:	sx	Cum. Cost	\$421,450

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 18	DFS 17	Date on Location 7/27/04	Spud Date Jul 28, 2004	Report Date Aug 14, 2004
MD 4,190	TVD 4,190	Footage 799	AFE No.	AFE Amount \$827,000	Auth. TD.	Company Representative Carl Hulslander			
Present Operation Drilling				Rig Phone: 435-220-0999	Last BOP Test Date 8/6/04			Toolpusher Conrad Tenney	
				Rig Fax: 435-220-0999	Next BOP Test Date 9/6/04			RKB-CHF ft	

Current Weather	DONR Visit	NPDES	People on Loc.:	15	Last BOP Test Date	RIG ELEVATIONS				
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	1	8/6/04	RKB	15 ft			
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	11	Next BOP Test Date	Water Depth		ft		
Sky:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service	3	9/6/04	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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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"	HTC GTS18	5041747	12,13,13	2,864'	1,326'	42 1/2	35/30	80	31.2						
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque						
						143.75	110	92	102							
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures				
								DC	DP			1/4	48	180	Pump #1	Pump #2
1	9 x 6	3.15	120	378	1550			364	268	1/2						
2	9 x 6	3.15								3/4						

BHA

Length: 585'	Description: bit, 1-bit sub (3.22'), 1- 6 1/4" DC (30.85'), 1 IBS (3.90'), 1- 6 1/4" DC (30.845'), 1- IBS (3.07'), 10 - DC 6 1/4" (306.19') 1- 6 1/4" jars(30.23'), 6- 61/4" DC (176.18')
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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	12	19	10/20	7.4		2	3			0.25	9.4	10	9.4	.15/.35
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT	10000	100	90	113	#1 #2	Desand Cent.	John Limon	M-I								
	KCl = 2%				145 145	24	Daily Cost	Cumulative Cost								
					#3 #4	Desilt Mud Cl	\$2,753	\$22,717								

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
3544	3544	3.00 °					
4027	4027	4.00 °					

OPERATIONS SUMMARY

TIME			Time Code	Boats:	Supply Boat Name:	Status:	Time Summary			
FROM	TO	HOUR					Activity	Daily	Cum.	
0600	0930	3.5	5	Drilling to 3574'						
0930	1000	0.5	20	Survey 3544' - 3.0 deg						
1000	0130	15.5	5	Drilling to 4069'				1. Mob/DeMob	75	
0130	0200	0.5	20	Survey 4027' - 4.0 deg				2. Cement	2.5	
0200	0600	4.0	5	Drilling to 4180'				3. Circulate	8.5	
								4. Directional Work		
								5. Drilling	23	
								6. Drive Pipe		
								7. Fishing		
								8. OH Logging		
				Formation Mancos Shale - surface to Dakota sd				9. Lost Circ.		
				Dakota Sand stone. - 2230'				10. Drill Cmt./LOT	3	
				Morrison - 2460'				11. N.U./N.D.		
				Curtis/Moab tongue - 3096'				12. P.U./L.D. BHA	13	
				Entrada - 3262'				13. P.U./L.D. Pipe		
				Carmel - 3612'				14. R/U; R/D	2.5	
				Navahoe - 3684'				15. Rig Repair	7.75	
				Kayenta - 4104'				16. Run Casing	6.5	
								17. Service Rig	2	
								18. Sidetrack Op.		
				BG = 0 - 7 units				19. Stuck Pipe		
				CG = 0 units				20. Survey	1	
				TG = 0 units				21. Trips	15	
				Form G = 0				22. Tst. BOPs	5	
								23. UR/HO		
								24. W.O.W.		
								25. Wash & Ream	16	
								26. Well Control		
								27. WOC	12.5	
								28. Other	43.25	
Total Hours									24.0	
Rig Downtime		Fuel Usage			Bulk Material on Board			Previous Cost		
Daily		Daily	1008	Gals	Cement:	sx	Daily Cost	\$306,762		
Cum.	7.8 hrs	Cum.	8166	Gals	Barite:	sx	Cum. Cost	\$87,641		
										\$394,403



MSC Exploration Daily Drilling Report

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Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 21	DFS 20	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Aug 17, 2004
MD 5,168	TVD 5,168	Footage 238	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulslander			
Present Operation Working Stuck Pipe				Rig Phone: 435-220-0999	Rig Fax: 435-220-0999			Toolpusher Conrad Tenney	

Current Weather	DONR Visit	NPDES	People on Loc.:	15	Last BOP Test Date	RIG ELEVATIONS		
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	1	8/6/2004	RKB	15 ft	
Seas:	<input type="checkbox"/> 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	3	9/6/2004	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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

BIT No	Size	BIT Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade			
											Tooth	Bearing	Gage	
6	7 7/8"	HTC GX20	5054503	13,14,14	4,612'	556'	19 1/2	30/35	161	28.5				
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
						163.5	125	110	119					
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	1400			300	182	1/4				
2	9 x 6	3.15								3/4				

BHA												
Length:	611'	Description: bit, 1- mud motor (28.64'), 1-IBS (3.07)- 1- 6 1/4" DC (30.85'), 1 IBS (3.90'), 11 - DC 6 1/4" (337.05')										
1- 6 1/4" jars(30.23'), 6- 6 1/4" DC (176.18')												
Mud motor .24" 120 stk= 86 rpm, 54 rot table = 140 rpm on bit												

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.8	45	13	19	12/23	7.8	2	3			0.25	10.2	9.5	0.3	1/4

Chlorides	Ca++	Smp Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer	Mud Company		
				#1	#2					
PIT	10000	120	97	120	#1	#2	Desand	Cent.	John Limon	M-I
	KCL 2%				145	145		24		
					#3	#4	Desilt	Mud Cl		
					145		24	\$3,540		\$30,186

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
5097	5097	3.75 °					

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:
TIME FROM	TO	HOUR	Time Code	Crew Boat Name:		Status:
0600	1030	4.5	5	Drilling 4930'- 5015'		Time Summary Activity Daily Cum.
1030	1230	2.0	21	TOOH for rig repairs to 2476', Tight hole 5018' - 3150' - pull 20/40K over 2800' - 2700' - pull 20/40K over		
1230	1430	2.0	15	Replaced packing in swivel		1. Mob/DeMob 75
1430	1500	0.5	21	TIH to 2694'		2. Cement 2.5
1500	1800	3.0	25	Wash and ream from 2694' - 2863'		3. Circulate 8.5
1800	1830	0.5	21	TIH to 3627'		4. Directional Work 10 183
1830	1930	1.0	25	Wash and ream from 3627' - 3663'		5. Drilling
1930	2000	0.5	21	TIH to 4572'		6. Drive Pipe
2000	2030	0.5	25	Wash and ream 4572' - 4622'		7. Fishing
2030	2100	0.5	21	TIH to 4943'		8. OH Logging
2100	2130	0.5	25	Wash and ream 4943' to bottom 4015'		9. Lost Circ.
2130	0300	5.5	5	Drilling 5015' to 5168'		10. Drill Cmt./LOT 3
0300	0400	1.0	20	Survey 5097' - 3.75 deg		11. N.U./N.D.
0400	0530	1.5	15	Mix & pump pill, working pipe. Swivel locking up while rotating. Prep TOOH.		12. P.U./L.D. BHA 13
0530	0600	0.5	19	Pipe stuck on bottom. Working stuck pipe		13. P.U./L.D. Pipe 2.5
				Morrison Shale - 0'	Dakota 2230'	14. RU; R/D 11.25
				Morrison - 2680'	Curtis (Moab Tongue) - 3140'	15. Rig Repair 3.5
				Entrada - 3263'	Carmel - 3684'	16. Run Casing 6.5
				Navajo - 3843'	Kayenta - 4098'	17. Service Rig 3.5
				Wingate - 4375'	Chinie - 4960'	18. Sidetrack Op.
				Shinarump - 5060'	Moenkopi - 5100'	19. Stuck Pipe 0.5 0.5
						20. Survey 1 8
						21. Trips 4 27.25
						22. Tst. BOPs 5
						23. UR/HO
				BG = 0 - 5 units		24. W.O.W.
				CG = 0 units		25. Wash & Ream 5 28
				TG = 0 units		26. Well Control
				M FG = 0 units		27. WOC 12.5
						28. Other 43.25
						Total 24 433.25
Total Hours		24.0		Fuel Usage		Previous Cost \$462,057
Rig Downtime				Bulk Material on Board		Daily Cost \$23,337
Daily	3.5 hrs	Daily	546 Gals	Cement:	sx	Cum. Cost \$485,394
Cum.	11.3 hrs	Cum.	10308 Gals	Barite:	sx	

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 20	DFS 19	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Aug 16, 2004
MD 4,930	TVD 4,930	Footage 318	AFE No.	AFE Amount \$827,000	Auth. TD.	Company Representative Carl Hulslander			
Present Operation Drilling				Rig Phone: 435-220-0999	Rig Fax: 435-220-0999			Toolpusher Conrad Tenney	

Current Weather	DONR Visit	NPDES	People on Loc.:	15	Last BOP Test Date	RIG ELEVATIONS				
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	1	8/6/2004	RKB	15 ft			
Seas:	Problem? <input type="checkbox"/> Yes		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	9/6/2004	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	12 3/4"	24	LP	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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"	HTC GTS18	5041747	12,13,13	2,864'	1,748'	62 1/4	35/38	80	28.1	8	8	1/2		
6	7 7/8"	HTC GX20	5054503	13,14,14	4,612'	318'	9 1/2	20/30	140	33.5					
Bit Remarks: Bit totally demolished				Cum. ROT Hrs	PU Wt	SO Wt	ROT Wt		Torque						
				163.5	122	108	114								
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	46	300	Pump #1
1	9 x 6	3.15	120	378	1400			300	182	1/2	75	550			
2	9 x 6	3.15								3/4					

BHA

Length: 611'	Description: bit, 1- mud motor (28.64'), 1-IBS (3.07)- 1- 6 1/4" DC (30.85'), 1 IBS (3.90'), 11 - DC 6 1/4" (337.05') 1- 6 1/4" jars(30.23'), 6- 61/4" DC (176.18')
Mud motor .24" 120 stk= 86 rpm, 54 rot table = 140 rpm on bit	

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.7	48	16	20	15/23	8.2		2	2.5			0.25	9.5	9.5	0.3	1/4
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company								
PIT	9000	100	95	119	#1 #2 Desand Cent.	24	John Limon	M-I								
		KCl 1.8%			145 #3 #4 Desilt Mud Cl	24	Daily Cost	Cumulative Cost								
					145	24	\$1,477	\$26,646								

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
4853	4853	4.50°					

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO					Activity	Daily	Cum.
0600	0830	2.5	21	TOOH. Tight hole @ 3580' - Pulled 30K over, 3320' - 3180' - 40K over				
0830	1130	3.0	21	TIH w/ bit #6 and mud motor				
1130	1700	5.5	25	Wash and ream 2744' to 2962'	1. Mob/DeMob		75	
1700	1800	1.0	21	TIH	2. Cement		2.5	
1800	1930	1.5	25	Wash and ream 4480' to 4612' TD.	3. Circulate		8.5	
1930	0430	9.0	5	Drilling 4612' to 4924'	4. Directional Work			
0430	0500	0.5	17	Service rig	5. Drilling	9.5	173	
0500	0530	0.5	20	Survey 4853' 4.5 deg	6. Drive Pipe			
0530	0600	0.5	5	Drilling to 4930'	7. Fishing			
					8. OH Logging			
					9. Lost Circ.			
				Shows: No new shows	10. Drill Cmt./LOT		3	
					11. N.U./N.D.			
				Formation Mancos Shale - surface	12. P.U./L.D. BHA		13	
				Dakota Sand stone. - 2230'	13. P.U./L.D. Pipe			
				Morrison - 2460'	14. R/U; R/D		2.5	
				Curtis/Moab tongue - 3096'	15. Rig Repair		7.75	
				Entrada - 3262'	16. Run Casing		6.5	
				Carmel - 3612'	17. Service Rig	0.5	3.5	
				Navajo - 3684'	18. Sidetrack Op.			
				Kayenta - 4104'	19. Stuck Pipe			
				Wingate - 4262'	20. Survey	0.5	7	
				Chinie - 4708'	21. Trips	6.5	23.25	
					22. Tst. BOPs		5	
					23. UR/HO			
				BG = 0 - 5 units	24. W.O.W.			
				CG = 0 units	25. Wash & Ream	7	23	
				TG = 0 units	26. Well Control			
				M FG = 0 units	27. WOC		12.5	
					28. Other		43.25	
Total Hours						24.0		
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		
Daily		Daily	546 Gals	Cement:	sx	Daily Cost	\$421,450	
Cum.	7.8 hrs	Cum.	9762 Gals	Barite:	sx	Cum. Cost	\$462,057	



MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7		DOL 23	DFS 22	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Aug 19, 2004
MD 5,825	TVD 5,825	Footage 439	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulslander				
Present Operation Drilling				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney					
				Rig Fax: 435-220-0999						

Current Weather	DONR Visit	NPDES	People on Loc.:	17	Last BOP Test Date	RIG ELEVATIONS					
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	3	8/6/2004	RKB	15 ft				
Seas:	<input type="checkbox"/> Problem? <input type="checkbox"/> Yes		Contractor	11	Next BOP Test Date	Water Depth					
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service	3	9/6/2004	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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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		
7	7 7/8"	HTC GX20	5054765	13,14,14	5,168'	657'	19 1/2	35/38	161	33.7					
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
						209.5	135	120	125						
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	Pump #1
1	9 x 6	3.15	120	378	1400			300	182	1/2	47	290			
2	9 x 6	3.15								3/4					

BHA

Length: 611'	Description: bit, 1- mud motor (28.64'), 1-IBS (3.07)- 1- 6 1/4" DC (30.85'), 1 IBS (3.90'), 11 - DC 6 1/4" (337.05')
1- 6 1/4" jars(30.23'), 6- 6 1/4" DC (176.18')	
Mud motor .24" 120 stk= 86 rpm, 75 rot table = 161 rpm on bit	

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf	
PIT	8.8	43	12	19	12/22	8.3		2	3.5			0.25	10.4	9.5	0.3	1/4	
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company						
PIT	9500	80	95	112	#1	#2	Desand	Cent.	John Limon		M-I						
		KCL 1.9%			145	145	24		Daily Cost		Cumulative Cost						
					#3	#4	Desilt	Mud Cl	\$3,390			\$35,836					
					145		24										

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
5315	5315	4.00 °					
5407	5407	3.75 °					
5618	5618	3.25 °					

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary			
FROM	TO					Activity	Daily	Cum.	
0600	0630	0.5	5	Drilling to 5386'					
0630	0700	0.5	20	Survey 5315' - 4 deg					
0700	0900	2.0	15	Rig repair. Repaired air to drilling clutch	1. Mob/DeMob			75	
0900	1330	4.5	5	Drilling to 5478'	2. Cement			2.5	
1330	1400	0.5	20	Survey 5407' 3.75 deg	3. Circulate			8.5	
1400	2300	9.0	5	Drilling to 5693'	4. Directional Work				
2300	2330	0.5	20	Survey 5618' 3.25 deg	5. Drilling		19.5	209.5	
2330	0400	4.5	5	Drilling to 5810'	6. Drive Pipe				
0400	0500	1.0	15	Rig repair, changed swivel packing gland	7. Fishing				
0500	0600	1.0	5	Drilling to 5825'	8. OH Logging				
					9. Lost Circ.				
					10. Drill Cmt./LOT			3	
					11. N.U./N.D.				
					12. P.U./L.D. BHA			13	
					13. P.U./L.D. Pipe				
					14. RU/ R/D			2.5	
				Morrison Shale - 0'	15. Rig Repair	3		29.75	
				Morrison - 2680'	16. Run Casing			6.5	
				Entrada - 3263'	17. Service Rig			4.5	
				Navajo - 3843'	18. Sidetrack Op.				
				Wingate - 4375'	19. Stuck Pipe			0.5	
				Shinarump - 5060'	20. Survey	1.5		10	
					21. Trips			27.25	
					22. Tst. BOPs			5	
				No New Shows	23. UR/HO				
				BG = 0 - 5 units	24. W.O.W.				
				CG = 0 units	25. Wash & Ream			28	
				TG = 0 units	26. Well Control				
				M FG = 0 units	27. WOC			12.5	
					28. Other			43.25	
					Total	24		481.25	
Total Hours		24.0							
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$511,236	
Daily	3.0 hrs	Daily	798 Gals	Cement:	sx	Daily Cost	\$23,230		
Cum.	29.8 hrs	Cum.	11526 Gals	Barite:	sx	Cum. Cost	\$534,466		

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7		DOL 22	DFS 21	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Aug 18, 2004	
MD 5,386	TVD 5,386	Footage 200	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulslander					
Present Operation Drilling				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	17	Last BOP Test Date 8/6/2004	RIG ELEVATIONS RKB 15 ft	
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Contractor	11	Next BOP Test Date 9/6/2004	Water Depth ft	
Seas:		Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service	3		RKB-CHF ft	
Sky:							

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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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
6	7 7/8"	HTC GX20	5054503	13,14,14	4,612'	556'	19 1/2	30/35	161	28.5	3	3	1
7	7 7/8"	HTC GX20	5054765	13,14,14	5,168'	200'	7	30/35	161	28.6			

Bit Remarks: 1 row completely gone on outer heel row
1- cone loose, not tight. Hughes to look at problem

Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque
163.5	125	110	119	

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	120	378	1400			300	182	1/2				
2	9 x 6	3.15								3/4				

BHA

Length: 611'	Description: bit, 1- mud motor (28.64'), 1-IBS (3.07)- 1- 6 1/4" DC (30.85'), 1 IBS (3.90'), 11 - DC 6 1/4" (337.05')
	1- 6 1/4" jars(30.23'), 6- 61/4" DC (176.18')
	Mud motor .24" 120 stk= 86 rpm, 54 rot table = 140 rpm on bit

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	P/Mf
PIT	8.8	38	12	11	9/18	8.2		2	3			0.25	10.2	9.5	0.3	1/4

	Chlorides	Ca++	Smp Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer	Mud Company
					#1	#2	Desand	Cent.		
PIT	9800	80	98	112	145	145	8		John Limon	M-I
		1.9 % CL			#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost
					145		8	\$2,260		\$32,446

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
5187	5187	4.00°					

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary			
FROM	TO					Activity	Daily	Cum.	
0600	0700	1.0	15	Working Stuck pipe					
0700	1230	5.5	15	TOOH. Moderate tight hole from 5050' tp 4045' - 5-20K over					
1230	1500	2.5	15	Change out kelly swivel	1. Mob/DeMob		75		
1500	1600	1.0	17	Service rig	2. Cement		2.5		
1600	2000	4.0	15	TIH with bit #7 to 5078'. Hole clean	3. Circulate		8.5		
2000	2100	1.0	15	Pack kelly swivel	4. Directional Work				
2100	2230	1.5	15	Wash and ream 5078' to 5168'	5. Drilling	7	190		
2230	0130	3.0	5	Drilling to 5262'	6. Drive Pipe				
0130	0200	0.5	20	Survey 5187' 4.0 deg	7. Fishing				
0200	0600	4.0	5	Drilling to 5386'	8. OH Logging				
					9. Lost Circ.				
					10. Drill Cmt./LOT		3		
					11. N.U./N.D.				
				Morrison Shale - 0'	12. P.U./L.D. BHA		13		
				Morrison - 2680'	13. P.U./L.D. Pipe				
				Entrada - 3263'	14. R/U; R/D		2.5		
				Navajo - 3843'	15. Rig Repair	15.5	26.75		
				Wingate - 4375'	16. Run Casing		6.5		
				Shinarump - 5060'	17. Service Rig	1	4.5		
					18. Sidetrack Op.				
				No New Shows	19. Stuck Pipe		0.5		
				BG = 0 - 5 units	20. Survey	0.5	8.5		
				CG = 0 units	21. Trips		27.25		
				TG = 0 units	22. Tst. BOPs		5		
				M FG = 0 units	23. UR/HO				
					24. W.O.W.				
					25. Wash & Ream		28		
					26. Well Control				
					27. WOC		12.5		
					28. Other		43.25		
					Total	24	457.25		
Total Hours		24.0							
Rig Downtime				Fuel Usage		Bulk Material on Board		Previous Cost	
Daily	15.5 hrs	Daily	420 Gals	Cement:		sx		\$485,394	
Cum.	26.8 hrs	Cum.	10728 Gals	Barite:		sx		Daily Cost \$25,842	
								Cum. Cost \$511,236	



MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 25	DFS 24	Date on Location 7/27/04	Spud Date Jul 28, 2004	Report Date Aug 21, 2004
MD 6,475	TVD 6,475	Footage 192	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulslander			
Present Operation Drilling				Rig Phone: 435-220-0999	Rig Fax: 435-220-0999		Toolpusher Conrad Tenney		

Current Weather	DONR Visit	NPDES	People on Loc.:	17	Last BOP Test Date	RIG ELEVATIONS		
Wind:	<input type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	3	8/6/04	RKB	15 ft	
Seas:	Problem? <input type="checkbox"/> Yes		Contractor	11	Next BOP Test Date	Water Depth ft		
Sky:	<input type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service	3	9/6/04	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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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	
7	7 7/8"	HTC GX20	5054765	13,14,14	5,168'	1,300'	60 1/2	35/40	161	21.5	8	6	1/16	
8	7 7/8"	HTC GX20	50541663	13,14,14	6,468'	7'	1	30/35	161	7.0				
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
						244.5	140	130	135					
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	120	378	1580			300	182	1/4				
2	9 x 6	3.15								1/2				
										3/4				

BHA

Length: 611'	Description:
	1- 6 1/4" jars(30.23'), 6- 6 1/4" DC (176.18')
	Mud motor .24" 120 stk= 86 rpm, 75 rot table = 161 rpm on bit

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	9.2	42	11	12	8/17	8.7		2	6			0.25	11	9.7	9.7	1/1.5

	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company
PIT	10100	420	87	120	#1 #2 Desand Cent.	12	John Limon	M-1
		2 % KCL			145 145		Daily Cost	Cumulative Cost
					#3 #4 Desilt Mud Cl	12	\$3,596	\$45,353

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
6208	6208	3.00 °					

OPERATIONS SUMMARY

TIME		HOURL	Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO						Activity	Daily	Cum.
0600	0630	0.5	5	Drilling to 6283'					
0630	0700	0.5	20	Survey 6208' 3 deg					
0700	1730	10.5	5	Drilling to 6468'			1. Mob/DeMob	75	
1730	1830	1.0	3	Mix and pump pill for trip looking for washout - DP pressure dropped			2. Cement	2.5	
1830	0000	5.5	21	TOOH, lay down one joint with hole @ 2860'.			3. Circulate	1	9.5
0000	0430	4.5	21	TIH with bit #8 to 6428' No problems, Hole looks like Carl			4. Directional Work		
0430	0500	0.5	25	Wash and ream to bottom			5. Drilling	12	244.5
0500	0600	1.0	5	Drilling to 6475'			6. Drive Pipe		
							7. Fishing		
							8. OH Logging		
							9. Lost Circ.		
							10. Drill Cmt./LOT		3
				Working on Centrifuge all night. Worked good for a short time. Waiting on repairman.			11. N.U./N.D.		
							12. P.U./L.D. BHA		13
							13. P.U./L.D. Pipe		
							14. R/U; R/D		2.5
				Morrison Shale - 0'	Dakota 2230'		15. Rig Repair		29.75
				Morrison - 2680'	Curtis (Moab Tongue) - 3140'		16. Run Casing		6.5
				Entrada - 3263'	Carmel - 3684'		17. Service Rig		4.5
				Navajo - 3843'	Kayenta - 4098'		18. Sidetrack Op.		
				Wingate - 4375'	Chinie - 4960'		19. Stuck Pipe		0.5
				Shinarump - 5060'	Moenkopi - 5100'		20. Survey	0.5	11.5
				Moenkopi (Sinbad) 6405'			21. Trips	10	37.25
							22. Tst. BOPs		5
				No new shows			23. UR/HO		
				BG = 0 - 12 units			24. W.O.W.		
				CG = 0 units			25. Wash & Ream	0.5	28.5
				TG = 0 units			26. Well Control		
				M FG = 0 units			27. WOC		12.5
							28. Other		43.25
							Q Total	24	529.25
Total Hours		24.0							
Rig Downtime	Fuel Usage		Bulk Material on Board		Previous Cost		\$559,814		
Daily	Daily	505	Gals	Cement:	sx	Daily Cost	\$21,191		
Cum.	29.8 hrs	Cum.	12787	Gals	Barite:	Cum. Cost	\$581,005		

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 24	DFS 23	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Aug 20, 2004
MD 6,275	TVD 6,275	Footage 450	AFE No.	AFE Amount \$827,000	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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: Operator	17 3	Last BOP Test Date 8/6/2004	RIG ELEVATIONS RKB 15 ft		
Wind:	Problem? <input type="checkbox"/> Yes		Contractor	11	Next BOP Test Date	Water Depth ft		
Seas:	<input checked="" type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service	3	9/6/2004	RKB-CHF ft		
Sky:								

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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade						
											Tooth	Bearing	Gage				
7	7 7/8"	HTC GX20	5054765	13,14,14	5,168'	1,107'	42 1/2	35/38	161	26.0							
Bit Remarks:						Cum. ROT. Hrs 232.5	PU Wt 135	SO Wt 120	ROT Wt 125	Torque							
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures					
								DC	DP			1/4	44	290	Pump #1	Pump #2	Pump #3
1	9 x 6	3.15	120	378	1400			300	182	1/2	118						
2	9 x 6	3.15								3/4	118	1580					

BHA															
Length:	611'	Description: bit, 1- mud motor (28.64'), 1-IBS (3.07)- 1- 6 1/4" DC (30.85'), 1 IBS (3.90'), 11 - DC 6 1/4" (337.05')													
1- 6 1/4" jars(30.23'), 6- 6 1/4" DC (176.18')															
Mud motor .24" 120 stk= 86 rpm, 75 rot table = 161 rpm on bit															

MUD DATA	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf																																
PIT	9	38	12	9	9/16	8.2		2	5			0.25	10.8	9.5	0.3	.1/4																																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Chlorides</th> <th>Ca++</th> <th>Smp Temp</th> <th>F.L. Temp</th> <th>Shaker Screens</th> <th>Hours</th> <th>Mud Engineer</th> <th>Mud Company</th> </tr> </thead> <tbody> <tr> <td>PIT</td> <td>9700</td> <td>240</td> <td>95</td> <td>119</td> <td>#1 #2 Desand Cent.</td> <td>John Limon</td> <td>M-I</td> </tr> <tr> <td></td> <td>KCL 1.9%</td> <td></td> <td></td> <td>145 145</td> <td>24</td> <td>Daily Cost</td> <td>Cumulative Cost</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>#3 #4 Desilt Mud Cl</td> <td>24</td> <td>\$5,921</td> <td>\$41,757</td> </tr> </tbody> </table>																	Chlorides	Ca++	Smp Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company	PIT	9700	240	95	119	#1 #2 Desand Cent.	John Limon	M-I		KCL 1.9%			145 145	24	Daily Cost	Cumulative Cost					#3 #4 Desilt Mud Cl	24	\$5,921	\$41,757
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DIRECTIONAL SURVEYS	MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
	5803	5803	2.75 °					
	5989	5989	2.75 °					

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:																																																																																																																																																						
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0600	0830	2.5	5	Drilling to 5878'																																																																																																																																																								
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Daily	Daily	756	Gals	Cement:	sx	\$534,466																																																																																																																																																						
Cum.	Cum.	12282	Gals	Barite:	sx	Daily Cost \$25,348																																																																																																																																																						
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MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 28	DFS 27	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Aug 24, 2004
MD 6,962	TVD 6,962	Footage	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulslander			
Present Operation GIH with concave mill				Rig Phone: 435-220-0999	Rig Fax: 435-220-0999		Toolpusher Conrad Tenney		

Current Weather	DONR Visit	NPDES	People on Loc.:	17	Last BOP Test Date	RIG ELEVATIONS			
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	3	8/6/2004	15 ft			
Seas:	<input type="checkbox"/> Problem? <input type="checkbox"/> Yes		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	9/6/2004	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	Weld	2	35' 35'		Air			
Surface	8 5/8"	24	K55	STC	13	513' 513'		8.4			

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	
	7"	Magnet												
	7-7/8"	Concave Mill												
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
						280								
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: 583.06'	Description: mill (2.45'), junk basket(3.22'), bit sub (3.11'), 12 - DC 6 1/4" (367.85')
1 - 6 1/4" jars(30.23'), 6 - 6 1/4" DC (176.18') - junk basket OD = 6 5/8"	
Mud motor .24" 120 stk= 86 rpm, 80 rot table = 166 rpm on bit	

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	9.2	45	11	15	11/23	8.7		2	6			0.33	11.3	9.2	0.3	.05/.55

	Chlorides	Ca++	Smp Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company
PIT	10000	580	70		#1 #2 Desand Cent.		John Limon	M-I
		2% KCL			145 145 Desilt Mud Cl	18	Daily Cost	Cumulative Cost
					145	24	\$957	\$52,633

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	Cum.
0600	1100	5.0	7	WO tools					
1100	1200	1.0	7	MU fishing tools, 7" magnet, junk basket					
1200	1900	7.0	7	TIH with fishing tools		1. Mob/DeMob		75	
1900	2000	1.0	7	Circulate bottoms up and fish for bit junk		2. Cement		2.5	
2000	0100	5.0	7	TOOH w/ magnet. Chained out		3. Circulate		9.5	
0100	0230	1.5	7	Cleaned junk basket and magnet. Recovered 12 pieces of bit junk.		4. Directional Work			
				MU mill & junk basket.		5. Drilling		280	
0230	0600	3.5	7	TIH with mill		6. Drive Pipe			
						7. Fishing	24	34	
						8. OH Logging			
						9. Lost Circ.			
						10. Drill Cmt./LOT		3	
						11. N.U./N.D.			
						12. P.U./L.D. BHA		13	
						13. P.U./L.D. Pipe			
						14. R/U; R/D		2.5	
				Morrison Shale - 0'	Dakota 2230'	15. Rig Repair		29.75	
				Morrison - 2680'	Curtis (Moab Tongue) - 3140'	16. Run Casing		6.5	
				Entrada - 3263'	Carmel - 3684'	17. Service Rig		4.5	
				Navajo - 3843'	Kayenta - 4098'	18. Sidetrack Op.			
				Wingate - 4375'	Chinie - 4960'	19. Stuck Pipe		0.5	
				Shinarump - 5060'	Moenkopi - 5100'	20. Survey		14	
				Moenkopi (Sinbad) 6405'		21. Trips		37.25	
						22. Tst. BOPs		5	
				No new shows		23. UR/HO			
				BG = 0 - 12 units		24. W.O.W.			
				CG = 29 units		25. Wash & Ream		28.5	
				TG = 0 units		26. Well Control			
				M FG = 0 units		27. WOC		12.5	
						28. Other		43.25	
Total Hours		24.0				Total	24	601.25	

RECEIVED
DEC 13 2004

DIV. OF OIL, GAS & MINING

Rig Downtime	Fuel Usage	Bulk Material on Board	Previous Cost	\$629,464
Daily	Daily	Cement: sx	Daily Cost	\$17,393
Cum. 29.8 hrs	Cum. 15160 Gals	Barite: sx	Cum. Cost	\$646,857



MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 26	DFS 25	Date on Location 7/27/04	Spud Date Jul 28, 2004	Report Date Aug 22, 2004
MD 6,830	TVD 6,830	Footage 355	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	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 type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: 17	Last BOP Test Date 8/6/04	RIG ELEVATIONS				
Wind:	Problem? <input type="checkbox"/> Yes	Operator 3	Contractor 11	Next BOP Test Date 9/6/04	RKB 15 ft				
Seas:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service 3	Water Depth ft		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	Weld	2	35' 35'		Air			
Surface	8 5/8"	24	K55	STC	13	513' 513'		8.4			

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		
8	7 7/8"	HTC GX20	50541663	13,14,14	6,468'	362'	23	35/25	166	15.7					
Bit Remarks:						Cum. ROT. Hrs 266.5	PU Wt 140	SO Wt 130	ROT Wt 135	Torque					
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV		Speed	SPM	Slow Pump Pressures			
								DC	DP			1/4	46	340	Pump #1
1	9 x 6	3.15	120	378	1890			292	177	1/2	64	600			
2	9 x 6	3.15								3/4					

BHA

Length: 611'	Description: 1- 6 1/4" jars(30.23'), 6- 6 1/4" DC (176.18')
Mud motor .24" 120 stk= 86 rpm, 80 rot table = 166 rpm on bit	

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	9.3	35	11	12	7/15	8.4		2	7.6			0.35	11	9.5	0.3	11.5
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company					
PIT	9700	480	98	120	#1	#2	Desand	Cent.	John Limon		M-I					
		1.8% KCL			#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost					
					145	145		6	\$2,851		\$48,004					

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
6424	6424	3.00 °					
6608/6690	6808/6690	5/5.25					

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO					Activity	Daily	Cum.
0600	0700	1.0	5	Drilling to 6499'				
0700	0730	0.5	20	Survey 6424' 3 deg				
0730	1530	8.0	5	Drilling to 6683'	1. Mob/DeMob			75
1530	1630	1.0	20	Survey 6608, 5 deg	2. Cement			2.5
1630	0030	8.0	5	Drilling to 6674' Reduced wt to 25K, rpm 161	3. Circulate			9.5
0030	0100	0.5	20	Survey 6699' 5.25 deg	4. Directional Work			
0100	0600	5.0	5	Drilling to 6830	5. Drilling	22		266.5
					6. Drive Pipe			
					7. Fishing			
					8. OH Logging			
					9. Lost Circ.			
					10. Drill Cmt./LOT			3
					11. N.U./N.D.			
					12. P.U./L.D. BHA			13
					13. P.U./L.D. Pipe			
					14. R/U; R/D			2.5
					15. Rig Repair			29.75
				Morrison Shale - 0'	16. Run Casing			6.5
				Morrison - 2680'	17. Service Rig			4.5
				Entrada - 3263'	18. Sidetrack Op.			
				Navajo - 3843'	19. Stuck Pipe			0.5
				Wingate - 4375'	20. Survey	2		13.5
				Shinarump - 5060'	21. Trips			37.25
				Moenkopi (Sinbad) 6405'	22. Tst. BOPs			5
				No new shows	23. UR/HO			
				BG = 0 - 12 units	24. W.O.W.			
				CG = 0 units	25. Wash & Ream			28.5
				TG = 0 units	26. Well Control			
				M FG = 0 units	27. WOC			12.5
					28. Other			43.25
Total Hours		24.0			Total	24		553.25
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$581,005
Daily	Daily	1176	Gals	Cement:	sx	Daily Cost	\$23,416	
Cum.	Cum.	13963	Gals	Barite:	sx	Cum. Cost	\$604,421	



MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 29	DFS 28	Date on Location 7/27/04	Soud Date Jul 28, 2004	Report Date Aug 25, 2004
MD 7.002	TVD 7.002	Footage 40	AFF No.	AFF Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulslander			
Present Operation Drilling				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney			Rig Fax: 435-220-0999	

Current Weather	DONR Visit	NPDES	People on Loc.:	15	Last BOP Test Date	RIG ELEVATIONS			
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	2	8/6/04	15 ft			
Seas:	Problem? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Contractor	11	Next BOP Test Date	Water Depth ft			
Sky:	<input type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service	2	9/8/04	RKB-CHF ft			

CASING RECORD

Casing String	OD	WI.	Grade	Conn.	Jts. Run	Setting MD	Depth TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12 3/4"	24	LP	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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			
9	7 7/8	Hughes HR-S35	5025771	14,14,15	6,984'	40'	5	25/28	118	8.0	Tooth	Bearing	Gage	
Bit Remarks:				Cum. ROT, Hrs	PU Wt	SO Wt	ROT Wt	Torque						
				280	150	140	136							
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	DP	Speed	SPM	Slow Pump Pressures		
1	9 x 6	3.15	120	378	1810			292	177	1/2		Pump #1	Pump #2	Pump #3
2	9 x 6	3.15								3/4				

BHA

Length: 611'	Description:
	1- 6 1/4" jars(30.23), 6- 61/4" DC (176.18')
	Mud motor .24" 120 stk= 86 rpm, 30 rot table = 118 rpm on bit

MUD DATA

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.9	30	8	6	7	9.8		2	4		0.25	10.8	8.2	0.3	.05/.85

Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company
PIT	10000	680	70	#1 145 #2 145 #3 145	Desand 24 Desilt 24 Mud Cl 24	John Limon	M-I Cumulative Cost \$54,805

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		FROM	TO	HOUR	Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
		FROM	TO	HOUR	Time Code	Crew Boat Name:		Status:	Activity	Daily	Cum.
0600	0700	1.0	7			TIH with 7 7/8" mill concave mill					
0700	1400	7.0	7			Mill on bit parts, Drilled 4'					
1400	1900	5.0	7			TOOH with mill. Mill smooth on outside, no damage, No junk in basket			1. Mob/DeMob		75
1900	0000	5.0	7			Pick up new motor and bit #9. TIH to 6925'			2. Cement		2.5
0000	0100	1.0	7			Wash and ream 6925' to 6962'			3. Circulate		9.5
0100	0600	5.0	5			Drilling 6962' to 7002'			4. Directional Work		
									5. Drilling	5	285
									6. Drive Pipe		
									7. Fishing	19	53
									8. OH Logging		
									9. Lost Circ.		
									10. Drill Cmt./LOT		3
									11. N.U./N.D.		
									12. P.U./L.D. BHA		13
									13. P.U./L.D. Pipe		
									14. RU/ R/D		2.5
						Morrison Shale - 0'	Dakota 2230'		15. Rig Repair		29.75
						Morrison - 2680'	Curtis (Moab Tongue) - 3140'		16. Run Casing		6.5
						Entrada - 3263'	Carmel - 3684'		17. Service Rig		4.5
						Navajo - 3843'	Kayenta - 4098'		18. Sidetrack Op.		
						Wingate - 4375'	Chinie - 4960'		19. Stuck Pipe		0.5
						Shinarump - 5060'	Moenkopi - 5100'		20. Survey		14
						Moenkopi (Sinbad) 6405'			21. Trips		37.25
									22. Tst. BOPs		5
						No new shows			23. UR/HO		
						BG = 2 - 12 units			24. W.O.W.		
						CG = 0 units			25. Wash & Ream		28.5
						TG = 90 units			26. Well Control		
						M FG = 0 units			27. WOC		12.5
									28. Other		43.25
									Total	24	625.25
Total Hours				24.0							
Rig Downtime						Fuel Usage		Bulk Material on Board		Previous Cost \$646,657	
Daily	Daily	850 Gals		Cement: sx		Daily Cost \$33,240					
Cum.	Cum.	16040 Gals		Barite: sx		Cum. Cost \$680,097					



MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 32	DFS 31	Date on Location 7/27/04	Spud Date Jul 28, 2004	Report Date Aug 28, 2004
MD 7,387	TVD 7,387	Footage 132	AFE No.	AFE Amount \$827,000	Auth. TD.	Company Representative Carl Hulslander			
Present Operation Drilling				Rig Phone: 435-220-0999	8,500'		Toolpusher Conrad Tenney		
				Rig Fax: 435-220-0999					

Current Weather	DONR Visit <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	NPDES	People on Loc.: 16	Last BOP Test Date	RIG ELEVATIONS				
Wind:	LC50 Sample Date	Operator	2	8/6/04	RKB 15 ft				
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Contractor	11	Next BOP Test Date	Water Depth ft				
Sky:	<input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service	3	9/6/04	RKB-CHF ft				

CASING RECORD

Casing String	OD	Wt.	Grade	Conn.	Jts. Run	Setting Depth	Liner Top	MW when	LOT	Leakoff?
						MD	TVD	Run	Pres	EMW
Conductor	12 3/4"	24	LP	Weld	2	35'	35'	Air		
Surface	8 5/8"	24	K55	STC	13	513'	513'	8.4		

BIT, WEIGHT, SPEED AND HYDRAULIC RECORD

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade		
											Tooth	Bearing	Gage
10	7 7/8	Hughes HR-P66	5058382	15,15,15	7,161'	198'	14 1/2	35/40	91	13.7	3	3	1/8
11	7 7/8"	Reed HP 64	k83184	14,14,14	7353'	34'	4	40	91	8.5			

Bit Remarks:	Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque
	322.5	150	140	136	

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	100	297	1260	211	359	151	250	1/2				
2	9 x 6	3.15								3/4				

BHA

Length: 611'	Description:
	1- 6 1/4" Jars(30.23'), 6- 6 1/4" DC (176.18')
	Mud motor .24" 100 stk= 71 rpm, 20 rot table = 91 rpm on bit

MUD DATA

PIT	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
	9	38	11	10	9/21	9.4		2	5			0.33	12.5	8.7	0.25	.05/1.2

PIT	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer	Mud Company
					#1	#2	Desand	Cent.		
	10000	720	87		145	145	11		John Limon	M-I
		2% KCL			#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost
					145			11	\$4,262	\$68,355

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
7288'	7288'	4.00 °					

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Time Summary		
FROM	TO						Activity	Daily	Cum.
0600	1300	7.0	5	Drill 7255' to 7353'					
1300	1400	1.0	3	Circulate, mix & pump pill, drop survey					
1400	1900	5.0	21	TOOH					
1900	2100	2.0	15	Repair hydromatic	1. Mob/DeMob			75	
2100	0130	4.5	21	TIH to 7297'. Load drill pipe @ 3544'	2. Cement			2.5	
0130	0200	0.5	25	Wash and ream 7297' to 7353'	3. Circulate	1		12	
0200	0600	4.0	5	Drill 7353' to 7387'	4. Directional Work				
				Survey 7288' - 4 deg	5. Drilling	11		322.5	
					6. Drive Pipe				
					7. Fishing			53	
					8. OH Logging				
					9. Lost Circ.				
					10. Drill Cmt./LOT			3	
					11. N.U./ N.D.				
					12. P.U./L.D. BHA			13	
					13. P.U./L.D. Pipe				
					14. R/U; R/D			2.5	
				Morrison Shale - 0'	15. Rig Repair	2		31.75	
				Morrison - 2680'	16. Run Casing			6.5	
				Entrada - 3263'	17. Service Rig			6.5	
				Navajo - 3843'	18. Sidetrack Op.				
				Wingate - 4375'	19. Stuck Pipe			0.5	
				Shinarump - 5060'	20. Survey			15.5	
				Moenkopi (Sinbad) 6405'	21. Trips	9.5		58.25	
					22. Tst. BOPs			5	
				No new shows	23. UR/HO				
				BG = 2 - 15 units	24. W.O.W.				
				CG = 0 units	25. Wash & Ream	0.5		30.5	
				TG - 94 units	26. Well Control				
				M FG = 0 units	27. WOC			12.5	
					28. Other			46.75	
Total Hours		24.0		Total		24		697.25	

Rig Downtime	Fuel Usage	Bulk Material on Board	Previous Cost
Daily	660 Gals	Cement: sx	\$738,859
Cum.	18800 Gals	Barite: sx	Daily Cost \$31,841
			Cum. Cost \$770,700



MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. E. Created Junction Wildcat - State MSC #35-1		Contract Rig Union #7	DOL 37	DFS 36	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Sep 2, 2004
MD 8,700	TVD 8,700	Footage 171	AFE No.	AFE Amount \$827,000	Auth. TD 8,500'	Company Representative Carl Hulslander	
Present Operation TOOH for new 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.: 18	Last BOP Test Date 6/6/2004	RIG ELEVATIONS	
Wind:	LCSD Sample Date	Operator 4	Contractor 11	Next BOP Test Date 9/6/2004	RKB	15 #
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service 3			Water Depth	#
Sky:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No			RKB-CHF	#	

Casing String	OD	WT.	Grade	Conn.	Jts. Run	Setting MD	Depth TVD	Liner Top MD	TVD	MW when Run	Pres	LOT	Leakoff?
Conductor	12 3/4"	24	LP	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade	Grade	
12	7/16"	Reed HP 83	E25193	14,14,15	8,188'	514'	44 1/2	30/35	101	11.6	Tooth	Bearing	Gage
Bit Remarks:				Cum. ROT Hrs	PU WM	SO WM	ROT WM	Torque					
				419	178	150	182						

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	9 x 6	3.15							3/4					

BHA
 Length: 611' Description: bit, 1- mud motor (28.64), 1-BS (3.07)- 1- 8 1/4" DC (30.85), 1 BS (3.90), 11- DC 8 1/4" (337.05)
 1- 6 1/4" jars (30.23), 6- 8 1/4" DC (178.18)
 Mud motor .24" 100 stk= 71 rpm, 30 rot table = 101 rpm on bit

WT.	VIS	PV	YP	GELS	WL	HHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	PWF
8.9	52	18	18	12/23	6.8		2	4			0.25	12.7	10.2	0.3	181/2

Chlorides	Ca++	Smp Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company
14000	200	100	121	#1 #2 Desand Cent.	12	John Limon	M-I
				#3 #4 Desalt Mud Cl	24	Daily Cost	Cumulative Cost
				145	\$3,153		\$80,748

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:																																																																																													
FROM	TO	TIME	Code	Crew Boat Name:	Status:																																																																																														
0600	1500	9.0	5																																																																																																
1500	1530	0.5	17																																																																																																
1530	2330	8.0	5																																																																																																
2330	0030	1.0	3																																																																																																
0030	0600	5.5	21																																																																																																
				<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></td><td>75</td></tr> <tr><td>2. Cement</td><td></td><td>2.5</td></tr> <tr><td>3. Circulate</td><td>1</td><td>13.5</td></tr> <tr><td>4. Directional Work</td><td></td><td></td></tr> <tr><td>5. Drilling</td><td>17</td><td>419</td></tr> <tr><td>6. Drive Pipe</td><td></td><td></td></tr> <tr><td>7. Fishing</td><td></td><td>53</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>3</td></tr> <tr><td>11. N.U./N.D.</td><td></td><td></td></tr> <tr><td>12. P.U.A.D. BHA</td><td></td><td>13</td></tr> <tr><td>13. P.U.A.D. Pipe</td><td></td><td></td></tr> <tr><td>14. RU; R/D</td><td></td><td>2.5</td></tr> <tr><td>15. Rig Repair</td><td></td><td>33.25</td></tr> <tr><td>16. Run Casing</td><td></td><td>6.5</td></tr> <tr><td>17. Service Rig</td><td>0.5</td><td>9.5</td></tr> <tr><td>18. Sidetrack Op.</td><td></td><td></td></tr> <tr><td>19. Stuck Pipe</td><td></td><td>0.5</td></tr> <tr><td>20. Survey</td><td></td><td>16.5</td></tr> <tr><td>21. Trips</td><td>5.5</td><td>74.75</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 & Ream</td><td></td><td>30.5</td></tr> <tr><td>26. Well Control</td><td></td><td></td></tr> <tr><td>27. WOC</td><td></td><td>12.5</td></tr> <tr><td>28. Other</td><td></td><td>46.75</td></tr> <tr><td>Total</td><td>24</td><td>817.25</td></tr> </tbody> </table>			Time Summary			Activity	Daily	Cum.	1. Mob/DeMob		75	2. Cement		2.5	3. Circulate	1	13.5	4. Directional Work			5. Drilling	17	419	6. Drive Pipe			7. Fishing		53	8. OH Logging			9. Lost Circ.			10. Drill Cmt./LOT		3	11. N.U./N.D.			12. P.U.A.D. BHA		13	13. P.U.A.D. Pipe			14. RU; R/D		2.5	15. Rig Repair		33.25	16. Run Casing		6.5	17. Service Rig	0.5	9.5	18. Sidetrack Op.			19. Stuck Pipe		0.5	20. Survey		16.5	21. Trips	5.5	74.75	22. Tst. BOPs		5	23. UR/HO			24. W.O.W.			25. Wash & Ream		30.5	26. Well Control			27. WOC		12.5	28. Other		46.75	Total	24	817.25
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Fuel Usage				700	Gals																																																																																														
Bulk Material on Board				Cement:	sx																																																																																														
Daily				22881	Gals																																																																																														
Cum.																																																																																																			
Previous Cost				\$873,788																																																																																															
Daily Cost				\$21,882																																																																																															
Cum Cost				\$895,650																																																																																															

RECEIVED

DEC 13 2004

DIV. OF OIL, GAS & MINING



MSC Exploration Daily Drilling Report

Block Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7		DOL 34	DFS 33	Date on Location 7/27/04	Spud Date Jul 28, 2004	Report Date Aug 30, 2004
MD 8,115	TVD 8,115	Footage 327	AFE No.	AFE Amount \$827,000	Auth. ID.	Company Representative 8,500' Roger Knight				
Present Operation Drilling				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney			Rig Fax: 435-220-0999		

Current Weather	DONR Visit	NPDES	People on Loc.:	19	Last BOP Test Date	RIG ELEVATIONS				
Wind:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	LC50 Sample Date	Operator	5	8/6/04	RKB	15		ft	
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Contractor	11	Next BOP Test Date	9/6/04	Water Depth	ft		RKB-CHF	
Sky:	<input checked="" type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service	3							

CASING RECORD

Casing String	OD	WT.	Grade	Conn.	Jts. Run	Setting MD	Depth TVD	Liner Top MD	TVD	MW when Run	Pres	EMW	Leakoff?
Conductor	12 3/4"	24	LP	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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	
11	7 7/8"	Reed HP 84	k83184	14,14,14	7353'	782'	49 1/2	35	101	15.4				
Bit Remarks:				Cum. ROT Hrs	PU WM	SO WM	ROT WM	Torque						
				368	182	142	150							
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	DP	Speed	SPM	Slow Pump Pressures		
												Pump #1	Pump #2	Pump #3
1	9 x 6	3.15	101	297	1280	211	355	151	250	1/4	60	500		
2	9 x 6	3.15								3/4				

BHA

Length: 611'	Description:
1- 6 1/4" jars(30.23'), 6- 61/4" DC (176.18')	
Mud motor .24" 100 stk= 71 rpm, 30 rot table = 101 rpm on bit	

MUD DATA

PIT	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	P/Mf
	8.9	42	14	14	10/24	8.4		2	4			0.25	12.5	12.5	0.3	05/1.0
Chlorides		Ca++	Smp/Temp	F.L Temp	Shaker Screens		Hours	Mud Engineer		Mud Company						
PIT	10000	400	97	120	#1	#2	Desand	Cent	John Limon		M-I					
					145	145	18	Daily Cost		Cumulative Cost						
					#3	#4	Desilt	Mud Cl	24	\$2,628	\$72,423					

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY

TIME		FROM	TO	HOURL	Time Code	Boats:	Supply Boat Name:	Status:																																																																																													
						Crew Boat Name:	Status:																																																																																														
0600	1200	6.0	5	Drill from 778' to 788'				<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>75</td></tr> <tr><td>2. Cement</td><td></td><td>2.5</td></tr> <tr><td>3. Circulate</td><td></td><td>12</td></tr> <tr><td>4. Directional Work</td><td></td><td></td></tr> <tr><td>5. Drilling</td><td>22</td><td>368</td></tr> <tr><td>6. Drive Pipe</td><td></td><td></td></tr> <tr><td>7. Fishing</td><td></td><td>53</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>3</td></tr> <tr><td>11. N.U./N.D.</td><td></td><td></td></tr> <tr><td>12. P.U./L.D. BHA</td><td></td><td>13</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>2.5</td></tr> <tr><td>15. Rig Repair</td><td>1.5</td><td>33.25</td></tr> <tr><td>16. Run Casing</td><td></td><td>6.5</td></tr> <tr><td>17. Service Rig</td><td>0.5</td><td>7.5</td></tr> <tr><td>18. Sidetrack Op.</td><td></td><td></td></tr> <tr><td>19. Stuck Pipe</td><td></td><td>0.5</td></tr> <tr><td>20. Survey</td><td></td><td>15.5</td></tr> <tr><td>21. Trips</td><td></td><td>58.25</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.Q.W.</td><td></td><td></td></tr> <tr><td>25. Wash & Ream</td><td></td><td>30.5</td></tr> <tr><td>26. Well Control</td><td></td><td></td></tr> <tr><td>27. WOC</td><td></td><td>12.5</td></tr> <tr><td>28. Other</td><td></td><td>46.75</td></tr> <tr><td>Total</td><td>24</td><td>745.25</td></tr> </tbody> </table>	Time Summary			Activity	Daily	Cum.	1. Mob/DeMob		75	2. Cement		2.5	3. Circulate		12	4. Directional Work			5. Drilling	22	368	6. Drive Pipe			7. Fishing		53	8. OH Logging			9. Lost Circ.			10. Drill Cmt./LOT		3	11. N.U./N.D.			12. P.U./L.D. BHA		13	13. P.U./L.D. Pipe			14. R/U; R/D		2.5	15. Rig Repair	1.5	33.25	16. Run Casing		6.5	17. Service Rig	0.5	7.5	18. Sidetrack Op.			19. Stuck Pipe		0.5	20. Survey		15.5	21. Trips		58.25	22. Tst. BOPs		5	23. UR/HO			24. W.Q.W.			25. Wash & Ream		30.5	26. Well Control			27. WOC		12.5	28. Other		46.75	Total	24	745.25
Time Summary																																																																																																					
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1200	1230	0.5	17	Service rig																																																																																																	
1230	1830	6.0	5	Drill from 788' to 797'																																																																																																	
1830	2000	1.5	15	Repair Jackshaft chain																																																																																																	
2000	0600	10.0	5	Drill from 797' to 8115'																																																																																																	
						Morrison Shale - 0'	Dakota 2230'																																																																																														
						Morrison - 2680'	Curtis (Moab Tongue) - 3140'																																																																																														
						Entrada - 3263'	Carmel - 3684'																																																																																														
						Navajo - 3843'	Kayenta - 4088'																																																																																														
						Wingate - 4375'	Chinie - 4960'																																																																																														
						Shinarump - 5060'	Mowkopi - 5100'																																																																																														
						Moenkopi (Sinbad) 6405'	White Rim - 7296' ?																																																																																														
						No new shows																																																																																															
						BG = 85 - 85 units																																																																																															
						CG = 0 units																																																																																															
						TG = 0 units																																																																																															
						M FG = 0 units																																																																																															
Total Hours		24.0																																																																																																			
Rig Downtime				Fuel Usage		Bulk Material on Board		Previous Cost																																																																																													
Daily	1.5 hrs	Daily	756	Gals	Cement:	sx	Daily Cost	\$798,745																																																																																													
Cum.	31.3 hrs	Cum.	20586	Gals	Barite:	sx	Cum. Cost	\$24,845																																																																																													
								\$821,590																																																																																													

MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 38	DFS 37	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Sep 3, 2004
MD 8,725	TVD 8,725	Footage 25	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulslander			
Present Operation Drilling				Rig Phone: 435-220-0999	Toolpusher Conrad Tenney			Rig Fax: 435-220-0999	

Current Weather	DONR Visit	NPDES	People on Loc.: 15	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 1	8/6/2004	RKB 15 ft				
Seas: <input type="checkbox"/> Problem? <input type="checkbox"/> Yes	<input type="checkbox"/> Yes		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	9/6/2004	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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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
12	7/7/8"	Reed HP 63	E25193	14, 14, 15	8, 186'	514'	44 1/2	30/35	101	11.6	3	3	1
13	7/7/8"	Reed HP 65	MH4210	14, 15, 15	8, 700'	25'	2	30	100	12.5			

Bit Remarks:	Cum. ROT. Hrs 419	PU Wt	SO Wt	ROT Wt	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			Pump #1	Pump #2	Pump #3
1	9 x 6	3.15	100	297	1690			151	250	1/2				
2	9 x 6	3.15								3/4				

BHA

Length: 489'	Description: bit, 1- mud motor (28.64'), 1-IBS (3.07)- 1- 6 1/4" DC (30.85'), 1 IBS (3.90'), 7 - DC 6 1/4" (337.05') 1- 6 1/4" jars(30.23'), 6- 61/4" DC (176.18') Mud motor .24" 100 stk= 71 rpm, 29 rot table = 100 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	9	42	16	13	7/14	7.4		2	5			0.25	12.6	9.5	0.3	1/1.4

PIT	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer	Mud Company
					#1	#2	Desand	Cent.		
	10200	400	93		145	145	24		John Limon	M-I
		2% KCL			145	145	24		Daily Cost	Cumulative Cost
					145	145	24	\$2,123		\$82,871

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	0900	3.0	21	Finish TOOH and LD 4 DC's and 2300' DP				
0900	1100	2.0	21	PU Bit #13 & GIH with BHA.				
1100	1400	3.0	15	Change out Drill line.	1. Mob/DeMob			75
1400	1430	0.5	17	Service Rig	2. Cement			2.5
1430	2200	7.5	21	Strap and pick 70 jts of 3-1/2", S135 DP (2221.18')	3. Circulate			13.5
2200	0230	4.5	21	TIH	4. Directional Work			
0230	0400	1.5	21	PU 4 jts. Of 4-1/2" DP & wash to bottom. No fill.	5. Drilling	2		421
0400	0600	2.0	5	Drilling to 8725'.	6. Drive Pipe			
					7. Fishing			53
					8. OH Logging			
					9. Lost Circ.			
				Morrison Shale - 0'	10. Drill Cmt./LOT			3
				Morrison - 2680'	11. N.U./ N.D.			
				Entrada - 3263'	12. P.U./L.D. BHA			13
				Navajo - 3843'	13. P.U./L.D. Pipe			
				Wingate - 4375'	14. R/U; R/D			2.5
				Shinarump - 5060'	15. Rig Repair	3		36.25
				Moenkopi (Sinbad) 6405'	16. Run Casing			6.5
					17. Service Rig	0.5		10
					18. Sidetrack Op.			
				BG = 8-12 units	19. Stuck Pipe			0.5
				CG = 21 units	20. Survey			16.5
				TG - 192 units	21. Trips	18.5		93.25
				M FG = 0 units	22. Tst. BOPs			5
					23. UR/HO			
					24. W.O.W.			
					25. Wash & Ream			30.5
					26. Well Control			
					27. WOC			12.5
					28. Other			46.75
Total Hours		24.0			Total	24		841.25

RECEIVED
DEC 13 2004

DIV. OF OIL, GAS & MINING

Rig Downtime	Fuel Usage	Bulk Material on Board	Previous Cost	\$895,650
Daily	Daily 812 Gals	Cement: sx	Daily Cost	\$21,889
Cum. 31.3 hrs	Cum. 23673 Gals	Barite: sx	Cum. Cost	\$917,539



MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 39	DFS 38	Date on Location 7/27/04	Spud Date Jul 28, 2004	Report Date Sep 4, 2004
MD 8,950	TVD 8,950	Footage 225	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulstander			
Present Operation Drilling				Rig Phone: 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	8/6/04	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	9/6/04	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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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		
13	7/7/8"	Smith S65	MH4210	14,15,15	8,700'	250'	24 1/2	25/27	100	10.2					
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
						419	165	138	150						
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	100	297	2000			130	249	1/4	60	610			
2	9 x 6	3.15								1/2					
										3/4					

BHA

Length: 489'	Description:
	1- 6 1/4" jars(30.23'), 6- 61/4" DC (176.18')
	Mud motor .24" 100 stk= 71 rpm, 29 rot table = 100 rpm on bit

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	8.9	44	17	13	8/18	6.5		2	4			0.25	12.6	9.8	0.3	15/1.6

	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer	Mud Company
					#1	#2	Desand	Cent.		
PIT	10000	400	100	120	145	145	16		John Limon	M-I
		2 % KCL			#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost
					145		24	\$3,418		\$86,287

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
8808	8808	4.25 °					

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary		
FROM	TO					Activity	Daily	Cum.
0600	1300	7.0	5	Drill to 8790'				
1300	1330	0.5	17	Service rig				
1330	2200	8.5	5	Drill to 8883'	1. Mob/DeMob			75
2200	2300	1.0	20	Survey 808' - 4.25 deg	2. Cement			2.5
2300	0600	7.0	5	Drill to 8950'	3. Circulate			13.5
					4. Directional Work			
					5. Drilling	22.5		443.5
					6. Drive Pipe			
					7. Fishing			53
					8. OH Logging			
					9. Lost Circ.			
					10. Drill Cmt./LOT			3
					11. N.U./ N.D.			
				2221.18' IF S135 3.5" drill pipe	12. P.U./L.D. BHA			13
					13. P.U./L.D. Pipe			
					14. R/U; R/D			2.5
				Morrison Shale - 0'	15. Rig Repair			36.25
				Morrison - 2680'	16. Run Casing			6.5
				Entrada - 3263'	17. Service Rig	0.5		10.5
				Navajo - 3843'	18. Sidetrack Op.			
				Wingate - 4375'	19. Stuck Pipe			0.5
				Shinarump - 5060'	20. Survey	1		17.5
				Moenkopi (Sinbad) 6405'	21. Trips			93.25
					22. Tst. BOPs			5
				Oil shale 8745' - 8750', mid yellow cut	23. UR/HO			
				BG = 4-12 units	24. W.O.W.			
				CG = 24 units	25. Wash & Ream			30.5
				TG = 0 units	26. Well Control			
				M FG = 60 units	27. WOC			12.5
					28. Other			46.75
Total Hours		24.0			Total	24		865.25
Rig Downtime			Fuel Usage		Bulk Material on Board		Previous Cost	
Daily	Daily	840	Gals	Cement:	sx	Daily Cost		\$917,539
Cum.	Cum.	24513	Gals	Barite:	sx	Daily Cost		\$30,845
						Cum. Cost		\$948,384



MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. E. Created Junction Wildcat - State MSC #35-1		Contract No. Union #7	DOL 42	DFS 41	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Sep 7, 2004
MD 9,422	TVD 9,422	Footage 32	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulslander	
Present Operation POOH to change to 3-1/2" Drillpipe			Rig Phone: 435-220-0999	Toolpusher Conrad Tenney			

Current Weather	DONR Visit <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	NPDES	People on Loc.: 18	Last BOP Test Date	RIG ELEVATIONS		
Wind:	LC50 Sample Date	Operator	1	8/6/2004	RKB 15 ft		
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Contractor	11	Next BOP Test Date	Water Depth ft		
Sky:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service	6	9/6/2004	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	Weld	2	35' 35'		Air			
Surface	8 5/8"	24	K55	STC	13	513' 513'		8.4			

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage
13	7 7/8"	Smith S65	MH4210	14,15,15	8,700'	722'	73 1/2	28	105	9.8	
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque			
				465	175	145	158				
Pump No.	Stroke X Liner	Output gps	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	98	291	2350			249 139	1/4		
2	9 x 6	3.15							1/2		
									3/4		

BHA	Length: 489'	Description: bit, 1- mud motor (28.64'), 1-IBS (3.07)- 1- 6 1/4" DC (30.85'), 1 IBS (3.90'), 7 - DC 6 1/4" (337.05')
1- 6 1/4" jars(30.23'), 6- 6 1/4" DC (176.18') - 3.5" S135 DP		
Mud motor .24" 98 stk= 70 rpm, 35 rot table = 105 rpm on bit		

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pt/Mf
PIT	8.9	48	24	15	9/17	6.2		2	4			0.33	12.3	10	0.3	25/1.4

	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens	Hours	Mud Engineer	Mud Company
PIT	11500	80	92		#1 #2 Desand Cent.		John Limon	M-I
		2% KCL			#3 #4 Deslit Mud Cl		Daily Cost	Cumulative Cost
					145	24	\$3,965	\$98,028

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
9330	9330	4.00 °					

TIME		HOUR	Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Time Summary			
FROM	TO							Activity	Daily	Cum.	
0600	0800	2.0	5								
0800	0900	1.0	20								
0900	0930	0.5	17					1. Mob/DeMob		75	
0930	1200	2.5	5					2. Cement		2.5	
1200	1730	5.5	3					3. Circulate	6.5	20	
								4. Directional Work			
								5. Drilling	4.5	492.5	
								6. Drive Pipe			
1730	1800	0.5	21					7. Fishing		53	
1800	1900	1.0	3					8. OH Logging			
1900	2000	1.0	21					9. Lost Circ.			
2000	2030	0.5	15					10. Drill Cmt./LOT		3	
2030	0200	5.5	21					11. N.U./N.D.			
0200	0300	1.0	15					12. P.U./L.D. BHA		13	
0300	0400	1.0	21					13. P.U./L.D. Pipe			
0400	0500	1.0	21					14. R/U; R/D		2.5	
0500	0530	0.5	15					15. Rig Repair	2	40.25	
0530	0600	0.5	21					16. Run Casing		6.5	
								17. Service Rig	0.5	12.5	
								18. Sidetrack Op.			
								19. Stuck Pipe		0.5	
								20. Survey	1	18.5	
								21. Trips	9.5	102.75	
								22. Tst. BOPs		5	
								23. UR/HO			
								24. W.O.W.			
								25. Wash & Ream		30.5	
								26. Well Control			
								27. WOC		12.5	
								28. Other		46.75	
								Total	24	937.25	
Total Hours		24.0		Fuel Usage		Bulk Material on Board		Previous Cost		\$995,872	
Daily	2.0 hrs	Daily	798 Gals	Cement:		Barite:	sx	Daily Cost	\$21,954		
Cum.	33.3 hrs	Cum.	27180 Gals				sx	Cum. Cost	\$1,017,826		

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 41	DFS 40	Date on Location 7/27/04	Spud Date Jul 28, 2004	Report Date Sep 6, 2004
MD 9,390	TVD 9,390	Footage 208	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulslander			
Present Operation Drilling				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.: 14	Last BOP Test Date 8/6/04	RIG ELEVATIONS				
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Operator 1	Contractor 11	Next BOP Test Date 9/6/04	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		Liner Top		MW when Run	LOT		
						MD	TVD	MD	TVD		Pres	EMW	Leakoff?
Conductor	12 3/4"	24	LP	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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		
13	7/7/8"	Smith S65	MH4210	14,15,15	8,700'	690'	69	27	105	10.0					
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque							
				465	170	145	156								
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	98	291	2300	192		249	139	1/2	59	840			
2	9 x 6	3.15								3/4					

BHA

Length: 489'	Description:
1- 6 1/4" jars(30.23'), 6- 6 1/4" DC (176.18') - 2218' of 3.5" S135 DP	
Mud motor .24" 98 stk= 70 rpm, 35 rot table = 105 rpm on bit	

MUD DATA

PIT	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	9	50	21	26	12/18	6.4		2	5			0.33	12.7	10	0.3	.25/1.25
Chlorides		Ca++	Smp Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer		Mud Company						
PIT	11000	120	99	122	#1	#2	Desand	Cent.	John Limon		M-I					
					145	145			Daily Cost		Cumulative Cost					
					#3	#4	Desilt	Mud Cl	\$3,766		\$94,063					

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
0600	1030	4.5	5	Drill to 9221'			
1030	1130	1.0	17	Service rig			
1130	0600	18.5	5	Drill to 9390'			
					1. Mob/DeMob		75
					2. Cement		2.5
					3. Circulate		13.5
					4. Directional Work		
					5. Drilling	23	488
					6. Drive Pipe		
					7. Fishing		53
					8. OH Logging		
					9. Lost Circ.		
					10. Drill Cmt./LOT		3
					11. N.U./N.D.		
					12. P.U./L.D. BHA		13
					13. P.U./L.D. Pipe		
					14. R/U; R/D		2.5
				Morrison Shale - 0'	15. Rig Repair		38.25
				Morrison - 2680'	16. Run Casing		6.5
				Entrada - 3263'	17. Service Rig	1	12
				Navajo - 3843'	18. Sidetrack Op.		
				Wingate - 4375'	19. Stuck Pipe		0.5
				Shinarump - 5060'	20. Survey		17.5
				Moenkopi (Sinbad) 6405'	21. Trips		93.25
					22. Tst. BOPs		5
				no new shows	23. UR/HO		
				BG = 12-27 units	24. W.O.W.		
				CG = 40 units	25. Wash & Ream		30.5
				TG - 0 units	26. Well Control		
				M FG = 0 units	27. WOC		12.5
					28. Other		46.75
Total Hours		24.0		Total		24	913.25
Rig Downtime				Fuel Usage		Bulk Material on Board	
Daily		Daily	924	Gals	Cement:	Previous Cost	\$971,707
Cum.	31.3 hrs	Cum.	26382	Gals	Barite:	Daily Cost	\$24,165
						Cum. Cost	\$995,872



MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 44	DPS 43	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Sep 9, 2004
MD 9,519	TVD 9,519	Footage 92	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulslander			
Present Operation Drilling				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	People on Loc.: 16	Last BOP Test Date	RIG ELEVATIONS				
Wind:	LC50 Sample Date	Operator	1	9/7/2004	RKB 15 ft				
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Contractor	11	Next BOP Test Date	Water Depth ft				
Sky:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service	4	10/7/2004	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	Weid	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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			
14	7 7/8"	Smith S67Y	MP4945	13,13,14	9,422'	97'	14 1/2	27	99	6.7				
Bit Remarks:						Cum. ROT. Hrs 507	PU Wt 148	SO Wt 130	ROT Wt 138	Torque				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV	DP	Speed	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3		
1	9 x 6	3.15	68	201	1900	163		174	91	1/2	56	1170		
2	9 x 6	3.15								3/4				

BHA

Length: 490'	Description: bit, 1- mud motor (27.98'), 8- 6 1/4" DC (241.20'), 1- 6.25" jars (36.22'), 6- 6.25" DC (180.44'), XO (2.88'), XO (1.25')
Mud motor .24" 68 stk= 49 rpm, 50 rot table = 99 rpm on bit	

MUD DATA

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	9.1	47	22	19	11/17	6.6	2	5			0.33	12.7	9.5	0.3	.25/1.6
Chlorides		Ca++	Smp Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer			Mud Company			
PIT	11000	360	102	120	#1	#2	Desand	Cent.	John Limon			M-I			
		2 % KCL			#3	#4	Desilt	Mud Cl	Daily Cost			Cumulative Cost			
					145	255	24	\$1,161				\$100,139			

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	1500	9.0	21	PU 3.5" DP. Wash to bottom. No fill.					
1500	2200	7.0	5	Drill to 9460'					
2200	2230	0.5	17	Service rig		1. Mob/DeMob		75	
2230	0600	7.5	5	Drill to 9515'		2. Cement		2.5	
						3. Circulate		20	
						4. Directional Work			
						5. Drilling	14.5	507	
						6. Drive Pipe			
						7. Fishing		53	
						8. OH Logging			
						9. Lost Circ.			
						10. Drill Cmt./LOT		3	
						11. N.U./N.D.			
						12. P.U./L.D. BHA		13	
						13. P.U./L.D. Pipe			
						14. R/U; R/D		2.5	
						15. Rig Repair		44.25	
						16. Run Casing		6.5	
						17. Service Rig	0.5	13	
						18. Sidetrack Op.			
						19. Stuck Pipe		0.5	
						20. Survey		18.5	
						21. Trips	9	121.75	
						22. Tst. BOPs		10	
						23. UR/HO			
						24. W.O.W.			
						25. Wash & Ream		30.5	
						26. Well Control			
						27. WOC		12.5	
						28. Other		51.75	
						Total	24	985.25	
Total Hours		24.0		Fuel Usage		Bulk Material on Board		Previous Cost	\$1,046,751
Daily		Daily	672	Gals	Cement:	sx	Daily Cost	\$29,708	
Cum.	37.3 hrs	Cum.	28272	Gals	Barite:	sx	Cum. Cost	\$1,076,459	

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 43	DFS 42	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Sep 8, 2004
MD 9,422	TVD 9,422	Footage	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulstlander			
Present Operation TIH with 3-1/2" drilling assembly				Rig Phone: 435-220-0999	Last BOP Test Date 9/7/2004			RIG ELEVATIONS RKB 15 ft	
				Rig Fax: 435-220-0999	Next BOP Test Date 10/7/2004			Water Depth ft	
							Toolpusher Conrad Tenney		

Current Weather	DONR Visit <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	NPDES LC50 Sample Date	People on Loc.: 22	Last BOP Test Date 9/7/2004	RIG ELEVATIONS				
Wind:	Problem? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Pass? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Operator 1	Next BOP Test Date 10/7/2004	RKB-CHF ft				
Seas:			Contractor 11						
Sky:			Service 10						

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	Weld	2	35' 35'		Air			
Surface	8 5/8"	24	K55	STC	13	513' 513'		8.4			

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		
13	7 7/8"	Smith S65	MH4210	14,15,15	8,700'	722'	73 1/2	28	105	9.8	3	8	1		
14	7 7/8"	Smith S67Y	MP4945	13,13,14	9,422'										
Bit Remarks:						Cum. ROT. Hrs 465	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: 490'	Description: bit, 1- mud motor (27.98'), 8- 6 1/4" DC (241.20'), 1- 6.25" jars (36.22'), 6- 6.25" DC (180.44'), XO (2.88'), XO (1.25')
Mud motor .24" 98 stk= 70 rpm, 35 rot table = 105 rpm on bit	

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	P/Mf
PIT	9	47	22	13	8/17	6.5		2	5			0.2	12.5	9.5	0.3	2/1.4
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company					
PIT	11000	100	87		#1	#2	Desand	Cent.	John Limon		M-I					
		2 %KCL			145	145		0.6								
					#3	#4	Desilt	Mud Cl	Daily Cost		Cumulative Cost					
					145			24	\$950		\$98,978					

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	1100	5.0	21	TOOH inspect BHA, L/D 3 DCs, jars, 1- IBS				
1100	1600	5.0	28	Installed 3.5" pipe rams, L/D 4.5" kelly, PU 3.5" kelly.				
1600	2100	5.0	22	Test BOPs. Rams, choke, kill lines, kelly, safety valve, manifold = 3000 psi	1. Mob/DeMob		75	
				10 mins - OK, low 250 psi 5 mins. OK. Annular 1500 psi - 10 min - OK	2. Cement		2.5	
				Low 250 psi - 5 min OK, All tested good	3. Circulate		20	
2100	0100	4.0	15	Rig repair. Change out air compressor	4. Directional Work			
0100	0430	3.5	21	PU new motor, jars, 3 DCs- TIH	5. Drilling		492.5	
0430	0600	1.5	21	PU 3.5" DP. TIH	6. Drive Pipe			
					7. Fishing		53	
				DC inspection - 1 cracked box, 2 damaged faces, jars - cracked both ends	8. OH Logging			
				1- IBS - cracked upset	9. Lost Circ.			
					10. Drill Cmt./LOT		3	
					11. N.U./N.D.			
				Morrison Shale - 0'	12. P.U./L.D. BHA		13	
				Morrison - 2680'	13. P.U./L.D. Pipe			
				Entrada - 3263'	14. R/U; R/D		2.5	
				Navajo - 3843'	15. Rig Repair	4	44.25	
				Wingate - 4375'	16. Run Casing		6.5	
				Shinarump - 5060'	17. Service Rig		12.5	
				Moenkopi (Sinbad) 6405'	18. Sidetrack Op.			
					19. Stuck Pipe		0.5	
				no new shows	20. Survey		18.5	
				BG = 12-30 units	21. Trips	10	112.75	
				CG = 43 units	22. Tst. BOPs	5	10	
				TG - 0 units	23. UR/HO			
				M FG = 0 units	24. W.O.W.			
					25. Wash & Ream		30.5	
					26. Well Control			
					27. WOC		12.5	
					28. Other	5	51.75	
Total Hours		24.0			Total	24	961.25	
Rig Downtime			Fuel Usage		Bulk Material on Board		Previous Cost \$1,017,826	
Daily	4.0 hrs	Daily	420	Gals	Cement:	sx	Daily Cost \$28,925	
Cum.	37.3 hrs	Cum.	27600	Gals	Barite:	sx	Cum. Cost \$1,046,751	



MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 45	DFS 44	Date on Location 7/27/04	Spud Date Jul 28, 2004	Report Date Sep 10, 2004
MD 9,697	TVD	Footage 178	AFE No.	AFE Amount \$827,000	Auth. TD.	Company Representative Carl Hulstlander			
Present Operation Drilling				Rig Phone: 435-220-0999	Last BOP Test Date 9/7/04		RIG ELEVATIONS		
				Rig Fax: 435-220-0999	Next BOP Test Date 10/7/04		Water Depth ft		
				Service 2		RKB-CHF		ft	

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	9/7/04	RKB		15 ft	
Seas:	Problem? <input type="checkbox"/> Yes		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	10/7/04	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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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	
14	7 7/8"	Smith S67Y	MP4945	13,13,14	9,422'	275'	38	27/30	100	7.2				
Bit Remarks:					Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
					530.5	150	134	141						
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	70	208	2200	153		174	91	1/2	53	1270		
2	9 x 6	3.15								3/4				

BHA

Length: 490'	Description: bit, 1- mud motor (27.98'), 8- 6 1/4" DC (241.20'), 1- 6.25" Jars (36.22'), 6- 6.25" DC (180.44'), XO (2.88'), XO (1.25')
Mud motor .24*70 stk= 50 rpm, 50 rot table = 99 rpm on bit	

MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	9.1	44	21	15	9/16	6.8		2	5.5			3	12.7	9.5	0.3	.25/1.4
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company					
PIT	11500	140	95	118	#1	#2	Desand	Cent.	John Limon		M-I					
		2 %KCL			145	145	12		Daily Cost		Cumulative Cost					
					#3	#4	Desilt	Mud Cl	24	\$3,650	\$103,789					

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	2330	17.5	5	Drill to 9651'				
2330	0000	0.5	17	Service rig				
0000	0600	6.0	5	Drill to 9697'				
					1. Mob/DeMob		75	
					2. Cement		2.5	
					3. Circulate		20	
					4. Directional Work			
					5. Drilling	23.5	530.5	
					6. Drive Pipe			
					7. Fishing		53	
					8. OH Logging			
					9. Lost Circ.			
					10. Drill Cmt./LOT		3	
					11. N.U./N.D.			
					12. P.U./L.D. BHA		13	
					13. P.U./L.D. Pipe			
					14. R/U; R/D		2.5	
					15. Rig Repair		44.25	
				Morrison Shale - 0'	Dakota 2230'			
				Morrison - 2680'	Curtis (Moab Tongue) - 3140'			
				Entrada - 3263'	Carmel - 3684'			
				Navajo - 3843'	Kayenta - 4098'		0.5	13.5
				Wingate - 4375'	Chinie - 4960'			
				Shinarump - 5060'	Mownkopi - 5100'			0.5
				Moenkopi (Sinbad) 6405'	White Rim - 7296'			18.5
								121.75
								10
				Show- 26' (clay) show below - 9628' - 33' -				
				BG = 7 - 230 units				
				CG = 30 units				
				TG = 10 units				30.5
				M FG = 39 units				
								12.5
								51.75
Total Hours		24.0			Total	24	1009.25	
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		
Daily		Daily	798	Gals	Cement:	sx	Previous Cost	\$1,076,459
Cum.	37.3 hrs	Cum.	29070	Gals	Barite:	sx	Daily Cost	\$33,745
							Cum. Cost	\$1,110,204



MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 48	DFS 47	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Sep 13, 2004
MD 10,158	TVD 10,158	Footage 195	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulslander			
Present Operation Drilling				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	9/7/2004	RKB		15 ft	
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Contractor	Service	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	10/7/2004		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	Weld	2	35' 35'		Alr			
Surface	8 5/8"	24	K55	STC	13	513' 513'		8.4			

BIT No	Size	Bit Type and Manufacturer	Serial Number	Jets	Depth In	Total Footage	Hrs	WOB	Rpm	Avg ROP	Grade Tooth Bearing Gage
15	7 7/8"	Reed HP 52A	P70411	13,14,14	9,812'	346'	37	27/30	80	9.4	
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque			
				581.5	156	136	144				
Pump No.	Stroke X Liner	Output gps	SPM	GPM	Pressure	JV	Pb	AV DC DP	Speed	SPM	Slow Pump Pressures Pump #1 Pump #2 Pump #3
1	9 x 5.5	3.64	85	224	2240	158		178 92	1/4	50	700
2	9 x 6	3.15							3/4		

BHA		Length: 463.6' Description: bit, bit sub(4.21), 8- 6 1/4" DC (241.20'), 1- 6.25" jars (36.22'), 6- 6.25" DC (177.44'), XO (2.88'), XO (1.25')									
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WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	9	55	23	22	8/18	6.3	2	5			0.25	12.5	10	0.3	6/2
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
14000		100	98	118	#1 #2	Desand Cent.			John Limon		M-I				
2.3 % KCL					145 145	24			Daily Cost		Cumulative Cost				
					#3 #4	Desilt Mud Cl			\$2,615		\$112,135				
					145 255	24									

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE

OPERATIONS SUMMARY				Boats:	Supply Boat Name:	Status:
TIME		Time Code	Activity	Crew Boat Name:	Status:	
FROM	TO	HOUR	Code			
0600	2200	16.0	5	Drill to 10105'		
2200	2230	0.5	17	Service rig. Operate pipe rams		
2230	0600	7.5	5	Drill to 10158'		
				Time Summary		
				Activity	Daily	Cum.
				1. Mob/DeMob		75
				2. Cement		2.5
				3. Circulate		22
				4. Directional Work		
				5. Drilling	23.5	581.5
				6. Drive Pipe		
				7. Fishing		53
				8. OH Logging		
				9. Lost Circ.		
				10. Drill Cmt./LOT		3
				11. N.U./N.D.		
				12. P.U./L.D. BHA		13
				13. P.U./L.D. Pipe		
				14. R/U; R/D		2.5
				15. Rig Repair		46.25
				16. Run Casing		6.5
				17. Service Rig	0.5	15.5
				18. Sidetrack Op.		
				19. Stuck Pipe		0.5
				20. Survey		20.5
				21. Trips		134.75
				22. Tst. BOPs		10
				23. UR/HO		
				24. W.O.W.		
				25. Wash & Ream		30.5
				26. Well Control		
				27. WOC		12.5
				28. Other		51.75
				Total	24	1081.25
Total Hours		24.0		Fuel Usage		Bulk Material on Board
Rig Downtime		Daily		840 Gals		Cement: sx
Daily		Cum.		31212 Gals		Barite: sx
Cum.		37.3 hrs		Cum.		Previous Cost \$1,157,889
						Daily Cost \$20,179
						Cum. Cost \$1,177,868

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 47	DFS 46	Date on Location 7/27/04	Spud Date Jul 28, 2004	Report Date Sep 12, 2004
MD 9,963	TVD 9,963	Footage 151	AFE No.	AFE Amount \$827,000	Auth. TD.	8,500'		Company Representative Carl Hulslander	
Present Operation Drilling				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	People on Loc.: 14	Last BOP Test Date	RIG ELEVATIONS				
Wind:	LC50 Sample Date	Operator	1	9/7/04	RKB		15 ft		
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Contractor	11	Next BOP Test Date	Water Depth		ft		
Sky:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service	2	10/7/04	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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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	
15	7 7/8"	Reed HP 52A	P70411	13,14,14	9,812'	151'	13 1/2	27/30	85	11.2				
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
						558	150	141	132					
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 5.5	3.64	85	224	1890	153		174	91	1/2	45	660		
2	9 x 6	3.15								3/4				

BHA

Length: 463.6'	Description: bit, bit sub(4.21), 8- 6 1/4" DC (241.20'), 1- 6.25" jars (36.22'), 6- 6.25" DC (177.44'), XO (2.88'), XO (1.25')
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MUD DATA

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	P/lf	
PIT	9	48	23	17	11/16	6.4	2	5			0.25	12.7	9.5	0.3	25/1.5	
Chlorides		Ca++	Smp Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company					
12000		200	102	119	#1	#2	Desand	Cent.	John Limon		M-I					
		2.1 % KCL			145	145		18	Daily Cost		Cumulative Cost					
					#3	#4	Desilt	Mud Cl								
					145	255		24	\$2,266			\$109,520				

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
9903'	9903'	3.50 °					

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Status:	Time Summary	
FROM	TO					Activity	Daily
0600	0900	3.0	21	TIH to 514'			
0900	1000	1.0	3	Circulate			
1000	1200	2.0	21	TIH to TD			
1200	1230	0.5	5	Drill to 9817'	1. Mob/DeMob		75
1230	1430	2.0	15	Rig repair. Replace chain on drum ball wheel	2. Cement		2.5
1430	2230	8.0	5	Drill to 9913' *	3. Circulate	1	22
2230	2330	1.0	20	Circulate 9871; Miss run	4. Directional Work		
2330	0000	0.5	17	Service rig. Function annulars	5. Drilling	13.5	558
0000	0330	3.5	5	Drill to 9945'	6. Drive Pipe		
0330	0430	1.0	20	Survey 9903' - 3.5 deg	7. Fishing		53
0430	0600	1.5	5	Drill to 9963'	8. OH Logging		
					9. Lost Circ.		
					10. Drill Cmt./LOT		3
					11. N.U./N.D.		
				Changed liners in #1 pump to 5-1/2" to increase volume.	12. P.U./L.D. BHA		13
					13. P.U./L.D. Pipe		
				Morrison Shale - 0'	14. R/U; R/D		2.5
				Morrison - 2680'	15. Rig Repair	2	46.25
				Entrada - 3263'	16. Run Casing		6.5
				Navajo - 3843'	17. Service Rig	0.5	15
				Wingate - 4375'	18. Sidetrack Op.		
				Shinarump - 5060'	19. Stuck Pipe		0.5
				Moenkopi (Sinbad) 6405'	20. Survey	2	20.5
					21. Trips	5	134.75
				No shows	22. Tst. BOPs		10
				BG = 8 - 30 units	23. UR/HO		
				CG = 21 - 36 units	24. W.O.W.		
				TG - 60 units	25. Wash & Ream		30.5
				M FG = 0 units	26. Well Control		
				Trip gas bubbled, short flow over BOP	27. WOC		12.5
					28. Other		51.75
Total Hours		24.0			Total	24	1057.25
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost	
Daily	Daily	546	Gals	Cement:	sx	\$1,138,440	
Cum.	Cum.	30372	Gals	Barite:	sx	Daily Cost \$19,249	
						Cum. Cost \$1,157,689	



MSC Exploration Daily Drilling Report

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Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 50	DFS 49	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Sep 15, 2004
MD 10,450	TVD 10,450	Footage 154	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulslander			
Present Operation Drilling				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	People on Loc.: 14	Last BOP Test Date 9/7/2004	RIG ELEVATIONS		
Wind:	LC50 Sample Date	Operator 1	15 ft				
Seas:	Problem? <input type="checkbox"/> Yes	Contractor 11	Next BOP Test Date		Water Depth ft		
Sky:	<input type="checkbox"/> No Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service 2	10/7/2004		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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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		
15	7 7/8"	Reed HP 52A	P70411	13,14,14	9,812'	484'	54 1/2	28/30	80	8.9	3	4	1/8		
16	7 7/8"	Hughes GX 20	5057252	14,14,15	10,296'	154'	14 1/2	28/30	80	10.6					
Bit Remarks:						Cum. ROT. Hrs 613.5	PU Wt 160	SO Wt 132	ROT Wt 144		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 5.5	3.64	85	224	2190	146		180	94	1/2	50	870			
2	9 x 6	3.15								3/4					

BHA

Length: 463.6'	Description: bit, bit sub(4.21), 8- 6 1/4" DC (241.20'), 1- 6.25" jars (36.22'), 6- 6.25" DC (177.44'), XO (2.88'), XO (1.25')
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MUD DATA

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf	
PIT	9.1	52	25	23	8/17	6.4		2	5.5		0.25	12.8	9.5	0.3	4/1.8	
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company					
PIT		13000	80	101	115	#1	#2	Desand	Cent.	John Limon		M-I				
		2 % KCL				145	145		24	Daily Cost		Cumulative Cost				
						#3	#4	Desilt	Mud Cl	\$1,933		\$117,121				
						145	255		24							

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	Cum.				
0600	0700	1.0	21	TOOH, survey miss run									
0700	1500	8.0	21	TIH									
1500	0200	11.0	5	Drill to 10423'		1. Mob/DeMob		75					
0200	0230	0.5	17	Service rig		2. Cement		2.5					
0230	0600	3.5	5	Drill to 10450'		3. Circulate		22					
						4. Directional Work							
						5. Drilling	14.5	613.5					
						6. Drive Pipe							
						7. Fishing		53					
						8. OH Logging							
						9. Lost Circ.							
						10. Drill Cmt./LOT		3					
						11. N.U./ N.D.							
						12. P.U./L.D. BHA		13					
						13. P.U./L.D. Pipe							
						14. R/U; R/D		2.5					
						15. Rig Repair		46.25					
						16. Run Casing		6.5					
						17. Service Rig	0.5	16					
						18. Sidetrack Op.							
						19. Stuck Pipe		0.5					
						20. Survey		21					
						21. Trips	9	149.75					
						22. Tst. BOPs		10					
						23. UR/HO							
						24. W.O.W.							
						25. Wash & Ream		30.5					
						26. Well Control							
						27. WOC		12.5					
						28. Other		51.75					
						Total	24	1129.25					
Total Hours		24.0		Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost		\$1,198,707	
Daily		Daily	672	Gals	Cement:	sx	Daily Cost	\$26,707		Cum. Cost		\$1,225,414	
Cum.	37.3 hrs	Cum.	32766	Gals	Barite:	sx							

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MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 51	DFS 50	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Sep 16, 2004
MD 10,660	TVD 10,660	Footage 210	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulslander			
Present Operation Drilling				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.: 14	Last BOP Test Date 9/7/2004	RIG ELEVATIONS				
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Operator 1	Contractor 11	Next BOP Test Date 10/7/2004	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	TVD	Liner Top MD	TVD	MW when Run	Pres	LOT EMW	Leakoff?
Conductor	12 3/4"	24	LP	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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			
16	7 7/8"	Hughes GX 20	5057252	14,14,15	10,296'	364'	37 1/2	30	80	9.7				
Bit Remarks:				Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque						
				636.5	162	135	148							
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	3.64	85	224	2650	137		DC	DP	1/4				
2	9 x 6	3.15								3/4				

BHA

Length: 463.6'	Description: bit, bit sub(4.21), 8- 6 1/4" DC (241.20'), 1- 6.25" jars (36.22'), 6- 6.25" DC (177.44'), XO (2.88'), XO (1.25')
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MUD DATA

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	9.1	46	23	17	8/17	6.4	2	5.5			0.25	13.2	10	0.3	5/1.6
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company				
11000		80	103	120	#1	#2	Desand	Cent.	John Limon		M-I				
		2% KCL			145	145	Desilt	Mud Cl	Daily Cost		Cumulative Cost				
					145	255		24	\$2,979		\$120,100				

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	1300	7.0	5	Drill to 10517'		
1300	1400	1.0	17	Service rig		
1400	0600	16.0	5	Drill to 10660'		
Time Summary						
				Activity	Daily	Cum.
				1. Mob/DeMob		75
				2. Cement		2.5
				3. Circulate		22
				4. Directional Work		
				5. Drilling	23	636.5
				6. Drive Pipe		
				7. Fishing		53
				8. OH Logging		
				9. Lost Circ.		
				10. Drill Cmt./LOT		3
				11. N.U./N.D.		
				12. P.U./L.D. BHA		13
				13. P.U./L.D. Pipe		
				14. R/U; R/D		2.5
				15. Rig Repair		46.25
				16. Run Casing		6.5
				17. Service Rig	1	17
				18. Sidetrack Op.		
				19. Stuck Pipe		0.5
				20. Survey		21
				21. Trips		149.75
				22. Tst. BOPs		10
				23. UR/HO		
				24. W.O.W.		
				25. Wash & Ream		30.5
				26. Well Control		
				27. WOC		12.5
				28. Other		51.75
				Total	24	1153.25
Total Hours		24.0				
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost
Daily	Daily	840	Gals	Cement:	sx	\$1,225,414
Cum.	Cum.	33606	Gals	Barite:	sx	Daily Cost \$20,543
						Cum. Cost \$1,245,957



MSC Exploration Daily Drilling Report

CONFIDENTIAL

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1		Contract Rig Union #7	DOL 56	DFS 55	Date on Location 7/27/04	Spud Date Jul 28, 2004	Report Date Sep 21, 2004
MD 10,990	TVD 10,990	Footage	AFE No.	AFE Amount \$827,000	Auth. TD 8,500'	Company Representative Carl Huislander	
Present Operation TIH with bit			Rig Phone: 435-220-0999	Rig Fax: 435-220-0999		Toolpusher Conrad Tenney	

Current Weather	DONR Visit	NPDES	People on Loc.:	18	Last BOP Test Date	RIG ELEVATIONS	
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator	5	9/7/04	RKB	15 ft
Seas:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No		Contractor	11	Next BOP Test Date	Water Depth	
Sky:	<input type="checkbox"/> No <input type="checkbox"/> Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No		Service	2	10/7/04	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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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	
17RR	7 7/8"	Reed HP 52	P70419	open	10,990'									
bit, bit sub(4.21), 8-						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque				
						682								
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 5.5	2.64								1/4				
2	9 x 6	3.15								1/2				
										3/4				

BHA

Length: 463.6'	Description: bit, bit sub(4.21), 8- 6 1/4" DC (241.20'), 1- 6.25" jars (36.22'), 6- 6.25" DC (177.44'), XO (2.88'), XO (1.25')
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MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf	
PIT	9.1	53	23	19	12/21	7.5		2	7			0.35	14.2	10	0.3	35/2	
	Chlorides	Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours	Mud Engineer		Mud Company							
PIT	10000	80	84		#1	#2	Desand	Cent.	John Limon		M-I						
		2 % KCL			145	145			Daily Cost		Cumulative Cost						
					#3	#4	Desilt	Mud Cl	\$732		\$130,329						

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	Cum.
0600	0530	23.5	8	Finish running AIT, Sonic, Density, Neutron, GR. Run standard dipmeter.				
0530	0600	0.5	21	TIH in hole with bit.				
							1. Mob/DeMob	75
							2. Cement	2.5
							3. Circulate	29
							4. Directional Work	
							5. Drilling	682
							6. Drive Pipe	
							7. Fishing	53
							8. OH Logging	23.5 30
							9. Lost Circ.	
							10. Drill Cmt./LOT	3
							11. N.U./N.D.	
							12. P.U./L.D. BHA	13
							13. P.U./L.D. Pipe	
							14. R/U; R/D	2.5
				Morrison Shale - 0'	Dakota 2230'		15. Rig Repair	53.25
				Morrison - 2680'	Curtis (Moab Tongue) - 3140'		16. Run Casing	6.5
				Entrada - 3263'	Carmel - 3684'		17. Service Rig	19
				Navajo - 3843'	Kayenta - 4098'		18. Sidetrack Op.	
				Wingate - 4375'	Chinie - 4960'		19. Stuck Pipe	0.5
				Shinarump - 5060'	Mownkopi - 5100'		20. Survey	21
				Moenkopi (Sinbad) 6405'	White Rim - 7296'		21. Trips	0.5 178.25
							22. Tst. BOPs	10
							23. UR/HO	
							24. W.O.W.	
							25. Wash & Ream	30.5
							26. Well Control	
							27. WOC	12.5
							28. Other	51.75
							Total	24 1273.25
Total Hours	24.0							
Rig Downtime	Fuel Usage		Bulk Material on Board		Previous Cost		\$1,330,124	
Daily	Daily	294 Gals	Cement: sx		Daily Cost		\$73,137	
Cum.	Cum.	36336 Gals	Barite: sx		Cum. Cost		\$1,403,261	

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DIV. OF OIL, GAS & MINING



MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat - State MSC #35-1				Contract Rig Union #7	DOL 55	DFS 54	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Sep 20, 2004
MD 10,980	TVD	Footage 3	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulslander			
Present Operation Logging				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.: 21	Last BOP Test Date	RIG ELEVATIONS				
Wind:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LC50 Sample Date	Operator 5	9/7/2004	RKB 15 ft				
Seas:	<input type="checkbox"/> Problem? <input type="checkbox"/> Yes		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 5	10/7/2004	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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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		
17	7 7/8"	Reed HP 52	P70419	16,16,16	10,712'	268'	39	30	80	6.9					
Bit Remarks:						Cum. ROT. Hrs	PU Wt	SO Wt	ROT Wt	Torque					
						682	165	140	151						
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 5.5	2.64	80	211	2840	98		189	98	1/2	52	1360			
2	9 x 6	3.15								3/4					

BHA

Length: 463.6'	Description: bit, bit sub(4.21), 8- 6 1/4" DC (241.20'), 1- 6.25" jars (36.22'), 6- 6.25" DC (177.44'), XO (2.88'), XO (1.25')
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MUD DATA

	WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	9.1	55	23	20	12/21	7.2		2	5.75			0.3	14	9.5	0.3	35/2.2
Chlorides		Ca++	Smpl Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer		Mud Company					
PIT	10000	80	104		#1	#2	Desand	Cent.	Jon Limon		M-I					
		2% KCL			145	145			Daily Cost		Cumulative Cost					
					145	255		5	\$2,170							\$129,597

DIRECTIONAL SURVEYS

MD	TVD	ANGLE	Direction	Coordinates	VS	DL	CLOSURE
10980		4.00°					

OPERATIONS SUMMARY

TIME		Time Code	Boats:	Supply Boat Name:	Crew Boat Name:	Status:	Time Summary		
FROM	TO						Activity	Daily	Cum.
0600	0700	1.0	5	Drill to 10980' TD					
0700	0900	2.0	3	Circulate and condition hole					
0900	1030	1.5	21	Short trip, 15 stands. Hole clean no drag		1. Mob/DeMob		75	
1030	1430	4.0	3	Circulate and condition hole for logs. Raise vis to 55		2. Cement		2.5	
1430	2330	9.0	21	Pump pill, drop survey, TOOH. Slim line measurement 10990'		3. Circulate	6	29	
2330	0600	6.5	8	RU loggers. Loggers total depth 10987'. Schlumberger		4. Directional Work			
				Running AIT, Sonic, Density, Neutron, GR		5. Drilling	1	682	
						6. Drive Pipe			
						7. Fishing		53	
						8. OH Logging	6.5	6.5	
						9. Lost Circ.			
						10. Drill Cmt./LOT		3	
						11. N.U./N.D.			
						12. P.U./L.D. BHA		13	
						13. P.U./L.D. Pipe			
						14. R/U; R/D		2.5	
				Morrison Shale - 0'	Dakota 2230'	15. Rig Repair		53.25	
				Morrison - 2680'	Curtis (Moab Tongue) - 3140'	16. Run Casing		6.5	
				Entrada - 3263'	Carmel - 3684'	17. Service Rig		19	
				Navajo - 3843'	Kayenta - 4098'	18. Sidetrack Op.			
				Wingate - 4375'	Chinie - 4960'	19. Stuck Pipe		0.5	
				Shinarump - 5060'	Mownkopi - 5100'	20. Survey		21	
				Moenkopi (Sinbad) 6405'	White Rim - 7296'	21. Trips	10.5	177.75	
						22. Tst. BOPs		10	
						23. UR/HO			
				No new shows		24. W.O.W.			
				BG = 8 - 47 units		25. Wash & Ream		30.5	
				CG = 47 units		26. Well Control			
				TG = 0 units		27. WOC		12.5	
				M FG = 0 units		28. Other		51.75	
Total Hours		24.0				Total	24	1249.25	
Rig Downtime		Fuel Usage		Bulk Material on Board		Previous Cost \$1,311,223			
Daily	Daily	378	Gals	Cement:	sx	Daily Cost \$18,901			
Cum.	Cum.	36042	Gals	Barite:	sx	Cum. Cost \$1,330,124			



MSC Exploration Daily Drilling Report

Block, Lease and Well No. E. Crested Junction Wildcat #35-1		Contract Rig Union #7	DOL 57	DFS 56	Date on Location 7/27/2004	Spud Date Jul 28, 2004	Report Date Sep 22, 2004
MD 10,990	TVD 10,990	Footage	AFE No.	AFE Amount \$827,000	Auth. TD. 8,500'	Company Representative Carl Hulselander	
Present Operation Circulate and Condition Mud			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.: 15	Last BOP Test Date 9/7/2004	RIG ELEVATIONS		
Wind:	Problem? <input type="checkbox"/> Yes <input type="checkbox"/> No	Operator 2	Contractor 11	Next BOP Test Date 10/7/2004	RKB	15	ft
Seas:	Pass? <input type="checkbox"/> Yes <input type="checkbox"/> No	Service 2	Water Depth 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	Weld	2	35'	35'			Air			
Surface	8 5/8"	24	K55	STC	13	513'	513'			8.4			

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	
17RR	7 7/8"	Reed HP 52	P70419	open	10,990'									

Bit Remarks:		Cum. ROT. Hrs 682	PU Wt	SO Wt	ROT Wt	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			Pump #1	Pump #2	Pump #3
1	9 x 5.5	2.64	80	211	2190					1/4				
2	9 x 6	3.15								1/2				
										3/4				

BHA

Length: 463.6'	Description: bit, bit sub(4.21), 8- 6 1/4" DC (241.20'), 1- 6.25" jars (36.22'), 6- 6.25" DC (177.44'), XO (2.88'), XO (1.25')
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MUD DATA

WT.	VIS	PV	YP	GELS	WL	HTHP	CAKE	SLDS %	LGS %	OIL %	SD %	MBT	pH	Pm	Pf/Mf
PIT	9.3	48	21	13	8/16	7.8		2	7		0.35	14	9.5	0.3	3/2

Chlorides	Ca++	Smp Temp	F.L. Temp	Shaker Screens		Hours		Mud Engineer	Mud Company
				#1	#2	Desand	Cent.		
PIT	10000	80	86	145	145			John Limon	M-I
	2 % KCL			#3	#4	Desilt	Mud Cl	Daily Cost	Cumulative Cost
				145	255			\$322	\$130,651

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	17				Slip and cut 80' drilling line		
0730	0800	0.5	17				Service rig		
0800	1000	2.0	21				TIH	1. Mob/DeMob	75
1000	1030	0.5	3				Break circulation at 4152'	2. Cement	2.5
1030	1200	1.5	21				TIH	3. Circulate	4
1200	1230	0.5	3				Break circulation at 6864'	4. Directional Work	
1230	1430	2.0	21				TIH	5. Drilling	682
1430	1500	0.5	25				Wash and ream 64' to bottom	6. Drive Pipe	
1500	1800	3.0	3				Circulate and condition hole.	7. Fishing	53
								8. OH Logging	30
								9. Lost Circ.	
								10. Drill Cmt./LOT	3
								11. N.U./N.D.	
								12. P.U./L.D. BHA	13
								13. P.U./L.D. Pipe	
								14. R/U; R/D	2.5
								15. Rig Repair	53.25
								16. Run Casing	6.5
								17. Service Rig	2
								18. Sidetrack Op.	21
								19. Stuck Pipe	0.5
								20. Survey	21
								21. Trips	5.5
								22. Tst. BOPs	183.75
								23. UR/HO	10
								24. W.O.W.	
								25. Wash & Ream	0.5
								26. Well Control	31
								27. WOC	12.5
								28. Other	51.75
								Total	12
									1285.25

Total Hours	12.0
-------------	------

Rig Downtime	Fuel Usage	Bulk Material on Board	Previous Cost
Daily	290 Gals	Cement: sx	\$1,403,261
Cum.	36626 Gals	Barite: sx	Daily Cost \$21,284
			Cum. Cost \$1,424,545

7215 R19ES-35
43-019-31404

From: "Williams, Galan" <gwilliams@PPITech.net>
To: "'dustindoucet@utah.gov'" <dustindoucet@utah.gov>
Date: 1/18/2005 2:15:46 PM
Subject: FW: Fw: State MSC 35-1 Perforations

CONFIDENTIAL

Dustin:

The first completion attempt will be in the Pennsylvanian section from 8940' to 8954'. The second group is in the Cutler section from 7878 to 8996 and 7920 to 7930'. Below are the logged intervals from the well:

Mancos Shale - 0'	Dakota 2245'
Morrison - 2510'	Curtis (Moab Tongue) - 3132'
Entrada - 3258'	Carmel - 3675'
Navajo - 3836'	Kayenta - 4260'
Wingate - 4557'	Chinie - 4918'
Shinarump - 5412'	Mownkopi - 5412'
Moenkopi (Sinbad) 6394'	White Rim - 6874'
Cutler - 7441'	Pennsylvanian - 8697'

If there are any other questions, please call me. Thanks.

Galan

J. Galan Williams, P. E.
Vice President and General Manager of Managed Risk
PPI Technology Services, L. P.
800 Gessner, Suite 900
Houston, TX 77024
Ph: 713-464-2200
Fax: 866-591-4997
mailto:gwilliams@ppitech.net
Check us out at www.ppitech.net

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

From: LYNN FAUST [mailto:lfaust@mscexploration.com]
Sent: Tuesday, January 18, 2005 10:03 AM
To: james@jonesconsultants.com; Williams, Galan
Subject: Fw: Fw: State MSC 35-1 Perforations

Pls see the following

Lynn Faust
MSC Exploration, LP
16800 Imperial Valley Dr., Suite 380
Houston, TX 77060
(281) 931-8933
(281) 931-8655 (Fax)
lfaust@mscexploration.com

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

From: "Dustin Doucet" <dustindoucet@utah.gov>

To: <lfaust@mscexploration.com>
Sent: Tuesday, January 18, 2005 9:26 AM
Subject: Re: Fw: State MSC 35-1 Perforations

CONFIDENTIAL

> Lynn,
>
> This is somewhat what I was looking for, but it still lacks actual
> geologic description. I know you drilled this well to ~11,000'. I
> don't know what the geology below ~8000' is (you supplied formation tops
> to about this depth in your APD and daily reports). In short, what are
> the formation tops in this well and what formations do you plan to
> complete in. I think if you add this info to your description of
> completion procedures that should do it. Let me know if you have any
> more questions. Thanks.
>
> Dustin
>
> >>> "LYNN FAUST" <lfaust@mscexploration.com> 1/14/2005 9:53:58 AM >>>
> Is this what you need on the 35-1?
>
> Lynn Faust
> MSC Exploration, LP
> 16800 Imperial Valley Dr., Suite 380
> Houston, TX 77060
> (281) 931-8933
> (281) 931-8655 (Fax)
> lfaust@mscexploration.com
>
> ----- Original Message -----
> From: "LARRY MOYER" <lrmoeyer@bresnan.net>
> To: "Galan Williams" <gwilliams@PPITech.net>; "Jim Jones"
> <james@jonesconsultants.com>; "Larry R. Moyer" <lrmoeyer@bresnan.net>;
> "Lynn
> Faust" <lfaust@mscexploration.com>
> Sent: Wednesday, January 12, 2005 6:01 PM
> Subject: State MSC 35-1 Perforations
>
>
>>
>>
>> Attached is a file with my recommendations for completing the
> captioned
> well.
>>
>> Larry
>>
>>
>

CC: ""lfaust@mscexploration.com"" <lfaust@mscexploration.com>

MSC EXPLORATION, L.P.
16800 IMPERIAL VALLEY DRIVE, STE. 380
HOUSTON, TEXAS 77060
(PHONE) 281-931-8933 (FAX) 281-931-8655

FACSIMILE TRANSMITTAL SHEET

TO: Dustin Doucet	FROM: LYNN FAUST
COMPANY: State Of Utah – Bus. Assistance	DATE: 1-28-05
FAX NUMBER: (801) 359-3940	TOTAL NO. OF PAGES INCLUDING COVER: 2 + cover
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
RE: Sundry Notice: State MSC 35-1	YOUR REFERENCE NUMBER:

CONFIDENTIAL

URGENT
 FOR REVIEW
 PLEASE COMMENT
 PLEASE REPLY
 PLEASE EXECUTE

NOTES/COMMENTS:

Mr. Doucet,

Please find the Sundry Notice you requested ...

Sincerely,

Lynn Faust
 C.E.A.
 MSC Explorations

RECEIVED
 JAN 28 2005
 DIV. OF OIL, GAS & MINING

The information contained in this fax message is intended only for the personal and confidential use of the recipient(s) named above. This message may be an attorney-client communication and/or work product and as such is privileged and confidential. If the reader of this message is not the intended recipient or an agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately and delete the original message.

012

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

CONFIDENTIAL

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: 16800 Imperial Valley Dr. Houston TX 77060 PHONE NUMBER: 281-931-8933

4. LOCATION OF WELL: FOOTAGES AT SURFACE: 470' FNL, 1320' FWL COUNTY: GRAND
QTR/CTR. SECTION, TOWNSHIP, RANGE, MERIDIAN: N40W 35 21S 19E STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47576

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

7. UNIT or CO AGREEMENT NAME: N/A

8. WELL NAME and NUMBER: State MSC 35-1

9. API NUMBER: 43-019-31404

10. FIELD AND POOL, OR WLDCA: Wildcat

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 (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 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"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Perforate</u>
	<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.

See Attached

COPY SENT TO OPERATOR
Date: 2-4-05
Initials: CHD

NAME (PLEASE PRINT) Lynn Faust TITLE Administrator

SIGNATURE [Signature] DATE 1-29-04

(This space for State use only)

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

RECEIVED

(5/2000)

DATE: 2/2/05 (See Instructions on Reverse Side)
BY: [Signature]

JAN 28 2005

DIV. OF OIL, GAS & MINING

* For perforating and testing of described zones only
An application in accordance with RC649-3-22 shall be submitted to and approved by the Division prior to producing and/or commingling two or more pools from this well bore (i.e. Cutler and Pennsylvania)

To: MSC Exploration L.P. / Jack Stanley, Tidewater / James S. Jones
From: Larry R. Moyer Consulting, LLC / Larry R. Moyer
Re: MSC Exploration L.P., State MSC 35-1 Completion and Perforation
Recommendations Summary
Date: January 12, 2005

CONFIDENTIAL

After a review of petrophysical interpretations by Schlumberger, NuTech, Halliburton, and those of my own, along with a review of the mudlog and the well cuttings samples, the following is a summary of my recommendations for the completion of the captioned well.

The recommendations are influenced by the consideration of properties for which very limited or no data exists. In particular, the reservoir pressure and permeability are very poorly defined. I believe the lack of reference data for fracture treatments in comparable zones necessitates collection of information from Pump-in Injection Tests. I believe that the lithologies and rock properties of the different zones are significantly different and must be evaluated independently.

Zone 1 – 8,940' to 8,954'

- a) Perform a pump-in test.
- b) If the test shows that it is possible to fracture treat the zone, then perforate it at the recommended interval.
- c) Swab the zone to determine if hydrocarbons are present and worthy of a fracture treatment
- d) Fracture treat the zone in accordance with a design based on the pump-in test.

Zone 2 – 7,876' to 7,890' and 7,920' to 7,932'

- a) Complete as above.

Zone 3 – 7,494' to 7,670'

- a) Complete as above, with selective perforating to omit tighter zones if the fracture treatment design indicates that it is appropriate.

Zone 4 – 7,448' to 7,488'

- a) Complete as above. This zone is believed to be sufficiently different to warrant separate treatment.

Pending the results of the above program, or a completion program in the Federal MSC 26-1 well, the zone at 7,291' to 7,338' may also be a candidate.

Please contact me if you desire additional details or the reasoning behind the recommendations above.

RECEIVED
JAN 28 2005
DIV. OF OIL, GAS & MINING

013

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

FORM 9

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

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QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: N4NW 35 21S 19E STATE: UTAH

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: State MSC 35-1

9. API NUMBER: 43-019-31404

10. FIELD AND POOL, OR WILDCAT: Wildcat

CONFIDENTIAL

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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 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"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Reperforate</u>
	<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.

See Attached

RECEIVED
JAN 31 2005
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Lynn Faust TITLE Administrator

SIGNATURE L Faust DATE 1-29-04

(This space for State use only)

Fax copy Approved w/conditions 2/2/05

To: MSC Exploration L.P. / Jack Stanley, Tidewater / James S. Jones
From: Larry R. Moyer Consulting, LLC / Larry R. Moyer
Re: MSC Exploration L.P., State MSC 35-1 Completion and Perforation
Recommendations Summary
Date: January 12, 2005

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Zone 1 – 8,940' to 8,954'

- a) Perform a pump-in test.
- b) If the test shows that it is possible to fracture treat the zone, then perforate it at the recommended interval.
- c) Swab the zone to determine if hydrocarbons are present and worthy of a fracture treatment
- d) Fracture treat the zone in accordance with a design based on the pump-in test.

Zone 2 – 7,876' to 7,890' and 7,920' to 7,932'

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Zone 4 – 7,448' to 7,488'

- a) Complete as above. This zone is believed to be sufficiently different to warrant separate treatment.

Pending the results of the above program, or a completion program in the Federal MSC 26-1 well, the zone at 7,291' to 7,338' may also be a candidate.

Please contact me if you desire additional details or the reasoning behind the recommendations above.

43,019,31404
215 19E 35

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			Well Name	API Number	Spud Date - Dry	Spud Date - Rotary	Lease Type
	Twp	Rng	Sec					
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 ~~26-1~~

CONFIDENTIAL

FORM 9

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47576

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

7. UNIT or CA AGREEMENT NAME: N/A

8. WELL NAME and NUMBER: STATE MSC 35-1

9. API NUMBER: 43-019-31404

10. FIELD AND POOL, OR WILDCAT:

1. TYPE OF WELL: OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR: MSC Exploration LP

3. ADDRESS OF OPERATOR: Houston, TX 77060 PHONE NUMBER: 281-931-8933

4. LOCATION OF WELL: 1370
FOOTAGES AT SURFACE: 470 FWL + 120 FWL COUNTY: _____
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW 35 215 19E S STATE: UTAH

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 (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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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 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 checked="" 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.

Produced water to be pumped back into well.

REQUEST DENIED

Utah Division of
Oil, Gas and Mining

Date: 10-03-05
By: [Signature]

RECEIVED

SEP 30 2005

DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR
Date: 10-11-05
Initials: CHD

NAME (PLEASE PRINT) Lynn Faust TITLE Administrator

SIGNATURE [Signature] DATE 9-30-05

(This space for State use only)

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

1. TYPE OF WELL OIL WELL GAS WELL DRY OTHER _____

2. TYPE OF WORK
NEW WELL HORIZ. LATS DEEP. EN RE-ENTRY DIFF. RESVR OTHER _____

3. NAME OF OPERATOR: MSC Exploration LP

4. ADDRESS OF OPERATOR: TEXAS 77040 PHONE NUMBER: 281-931-8933

5. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 470 FNL + 130 FWL

6. AT TOP PRODUCING INTERVAL REPORTED BELOW:

7. AT TOTAL DEPTH:

5. LEASE DESIGNATION AND SERIAL NUMBER:
M1-47576

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

7. UNIT OR CO. AGREEMENT NAME:
N/A

8. WELL NAME AND NUMBER:
State, MSC 35-1

9. API NUMBER:
43-019-31404

10. FIELD AND POOL OR WILDCAT:

11. COUNTY, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NW1/4 35 21S 19E S

12. COUNTY: Grand 13. STATE: UTAH

14. DATE SPUDDED: 8-7-04 15. DATE T.D. REACHED: 9-17-04 16. DATE COMPLETED: 3-23-05 ABANDONED READY TO PRODUCE 17. ELEVATIONS (DF, RKS, RT, CV): 15

18. TOTAL DEPTH: MD 10,980 TVD 10,980 19. PLUG BACK T.D.: MD 10,947 TVD 10,947 20. IF MULTIPLE COMPLETIONS, HOW MANY? 3 21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
14 HAZ, CNIT, DLDI, SONI, DIR LOG
already submitted CBL

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 (W/L)	TOP (MD)	BOTTOM (MD)	STAGG CEMENTER DEPTH	CEMENT TYPE & NO. OF SACS	SLURRY VOLUME (BBL)	CEMENT TOP "	AMOUNT PULLED
16"	12 3/4	LP	Surf.	35'	-	Gr.			-
12.25"	2 3/4	2240	Surf.	513	-	TL 290		Surf.	-
7 7/8"	5 1/2	17.0	Surf.	10,980	4,494	PL 2 276		4494	-
						FL 2 285			-
						50,502 140		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)
2 7/8"	1170	-						

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Btm - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A)					6'140 - 54' 7 1/2"	4"	76	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B)					32' 3 7/8" - 34'	4"	150	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C)					11' 1/2" - 33'	4"		Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(D)					50' 90" - 53' 22", 50'	4"	162	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 GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY
 SURVIVAL NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER: _____

30. WELL STATUS:
Shut-in

(5/2008)

(CONTINUED ON BACK)

RECEIVED
DEC 12 2005

DIV. OF OIL, GAS & MINING

MSC Exploration LP 281931855
MSC Exploration LP 281931855
Dec 12 05 04:54p
Dec 12 05 04:45p

21. INITIAL PRODUCTION

INTERVAL A (As shown in Item #25)

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 #25)

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 #25)

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 #25)

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:

22. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers)

Show all important zones of porosity and describe them: Core intervals and all drill-stem tests, including depth interval tested, methods used, flow test upon 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)

Dean Christianson working w/ Brent Kettle to close pit - Getting Rices to reclaim site.

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

NAME (PLEASE PRINT) Lynn Frost TITLE Admin
 SIGNATURE [Signature] DATE 10-12-04

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

RECEIVED
 DEC 12 2005

DIV. OF OIL, GAS & MINING

(9/2000)

p. 5 2819318655 MSC Exploration LP Oct 12 05 04:46P

p. 7 2819318655 MSC Exploration LP Dec 12 05 04:55P

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

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:
State MSC 35-1

9. API NUMBER:
4301931404

10. FIELD AND POOL, OR WILDCAT
WILDCAT

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NWNW 35 21S 19E

12. COUNTY
GRAND

13. STATE
UTAH

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER _____

b. TYPE OF WORK: NEW WELL HORIZ. LATS. DEEP-EN RE-ENTRY DIFF. RESVR. OTHER _____

2. NAME OF OPERATOR:
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: **470 FNL & 1320 FWL**
AT TOP PRODUCING INTERVAL REPORTED BELOW: **470 FNL & 1320 FWL**

14. DATE SPUDDED: **7/28/2004** 15. DATE T.D. REACHED: **9/19/2004** 16. DATE COMPLETED: _____ ABANDONED READY TO PRODUCE 17. ELEVATIONS (DF, RKB, RT, GL): **15' RKB**

18. TOTAL DEPTH: MD ~~10,980~~ **11,000** 19. PLUG BACK T.D.: MD **8,067** 20. IF MULTIPLE COMPLETIONS, HOW MANY? * _____ 21. DEPTH BRIDGE PLUG SET: MD **8,067** TVD ~~10,980~~ **10,938** TVD ~~8,067~~ **8,048**

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
AIT, Sonic, Density, Neutron, GR & SP

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	24	0	35				surf	
12	8 5/8 K55	24	0	513		A 328	68	surf	10000
7 7/8	5 1/2 L80	17	0	10,980	4,494	G 2,543	433		150000

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	1,170							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Cutler	6,350		6,350		8,966 - 8,966	.5	8	Open <input type="checkbox"/> Squeezed <input checked="" type="checkbox"/>
(B) Cutler	6,350		6,350		8,940 - 8,954	.43	42	Open <input type="checkbox"/> Squeezed <input checked="" type="checkbox"/>
(C) Cutler	6,350		6,350		7,920 - 7,932	.43	39	Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D) Cutler	6,350		6,350		7,878 - 7,890	.43	36	Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
8640' - 8954'	500 gal 15% HCL acid
7920' - 7890'	11.8 bbls 15% HCL acid & 12 bbls 15% HCL acid

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

MAY 01 2006

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: 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)
				Dakota SS	2,230
				Curtis	3,080
				Carmel	3,580
				Navaio	3,710
				Wingate	4,310
				Chinle	4,710
				Cutler	6,350

35. ADDITIONAL REMARKS (Include plugging procedure)

Well temporarily SI waiting on completion. RKB @ 8964', 8700', 8097'

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 4/10/2006

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

State MSC 35-1
API # 4301931404

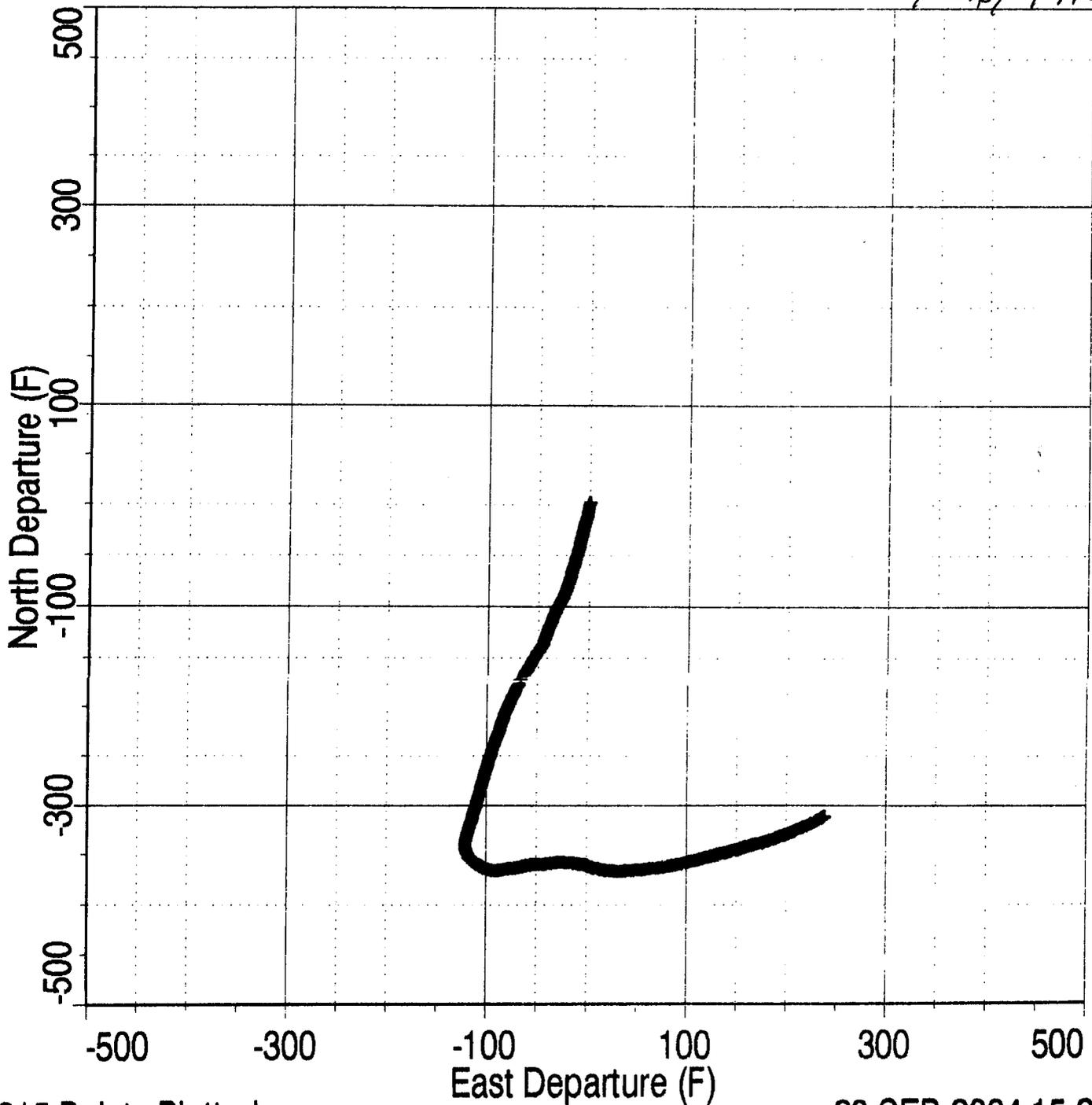
~~Continued Perforation record~~

Formation	Depth, top	Perforation Interval	Size	No. Holes	Status	Treatment
Cutler	6350'	7448' - 7488	.43	120	open	13 bbls 10% Acetic Acid
Chinle	4710'	5594' - 5590'	.5	20	39 sx cmt	SQUEEZE
		5289' - 5287'	.5	8	23 sx	SQUEEZE
Chinle	4710'	5510' - 5503'	.43	28		400 gals Xylene, 400 gals Mod acid 101
		5477' - 5460	.43	68		
		5444' - 5426'	.43	72	open	
Chinle	4710'	5290' - 5322'	.42	96		400 gals Xylene, 700 gals Mod acid 101
		5090' - 5112'	.42	66		

MAXIS Field Log

Index: 10966.0 - 555.0 FT

MSC 35-1 35/21S/19E



Schlumberger

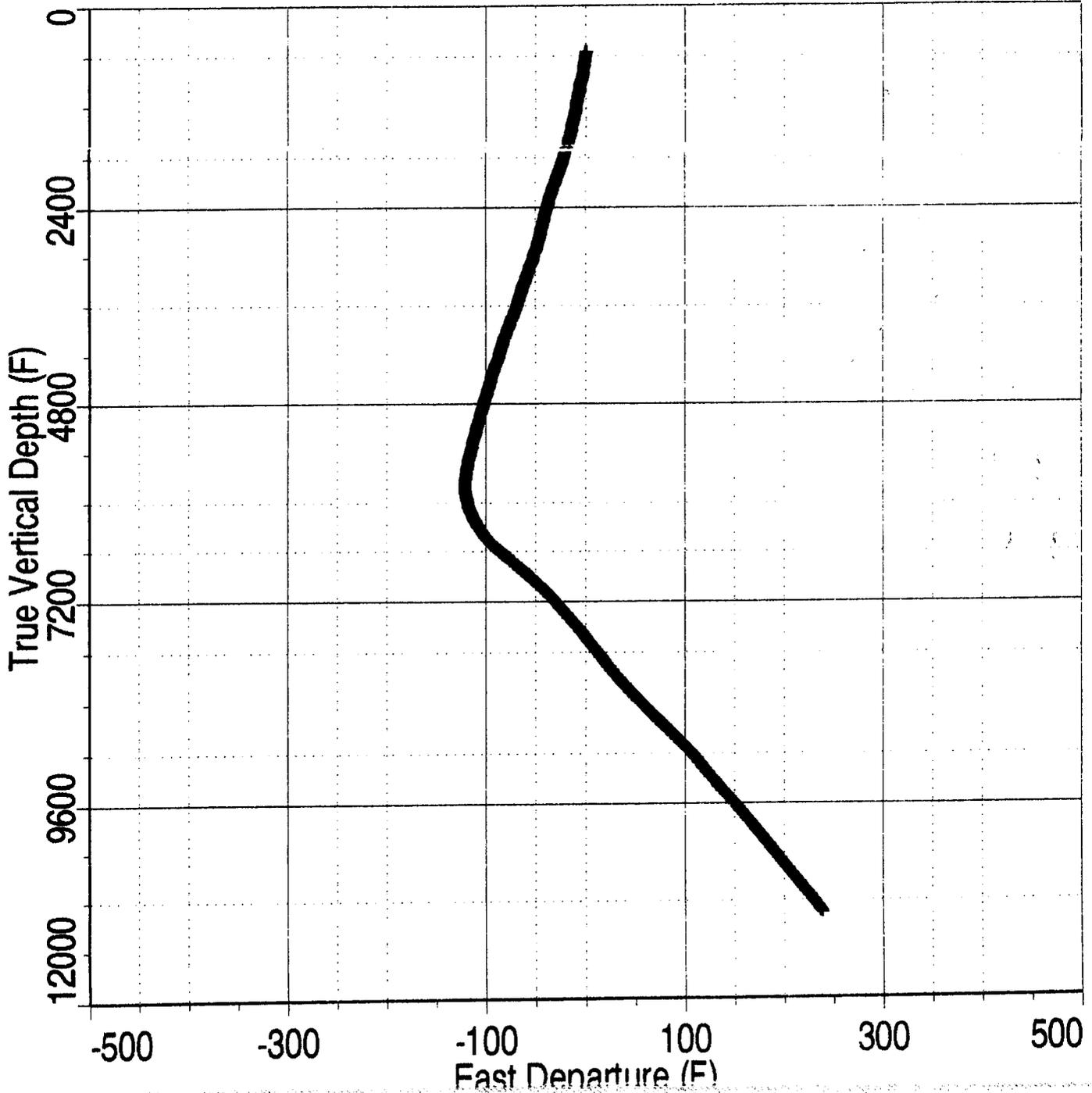
TRUE VERTICAL DEPTH vs. EAST

MAXIS Field Log

Index: 10966.0 - 555.0 FT

MSC 35-1

35/215/19E



-500

-300

-100

100

300

500

0823 Points Plotted

East Departure (F)

28-SEP-2004 15:27

Schlumberger

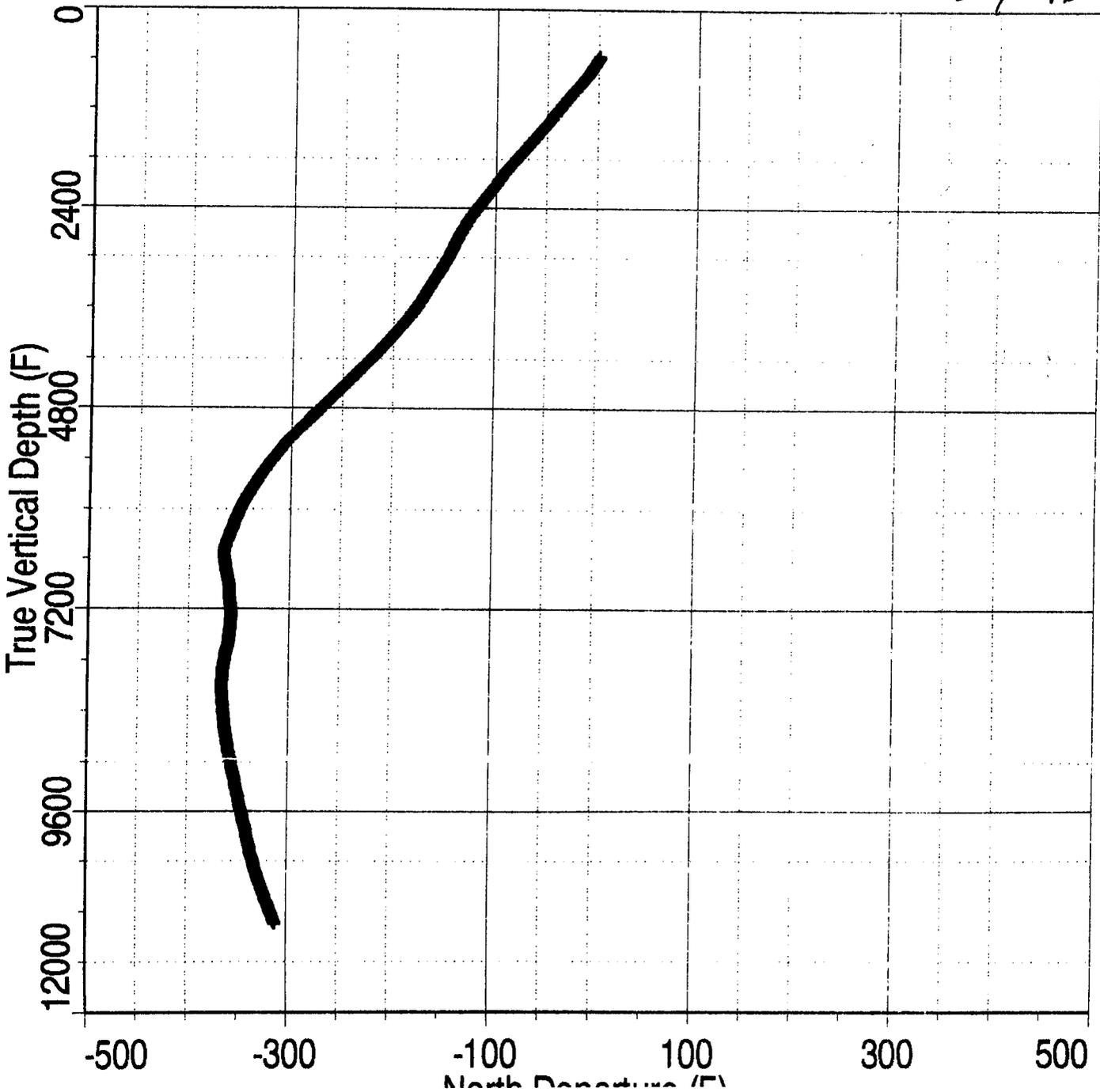
TRUE VERTICAL DEPTH vs. NORTH

MAXIS Plotting

Index: 10966.0 - 555.0 FT

MSC 35-1

35/215/19E



State MSC 35-1
API # 4301931404
Spud date 7/28/04

Depth	survey
528	2.75
710	2.25
801	2.75
861	3.5
1075	3.00
1655	3.25
2159	3.00
2609	3.00
3064	3.5
3544	3.00
4027	4.00
4284	4.0
4552	4.0
4853	4.5
5097	3.75
5187	4.0
5315	4.0
5407	3.75
5618	3.25
5803	2.75
5989	2.75
6208	3.00
6424	3.00
6608	5
6690	5.25
6790	5.0
6950	4.75
7150	5.00
7288	4.00
8123	4.00
8808	4.25
9330	4.0
9930	3.50
10712	4.00

Schlumberger

DIRECTIONAL SURVEY TABLE

State MSC 35-1

MAXIS Field Log

DEPT	DEVI	HAZI	TVDE	ND	ED
600.0	3.1299	197.7151	600.0037	-0.0005	0.0046
700.0	3.1634	190.8531	699.8636	-5.1906	-1.0225
800.0	3.6848	193.5769	799.6820	-11.0726	-2.2828
900.0	4.3823	195.4302	899.4331	-17.8630	-4.1376
1000.0	4.2142	195.1726	999.1563	-25.0247	-6.1371
1100.0	3.9202	191.7661	1098.9033	-31.9419	-7.7610
1200.0	3.8218	194.1021	1198.6881	-38.3328	-9.2175
1300.0	3.8146	194.5051	1298.4615	-44.8346	-10.9435
1400.0	4.0869	196.1873	1398.2245	-51.4595	-12.7949
1500.0	4.1223	196.3067	1497.9675	-58.3346	-14.8107
1600.0	4.1311	196.2264	1597.7042	-65.2920	-16.8552
1700.0	4.1516	196.7952	1697.4487	-72.1439	-18.8757
1800.0	4.4166	199.2609	1797.1641	-79.3172	-21.1934
1900.0	4.3501	200.5469	1896.8656	-86.5618	-23.8534
2000.0	3.6121	206.7499	1996.6152	-92.8696	-27.0020
2100.0	3.8786	208.7660	2096.3987	-98.7268	-29.9877
2200.0	3.9444	203.8474	2196.1660	-104.7785	-33.1199
2300.0	3.8786	198.2032	2295.9268	-111.2090	-35.6456
2400.0	3.8353	199.9557	2395.6985	-117.5040	-38.0763
2500.0	3.6492	195.4506	2495.4932	-123.5186	-40.2705
2600.0	3.1499	204.3006	2595.3225	-128.9039	-42.4858
2700.0	3.1494	200.6997	2695.1804	-133.9429	-44.2125
2800.0	2.6182	210.6241	2795.0681	-138.1491	-46.3294
2900.0	2.8248	210.2111	2894.9604	-142.0654	-48.7890
3000.0	2.8242	209.3570	2994.8372	-146.2306	-51.4777
3100.0	3.2740	212.9122	3094.6814	-151.0415	-54.2932
3200.0	3.3586	205.4723	3194.5168	-155.9957	-57.1630
3300.0	3.5453	210.0039	3294.3279	-161.4050	-60.0698
3400.0	3.1287	208.2523	3394.1597	-166.3131	-63.1359
3500.0	3.3874	204.3307	3493.9968	-171.4495	-65.6133
3600.0	3.6723	204.7313	3593.7991	-177.1664	-68.2178
3700.0	4.3503	206.5786	3693.5417	-183.6942	-71.1485
3800.0	4.5258	206.1348	3793.2383	-190.6589	-74.6233
3900.0	4.4476	203.7628	3892.9341	-197.7381	-77.8826
4000.0	4.7427	201.7544	3992.6062	-205.1465	-81.1272
4100.0	4.6206	199.0580	4092.2847	-212.7189	-83.7387
4200.0	4.7071	194.8501	4191.9727	-220.2814	-85.9870
4300.0	5.1619	199.8791	4291.5771	-228.7220	-88.7319
4400.0	4.9894	199.9654	4391.1826	-237.0342	-91.8272
4500.0	4.9143	195.7485	4490.8159	-245.2115	-94.3429
4600.0	5.0369	197.1299	4590.4478	-253.4228	-96.8022
4700.0	5.0118	196.4477	4690.0649	-261.7999	-99.2893
4800.0	5.0329	197.6224	4789.6777	-270.1985	-101.8884
4900.0	5.1189	194.5217	4889.2866	-278.7064	-104.2738
5000.0	4.9853	195.3376	4988.9009	-287.1873	-106.5312
5100.0	4.6696	194.0107	5088.5439	-295.3431	-108.7067
5200.0	4.8125	196.7939	5188.1904	-303.3892	-111.1056
5300.0	4.1270	196.6409	5287.9019	-310.6512	-113.2668
5400.0	4.0082	195.9846	5387.6548	-317.3897	-115.2324
5500.0	3.7345	200.1333	5487.4429	-323.5798	-117.2198
5600.0	3.1377	194.0964	5587.2676	-329.2498	-118.8870
5700.0	2.9289	190.7662	5687.1318	-334.3648	-119.8268
5800.0	2.9891	182.0718	5786.9893	-339.6611	-120.4160
5900.0	2.8487	167.7960	5886.8638	-344.6266	-119.8425
6000.0	2.7285	155.4521	5986.7476	-349.1448	-118.2046
6100.0	2.5765	142.0837	6086.6421	-353.0101	-115.7500
6200.0	2.9299	127.3768	6186.5244	-356.2649	-112.1740
6300.0	3.4761	120.6283	6286.3628	-359.3617	-107.4150
6400.0	3.6811	115.9902	6386.1602	-362.2882	-101.7668
6500.0	4.3745	103.5567	6485.9146	-364.7562	-95.2506

5000.0	4.9853	195.3376	4988.9009	-287.1873	-106.5312
5100.0	4.6696	194.0107	5088.5439	-295.3431	-108.7067
5200.0	4.8125	196.7939	5188.1904	-303.3892	-111.1056
5300.0	4.1270	196.6409	5287.9019	-310.6512	-113.2668
5400.0	4.0082	195.9846	5387.6548	-317.3897	-115.2324
5500.0	3.7345	200.1333	5487.4429	-323.5798	-117.2198
5600.0	3.1377	194.0964	5587.2676	-329.2498	-118.8870
5700.0	2.9289	190.7662	5687.1318	-334.3648	-119.8268
5800.0	2.9891	182.0718	5786.9893	-339.6611	-120.4160
5900.0	2.8487	167.7960	5886.8638	-344.6266	-119.8425
6000.0	2.7285	155.4521	5986.7476	-349.1448	-118.2046
6100.0	2.5765	142.0837	6086.6421	-353.0101	-115.7500
6200.0	2.9299	127.3768	6186.5244	-356.2649	-112.1740
6300.0	3.4761	120.6283	6286.3628	-359.3617	-107.4150
6400.0	3.6811	115.9902	6386.1602	-362.2882	-101.7668
6500.0	4.3745	103.5567	6485.9146	-364.7562	-95.2506
6600.0	5.7062	86.4228	6585.4839	-364.9195	-86.0315
6700.0	5.8693	80.4842	6684.9658	-363.4811	-75.9724
6800.0	5.7100	80.1925	6784.4546	-361.7729	-66.0217
6900.0	5.4881	81.6204	6883.9883	-360.2643	-56.4909
7000.0	5.2470	85.5374	6983.5562	-359.3063	-47.2575
7100.0	4.7062	85.1442	7083.1631	-358.6282	-38.4350
7200.0	4.2917	82.9086	7182.8682	-357.6133	-30.8323
7300.0	4.2052	90.9389	7282.6025	-357.3866	-23.5600
7400.0	4.2043	93.7495	7382.3345	-357.8441	-16.2557
7500.0	4.1145	96.3352	7482.0864	-358.4367	-9.2456
7600.0	4.0807	103.2838	7581.8237	-359.7044	-2.1203
7700.0	3.8916	106.5282	7681.5898	-361.6500	4.4345
7800.0	4.0550	104.2781	7781.3491	-363.5142	11.1108
7900.0	3.8142	98.6486	7881.1123	-364.8544	17.8493
8000.0	3.9090	92.9170	7980.8848	-365.4890	24.5608
8100.0	4.2028	89.3348	8080.6362	-365.6670	31.5984
8200.0	4.5443	88.6109	8180.3389	-365.6229	39.3003
8300.0	4.6762	86.2045	8280.0117	-365.0538	47.3540
8400.0	4.7032	86.1501	8379.6777	-364.5876	55.5176
8500.0	4.8028	83.0926	8479.3369	-363.8028	63.7252
8600.0	5.0088	80.8841	8578.9658	-362.5661	72.2422
8700.0	4.9323	82.3609	8678.5850	-361.3794	80.8723
8800.0	4.9064	80.9420	8778.2178	-360.1177	89.3455
8900.0	5.0008	75.2495	8877.8418	-358.4034	97.8245
9000.0	4.3125	79.2106	8977.5020	-356.3142	105.7774
9100.0	4.3028	75.3933	9077.2266	-354.5736	112.9749
9200.0	4.2619	74.0236	9176.9629	-352.8128	120.0081
9300.0	4.2765	76.3908	9276.7080	-351.0332	126.9211
9400.0	4.3080	78.6575	9376.4287	-349.3925	134.2044
9500.0	4.2833	76.4025	9476.1396	-347.5680	141.5826
9600.0	4.3510	75.9924	9575.8516	-345.7607	148.9465
9700.0	4.2099	71.9147	9675.5762	-343.6710	156.0641
9800.0	4.0750	72.8839	9775.3125	-341.4806	162.9695
9900.0	3.9383	75.1957	9875.0732	-339.5544	169.6158
10000.0	3.8418	75.9109	9974.8457	-337.9934	176.1727
10100.0	3.9589	73.0214	10074.6055	-336.0200	182.8080
10200.0	3.9515	68.2681	10174.3613	-333.7888	189.4244
10300.0	3.9712	71.8761	10274.1230	-331.4463	195.9035
10400.0	4.0880	68.0854	10373.8701	-328.9036	202.5440
10500.0	4.1977	64.8091	10473.6084	-325.9761	209.1573
10600.0	4.0351	65.9131	10573.3457	-322.8914	215.7002
10700.0	4.4702	65.2325	10673.0771	-320.0209	222.4367
10800.0	4.0361	62.0223	10772.7783	-316.3718	229.2328
10900.0	4.1698	56.7224	10872.5342	-312.9659	235.3158
11000.0	3.9786	55.0791	10938.3896	-310.7200	239.0500

Company: **MSC EXPLORATION L.P.**

Schlumberger

Well: **STATE MSC 35-1**

Field: **WILDCAT**

County: **GRAND**

State: **UTAH**

DIRECTIONAL SURVEY

- TIGHT HOLE -

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~~ *ER* APPROVED 10/25/06
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

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 Cornish
(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

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LEASE NAME: _____

LEASE NUMBER: _____

and hereby designates

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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

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(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

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

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

CA No.		Unit:						
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

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
- Is the new operator registered in the State of Utah: _____ Business Number: 6666480-0161
- If **NO**, the operator was contacted on: _____
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: ok
- 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
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 8030575893
- 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

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: _____

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 CORWISH TITLE MANAGER NAE

SIGNATURE [Signature] DATE 2/13/08

(This space for State use only)

APPROVED 2/27/08

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

(5/2009)

(See Instructions on Reverse Side)

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

well_name	sec	twp	rng	api	entity	lease	well	stat
FEDERAL MSC 26-1	26	210S	190E	4301931407	14785	Federal	GW	S
FEDERAL 7-34-2122	07	210S	220E	4301931484		Federal	OW	APD
BLACK HAT FED 18-43-2224	18	220S	240E	4301931495		Federal	OW	APD
OLD SAGERS FED 13-32-2222	13	220S	220E	4301931497		Federal	OW	APD
STATE 1-32	32	210S	190E	4301931394	13598	State	OW	PA
STATE 21-19 (32-16D)	32	210S	190E	4301931399	13903	State	OW	TA
STATE MSC 16-1	16	210S	200E	4301931401	14166	State	OW	S
STATE MSC 35-1	35	210S	190E	4301931404	14259	State	GW	S
N THOMPSON 2-1	02	210S	200E	4301931412	14376	State	GW	OPS
TIDEWATER ST 23-5	23	210S	230E	4301931466	16258	State	OW	PA
TIDEWATER ST 23-2	23	210S	230E	4301931467		State	GW	APD
TIDEWATER ST 23-1	23	210S	230E	4301931468		State	GW	APD

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

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	* Please see attached schedule *
API number:	
Location:	
Company that filed original application:	Tidewater oil + Gas Company
Date original permit was issued:	
Company that permit was issued to:	

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		<input checked="" type="checkbox"/>
<input type="checkbox"/> If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?		<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>8030575893</u>	<input checked="" type="checkbox"/>	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Michael Carnish Title MANAGER
 Signature [Signature] Date 2-26-08
 Representing (company name) NAE, LLC

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

RECEIVED

FEB 26 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 16th Street, STE# 1220
Denver, CO 80202

21S NE 35

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

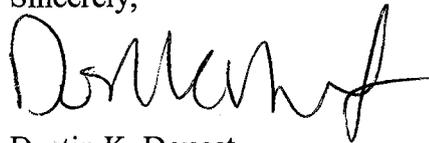
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and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

	Well Name	API	Lease Type	Years Inactive
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 16th Street, STE# 1220
Denver, CO 80202

Subject: 43 019 31404
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:

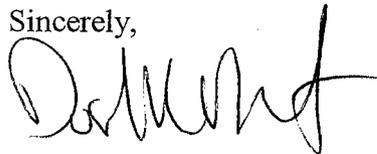
1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence 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\SITLA

Attachment A

	Well Name	API	Lease Type	Years Inactive
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



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 31404
21 S 19E 35

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:

215 19E 35

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.

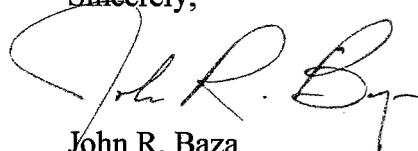
Page Two
Wells Fargo Bank
October 25, 2011

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

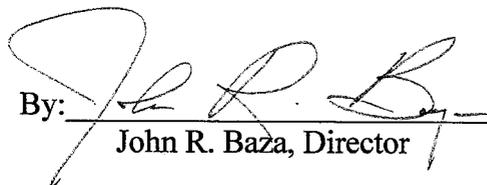
WHEREAS, NAE, LLC (“Operator”), as principal and Wells Fargo Bank (“Bond Agent”), as bond, issued Certificates of Deposits (CDs) numbered 9398350612, 9398350620, 9398350596 and 9398350604 in the aggregate amount of One Hundred Fifty Thousand Dollars (\$30,000, \$60,000, \$30,000, \$30,000; totaling \$150,000) 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:**

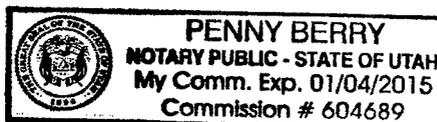
By: 
John R. Baza, Director

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

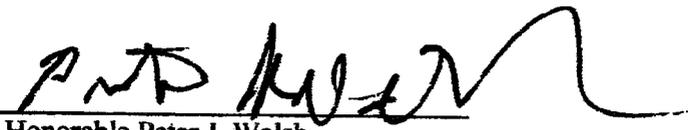
Upon consideration of the Proposed Notice of Abandonment of Estate Property (the "Notice") of the Chapter 7 Trustee for the entry of an order abandoning the estate property known as (1) Cactus Rose MSC 2-1 (API# 43-019-31402) ML 47721, (2) State MSC 35-1 (API# 43-019-31404) ML 47576, and (3) Cactus Rose 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").

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
PHILADELPHIA			
STAMFORD			
WILMINGTON			

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.

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,



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:

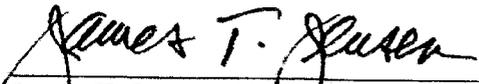
<u>Well</u>	<u>CD</u>	<u>Amount</u>
SVA Unit #23-33-2119	#9398350612,	\$30,000.00;
State MSC 35-1,	#9398350620,	\$60,000.00;
Cactus Rose MSC 2-1,	#9398350596,	\$30,000.00; and
Cactus Rose 16-11-21182.	#9398350604,	\$30,000.00.

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 13th 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
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
[Via Email]

Steven F. Alder
Assistant Attorneys General
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
[Via Email]

Annie D. Murphy
Counsel for Dawn Trucking Company,
Inc.
DUFFORD, WALDECK, MILBURN &
KROHN, LLP
744 Horizon Court
Grand Junction, CO 81506

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

Debra Olson
16800 Imperial Valley Dr. Suite 380
Houston, TX 77060
[Undeliverable]

Debra Olson
C/o Opus Oil & Gas, LP
16770 Imperial Valley Dr
Houston, TX 77060-3400
[Undeliverable]

Charles A. Stanziale
Trustee in Bankruptcy
100 Mulberry Street
Four Gateway Center
Newark, NJ 07102

Alyse Aruch
McCarter & English, LLP
405 N. King St., Suite # 800
Wilmington, DE 19801

Wells Fargo Bank
Attn: Debra Hernandez
2352 North Belt
12941 I-45N
Houston, TX 77060

Michael S. Cornish
369 Florida Hill Rd.
Ridgefield, CT 06877

Charles Duffy
16800 Imperial Valley Dr, Suite 380
Houston, TX 77060
[Undeliverable]



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:	12/20/2011
FROM: (Old Operator): N3440- NAE, LLC	TO: (New Operator): N9999-Orphan-No Responsible Operator

Docket Number:	2011-016	Board: X	Division:					
Cause Number:	222-15							
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
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:

- 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:

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:	12/20/2011
FROM: (Old Operator): N3440- NAE, LLC	TO: (New Operator): N9999-Orphan-No Responsible Operator

Docket Number:	2011-016	Board: X	Division:			
Cause Number:	222-15					
WELL NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
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:

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

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5.LEASE DESIGNATION AND SERIAL NUMBER: ML-47576
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7.UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL	8. WELL NAME and NUMBER: STATE MSC 35-1
2. NAME OF OPERATOR:	9. API NUMBER: 43019314040000
3. ADDRESS OF OPERATOR: _____ PHONE NUMBER: _____ , , , Ext	9. FIELD and POOL or WILDCAT: WILDCAT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0470 FNL 1320 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 35 Township: 21.0S Range: 19.0E Meridian: S	COUNTY: GRAND STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 3/3/2016	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Well was plugged as part of the Orphan Well Plugging program PWO 2015-01. Work was completed on 3/3/2016. See attached for details.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 February 02, 2017

NAME (PLEASE PRINT) Dustin Doucet	PHONE NUMBER 801 538-5281	TITLE Engineer
SIGNATURE N/A	DATE 2/1/2017	

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47576
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Salt Valley Anticline Unit
2. NAME OF OPERATOR: Utah DOG&M with A-Plus Well Service Inc - Contractor		8. WELL NAME and NUMBER: State MSC 35-1
3. ADDRESS OF OPERATOR: PO Box 1979 CITY Farmington STATE NM ZIP 87499		9. API NUMBER: 4301931404
4. LOCATION OF WELL FOOTAGES AT SURFACE: 470' FNL; 1320' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 35 21S 19E		10. FIELD AND POOL, OR WILDCAT: Wildcat COUNTY: Grand 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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 checked="" 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"/> 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.

Well was plugged and abandoned on March 3, 2016 per the attached report.

Work was completed under PWO - 2015-01.

P&A Marker was sent at Lat: 38o 56' 53" N and Long: 109o 47' 33" W.

NAME (PLEASE PRINT) <u>William F. Clark</u>	TITLE <u>President (A-Plus)</u>
SIGNATURE	DATE <u>4/4/2016</u>

(This space for State use only)

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979
Farmington, New Mexico 87499
505-325-2627 *fax: 505-325-1211

State of Utah
State MSC 35-1

March 3, 2016
Page 1 of 2

470' FNL and 1320' FWL, Section 35, T-21-S, R-19-E
Grand County, UT
Lease Number: MN-47576
API #43-019-31404

Plug and Abandonment Report
Notified Utah DOG&M on 2/26/16

Plug and Abandonment Summary:

- Plug #1** with 5.5" CIBP at 7400'; wireline dump bail 11 sxs Class B cement from 7400' to 7320' in 4 runs to isolate the Cutler perforations. No WOC or tag; casing pressure tested.
- Plug #2** with CIBP at 5050'; set balanced plug with 72 sxs (85.0 cf) Class B cement from 5050' to 4399' inside casing to isolate the Moenkopi perforations and to cover Wingate top. No WOC.
- Plug #3** with 24 sxs (28.3 cf) Class B cement with 2% CaCl₂ inside casing from 3785' to 3568' to cover the Navajo top. WOC for 3 hours. TIH and tag TOC at 3588'.
- Plug #4** with 22 sxs (26.0 cf) Class B cement inside casing from 2308' to 2109' to cover the Dakota top.
- Plug #5** with 3 squeeze holes (each) at 500' and 100'; set a balance plug with 77 sxs (90.9 cf) inside the 5.5" casing from 553' to surface to cover the surface casing shoe; nothing into BH annulus.
- Plug #6** with 5 sxs Class B cement top off 5.5" casing, 14' down and annulus at surface, and install P&A Marker at Lat: 38° 56' 53" N and Long: 109° 47' 33" W.

Plugging Work Details:

- 2/26/16 Drive rig and equipment. SDFD.
- 2/29/16 MOL and RU. Check well pressures: tubing and casing 0 PSI. ND WH (bolts very rusty) and NU BOP. Unseat tubing hanger and found 2.875" tubing in well. Pull and LD 78 joints 2.875" EUE tubing; total 2439'. Held safety meeting with WL. RIH with gauge ring to 7430'. Tight spots at 4550' and 5577'. RIH and set 5.5" PlugWell CIBP at 7400'. Shut In Well. SDFD.
- 3/1/16 Check well pressures: Casing - 0 PSI. RU wireline and dump bail **Plug #1** on top of CIBP at 7400'. Set 5.5" PlugWell wireline CIBP at 5050'. Connect pump line to the bradenhead valve and attempt to pressure. Pressure up BH annulus to 200#; and it bleeds off in 2 minutes. PU A-Plus string mill and 160 joints A-Plus workstring. TIH and tag CIBP at 5050'. Circulate casing clean with 120 bbl. of water. Pressure test casing to 800 PSI held ok. TOH and LD string mill. TIH with open ended tubing to 5000'. SI Well. SDFD.

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979

Farmington, New Mexico 87499

505-325-2627 *fax: 505-325-1211

State of Utah
State MSC 35-1

March 3, 2016
Page 2 of 2

Plugging Work Detail Continued:

3/2/16 Check casing pressure: 0 PSI. Tag CIBP at 5050' with tubing. **Set Plug #2.** TOH with tubing to 3785'. **Set Plug #3.** TOH and shut in well and WOC. Dig out WH. TIH and tag TOC at 3588'. TOH to 2308'. **Set Plug #4.** TOH with tubing. Perforate 3 HSC holes at 500'. Attempt to established circulation to surface out the BH valve. Casing pressured up to 800 PSI; unable to establish rate. Perforate 3 HSC holes at 100'. Attempt to established circulation to surface out the BH valve. Pressure up casing to 800 PSI: no rate, no bleed off. Procedure change to set an inside plug approved by D. Doucet with DOG&M. TIH with tubing to 563'. **Set Plug #5.** TOH and LD all tubing. Fill 5.5" casing with 8 sxs cement. Shut in well and WOC. SDFD.

3/3/16 Check well pressures: 0 PSI. Tag cement inside 5.5" casing at 18' down (including BOP). ND BOP. Issue Hot Work Permit. Cut off WH. Found cement at surface in the 5.5" x 8.625" BH annulus. **Plug #6:** to fill the casing from 14' to surface and install P&A Marker. RD and MOL.

Dustin Doucet, State of Utah representative, was on location.

P&A Marker at Lat: 38° 56' 53" N and Long: 109° 47' 33" W.

Daily Report

A - P S WELL SERVICE

725

P.O. BOX 1979 • FARMINGTON, NM 87499
505-325-2627 • FAX (505) 325-1211

Rig No. 4

Date 2-29-16 Day MON

Well Name STATE MSC 35-1

Company STATE of UTAH

FROM	TO	DESCRIPTION OF OPERATION
4:00	4:30	P LOAD SUPPLIES
4:30	9:30	P TRAVEL TO LOC NEAR CRESANT, UT.
9:30	10:00	1 SERU 2000 HSM on ISA
10:00	12:00	P SPOT in Rig (Ground still soft) RIL Rig
12:00		P CK PRESSURES tbg + csg A
		U WD W/L BOTTLS/OUT RUSTED-UP NW BOP, RU floor
		SWAP-OVER to 2 7/8 sleeves, RIL on tbg w/2 7/8 tbg sub, LD tbg
		well has 2 7/8 tbg, change-out to 2 7/8 pipe runs
3:00		U + handling tools, change-out tongs + horn onto float
3:00		RU on tbg LD tbg hanger, LD + TALLY 78, to 2 7/8 SUB TRG
4:00		U w/req 2 7/8 collar on end (2439) some tbg not straight (kind of cork screws)
4:00		P HSM w/w/L RU W/L RIL w/5 1/2 L.R. to 7430', tight-spots AT 4550' + 5577' DU TOOL AT 4494', PDDH
		set 5 1/2 CIBP AT 7400', PDDH, S.I.W.
6:30		P secure loc.
6:30	7:30	TRAVEL BACK TO MOAB UTAH
DUSTIN DOUGET w/STATE of UTAH on loc.		

Fuel & Motor Oil _____ Water Hauled 1-ld HARRISONS

Rental Equipment _____ Cement Retainers _____

Cementing _____

Wireline LP Run 5 1/2 L.R. to 7430', set 5 1/2 CIBP AT 7400'

CREW	NAME	UNIT #	MILEAGE	HOURS
Supervisor	B. RANDALL	93	262	
Operator	O. SANCHEZ	63	262	15 1/2
Derrick	T. FASTHORSE			15 1/2
Floors	S. ABEYTA			15 1/2
Floors	P. MONTEZ			15 1/2
Floors				

Daily Report

A - P. S WELL SERVICE

48L 3

P.O. BOX 1979 • FARMINGTON, NM 87499
505-325-2627 • FAX (505) 325-1211

Rig No. 4

Date 3-2-16 Day WED.

Well Name STATE MSC 35-1

Company STATE of UTAH

FROM	TO	DESCRIPTION OF OPERATION
6:00	7:00	TRAVEL TO LOC.
7:00	7:30	P SERU 2QUIB/HSM on JSA
7:30		P CK PRESSURES @ on well, P.U. 1qt, 1-10' sub, TAG 5 1/2 CIBP AT 5050'
		LOAD csg w/ 180L, Pump 20 BBLs AHEAD, Pump Plug #2
		MOEN KORTI TOP/WINGATE TOP w/ 72 SXS 34.96 cu/ft + 15-6"
		P B-cement 5050-TDC 4399
	8:00	P LD 1-10' sub, + 39' its upto 3785
8:30		U LOAD csg w/ 3 BBLs Pump Plug #3 (NAVAJO TOP) w/ 24 SXS w/ 270 cat.
	9:00	U 29.32 cu/ft + 15-6 B-cement 3785-3660 TDC 3568
9:00	9:30	P LD 7' its, SB 15 stands, S.L.W
9:30	12:00	U WDC DIT-OUT W.H.
12:00		TIH w/ 15 stands, P.U. 1qt tag w/ 10' stick-up TAG TDC 3588'
	1:00	LD tag upto 2308 (41' its LD)
1:00		LOAD csg w/ 4 BBLs, Pump Plug #4 (DAKOTA) w/ 22 SXS 25.96 cu/ft
		15-6" B-cement 2308-2195 TDC 2109
	2:00	LD 57' its upto 502' SB 8 stands, LD plugging sub
2:00		U HSM w/ W.L., STATE of UTAH Rep. Requiring to Perf. at 500'
		P.U. W.L. Perf. at 500' w/ 3-3/4 HSC, Attempt to est. circulation
		out B.H. Pressured upto 800" Held NO bleed-off
		U Perf. at 100' w/ 3-3/4 HSC ATTEMPT to est. circulation out B.H.
		Pressured upto 1600" Held NO BLEED-off, OK'd by UTAH Rep
	3:00	to pump cement from 553' to surface
4:00		U TIH w/ 8 stands (502') P.U. 2 its EOT 563'
		P LOAD csg w/ 1/2 bbl, Pump Plug #5 (csg shoe/surface) w/ 77 SXS 90.86
	5:00	cu/ft 15-6" B-cement, circulate good cement out csg.
5:00		LD ALL TAG, S.L.W. wash-up equip TOP-off csg w/ 8 SXS left in tub
	6:00	P RD TOOLS, Amelnicil + Floor, secure 2 3/4 tag on float, secure hoc.
6:00	7:00	P TRAVEL BACK TO MOAB UTAH
		DUSTIN DRUCAT w/ STATE of UTAH on hoc + approved all changes

Fuel & Motor Oil _____ Water Hauled 1-Ld (120 BBLs) DISPOSAL

Rental Equipment _____ Cement Retainers _____

Cementing Plug #2 72 SXS, Plug #3 24 SXS w/ 270 cat. Plug #4 22 SXS Plug #5 77 SXS

Wireline LD Perf. AT 500', 100' w/ 3-3/4 HSC

CREW	NAME	UNIT #	MILEAGE	HOURS
Supervisor	<u>B. RANDALL</u>	<u>93</u>	<u>64</u>	
Operator	<u>C. SANCHEZ</u>	<u>40</u>	<u>64</u>	<u>13</u>
Derrick	<u>T. FASTHORSE</u>			<u>13</u>
Floors	<u>S. ABEYTA</u>			<u>13</u>
Floors	<u>P. Montes</u>			<u>13</u>
Floors				

