

WOLVERINE OPERATING COMPANY OF UTAH, LLC

Energy Exploration in Partnership with the Environment



June 25, 2008

Mr. Gil Hunt
Utah Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED

JUN 30 2008

DIV. OF OIL, GAS & MINING

Re: Application for Permit to Drill - Wolverine Operating Company of Utah, LLC
Plateau Valley Federal 35-1
NE/4 NE/4, Section 35, T25S, R1W, SLB&M
Sevier County, Utah

Dear Mr. Hunt:

Wolverine Operating Company of Utah, LLC (Wolverine) hereby submits a copy of an *Application for Permit to Drill* (APD) for the referenced well. Included with this APD is the following supplemental information:

- R649-3-2 Exception Plat showing proposed BHL;
- BLM Surface Use Plan of Operations;
- Survey Plat;
- Drilling Plan and BOPE diagram;
- Location Layout, and Pad Cross-Section Drawings;
- Vicinity Map

An H₂S Contingency Plan, per Onshore Order 6, will be forthcoming as a part of this APD.

The Burrville Irrigation Company (User Number 61-2175) will be the source for water during drilling and completion operations on this proposed well. The surface at the planned drill site is administered by the Bureau of Land Management.

The proposed location is within 460' of a drilling unit boundary, so a request for exception to spacing (R649-3-2) is hereby requested for the well based on restrictive topography relative to and the need to drill at an optimum structural location. Wolverine is the only owner and operator within 460' of the proposed well location.

Please accept this letter as Wolverine's written request for confidential treatment of all information contained in and relating to this application and proposed well.

Thank you for consideration of this application. Please feel free to contact myself or Paul Spiering of this office if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "Charlie Irons". The signature is written in a cursive, slightly slanted style.

Charlie Irons
Senior Landman

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

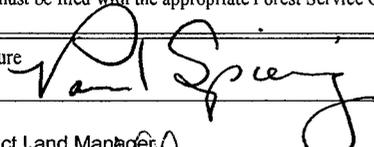
FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

5. Lease Serial No. UTU-81364	
6. If Indian, Allottee or Tribe Name N/A	
7. If Unit or CA Agreement, Name and No. N/A	
8. Lease Name and Well No. Plateau Valley Federal 35-1	
9. API Well No. 43-041-30060	
1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER	10. Field and Pool, or Exploratory Exploratory
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone	11. Sec., T. R. M. or Blk. and Survey or Area Section 35, T25S, R1W, SLB&M
2. Name of Operator Wolverine Operating Company of Utah, LLC	12. County or Parish Sevier
3a. Address 1140 N Centennial Park Drive Richfield, Utah 84701	13. State UT
3b. Phone No. (include area code) 435-896-1943	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 868' FNL, 734' FEL, being in NE4NE4 At proposed prod. zone 868' FNL, 734' FEL, being in NE4NE4	
14. Distance in miles and direction from nearest town or post office* 2 miles north of Burrville, Utah	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 734'	16. No. of acres in lease 1,650
17. Spacing Unit dedicated to this well 40 acres	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. None	19. Proposed Depth 14,000' (14,000' TVD)
20. BLM/BIA Bond No. on file BLM WY3329	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7,883.0 GR	22. Approximate date work will start* 10/01/2008
23. Estimated duration 120 days	

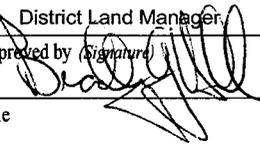
24. Attachments

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

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

25. Signature 	Name (Printed/Typed) Paul Spiering	Date 06/25/2008
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Title District Land Manager		
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Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 07-16-08
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Title Office ENVIRONMENTAL MANAGER		
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Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

Surf

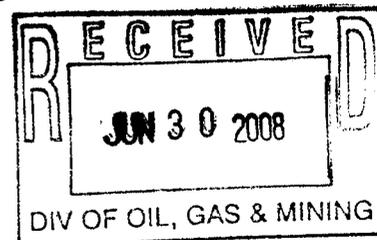
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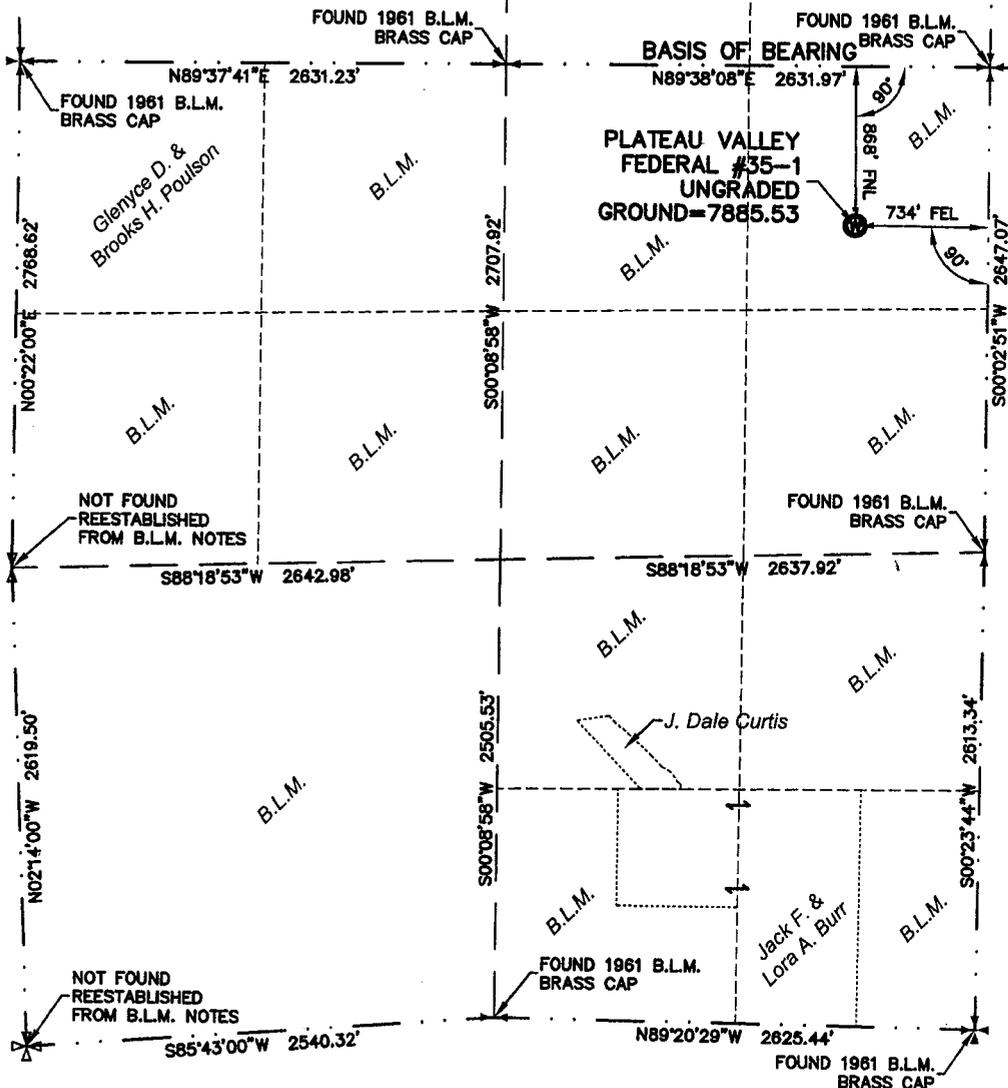
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Federal Approval of this
Action is Necessary



Section 35, T.25 S., R.1 W., S.L.B. & M.



PROJECT Wolverine Gas & Oil Company of Utah, L.L.C.

WELL LOCATION, LOCATED AS SHOWN IN THE N.E. 1/4 OF THE N.E. 1/4 OF SECTION 35, T.25 S., R.1 W., S.L.B. & M., SEVIER COUNTY, UTAH

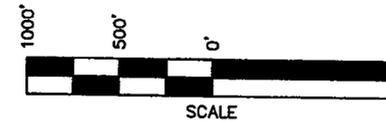
LEGEND

- = SECTION CORNERS LOCATED
- = QUARTER SECTION CORNERS LOCATED
- = PROPOSED WELL HEAD

NOTE: THE PURPOSE OF THIS SURVEY WAS TO PLAT THE PLATEAU VALLEY FEDERAL #35-1 LOCATION. LOCATED IN THE N.E. 1/4 OF THE N.E. 1/4 OF SECTION 35, T.25 S., R.1 W., S.L.B. & M., SEVIER COUNTY, UTAH.

BASIS OF ELEVATION

ELEVATION BASED ON N.A.V.D. 88



CERTIFICATE

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

TREVA R. GARDNER, 16/20/08
 PROFESSIONAL LAND SURVEYOR
 STATE OF UTAH
 No. 34393863

BASIS OF BEARINGS

BASIS OF BEARING USED WAS N89°38'08"E BETWEEN THE NORTH QUARTER CORNER AND THE NORTHEAST CORNER OF SECTION 35, T.25 S., R.1 W., S.L.B. & M.
 LATITUDE = 38°35'49.7378" (38.597149389) NAD 83 - UTM ZONE 12N NAD27 N 14018485.770
 LONGITUDE = -111°52'11.9422" (-111.869983944) NAD 83 - UTM ZONE 12N NAD27 E 1392070.273



Jones & Demille Engineering
 1535 South 100 West - Richfield, Utah 84701
 Phone (435) 896-8266
 Fax (435) 896-8268
 www.jonesanddemille.com

Well Location Plat for Wolverine Gas & Oil Company of Utah, L.L.C.

DESIGNED -	SURVEYED G.B.N.	CHECKED T.R.G.	DRAWN T.W.G.	PROJECT NO. 0706-070	SHEET NO. 1
DATE 05/28/08		DWG NAME WELL-LOC...	SCALE 1"=100'		

SURFACE USE PLAN OF OPERATIONS

For inclusion with Application for Permit to Drill

Name of Operator: Wolverine Operating Company of Utah, LLC
Address: 1140 N Centennial Park Plaza
Richfield, Utah 84701

Well Location: **Plateau Valley Federal 35-1**
868' FNL & 734' FEL, (being in NE/4 NE/4)
Section 35, T25S, R1W, SLB&M
Sevier County, Utah

Access Road Location: Access road is to be an upgrade and reconstruction of an existing Class D county road/trail across BLM land in Section 26 into the NE4NE4 of Section 35.

State surface use is not required for any portion of the operations. Federal surface use is being requested with the associated Application for Permit to Drill (APD) through the BLM – Richfield Field Office.

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

A Federal onsite inspection is scheduled for Wednesday, June 25, 2008.

Existing Roads:

The vicinity map in the APD packet shows the proposed well location and its proximity to the town of Burrville, Utah (being about 2 miles north of same).

Driving directions: From Sigurd, Utah, travel southerly on SR 24, under Utah Department of Transportation (UDOT) maintenance approximately 22.5 miles to SR 62 (also under UDOT maintenance), follow SR 62 southwest about 1.6 miles to its intersection with Bear Valley Road (a county-maintained Class B paved road), proceed north about 1.2 miles to the center of Burrville and the end of pavement, then travel northerly about 3.8 miles on Bear Valley Road (a county-maintained Class B dirt road) to the power line road (a county-maintained Class B dirt road) that runs northeasterly, thence southerly about 2.5 miles to the lease road.

The surface conditions of Bear Valley road and the power line road are generally adequate to bear rig-related traffic, but certain portions will need upgrade and improvement, to an extent determined by weather and season of operations. This will be performed under the conditions of an encroachment permit from Sevier County.

Access Roads to be Constructed and Reconstructed:

Proposed access will require the reconstruction and partial realignment of an existing R.S. 2477 road a distance of about 1.3 miles. The reconstructed road across BLM land will include five vehicle turnouts, to allow opposing traffic to pass.

Total length of reconstructed and improved access road is about 1.3 miles. All construction is to be on lease and no federal right-of-way is required.

Road construction, operation and maintenance will be in compliance with the terms and conditions of the Conditions of Approval, the American Association of State Highway and Transportation (AASHTO) safety standards, and will meet criteria for the Manual of Uniform Traffic Control Devices (MUTCD) manual for signs.

Energy dissipating structures and silt fences will be utilized to minimize erosion that may result from the road reconstruction.

All existing county roads and the lease road will be maintained and kept in good repair during all phases of operation. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.

Location of Existing Wells within a one-mile radius :

There are no wells (oil, gas, water, injection or disposal, producing or being drilled) within a one-mile radius of the proposed location.

Location of Existing and/or Proposed Facilities if Well is Productive:

(a) *On well pad*—A temporary testing facility may be constructed on this location in the event drilling is successful, consisting of treater/separator, tanks and related components. The facility would be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank. All loading lines and valves would be located inside the berm surrounding the tank battery.

(b) *Off well pad*— It is not possible to know whether an off-well pad production facility would be necessary in the event of a discovery. The Operator will submit this information for approval at such time as production requirements are known.

Location and Type of Water Supply (Rivers, Creeks, Lakes, Ponds and Wells):

The Operator intends to lease water for drilling purposes from the Burrville Irrigation Company, user number 61-2175. Water will be loaded from a pipeline valve on the west side of Bear Valley Road in the SW4SE4 Section 35-T25S-R1W, and transported by tankers to the location, using county roads and the approved lease road. Should additional water sources be pursued they will be properly permitted through the State of Utah – Division of Water Rights. The BLM will be notified of any changes in water supply.

Construction Materials:

Natural earth materials used for fill on the well pad will be taken from cuts made in construction of the pad. Imported granular borrow from an approved source will be applied to the surface of the well pad and access road where deemed necessary. No construction materials will be removed from federal lands.

Methods for Handling Waste Disposal:

The reserve pit will be used for the disposal of waste mud and drill cuttings. All borehole fluids and salts will be contained in the reserve pit. It will be located in cut material and will be lined with 12 mil minimum thickness plastic nylon reinforced liner material. The liner will overlay a felt liner pad only if sharp rock edges result from excavation. The pit liner will overlap the top of the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc. that could puncture the liner will be disposed of in the pit. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling and completion operations. After evaporation of fluids, back-fill of sub-soil and compaction to prevent settling will occur within 90 days of cessation of pit use. If necessary, any remaining fluids will be pumped out of the pit and transported off site.

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

Wastewater will not be discharged on the surface at this site and the drilling of the well will not require a wastewater management plan.

All rubbish and debris will be kept in containers on the well site, and will be hauled to an approved disposal site upon completion of drilling operations and as needed during such operations. There will be no chemical disposal of any type.

Self-contained, portable toilets will be used for human waste, and the waste will be disposed at an approved human waste disposal facility. Sanitation will comply with local and state regulations.

Ancillary Facilities:

No ancillary facilities are anticipated at this time.

Well Site Layout:

Pad Location and Layout Drawings in the APD packet show the proposed well site layout including location of the reserve pit and access road onto the pad, turnaround areas, parking areas, living facilities, soil material stockpiles, and the orientation of the rig with respect to the pad and other facilities. Cross section sheets in said packet show cuts and fills required for construction, and their relationship to topography. As detailed above under Methods for Handling Waste Disposal, the reserve pit will be lined and appropriate measures as described above will be taken to prevent leakage. The pit will be fenced on three sides during drilling operations and then the fourth side will be immediately fenced when the rig is moved off location.

The pad and road designs are consistent with BLM specifications.

A pre-construction meeting with responsible company representative and contractors will be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road will be construction-staked (centerline and exterior boundaries) prior to this meeting.

All surface disturbing activities will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of approval from the BLM under the APD.

All cut and fill slopes will be such that stability can be maintained for the life of the activity.

The stockpiled topsoil (first 6 inches or maximum available) will be isolated in a berm by the well pad. Topsoil will be stockpiled for reclamation in such a way as to prevent soil loss and contamination.

Water spraying may be implemented if necessary to minimize dust.

Plans for Reclamation of the Surface:

Interim Reclamation: In the event production is achieved the Operator will perform interim reclamation of the site. Interim reclamation will consist of reclamation of the reserve pit and reclamation of that portion of the well pad not needed for ongoing operations. After evaporation of fluids, the pit will be back-filled with sub-soil and/or rock and compacted to prevent settling. The pit area will be surfaced with granular borrow to render it a usable part of the well pad. All portions of the pad no longer necessary for well workover, testing or treating will be contoured to match the surrounding terrain to the best extent practicable. Stockpiled topsoil will be evenly distributed thereon, scarified and seeded as per BLM conditions of approval.

Final Reclamation: In the event the well is a dry hole, or at such time that all production ceases and the well has been plugged and abandoned, the Operator will perform final reclamation of the site. Final reclamation will consist of reclamation of the reserve pit and the well pad. The reconstructed lease road will be left as is, by prior policy agreement between the operator, the BLM, and Sevier County. Sevier County will have the option of applying to the BLM for a Title V right-of-way to establish the lease road as a county road.

Any accumulation of hydrocarbons in the reserve pit will be removed and recovered for sale unless it is determined by the authorized officer to be waste oil. All waste oil will be disposed of properly at approved facilities. The portion of the reserve pit liner which is exposed above the cuttings will be cut and removed from the site and disposed in an authorized landfill. After evaporation of fluids, the pit will be back-filled with subsoil and/or rock from the reserve pit stockpile and compacted to prevent settling.

Road base material used in the construction of the drill pad will be removed from the site and disposed in a proper manner. If the reserve pit has adequate capacity, then some or all of the road base material may be buried in the reserve pit, provided that the granular is not contaminated by oil or other waste materials.

Subsoil from the portions of the well pad that are fill will be pulled up onto the pad in order to reestablish the original slope to the best extent possible. The portions that are cut will be filled to match the original slope of the land to the best extent possible. Topsoil from the stockpile will then be evenly distributed over the entire impacted area, including the new-construction portion of the access road. The entire impacted area will be scarified and seeded in late fall, using the seed mix and methods described in BLM conditions of approval. Final reclamation will take place within 180 days after plugging date of the last well on site, depending on weather, season and other extenuating circumstances.

During the life of the project and until the site is released from liability for reclamation, the project will be inspected at least annually for noxious weeds. If invasive noxious weeds are found, the weeds will be treated to eliminate further reproduction, and treatment shall continue until the weeds have been eradicated. If noxious weeds are found, the BLM will be notified of their occurrence.

Surface Ownership:

The surface of the proposed well site and the lease road is federally owned and is administered by the Bureau of Land Management, United States Department of Interior.

Other Information:

The top 6 inches of soil material will be stripped and removed from the drill pad and stockpiled for future reclamation of the site. This topsoil shall be stockpiled separately from any other excavated materials. It will be reserved for reclamation and not utilized for any other purpose. If it is stockpiled for more than one year it will be seeded with a seed mix approved by the authorized officer.

Heavy equipment used to construct and rehabilitate the well pad and access road will be cleaned and/or sprayed to remove any noxious or invasive weeds and seeds, prior to entering to the project site. Any other equipment and vehicles that have been used in other locations where noxious weeds or seeds could have attached to the equipment will also be sprayed and/or cleaned.

All equipment and vehicles will be confined to the access road and well pad.

Western Land Services will conduct a Class III archeological survey and will submit same under separate cover to the appropriate agencies.

Western Land Services has conducted a wildlife study in coordination with the BLM. Western will prepare an EA for the proposed operation.

No stream alteration or drainage crossings are involved that require additional State or Federal approval.

All permanent structures, including pumping units, constructed or installed will be painted a flat, non-reflective color as described on page 40 of the Gold Book (Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development, 4th Edition 2006). Permanent structures are defined as being on location for six months or longer. Facilities required to comply with Occupational Safety and Health Act (OSHA) shall be excluded.

Fire suppression equipment will be available to suppress any wildfires caused by construction or related activities. In the event of a wildfire the Sevier County Fire Warden will be notified.

Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I, or someone under my direct supervision, have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 25th day of June, 2008.

Signature:



Position Title:

Paul Spiering
District Land Manager

Address:

Wolverine Gas and Oil Company of Utah, LLC
1140 N Centennial Park Drive
Richfield, Utah 84701

Telephone:

435-896-1943

Field representative (same as above signatory)

Address:

Paul Spiering
1140 N Centennial Park Drive
Richfield, Utah 84701

Telephone:

435-896-1943

Agents not directly employed by the operator must submit a letter from the operator authorizing that agent to act or file this application on their behalf.



OXY USA Inc.



DRILLING PLAN

Plateau Valley Federal 35-1
NE/4 NE/4 Section 35, Township 25 South, Range 1 West, S.L.B & M.
Sevier County, Utah

Plan Summary:

It is planned to drill this confidential exploration well as a vertical bore hole in accordance with the enclosed directional drilling plan. The well will be drilled to a measured depth of 14,000' (14,000' TVD) to test the Kaibab formation. Well path deviation caused by subsurface geologic irregularities is expected to be the primary drilling concern in this area. No abnormal pressure is anticipated.

The planned location is as follows:

Surface Location:	868' FNL, 734' FEL, Section 35, T25S, R1W, S.L.B. & M.
Bottom Hole Location @ top target (Navajo)	868' FNL, 734' FEL, Section 35, T25S, R1W, S.L.B. & M
Bottom Hole Location @ total depth	868' FNL, 734' FEL, Section 35, T25S, R1W, S.L.B. & M

Conductor casing will be set at approximately 120 feet and cemented to surface. A 17-1/2" hole will be drilled vertically to approximately 3000' where 13-3/8" surface casing will be set and cemented to surface. A 12-1/4" hole will be drilled vertically to 8800' (8800' TVD) where the well will be logged and 9-5/8" intermediate casing will be set and cemented to 2700' (13-3/8" csg shoe). An 8-1/2" hole will be drilled vertically to total depth of 14000' (14000' TVD). The hole will again be logged and a 5-1/2" production liner set from total depth of 14000' to top of liner at approximately 8500' (300' overlap in 9-5/8"). The liner will be cemented in place.

Drilling activities at this well are expected to commence as early as September, 2008 if regulatory approvals are obtained.

Well Name: Plateau Valley Federal 35-1

Surface Location: 868' FNL, 734' FEL
 NE/4 NE/4 Section 35, T25S, R1W, S.L.B. & M.
 Sevier County, Utah

TD Bottom-Hole Location: 868' FNL, 734' FEL

Elevations (est): 7883' GL, 7913' KB

I. Geology:

Tops of important geologic markers and anticipated water, oil, gas, and mineral content are as follows:

Formation	TVD Interval (KB)	MD Interval (KB)	Contents	Pressure Gradient
Arapien	26' – 7450'	26' – 7450'		
Twin Creek	7450' – 7750'	7450' – 7750'	Oil & water	0.44 psi/ft
Navajo	7750' – 9550'	7750' – 9550'	Oil & water	0.44 psi/ft
Chinle	9550' – 10060'	9550' – 10060'		
Moenkopi	10060' – 11615'	10060' – 11615'		
Sinbad Member	11615' – 11980'	11615' – 11980'		
Black Dragon	11980' – 12910'	11980' – 12910'		
Kaibab	12910' – 13290'	12910' – 13290'	Oil & water	0.44 psi/ft
Toroweap	13290' – 13510'	13290' – 13510'	Oil & water	0.44 psi/ft
White Rim	13510' – 14000'	13510' – 14000'	Oil & water	0.44 psi/ft
Total Depth	14000'	14000'		

II. Well Control:

The contracted drilling rig has a 10M BOP system but conditions only require a 5M BOP system. BOPE will be in place and tested as a 5M system prior to drilling out the surface casing shoe. See attached schematic of BOPE.

A. The BOPE will, as a minimum, include the following:

Wellhead Equipment (5M Min.):

BOPE Item	Flange Size and Rating
Annular Preventer	13-5/8" 5M
Double Rams (5" Pipe - top, Blind - bottom)	13-5/8" 10M
Drilling Spool w/ 2 side outlets (4" Choke Line, 4" Kill Line)	13-5/8" 10M x 13-5/8" 10M
Single Ram (Pipe)	13-5/8" 10M
Spacer Spool	13-5/8" 10M x 13-5/8" 10M
Casing Spool (Multi-Bowl)	13-5/8" 10M x 13-5/8" 5M
Casing Head (13-3/8" SOW w/ two 2-1/16" SSO's)	13-5/8" 5M

Auxiliary Equipment (5M Min.):

BOPE Item
Choke Line with 2 valves (3" minimum)
Kill Line with 2 valves and one check valve (2" Minimum)
2 Chokes with one remotely controlled at a location readily accessible to the driller
Safety Valves to fit all drill string connections in use

Inside BOP or float sub
Pressure gauge on choke manifold
Fill-up line above the uppermost preventer
Wear bushing in casing head

- B. **Choke manifold** will be functionally equipped and sized at a minimum as shown on the attached diagram. All choke lines will be straight lines unless turns have tee blocks or are targeted with running tees, and all choke lines will be anchored. All valves (except chokes) in the kill line choke manifold and choke line will be full opening and allow straight through flow.
- C. **System accumulator** will have sufficient capacity to open the hydraulically-controlled gate valve and close all rams plus the annular preventer (3 ram system will have added 50 percent safety factor to compensate for any fluid loss in the control system or preventers) and retain a minimum pressure of 200 psi above pre-charge on the closing manifold without use of the closing unit pumps. The fluid reservoir capacity shall be double the usable fluid volume of the accumulator system capacity and the fluid level of the reservoir shall be maintained at the manufacturer's recommendations. The accumulator will have two (2) independent power sources available to close the preventers. Nitrogen bottles may be one of those sources, and if so, will have charge maintained per manufacturer's specifications.
- D. **Accumulator pre-charge pressure test** will be conducted prior to connecting the closing unit to the BOP stack and at least once every 6 months. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum specified limits. Only nitrogen gas will be used to precharge.
- E. **Power for the closing unit pumps** will be available to the unit at all times so that the pumps will automatically start when the closing valve manifold pressure has decreased to the pre-set level.
- F. **Accumulator pump capacity** will be such that, with the accumulator system isolated from service, the pumps will be capable of opening the hydraulically-operated gate valve (if so equipped), plus closing the annular preventer on the smallest size drill pipe to be used within 2 minutes, and retaining a minimum of 200 psi above the specified accumulator pre-charge pressure.
- G. **Locking devices**, either manual (i.e., hand wheels) or automatic, will be installed on the ram type preventers. A valve will be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve shall be maintained in the open position and shall be closed only when the power source for the accumulator system is inoperative.
- H. **Remote controls** will be readily accessible to the driller and will be capable of both opening and closing all preventers. Master controls shall be at the accumulator and shall be capable of opening and closing all preventers and the choke line valve.
- I. **Well control equipment testing** will be performed using clear water when the equipment is initially installed, whenever any seal subject to test pressure is broken, following related repairs, and as a minimum, every 30-day interval. The tests will apply to all related well control equipment.

Ram type preventers and associated equipment will be isolated and tested to 5000 psi. The annular preventer will be tested to 2500 psi. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer, for all tests. A casing head valve will be open below the test plug during testing of the BOP stack. Valves will be tested from the working pressure side with all down-stream valves open. Kill line valves will be tested with the check valve held open or the ball removed.

Pipe and blind rams will be activated each trip, but not more than once a day. The annular preventers will be functionally operated at least weekly. A pit level drill will be conducted weekly for each crew. All BOPE drills and tests will be recorded in the IADC driller's log.

III. Casing and Cementing:

A. Casing Program (all new casing):

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Connection</u>	<u>Coupling Diameter</u>	<u>Setting Depth</u>
30"	20"		Conductor			120' GL
17.50"	13.375"	68.0	J-55	BTC	14.375"	3000' KB
12.25"	9.625"	53.5	HCL-80	BTC	10.625"	8800' KB
8.50"	5.500"	20	L-80	LTC	6.050"	14000' KB

	<u>Surface</u>	<u>Intermediate</u>	<u>Prod Liner</u>
Casing O. D. (in)	13.375	9.625	5.500
Casing Grade	J-55	HCL-80	L-80
Weight of Pipe (lbs/ft)	68.0	53.5	20.0
Connection	BTC	BTC	LTC
Top Setting Depth - MD (ft)	0	0	8500
Top Setting Depth - TVD (ft)	0	0	8500
Bottom Setting Depth - MD (ft)	3000	8800	14000
Bottom Setting Depth - TVD (ft)	3000	8800	14000
Maximum Mud Weight - Inside (ppg)	9.2	10.5	9.0
Maximum Mud Weight - Outside (ppg)	9.2	10.5	9.0
Design Cement Top - MD (ft)	0	2700	10750
Design Cement Top - TVD (ft)	0	2700	10700
Max. Hydrostatic Inside w/ Dry Outside (psi)	1435	4805	6552
Casing Burst Rating (psi)	3450	7390	9190
Burst Safety Factor (1.10 Minimum)	2.40	1.54	1.40
Max. Hydrostatic Outside w/ Dry Inside (psi)	1435	4805	6552
Collapse Rating	1950	8850	8830
Collapse Safety Factor (1.125 Minimum)	1.36	1.84	1.35
Casing Weight in Air (kips)	204.0	470.8	110.0
Body Yield (kips)	1069	1244	466
Joint Strength (kips)	1140	1414	416
Tension Safety Factor (1.60 Minimum)	5.24	2.64	3.78

Casing with same or greater burst, collapse, and tension rating may be substituted for any of the planned casing sizes depending on availability and actual conditions.

B. Cementing Program

<u>Casing Size</u>	<u>Cement Slurry</u>	<u>Quantity (sks)</u>	<u>Density (ppg)</u>	<u>Yield (ft³/sk)</u>
13.375"	Lead: CBM Lite	900	10.5	4.12
	Tail: Premium Plus	380	15.6	1.19
9.625"	Stage 2: 50:50 POZ	930	13.5	1.66
	Stage 1: Premium	975	15.8	1.29
5.500"	Tail: 50:50 POZ	580	13.4	1.8

- Surface: 13-3/8" surface casing will be cemented from setting depth (3000' MD) to surface and topped out with premium cement if necessary. Hardware will include a guide shoe, float collar, top plug, and a minimum of one centralizer per joint on the bottom four (4) casing joints, then every fourth joint to surface. Water or other preflush fluid pumped ahead of the slurry will separate cement from the drilling fluids.
- Intermediate: 9-5/8" intermediate casing will be cemented in two stages from setting depth (8800' MD) to 2700' (back into the surface csg shoe). Slurry volume will be based on calipered hole size plus 10% excess. Hardware will include a guide shoe, float collar, top plug, and a minimum of one centralizer per joint on the bottom four (4) joints of casing and one centralizer per joint across any salt interval. Water and preflush fluid pumped ahead of the slurry will separate cement from the drilling fluids.
- Production: 5-1/2" production casing liner will be cemented in one stage from setting depth (14000') to 10750' (850' above the top productive zone). A minimum of 20 percent silica will be added to the cement slurry if bottom-hole temperature exceeds 230 °F. Slurry volume will be based on calipered hole size plus 10% excess. Hardware will include a guide shoe, float collar, top plug, and centralizers as needed across any pay zones. Water and preflush fluid pumped ahead of the slurry will separate cement from the drilling fluids.
- Other:
- The BLM will be notified at least twenty-four hours prior to running and cementing the surface and production casing strings.
 - Actual cement slurries for all casing will be based on final service company recommendations.
 - The size, weight, grade, type of thread, number of joints, and footage of all casing run will be recorded in the driller's log. The amount and type of all cement pumped will be recorded in the driller's log.
 - Adequate time will be allowed before drilling out for the cement at the casing shoe to achieve a minimum 500-psi compressive strength.
 - Surface casing will be tested to 1000 psi before drilling out. All subsequent casing strings will be tested to 1500 psi before drilling out and if pressure declines by more than 10 percent in 30 minutes, corrective action will be taken.
 - Before drilling more than 20 feet of new hole below each casing string, a pressure integrity test of the casing shoe will be performed to a minimum of the mud weight equivalent anticipated to control the pore pressure to the next casing depth or at total depth of the well.

IV. Mud Program:

<u>Depth</u>	<u>Mud Weight (ppg)</u>	<u>Mud Type</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0 – 3000'	8.6 – 9.2	Fresh Water	45 – 60	N/C to 12 cc
3000' – 8800'	9.2 – 10.5	Salt Mud	35 – 50	10 to 12 cc
8800' – 14000'	8.8 – 9.0	LSND	35 – 50	6 - 8 cc

- A. After mudding up, slow pump rates will be taken daily and recorded in the driller's log.
- B. Visual mud monitoring equipment will be in place to detect volume changes indicating loss or gain of circulating fluid volume.
- C. Abnormal pressures are not anticipated. In the event such pressures are to be anticipated, electronic/mechanical mud monitoring equipment will be in place and include as a minimum; pit volume totalizer (PVT); stroke counter; and flow sensor.
- D. A 24-hour mud engineer will be onsite at all times, mud tests will be performed as needed to determine, as applicable: density, viscosity, gel strength, filtration, and pH.
- E. The 10M BOPE system is not required for conditions on this well and use of the trip tank is not anticipated.
- F. Gas detecting equipment will be installed in the mud return system, and hydrocarbon gas shall be monitored for pore pressure changes. The presence of Hydrogen Sulfide gas is possible.
- G. The need to vent combustible or noncombustible gas is not expected. If needed, a flare system designed to gather and burn all gas will be available. The flare line discharge will be located more than 100 feet from the well head and it will be positioned downwind of the prevailing wind direction. The flare line will have straight lines unless turns are targeted with running tees and it will be anchored. The flare system will have an effective method for ignition.
- H. Abnormal pressure is not expected. If abnormal pressure is to be anticipated, a mud-gas separator (gas buster) will be installed and operable beginning at a point at least 500 feet above any anticipated hydrocarbon zone of interest.

V. Evaluation:

- A. Mud Log: A mud logging unit will be in operation from a depth of approximately 3000 feet to TD. Samples will be caught, cleaned, bagged, and marked as required.
- B. Drill Stem Tests: No DST's will be taken.
- C. Coring: Rotary side-wall cores may be taken at select intervals in conjunction with open-hole logging operations.
- D. Wireline Logs: Wireline logs will be run as hole conditions allow from total depth to surface casing to assist in determining lithology and potential for hydrocarbon recovery. The logging tools will at a minimum survey resistivity, gamma radiation, and sonic velocity.

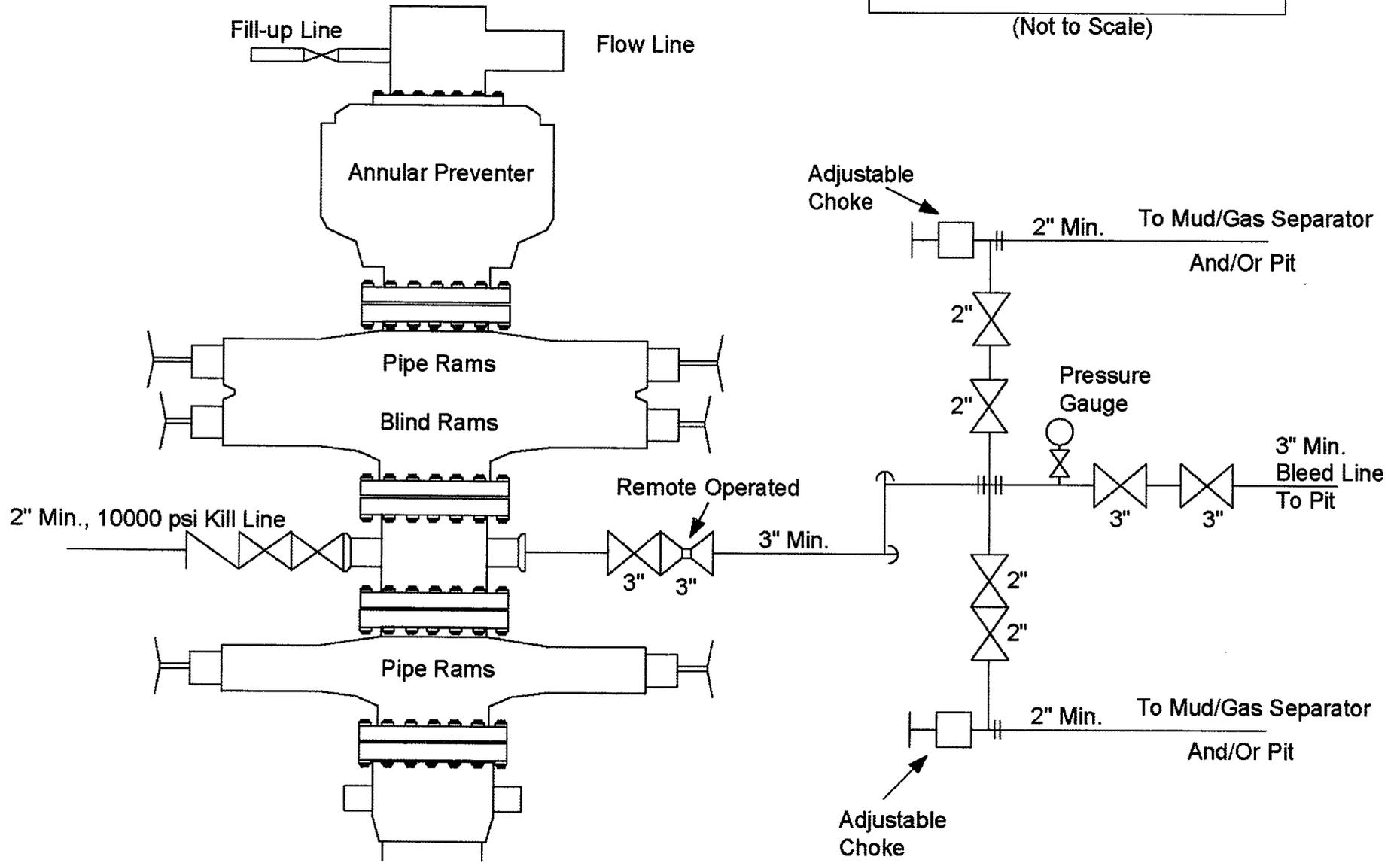
VI. Expected Bottom-Hole Pressure and Abnormal Conditions:

- A. Hydrogen Sulfide: Hydrogen Sulfide (H₂S) gas is possible in the deeper geologic formations to be penetrated by this well. A H₂S Drilling Operations Plan will be supplemented to this Drilling Plan.
- B. Pressure: No abnormally pressured zones are expected in this well. The pressure gradient for all potentially productive formations is expected to be approximately 0.44 psi/ft.
- C. Temperature: Bottom-hole temperature at TD is expected to be approximately 318 °F.

end

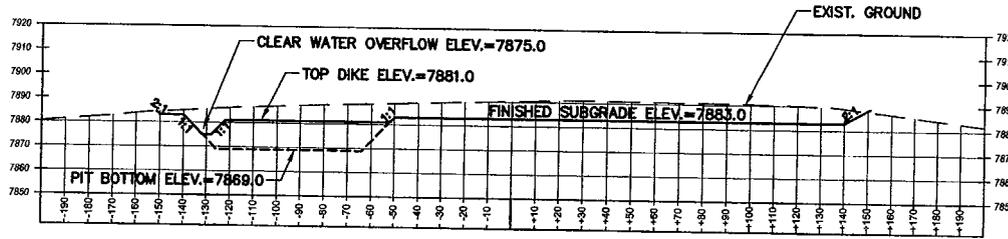
Federal Plateau Valley 35-1 BOPE Schematic

(Not to Scale)

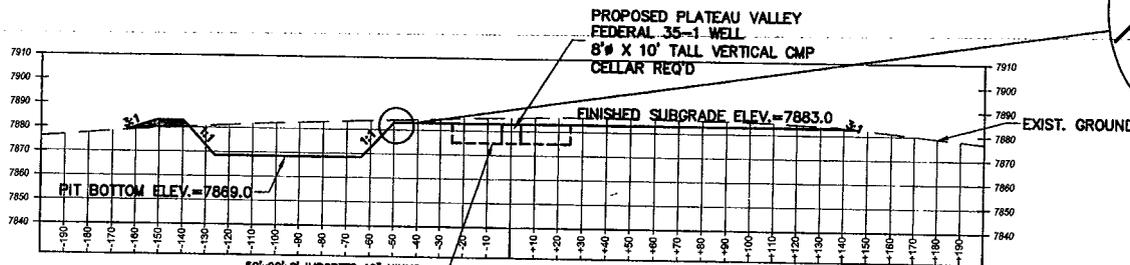


WOLVERINE GAS AND OIL COMPANY OF UTAH, LLC.

**LOCATION LAYOUT FOR
PLATEAU VALLEY FEDERAL 35-1
SECTION 35, T.25 S., R.1 W., S.L.B.& M.**

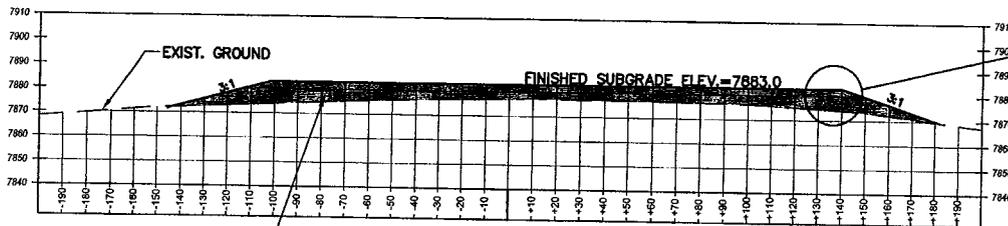


STA. 10+95

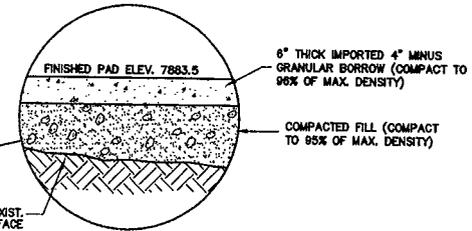
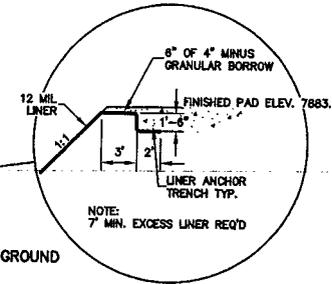


STA. 12+25

50'x90'x8' IMPORTED 10" MINUS GRANULAR BORROW RIG FOUNDATION REQ'D (97% COMPACTION REQ'D) IMPORTED RIG FOUNDATION THICKNESS MAY BE REDUCED BY ON-SITE ENGINEER DEPENDING ON SITE SOIL CONDITIONS.



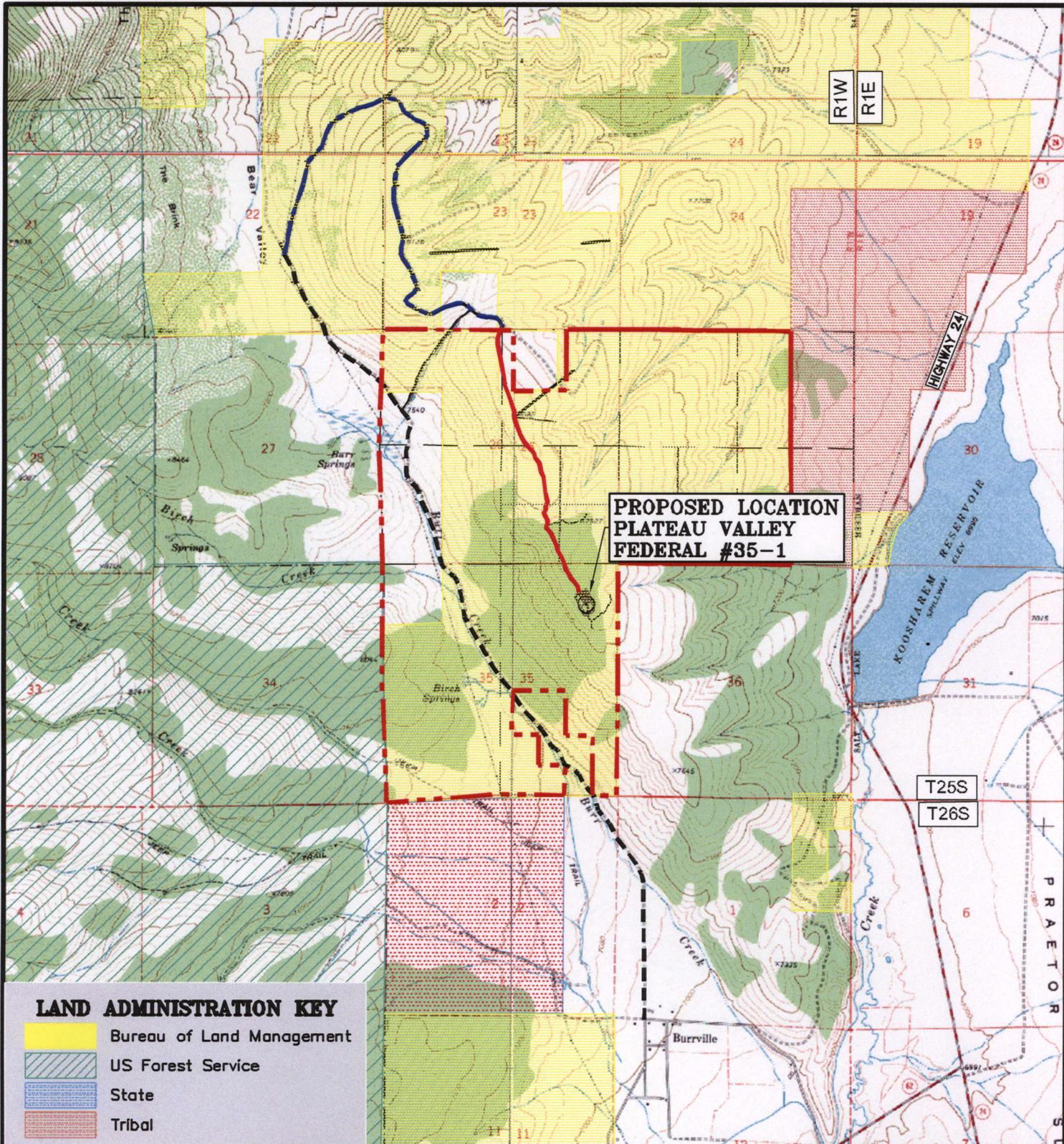
STA. 14+00



LOCATION EARTHWORK VOLUMES

PAD & PIT CUT = 23,839 C.Y.
PAD FILL (UN-ADJUSTED) = 14,891 C.Y.
REQ'D PAD FILL (15% SHRINK) = 17,125 C.Y.
NET (TOPSOIL & PIT SPOIL) = 6,714 C.Y.
PIT CAPACITY W/2' FREEBOARD = 37,805 BBLs
PAD SURFACE AREA: 2.99 AC.
PIT SURFACE AREA: 0.60 AC.
LOCATION DISTURBED AREA (includes Approx. Spoil Pile Area): 4.44 AC.
ELEVATION UNGRADED GROUND AT PLATEAU VALLEY FEDERAL 35-1 = 7883.2
ELEVATION GRADED GROUND AT PLATEAU VALLEY FEDERAL 35-1 = 7883.0

NO.		DATE	BY	REVISIONS
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**PROPOSED LOCATION
PLATEAU VALLEY
FEDERAL #35-1**

LAND ADMINISTRATION KEY

- Bureau of Land Management
- US Forest Service
- State
- Tribal

LEGEND

- PROPOSED LOCATION
- EXISTING ROADWAY
- RECONSTRUCT ROADWAY
- LEASE BOUNDARY
- EXISTING ROAD NEEDING UPGRADE

**Wolverine Plateau Valley Federal #35-1
Section 35, T.25 S., R.1 W., S.L.B. & M.
868' FNL 734' FEL**

Wolverine Gas & Oil Co of Utah, LLC

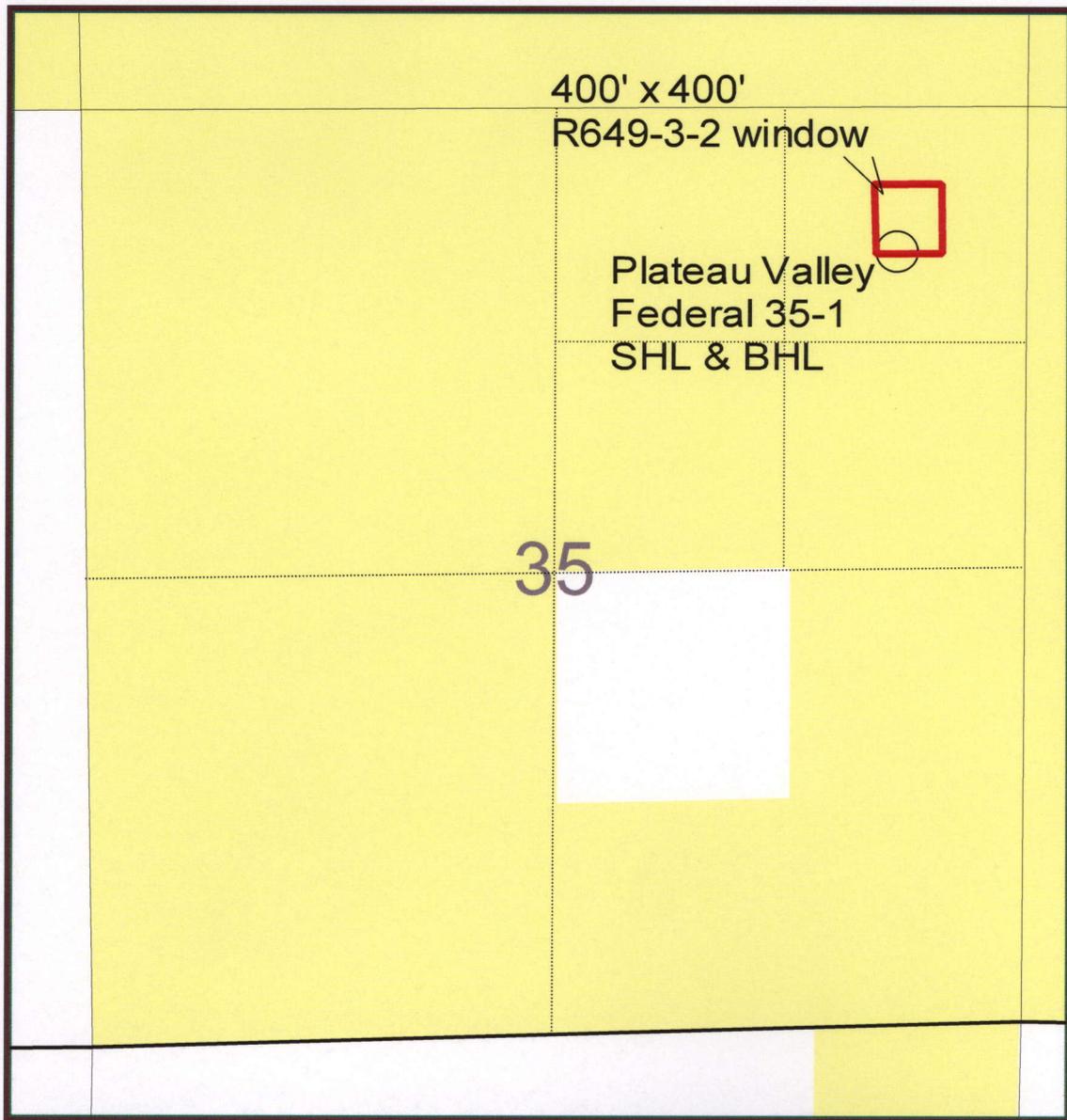
Plateau Valley Federal #35-1

Vicinity Map



SCALE: 1"=3000'

DRAWN: L.G. 05-08	PEN TBL: _1s Indrd-hp2800.cib	PROJECT: 0706-070	SHEET:
CHECK: D.R. 05-08	FILE: VICINITY	LAST UPDATE: 6/23/2008	1



Plateau Valley Federal 35-1 Well Location

SHL/BHL: 868' FNL, 734' FEL, NE/4 NE/4, Sec. 35, T25S, R1W, Sevier Co., UT

 **Wolverine Lease**



	<p>WOLVERINE OPERATING COMPANY of Utah, LLC <i>Energy Exploration in Partnership with the Environment</i></p> <p>ONE RIVERFRONT PLAZA 55 CAMPAU, N.W. GRAND RAPIDS, MI 49503-2616 (616) 458-1150</p>
<p>Exception Location and Ownership Plat (R649-3-2)</p>	
<p>Date: 6/24/2008</p>	<p>Author: Filename: plateau valley 35-1 well location</p>

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/30/2008

API NO. ASSIGNED: 43-041-30060

WELL NAME: PLATEAU VLY FED 35-1
 OPERATOR: WOLVERINE OPERATING CO (N3035)
 CONTACT: PAUL SPIERING

PHONE NUMBER: 435-896-1943

PROPOSED LOCATION:

NENE 35 250S 010W
 SURFACE: 0868 FNL 0734 FEL
 BOTTOM: 0868 FNL 0734 FEL
 COUNTY: SEVIER
 LATITUDE: 38.59713 LONGITUDE: -111.8692
 UTM SURF EASTINGS: 424305 NORTHINGS: 4272223
 FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal
 LEASE NUMBER: UTU-81364
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: KBAB
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. WY3329)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 61-2175)
- RDCC Review (Y/N)
(Date:)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (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: _____

STIPULATIONS: _____

1- Federal Approval
2- Spacing Stip

T25S R1W

27

26

25

PLATEAU
VLY FED 35-1

34

35

36

T26S R1W

3

2

1

OPERATOR: WOLVERINE OPER CO (N3035)

SEC: 35 T.25S R.1W

FIELD: WILDCAT (001)

COUNTY: SEVIER

SPACING: R649-3-3 / EXCEPTION LOCATION

Field Status

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

Unit Status

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

Wells 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
- DRILLING



OIL, GAS & MINING



PREPARED BY: DIANA MASON

DATE: 16-JULY-2008



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

July 16, 2008

Wolverine Operating Company of Utah. LLC
1140 N Centennial Park Drive
Richfield, UT 84701

Re: Plateau Valley Federal 35-1 Well, 868' FNL, 734' FEL, NE NE, Sec. 35, T. 25 South, R. 1 West, Sevier 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 43-041-30060.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Sevier County Assessor
Bureau of Land Management, Utah State Office

Operator: Wolverine Operating Company of Utah, LLC

Well Name & Number Plateau Valley Federal 35-1

API Number: 43-041-30060

Lease: UTU-81364

Location: NE NE **Sec.** 35 **T.** 25 South **R.** 1 West

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281 (801) 733-0983 home

3. Reporting Requirements

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

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

5. 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.

WOLVERINE OPERATING COMPANY OF UTAH, LLC

Energy Exploration in Partnership with the Environment



July 21, 2008

Mr. Gil Hunt
Utah Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: API #43-041-30060 - Wolverine Operating Company of Utah, LLC
Plateau Valley Federal 35-1
NE/4 NE/4, Section 35, T25S, R1W, SLB&M
Sevier County, Utah

Dear Mr. Hunt:

Wolverine Operating Company of Utah, LLC (Wolverine) hereby submits a copy of the H₂S Contingency Plan, per Onshore Order 6, as a part of the APD for the referenced well.

Please accept this letter as Wolverine's written request for confidential treatment of all information contained in and relating to the application and proposed well.

Thank you for consideration of these materials. Please feel free to contact me or Paul Spiering of this office if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "Charlie Irons". The signature is written in a cursive, slightly slanted style.

Charlie Irons
Senior Landman

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



H₂S CONTINGENCY PLAN

Oxy USA Operations

**2754 Compass Dr. Suite 170
Grand Junction CO. 81506
970-263-3600**

**CONTINGENCY PLAN
FOR
DRILLING, WORKOVER & COMPLETION OPERATIONS**

Plateau Valley Federal 35-1

**Location:
Sevier County, Utah
Section 35
Township 25 South
Range 1 West**

**Drilling Rig:
Nabors Rig 797**

**July 16, 2008
This plan is subject to updating**

H₂S CONTINGENCY PLAN

**H₂S LAND CONTINGENCY PLAN
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H₂S CONTINGENCY PLAN

I. INTRODUCTION

This plan specifies precautionary measures, safety equipment, emergency procedures, responsibilities, and duties pertaining to drilling operations.

This plan was developed because of the potential hazards involved when drilling formations that may contain hydrogen sulfide (H₂S). It was written in compliance with state regulations and in accordance with the recommendations of the American Petroleum Institute publication API-RP49 "Recommended Practices for Safe Drilling of wells containing Hydrogen Sulfide".

To be effective, this plan requires the cooperation and effort of each individual participating in the drilling of a potential H₂S well. Each individual should know his responsibilities and duties in regard to normal drilling operations and emergency procedures. He should thoroughly understand and be able to use, at a moment's notice, all safety equipment on the location.. He should familiarize himself with the location of all safety equipment and see that his equipment is properly stored, easily accessible, and routinely maintained.

The ideas and suggestions of each individual involved in the drilling of a potential sour gas well are highly welcomed and is an asset for providing the safest working conditions possible.

II. LOCATION LAYOUT

A. Safe Briefing Areas

Two areas will be designated as "SAFE BRIEFING AREAS". These areas will be located, in as much as feasible, at 180 degrees to one another on opposite sides of the location. The Briefing Area which is predominately upwind of the wellbore will be designated as "BRIEFING AREA NO. 1" or the "PRIMARY BRIEFING AREA". If H₂S is detected in concentrations equal to or in excess of 10ppm all personnel not assigned emergency duties are to assemble in the designated Safe Briefing area for instructions. These areas will be located a minimum of 200' from the wellhead.

B. Wind Indicators

Wind socks and/or streamers will be installed at strategic points on the facility. They will be positioned so they can be seen from any location on the mud pits and rig floor. These wind indicators will be situated so as to be illuminated during hours of darkness. These wind indicators will be situated at separate elevations.

C. Danger Signs

A warning sign indicating the possible well conditions will be displayed at the location entrance as well as along all routes leading to the locations

Colored flags will be displayed indicating which of the well conditions indicated on the warning sign is applicable at the time. The green flag will be displayed under normal operating conditions, when H₂S Concentrations are less than 10 ppm. The yellow flag will be displayed when H₂S concentration is present at 10 ppm or greater. The red flag will be displayed at 20 ppm or greater of H₂S in the atmosphere.

D. Office Trailers and Accommodations

All office trailers and accommodation buildings on site will be located to allow reasonably safe distances from both the well and the outlet of the flare line.

E. Emergency Communications

Emergency communications equipment will be made available at the safe briefing area. This equipment may be telephone, radio, mobile phone, or other communication device that allows two-way communication should the need arise.

F. H₂S Detectors and Alarms

Continuous monitoring type H₂S detectors, capable of sensing a minimum of 5ppm H₂S in air, will be located at each of the following points:

Sensor Locations

- 1) Bell nipple
- 2) Shale shaker
- 3) Drilling fluid pit area
- 4) Driller's station
- 5) Additional critical areas will be covered should they be identified.

Automatic H₂S alarms (visual and audible) will be located at appropriate locations throughout the location.

G. Breathing Air System

A system of breathing air manifolds, hoses and masks will be installed at the wellsite with outlets at heavy work areas and the Briefing Areas.

A system of breathing air cylinders shall be tied into the manifolding system to maintain a sufficient supply of respirable air to these areas.

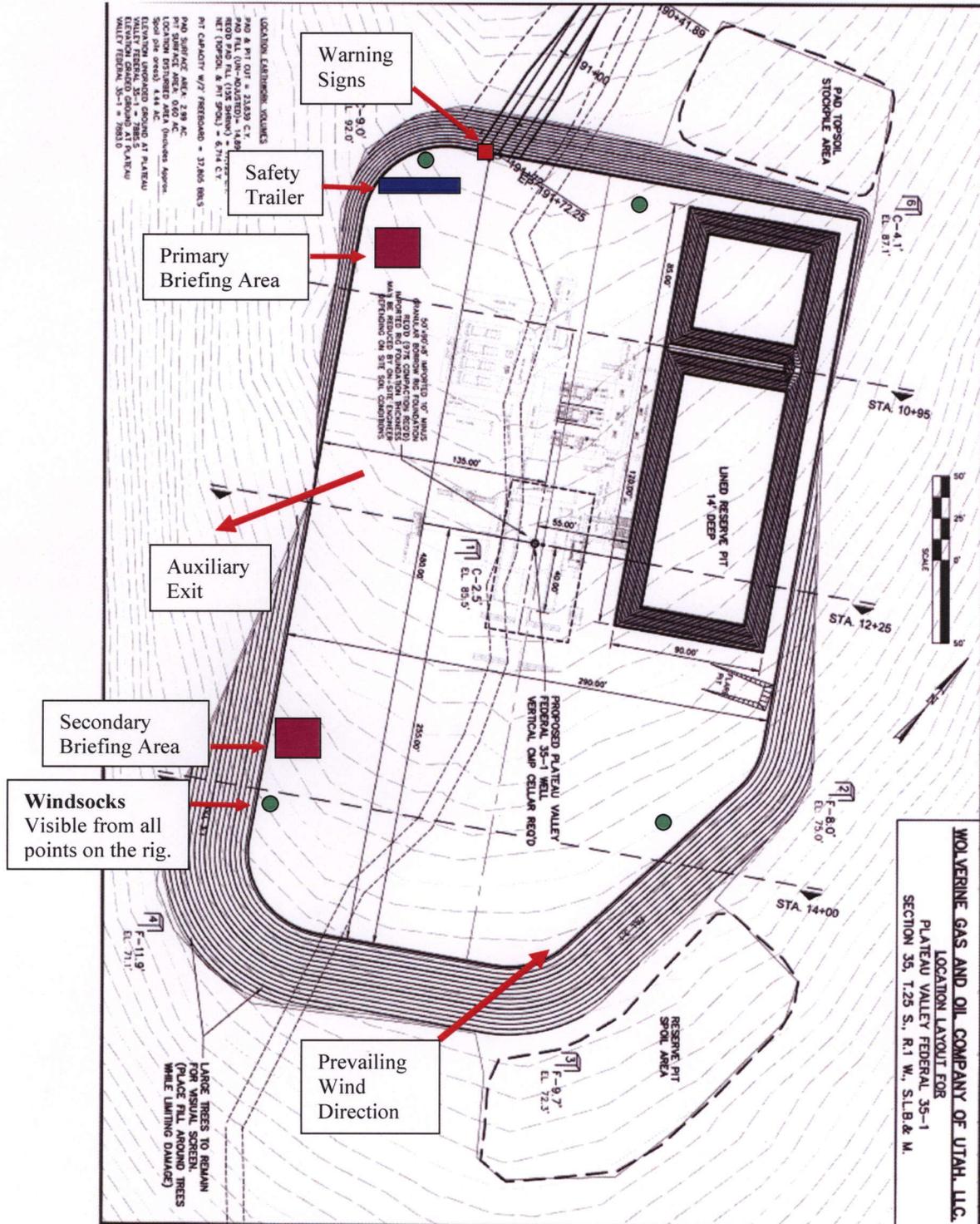
A cascade-type system of air cylinders shall be available at both Briefing Areas to facilitate the recharging of individual self-contained breathing apparatus cylinders. All breathing air cylinders shall be labeled as containing breathing quality air.

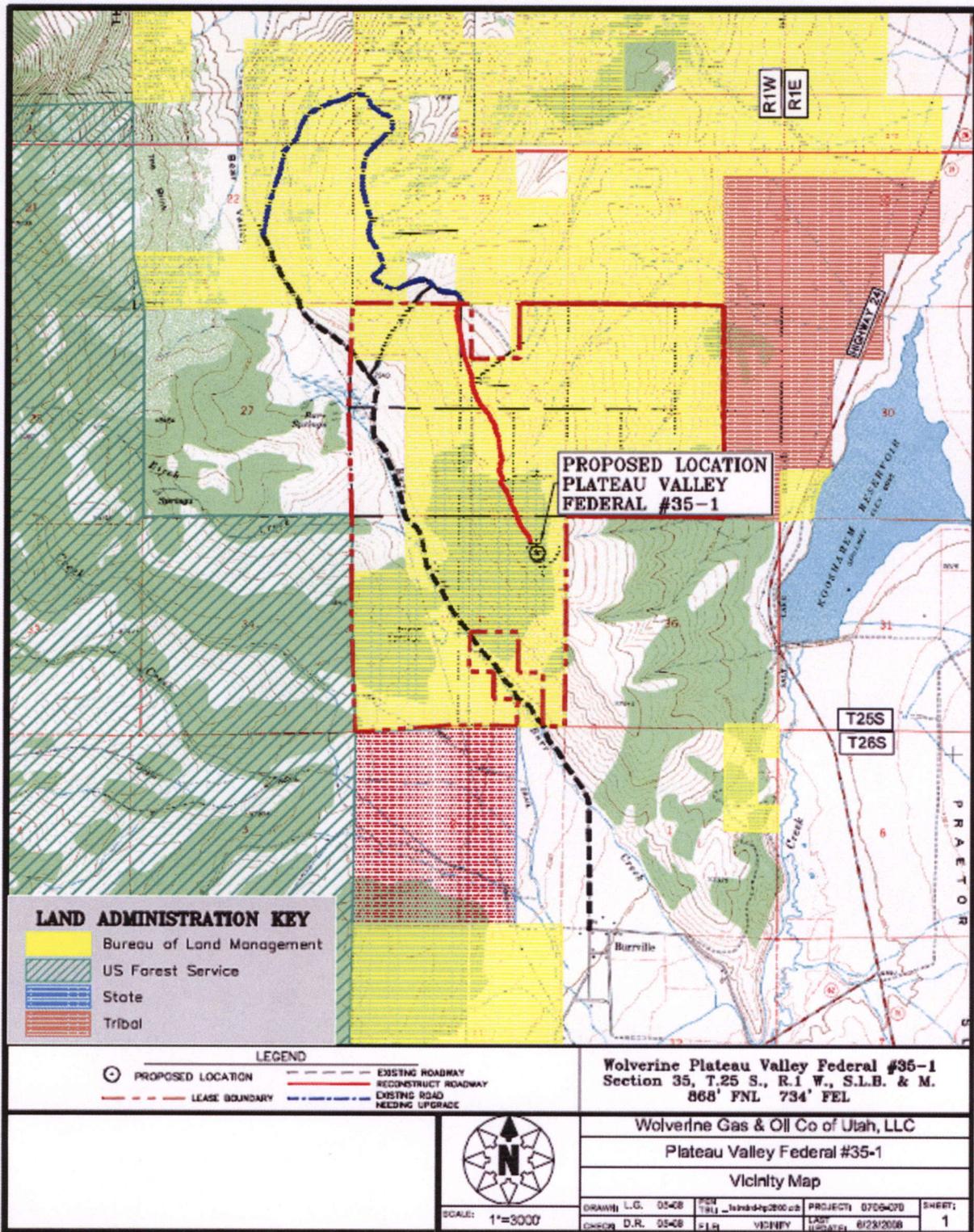
H. List of Safety Equipment

The location and quantity of all safety equipment (including breathing air equipment, and H₂S and SO₂ detection equipment) can be found in Appendix A-2.

I. Ventilation Devices

Electric fans (with explosion-proof motors) will be installed as necessary in areas where the potential for H₂S gas accumulation exists.





LAND ADMINISTRATION KEY

- Bureau of Land Management
- US Forest Service
- State
- Tribal

LEGEND

- PROPOSED LOCATION
- EXISTING ROADWAY
- RECONSTRUCT ROADWAY
- EXISTING ROAD
- NEEDING UPGRADE
- LEASE BOUNDARY

Wolverine Plateau Valley Federal #35-1
 Section 35, T.25 S., R.1 W., S.L.B. & M.
 868' FNL 734' FEL

Wolverine Gas & Oil Co of Utah, LLC
 Plateau Valley Federal #35-1

Vicinity Map



SCALE: 1"=3000'

DRAWN: L.G. 05-08	FOR: T811 - Jshnd4p2800.cb	PROJECT: 0706-070	SHEET: 1
CHECK: D.R. 05-08	BY: VJH	LAST UPDATE: 6/23/2008	

III. NORMAL OPERATING PROCEDURES

A. Prior to Compliance Depth

This H₂S Contingency Plan will be operational prior to spud in of the well.

1. Lists of emergency phone numbers will be posted at the following locations:
 - A. Oxy Drillsite Manager office
 - B. Toolpusher's office
 - C. The safe briefing area.
2. All safety equipment must be inspected routinely, paying particular attention to breathing air equipment and monitoring equipment.
3. All personnel onsite will be assigned breathing air equipment and, personal monitors for H₂S, capable of detecting 10ppm with audible and visual alarms.
4. Prior to compliance depth, Rig Contractor's personnel, Oxy personnel, and necessary Service Company personnel must be thoroughly trained in the use of breathing air equipment, emergency procedures, responsibilities and first-aid for H₂S victims. A record must be maintained of all personnel who have been through the H₂S training programs on location.

B. Below Compliance Depth

Below compliance depth the H₂S detection system will be calibrated every week under normal conditions. The time and results of each test must be logged. The SECORP Representative will insure that the H₂S detection equipment calibrations and tests are recorded on the IADC Daily Drilling Report Form.

1. When arriving on location, all personnel, without exception, must proceed directly to the H₂S Safety Technician for assignment of breathing air equipment and, if needed, H₂S detector. An instruction and orientation briefing will also be held, if needed. The H₂S Safety Technician will be responsible for assigning such equipment to the individuals and instructing them in its use.
2. Each person on the location will be instructed in the use of breathing air equipment until supervisory personnel are satisfied that each is capable of using the equipment. This training must include all additional personnel that are allowed onsite during drilling or testing operations.

3. Weekly breathing air equipment drills and H₂S training of attendants should be held. Documentation of these drills and training sessions shall be maintained on location.
4. Rig crews and Service Company personnel should be made aware of the location of breathing air bottles and H₂S detectors. Knowledge of the location of H₂S detector sensors is vital to understanding the "Emergency Conditions". In addition, key personnel must be trained in the use of the resuscitator and H₂S detectors.
5. H₂S detectors shall be available for use by all working personnel. After any device has initially detected H₂S, periodic inspections of all areas of poor ventilation shall be made with a portable H₂S detector instrument.
6. All personnel on the location should become "wind-conscious" and be aware at all times of the direction of the prevailing winds. They should remember that H₂S is heavier than air and will collect in low places in still air.
7. There will be no welding if H₂S is detected at the surface until the surrounding air is thoroughly tested with an explosimeter and hot work permit approved by the Oxy Drillsite Manager.
8. After penetration of an H₂S bearing zone, increased monitoring of the working area should be provided when drilling, circulating bottoms up from a drilling break, cementing or logging. If the H₂S concentration reaches 20 ppm in the air, all personnel will wear breathing air equipment, and all personnel not assigned emergency duties should go to the designated Safe Briefing Area.

IV. OPERATING CONDITIONS

A. Condition I - Possible Danger - H₂S Present at Less Than 10 ppm

1. Warning Signs: A green flag will remain displayed at the well entrance
2. Alarm: (For notification of rig crew) None
3. Characterized by: H₂S concentration is less than 10 ppm.
4. General Action:
 - a. Be alert for a condition change. There will be no smoking except in designated areas.
 - b. Check safety equipment for proper functioning. Keep it available. No welding or open fire without hot work permit approved by Operator's Oxy Drillsite Manager.
 - c. Perform all drills for familiarization and proficiency.

B. Condition II - Moderate Danger - H₂S Present at 10ppm or Greater

1. Warning Sign: A yellow flag shall replace the green flag at the wellsite entrance.
2. Alarm: Continuous flashing amber and red lights when the concentration exceeds 10 ppm and continuous sounding of the H₂S siren when concentration exceeds 20 ppm. All alarm signals will continue as long as the H₂S concentration is present at greater than 10ppm or until deactivated by the H₂S Safety Technician or Oxy Drillsite Manager.
3. Characterized by: H₂S concentration is equal to or greater than 10ppm.

4. General Action:
 - a. All personnel not specifically assigned to correct or control the situation will report to the upwind briefing area. The number of essential personnel may be modified at the time of operation due to prevailing circumstances as determined by the Oxy Drillsite Manager.
 - b. If the alarm sounds and it has not been preceded by Condition I, the actions of Condition II will be taken. Circulation will be stopped, self-contained breathing apparatus and airline work units will be donned by all working personnel and all non-essential personnel shall proceed to the upwind safe briefing areas.

C. Condition III - Extreme Danger - H₂S Present at 20ppm or greater

1. Warning Sign: A red flag shall replace the yellow flag at the wellsite entrance.
2. Alarm: Same as Condition II
3. Characterized by: H₂S concentration is equal to or greater than 20 ppm.
4. General Action:
 - a. All non-essential personnel will be evacuated in an orderly manner, immediate notification shall be given to local civil authorities, and traffic in the immediate vicinity of the facility shall be diverted. The State Oil and Gas Board and other appropriate governmental agencies shall be notified.
 - b. The Oxy Drillsite Manager and the Contractor's Drilling Foreman will determine which personnel are to remain onsite.
 - c. If necessary, all personnel will be evacuated.
 - d. The Contractor's Drilling Foreman and the Oxy Drillsite Manager will jointly determine if ignition of the well is warranted. If the well is ignited, the burning hydrogen sulfide will be converted to sulfur dioxide (SO₂), which is also highly toxic. Remain on the upwind side of the location.

V. EMERGENCY PROCEDURES FOR H₂S RELEASES:

1. The person detecting the H₂S must **IMMEDIATELY** notify the driller.
2. The driller will pick up off bottom until first tool joint is above rotary table and shut down the mud pumps.
3. All working rig personnel will immediately put on their breathing air equipment.
4. Once breathing air equipment is on, the driller should:
 - a. Begin working drill pipe.
 - b. Check well for flow and be ready to close the BOP's.
5. Nabor's Toolpusher will see to the shut down of the forced air circulation system.
6. All personnel must get their assigned self-contained breathing air equipment and report to the designated safe briefing area for further instructions, unless otherwise instructed. If both your assigned self-contained breathing apparatus and the designated safe briefing area are upwind of the wellbore, the self-contained breathing apparatus may be carried to the designated safe briefing area. However, if there is any doubt, don and activate the unit immediately. If it becomes necessary to go through the rig floor or wellhead area to get to the designated safe briefing area, the breathing air equipment will be put on as soon as the equipment is reached. If you are located on the downwind end of the rig when the H₂S alarm is sounded, hold your breath and proceed across then upwind to the designated Safe Briefing Area, donning the nearest breathing air equipment available.
7. Always put on a breathing air unit before proceeding to assist anyone affected by the gas and utilize the "Buddy System". If the affected person is stricken in a high concentration area obtain standby assistance before entering the area. Always use the "Buddy System" when entering possible contaminated areas.
8. Evacuate non-essential personnel when H₂S reaches a concentration exceeding 20ppm in the air.
9. The Oxy Drillsite Manager and the Contractor's Representative will assess the situation and assign duties to each person needed to bring the situation under control. When the severity of the situation has been determined, all persons will be advised.

10. The Oxy Drillsite Manager will be responsible for notifying the following regulatory agencies:
 - a. State Regulatory Agency
 - b. Filling out H₂S Government Notification Log

VI. SPECIAL OPERATIONS

A. Coring

1. During drilling operations below compliance, it may be decided to core. This operation takes on critical complexities when attempted in a sour gas well. The following practices should be followed during coring operations:
 - a. After a core has been cut, circulate bottoms up and monitor mud for H₂S prior to pulling out of the hole with the core.
 - b. Put on breathing air equipment ten stands before core barrel reaches the surface. If well conditions dictate, or the H₂S concentration reaches 20 ppm, breathing air equipment should be put on sooner. All personnel in the area should wear breathing air equipment while the core barrel is pulled, broken out, and opened. Colorimetric tube type detectors should be used to monitor for H₂S around the core barrel. When these detectors indicate a safe atmosphere, the breathing air equipment may be removed.
2. The following practices must be followed for every core barrel pulled:
 - a. Due to the difficulty in communicating with breathing equipment on, it is required that a chalkboard and chalk, or note pads, be available during core handling operations.
 - b. The importance of leaving the breathing air equipment on must be stressed to all personnel connected with the coring operation. The most critical moment is when the core barrel is opened.
 - c. All personnel on location not wearing breathing air equipment should stay a safe distance upwind from the core barrel.
 - d. If the core contains H₂S, the cores to be transported must be sealed and marked for the presence of H₂S.
 - e. The cores must not be transported in a closed vehicle.

B. Well Testing

1. Well testing must be performed with the minimum number of personnel and all necessary equipment required to safely and adequately perform the test.
2. Prior to initiation of the test, special safety meetings must be conducted for all personnel who will participate with particular emphasis on use of personnel safety equipment, first-aid procedures, and the H₂S Contingency Plan.
3. During the test, the use of H₂S detection equipment will be intensified. All produced gases must be vented and burned through a flare system. Produced fluids, which are stored in the tanks on the location, must be vented into the flare system. Vents will have spark arrestors to prevent any possibility of a flash back. This system will vent a minimum of 150' from the wellhead and will be positioned as far from the working areas as feasible taking into consideration a manner to compensate for wind changes.
4. "No Smoking" rules will be rigorously enforced.

VII. WELL CONTROL

The following well control practices should be initiated below protective casing:

- A. If high trip gas or high drill gas concentration are encountered, the degasser should be used and the gas separated and flared. The vent line from the degasser will be opened so that gas can be burned at the flare.

If gas is breaking out at the rotary, consider closing the annular BOP and routing the flow through the mud-gas separator. Gas will be burned through the flare vent line.

- B. Assume any influx of formation fluid into the wellbore contains H₂S. If the decision is made to circulate out the influx, all personnel involved will wear breathing air equipment until it is known that H₂S is not present. The following steps should be taken when the influx occurs:

1. Shut in the well using normal techniques. Record drill pipe pressure, casing pressure, and volume of influx.
2. Notify the Oxy Drillsite Manager and the Nabor's Toolpusher.

If the mud has been contaminated with H₂S, it may be necessary to treat it with zinc carbonate (or equivalent) to treat out the H₂S. If H₂S is known to be present and an influx occurs, the size of the influx, the casing depth, the leak-off test results, the amount and type of open hole, and weather conditions will enter into the management decision of whether to circulate out the influx or to "pump away" the influx back into the formation.

VIII. IGNITING THE WELL

A. Responsibilities for Decision

The Oxy Drillsite Manager in consultation with the Nabor's Toolpusher would evaluate deliberate ignition of the blowout if there is serious, immediate danger to personnel. In such an event, the Oxy Drillsite Manager will have the ultimate onsite responsibility while relying on the Nabor's Toolpusher for all input regarding personnel safety. The well will be ignited only after evaluation of the alternatives available and after discussion with the proper government agencies.

In all cases, an attempt should be made to notify the Oxy's Drilling Superintendent and the Nabor's Manager of Drilling Operations as soon as possible and prior to igniting the well, if possible.

If the well is ignited, the burning H₂S will be converted to sulfur dioxide (SO₂) which is also highly toxic and heavier than air. Do not assume the area is safe after the well is ignited.

B. Method of Ignition

1. The primary method of igniting the well will be with a 25mm flare gun, which has a range of approximately 500 feet. Always ignite the well from upwind and do not approach the well any closer than is necessary. BEFORE firing the flare gun or igniting flammable material, check the atmosphere at your location for combustible gases with an explosimeter.
2. If the above method of ignition fails or well conditions are such that a safer or better method is apparent, then an alternative method should be used.

IX. RESPONSIBILITIES AND DUTIES

A. All Personnel

1. It is the responsibility of all personnel on the drilling location, as well as other personnel utilized to assist in drilling the well to become familiar with the "Hydrogen Sulfide Contingency Plan".
2. Each individual may be assigned his own personnel breathing apparatus and is responsible for assuring that the equipment is properly stored, routinely maintained, and easily accessible.
3. Each person must become familiar with the location of all safety and emergency equipment and SAFE BRIEFING AREAS and must be able to use this equipment at a moment's notice.
4. Report any indications of H₂S to those in the area and to the Oxy Drillsite Manager and Nabor's Toolpusher.
5. At alarm, go to the designated SAFE BRIEFING AREA. This includes all OFF DUTY and ON DUTY personnel not specifically designated to control the well.
6. All personnel will attend to their personal safety first.
7. Help anyone who may be injured or overcome by toxic gases.

B. Oxy Drillsite Manager

1. Responsible for thoroughly understanding and enforcing all aspects of this "H₂S Contingency Plan".
2. Responsible for ascertaining that the Drilling Contractor, through Nabor's Toolpusher, is in compliance with and is enforcing all aspects of the "Hydrogen Sulfide Contingency Plan" for drilling where H₂S may be encountered.
3. Responsible for insuring that all other Oxy and third party personnel comply with the "Hydrogen Sulfide Contingency Plan".
4. Responsible for restricting third party personnel and visitors to the site to a minimum, especially during expected hazardous operations.

5. Responsible for notifying all of the personnel of a change in conditions. Oxy Drillsite Manager will notify regulatory agencies as required when either Condition II or Condition III exists.
6. In conjunction with the Nabor's Toolpusher will initiate the evacuation plan.
7. In conjunction with the Nabor's Toolpusher is responsible for assuring that personnel training is conducted.
8. Responsible for assuring that all H₂S detectors are inspected and functional.
9. Responsible in conjunction with Nabor's Toolpusher for displaying the visible warning system signs and proper flags, as appropriate.
10. Responsible, along with the Nabor's Toolpusher for assuring that all hydrogen sulfide safety programs and training sessions are conducted and those records of attendance are maintained, and kept onsite.

C. Nabor's Toolpusher

1. In conjunction with the Oxy Drillsite Manager, is responsible for seeing that all personnel on location observe all safety and emergency procedures outlined in this "H2S Contingency Plan".
2. Shares the responsibility of the Oxy Drillsite Manager for assuring that training is conducted for all personnel onsite.
3. Responsible for thoroughly understanding the contents of this "H₂S Contingency Plan". In the absence or incapacitation of the Oxy Drillsite Manager, the Nabor's Toolpusher will assume all responsibilities designated herein to the Oxy Drillsite Manager.
4. Along with the Oxy Drillsite Manager, is responsible for assuring that all hydrogen sulfide safety programs and training sessions are conducted and that records of attendance are maintained, and kept onsite.
5. Will check the ventilation needed to keep any H₂S from accumulating in living quarters or unexpected places.
6. Responsible, in conjunction with the Oxy Drillsite Manager, for displaying the visible warning system signs and flags as appropriate.
7. Will be in charge of SAFE BRIEFING AREA during assembly for evacuation.

D. Mud Engineer

1. In addition to the normal duties, the Mud Engineer is responsible for insuring that the drilling rig has a sufficient supply of hydrogen sulfide scavenger available at all times.
2. Must be thoroughly familiar with the procedures for treating hydrogen sulfide-contaminated mud.

E. H₂S Safety Technician

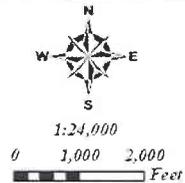
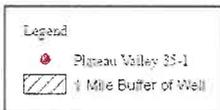
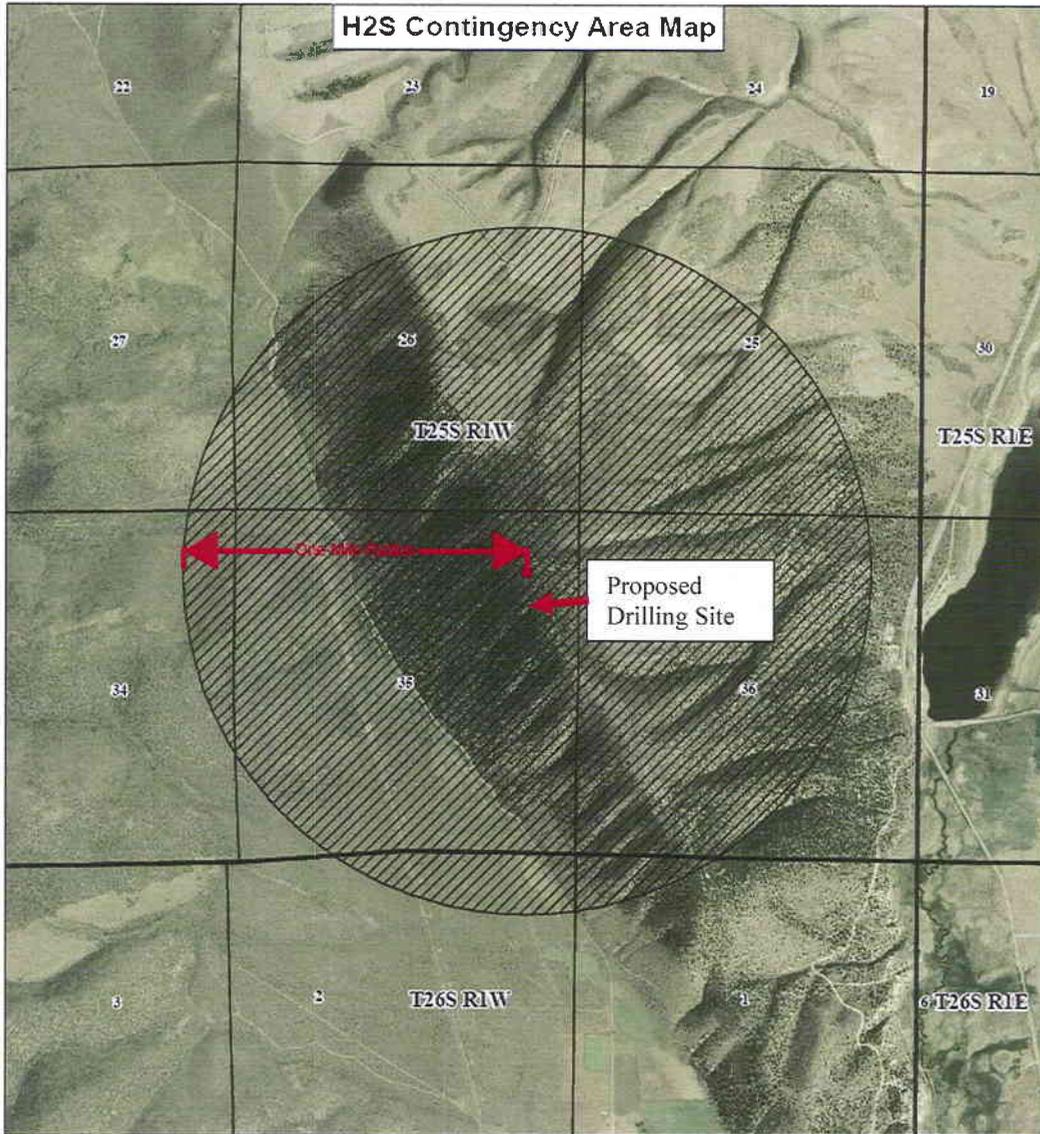
1. Responsible for performing a weekly inventory to assure that all safety equipment is being properly stored and maintained.
2. Responsible for logging the arrival and departure of all personnel on location.
3. Responsible for H₂S training, which includes the use, maintenance, and storage of the safety equipment for all personnel upon arrival onsite.
4. Responsible for issuing H₂S safety equipment to arriving personnel onsite.
5. Must maintain and repair all personnel's safety equipment.
6. Responsible for the required inspection and sanitizing of the H₂S safety equipment.
7. Must maintain H₂S Safety training attendance records and other record keeping required. All training records to be kept onsite during the job. Will provide the Oxy Drillsite Manager a copy of all class attendance records.
8. Will observe and assist during hydrogen sulfide drills.
9. Will observe testing of the hydrogen sulfide monitors weekly for response.

X. PROCEDURE FOR INFORMING PERSONNEL OF H₂S CONTINGENCY PLAN

- A. There will be copies of the complete "H₂S Contingency Plan" available in the Oxy Drillsite Manager's office.
- B. All personnel arriving at the location will report immediately to the H₂S Safety Technician for familiarization with the Considerations During the Drilling of a Sour Gas Well.
- C. The H₂S Safety Technician will train the crews and familiarize them with the Considerations During the Drilling of a Sour Gas Well. Written records will be maintained at the location and off-site.

XI. EVACUATION OF PUBLIC

A. Area Map



Wolverine Gas and Oil	
Plateau Valley Federal 35-1	
	
WESTERN LAND SERVICES	
Richfield, UT 84701 (435) 896-5501	
CONFIDENTIAL	
Prepared By: DTJ	Date: July 16, 2008

B. List of Residents

There are no residencies or public dwellings within a one-mile radius of the proposed drilling site.

XII. APPENDIX A

A-1 Considerations During the Drilling of a Sour Gas Well

This memorandum is intended to familiarize you with the conditions that can exist when drilling a well into formation that may contain Hydrogen Sulfide gas, and the precautions the Operator and drilling contractor have taken in designing the well program and the safety program to provide maximum safety.

You should become familiar with all safety equipment on the site; its use and availability. The windsock and windstreamers are provided to show which direction the wind is blowing so that the 'Safe Briefing Area' can be easily defined. You should become 'wind conscious' and frequently observe these wind direction indicators. All persons on location will receive instructions in the use of safety equipment and what to do during an H₂S emergency. The well will be monitored continuously by a solid-state, fixed monitoring detection system.

During an emergency, all personnel shall utilize the 'buddy system', preventing anyone from entering a potentially toxic area alone, regardless of whether or not they are using breathing apparatus. If you are wearing a respirator, do not remove it until you are absolutely sure the air is safe to breathe. If a sudden gas release occurs, without warning, you should:

- 1) Hold your breath and rapidly evacuate the area containing the H₂S. Move across and upwind, if possible.
- 2) Put on breathing apparatus.
- 3) Help anyone who may have been overcome by the gas, only after you have put on your breathing apparatus, and transport him to a safe upwind area where you can administer resuscitation.
- 4) Evacuate to the upwind 'Briefing Area' where further instructions can be delivered. DO NOT PANIC!

The Company intends to keep all formations overbalanced with mud weight so that no influx of toxic gas will occur. However, these plans have been provided so that such an influx can be handled with a minimum of difficulty. It is important that you follow the directives of the Oxy Drillsite Manager and the contractor's representative during any emergency, to insure the safety of all personnel.

A-2 Rigsite H₂S Safety Equipment

- 1 Hydrogen Sulfide Safety Trailer Complete with the following contents:
- 8 300 cu. ft. Breathing Air Cylinders, manifold, breathing hoses with quick connect fittings and recharge line for primary briefing area
- 1 Oxygen resuscitator with two (2) spare oxygen cylinders
- 1 Sensidyne gas detector with H₂S, SO₂ and CO₂ tubes
- 8 Del Mar H₂S spot check detectors
- 1 Portable Trimeter for H₂S, LEL and Oxygen Readings
- 3 Flag pole and assembly with three (3) warning flags
- 3 Wind sock holders with three (3) windsocks
- 1 First Aid Kit and Eye Wash Station
- 1 Bull Horn
- 2 Safety harness with safety line
- 1 25 MM flare pistol and 12 flare shells
- 2 Dry chemical fire extinguishers
- 15 Sets of ear plugs
- 1 Packet "NO SMOKING" signs
- 2 Fire Blankets
- 1 Wire stretcher
- 2 Cleaning sanitizers
- 3 Well condition entrance sign with instructions
- 2 Briefing Area Signs
- 35 30-Minute air masks with case, lightweight cylinder (2216 psi) and stainless steel quick-connect for cascade/hose line use. All units are pressure-demand and hold NIOSH approval.
- 6 5-Minute airline masks with emergency escape cylinders & watertight storage boxes.
- 2 Cascade Units each with (6) 300 Cu. Ft. breathing air cylinders for rig use
- 1 Breathing Air Compressor
- 78 Manifold connections for Primary and Secondary Briefing Areas and rig use.
- 2 100' Breathing air hose lines with quick connect
- 10 50' Breathing Air hose lines with quick connect
- 5 25' Breathing air hose lines with quick connect
- 60 Pigtailed Breathing Air hose lines with quick connect for Briefing Areas
- 1 4-Channel Hydrogen Sulfide Detection System with (4) sensors
- 3 Explosion Proof Alarms complete with (2) lights and (1) siren

A-3 Personnel Training

All personnel will be informed of the hazards of hydrogen sulfide and sulfur dioxide and instructed in the provisions for personnel safety contained in the H₂S Contingency Plan. All personnel will be instructed in the use of any safety equipment, which they may be required to use. They will also be informed of the location of protective breathing apparatus, H₂S detectors and alarms, ventilation equipment, briefing areas, warning systems, evacuation procedures and the prevailing winds. In addition, personnel will be informed of the restrictions and corrective measures concerning beards, spectacles and contact lenses in accordance with OSHA Standard 29CFR 1910.134 and ANSI Z88.2. First aid procedures applicable to victims of H₂S exposure will be included in the training program.

Instruction of personnel shall be initiated as soon as possible following their arrival on the location.

An H₂S drill and training session will be held for all personnel on location. FULL PARTICIPATION is mandatory. All H₂S drills shall be entered into the IADC Drilling Log.

*Records of all drills and/or training sessions shall be maintained at the facility.

A copy of the training handout, which will be given to each individual trained on site, is included in this Appendix; also included is the guideline for the H₂S drills.

This training will be conducted to instruct personnel in the operation and use of self-contained breathing apparatus and H₂S related emergency equipment and to review various operating procedures in the "H₂S CONTINGENCY PLAN".

Initial drills should include:

1. General information about the self-contained breathing apparatus supply time limit, and proper packing and storage.
2. How to put the mask on and test for leaks around the face and hose connections.

These drills will be conducted as often as necessary to acquaint the crews with the equipment. After the Oxy Drillsite Manager and the Nabor's Toolpusher are convinced that all personnel are trained, a drill should be conducted. This drill may be initiated any time. The drill will be initiated by the H₂S audible alarm signal given by the Contractor's Representative or the Oxy Drillsite Manager. At this time, all off-duty personnel will immediately get their assigned self-contained breathing apparatus and report to the designated SAFE BRIEFING AREA with their emergency equipment within three minutes after the alarm is sounded.

A training and information session will be conducted after each drill to answer any H₂S related questions and to cover one or more of the following:

1. Condition II and III alerts and steps to be taken by all personnel.
2. The importance of wind direction when dealing with H₂S.
3. Proper use and storage of all types of breathing equipment.
4. Proper use and storage of oxygen resuscitation.
5. Proper use and storage of H₂S detectors and colormetric tube-type detectors.
6. The "Buddy System" and the rescue procedure for a person overcome by H₂S.
7. Responsibilities and duties.
8. Location of H₂S safety equipment.
9. Other parts of the "H₂S CONTINGENCY PLAN" that should be reviewed.

NOTE: A record of attendance must be kept for drills and training sessions. These drills and training sessions must also be documented on the IADC Report.

A-4 Emergency Telephone Notification List

TITLE	NAME	PHONE
Oxy Drilling Superintendent	Tom Zupan	(C) 970-985-0260
Oxy HES Coordinator	Alonzo Hernandez	(C) 970-985-6055
Oxy Drilling Engineer	Rusty Hanna	(C) 970-985-6055
Nabors District Manager	Terry Boyd	(C) 307-797-2223

SAFETY COMPANY	NAME	PHONE
Secorp Industries 2101 Jefferson Street Lafayette, La. 70560		(24 Hours) (800) 327-5026 (337) 237-3471 (F) (337) 235-6278
District Manager	Kyle Sauls	(O) (337) 237-1972 (C) (337) 499-9651

Emergency Phone Numbers

LAW ENFORCEMENT AGENCIES:

Sheriffs Office

250 N Main St

Richfield, UT 84701

15.82 miles from Sevier, UT 84754

(435) 896-2600

Emergency - 911

Police Department

75 E Center St

Richfield, UT 84701

15.67 miles from Sevier, UT 84754

(435) 896-8484

Emergency - 911

Fire Dept

Richfield Interagency Fire Center

(435) 896-6346

Utah Oil & Gas Commission

Major Undesirable Events

Office hours: **801-538-5340**

After hours: **801-243-9466**

Minor Events

Office hours: **801-538-5340**

MEDICAL FACILITIES AND PERSONNEL:

Ambulance

Sevier County Dispatch (435) 896-6471

Medical Helicopter

Sevier County Dispatch (435) 896-6471

Hospital

Sevier Valley Medical Center

1000 N Main St

Richfield, UT 84701

(435) 893-4100

OTHER EMERGENCY CONTACT:

Poison Control Center 800-292-6678

A-5 Government Agency Notification Log

**NOTIFICATION OF GOVERNMENT AGENCIES IN THE EVENT OF A
RELEASE OF HYDROGEN SULFIDE GAS**

DATE:

Operating Company:

Oxy Drillsite Manager:

Drilling Contractor/Rig:

Tool Pusher:

Location:

REPORT DATE AND TIME:

ESTIMATED PPM RELEASE:

NOTIFICATION OF GOVERNMENT AGENCIES:

Contact Made By: _____

Individual Contacted Time

STATE AGENCY: () _____ (phone)

Comments: _____

XIII. APPENDIX B

B-1 Properties of Hydrogen Sulfide

- Hydrogen sulfide is a highly toxic, colorless gas with the chemical formula H_2S . It is about 20% more dense than air. It can readily be dispersed by air movement.
- It is weakly soluble in water to produce a slightly acidic solution and is strongly absorbed by alkaline solutions to form metal sulfides.
- Hydrogen sulfide forms flammable mixtures with air. The minimum auto-ignition temperature (260°C-500F) occurs at concentrations of about 15%. At higher concentrations it burns mainly to water and sulfur and at lower concentrations to water and sulfur dioxide and combustion occurs with a pale blue flame.
- Hydrogen sulfide is highly corrosive to certain metals. In particular materials containing copper should never be utilized.
- Metal sulfides are all combustible. In some cases spontaneous ignition at room temperature is possible.
- Hydrogen sulfide is easily identified by its characteristic smell of rotten eggs at **low** concentrations 1-30 ppm. A noticeable odor will exist at very low concentrations (0.01 ppm). At higher concentrations it becomes sweetish and at about 150 ppm olfactory paralysis occurs when the sense of smell cannot be relied on at all.

B-2 Physiology and Long Term Effects

- As stated previously, H₂S is extremely toxic at relatively low concentrations. Table 1 lists the various effects at different levels of exposure.
- At very low concentrations, in normal circumstances, it is absorbed through the lungs into the blood stream forming non-toxic compounds. As the level of the free radical increases it poisons the nervous system producing eventual paralysis of the respiratory centre in the brain causing respiratory failure and death.
- In addition, H₂S has a profoundly irritant effect on the eyes due to the formation of weak sulfurous acid. Acute damage may be severe with blurring of vision and the formation of blisters. Recovery is usually complete, scarring is very rare and there are no cumulative effects.
- At high concentrations the sense of smell is rapidly lost, and death by respiratory paralysis is rapid if exposure continues.
- Recent medical research now indicates that perforated eardrums do not pose any significant risk as a route for absorption of H₂S.
- Alcohol in the blood stream enhances the effect of H₂S poisoning.
- Delayed irritant effects on the lungs may present acute chemical pneumonia inflammation up to 24 hours after acute exposure and should be treated as for Pulmonary Edema, by a Medical Practitioner.
- In cases where the victim has been successfully revived, there may be permanent nervous, brain or behavioral damage due to the lack of oxygen supply to the brain during the acute poisoning phase.

TABLE 1**PHYSIOLOGICAL RESPONSES TO CONCENTRATIONS OF H₂S**

H ₂ S Concentration in air (ppm)	Response	Classification
10 ¹	Can smell Minimal effect over 8 hours	1. Permissible Exposure Limit (PEL) - 8 hour continuous exposure
10 ¹	Minimal eye irritation	Irritation
15 ²	Minimal eye irritation	Irritation
70 – 150	Kills smell in 3 - 15 minutes, irritates eyes, throat and lungs	100 ppm presents Immediate Danger to Life and Health. Concentration that may cause death
150 – 400	Loss of smell Dizziness Difficult respiration Coughing Irritation of eyes, throat and lungs Needs prompt removal to fresh air if respiratory paralysis is to be avoided	Dangerous
400 – 700	Coughing Collapse Unconsciousness Death Breathing will stop and death will result if not given artificial resuscitation immediately	Dangerous May produce severe injury or death
700 – 1000	Rapidly produces unconsciousness - permanent brain damage possible	Immediate threat to life
Above 1000ppm	Immediate unconsciousness, death in a few minutes	

Notes :

1. above values in ppm refer to concentrations "in air" and not "in stream".
2. Above values are approximate as susceptibility varies significantly between individuals exposed

B-3 Drilling Fluids and H₂S Control

The drilling fluid is the primary means of preventing a release of H₂S. It achieves this by:

- 1) Maintaining sufficient hydrostatic head to prevent H₂S influx from the formation in the wellbore.
- 2) Keeping H₂S in the mud by converting it to sodium sulfide, provided that the pH is over 10.
- 3) Removing dissolved H₂S and/or sodium sulfide with a scavenger such as Zinc Carbonate or Ironite sponge.

B-4 Controlling Principles

pH Control

In water based mud systems the dissolved H₂S reacts with the caustic to form soluble sulfide. The effect is more pronounced at higher pH. However, if the pH falls below 10, the dissolved sodium sulfide will convert back to H₂S at surface and will come out of solution as a free gas.

Scavengers

At low pH (less than 10) there is equilibrium at surface between H₂S dissolved in mud and H₂S gas bubbling out. At a pH greater than 10.5 the H₂S is converted by caustic to sodium sulfide and there is no H₂S in solution to come out at surface. If the pH is greater than 11.5 and the sulfide levels are increasing then H₂S must be entering downhole. The mud weight should be increased to prevent this and the sulfides should be treated out by adding an H₂S scavenger e.g. Zinc Carbonate or Ironite Sponge. These form insoluble Zinc Sulfides which will not be converted back to H₂S even if the pH drops.

Zinc Carbonate is the most commonly available scavenger. Approximately 0.5 lb/bbl is sufficient to treat 200 ppm H₂S or sulfide ions in the mud.

Large additions of zinc carbonate will adversely affect mud properties. This can be reduced by strict control of drilled solids and by adding thinners and KOH to the mud. These should be added as a premix to maintain the pH above 11.5.

B-5 Monitoring of H₂S Drilling Fluids

There are various methods available to monitor the level of H₂S contamination in drilling mud. The majority requires the use of mud laboratory test facilities and is not continuous in nature.

None of these methods will positively identify the presence of H₂S in the formations, but if the mud is close to balance, and seeps into the mud, they should detect it.

B-6 Stocking of Materials

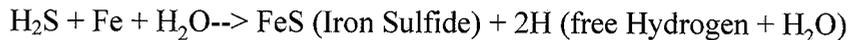
A minimum stock of Zinc Carbonate to treat the entire active system with 0.5 lbs per bbls or one (1) pallet whichever is greater should be at the rig site at all times.

XIV. APPENDIX C

C-1 Effects of H₂S on Drilling Equipment

Sulfide Stress Cracking (SCC)

Sulfide Stress Cracking, also known as hydrogen blistering, hydrogen embrittlement and stress cracking, is due to reaction of iron in a moist H₂S environment.



- Most of the hydrogen produced is released but, with pressure, some is absorbed into the metal. It migrates along the grain boundaries and recombines to form molecular hydrogen which occupies a larger volume than the hydrogen atoms.
- The hydrogen molecules cause increased internal stresses leading to blistering or embrittlement. This occurs particularly if there are any inclusions in the steel.
- Hydrogen embrittlement occurs in materials with yield strengths of over 90,000 psi. It is a true intergranular failure of the material. It is a delayed failure, since time is required for the hydrogen to diffuse in the metal to points of high stress.

Factors Affecting Failure

Failure of materials is affected by the following factors:

- H₂S concentration
- Total and partial pressure applied
- Metal chemical composition, strength, heat treatment and microstructure
- Total tensile stress
- Temperature
- Time
- Solution pH

Standards applying to metals for H₂S Situations

The most commonly applied standard for metals in a H₂S environment is the NACE Standard MR-01-75 (latest edition). This is generally accepted as the Standard for all oilfield equipment.

C-2 Metals for Use in H₂S Environment

- The major selection criterion for any metal that is to be used in an H₂S environment is the surface hardness. The relationship of SSC and surface hardness is well documented and it is evident that metals of less than 22 Rockwell "C" Hardness Scale are not susceptible to Sulfide Stress Corrosion (SSC).
- The second selection factor is the ultimate yield strength. This should be less than 95,000 psi.
- Metals within this range will not fail due to SSC throughout the full temperature range. However, there is evidence that stronger materials can be used above 160°F - see Tables 2 and 3.
- It is worth examining the various common components used in drilling in H₂S environments and how they vary from standard items.
- API recommends that all steel drill pipe used has a yield strength of less than 95,000 psi. Any failure is likely to occur near the surface, where the pipe is under maximum stress and does not have the protection of elevated temperatures. This restriction affects string design on deep wells.
- If aluminum drill pipe is used, pH must be limited to 10.5 avoid accelerated weight loss corrosion.
- Tubular goods must be made up correctly to prevent stress concentrations which can cause SSC.

Drill Collars

These are largely unaffected by H₂S because of the lower stress involved and the high operating temperatures.

Annular BOPs

Hydril manufacture their annulars with material of hardness less than Rc22 to permit use in H₂S.

The selection of packing units is governed by drilling fluid type rather than H₂S. However, H₂S will reduce the service life of the material.

BOPs

Both API and NACE lay down standards for BOP's in H₂S service. The basic requirement is for materials of hardness less than Rc22.

This is not always possible for the rams. For blind rams and rams, materials up to Rc26 can be used. For blind rams and shear rams, the blades must be of high strength, high hardness material. This makes them susceptible to SSC.

Rubber goods in the BOP's need to be changed to nitrile elastomers.

Wellhead valves for H₂S

These are produced generally to NACE MR-01-75 however, some companies prefer to tailor valves to specific requirement.

Welding of Materials

On H₂S equipment most connections are made by welding or welded flanges. The important point is that after welding the Heat Affected Zone (HAZ) must be stress relieved by tempering. The hardness of the HAZ and base metal must be less than Rc22.

The welds must be qualified to appropriate API or ASME specifications. **THIS PRECLUDES ANY FIELD WELDING.**

C-3 Precautions against H₂S Corrosion

An advantage in drilling is that the service environment can be controlled. Also operations take place at high temperatures which reduces H₂S attack.

Drilling Fluids

A number of methods can be used to control the effects of H₂S on the drill string:

- 1) Use of sulfide scavengers, to chemically absorb the H₂S e.g. Ironite sponge or Zinc carbonate.
- 2) Keeping pH in mud between 10 and 11.5 will help to neutralize H₂S.
- 3) Using oil based mud to form a non-conductive oil film on the steel.

Inspection of Components

- It is difficult to inspect items exposed to H₂S for possible SSC, due to the intergranular nature of the attack.
- If blistering occurs or the SSC is associated with inclusions in the metal, it can be detected by ultra-sonic or x-ray.

TABLE 3

Acceptable Materials for Subsurface Equipment for Direct Exposure to Sour Environment.

USE	MATERIAL
Drillable packer components	Ductile Iron (ASTM A-536, A-571)
Drillable packer components	Malleable Iron (ASTM A-2000, A-602)
Compression members	Gray Iron (ASTM A-48, A-278)
All	SCR-1Mo (ASTM A-199 Gr T9, A-200 Gr T9, A-276 Gr F9)* ASTM A-213 T9

* Maximum hardness of HRC 22
ABSTRACT FROM NACE MR-01-75 (1980)

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

FORM 6

ENTITY ACTION FORM

Operator: OXY USA Inc. Operator Account Number: N 0415
 Address: 2754 Compass Drive, Ste 170
city Grand Junction
state CO zip 81506 Phone Number: (970) 263-3629

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304130060	PLATEAU VALLEY FEDERAL 35-1		NENE	35	25S	1W	Sevier
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	17116	9/25/2008		9/30/08		
Comments: <i>KBAB</i>							CONFIDENTIAL

Well 2

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

Well 3

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

ACTION CODES:

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

Daniel I. Padilla

Name (Please Print)

Signature

Regulatory Coordinator

Title

Date

9/29/08

RECEIVED
SEP 29 2008

(5/2000)

DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING
1. DJJ
2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

9/24/2008

FROM: (Old Operator): N3035-Wolverine Operating Co of UT LLC 55 Campau NW Grand Rapids, MI 49503-2616 Phone: 1 (616) 458-1150	TO: (New Operator): N0415-OXY USA, Inc. PO Box 27757 Houston, TX 77227-7757 Phone: 1 (970) 263-3637
--	---

CA No.		Unit:						
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
BURRVILLE FED 3-1	03	250S	010W	4304130059		Federal	OW	APD
PLATEAU VLY FED 35-1	35	250S	010W	4304130060		Federal	OW	DRL

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/29/2008
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/18/2008
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 9/29/2008
- Is the new operator registered in the State of Utah: _____ Business Number: 823198-0143
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: n/a
- 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: n/a
- 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: 9/29/2008
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/29/2008
- Bond information entered in RBDMS on: n/a
- Fee/State wells attached to bond in RBDMS on: n/a
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 9/29/2008

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: ES0136
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number n/a
- The **FORMER** operator has requested a release of liability from their bond 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:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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

5. Lease Serial No.
UTU-81364

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

SUBMIT IN TRIPLICATE – Other instructions on page 2.

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

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.
Plateau Valley Federal 35-1

2. Name of Operator

OXY USA Inc. (OXY)

N0415

9. API Well No.
4304130060

3a. Address

P.O. Box 27757
Houston, TX 77227-7757

3b. Phone No. (include area code)

(970) 263-3637

10. Field and Pool or Exploratory Area
Exploratory

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Section 35, Township 25 South, Range 1 West, SLB&M

At surface: 868' FNL, 734' FEL, being in NE4NE4

At prod. zone: 868' FNL, 734' FEL, being in NE4NE4

11. Country or Parish, State
Sevier, UT (041)

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Operator change</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

OXY USA Inc. (OXY) is providing notice that the operator of the Plateau Valley Federal 35-1 well has changed from Wolverine Operating Company of Utah, LLC to OXY. OXY requests the effective date to occur on or around September 24, 2008. As part of the operator transfer, OXY has reviewed and accepts the conditions of approval as issued on June 25, 2008 by Wayne Wetzels of the Richfield Field Office of the BLM. OXY's existing BLM/BIA Bond No. is ES 0136. OXY's Utah oil and gas operator number is N0416. Also, OXY has provided the Utah Oil and Gas Commission a copy of the Notice of Intent.

APPROVED 9129108

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

RECEIVED

SEP 18 2008

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

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

Daniel I. Padilla

Title Regulatory Coordinator

Signature

[Signature]

Date

9/17/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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 <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-81364
2. NAME OF OPERATOR: Wolverine Operating Company of Utah, LLC <i>N 3035</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: * 1140 N. Centennial Park Dr. CITY Richfield STATE UT ZIP 84701		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 868' FNL, 734' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 35 25S 1W		8. WELL NAME and NUMBER: Plateau Valley Federal 35-1
PHONE NUMBER: (435) 896-1943		9. API NUMBER: 4304130060
COUNTY: Sevier		10. FIELD AND POOL, OR WILDCAT: Exploratory
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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Wolverine Operating Company of Utah, LLC will not be the operator of record for the Plateau Valley Federal 35-1. The new operator will be OXY USA Inc.

**55 Campau NW
Grand Rapids MI 49503-2616
(616) 458-1150*

CONFIDENTIAL

RECEIVED

SEP 29 2008

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Edward A. Higuera</u>	TITLE <u>Manager - Development</u>
SIGNATURE <i>Edward A. Higuera</i>	DATE <u>9/25/2008</u>

(This space for State use only)

APPROVED 9/29/08

Earlene Russell

(5/2000)

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

(See Instructions on Reverse Side)

CONFIDENTIAL

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

Request to Transfer Application or Permit to Drill

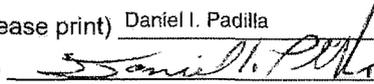
(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Plateau Valley Federal 35-1
API number:	4304130060
Location:	Qtr-Qtr: NENE Section: 35 Township: 25 South Range: 1 West
Company that filed original application:	Wolverine Operating Company of Utah, LLC
Date original permit was issued:	08/22/2008
Company that permit was issued to:	Wolverine Operating Company of Utah, LLC

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	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
<input type="checkbox"/>	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 type="checkbox"/>	<input type="checkbox"/>
If so, has the surface agreement been updated?	<input type="checkbox"/>	<input type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<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 type="checkbox"/>	<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 type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<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 type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>ES 0136</u>	<input type="checkbox"/>	<input 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) Daniel I. Padilla Title Regulatory Coordinator
 Signature  Date 9/23/08
 Representing (company name) OXY USA Inc.

RECEIVED

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator. **SEP 23 2008**

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: UTU-81364
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: N/A
2. NAME OF OPERATOR: OXY USA Inc.			8. WELL NAME and NUMBER: Plateau Valley Federal 35-1
3. ADDRESS OF OPERATOR: 2754 Compass Drive Ste 170 CITY Grand Junction STATE CO ZIP 81506		PHONE NUMBER: (970) 263-3629	9. API NUMBER: 4304130060
4. LOCATION OF WELL FOOTAGES AT SURFACE: 868' FNL, 734' FEL, being in NENE COUNTY: Sevier QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 35 25S 1W S STATE: UTAH			10. FIELD AND POOL, OR WILDCAT: Exploratory

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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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 checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> 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.

OXY USA Inc. (OXY) is providing notice to change in the original drilling plan for the Plateau Valley Federal 35-1 well. OXY's contractor, Lang Exploration and Drilling, proposes to drill 30 feet of 40-inch structural pipe and 1100 feet of 20-inch conductor. Both structural and conductor pipes will be cemented to surface. 13-3/8" surface casing is still planned to be set at 3000'. This change to the original drilling plan was due to the conventional auger rig not achieving the plans due to an unconsolidated volcanic gravel bed below the pad. Verbal approval was received from Al McKee with the BLM on September 30, 2008 regarding the change to the original drilling plan.

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

**RECEIVED
OCT 09 2008**

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Daniel I. Padilla</u>	TITLE <u>Regulatory Coordinator</u>
SIGNATURE <u><i>Daniel I. Padilla</i></u>	DATE <u>10/7/08</u>

(This space for State use only)

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-81364

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

7. UNIT or CA AGREEMENT NAME:
N/A

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Plateau Valley Federal 35-1

2. NAME OF OPERATOR:
OXY USA Inc.

9. API NUMBER:
4304130060

3. ADDRESS OF OPERATOR:
PO Box 27757 CITY **Houston** STATE **TX** ZIP **77227-7757**

PHONE NUMBER:
(970) 263-3637

10. FIELD AND POOL, OR WILDCAT:
Exploratory

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **868' FNL, 734' FEL, being in NENE**

COUNTY: **Sevier**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENE 35 25S 1W S**

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
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<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/31/2008	<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>Began drilling well</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.

OXY USA Inc. is providing notice that surface conductors have been set and drilling operations began on 10/31/2008, on the Plateau Valley Federal 35-1 well.

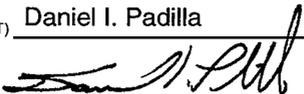
RECEIVED

NOV 10 2008

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Daniel I. Padilla

TITLE Regulatory Coordinator

SIGNATURE 

DATE 11/5/2008

(This space for State use only)

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: UTU-81364
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: N/A
2. NAME OF OPERATOR: OXY USA Inc.		8. WELL NAME and NUMBER: Plateau Valley Federal 35-1
3. ADDRESS OF OPERATOR: PO Box 27757 CITY Houston STATE TX ZIP 77227-7757		9. API NUMBER: 4304130060
4. LOCATION OF WELL FOOTAGES AT SURFACE: 868' FNL, 734' FEL, being in NENE		10. FIELD AND POOL, OR WILDCAT: Exploratory
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 35 25S 1W S		COUNTY: Sevier
		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
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	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
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	<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>Began drilling well</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.
OXY USA Inc. is providing notice that surface conductors have been set and drilling operations began on 10/31/2008, on the Plateau Valley Federal 35-1 well.

NAME (PLEASE PRINT) <u>Daniel I. Padilla</u>	TITLE <u>Regulatory Coordinator</u>
SIGNATURE	DATE <u>11/5/2008</u>

(This space for State use only)

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: UTU-81364
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1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: OXY USA Inc.		8. WELL NAME and NUMBER: Plateau Valley Federal 35-1
3. ADDRESS OF OPERATOR: PO Box 27757 CITY Houston STATE TX ZIP 77227-7757		9. API NUMBER: 4304130060
4. LOCATION OF WELL FOOTAGES AT SURFACE: 868' FNL, 734' FEL, being in NENE		10. FIELD AND POOL, OR WILDCAT: Exploratory
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 35 25S 1W S		COUNTY: Sevier
		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
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	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Began drilling well</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.

OXY USA Inc. is providing notice that surface conductors have been set and drilling operations began on 10/31/2008, on the Plateau Valley Federal 35-1 well.

NAME (PLEASE PRINT) <u>Daniel I. Padilla</u>	TITLE <u>Regulatory Coordinator</u>
SIGNATURE	DATE <u>11/5/2008</u>

(This space for State use only)

OXY USA

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT

PLATEAU VALLEY FEDERAL 35-1

USA

Date: 10/31/2008

Report No: 36

Prim. Reason: ORIG DRILL VERT

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 0.19
Today's MD: 1,211.0 ft	Progress: 111.0 ft	Ground Elev: 7,885.00 ft	Daily Cost: [REDACTED]
Prev MD: 1,100.0 ft	Rot Hrs Today: 4.50 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost: [REDACTED]
PBMD:	Avg ROP Today: 24.7 ft/hr	AFE Number: 94370114	AFE Cost: [REDACTED]

Current Formation: @ Lithology:

Current Ops: DRILLING AHEAD

24-Hr Summary: DRILLED OUT CEMENT IN THE 20" CONDUCTOR. DRILLED AHEAD @ 1211'

24-Hr Forecast: CONTINUE DRILLING TOWARDS SURFACE TD OF 3000'

CASING/WELL CONTROL	HOOKLOAD & TORQUE	HYDRAULICS	MUD GAS	Avg	Max
Last Casing: 40.000in @ 65ft	Str Wt Up/Dn: /	Pump Rate: 787.0	Conn:		
Next Casing: 9.625in @ 3,000ft	Str Wt Rot:	Pump Press: 1,400.0	Trip:		
Last BOP Press Test: 01/01/2000	Torq Off Btm:		Backgr:		
Form Test/EMW:	Torq On Btm:				

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: DUB CAMERON	1,174.0	0.12	351.99	1,174.00	1.1	-0.6	1.1	0.05	-0.05	
Supervisor 2:										
Engineer: RUSTY HANNA	990.0	0.22	349.17	990.00	0.6	-0.5	0.6	0.17	0.16	
Geologist: KIRK SPARKMAN	900.0	0.08	20.48	900.00	0.3	-0.4	0.3	0.14	-0.13	
Oxy Personnel: 0	800.0	0.21	47.21	800.00	0.1	-0.6	0.1	0.16	0.12	
Contractor Personnel: 21	700.0	0.09	358.94	700.00	-0.1	-0.7	-0.1	0.09	0.04	
Total on Site: 21	600.0	0.05	279.81	600.00	-0.1	-0.7	-0.1	0.05	-0.02	

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
1	17.500	HUGHES CHRISTE	GTX-CO9	6071441	435	1x18, 3x16	1,135.0	2,782.0	2-1-WT-A	E-I-WT-TQ

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
1	4.50	4.50	111.0	111.0	24.7	24.7	8.0/15.0	20/60	0.838	714.2	306.5	1.4

MUD DATA - NEWPARK-AVA				LAST OR CURRENT BHA			
Engineer: ED MCDANIAL/DAVE OWE	MBT: 12.5 lbm/bbl	BHA No: # 1	Bit No: 1	MD In: 1,135.0 ft			
Sample From: PIT	pH: 9.5	Purpose: ROTARY STEERABLE "PUSH THE BIT"	MD Out: 2,782.0 ft				
Mud Type: LOW SOLIDS / NON-DISP	Pm / Pom: 0.4 / 1.0	Component		OD			
Time / MD: 0:01 / 1,135.0	Chlorides: 500	TRI-CONE BIT	17.500	3.750			
Density @ Temp: 8.50 / 70	Ca+ / K+: /	RSS (PUSH BIT)	9.500	3.200			
Rheology Temp: 70	CaCl2:	STRING STABILIZER	17.375	2.440			
Viscosity: 60.00	Clom:	MWD TOOL	8.310	6.250			
PV / YP: 11 / 22	Lime:	SAVER SUB	8.070	3.000			
Gels 10s/10m/30m: 8 / 13 / 15	ES:	NON-MAG DRILL COLLAR	7.880	2.940			
API WL: 18.00	ECD:	STRING STABILIZER	17.000	2.440			
HTHP WL:	n / K: /	CROSSOVER	9.500	3.000			
Cake API / HTHP: 2.0 /	Carbonate:	SHOCK SUB	9.130	2.880			
Solids / Sol Corr: / 1.20	Bicarbonate:	CROSSOVER	9.630	2.810			
Oil / Water: 0.0 / 98.8	Form Loss: 0.0 / 0.0	DRILL COLLAR	8.000	3.000			
Sand: 0.00	Fluid Disch: /	CROSSOVER	6.630	3.000			
Water Added:		HWDP	5.000	2.625			
Oil Added:							
LGS: 1.20 / 10.80							
VG Meter: 3@3 / 8@6 / 22@300 / 44@600							
Comments: MIXED 10SX SODIUM BICARB, BUILT 100BBL LCM SWEEP, DRILLING AHEAD							
		Total Length:	1,054.00 ft	Wt below Jars:	45,973.0 kip		

MUD PRODUCTS		
Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FIBER-SEAL	40 LBS/SK	10.00
NEW CARB	50 LB/SX	10.00
NEW PHPA	5 GAL	1.00
PALLETS	EA.	19.00
SAWDUST	2000 LBS/SK	15.00
SHRINK WRAP	EA.	18.00
SODIUM BICARB	50 LB/SX	10.00
TAX	1	100.54

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 10/31/2008
Report No: 36

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
0:00	6:00	6.00	06PRES	RIGMT	REP	P	RECEIVE "MOTHER BOARD" FOR TOP DRIVE, INSTALL SAME AND TEST. PREPARE TO SPUD WELL. MAKE FINAL PRE-SPUD CHECK.	
6:00	12:00	6.00	06PRES	RIGMT	REP	P	CONTINUE INSTALL & TEST "MOTHER BOARD"	
12:00	14:00	2.00	06PRES	RIGMT	REP	P	"MOTHER BOARD" OPERATING. CHECK JCT. BOX ON TOP DRIVE, O.K.. CLIMB DERRICK & CHECK ELEC. INTEGRITY @ CROWN.	
14:00	14:30	0.50	06PRES	SAFE	PJSM	P	PRE-SPUD MEETING - ATTENDED BY ALL PERSONNEL	
14:30	17:30	3.00	07RDPR	RIGMT	SRVRIG	P	INSTALL AND TIGHTEN ALL TOP DRIVE CLAMPS. INSTALL TOP DRIVE COVER.	
17:30	18:00	0.50	14SUDR	DRLOUT	DOCMT	P	BREAK CIRC., CHECK FOR LEAKS, NONE DETECTED, COMMENCE DRILL-OUT CEMENT.	
18:00	19:30	1.50	14SUDR	DRILL	HOURM	P	FINISH DRILL CMT TO 1,135'.	
19:30	0:00	4.50	14SUDR	DRILL	RSS	P	DRILLING AHEAD W/ CONNECTIONS FROM 1,135' TO 1,211' - 76' OR 16.8 FT/HR. WOKE-UP TOOL.	
Total Time		24.00						

Safety Incident? N	Days since Last RI: 23.00	Weather Comments: CLEAR, WINDS - MILD, TEMP - 49 DEGREES
Environ Incident? N	Days since Last LTA: 23.00	
Incident Comments: No incidents reported last 24 hours.		
Other Remarks: JAMIIE HUFF - ELECTRICIAN, TO REMAIN ON LOCATION FOR 3 DAYS IN EVENT OF PROBLEMS. APPROVED BY NABORS DRLG SUPT., LEE HUTCHESON.		

OXY USA

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT

PLATEAU VALLEY FEDERAL 35-1

Date: 11/01/2008

Report No: 37

Prim. Reason: ORIG DRILL VERT

USA

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 1.19
Today's MD: 1,606.0 ft	Progress: 395.0 ft	Ground Elev: 7,885.00 ft	Daily Cost: [REDACTED]
Prev MD: 1,211.0 ft	Rot Hrs Today: 20.00 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost: [REDACTED]
PBMD:	Avg ROP Today: 19.7 ft/hr	AFE Number: 94370114	AFE Cost: [REDACTED]

Current Formation: VOLCANICS@1,135.0 Lithology: TERTIARY VOLCANICS

Current Ops: DRILLING AHEAD W/ CONNECTIONS

24-Hr Summary: DRILLED 17.5" HOLE FROM 1211' TO 1606'

24-Hr Forecast: CONTINUE TO DRILL TOWARDS SURFACE TD OF 3000'

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing: 20.000in @ 1,135ft	Str Wt Up/Dn: 165.0/ 160.0 kip	Pump Rate: 753.5	Conn: 0						
Next Casing: 13.375in @ 3,000ft	Str Wt Rot: 136.0 kip	Pump Press: 1,300.0	Trip: 0						
Last BOP Press Test: 01/01/2000	Torq Off Btm: 1,000.0 ft-lbf		Backgr: 0						
Form Test/EMW:	Torq On Btm: 6,000.0 ft-lbf								

PERSONNEL		SURVEY DATA (LAST 6)							
Supervisor 1: DUB CAMERON	MD	Incl	Azi	TVD	N/S	E/W	VS	DLS	Build
Supervisor 2:	1,585.0	0.03	171.18	1,585.00	1.3	-0.5	1.3	0.03	0.00
Engineer: RUSTY HANNA	1,490.0	0.03	114.92	1,490.00	1.3	-0.5	1.3	0.09	-0.03
Geologist: KIRK SPARKMAN	1,396.0	0.06	316.11	1,396.00	1.3	-0.5	1.3	0.10	0.02
Oxy Personnel: 0	1,301.0	0.04	89.98	1,301.00	1.2	-0.5	1.2	0.10	-0.06
Contractor Personnel: 21	1,174.0	0.12	351.99	1,174.00	1.1	-0.6	1.1	0.05	-0.05
Total on Site: 21	990.0	0.22	349.17	990.00	0.6	-0.5	0.6	0.17	0.16

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
1	17.500	HUGHES CHRISTE	GTX-CO9	6071441	435	1x18, 3x16	1,135.0	2,782.0	2-1-WT-A	E-I-WT-TQ

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
1	20.00	24.50	395.0	506.0	19.7	20.7	8.0/15.0	40/65	0.838	903.9	344.8	2.0

MUD DATA - NEWPARK-AVA				LAST OR CURRENT BHA																																																																											
Engineer: ED MCDANIEL	MBT: 12.0 lbm/bbl	BHA No: # 1	Bit No: 1	MD In: 1,135.0 ft																																																																											
Sample From: PIT	pH: 9.0	Purpose: ROTARY STEERABLE "PUSH THE BIT"	MD Out: 2,782.0 ft																																																																												
Mud Type: LOW SOLIDS / NON-DISP	Pm / Pom:	<table border="1"> <thead> <tr> <th>Component</th> <th>OD</th> <th>ID</th> <th>Jts</th> <th>Length</th> </tr> </thead> <tbody> <tr><td>TRI-CONE BIT</td><td>17.500</td><td>3.750</td><td>1</td><td>1.32</td></tr> <tr><td>RSS (PUSH BIT)</td><td>9.500</td><td>3.200</td><td>1</td><td>14.02</td></tr> <tr><td>STRING STABILIZER</td><td>17.375</td><td>2.440</td><td>1</td><td>8.09</td></tr> <tr><td>MWD TOOL</td><td>8.310</td><td>6.250</td><td>1</td><td>26.47</td></tr> <tr><td>SAVER SUB</td><td>8.070</td><td>3.000</td><td>1</td><td>1.98</td></tr> <tr><td>NON-MAG DRILL COLLAR</td><td>7.880</td><td>2.940</td><td>1</td><td>30.56</td></tr> <tr><td>STRING STABILIZER</td><td>17.000</td><td>2.440</td><td>1</td><td>7.22</td></tr> <tr><td>CROSSOVER</td><td>9.500</td><td>3.000</td><td>1</td><td>1.47</td></tr> <tr><td>SHOCK SUB</td><td>9.130</td><td>2.880</td><td>1</td><td>9.84</td></tr> <tr><td>CROSSOVER</td><td>9.630</td><td>2.810</td><td>1</td><td>3.00</td></tr> <tr><td>DRILL COLLAR</td><td>8.000</td><td>3.000</td><td>1</td><td>122.13</td></tr> <tr><td>CROSSOVER</td><td>6.630</td><td>3.000</td><td>1</td><td>2.80</td></tr> <tr><td>HWDP</td><td>5.000</td><td>2.625</td><td>4</td><td>123.06</td></tr> </tbody> </table>					Component	OD	ID	Jts	Length	TRI-CONE BIT	17.500	3.750	1	1.32	RSS (PUSH BIT)	9.500	3.200	1	14.02	STRING STABILIZER	17.375	2.440	1	8.09	MWD TOOL	8.310	6.250	1	26.47	SAVER SUB	8.070	3.000	1	1.98	NON-MAG DRILL COLLAR	7.880	2.940	1	30.56	STRING STABILIZER	17.000	2.440	1	7.22	CROSSOVER	9.500	3.000	1	1.47	SHOCK SUB	9.130	2.880	1	9.84	CROSSOVER	9.630	2.810	1	3.00	DRILL COLLAR	8.000	3.000	1	122.13	CROSSOVER	6.630	3.000	1	2.80	HWDP	5.000	2.625	4	123.06			
Component	OD	ID	Jts	Length																																																																											
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LGS: 2.00 / 18.14																																																																															
VG Meter: 7@3 / 8@6 / 18@100 / 25@200 / 31@300 / 45@600																																																																															
Comments: DRILLED FROM 1135 TO 1560, OTHER LOSSES ARE FROM PASON RE-CALIBRATING PITS. REDUCED PVT BY 140BBLs																																																																															

MUD PRODUCTS		
Product	Units	Qty Used
AQUA BLOC	50 LBS/SK	5.00
DYNA-FIBER	25 LBS	15.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FIBER-SEAL	40 LBS/SK	20.00
FLOW-ZAN	25 LB SX	9.00
NEW CARB	50 LB/SX	5.00
NEW PHPA	5 GAL	6.00
NEWEASE 203	5 GAL/CN	1.00
SAWDUST	2000 LBS/SK	15.00
TAX	1	284.38

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/01/2008
Report No: 37

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	3:00	3.00	14SUDR	DRILL	RSS	P	DRILL AHEAD W/ CONNECTIONS FROM 1,211' TO 1,243'.
3:00	3:30	0.50	14SUDR	RIGMT	SRVRIG	P	NORMAL RIG SERVICE
3:30	6:00	2.50	14SUDR	DRILL	RSS	P	DRILL AHEAD W/ CONNECTIONS FROM 1,243' TO 1,337 OR 94' IN 2.5HRS OR 37.6'/HR.
6:00	9:00	3.00	14SUDR	RIGMT	REP	PT	#1 & #2 PUMPS DOWN. REFIT LINERS IN BOTH.
9:00	14:30	5.50	14SUDR	DRILL	RSS	P	COMMENCE DRILLING AFTER REPAIRS - DRILL FROM 1,337' TO 1,436' OR 99' IN 5.5 HRS OR 18'/HR.
14:30	15:30	1.00	14SUDR	RIGMT	SRVRIG	PT	CIRC. FOR 10 MIN. WHILE WORKING PIPE. LUBE TOP DRIVE & REGULAR RIG SERVICE. BREAK CIRC. & ROTATE - MSE SCHOOL & CALIBRATIONS W/ PASSON TECH.
15:30	0:00	8.50	14SUDR	DRILL	RSS	P	DRILLING AHEAD W/ CONNECTIONS FROM 1,436' TO 1,606' OR 170' IN 6.5 HRS OR 26'/HR.
Total Time		24.00					
Safety Incident?		N		Days since Last RI:		24.00	
Environ Incident?		N		Days since Last LTA:		24.00	
Incident Comments:				Weather Comments:			
No incidents reported last 24 hours.							
Other Remarks:							

T 255 R 01 W 5-35

43-041-30060

CONFIDENTIAL		OXY USA		DAILY OPERATIONS PARTNER REPORT		Date: 11/02/2008						
Prim. Reason: ORIG DRILL VERT		PLATEAU VALLEY FEDERAL 35-1		USA		Report No: 38						
Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 2.19	Today's MD: 2,010.0 ft	Progress: 404.0 ft	Ground Elev: 7,885.00 ft	Daily Cost: [REDACTED]					
Prev MD: 1,606.0 ft	Rot Hrs Today: 23.50 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost: [REDACTED]	PBMD:	Avg ROP Today: 17.2 ft/hr	AFE Number: 94370114	AFE Cost: [REDACTED]					
Current Formation: VOLCANICS@1,135.0				Lithology: TERTIARY VOLCANICS								
Current Ops: DRILLING AHEAD W/ CONNECTIONS												
24-Hr Summary: DRILLED 17.5" HOLE FROM 1606' TO 2010'												
24-Hr Forecast: CONTINUE TO DRILL AHEAD TO TD OF 3,000+'												
CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS Avg Max						
Last Casing: 20.000in @ 1,135ft	Str Wt Up/Dn: 165.0/ 160.0 kip	Pump Rate: 787.0	Conn:	Next Casing: 13.375in @ 3,000ft	Str Wt Rot: 136.0 kip	Pump Press: 1,800.0	Trip:					
Last BOP Press Test: 01/01/2000	Torq Off Btm: 1,000.0 ft-lbf		Backgr:	Form Test/EMW:	Torq On Btm: 6,000.0 ft-lbf							
PERSONNEL		SURVEY DATA (LAST 6)										
Supervisor 1: DUB CAMERON	MD	Incl	Azi	TVD	N/S	E/W	VS	DLS	Build			
Supervisor 2:	1,966.0	0.06	15.47	1,966.00	1.4	-0.6	1.4	0.01	0.00			
Engineer: RUSTY HANNA	1,871.0	0.06	4.81	1,871.00	1.3	-0.6	1.3	0.08	0.00			
Geologist: KIRK SPARKMAN	1,775.0	0.06	285.56	1,775.00	1.2	-0.6	1.2	0.05	0.03			
Oxy Personnel: 0	1,679.0	0.03	224.68	1,679.00	1.2	-0.5	1.2	0.03	0.00			
Contractor Personnel: 21	1,585.0	0.03	171.18	1,585.00	1.3	-0.5	1.3	0.03	0.00			
Total on Site: 21	1,490.0	0.03	114.92	1,490.00	1.3	-0.5	1.3	0.09	-0.03			
BIT RECORD												
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R		
1	17.500	HUGHES CHRISTE	GTX-CO9	6071441	435	1x18, 3x16	1,135.0	2,782.0	2-1-WT-A	E-I-WT-TQ		
BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
1	23.50	48.00	404.0	910.0	17.2	19.0	20.0/30.0	84/92	0.838	835.1	329.4	1.7
MUD DATA - NEWPARK-AVA					LAST OR CURRENT BHA							
Engineer: ED MCDANIEL/DAVE OWE	MBT: 17.0 lbm/bbl	BHA No: # 1	Bit No: 1	MD In: 1,135.0 ft	Sample From: OUT	pH: 9.0	Purpose: ROTARY STEERABLE "PUSH THE BIT"	MD Out: 2,782.0 ft				
Mud Type: LOW SOLIDS / NON-DISP	Pm / Pom:											
Time / MD: 0:01 / 1,966.0	Pf / Mf: 0.2 / 0.5											
Density @ Temp: 8.60 / 97	Chlorides: 500											
Rheology Temp: 97	Ca+ / K+: /											
Viscosity: 55.00	CaCl2:											
PV / YP: 15 / 19	Clom:											
Gels 10s/10m/30m: 7 / 18 / 22	Lime:											
API WL: 11.00	ES:											
HTHP WL:	ECD: 8.66											
Cake API / HTHP: 2.0 /	n / K: /											
Solids / Sol Corr: / 2.00	Carbonate:											
Oil / Water: 0.0 / 98.0	Bicarbonate:											
Sand: 0.25	Form Loss: 121.0 / 121.0											
Water Added:	Fluid Disch: /											
Oil Added:												
LGS: 2.00 / 18.14												
VG Meter: 8@3 / 8@6 / 20@100 / 28@200 / 34@300 / 49@600												
Comments: DRILLED FROM 1560FT TO 1966 FT. REMOVED SLUG PIT VOLUME FROM PVT ON PASON TO CORRECT PVT TO 750BBLS. LOST AND REBUILT 300BBLS TO HOLE.					Total Length: 1,054.00 ft Wt below Jars: 45,973.0 kip							
MUD PRODUCTS												
Product	Units	Qty Used										
AQUA BLOC	50 LBS/SK	4.00										
CAUSTIC SODA	50 LB/SX	4.00										
ENG 24 HR #1	1	1.00										
ENG 24 HR #2	1	1.00										
FIBER-SEAL	40 LBS/SK	30.00										
FLOW-ZAN	25 LB SX	4.00										
NEW CARB	50 LB/SX	27.00										
NEW GEL HY	50 LBS/SK	174.00										
NEW PHPA	5 GAL	7.00										
SAWDUST	2000 LBS/SK	40.00										
TAX	1	264.71										

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/02/2008
Report No: 38

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	6:00	6.00	14SUDR	DRILL	RSS	P	DRILL AHEAD FROM 1,606' TO 1,731' OR 125' IN 6 HRS OR 21'/HR.
6:00	6:30	0.50	14SUDR	RIGMT	SRVRIG	P	RIG SERVICE
6:30	0:00	17.50	14SUDR	DRILL	RSS	P	DRILL AHEAD FROM 1,731' TO 2,010' OR 279' IN 11.5 HRS OR 25'/HR.
Total Time		24.00					
Safety Incident? N			Days since Last RI: 25.00		Weather Comments:		
Environ Incident? N			Days since Last LTA: 25.00		OVERCAST - WINDS S/W - GUSTY. TEMP: 45 DEGREES		
Incident Comments: No incidents reported last 24 hours.							
Other Remarks: FUEL USAGE - 1,908 GALS. MUST CHANGE DRLG PARAMETERS FOR FORMATION CHANGES THROUGH-OUT DAY.							

T 255 R01W S-35

43-041-30060

CONFIDENTIAL

OXY USA
DAILY OPERATIONS PARTNER REPORT
PLATEAU VALLEY FEDERAL 35-1
USA

Date: 11/03/2008
Report No: 39

Prim. Reason: ORIG DRILL VERT

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 3.19
Today's MD: 2,405.0 ft	Progress: 395.0 ft	Ground Elev: 7,885.00 ft	Daily Cost: [REDACTED]
Prev MD: 2,010.0 ft	Rot Hrs Today: 20.00 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost: [REDACTED]
PBMD:	Avg ROP Today: 19.7 ft/hr	AFE Number: 94370114	AFE Cost: [REDACTED]

Current Formation: VOLCANICS@1,135.0 Lithology: TERTIARY VOLCANICS

Current Ops: DRILLING AHEAD W/ CONNECTIONS

24-Hr Summary: CONTROL DRILL 17.5" HOLE. ADJUST W/ FORMATION CHANGES

24-Hr Forecast: CONTINUE TO DRILL AHEAD TO TD OF 3,000 +/-

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing: 20.000in @ 1,135ft	Str Wt Up/Dn: 165.0/ 160.0 kip	Pump Rate: 0.0	Conn: 0	0					
Next Casing: 13.375in @ 3,000ft	Str Wt Rot: 136.0 kip	Pump Press: 0.0	Trip: 0	0					
Last BOP Press Test: 01/01/2000	Torq Off Btm: 1,000.0 ft-lbf	Backgr: 0	0	0					
Form Test/EMW:	Torq On Btm: 6,000.0 ft-lbf								

PERSONNEL	SURVEY DATA (LAST 6)								
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 1: DUB CAMERON	2,347.0	0.04	13.52	2,347.00	1.6	-0.4	1.6	0.00	0.00
Supervisor 2:	2,347.0	0.04	13.52	2,347.00	1.6	-0.4	1.6	0.00	0.00
Engineer: RUSTY HANNA	2,252.0	0.04	13.73	2,252.00	1.6	-0.4	1.6	0.06	-0.05
Geologist: KIRK SPARKMAN	2,252.0	0.04	13.73	2,252.00	1.6	-0.4	1.6	0.06	-0.05
Oxy Personnel: 0	2,156.0	0.09	42.27	2,156.00	1.5	-0.5	1.5	0.07	0.06
Contractor Personnel: 26	2,156.0	0.09	42.27	2,156.00	1.5	-0.5	1.5	0.00	0.00
Total on Site: 26									

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
1	17.500	HUGHES CHRISTE	GTX-CO9	6071441	435	1x18, 3x16	1,135.0	2,782.0	2-1-WT-A	E-I-WT-TQ

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
1	23.50	71.50	377.0	1,287.0	16.0	18.0	16.0/38.0	60/90	0.838	740.8	310.3	1.5

MUD DATA - NEWPARK-AVA					LAST OR CURRENT BHA																																																																					
Engineer: McDANIEL / OWENS	MBT:	BHA No: # 1	Bit No: 1	MD In: 1,135.0 ft																																																																						
Sample From: PIT	pH:	Purpose: ROTARY STEERABLE "PUSH THE BIT"	MD Out: 2,782.0 ft																																																																							
Mud Type: LOW SOLIDS / NON-DISP	Pm / Pom:	<table border="1"> <thead> <tr> <th>Component</th> <th>OD</th> <th>ID</th> <th>Jts</th> <th>Length</th> </tr> </thead> <tbody> <tr><td>TRI-CONE BIT</td><td>17.500</td><td>3.750</td><td>1</td><td>1.32</td></tr> <tr><td>RSS (PUSH BIT)</td><td>9.500</td><td>3.200</td><td>1</td><td>14.02</td></tr> <tr><td>STRING STABILIZER</td><td>17.375</td><td>2.440</td><td>1</td><td>8.09</td></tr> <tr><td>MWD TOOL</td><td>8.310</td><td>6.250</td><td>1</td><td>26.47</td></tr> <tr><td>SAVER SUB</td><td>8.070</td><td>3.000</td><td>1</td><td>1.98</td></tr> <tr><td>NON-MAG DRILL COLLAR</td><td>7.880</td><td>2.940</td><td>1</td><td>30.56</td></tr> <tr><td>STRING STABILIZER</td><td>17.000</td><td>2.440</td><td>1</td><td>7.22</td></tr> <tr><td>CROSSOVER</td><td>9.500</td><td>3.000</td><td>1</td><td>1.47</td></tr> <tr><td>SHOCK SUB</td><td>9.130</td><td>2.880</td><td>1</td><td>9.84</td></tr> <tr><td>CROSSOVER</td><td>9.630</td><td>2.810</td><td>1</td><td>3.00</td></tr> <tr><td>DRILL COLLAR</td><td>8.000</td><td>3.000</td><td>1</td><td>122.13</td></tr> <tr><td>CROSSOVER</td><td>6.630</td><td>3.000</td><td>1</td><td>2.80</td></tr> <tr><td>FWDP</td><td>5.000</td><td>2.625</td><td>4</td><td>123.06</td></tr> </tbody> </table>			Component	OD	ID	Jts	Length	TRI-CONE BIT	17.500	3.750	1	1.32	RSS (PUSH BIT)	9.500	3.200	1	14.02	STRING STABILIZER	17.375	2.440	1	8.09	MWD TOOL	8.310	6.250	1	26.47	SAVER SUB	8.070	3.000	1	1.98	NON-MAG DRILL COLLAR	7.880	2.940	1	30.56	STRING STABILIZER	17.000	2.440	1	7.22	CROSSOVER	9.500	3.000	1	1.47	SHOCK SUB	9.130	2.880	1	9.84	CROSSOVER	9.630	2.810	1	3.00	DRILL COLLAR	8.000	3.000	1	122.13	CROSSOVER	6.630	3.000	1	2.80	FWDP	5.000	2.625	4	123.06
Component	OD	ID	Jts	Length																																																																						
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Density @ Temp: 8.70 / 105	Chlorides: /																																																																									
Rheology Temp: 90	Ca+ / K+: /																																																																									
Viscosity: 61.00	CaCl2:																																																																									
PV / YP: 15 / 19	Clom:																																																																									
Gels 10s/10m/30m: 11 / 25 / 29	Lime:																																																																									
API WL: 10.00	ES:																																																																									
HTHP WL:	ECD: 8.74																																																																									
Cake API / HTHP: 2.0 /	n / K: /																																																																									
Solids / Sol Corr: /	Carbonate:																																																																									
Oil / Water: / 97.3	Bicarbonate:																																																																									
Sand: 0.29	Form Loss: / 121.0																																																																									
Water Added:	Fluid Disch: /																																																																									
Oil Added:																																																																										
LGS: /																																																																										
VG Meter: 5@3 / 7@6 / 11@100 / 25@200 / 33@300 / 49@600																																																																										
Comments: DRILLED FROM 1'966FT TO 2375FT. STILL EXPERIENCING MINOR SEEPAGES OF 25BBLs AND STILL PUMPING LCM SWEEPS.																																																																										

MUD PRODUCTS		
Product	Units	Qty Used
AQUA BLOC	50 LBS/SK	1.00
CAUSTIC SODA	50 LB/SX	4.00
DYNA-FIBER	25 LBS	1.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
NEW CARB	50 LB/SX	32.00
NEW GEL	100 LBS/SK	70.00
NEW PHPA	5 GAL	6.00
SAWDUST	2000 LBS/SK	50.00
TAX	1	118.06
TRUCKING SERVICE	EACH	1,502.46

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/03/2008
Report No: 39

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	6:00	6.00	14SUDR	DRILL	RSS	P	DRLG FROM 2,010' TO 2,108' OR 98' IN 6 HRS OR 17'/HR. WOB - 28K; RPM - 80; GPM - 757.
6:00	8:30	2.50	14SUDR	DRILL	RSS	P	DRLG FROM 2,108' TO 2,128' @ 8'/HR. ROP INCREASES TO 54' PER HR. WOB - 30K; RPM - 80; GPM 757.
8:30	12:00	3.50	14SUDR	DRILL	RSS	P	DRILL AHEAD FROM 2,128' TO 2,212' OR 84' IN 3.5HRS OR 25'/HR. BIT WT - 25K; RPM - 87.
12:00	16:30	4.50	14SUDR	DRILL	RSS	P	DRILL FROM 2,212' TO 2,298' OR 86' IN 4.4 HRS OR 19'/HR.
16:30	17:00	0.50	14SUDR	RIGMT	SRVRIG	P	RIG SERVICE
17:00	0:00	7.00	14SUDR	DRILL	RSS	P	DRILL FROM 2,298' TO 2,405' OR 107' IN 7 HRS OR 15.2'/HR. WOB - 30K; RPM - 78; GPM - 810.

Total Time 24.00

Safety Incident? N **Days since Last RI:** 26.00
Environ Incident? N **Days since Last LTA:** 26.00

Weather Comments:
 OVERCAST; WINDS CALM; TEMP - 28 DEGREES.

Incident Comments:
 No incidents reported last 24 hours.

Other Remarks: DIESEL USED - 2,544 GALS. DIESEL ON HAND - 14,416 GALS.

T 255 R 01W S-35

43-041-30068

CONFIDENTIAL

OXY USA
DAILY OPERATIONS PARTNER REPORT

PLATEAU VALLEY FEDERAL 35-1
USA

Date: 11/04/2008
Report No: 40

Prim. Reason: ORIG DRILL VERT

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 4.19
Today's MD: 2,703.0 ft	Progress: 298.0 ft	Ground Elev: 7,885.00 ft	Daily Cost: [REDACTED]
Prev MD: 2,405.0 ft	Rot Hrs Today: 21.50 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost: [REDACTED]
PBMD:	Avg ROP Today: 13.9 ft/hr	AFE Number: 94370114	AFE Cost: [REDACTED]

Current Formation: TERTIARY@1,135.0 Lithology: BLACK CAP MTN @ 2,552.

Current Ops: DRILL AHEAD TO SURFACE HOLE TD OF 3,000'. FORM: CHANGES EVERY 3-5'.

24-Hr Summary: CONTINUE TO DRILL AHEAD W/ CONNECTIONS

24-Hr Forecast: CONTINUE TO DRILL AHEAD W/ CONNECTIONS TO 3,000+.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing: 20.000in @ 1,135ft	Str Wt Up/Dn: 165.0/ 160.0 kip	Pump Rate: 410.2	Conn: 0	0					
Next Casing: 13.375in @ 3,000ft	Str Wt Rot: 136.0 kip	Pump Press: 1,493.0	Trip: 0	0					
Last BOP Press Test: 01/01/2000	Torq Off Btm: 1,000.0 ft-lbf		Backgr: 0	0					
Form Test/EMW:	Torq On Btm: 6,000.0 ft-lbf								

PERSONNEL	SURVEY DATA (LAST 6)								
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 1: DUB CAMERON									
Supervisor 2:	2,631.0	0.06	349.56	2,631.00	1.8	-0.5	1.8	0.04	0.02
Engineer: RUSTY HANNA	2,536.0	0.04	313.11	2,536.00	1.7	-0.4	1.7	0.04	0.04
Geologist: KIRK SPARKMAN	2,443.0	0.00	12.15	2,443.00	1.7	-0.4	1.7	0.04	-0.04
Oxy Personnel: 0	2,347.0	0.04	13.52	2,347.00	1.6	-0.4	1.6	0.00	0.00
Contractor Personnel: 25	2,347.0	0.04	13.52	2,347.00	1.6	-0.4	1.6	0.00	0.00
Total on Site: 25	2,252.0	0.04	13.73	2,252.00	1.6	-0.4	1.6	0.06	-0.05

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
1	17.500	HUGHES CHRISTE	GTX-CO9	6071441	435	1x18, 3x16	1,135.0	2,782.0	2-1-WT-A	E-I-WT-TQ

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
1	21.50	116.50	298.0	1,962.0	13.9	16.8	27.0/36.0	67/73	0.838	749.4	310.3	1.5

MUD DATA - NEWPARK-AVA				LAST OR CURRENT BHA				
Engineer: ED MCDANIEL/DAVE OWE	MBT: 30.0 lbm/bbl	BHA No: # 1	Bit No: 1	MD In: 1,135.0 ft				
Sample From: OUT	pH: 9.0	Purpose: ROTARY STEERABLE "PUSH THE BIT"	MD Out: 2,782.0 ft					
Mud Type: LOW SOLIDS / NON-DISP	Pm / Pom:	Component						
Time / MD: 0:01 / 2,710.0	Pf / Mf: 0.4 / 0.6	TRI-CONE BIT	OD	ID	Jts	Length		
Density @ Temp: 8.70 / 102	Chlorides: 300	RSS (PUSH BIT)	17.500	3.750	1	1.32		
Rheology Temp: 102	Ca+ / K+: /	STRING STABILIZER	9.500	3.200	1	14.02		
Viscosity: 63.00	CaCl2:	MWD TOOL	17.375	2.440	1	8.09		
PV / YP: 20 / 15	Clom:	SAVER SUB	8.310	6.250	1	26.47		
Gels 10s/10m/30m: 12 / 25 / 32	Lime:	NON-MAG DRILL COLLAR	8.070	3.000	1	1.98		
API WL: 9.00	ES:	STRING STABILIZER	7.880	2.940	1	30.56		
HTHP WL:	ECD: 8.75	CROSSOVER	17.000	2.440	1	7.22		
Cake API / HTHP: 2.0 /	n / K: /	SHOCK SUB	9.500	3.000	1	1.47		
Solids / Sol Corr: /	Carbonate:	CROSSOVER	9.130	2.880	1	9.84		
Oil / Water: 0.0 / 97.3	Bicarbonate:	DRILL COLLAR	9.630	2.810	1	3.00		
Sand: 0.30	Form Loss: 29.0 / 150.0	CROSSOVER	8.000	3.000	1	122.13		
Water Added:	Fluid Disch: /	CROSSOVER	6.630	3.000	1	2.80		
Oil Added:		HWDP	5.000	2.625	4	123.06		
LGS: 2.70 / 24.50		Total Length: 1,054.00 ft Wt below Jars: 45,973.0 kip						
VG Meter: 7@3 / 8@6 / 18@100 / 23@200 / 35@300 / 55@600								
Comments: DRILLED FROM 2375 TO 2710.								

MUD PRODUCTS		
Product	Units	Qty Used
DYNA-FIBER	25 LBS	5.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
NEW CARB	50 LB/SX	25.00
NEW GEL	100 LBS/SK	10.00
NEW PHPA	5 GAL	4.00
PALLETS	EA.	18.00
SAWDUST	2000 LBS/SK	15.00
SHRINK WRAP	EA.	18.00
TAX	1	122.94

OXY USA

DAILY OPERATIONS PARTNER REPORTEvent: EXPL DRILLING
Prim. Reason: ORIG DRILL VERTPLATEAU VALLEY FEDERAL 35-1
USADate: 11/04/2008
Report No: 40**OPERATIONS**

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
0:00	6:00	6.00	14SUDR	DRILL	RSS	P	DRILL FROM 2,405' TO 2,495' OR 90' IN 6 HRS OR 15'/HR. BIT WT - 37K; RPM - 80; GPM - 810; PP - 1,800.	
6:00	12:00	6.00	14SUDR	DRILL	RSS	P	DRILL FROM 2,495' TO 2,593' OR 99' IN 6 HRS OR 16.5'/HR. ROP DROPS TO 5.6'/HR.	
12:00	14:30	2.50	14SUDR	DRILL	RSS	P	DRILL FROM 2,593' TO 2,623' OR 30' IN 2.5 HRS OR 12'/HR. BIT WT - 40K; RPM - 88; GPM - 810; PP - 1,821 PSI. TORQUE - 2,000 FT/LBS	
14:30	15:30	1.00	14SUDR	DRILL	RSS	P	DRILL FROM 2,323', ADJUST BIT WT AND RPM TO MAKE BIT DRILL. ROP - 7.9'/HR. PICK-UP OFF BOTTOM AND SET BACK DOWN TO MAKE BIT "BITE". CONSULT W/ MUD LOGGER. INFORMED ME THAT WE WERE IN ARAPIEN LIMESTONE. CHANGE DRLG PARAMETERS TO "HARD ROCK".	
15:30	16:00	0.50	14SUDR	DRILL	RSS	P	DRILL AHEAD FROM 2,629'. BIT WT - 26K; RPM - 72; GPM - 800; ROP 14.2'/HR. LOST 200 PSI PMP PRESSURE. CHECK-OUT PUMPS - NO PROBLEM. P/U OFF BTM - NO DRAG. BACK TO BTM AND DRILL.	
16:00	16:30	0.50	14SUDR	DRILL	RSS	P	CONTINUE TO ANALYZE PROBLEM WHILE DRLG. FROM 2,630'. PUMP # 2 SUCKING AIR. CHANGE TO PUMPS # 1 & 3. CONTINUE TO DRILL AHEAD FROM 2,633' - ROP 10.5'/HR.	
16:30	0:00	7.50	14SUDR	DRILL	RSS	P	DRILL FROM 2,633' TO 2,703' OR 70' IN 7.5HRS OR 9.6'/HR. BIT WT - 34K; RPM - 67; GPM - 810; PP - 1960; TORQUE - 2,000.	
Total Time		24.00						

Safety Incident? N	Days since Last RI: 27.00	Weather Comments: LIGHT SNOW - 4"; TEMP: 20 DEGREES
Environ Incident? N	Days since Last LTA: 27.00	
Incident Comments: No incidents reported last 24 hours.		
Other Remarks: DIESEL USED: 2,968 GALS. DIESEL ON HAND: 10,388 GALS.		

T 255 ROW S-35

43-041-30060

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT

OXY USA

PLATEAU VALLEY FEDERAL 35-1

Date: 11/05/2008

Prim. Reason: ORIG DRILL VERT

USA

Report No: 41

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 5.19
Today's MD: 2,783.0 ft	Progress: 80.0 ft	Ground Elev: 7,885.00 ft	Daily Cost:
Prev MD: 2,703.0 ft	Rot Hrs Today: 10.00 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost:
PBMD:	Avg ROP Today: 8.0 ft/hr	AFE Number: 94370114	AFE Cost:

Current Formation: TERTIARY@2,552.0 Lithology: BLACK CAP MOUNTAIN. SAND, LIMESTONE, CLAY & VOLCANIC

Current Ops: DRILL AHEAD TO SURFACE TD OF 3,000'

24-Hr Summary: DRILL AHEAD W/ FORMATION CHANGES EVERY 3-5'

24-Hr Forecast: CONTINUE TO DRILL AHEAD W/ DRILLING PARAMETERS.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing: 20.000in @ 1,135ft	Str Wt Up/Dn: 165.0/ 160.0 kip	Pump Rate: 0.0	Conn:						
Next Casing: 13.375in @ 3,000ft	Str Wt Rot: 136.0 kip	Pump Press: 0.0	Trip:						
Last BOP Press Test: 01/01/2000	Torq Off Btm: 1,000.0 ft-lbf		Backgr:						
Form Test/EMW:	Torq On Btm: 6,000.0 ft-lbf								

PERSONNEL	SURVEY DATA (LAST 6)								
	MD	Incl	Azi	TVD	N/S	E/W	VS	DLS	Build
Supervisor 1: DUB CAMERON	2,631.0	0.06	349.56	2,631.00	1.8	-0.5	1.8	0.04	0.02
Supervisor 2: ROD MANIACI	2,536.0	0.04	313.11	2,536.00	1.7	-0.4	1.7	0.04	0.04
Engineer: RUSTY HANNA	2,443.0	0.00	12.15	2,443.00	1.7	-0.4	1.7	0.04	-0.04
Geologist: KIRK SPARKMAN	2,347.0	0.04	13.52	2,347.00	1.6	-0.4	1.6	0.00	0.00
Oxy Personnel: 0	2,347.0	0.04	13.52	2,347.00	1.6	-0.4	1.6	0.00	0.00
Contractor Personnel: 27	2,252.0	0.04	13.73	2,252.00	1.6	-0.4	1.6	0.06	-0.05
Total on Site: 27									

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
1	17.500	HUGHES CHRISTE	GTX-CO9	6071441	435	1x18, 3x16	1,135.0	2,782.0	2-1-WT-A	E-I-WT-TQ

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
1	10.00	148.00	1,648.0	3,908.0	164.8	26.4	25.0/36.0	60/80	0.838	1,043.7	348.6	2.3

MUD DATA - NEWPARK-AVA	
Engineer: ED MCDANIEL/NICK LIGH	MBT: 32.5 lbm/bbl
Sample From: PIT	pH: 8.4
Mud Type: LOW SOLIDS / NON-DISP	Pm / Pom:
Time / MD: 0:01 / 2,805.0	Pf / Mf: 0.1 / 0.5
Density @ Temp: 8.90 / 80	Chlorides: 300
Rheology Temp: 80	Ca+ / K+: /
Viscosity: 60.00	CaCl2:
PV / YP: 17 / 20	Clom:
Gels 10s/10m/30m: 7 / 22 / 30	Lime:
API WL: 10.20	ES:
HTHP WL:	ECD: 8.90
Cake API / HTHP: 2.0 /	n / K: /
Solids / Sol Corr: / 4.20	Carbonate:
Oil / Water: / 95.8	Bicarbonate:
Sand: 0.30	Form Loss: 47.0 / 197.0
Water Added:	Fluid Disch: /
Oil Added:	
LGS: / 4.20	
VG Meter: 6@3 / 7@6 / 22@100 / 30@200 / 37@300 / 54@600	
Comments: DRILLED FROM 2710 TO 2805, (12 HRS); DECISION WAS MADE TO TOOH FOR NEW BIT. PUMPED SWEEP AND SLUG AND PROCEEDED TO POOH. TIGHT HOLE @ 2495 NECESSITATED BACK-REAMING FROM 2495 TO 1700.	

LAST OR CURRENT BHA				
Component	OD	ID	Jts	Length
BHA No: # 1	Bit No: 1	MD In: 1,135.0 ft		
Purpose: ROTARY STEERABLE "PUSH THE BIT"	MD Out: 2,782.0 ft			
TRI-CONE BIT	17.500	3.750	1	1.32
RSS (PUSH BIT)	9.500	3.200	1	14.02
STRING STABILIZER	17.375	2.440	1	8.09
WWD TOOL	8.310	6.250	1	26.47
SAVER SUB	8.070	3.000	1	1.98
NON-MAG DRILL COLLAR	7.880	2.940	1	30.56
STRING STABILIZER	17.000	2.440	1	7.22
CROSSOVER	9.500	3.000	1	1.47
SHOCK SUB	9.130	2.880	1	9.84
CROSSOVER	9.630	2.810	1	3.00
DRILL COLLAR	8.000	3.000	1	122.13
CROSSOVER	6.630	3.000	1	2.80
HWDP	5.000	2.625	4	123.06
Total Length:	1,054.00 ft	Wt below Jars:	45,973.0 kip	

MUD PRODUCTS		
Product	Units	Qty Used
CAUSTIC SODA	50 LB/SX	6.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
NEW BAR	100 LB/SX	80.00
NEW PHPA	5 GAL	2.00
SALT	50 LB/SX	3.00
TAX	1	1.00
TRUCKING SERVICE	EACH	1.00

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/05/2008
Report No: 41

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	0:30	0.50	14SUDR	RIGMT	SRVRIG	P	RIG SERVICE
0:30	6:00	5.50	14SUDR	DRILL	RSS	P	DRILL AHEAD FROM 2,703' TO 2,761' OR 58' IN 5.5 HRS. OR 10.6'/HR. BIT WT: 34K; RPM: 63; GPM: 810; PP: 1,920 PSI; TORQUE: 2,000 FT/LBS. FORMATION CHANGING EVERY 3-5'. MAINTAIN SAME DRLG PARAMETERS THROUGH-OUT.
6:00	10:30	4.50	14SUDR	DRILL	RSS	P	DRILL AHEAD FROM 2,761' TO 2,782' OR 22' IN 4.5 HRS OR OR 4.8'/HR. MWD - STICK & SLIP @ 2,780' TO 2,783'. CONTACT DRLG SUPT. & ADVISE.
10:30	13:30	3.00	14SUDR	RIGMT	REP	PT	INSTALL FILL LINE TO POOH. MIX SLUG. COULD NOT PUMP SLUG. ALL ATTEMPTS FAIL. R/U MUD BUCKET TO ACTIVE SYSTEM.
13:30	17:30	4.00	14SUDR	TRIP	DRILL	P	POOH FOR BIT # 2. DRAG BHA OUT OF HOLE FROM 2,495' TO 1940'. DID NOT PULL OVER 20K & BACK REAM THROUGH ENTIRE INTERVAL.
17:30	19:00	1.50	14SUDR	TRIP	DRILL	P	CONTINUE OUT OF HOLE. BEGIN DRAGGING @ 1,840'. KELLY-UP AND BACK REAM TO 1705'
19:00	0:00	5.00	14SUDR	TRIP	DRILL	P	TRIP OUT FROM 1705'

Total Time 24.00

Safety Incident? N **Days since Last RI:** 28.00

Environ Incident? N **Days since Last LTA:** 28.00

Weather Comments:
 CLEAR. / TEMP 22 DEGREES / 13 MPH NNW

Incident Comments:
 No incidents reported last 24 hours.

Other Remarks: NO ACCIDENTS, NO SPILLS
 DIESEL USED: 1,908 GALS. DIESEL ON HAND: 12,084 GALS.

T255 ROW S-35

43-041-30060

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT

OXY USA

PLATEAU VALLEY FEDERAL 35-1
USA

Date: 11/06/2008
Report No: 42

Prim. Reason: ORIG DRILL VERT

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 6.19
Today's MD: 2,839.0 ft	Progress: 56.0 ft	Ground Elev: 7,885.00 ft	Daily Cost: [REDACTED]
Prev MD: 2,783.0 ft	Rot Hrs Today: 11.50 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost: [REDACTED]
PBMD:	Avg ROP Today: 4.9 ft/hr	AFE Number: 94370114	AFE Cost: [REDACTED]

Current Formation: TERTIARY@2,552.0 Lithology: BLACK CAP MOUNTAIN

Current Ops: TRIP OUT & INVESTIGATE PRESSURE LOSS

24-Hr Summary: TRIP IN WITH NEW BIT & RSS TOOL / DRILL TO 2839' / TRIP OUT & INVESTIGATE PRESSURE LOST

24-Hr Forecast: INSPECT DOWN HOLE TOOLS / EVALUATE & MITIGATE AS NEEDED

CASING/WELL CONTROL	HOOKLOAD & TORQUE	HYDRAULICS	MUD GAS	Avg	Max
Last Casing: 20.000in @ 1,135ft	Str Wt Up/Dn: 180.0/ 178.0 kip	Pump Rate: 883.3	Conn:		
Next Casing: 13.375in @ 3,000ft	Str Wt Rot: 180.0 kip	Pump Press: 1,608.0	Trip:		
Last BOP Press Test: 01/01/2000	Torq Off Btm: 1,500.0 ft-lbf		Backgr:		
Form Test/EMW:	Torq On Btm: 2,000.0 ft-lbf				

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: DUB CAMERON	2,631.0	0.06	349.56	2,631.00	1.8	-0.5	1.8	0.04	0.02	
Supervisor 2: ROD MANIACI	2,536.0	0.04	313.11	2,536.00	1.7	-0.4	1.7	0.04	0.04	
Engineer: RUSTY HANNA	2,443.0	0.00	12.15	2,443.00	1.7	-0.4	1.7	0.04	-0.04	
Geologist: KIRK SPARKMAN	2,347.0	0.04	13.52	2,347.00	1.6	-0.4	1.6	0.00	0.00	
Oxy Personnel: 0	2,347.0	0.04	13.52	2,347.00	1.6	-0.4	1.6	0.00	0.00	
Contractor Personnel: 27	2,347.0	0.04	13.52	2,347.00	1.6	-0.4	1.6	0.00	0.00	
Total on Site: 27	2,252.0	0.04	13.73	2,252.00	1.6	-0.4	1.6	0.06	-0.05	

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
2	17.500	HUGHES CHRISTE	GTX-C20	6068047	515	3x20	2,782.0		--	--
1	17.500	HUGHES CHRISTE	GTX-CO9	6071441	435	1x18, 3x16	1,135.0	2,782.0	2-1-WT-A	E-I-WT-TQ

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
2	11.50	11.50	57.0	57.0	5.0	5.0	25.0/30.0	110/130	0.920	819.0	320.7	1.8
1	10.00	158.00	298.0	4,206.0	29.8	26.6	27.0/36.0	67/73	0.838	785.7	314.1	1.6

MUD DATA - NEWPARK-AVA				LAST OR CURRENT BHA																																																																											
Engineer: ED MCDANIEL/NICK LIGH	MBT: 30.0 lbm/bbl	BHA No: 2	Bit No: 2	MD In: 2,782.0 ft																																																																											
Sample From: PIT	pH: 8.5	Purpose: DRILL VERTICAL SURFACE HOLE	MD Out:																																																																												
Mud Type: LOW SOLIDS / NON-DISP	Pm / Pom:	<table border="1"> <thead> <tr> <th>Component</th> <th>OD</th> <th>ID</th> <th>Jts</th> <th>Length</th> </tr> </thead> <tbody> <tr><td>TRI-CONE BIT</td><td>17.500</td><td>3.750</td><td>1</td><td>1.32</td></tr> <tr><td>RSS (PUSH BIT)</td><td>9.500</td><td>3.200</td><td>1</td><td>14.02</td></tr> <tr><td>STRING STABILIZER</td><td>17.375</td><td>2.440</td><td>1</td><td>8.09</td></tr> <tr><td>MWD TOOL</td><td>8.310</td><td>6.250</td><td>1</td><td>26.47</td></tr> <tr><td>SAVER SUB</td><td>8.070</td><td>3.000</td><td>1</td><td>1.98</td></tr> <tr><td>NON-MAG DRILL COLLAR</td><td>7.880</td><td>2.940</td><td>1</td><td>30.56</td></tr> <tr><td>STRING STABILIZER</td><td>17.000</td><td>2.440</td><td>1</td><td>7.22</td></tr> <tr><td>CROSSOVER</td><td>9.500</td><td>3.000</td><td>1</td><td>1.47</td></tr> <tr><td>SHOCK SUB</td><td>9.130</td><td>2.880</td><td>1</td><td>9.84</td></tr> <tr><td>CROSSOVER</td><td>9.630</td><td>2.810</td><td>1</td><td>3.00</td></tr> <tr><td>DRILL COLLAR</td><td>8.000</td><td>3.000</td><td>1</td><td>122.13</td></tr> <tr><td>CROSSOVER</td><td>6.630</td><td>3.000</td><td>1</td><td>2.80</td></tr> <tr><td>HWDP</td><td>5.000</td><td>2.625</td><td>4</td><td>123.06</td></tr> </tbody> </table>					Component	OD	ID	Jts	Length	TRI-CONE BIT	17.500	3.750	1	1.32	RSS (PUSH BIT)	9.500	3.200	1	14.02	STRING STABILIZER	17.375	2.440	1	8.09	MWD TOOL	8.310	6.250	1	26.47	SAVER SUB	8.070	3.000	1	1.98	NON-MAG DRILL COLLAR	7.880	2.940	1	30.56	STRING STABILIZER	17.000	2.440	1	7.22	CROSSOVER	9.500	3.000	1	1.47	SHOCK SUB	9.130	2.880	1	9.84	CROSSOVER	9.630	2.810	1	3.00	DRILL COLLAR	8.000	3.000	1	122.13	CROSSOVER	6.630	3.000	1	2.80	HWDP	5.000	2.625	4	123.06			
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Time / MD: 19:30 / 2,825.0	Pf / Mf: 0.1 / 0.5	Total Length: 1,054.00 ft	Wt below Jars: 45,973.0 kip																																																																												
Density @ Temp: 8.70 / 80	Chlorides: 400																																																																														
Rheology Temp: 80	Ca+ / K+: /																																																																														
Viscosity: 61.00	CaCl2:																																																																														
PV / YP: 15 / 18	Clom:																																																																														
Gels 10s/10m/30m: 7 / 23 / 30	Lime:																																																																														
API WL: 10.60	ES:																																																																														
HTHP WL:	ECD: 8.70																																																																														
Cake API / HTHP: 2.0 /	n / K: /																																																																														
Solids / Sol Corr: 2.70 / 2.70	Carbonate:																																																																														
Oil / Water: /	Bicarbonate:																																																																														
Sand: 0.30	Form Loss: 54.0 / 251.0																																																																														
Water Added:	Fluid Disch: /																																																																														
Oil Added:																																																																															
LGS: 2.70 / 24.49																																																																															

VG Meter: 6@3 / 7@6 / 20@100 / 28@200 / 33@300 / 48@600
 Comments: COMPLETED POOH & BIT/BHA CHANGE. TIH AND TAGGED @ 2780, WITHOUT REAMING IN; HAD 2 FEET OF FILL. BROKE IN NEW 17.5 BIT AND DRILLING AHEAD @ 2834 AT REPORT TIME WITHOUT LOSSES OR HOLE PROBLEMS.

MUD PRODUCTS		
Product	Units	Qty Used
CAUSTIC SODA	50 LB/SX	2.00
DYNA-FIBER	25 LBS	29.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FLOW-ZAN	25 LB SX	4.00
NEW CARB	50 LB/SX	27.00
NEW PHPA	5 GAL	4.00
PALLETS	EA.	18.00
SAWDUST	2000 LBS/SK	30.00
SHRINK WRAP	EA.	18.00
TAX	1	1.00

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/06/2008
Report No: 42

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	3:00	3.00	14SUDR	TRIP	DRILL	P	TRIP OUT TO BIT
3:00	4:00	1.00	14SUDR	TRIP	DRILL	P	CHANGE OUT BIT & RSS TOOL
4:00	6:00	2.00	14SUDR	TRIP	DRILL	P	TRIP IN HOLE WITH BHA #2
6:00	7:00	1.00	14SUDR	TRIP	DRILL	P	TIH TO 1,100'. BREAK CIRC.
7:00	7:30	0.50	14SUDR	RIGMT	SRVRIG	PT	RIG SERVICE
7:30	10:00	2.50	14SUDR	TRIP	DRILL	PT	INSTALL ROTATING HEAD RUBBER, & CONTINUE IN HOLE. TAG FILL @ 2,780'. 2' OF FILL & DRILL-OUT.
10:00	12:00	2.00	14SUDR	DRILL	RSS	P	DRILL & FACE BIT, BEGIN INTRODUCING "NEW EASE" INTO DP ON CONN. (1-2 GALS) TO PREVENT BALLING OF BIT. DRILL FROM 2,783' TO 2,791'.
12:00	14:30	2.50	14SUDR	DRILL	RSS	P	DRILL FROM 2,791' W/ 18K ON BIT. 110 RPM & 883 GPM W/ 1,000 FT/LBS TORQUE. ROP 10'/HR. INCREASE TO 22K ON BIT W/ 110 RPM, ROP - 5'/HR. TOOL STARTED CREATING HARMONIC IMBALANCE & COULD NOT BE READ. P/U OFF BIT WT, TO 15K; RPM 110. ROP - 3.4'/HR. INCREASE BIT WT TO 18K; 100RPM. ROP - 4'/HR. DECREASE RPM TO 84, INCREASE BIT WT TO 23K, ROP - 3.9'/HR. TORQUE-2,000. DEPTH - 2,806. MADE 15' IN 4.4HRS OR 3.3'/HR.
14:30	15:30	1.00	14SUDR	DRILL	RSS	P	DRILL FROM 2,806. BIT WT. 20K; RPM - 100; 883 GPM @ 1680 PSI; TORQUE 1-2,000 FT/LBS. ROP - 3.9; REDUCE BIT WT - 10K; RPM - 105; ROP - 3.9'/HR.
15:30	21:30	6.00	14SUDR	DRILL	RSS	P	ADJUST BIT WT TO 25-30K; RPM - 105-130; GPM - 930; TORQUE - 2,000FT/LBS. BEST PERFORMING PERAMETERS WERE WOB= 28K, RPM= 125. ROP INCREASED TO 9'/HR. DRILL FROM 2,815' TO 2839'
21:30	23:00	1.50	14SUDR	DRILL	RSS	PT	INVESTIGATE INSTANTANEOUS 300 PSI PRESSURE LOSS, INCREASE IN RPMS, LOWER TORQUE, LOSS OF 8K STRING WEIGHT, AND LOSS OF MWD SIGNAL.
23:00	0:00	1.00	14SUDR	TRIP	WSHO	PT	TRIP OUT OF HOLE & INSPECT TOOLS.

Total Time 24.00

Safety Incident? N **Days since Last RI:** 29.00

Weather Comments:

Environ Incident? N **Days since Last LTA:** 29.00

CLEAR; WIND 13 MPH N/NW; AMBIENT TEMP 22 DEGREES; WIND CHILL 10 DEGREES

Incident Comments:

NO ACCIDENTS REPORTED / NO SPILLS REPORTED

Other Remarks: DIESEL USED: 2120 GALS. DIESEL ON HAND: 9964 GALS.

TJSS ROWS-35 43-041-30060

CONFIDENTIAL

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT

OXY USA

PLATEAU VALLEY FEDERAL 35-1

USA

Date: 11/07/2008

Report No: 43

Prim. Reason: ORIG DRILL VERT

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 7.19
Today's MD: 2,839.0 ft	Progress: 0.0 ft	Ground Elev: 7,885.00 ft	Daily Cost:
Prev MD: 2,839.0 ft	Rot Hrs Today: 0.00 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost:
PBMD:	Avg ROP Today: 0.0 ft/hr	AFE Number: 94370114	AFE Cost:

Current Formation: TERTIARY@2,552.0 Lithology: BLACK CAP MOUNTAIN

Current Ops: TRIP IN HOLE WITH FISHING TOOLS

24-Hr Summary: TRIP OUT OF HOLE / WAIT ON FISHING HAND WITH TOOLS / TRIP IN HOLE WITH FISHING TOOLS

24-Hr Forecast: TRIP IN HOLE / RETREIVE FISH / TRIP OUT OF THE HOLE LAY DOWN FISH / WIRELINE LOG OPEN HOLE SECTION

CASING/WELL CONTROL	HOOKLOAD & TORQUE	HYDRAULICS	MUD GAS	Avg	Max
Last Casing: 20.00in @ 1,135ft	Str Wt Up/Dn: /	Pump Rate: 925.1	Conn:		
Next Casing: 13.375in @ 2,810ft	Str Wt Rot:	Pump Press: 1,900.0	Trip:		
Last BOP Press Test:	Torq Off Btm:		Backgr:		
Form Test/EMW:	Torq On Btm:				

PERSONNEL	SURVEY DATA (LAST 6)								
Supervisor 1: DUB CAMERON	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2: ROD MANIACI	2,631.0	0.06	349.56	2,631.00	1.8	-0.5	1.8	0.04	0.02
Engineer: RUSTY HANNA	2,536.0	0.04	313.11	2,536.00	1.7	-0.4	1.7	0.04	0.04
Geologist: KIRK SPARKMAN	2,443.0	0.00	12.15	2,443.00	1.7	-0.4	1.7	0.05	-0.05
Oxy Personnel: 0	2,347.0	0.05	13.52	2,347.00	1.6	-0.4	1.6	0.01	0.01
Contractor Personnel: 25	2,252.0	0.04	13.73	2,252.00	1.6	-0.4	1.6	0.06	-0.05
Total on Site: 25	2,156.0	0.09	42.27	2,156.00	1.5	-0.5	1.5	0.07	0.06

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
2	17.500	HUGHES CHRISTE	GTX-C20	6068047	515	3x20	2,782.0	2,839.0	1-0-BT-M	E-I-PN-TD
1	17.500	HUGHES CHRISTE	GTX-CO9	6071441	435	1x18, 3x16	1,135.0	2,782.0	2-1-WT-A	E-I-WT-TQ

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI

MUD DATA - NEWPARK-AVA				LAST OR CURRENT BHA																																																																												
Engineer: ED MCDANIEL/NICK LIGHT	MBT: 30.0 lbm/bbl	BHA No: 2	Bit No: 2	MD In: 2,782.0 ft																																																																												
Sample From: PIT	pH: 8.5	Purpose: DRILL VERTICAL SURFACE HOLE	MD Out: 2,839.0 ft																																																																													
Mud Type: LOW SOLIDS / NON-DISP	Pm / Pom:	<table border="1"> <thead> <tr> <th>Component</th> <th>OD</th> <th>ID</th> <th>Jts</th> <th>Length</th> </tr> </thead> <tbody> <tr><td>TRI-CONE BIT</td><td>17.500</td><td>3.750</td><td>1</td><td>1.32</td></tr> <tr><td>RSS (PUSH BIT)</td><td>9.500</td><td>3.200</td><td>1</td><td>14.02</td></tr> <tr><td>STRING STABILIZER</td><td>17.375</td><td>2.440</td><td>1</td><td>8.09</td></tr> <tr><td>MWD TOOL</td><td>8.310</td><td>6.250</td><td>1</td><td>26.47</td></tr> <tr><td>SAVER SUB</td><td>8.070</td><td>3.000</td><td>1</td><td>1.98</td></tr> <tr><td>NON-MAG DRILL COLLAR</td><td>7.880</td><td>2.940</td><td>1</td><td>30.56</td></tr> <tr><td>STRING STABILIZER</td><td>17.000</td><td>2.440</td><td>1</td><td>7.22</td></tr> <tr><td>CROSSOVER</td><td>9.500</td><td>3.000</td><td>1</td><td>1.47</td></tr> <tr><td>SHOCK SUB</td><td>9.130</td><td>2.880</td><td>1</td><td>9.84</td></tr> <tr><td>CROSSOVER</td><td>9.630</td><td>2.810</td><td>1</td><td>3.00</td></tr> <tr><td>DRILL COLLAR</td><td>8.000</td><td>3.000</td><td>1</td><td>122.13</td></tr> <tr><td>CROSSOVER</td><td>6.630</td><td>3.000</td><td>1</td><td>2.80</td></tr> <tr><td>HWDP</td><td>5.000</td><td>2.625</td><td>4</td><td>123.06</td></tr> </tbody> </table>						Component	OD	ID	Jts	Length	TRI-CONE BIT	17.500	3.750	1	1.32	RSS (PUSH BIT)	9.500	3.200	1	14.02	STRING STABILIZER	17.375	2.440	1	8.09	MWD TOOL	8.310	6.250	1	26.47	SAVER SUB	8.070	3.000	1	1.98	NON-MAG DRILL COLLAR	7.880	2.940	1	30.56	STRING STABILIZER	17.000	2.440	1	7.22	CROSSOVER	9.500	3.000	1	1.47	SHOCK SUB	9.130	2.880	1	9.84	CROSSOVER	9.630	2.810	1	3.00	DRILL COLLAR	8.000	3.000	1	122.13	CROSSOVER	6.630	3.000	1	2.80	HWDP	5.000	2.625	4	123.06			
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CROSSOVER	9.630	2.810	1	3.00																																																																												
DRILL COLLAR	8.000	3.000	1	122.13																																																																												
CROSSOVER	6.630	3.000	1	2.80																																																																												
HWDP	5.000	2.625	4	123.06																																																																												
Time / MD: 11:00 / 2,839.0	Pf / Mf: 0.1 / 0.4																																																																															
Density @ Temp: 8.70 / 71	Chlorides: 400																																																																															
Rheology Temp: 71	Ca+ / K+: /																																																																															
Viscosity: 63.00	CaCl2:																																																																															
PV / YP: 16 / 20	Lime:																																																																															
Gels 10s/10m/30m: 9 / 24 / 32	ES:																																																																															
API WL: 10.60	ECD: 8.70																																																																															
HTHP WL:	n / K: /																																																																															
Cake API / HTHP: 2.0 /	Carbonate:																																																																															
Solids / Sol Corr: 2.70 / 2.70	Bicarbonate:																																																																															
Oil / Water: / 97.3	Form Loss: 79.0 / 330.0																																																																															
Sand: 0.30	Fluid Disch: /																																																																															
Water Added:																																																																																
Oil Added:																																																																																
LGS: 2.70 / 24.49																																																																																

VG Meter: 6@3 / 7@60 / 21@100 / 29@200 / 36@300 / 52@600
 Comments: DRILLED FROM 2834 TO 2839. THE SHOCK SUB TWISTED OFF AND LEFT 93.46 FT OF BHA IN THE HOLE. PULLED OUT OF THE HOLE AND CURRENTLY MAKING UP FISHING TOOLS AT REPORT TIME.

Total Length: 1,054.00 ft Wt below Jars: 45,973.0 kip

MUD PRODUCTS		
Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
NEW PHPA	5 GAL	1.00
NEWEASE 203	5 GAL/CN	2.00
TAX	1	1.00
WALNUT PLUG M	50 LB/SX	4.00

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 DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/07/2008
Report No: 43

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	3:00	3.00	14SUDR	TRIP	WSHO	PT	TRIP OUT OF HOLE, FOUND BROKEN CONNECTION ON BOTTOM SUB OF SHOCK SUB. BOTTOM 2 1/2' OF SHOCK SUB LEFT IN HOLE. LENGTH OF FISH 93', TOF@ 2745'
3:00	6:00	3.00	14SUDR	WAIT	WOEQ	PT	WAIT ON FISHING HAND & FISHING TOOLS
6:00	10:30	4.50	14SUDR	WAIT	WOEQ	PT	CONTINUE TO WAIT ON FISHERMAN. ETA 14:00 HRS.
10:30	13:00	2.50	14SUDR	OTHR		PT	WHILE WAITING, PICK-UP 6 8" DC'S. PLACE IN "MOUSE HOLE" AND TORQUE & RACK BACK. TOTAL 8" IN DERRICK, 3 STDS. JSA PRIOR TO OPERATION.
13:00	15:00	2.00	14SUDR	OTHR		PT	FISHING HAND ARRIVES @ 13:00 HRS. DISCUSS FISHING PLAN; CONTACT DRLG ENGR AND ADVISE. OBTAIN APPROVAL FOR PLAN. TOOLS ARRIVE @ 14:00 HRS. OFF-LOAD SAME.
15:00	19:30	4.50	14SUDR	RIGMT	REP	PT	"IRON ROUGHNECK" BLEW HOSE AND GUTTED MECHANICS WHILE MAKE-UP 8" DC'S. R/U "OLD SCHOOL" TONGS AND SPINNERS AND COUNTER WEIGHTS. TOOL HAND MEASURING TOOLS.
19:30	0:00	4.50	14SUDR	FISH	DRLSTR	PT	START TO PICK-UP TOOLS & TIH TO FISH 9 1/8" OD; SHOCK SUB LOWER SUB, BELOW SERVICE BREAK.

Total Time 24.00

Safety Incident? N	Days since Last RI: 30.00	Weather Comments: CLEAR; WIND 7 MPH E/NE; AMBIENT TEMP 32 DEGREES; WIND CHILL 26 DEGREES
Environ Incident? N	Days since Last LTA: 30.00	
Incident Comments: NO ACCIDENTS OR SPILLS REPORTED		

Other Remarks: DIESEL USED: 1484 GALS. DIESEL ON HAND: 16,536 GALS.

T 255 R01W S-35 43-041-30060

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT

OXY USA

PLATEAU VALLEY FEDERAL 35-1

USA

Date: 11/08/2008

Report No: 44

Prim. Reason: ORIG DRILL VERT

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 8.19
Today's MD: 2,839.0 ft	Progress: 0.0 ft	Ground Elev: 7,885.00 ft	Daily Cost:
Prev MD: 2,839.0 ft	Rot Hrs Today: 0.00 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost:
PBMD:	Avg ROP Today: 0.0 ft/hr	AFE Number: 94370114	AFE Cost:

Current Formation: TERTIARY@2,552.0 Lithology: BLACK CAP MOUNTAIN

Current Ops: WAIT ON CASING CREW

24-Hr Summary: RECOVER FISH / LOG HOLE

24-Hr Forecast: RUN & CEMENT 13 3/8" CASING

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing: 20.000in @ 1,135ft	Str Wt Up/Dn: /	Pump Rate: 0.0	Conn:						
Next Casing: 13.375in @ 2,810ft	Str Wt Rot:	Pump Press: 0.0	Trip:						
Last BOP Press Test:	Torq Off Btm:		Backgr:						
Form Test/EMW:	Torq On Btm:								

PERSONNEL	SURVEY DATA (LAST 6)								
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 1: DUB CAMERON	2,631.0	0.06	349.56	2,631.00	1.8	-0.5	1.8	0.04	0.02
Supervisor 2: ROD MANIACI	2,536.0	0.04	313.11	2,536.00	1.7	-0.4	1.7	0.04	0.04
Engineer: RUSTY HANNA	2,443.0	0.00	12.15	2,443.00	1.7	-0.4	1.7	0.05	-0.05
Geologist: KIRK SPARKMAN	2,347.0	0.05	13.52	2,347.00	1.6	-0.4	1.6	0.01	0.01
Oxy Personnel: 0	2,252.0	0.04	13.73	2,252.00	1.6	-0.4	1.6	0.06	-0.05
Contractor Personnel: 25	2,156.0	0.09	42.27	2,156.00	1.5	-0.5	1.5	0.07	0.06
Total on Site: 25									

BIT RECORD

Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
2	17.500	HUGHES CHRISTE	GTX-C20	6068047	515	3x20	2,782.0	2,839.0	1-0-BT-M	E-I-PN-TD

BIT OPERATING PARAMETERS TODAY

Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI

MUD DATA - NEWPARK-AVA

Engineer: ED MCDANIEL/NICK LIGHT	MBT: 27.5 lbm/bbl
Sample From: PIT	pH: 8.5
Mud Type: LOW SOLIDS / NON-DISP	Pm / Pom:
Time / MD: 21:00 / 2,839.0	Pf / Mf: 0.1 / 0.4
Density @ Temp: 8.70 / 67	Chlorides: 400
Rheology Temp: 67	Ca+ / K+: /
Viscosity: 56.00	CaCl2:
PV / YP: 26 / 18	Clom:
Gels 10s/10m/30m: 7 / 20 / 32	Lime:
API WL: 10.40	ES:
HTHP WL:	ECD: 8.70
Cake API / HTHP: 2.0 /	n / K: /
Solids / Sol Corr: 2.70 / 2.70	Carbonate:
Oil / Water: / 97.3	Bicarbonate:
Sand: 0.20	Form Loss: 270.0 / 600.0
Water Added:	Fluid Disch: /
Oil Added:	
LGS: 2.70 / 24.49	

LAST OR CURRENT BHA

BHA No: 2	Bit No: 2	MD In: 2,782.0 ft		
Purpose: DRILL VERTICAL SURFACE HOLE	MD Out: 2,839.0 ft			
Component	OD	ID	Jts	Length
TRI-CONE BIT	17.500	3.750	1	1.32
RSS (PUSH BIT)	9.500	3.200	1	14.02
STRING STABILIZER	17.375	2.440	1	8.09
MWD TOOL	8.310	6.250	1	26.47
SAVER SUB	8.070	3.000	1	1.98
NON-MAG DRILL COLLAR	7.880	2.940	1	30.56
STRING STABILIZER	17.000	2.440	1	7.22
CROSSOVER	9.500	3.000	1	1.47
SHOCK SUB	9.130	2.880	1	9.84
CROSSOVER	9.630	2.810	1	3.00
DRILL COLLAR	8.000	3.000	1	122.13
CROSSOVER	6.630	3.000	1	2.80
TWDP	5.000	2.625	4	123.06

VG Meter: 5@3 / 6@6 / 18@100 / 26@200 / 32@300 / 48@600
 Comments: OVERSHOT RUN SUCCESSFULLY CAUGHT FISH. TOH TO RETRIEVE FISH; 100% RECOVERED. CIRCULATED MUD OVER THE TOP OF THE HOLE THROUGHOUT THE DAY AND LOST 270 BBLs @ 11.25 BBLs PER HOUR. CURRENTLY LOGGING THE HOLE.

Total Length: 1,054.00 ft Wt below Jars: 45,973.0 kip

MUD PRODUCTS

Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
NEWEASE 203	5 GAL/CN	3.00
SAWDUST	2000 LBS/SK	15.00
TAX	1	1.00
WALNUT PLUG M	50 LB/SX	2.00

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DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/08/2008
Report No: 44

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	0:30	0.50	14SUEV	FISH	DRLSTR	PT	CONTINUE TRIPPING IN HOLE TO 1080'
0:30	2:30	2.00	14SUEV	FISH	DRLSTR	PT	TRIP BACK TO 300', PICK UP ACCELERATOR, RUN IN HOLE TO 1080'
2:30	4:00	1.50	14SUEV	FISH	DRLSTR	PT	TRIP IN HOLE TO TOF @ 2745'
4:00	6:00	2.00	14SUEV	FISH	DRLSTR	PT	TAG FISH, MOVE DOWN TO 10K, 1ST BUMP. INCREASE TO 30K, GOT 7" DOWN TRAVEL, PICK-UP & GAINED 8K STRING WEIGHT, TRIP OUT OF HOLE WITH FISH
6:00	10:00	4.00	14SUEV	TRIP	BHA	PT	PULL TO TOP OF FISH. "GOT IT"
10:00	12:30	2.50	14SUEV	TRIP	BHA	PT	BREAK-OUT TOOLS FROM TOP OF FISH. BREAK-OUT RSS TOOLS, L/D BIT. INSPECT TOOLS & BIT. RESULTS. BIT - JETS COMPLETELY PLUGGED W. HARD LIMESTONE.
12:30	15:30	3.00	14SUEV	WAIT	WOEQ	PT	WAITING ON BAKER/ATLAS. ETA - 14:00 HRS.
15:30	18:00	2.50	14SUEV	LOG	RIGUP	P	BAKER/ATLAS ON LOCATION. ORIENTATION AND BEGIN R/UP.
18:00	22:00	4.00	14SUEV	LOG	OHLOG	P	RUN WIRELINE LOGS. TAG BOTTOM @ 2828' MD. LOG UP 3 TIMES TO CASING SHOE @ 1135' RKB. LOG WITH GR, HDLL, XM AC MONOPOLE CALIPER.
22:00	0:00	2.00	11STRC	CSG	RUNCSG	PT	WAIT ON CASING CREW
Total Time		24.00					

Safety Incident? N	Days since Last RI: 31.00	Weather Comments: CLEAR; WIND 25 MPH S/SE; AMBIENT TEMP 39 DEGREES; WIND CHILL 28 DEGREES
Environ Incident? N	Days since Last LTA: 31.00	
Incident Comments: NO ACCIDENTS, NO SPILLS REPORTED		

Other Remarks: BLM AL McKEE GIVEN 24 HR NOTICE FOR SURFACE CASING AT 16:00 HRS DIRECT CONVERSATION
 BLM BERT HEART GIVEN 24 HR NOTICE FOR SURFACE CASING AT 16:00 HRS BY VOICE MAIL
 DIESEL USED: 1276 GALS. DIESEL ON HAND: 24172 GALS.

T 255 ROW 5-35 43-041-30060

CONFIDENTIAL

OPERATIONS PARTNER 30 HOUR REPORT
 PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/09/2008
 Report No: 45

Prim. Reason: ORIG DRILL VERT

Wellbore: 00 Rig: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 9.19
 Today's MD: 2,839.0 ft Progress: 0.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 2,839.0 ft Rot Hrs Today: 0.00 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 0.0 ft/hr AFE Number: 94370114 AFE Cost:

Current Formation: TERTIARY@2,552.0 Lithology:
 Current Ops: RUN 13 3/8" CASING
 24-Hr Summary: WAIT ON IPS CASING CREWS, WAIT ON IPS TONGS / RUN CASING
 24-Hr Forecast: RUN CASING / CEMENT / NIPPLE DOWN

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	20.000in @ 1,135ft	Str Wt Up/Dn:	/	Pump Rate:	0.0	Conn:			
Next Casing:	13.375in @ 2,810ft	Str Wt Rot:		Pump Press:	0.0	Trip:			
Last BOP Press Test:		Torq Off Btm:				Backgr:			
Form Test/EMW:		Torq On Btm:							

	SURVEY DATA (LAST 6)								
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 1: DUB CAMERON									
Supervisor 2: ROD MANIACI	2,631.0	0.06	349.56	2,631.00	1.8	-0.5	1.8	0.04	0.02
Engineer: RUSTY HANNA	2,536.0	0.04	313.11	2,536.00	1.7	-0.4	1.7	0.04	0.04
Geologist: KIRK SPARKMAN	2,443.0	0.00	12.15	2,443.00	1.7	-0.4	1.7	0.05	-0.05
Oxy Personnel: 0	2,347.0	0.05	13.52	2,347.00	1.6	-0.4	1.6	0.01	0.01
Contractor Personnel: 25	2,252.0	0.04	13.73	2,252.00	1.6	-0.4	1.6	0.06	-0.05
Total on Site: 25	2,156.0	0.09	42.27	2,156.00	1.5	-0.5	1.5	0.07	0.06

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
2	17.500	HUGHES CHRISTE	GTX-C20	6068047	515	3x20	2,782.0	2,839.0	1-0-BT-M	E-I-PN-TD

BIT OPERATING PARAMETERS TODAY											
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	HHPSI

MUD DATA - NEWPARK-AVA				LAST OR CURRENT BHA							
Engineer: ED MCDANIEL/NICK LIGHT	MBT:	27.5 lbm/bbl	BHA No: 2	Bit No: 2	MD In: 2,782.0 ft						
Sample From: PIT	pH:	8.5	Purpose: DRILL VERTICAL SURFACE HOLE					MD Out: 2,839.0 ft			
Mud Type: LOW SOLIDS / NON-DISP	Pm / Pom:		Component					OD	ID	Jts	Length
Time / MD: 21:00 / 2,839.0	Pf / Mf:	0.1 / 0.5	TRI-CONE BIT	17.500	3.750	1	1.32				
Density @ Temp: 8.70 / 60	Chlorides:	400	RSS (PUSH BIT)	9.500	3.200	1	14.02				
Rheology Temp: 60	Ca+ / K+:	/	STRING STABILIZER	17.375	2.440	1	8.09				
Viscosity: 55.00	CaCl2:		MWD TOOL	8.310	6.250	1	26.47				
PV / YP: 18 / 14	Lime:		SAVER SUB	8.070	3.000	1	1.98				
Gels 10s/10m/30m: 8 / 20 / 30	ES:		NON-MAG DRILL COLLAR	7.880	2.940	1	30.56				
API WL: 10.60	ECD:	8.70	STRING STABILIZER	17.000	2.440	1	7.22				
HTHP WL:	n / K:	/	CROSSOVER	9.500	3.000	1	1.47				
Cake API / HTHP: 2.0 /	Carbonate:		SHOCK SUB	9.130	2.880	1	9.84				
Solids / Sol Corr: 2.70 / 2.70	Bicarbonate:		CROSSOVER	9.630	2.810	1	3.00				
Oil / Water: / 97.3	Form Loss:	/ 600.0	DRILL COLLAR	8.000	3.000	1	122.13				
Sand: 0.20	Fluid Disch:	/	CROSSOVER	6.630	3.000	1	2.80				
Water Added:			HWDP	5.000	2.625	4	123.06				
Oil Added:			Total Length: 1,054.00 ft Wt below Jars: 45,973.0 kip								
LGS: 2.70 / 24.49											

VG Meter: 5@3 / 6@6 / 18@100 / 25@200 / 32@300 / 50@600
 Comments: COMPLETED WIRE-LINE LOGS AS PROGRAMMED, USING WESTERN ATLAS.
 RIGGED UP AND BEGAN RUNNING 13.25 CASING;
 WHEN MAKING UP 4TH JOINT, THE BUTTRESS THREADS WERE

MUD PRODUCTS		
Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00

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NOV 14 2008
 DIV. OF OIL, GAS & MINING

DAILY OPERATIONS PARTNER 30 HOUR REPORT

Event: EXPL DRILLING
 Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/09/2008
 Report No: 45

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	2:30	2.50	14SURC	CSG	RUNCSG	PT	WAIT ON CASING CREW
2:30	6:00	3.50	14SURC	CSG	RIGUP	P	RIG UP CASING EQUIPMENT
6:00	7:00	1.00	14SURC	WAIT	WOEQ	PT	NOTIFIED THAT TESCO DID NOT BRING 13 3/8" BACK-UP TONGS AS ORDERED. CONTACTED THEM ON PUSHER'S PHONE AND THEY WILL HOT-SHOT. JSA FOR RUNNING CSG.
7:00	12:00	5.00	14SURC	WAIT	WOEQ	PT	WAITING ON TESCO TONGS/ SEE REMARKS.
12:00	13:30	1.50	14SURC	CSG	RUNCSG	P	TONGS ARRIVE. MAKE-UP SHOE TRACK & TIH W/ SURFACE CSG. FILL EACH JT. UNTIL I GET ENOUGH WEIGHT TO RUN A FEW.
13:30	15:30	2.00	14SURC	CSG	RUNCSG	PT	BACK-UP TONGS KEEP SLIPPING. GETTING DANGEROUS. SHUT DOWN OPERATIONS AND ATTEMPT TO MODIFY TONGS W/ RIG TONG HEADS. MAKE-UP JT.
15:30	16:30	1.00	14SURC	CSG	RUNCSG	PT	CROSS-THREAD JT. ATTEMPT TO BACK-OUT, FAILED. HEAT-UP COLLAR & ATTEMPT TO BACK-OUT. FAILED. 3/4 OF THREADS MADE-UP. CONTACT DRLG ENGR AND ADVISE.
16:30	19:00	2.50	14SURC	CSG	RUNCSG	PT	TALK W/ DRLG SUPT. WILL ATTEMPT TO BACK-OFF BOX AGAIN AND L/D JT.
19:00	20:30	1.50	14SURC	CSG	RUNCSG	PT	HEAT-UP AND BREAK-OUT COLLAR FROM JT ON RACK & INSTALL ON JT ON SLIPS.
20:30	21:30	1.00	14SURC	CSG	RIGUP	PT	RIG UP CONVENTION TONGS, ORDERED FOR BACK-UP.
21:30	0:00	2.50	14SURC	CSG	RUNCSG	P	PICK UP FLOAT EQUIPMENT & TRIP IN CASING. CIRCULATE THROUGH FLOAT EQUIPMENT.
Total Time		24.00					

OPERATIONS - NEXT DAY

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	0:30	0.50	14SURC	CSG	RUNCSG	P	RUN 13 3/8" CASING TO 1070'.
0:30	1:30	1.00	14SURC	CIRC	CNDFLD	P	CIRCULATE MUD & CONDITION HOLE @ 5 BPM. NO DYMANIC MUD LOSSES NOTED.
1:30	3:00	1.50	14SURC	CSG	RUNCSG	P	CONTINUE RUNNING CASING TO 2030'
3:00	4:00	1.00	14SURC	CSG	RUNCSG	P	BREAK CIRCULATION @ 5 BPM. DYNAMIC LOSSES 3 BPM, CONTINUE RUNNING CASING TO 2732 UP WT= 205K, DN WT= 196K
4:00	5:00	1.00	14SURC	CSG	RIGUP	PT	WHILE FILLING PIPE 2 JOINTS FROM SHOE DEPTH, THE SYSTEM PRESSURED UP. WORKED PIPE UP WT=244K, DN WT= 215K. HAVE 19% RETURNS WHILE LOWERING STRING IN HOLE. PICKED UP TELECO TOOL, AND COULD NET SEE MUD COMING OUT FROM THE BOTTOM. DECIDED TO RUN THE REMAINING 2 JOINTS AND TROUBLE SHOOT. BROKE OFF TELECO TOOL AND RIGGED AIR HOSE TO TOP DRIVE. FOUND SLUSH IN TOP DRIVE. THAW OUT & MAKE TOP DRIVE UP ON TELECO TOOL.
5:00	6:00	1.00	14SURC	CIRC	CNDHOL	P	CIRCULATE @ 3 BPM, STAGING UP IN 10 SPM INCRIMENTS TO 5 BPM WITH NO NOTICABLE MUD LOSSES. RIGGING DOWN CASING EQUIPMENT, AND GETTING HALIBURTON EQUIPMENT IN PLACE.
Total Time		6.00					

Safety Incident?	N	Days since Last RI:	32.00	Weather Comments:	
Environ Incident?	N	Days since Last LTA:	32.00	CLEAR; WIND CALM; AMBIENT TEMP 26 DEGREES; WIND CHILL 26 DEGREES	
Incident Comments:					
NO ACCIDENTS OR SPILLS REPORTED					
Other Remarks:					
TESCO SAID I DID NOT ORDER TONGS. REMEMBER CONVERSATION W/ BUD, COORDINATOR, ABOUT MAKING SURE I HAD CORRECT TORQUE. NEEDED BACK-UP'S. PERHAPS I DIDN'T MAKE MYSELF CLEAR. TONGS NOT HERE, IT'S MY FAULT.					
DIESEL USED: 1060 GALS. DIESEL ON HAND: 14204 GALS.					

T 255 ROW S-35

43-041-30060

CONFIDENTIAL

OXY USA

Y OPERATIONS PARTNER 30 HOUR REPORT

PLATEAU VALLEY FEDERAL 35-1

Date: 11/10/2008

Prim. Reason: ORIG DRILL VERT

USA

Report No: 46

Wellbore:	00	Rig:	NABORS 797	Ref Datum:	ORIGINAL KB @7,920.00ft	DFS:	10.19
Today's MD:	2,839.0 ft	Progress:	0.0 ft	Ground Elev:	7,885.00 ft	Daily Cost:	
Prev MD:	2,839.0 ft	Rot Hrs Today:	0.00 hr	AFE MD/Days:	14,000.0 / 98.0 days	Cum Cost:	
PBMD:		Avg ROP Today:	0.0 ft/hr	AFE Number:	94370114	AFE Cost:	

Current Formation: TERTIARY@2,552.0

Lithology:

Current Ops: WAIT ON CEMENT

24-Hr Summary: RUN CASING & CEMENT

24-Hr Forecast: WOC / NIPPLE DOWN / NIPPLE UP / TEST BOPE

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	20.000in @ 1,135ft	Str Wt Up/Dn:	/	Pump Rate:	0.0	Conn:			
Next Casing:	13.375in @ 2,810ft	Str Wt Rot:		Pump Press:	0.0	Trip:			
Last BOP Press Test:	11/11/2008	Torq Off Btm:				Backgr:			
Form Test/EMW:		Torq On Btm:							

	PERSONNEL		SURVEY DATA (LAST 6)							
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1:	DUB CAMERON									
Supervisor 2:	ROD MANIACI	2,631.0	0.06	349.56	2,631.00	1.8	-0.5	1.8	0.04	0.02
Engineer:	RUSTY HANNA	2,536.0	0.04	313.11	2,536.00	1.7	-0.4	1.7	0.04	0.04
Geologist:	KIRK SPARKMAN	2,443.0	0.00	12.15	2,443.00	1.7	-0.4	1.7	0.04	-0.04
Oxy Personnel:	0	2,347.0	0.04	13.52	2,347.00	1.6	-0.4	1.7	0.00	0.00
Contractor Personnel:	26	2,252.0	0.04	13.73	2,252.00	1.6	-0.4	1.6	0.06	-0.05
Total on Site:	26	2,156.0	0.09	42.27	2,156.00	1.5	-0.5	1.6	0.07	0.06

BIT RECORD

Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
									--	--

BIT OPERATING PARAMETERS TODAY

Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI

MUD DATA -

Engineer:	MBT:
Sample From:	pH:
Mud Type:	Pm / Pom:
Time / MD: 21:00 / 2,839.0	Pf / Mf: /
Density @ Temp: /	Chlorides:
Rheology Temp:	Ca+ / K+: /
Viscosity:	CaCl2:
PV / YP: /	Clom:
Gels 10s/10m/30m: / /	Lime:
API WL:	ES:
HTHP WL:	ECD:
Cake API / HTHP: /	n / K: /
Solids / Sol Corr: /	Carbonate:
Oil / Water: /	Bicarbonate:
Sand:	Form Loss: / 600.0
Water Added:	Fluid Disch: /
Oil Added:	
LGS: /	

LAST OR CURRENT BHA

Component	OD	ID	Jts	Length

VG Meter:
Comments: COMPLETED RUNNING 69# 13.375 CASING TO 2809 FT (SHOE DEPTH). CEMENTED SAME AT 2809 FEET W/ HALIBURTON; TAKING RETURNS TO THE RESERVE PIT. 408 BBLs TOTAL DISPLACEMENT, 208 BBLs CEMENT TO SURFACE.

MUD PRODUCTS

Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00

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NOV 14 2008

DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER 30 HOUR REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
USA

Date: 11/10/2008
Report No: 46

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	0:30	0.50	14SURC	CSG	RUNCSG	P	RUN 13 3/8" CASING TO 1070'.
0:30	1:30	1.00	14SURC	CIRC	CNDFLD	P	CIRCULATE MUD & CONDITION HOLE @ 5 BPM. NO DYMANIC MUD LOSSES NOTED.
1:30	3:00	1.50	14SURC	CSG	RUNCSG	P	CONTINUE RUNNING CASING TO 2030'
3:00	4:00	1.00	14SURC	CSG	RUNCSG	P	BREAK CIRCULATION @ 5 BPM. DYNAMIC LOSSES 3 BPM, CONTINUE RUNNING CASING TO 2732 UP WT= 205K, DN WT= 196K
4:00	5:00	1.00	14SURC	CSG	RIGUP	P	WHILE FILLING PIPE 2 JOINTS FROM SHOE DEPTH, THE SYSTEM PRESSURED UP. WORKED PIPE UP WT=244K, DN WT= 215K. HAVE 19% RETURNS WHILE LOWERING STRING IN HOLE. PICKED UP TELECO TOOL, AND COULD NET SEE MUD COMING OUT FROM THE BOTTOM. DECIDED TO RUN THE REMAINING 2 JOINTS AND TROUBLE SHOOT. BROKE OFF TELECO TOOL AND RIGGED AIR HOSE TO TOP DRIVE. FOUND SLUSH IN TOP DRIVE. THAW OUT & MAKE TOP DRIVE UP ON TELECO TOOL.
5:00	6:00	1.00	14SURC	CIRC	CNDHOL	P	CIRCULATE @ 3 BPM, STAGING UP IN 10 SPM INCRIMENTS TO 5 BPM WITH NO NOTICABLE MUD LOSSES. RIGGING DOWN CASING EQUIPMENT, AND GETTING HALIBURTON EQUIPMENT IN PLACE.
6:00	10:00	4.00	14SURC	CIRC	CNDHOL	P	R/U HALLIBURTON - CONDUCT R/U SAFETY MEETING. SAFETY MEETING FOR CEMENT OPERATIONS. TEST PUMPS AND LINES TO
10:00	15:00	5.00	14SURC	CMT	PRIM	P	CEMENT SURFACE AS FOLLOWS: LEAD - 1,200 SKS VERSACEM; 12.3#/GAL; 2.34 YLD; 12.71 GAL/SK @ 5BBL/MIN. TAIL - 310 SKS VERSACEM; 12.8#/GAL' 2.08 YLD; 10.75 GAL/SK @ 5 BBL/MIN. DISPLACEMENT: 408 BBLs. @ 4BBLs/MIN. CEMENT TO SURFACE - 208 BBLs. RECOVERED 200 BBLs CEMENT. BUMP PLUG @ 800 PSI. INCREASE TO 1,800 PSI. HELD FOR 5 MIN. OPEN BACK TO TANKS. BLED BACK 1.5-2 BBLs. FLOATS HELD.
15:00	0:00	9.00	14SURC	CMT	WOC	P	WAIT ON CEMENT. OPEN 3" VALVES ON 20" & DRAIN CEMENT. NO CEMENT FALL-BACK.
Total Time		24.00					

OPERATIONS - NEXT DAY

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	1:00	1.00	14SURC	CMT	WOC	P	WAIT ON CEMENT
1:00	4:30	3.50	14SURC	CSG	RIGUP	P	PREJOB SAFETY MEETING. RIG DOWN CEMENT HEAD, PICK UP RISER, ROUGH CUT 13 3/8" CASING, RIG DOWN RISER & CASING CUT OFF JOINT
4:30	6:00	1.50	14SURC	WLHD	RWH	P	MAKE FINAL CUT ON CASING, & INSTALL WELL HEAD EQUIPMENT
Total Time		6.00					

Safety Incident? N	Days since Last RI: 33.00	Weather Comments: MOSTLY CLOUDY; WIND 2 MPH W/NW; AMBIENT TEMP 27 DEGREES; WIND CHILL 27 DEGREES
Environ Incident? N	Days since Last LTA: 33.00	
Incident Comments: NO ACCIDENTS OR SPILLS REPORTED.		
Other Remarks: DIESEL USED: 1272 GALS. DIESEL ON HAND: 17172 GALS.		

T955 ROLW S-35 43-041-30060

CONFIDENTIAL OXY USA
WELL OPERATIONS PARTNER 30 HOUR REPORT
 PLATEAU VALLEY FEDERAL 35-1 USA

Date: 11/11/2008
 Report No: 47

Prim. Reason: ORIG DRILL VERT

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 11.19
Today's MD: 2,839.0 ft	Progress: 0.0 ft	Ground Elev: 7,885.00 ft	Daily Cost: [REDACTED]
Prev MD: 2,839.0 ft	Rot Hrs Today: 0.00 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost: [REDACTED]
PBMD:	Avg ROP Today: 0.0 ft/hr	AFE Number: 94370114	AFE Cost: [REDACTED]

Current Formation: TERTIARY@2,552.0 Lithology:

Current Ops: TEST BOPE

24-Hr Summary: WOC / NIPPLE DOWN RISER & CUT OFF CASING LANDING JOINT / INSTALL WELL HEAD & BOPE EQUIPMENT

24-Hr Forecast: TEST BOPE / PICK UP BHA # 3 / RUN TO FC / DISP TO BRINE / TEST CSG / DRILL OUT + 20 FT / FIT / DRILL AHEAD

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing: 20.000in @ 1,135ft	Str Wt Up/Dn: /	Pump Rate: 0.0	Conn:						
Next Casing: 13.375in @ 2,810ft	Str Wt Rot:	Pump Press: 0.0	Trip:						
Last BOP Press Test: 11/12/2008	Torq Off Btm:		Backgr:						
Form Test/EMW:	Torq On Btm:								

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: DUB CAMERON/WADE FRAME	2,631.0	0.06	349.56	2,631.00	1.8	-0.5	1.8	0.04	0.02	
Supervisor 2: ROD MANIACI	2,536.0	0.04	313.11	2,536.00	1.7	-0.4	1.7	0.04	0.04	
Engineer: RUSTY HANNA	2,443.0	0.00	12.15	2,443.00	1.7	-0.4	1.7	0.04	-0.04	
Geologist: KIRK SPARKMAN	2,347.0	0.04	13.52	2,347.00	1.6	-0.4	1.7	0.00	0.00	
Oxy Personnel: 0	2,252.0	0.04	13.73	2,252.00	1.6	-0.4	1.6	0.06	-0.05	
Contractor Personnel: 25	2,156.0	0.09	42.27	2,156.00	1.5	-0.5	1.6	0.07	0.06	
Total on Site: 25										

BIT RECORD

Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
									--	--

BIT OPERATING PARAMETERS TODAY

Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI

MUD DATA -	
Engineer:	MBT:
Sample From:	pH:
Mud Type:	Pm / Pom:
Time / MD: 21:00 / 2,839.0	Pf / Mf: /
Density @ Temp: /	Chlorides:
Rheology Temp:	Ca+ / K+: /
Viscosity:	CaCl2:
PV / YP: /	Clom:
Gels 10s/10m/30m: / /	Lime:
API WL:	ES:
HTHP WL:	ECD:
Cake API / HTHP: /	n / K: /
Solids / Sol Corr: /	Carbonate:
Oil / Water: /	Bicarbonate:
Sand:	Form Loss: 0.0 / 600.0
Water Added:	Fluid Disch: /
Oil Added:	
LGS: /	

LAST OR CURRENT BHA

Component	OD	ID	Jts	Length

VG Meter:
 Comments: COMPLETED RIGGING-UP "2" 400 BBL UP-RIGHTS FOR RECEIVING BRINE. RECEIVING BRINE AND COMPLETING CLEANING OF MUD TANKS AT REPORT TIME.
 WORKING ON N/U BOPs AND TESTING SAME AT

MUD PRODUCTS

Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
SAWDUST	2000 LBS/SK	45.00
TAX	1	1.00

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NOV 14 2008
 DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER 30 HOUR REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/11/2008
Report No: 47

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	1:00	1.00	14SURC	CMT	WOC	P	WAIT ON CEMENT
1:00	4:30	3.50	14SURC	CSG	RIGUP	P	PREJOB SAFETY MEETING. RIG DOWN CEMENT HEAD, PICK UP RISER, ROUGH CUT 13 3/8" CASING, RIG DOWN RISER & CASING CUT OFF JOINT
4:30	6:00	1.50	14SURC	WLHD	RWH	P	MAKE FINAL CUT ON CASING, & INSTALL WELL HEAD EQUIPMENT. TORQUE WRENCHES & BOP TESTORS ON LOCATION - 06:00 HRS.
6:00	10:30	4.50	14SURC	WLHD	RWH	P	CONTINUE TO WELD-ON "A" SECTION & TEST SAME TO 1,000 PSI. TRUCK FROM TUBULAR TRANS. ON LOCATION. LOADED-UP 13 JTS & CUT-OFF, (595.40' - THREADS-ON) 13 3/8" J-55 BTC CSG. & RETURNED TO YARD. 09:00 HRS.
10:30	12:00	1.50	14SURC	WLHD	RWH	P	INSTALL "B" SECTION USING TORQUE WRENCHES. NOTIFIED STATE, (AL MCGEE & BERT HART), WILL TEST BOP'S ON 11/12/08, 11:00 HRS. NOTIFICATION TIME: 10:30 HRS, 11/12/08.
12:00	0:00	12.00	14SURC	BOP	RUBOP	P	NIPPLE UP BOPE. TORQUE STUDS WITH DOUBLE JACK, RIG UP KOOMEY LINES.
Total Time		24.00					

OPERATIONS - NEXT DAY

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	6:00	6.00	14SURC	BOP	TSTBOP	P	PICK UP ROTATING HEAD RISER & FIT FLOW LINE, LAY DOWN SAME. FUNCTION TEST RAMS & ANNULAR. INSTALL FINISHED ROTATING HEAD ASSEMBLY.
Total Time		6.00					

Safety Incident? N **Days since Last RI:** 34.00 **Weather Comments:**

Environ Incident? N **Days since Last LTA:** 34.00

Incident Comments:

No incidents reported last 24 hours. 2 Safe work permits issued.

Other Remarks: DIESEL USED: 1060 GALS. DIESEL ON HAND: 16112 GALS. RECD 0.

NO ACCIDENTS, NO SPILLS.

THIRD PARTY PERSONALSIGNED IN = 20

T255 ROWS-35 43-041-30060

CONFIDENTIAL

OXY OPERATIONS PARTNER 30 HOUR REPORT

OXY USA
 PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/12/2008
 Report No: 48

Prim. Reason: ORIG DRILL VERT

Wellbore: 00 Rig: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 12.19
 Today's MD: 2,839.0 ft Progress: 0.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 2,839.0 ft Rot Hrs Today: 0.00 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 0.0 ft/hr AFE Number: 94370114 AFE Cost:

Current Formation: TERTIARY@2,552.0 Lithology:

Current Ops: LAY DOWN 6 1/2" STEEL DRILL COLLARS

24-Hr Summary: RIG UP & TEST BOPE / LAY DOWN DRILL COLLARS

24-Hr Forecast: REPLACE HCR VALVE / FINISH BOPE TEST / PICK UP BHA #3 / DRILL OUT CEMENT / FIT / DRILL AHEAD

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	13.375in @ 2,810ft	Str Wt Up/Dn:	/	Pump Rate:	0.0	Conn:			
Next Casing:	9.625in @ 9,000ft	Str Wt Rot:		Pump Press:	0.0	Trip:			
Last BOP Press Test:	11/12/2008	Torq Off Btm:				Backgr:			
Form Test/EMW:		Torq On Btm:							

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: WADE FRAME										
Supervisor 2: ROD MANIACI	2,631.0	0.06	349.56	2,631.00	1.8	-0.5	1.8	0.04	0.02	
Engineer: RUSTY HANNA	2,536.0	0.04	313.11	2,536.00	1.7	-0.4	1.7	0.04	0.04	
Geologist: KIRK SPARKMAN	2,443.0	0.00	12.15	2,443.00	1.7	-0.4	1.7	0.04	-0.04	
Oxy Personnel:	0	0.04	13.52	2,347.00	1.6	-0.4	1.7	0.00	0.00	
Contractor Personnel:	25	0.04	13.73	2,252.00	1.6	-0.4	1.6	0.06	-0.05	
Total on Site:	25	0.09	42.27	2,156.00	1.5	-0.5	1.6	0.07	0.06	

BIT RECORD											
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R	
									--	--	

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI

MUD DATA - NEWPARK-AVA	
Engineer: Ed McDaniel	MBT: 0.0 lbm/bbl
Sample From: OTHER	pH: 7.0
Mud Type: BRINE / POLYMER WBM	Pm / Pom:
Time / MD: 0:01 / 2,839.0	Pf / Mf: 0.0 / 0.1
Density @ Temp: / 52	Chlorides: 188,000
Rheology Temp: 70	Ca+ / K+: /
Viscosity: 27.00	CaCl2:
PV / YP: 3 / 0	Clom:
Gels 10s/10m/30m: 1 / 1 / 1	Lime:
API WL: 100.00	ES:
HTHP WL:	ECD:
Cake API / HTHP: .1 /	n / K: /
Solids / Sol Corr: 0.20 / 0.20	Carbonate:
Oil / Water: / 99.7	Bicarbonate:
Sand:	Form Loss: 0.0 / 600.0
Water Added:	Fluid Disch: / 0.00
Oil Added:	
LGS: 0.20 / 0.20	

LAST OR CURRENT BHA				
Component	OD	ID	Jts	Length

VG Meter: 1@100 / 1@200 / 3@300 / 6@600
 Comments: Insure that the reserve brine tanks are circulated continuously to prevent settling. Keep the transfer pump fueled and running at all times. Mud engineer has the keys for the locked transfer valves.

MUD PRODUCTS		
Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00

RECEIVED
NOV 14 2008
 DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER 30 HOUR REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/12/2008
Report No: 48

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	6:00	6.00	14SURC	BOP	TSTBOP	P	PICK UP ROTATING HEAD RISER & FIT FLOW LINE, LAY DOWN SAME. FUNCTION TEST RAMS & ANNULAR. INSTALL FINISHED ROTATING HEAD ASSEMBLY.
6:00	10:30	4.50	14SURC	BOP	TSTBOP	P	RUN TEST PLUG, SEALS LEAKED, DRESS TEST PLUG.
10:30	18:00	7.50	14SURC	BOP	TSTBOP	P	TEST BOPE 250/5000 PSI. ANNULAR 250/3500 PSI. AND ASSOCIATED VLAVES, HCR VALVE FAILED TEST. WITNESS OF BOP TEST WAVIED BY BERT HART WITH BLM.
18:00	20:00	2.00	14SURC	BOP	RDBOP	PT	REMOVE HCR VALVE
20:00	21:00	1.00	14SURC	BOP	RDBOP	PT	RIG DOWN BOPE TEST EQUIPMENT
21:00	0:00	3.00	14SURC	TRIP	BHA	P	LAY DOWN 6 1/4" STEEL DRILL COLLARS IN DERRICK.
Total Time		24.00					

OPERATIONS - NEXT DAY

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	1:30	1.50	14SURC	BOP	CHRAMS	PT	REPLACE HCR VALVE ON BOPE
1:30	6:00	4.50	14SURC	BOP	TSTBOP	P	TEST HCR & CHOKE 250/5000 PSI
Total Time		6.00					

Safety Incident?	N	Days since Last RI:	35.00	Weather Comments: CLEAR; WIND 10 MPH SOUTH; AMBIENT TEMP 37 DEGREES; WIND CHILL 30 DEGREES
Environ Incident?	N	Days since Last LTA:	35.00	
Incident Comments:				

Other Remarks: DIESEL USED: 1060 GALS. DIESEL ON HAND: 15020 GALS. RECD 0.
 NO ACCIDENTS, NO SPILLS.
 THIRD PARTY PERSONALSIGNED IN = 5

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/13/2008
Report No: 49

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
0:00	1:30	1.50	14SURC	BOP	CHRAMS	PT	REPLACE HCR VALVE ON BOPE	
1:30	6:00	4.50	14SURC	BOP	TSTBOP	P	TEST HCR & CHOKE 250/5000 PSI	
6:00	6:30	0.50	14SURC	RIGMT	SRVRIG	P	SERVICE TOP DRIVE AND CHANGE OUT BRAKE FLUID CANISTER ON TOP DRIVE	
6:30	9:00	2.50	14SURC	SRFEQ	RIGUP	P	INSTALL WEAR BUSHING AND RUN IN 2 LOCK DOWN PINS ON "B" SECTION.	
9:00	14:00	5.00	14SURC	TRIP	BHA	P	PICK UP BHA CONSISTING OF HCD505ZX 12.25" BIT, POWERV RSS, STABILIZER, SAVER SUB, POWER PULSE MVC, DOWN HOLE FILTER SUB, (1) 8" NMDC, STABILIZER, (2) 8" STEEL DC, 8" SHOCK SUB, (7) 8" STEEL DC, X-O, (4) HWDP, JAR, (22) HWDP = 1200.20' LAID DOWN (1) STEEL DRILL COLLAR, DUE SLIP UPSET ON ONE SIDE ON DRILL COLLAR WAS FOUND TO BE SMOOTH, POSSIBLY A MACHINING ERROR.	
14:00	15:00	1.00	14SURC	TRIP	DRILL	P	RUN IN THE HOLE TO 2339'.	
15:00	16:30	1.50	14SURC	TRIP	DRILL	P	INSTALL ROTATING RUBBER.	
16:30	17:00	0.50	14SURC	TRIP	DRILL	P	RUN IN THE HOLE FROM 2339' TO 2705'. TAG CEMENT AT 2705'. LANDING COLLAR AT 2719'.	
17:00	19:00	2.00	14SURC	CIRC	CHOVR	P	DISPLACE WELL WITH 10 PPG BRINE MUD	
19:00	20:00	1.00	14SURC	CSG	PIPE	P	PRESSURE TEST CASING 250/1500 PSI	
20:00	0:00	4.00	14SURC	DRLOUT	DOCMT	P	DRILL OUT CEMENT & FLOAT EQUIPMENT FROM 2705' TO 2723'. UP WT= 205K DN WT= 195K RT WT= 200K; TQ OFF= 1K TQ ON= 2K; 670 GPM= 1425 PSI 8G LEVEL 1 SHOCKS WHILE DRILLING CEMENT.	
Total Time		24.00						

Safety Incident? Y	Days since Last RI: 36.00	Weather Comments: CLEAR; WIND 10 MPH N/NE; AMBIENT TEMP 30 DEGREES; WIND CHILL 21 DEGREES
Environ Incident? N	Days since Last LTA: 36.00	
Incident Comments: MOTOR MAN ON DAY CREW SLIPPED ON THE SLICK SURFACE IN THE OIL BUNKER CONTAINMENT AREA. IP STATED THAT HIS LEFT KNEE WAS SORE AND TENDER BUT WAS CAPABLE OF WALKING ON IT WITH NO PROBLEMS AND DID NOT WISH TO SEEK MEDICAL ASSISTANCE.		

Other Remarks: DIESEL USED: 1696 GALS. DIESEL ON HAND: 13356 GALS. RECD 0.

NO ACCIDENTS, NO SPILLS.

THIRD PARTY PERSONAL SIGNED IN = 5

MOTOR MAN ON DAY LIGHT CREW WAS OBTAINING HYDRAULIC OIL FROM OIL BUNKER AND SLIPPED ON THE SLICK SURFACE IN THE CONTAINMENT AREA. IP STATED THAT HIS LEFT KNEE WAS SORE AND TENDER BUT WAS CAPABLE OF WALKING ON IT WITH NO PROBLEMS AND DID NOT WISH TO SEEK OR RECEIVE MEDICAL ASSISTANCE. IP WAS WORKING HIS LAST HOUR OF A 14 DAY HITCH.

CONFIDENTIAL

From: <Blair_Rollins@oxy.com>
To: <caroldaniels@utah.gov>
Date: 11/14/2008 2:56 PM
Subject: Plateau Valley Fed 35-1 Morning Reports
Attachments: Nabors 797 - PVF 35-1 - Rpt 43 Partner.pdf; Nabors 797 - PVF 35-1 - Rpt 44 Partner.pdf; Nabors 797 - PVF 35-1 - Rpt 45 Partner.pdf; Nabors 797 - PVF 35-1 - Rpt 46 Partner.pdf; Nabors 797 - PVF 35-1 - Rpt 47 Partner.pdf; Nabors 797 - PVF 35-1 - Rpt 48 Partner.pdf; Nabors 797 - PVF 35-1 - Rpt 49 Partner.pdf
CC: <Rusty_Hanna@oxy.com>

Carol,

Please find attached the drilling reports from 11/7/08 - 11/13/08 for the Plateau Valley Federal 35-1 well. If you have any questions or comments please feel free to contact me. Thank you and have a good weekend.

Thank you,

Blair Rollins
2754 Compass Drive, Suite 170
Grand Junction, CO 81506
Office (970) 263-3629
Cell (970) 361-8655

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NOV 14 2008

DIV. OF OIL, GAS & MINING

T 25 S ROW 5-35

43041-30060

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT
 OXY USA
 PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/14/2008
 Report No: 50

Prim. Reason: ORIG DRILL VERT

Wellbore: 00 Rig: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 14.19
 Today's MD: 3,350.0 ft Progress: 511.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 2,839.0 ft Rot Hrs Today: 19.50 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 26.2 ft/hr AFE Number: 94370114 AFE Cost:

Current Formation: TERTIARY@2,552.0 Lithology: TERTIARY: TOP FLAGSTAFF FM 3302'

Current Ops: DRILLING AHEAD

24-Hr Summary: CONTINUED DRILL OUT OF SHOE TRACK / CONDUCT FIT EMW 13 PPG / DRILL AHEAD

24-Hr Forecast: DRILL AHEAD

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	13.375in @ 2,809ft	Str Wt Up/Dn:	220.0/ 190.0 kip	Pump Rate:	828.4	Conn:			
Next Casing:	9.625in @ 9,000ft	Str Wt Rot:	205.0 kip	Pump Press:	2,550.0	Trip:			
Last BOP Press Test:	11/12/2008	Torq Off Btm:	2,500.0 ft-lbf			Backgr:			
Form Test/EMW:	FIT / 13.03 ppg	Torq On Btm:	4,000.0 ft-lbf						

	SURVEY DATA (LAST 6)								
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 1: WADE FRAME									
Supervisor 2: ROD MANIACI	3,440.0	0.18	165.47	3,440.00	0.9	-1.3	1.1	0.33	-0.11
Engineer: RUSTY HANNA	3,344.0	0.29	246.21	3,344.00	1.1	-1.1	1.3	0.18	0.18
Geologist: KIRK SPARKMAN	3,249.0	0.12	236.30	3,249.00	1.3	-0.8	1.4	0.13	0.03
Oxy Personnel: 0	3,155.0	0.09	166.96	3,155.00	1.4	-0.7	1.5	0.15	0.00
Contractor Personnel: 25	3,061.0	0.09	265.80	3,061.00	1.5	-0.6	1.6	0.18	0.00
Total on Site: 25	2,967.0	0.09	119.57	2,967.00	1.5	-0.6	1.6	0.14	-0.03

BIT RECORD

Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
3	12.250	BAKER	HCD505ZX	7015752	323	7x13	2,839.0		--	--

BIT OPERATING PARAMETERS TODAY

Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
3	19.50	19.50	511.0	511.0	26.2	26.2	10.0/12.0	60/100	0.907	793.4	296.3	3.3

MUD DATA - NEWPARK-AVA

Engineer: Ed McDaniel / Jason Moore
 Sample From: OUT
 Mud Type: BRINE / POLYMER WBM
 Time / MD: 0:01 / 3,275.0
 Density @ Temp: 10.10 / 81
 Rheology Temp: 70
 Viscosity: 40.00
 PV / YP: 8 / 7
 Gels 10s/10m/30m: 1 / 3 / 4
 API WL: 28.00
 HTHP WL:
 Cake API / HTHP: 2.0 /
 Solids / Sol Corr: 3.70 / 3.70
 Oil / Water: / 96.3
 Sand:
 Water Added:
 Oil Added:
 LGS: 3.70 / 33.60

MBT: 0.0 lbm/bbl
 pH: 9.0
 Pm / Pom:
 Pf / Mf: 0.1 / 0.3
 Chlorides: 145,000
 Ca+ / K+: /
 CaCl2:
 Clom:
 Lime:
 ES:
 ECD: 10.30
 n / K: /
 Carbonate:
 Bicarbonate:
 Form Loss: 0.0 / 600.0
 Fluid Disch: /

LAST OR CURRENT BHA

BHA No: 3 Bit No: 3 MD In: 2,839.0 ft
 Purpose: MD Out:

Component	OD	ID	Jts	Length
PDC BIT	12.250		1	1.34
ROTARY STEERABLE MOTOR	12.250	3.200	1	13.86
NON-MAG INTEGRAL BLADE STABILIZ	12.130	2.810	1	6.40
SAVER SUB	8.250	2.880	1	3.39
MWD TOOL	8.250	6.250	1	24.24
MWD TOOL	8.500	3.000	1	3.25
NON-MAG DRILL COLLAR	8.000	2.380	1	30.28
NON-MAG INTEGRAL BLADE STABILIZ	12.130	2.880	1	6.74
SPIRAL DRILL COLLAR	7.880	3.000	2	60.60
SHOCK SUB	8.130	1.180	1	12.04
SPIRAL DRILL COLLAR	7.630	2.880	7	210.63
CROSSOVER	7.940	3.000	1	2.80
HWDP	5.000	3.000	4	123.06

VG Meter: 3@3 / 5@6 / 8@100 / 11@200 / 15@300 / 23@600
 Comments: COMPLETED DRILLING CEMENT & FLOAT EQUIPMENT, AND 20" OF NEW HOLE. PERFORMED FIT TO 13 PPG EQUIVALENT, AND RESUMED DRILLING NEW FORMATION W/ BRINE. BEGAN INITIAL MUD-UP W/ DRILLING AHEAD. DILUTING BRINE BACK WITH FRESH

Total Length: 1,200.20 ft Wt below Jars: 62,873.0 kip

MUD PRODUCTS

Product	Units	Qty Used
AQUA BLOC	50 LBS/SK	70.00
CAUSTIC SODA	50 LB/SX	5.00
DEFOAM X	5 GAL/CN	4.00
DIALD 25	5 GAL/CN	6.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FLOW-ZAN	25 LB SX	6.00
NEW GEL HY	50 LBS/SK	18.00
NEW PHPA	5 GAL	1.00
SALT GEL	50 LB/SX	265.00
SAWDUST	2000 LBS/SK	15.00
SEA MUD	50 LBS/SK	100.00

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OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/14/2008
Report No: 50

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	1:00	1.00	14SURC	DRLOUT	DOCMT	P	DRILL CEMENT FROM 2723' TO CSG SHOE@ 2809'. CLEAN OUT RAT HOLE TO 2839'
1:00	2:00	1.00	21INDR	DRILL	RSS	P	DRILL 12 1/4" HOLE FROM 2839' TO 2859' UP WT= 205K; DN WT= 195K; RT WT= 200K; RPM= 110; TQ= 2/3; GPM 800= 1975 PSI. BOTTOMS UP SAMPLE SHOWED TUFFS WITH SOME CALCITE.
2:00	3:00	1.00	21INDR	CIRC	CHOVR	P	CIRCULATE HOLE CLEAN 10 PPG SALT WATER.
3:00	4:30	1.50	21INDR	DRLOUT	DOCMT	P	TEST SURFACE LINES TO 1500 PSI / CONDUCT FIT OMW 10PPG PRESSURE UP 450 PSI, FOR AN EMW OF 13 PPG. BERT HART WITH THE BLM WAIVED THE WITNESS OF THE FIT.
4:30	6:00	1.50	21INDR	DRILL	RSS	P	DRILL FROM 2859' TO 2860' DN WT= 195K; RT WT= 200K; RPM= 90; TQ= 2/3; GPM 800= 1975 PSI. LOWERED ROTARY FROM 110 TO 90 RPM TO LOWER SHOCKS. 12G LEVEL 1 SHOCKS WHILE DRILLING.
6:00	13:30	7.50	21INDR	DRILL	RSS	P	DRILL FROM 2860' TO 3100' UP WT= 220K; DN WT= 190K; RT WT= 205K; WOB= 10K; RPM= 100; TQ= 4; GPM 838= 2350 PSI.
13:30	14:00	0.50	21INDR	RIGMT	REP	P	SERVICE TOP DRIVE
14:00	17:00	3.00	21INDR	DRILL	RSS	P	DRILL FROM 3100' TO 3205' UP WT= 220K; DN WT= 190K; RT WT= 205K; WOB= 10K; RPM= 100; TQ= 4; GPM 838= 2350 PSI.
17:00	17:30	0.50	21INDR	RIGMT	REP	PT	REPAIR MUD PUMPS. TIGHTEN BELTS ON # 3, & REPLACE CAP SEAL ON # 2 PUMP.
17:30	0:00	6.50	21INDR	DRILL	RSS	P	DRILL FROM 3205' TO 3350' UP WT= 220K; DN WT= 190K; RT WT= 205K; WOB= 10K; RPM= 100; TQ= 4; GPM 838= 2350 PSI.
							NOTE: AT 3293' ENCOUNTERED LOSSES OF 15 BBL/HR.
Total Time		24.00					

Safety Incident? N	Days since Last RI: 37.00	Weather Comments: CLEAR; WIND 15 MPH NE; AMBIENT TEMP 30 DEGREES; WIND CHILL 19 DEGREES
Environ Incident? N	Days since Last LTA: 37.00	
Incident Comments: No incidents reported last 24 hours.		

Other Remarks: DIESEL USED: 3,180 GALS. DIESEL ON HAND: 10,176 GALS. RECD 0.
 NO ACCIDENTS, NO SPILLS.
 THIRD PARTY PERSONAL SIGNED IN = 5

T 255 ROW S-35

43-041-30060

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT

OXY USA

PLATEAU VALLEY FEDERAL 35-1

USA

Date: 11/15/2008

Report No: 51

Prim. Reason: ORIG DRILL VERT

Wellbore: 00 Rig: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 15.19
 Today's MD: 3,967.0 ft Progress: 617.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 3,350.0 ft Rot Hrs Today: 23.50 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 26.3 ft/hr AFE Number: 94370114 AFE Cost:

Current Formation: TERTIARY@2,552.0 Lithology: TERTIARY: TOP FLAGSTAFF FM 3302

Current Ops: DRILL 12-1/4" HOLE W/ RSS.

24-Hr Summary: DRILL 12-1/4" HOLE W/ RSS.

24-Hr Forecast: DRILL 12-1/4" HOLE W/ RSS.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	13.375in @ 2,809ft	Str Wt Up/Dn:	222.0/ 220.0 kip	Pump Rate:	795.4	Conn:			
Next Casing:	9.625in @ 9,000ft	Str Wt Rot:	220.0 kip	Pump Press:	2,550.0	Trip:			
Last BOP Press Test:	11/12/2008	Torq Off Btm:	2,500.0 ft-lbf			Backgr:			
Form Test/EMW:	FIT / 13.03 ppg	Torq On Btm:	3,000.0 ft-lbf						

	SURVEY DATA (LAST 6)								
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 1: WADE FRAME									
Supervisor 2: ROD MANIACI	4,006.0	0.25	347.87	4,005.99	1.2	-0.8	1.4	0.17	0.17
Engineer: RUSTY HANNA	3,911.0	0.09	335.73	3,910.99	1.0	-0.7	1.1	0.19	-0.03
Geologist: KIRK SPARKMAN	3,817.0	0.12	95.31	3,816.99	0.9	-0.8	1.1	0.18	-0.04
Oxy Personnel: 0	3,723.0	0.16	22.22	3,722.99	0.8	-1.0	1.0	0.20	0.14
Contractor Personnel: 25	3,628.0	0.03	193.57	3,627.99	0.7	-1.0	0.9	0.15	-0.11
Total on Site: 25	3,534.0	0.13	85.75	3,534.00	0.7	-1.1	0.9	0.22	-0.05

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
3	12.250	BAKER	HCD505ZX	7015752	323	7x13	2,839.0		--	--

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
3	23.50	43.00	617.0	1,128.0	26.3	26.2	10.0/14.0	60/100	0.907	719.5	282.2	2.8

MUD DATA - NEWPARK-AVA				LAST OR CURRENT BHA																																																																									
Engineer: McDANIEL/MOORE	MBT:	0.0 lbm/bbl	BHA No: 3	Bit No: 3	MD In: 2,839.0 ft																																																																								
Sample From: OUT	pH:	9.0	Purpose:	MD Out:																																																																									
Mud Type: BRINE / POLYMER WBM	Pm / Pom:		<table border="1"> <thead> <tr> <th>Component</th> <th>OD</th> <th>ID</th> <th>Jts</th> <th>Length</th> </tr> </thead> <tbody> <tr> <td>PDC BIT</td> <td>12.250</td> <td></td> <td>1</td> <td>1.34</td> </tr> <tr> <td>ROTARY STEERABLE MOTOR</td> <td>12.250</td> <td>3.200</td> <td>1</td> <td>13.86</td> </tr> <tr> <td>NON-MAG INTEGRAL BLADE STABILIZ</td> <td>12.130</td> <td>2.810</td> <td>1</td> <td>6.40</td> </tr> <tr> <td>SAVER SUB</td> <td>8.250</td> <td>2.880</td> <td>1</td> <td>3.39</td> </tr> <tr> <td>MWD TOOL</td> <td>8.250</td> <td>6.250</td> <td>1</td> <td>24.24</td> </tr> <tr> <td>MWD TOOL</td> <td>8.500</td> <td>3.000</td> <td>1</td> <td>3.25</td> </tr> <tr> <td>NON-MAG DRILL COLLAR</td> <td>8.000</td> <td>2.380</td> <td>1</td> <td>30.28</td> </tr> <tr> <td>NON-MAG INTEGRAL BLADE STABILIZ</td> <td>12.130</td> <td>2.880</td> <td>1</td> <td>6.74</td> </tr> <tr> <td>SPIRAL DRILL COLLAR</td> <td>7.880</td> <td>3.000</td> <td>2</td> <td>60.60</td> </tr> <tr> <td>SHOCK SUB</td> <td>8.130</td> <td>1.180</td> <td>1</td> <td>12.04</td> </tr> <tr> <td>SPIRAL DRILL COLLAR</td> <td>7.630</td> <td>2.880</td> <td>7</td> <td>210.63</td> </tr> <tr> <td>CROSSOVER</td> <td>7.940</td> <td>3.000</td> <td>1</td> <td>2.80</td> </tr> <tr> <td>HWDP</td> <td>5.000</td> <td>3.000</td> <td>4</td> <td>123.06</td> </tr> </tbody> </table>					Component	OD	ID	Jts	Length	PDC BIT	12.250		1	1.34	ROTARY STEERABLE MOTOR	12.250	3.200	1	13.86	NON-MAG INTEGRAL BLADE STABILIZ	12.130	2.810	1	6.40	SAVER SUB	8.250	2.880	1	3.39	MWD TOOL	8.250	6.250	1	24.24	MWD TOOL	8.500	3.000	1	3.25	NON-MAG DRILL COLLAR	8.000	2.380	1	30.28	NON-MAG INTEGRAL BLADE STABILIZ	12.130	2.880	1	6.74	SPIRAL DRILL COLLAR	7.880	3.000	2	60.60	SHOCK SUB	8.130	1.180	1	12.04	SPIRAL DRILL COLLAR	7.630	2.880	7	210.63	CROSSOVER	7.940	3.000	1	2.80	HWDP	5.000	3.000	4	123.06
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Time / MD: 0:01 / 3,852.0	Pf / Mf:	0.1 / 0.4	Total Length: 1,200.20 ft																																																																										
Density @ Temp: 9.90 / 92	Chlorides:	120,000	Wt below Jars: 62,873.0 kip																																																																										
Rheology Temp: 90	Ca+ / K+:	/																																																																											
Viscosity: 45.00	CaCl2:																																																																												
PV / YP: 17 / 12	Clom:																																																																												
Gels 10s/10m/30m: 5 / 10 / 17	Lime:																																																																												
API WL: 13.00	ES:																																																																												
HTHP WL:	ECD:	10.30																																																																											
Cake API / HTHP: 2.0 /	n / K:	/																																																																											
Solids / Sol Corr: 3.90 / 3.90	Carbonate:																																																																												
Oil / Water: / 96.1	Bicarbonate:																																																																												
Sand:	Form Loss:	304.0 / 904.0																																																																											
Water Added:	Fluid Disch:	/																																																																											
Oil Added:																																																																													
LGS: 3.90 / 35.37																																																																													

VG Meter: 5@3 / 6@6 / 14@100 / 23@200 / 29@300 / 46@600
 Comments: DRILLING AT 3852 FEET WITHOUT PROBLEMS. STILL ADDING FRESH WATER AT 25 BBLS/HR TO REDUCE MUD WEIGHT. HOLE LOSSES AVERAGED 12.5 BBLS/HR, FOR A LOSS OF 304 BBLS OVER LAST 24 HOURS. MIXING HOURLY LCM TREATMENTS AND

MUD PRODUCTS		
Product	Units	Qty Used
AQUA BLOC	50 LBS/SK	84.00
CAUSTIC SODA	50 LB/SX	7.00
DIALD 25	5 GAL/CN	2.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FLOW-ZAN	25 LB SX	10.00
MICA FINE	50 LB/SX	28.00
NEW CARB	50 LB/SX	15.00
NEWPAC R	50 LB/SX	10.00
SALTGEL	50 LB/SX	200.00
SAWDUST	2000 LBS/SK	15.00
SEA MUD	50 LBS/SK	80.00

RECEIVED

NOV 21 2008

DIV. OF OIL, GAS & MINING

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/15/2008
Report No: 51

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
0:00	6:00	6.00	21INDR	DRILL	RSS	P	DRILL FROM 3350' TO 3480'. UP WT= 220K; DN WT= 190K; RT WT= 205K; WOB= 10K; RPM= 100; TQ= 4; GPM 838= 2350 PSI.	
6:00	16:00	10.00	21INDR	DRILL	RSS	P	DRILL FROM 3480' TO 3763', 268' ROP 26.8 UP WT 220K DWN 220K ROT 215K WOB 10 T/ 12K PUMPS 2 @ 180SPM, 2415 PSI, 790 GPM. RPM TQ 2 T/ 3K PUMP 10 BBL OF 28 PPB LCM PILL EVERY 100'. SPR #1 @ 30 SPM 110 PSI @ 45 SPM 220 PSI @ 3480'. SPR #2 @ 30 SPM 100 PSI @ 45 SPM 190 PSI.	
16:00	16:30	0.50	21INDR	RIGMT	SRVRIG	P	SERVICE TOP DRIVE.	
16:30	18:00	1.50	21INDR	DRILL	RSS	P	DRILL FROM 3763' TO 3780', 17" ROP 11.3 UP WT 220K DWN 220K ROT 215K WOB 10 T/ 12K PUMPS 2 @ 180SPM, 2415 PSI, 790 GPM. RPM TQ 2 T/ 3K LOST 125 BBLS, LOSS RATE 10.4 BBL/HR. NO LATERAL VIBRATIONS.	
18:00	0:00	6.00	21INDR	DRILL	RSS	P	DRILL FROM 3780' TO 3947', ROP 27.8 UP WT 222K DWN 220K ROT 220K WOB 10 T/ 14K PUMPS 2 @ 190SPM, 2535 PSI, 798 GPM. RPM TQ 2 T/ 3K LOSS RATE AVERAGE 12.5 BBL/HR. NO LATERAL VIBRATIONS.	
Total Time		24.00						

Safety Incident? N	Days since Last RI: 38.00	Weather Comments: CLEAR; WIND 5 MPH E/NE; AMBIENT TEMP 40 DEGREES; WIND CHILL 36 DEGREES
Environ Incident? N	Days since Last LTA: 38.00	
Incident Comments: No incidents reported last 24 hours. 2 Safe work permits issued.		

Other Remarks: DIESEL USED: 3180 GALS. DIESEL ON HAND: 11024 GALS. RECD 4000.

NO ACCIDENTS, NO SPILLS.

THIRD PARTY PERSONAL SIGNED IN = 5

MUD LOST FOR 24 HR = 304 BBLS
TOTAL MUD LOST TO WELL BORE = 340 BBLS TOTAL

T 255 ROW 5-35

43-041-30060

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT

OXY USA

PLATEAU VALLEY FEDERAL 35-1
USA

Date: 11/16/2008
Report No: 52

Prim. Reason: ORIG DRILL VERT

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 16.19
Today's MD: 4,345.0 ft	Progress: 378.0 ft	Ground Elev: 7,885.00 ft	Daily Cost: [REDACTED]
Prev MD: 3,967.0 ft	Rot Hrs Today: 23.50 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost: [REDACTED]
PBMD:	Avg ROP Today: 16.1 ft/hr	AFE Number: 94370114	AFE Cost: [REDACTED]

Current Formation: TERTIARY@2,552.0 Lithology: TERTIARY: TOP FLAGSTAFF FM 3302'

Current Ops: DRILL 12-1/4" HOLE W/ RSS.

24-Hr Summary: DRILL 12-1/4" HOLE W/ RSS.

24-Hr Forecast: DRILL 12-1/4" HOLE W/ RSS.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing: 13.375in @ 2,809ft	Str Wt Up/Dn: 230.0/ 230.0 kip	Pump Rate: 795.4	Conn:						
Next Casing: 9.625in @ 9,000ft	Str Wt Rot: 230.0 kip	Pump Press: 2,570.0	Trip:						
Last BOP Press Test: 11/12/2008	Torq Off Btm: 3,000.0 ft-lbf		Backgr:						
Form Test/EMW: FIT / 13.03 ppg	Torq On Btm: 4,000.0 ft-lbf								

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: WADE FRAME	4,291.0	0.59	302.41	4,290.98	2.9	-2.3	3.3	0.08	0.04	
Supervisor 2: ROD MANIACI	4,195.0	0.55	309.18	4,194.99	2.3	-1.5	2.6	0.27	0.16	
Engineer: RUSTY HANNA	4,099.0	0.40	335.02	4,098.99	1.7	-1.0	1.9	0.18	0.16	
Geologist: KIRK SPARKMAN	3,911.0	0.09	335.73	3,910.99	1.0	-0.7	1.1	0.00	0.00	
Oxy Personnel: 0	4,006.0	0.25	347.87	4,005.99	1.2	-0.8	1.4	0.17	0.17	
Contractor Personnel: 25	3,911.0	0.09	335.73	3,910.99	1.0	-0.7	1.1	0.19	-0.03	
Total on Site: 25										

BIT RECORD

Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
3	12.250	BAKER	HCD505ZX	7015752	323	7x13	2,839.0		--	--

BIT OPERATING PARAMETERS TODAY

Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
3	23.50	66.50	378.0	1,506.0	16.1	22.6	10.0/15.0	60/100	0.907	733.7	282.2	2.9

MUD DATA - NEWPARK-AVA

Engineer: ED McDANIELS/ JASON M	MBT: 0.0 lbm/bbl
Sample From: IN	pH: 9.0
Mud Type: BRINE / POLYMER WBM	Pm / Pom: 0.1 / 0.3
Time / MD: 0:01 / 4,300.0	Pf / Mf: 162,000
Density @ Temp: 10.10 / 95	Clom: /
Rheology Temp: 70	Ca+ / K+: /
Viscosity: 45.00	CaCl2: /
PV / YP: 14 / 11	Lime: /
Gels 10s/10m/30m: 3 / 12 / 17	ES: /
API WL: 11.60	ECD: 10.30
HTHP WL: /	n / K: /
Cake API / HTHP: 2.0 /	Carbonate: /
Solids / Sol Corr: 2.50 / 2.50	Bicarbonate: /
Oil / Water: 0.0 / 97.5	Form Loss: 162.0 / 1,066.0
Sand: 0.05	Fluid Disch: /
Water Added: /	
Oil Added: /	
LGS: 2.50 / 22.68	

LAST OR CURRENT BHA

BHA No: 3	Bit No: 3	MD In: 2,839.0 ft		
Purpose: MD Out:				
Component	OD	ID	Jts	Length
PDC BIT	12.250		1	1.34
ROTARY STEERABLE MOTOR	12.250	3.200	1	13.86
NON-MAG INTEGRAL BLADE STABILIZ	12.130	2.810	1	6.40
SAVER SUB	8.250	2.880	1	3.39
MWD TOOL	8.250	6.250	1	24.24
MWD TOOL	8.500	3.000	1	3.25
NON-MAG DRILL COLLAR	8.000	2.380	1	30.28
NON-MAG INTEGRAL BLADE STABILIZ	12.130	2.880	1	6.74
SPIRAL DRILL COLLAR	7.880	3.000	2	60.60
SHOCK SUB	8.130	1.180	1	12.04
SPIRAL DRILL COLLAR	7.630	2.880	7	210.63
CROSSOVER	7.940	3.000	1	2.80
HWDP	5.000	3.000	4	123.06

VG Meter: 3@3 / 4@6 / 11@100 / 18@200 / 25@300 / 39@600
 Comments: DRILLING AT 4300 FEET, RE-SATURATING BRINE-POLYMER SYSTEM BY SALT ADDITIONS. CONTINUING SALT ADDITIONS TO +/- 190,000 CHLORIDES, AND 10.3 PPG. CURRENTLY @ 162,000 CHLORIDES. LOSSES HAVE REDUCED TO ALMOST

Total Length: 1,200.20 ft Wt below Jars: 62,873.0 kip

MUD PRODUCTS

Product	Units	Qty Used
AQUA BLOC	50 LBS/SK	86.00
CAUSTIC SODA	50 LB/SX	4.00
DEFOAM X	5 GAL/CN	4.00
DIALD 25	5 GAL/CN	1.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FLOW-ZAN	25 LB SX	9.00
MICA FINE	50 LB/SX	4.00
NEW CARB	50 LB/SX	6.00
PALLETS	EA	18.00
SALT	50 LB/SX	687.00
SALTGEL	50 LB/SX	130.00

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DIV. OF OIL, GAS & MINING

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/16/2008
Report No: 52

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	6:00	6.00	21INDR	DRILL	RSS	P	DRILL FROM 3947' TO 4115', ROP 27.8 UP WT 222K DWN 220K ROT 220K WOB 10 T/ 14K PUMPS 2 @ 190SPM, 2535 PSI, 798 GPM. RPM TQ 2 T/ 3K SPR #1 @ 30 SPM 150 PSI @ 45 SPM 280 PSI @ 3948'. SPR #2 @ 30 SPM 150 PSI @ 45 SPM 280 PSI. LOSS RATE AVERAGE 12.5 BBL/HR. NO LATERAL VIBRATIONS.
6:00	14:00	8.00	21INDR	DRILL	RSS	P	DRILL FROM 4115' TO 4235, 120' ROP 15 UP WT 225K DWN 225K ROT 225K WOB 14 T/ 17K PUMPS 2 @ 190SPM, 2225 PSI, 796 GPM. RPM TQ 2 T/ 4K SPR #1 @ 30 SPM 140 PSI @ 40 SPM 200 PSI @ 4115". SPR #3 @ 30 SPM 120 PSI @ 40 SPM 180 PSI.
14:00	14:30	0.50	21INDR	RIGMT	SRVRIG	P	SERVICE TOP DRIVE.
14:30	18:00	3.50	21INDR	DRILL	RSS	P	DRILL FROM 4235' TO 4263', 148' ROP 8 UP WT 225K DWN 225K ROT 225K WOB 14 T/ 17K PUMPS 2 @ 190SPM, 2225 PSI, 796 GPM. RPM TQ 2 T/ 4K NO LATERAL VIBRATIONS. LOST 16 BBLs TO WELL BORE IN 12 HRS.
18:00	0:00	6.00	21INDR			P	DRILL FROM 4263' TO 4345', ROP 13.6 UP WT 225K DWN 225K ROT 225K WOB 14 T/ 17K RPM 90 TQ 2 T/ 4K 2 PUMPS @ 190 SPM, 796 GPM= 2570 PSI. SPR #2 @30 SPM= 110 PSI; @45 SPM= 192 PSI SPR #3 @30 SPM= 110 PSI; @45 SPM= 202 PSI NO LATERAL VIBRATIONS. NO NOTABLE LOSSES LAST 6 HOURS LOST 162 BBLs TO WELL BORE LAST 24 HRS.

Total Time 24.00

Safety Incident? N **Days since Last RI:** 39.00 **Weather Comments:**

Environ Incident? N **Days since Last LTA:** 39.00 CLEAR; WIND 8 MPH NE; AMBIENT TEMP 46 DEGREES; WIND CHILL 41 DEGREES

Incident Comments:
 H2S DRILL @ 18:30 HRS, ALL PERSONAL ACCOUNTED FOR.

Other Remarks: DIESEL USED: 2756 GALS. DIESEL ON HAND: 8480 GALS. RECD 0.

 NO ACCIDENTS, NO SPILLS.

 THIRD PARTY PERSONAL SIGNED IN = 5

 MUD LOST FOR 24 HR = 162 BBLs
 TOTAL MUD LOST TO WELL BORE = 502 BBLs

T255 R01WS-35 43-041-30060

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT

OXY USA

PLATEAU VALLEY FEDERAL 35-1

USA

Date: 11/17/2008

Report No: 53

Prim. Reason: ORIG DRILL VERT

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 17.19
Today's MD: 4,785.0 ft	Progress: 440.0 ft	Ground Elev: 7,885.00 ft	Daily Cost: \$123,872
Prev MD: 4,345.0 ft	Rot Hrs Today: 23.50 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost: \$4,792,696
PBMD:	Avg ROP Today: 18.7 ft/hr	AFE Number: 94370114	AFE Cost: \$12,804,200

Current Formation: TERTIARY@2,552.0 Lithology: TERTIARY: TOP FLAGSTAFF FM 3302'

Current Ops: DRILL 12-1/4" HOLE W/ RSS T/ 4785'

24-Hr Summary: DRILL 12-1/4" HOLE W/ RSS.

24-Hr Forecast: DRILL 12-1/4" HOLE W/ RSS.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing: 13.375in @ 2,809ft	Str Wt Up/Dn: 235.0/ 235.0 kip	Pump Rate: 795.3	Conn:						
Next Casing: 9.625in @ 9,000ft	Str Wt Rot: 235.0 kip	Pump Press: 4,762.0	Trip:						
Last BOP Press Test: 11/12/2008	Torq Off Btm: 3,000.0 ft-lbf		Backgr:						
Form Test/EMW: FIT / 13.03 ppg	Torq On Btm: 4,000.0 ft-lbf								

	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: WADE FRAME	4,766.0	1.27	326.93	4,860.95	7.2	-5.9	8.2	0.54	0.51	
Supervisor 2: ROD MANIACI	4,671.0	0.79	337.27	4,765.96	5.7	-5.1	6.5	0.30	0.24	
Engineer: RUSTY HANNA	4,575.0	0.56	322.55	4,669.97	4.7	-4.6	5.5	0.11	0.09	
Geologist: KIRK SPARKMAN	4,482.0	0.48	314.72	4,576.98	4.1	-4.0	4.8	0.22	-0.09	
Oxy Personnel: 0	4,386.0	0.57	294.11	4,480.98	3.6	-3.3	4.1	0.09	-0.02	
Contractor Personnel: 25	4,291.0	0.59	302.41	4,385.98	3.1	-2.4	3.5	0.08	0.04	
Total on Site: 25										

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
3	12.250	BAKER	HCD505ZX	7015752	323	7x13	2,839.0		--	--

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
3	23.50	90.00	440.0	1,946.0	18.7	21.6	20.0/30.0	90/110	0.907	737.4	282.9	2.9

MUD DATA - NEWPARK-AVA				LAST OR CURRENT BHA				
Engineer: ED McDANIELS/ JASON M	MBT: 0.0 lbm/bbl	BHA No: 3	Bit No: 3	MD In: 2,839.0 ft				
Sample From: PIT	pH: 9.5	Purpose:		MD Out:				
Mud Type: BRINE / POLYMER WBM	Pm / Pom: 0.1 / 0.5							
Time / MD: 0:01 / 4,712.0	Pf / Mf: 207,000							
Density @ Temp: 10.40 / 105	Ca+ / K+: /							
Rheology Temp: 70	CaCl2:							
Viscosity: 43.00	Clom: 10.44							
PV / YP: 14 / 12	n / K: /							
Gels 10s/10m/30m: 5 / 12 / 19	Carbonate:							
API WL: 14.60	Bicarbonate:							
HTHP WL:	Form Loss: 64.0 / 1,130.0							
Cake API / HTHP: 2.0 /	Fluid Disch: /							
Solids / Sol Corr: 1.60 / 1.60								
Oil / Water: 0.0 / 98.4								
Sand: 0.05								
Water Added:								
Oil Added:								
LGS: 1.60 / 14.51								

VG Meter: 4@3 / 5@6 / 14@100 / 21@200 / 26@300 / 40@600

Comments: DRILLING AT 4712 FEET, SATURATED BRINE-POLYMER SYSTEM BY SALT ADDITIONS TO OVER 200,000 CHLORIDES, AND 10.4PPG. CURRENTLY AT 207,000 CHLORIDES. HOLE LOSSES AVERAGED 2.6 BBL/HR, FOR A LOSS OF 64 BBL OVER LAST 24

MUD PRODUCTS		
Product	Units	Qty Used
AQUA BLOC	50 LBS/SK	34.00
CAUSTIC SODA	50 LB/SX	9.00
DEFOAM X	5 GAL/CN	2.00
DIALD 25	5 GAL/CN	2.00
DYNA DET	5 GAL/CAN	10.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FLOW-ZAN	25 LB SX	7.00
LIME	50 LB/SX	15.00
MICA FINE	50 LB/SX	24.00
NEW CARB	50 LB/SX	39.00
NEWWEASE 203	5 GAL/CN	2.00

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DEPT OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/17/2008
Report No: 53

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	6:00	6.00	21INDR	DRILL	RSS	P	DRILL FROM 4345' TO 4420', ROP 12.5 UP WT 225K DWN 225K ROT 225K WOB 12 T/20K RPM 110 TQ 2 T/4K 2 PUMPS @ 200 SPM, 838 GPM= 2544 PSI. MINIMAL MUD LOSSES TO HOLE IN LAST 6 HRS NO LATERAL VIBRATIONS.
6:00	14:30	8.50	21INDR	DRILL	RSS	P	DRILL FROM 4420' TO 4615', 195' ROP 24' HR. UP WT 230K DWN 230K ROT 230K WOB 25K RPM 110 TQ 2 T/6K 2 PUMPS @ 198 SPM, 828 GPM= 2530 PSI.
14:30	15:00	0.50	21INDR	RIGMT	SRVRIG	P	SERVICE RIG.
15:00	18:00	3.00	21INDR	DRILL	RSS	P	DRILL FROM 4615' TO 4666', 51' ROP 17' HR. UP WT 230K DWN 230K ROT 230K WOB 25K RPM 110 TQ 3 T/8K 2 PUMPS @ 198 SPM, 828 GPM= 2500 PSI. 24 BBLS LOST TO WELL BORE IN 12 Hrs. NO LATERAL VIBRATIONS.
18:00	0:00	6.00	21INDR	DRILL	RSS	P	DRILL FROM 4666' TO 4785', 119' ROP 20' HR. UP WT 235K DWN 235K ROT 235K WOB 30K RPM 110 TQ 3 T/6K 2 PUMPS @ 198 SPM, 828 GPM= 2535 PSI. 64 BBLS MUD LOST TO WELL IN LAST 24 HRS NO LATERAL VIBRATIONS.

Total Time 24.00

Safety Incident? N **Days since Last RI:** 40.00 **Weather Comments:**
Environ Incident? N **Days since Last LTA:** 40.00 CLEAR; WIND 5 MPH SE; AMBIENT TEMP 50 DEGREES; WIND CHILL 48 DEGREES

Incident Comments:
 No incidents reported last 24 hours.

Other Remarks: DIESEL USED: 3180 GALS. DIESEL ON HAND: 9328 GALS. RECD: 4,000 GALLONS.

 NO ACCIDENTS, NO SPILLS.

 THIRD PARTY PERSONAL SIGNED IN = 5

 MUD LOST FOR 24 HR = 64 BBLS
 TOTAL MUD LOST TO WELL BORE = 606 BBLS

T 255 ROW S-35

43-041-30060

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT

OXY USA

PLATEAU VALLEY FEDERAL 35-1

Date: 11/18/2008

Prim. Reason: ORIG DRILL VERT

USA

Report No: 54

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 18.19
Today's MD: 5,174.0 ft	Progress: 389.0 ft	Ground Elev: 7,885.00 ft	Daily Cost:
Prev MD: 4,785.0 ft	Rot Hrs Today: 23.50 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost:
PBMD:	Avg ROP Today: 16.6 ft/hr	AFE Number: 94370114	AFE Cost:

Current Formation: ARAPIEN SHALE@4,720.0 Lithology: ARAPIEN SHALE: SHALE, SILTSTONE, ANHYDRATE, SALT.

Current Ops: DRILL 12-1/4" HOLE W/ RSS.

24-Hr Summary: DRILL 12-1/4" HOLE W/ RSS.

24-Hr Forecast: DRILL 12-1/4" HOLE W/ RSS.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing: 13.375in @ 2,809ft	Str Wt Up/Dn: 235.0/ 235.0 kip	Pump Rate: 812.1	Conn:						
Next Casing: 9.625in @ 9,000ft	Str Wt Rot: 235.0 kip	Pump Press: 2,725.0	Trip:						
Last BOP Press Test: 11/12/2008	Torq Off Btm: 3,000.0 ft-lbf		Backgr:						
Form Test/EMW: FIT / 13.03 ppg	Torq On Btm: 4,000.0 ft-lbf								

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: WADE FRAME	5,051.0	1.33	315.08	5,050.88	11.7	-10.2	13.4	0.12	0.12	
Supervisor 2: ROD MANIACI	4,956.0	1.22	314.31	4,955.90	10.2	-8.7	11.7	0.18	-0.16	
Engineer: RUSTY HANNA	4,830.0	1.42	318.37	4,829.93	8.1	-6.7	9.2	0.39	0.23	
Geologist: KIRK SPARKMAN	4,766.0	1.27	326.93	4,765.95	6.9	-5.8	7.9	0.54	0.51	
Oxy Personnel: 0	4,671.0	0.79	337.27	4,670.97	5.4	-4.9	6.3	0.30	0.24	
Contractor Personnel: 25	4,575.0	0.56	322.55	4,574.97	4.5	-4.4	5.2	0.11	0.09	
Total on Site: 25										

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
3	12.250	BAKER	HCD505ZX	7015752	323	7x13	2,839.0	5,179.0	5-1-CT-N	D-I-BT-WO

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
3	23.50	113.50	389.0	2,335.0	16.6	20.6	20.0/35.0	90/110	0.907	772.8	288.2	3.1

MUD DATA - NEWPARK-AVA				LAST OR CURRENT BHA				
Engineer: ED McDANIELS/ JASON M	MBT: 0.0 lbm/bbl	BHA No: 3	Bit No: 3	MD In: 2,839.0 ft				
Sample From: PIT	pH: 9.5	Purpose:		MD Out: 5,179.0 ft				
Mud Type: BRINE / POLYMER WBM	Pm / Pom: 0.2 / 0.5	Component		OD	ID	Jts	Length	
Time / MD: 0:01 / 5,104.0	Pf / Mf: 183,000	PDC BIT	12.250			1	1.34	
Density @ Temp: 10.40 / 105	Ca+ / K+: /	ROTARY STEERABLE MOTOR	12.250	3.200		1	13.86	
Rheology Temp: 120	CaCl2:	NON-MAG INTEGRAL BLADE STABILIZ	12.130	2.810		1	6.40	
Viscosity: 48.00	Clom: /	SAVER SUB	8.250	2.880		1	3.39	
PV / YP: 18 / 10	Lime: /	MWD TOOL	8.250	6.250		1	24.24	
Gels 10s/10m/30m: 3 / 15 / 17	ES: /	MWD TOOL	8.500	3.000		1	3.25	
API WL: 12.80	ECD: 10.48	NON-MAG DRILL COLLAR	8.000	2.380		1	30.28	
HTHP WL: /	n / K: /	NON-MAG INTEGRAL BLADE STABILIZ	12.130	2.880		1	6.74	
Cake API / HTHP: 2.0 /	Carbonate: /	SPIRAL DRILL COLLAR	7.880	3.000		2	60.60	
Solids / Sol Corr: 3.50 / 3.50	Bicarbonate: /	SHOCK SUB	8.130	1.180		1	12.04	
Oil / Water: 0.0 / 96.5	Form Loss: 0.0 / 1,130.0	SPIRAL DRILL COLLAR	7.630	2.880		7	210.63	
Sand: 0.05	Fluid Disch: /	CROSSOVER	7.940	3.000		1	2.80	
Water Added: /		HWDP	5.000	3.000		4	123.06	
Oil Added: /								
LGS: 3.50 / 31.75								

VG Meter: 2@3 / 3@6 / 12@100 / 19@200 / 28@300 / 46@600

Comments: DRILLING AHEAD AND ADDING SATURATED BRINE AS NEEDED FOR MAKE-UP. DRILLED FROM 4712 TO 5104 FEET, LAST 24 HOURS. NO SALT DRILLED AS YET, BUT IT IS LIKELY ANYTIME. NO RECORDABLE LOSSES LAST 24 HOURS; ONLY FOR FORMATION

MUD PRODUCTS		
Product	Units	Qty Used
CAUSTIC SODA	50 LB/SX	6.00
DEFOAM X	5 GAL/CN	4.00
DIALD 25	5 GAL/CN	1.00
DYNA DET	5 GAL/CAN	14.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FLOW-ZAN	25 LB SX	11.00
LIME	50 LB/SX	13.00
MICA FINE	50 LB/SX	12.00
NEW CARB	50 LB/SX	26.00
NEWWEASE 203	5 GAL/CN	7.00
NEWPAC R	50 LB/SX	15.00

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DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/18/2008
Report No: 54

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
0:00	1:00	1.00	21INDR	DRILL	RSS	P	DRILL FROM 4785' TO 4804', 19' ROP 19' HR. UP WT 235K DWN 235K ROT 235K WOB 30K RPM 110 TQ 3 T/ 6K 2 PUMPS @ 198 SPM, 828 GPM= 2535 PSI. NO LATERAL VIBRATIONS.	
1:00	1:30	0.50	21INDR	RIGMT	SRVRIG	P	SERVICE RIG.	
1:30	6:00	4.50	21INDR	DRILL	RSS	P	DRILL FROM 4804' TO 4850', 46' ROP 10.2' HR. DRILL 20K WOB FOR DIRECTIONAL F/ 4810' T/ 4830' DRILL REMAINDER WITH WOB 25K TO HELP RSS STEER ANGLE DOWN. CK SHOT SURVEY DEPTH 4804' 1.2 INC 321.08 AZ CONSULT WITH ENGINEER. DISCUSSED PLAN TO DRILL AHEAD WITH 30K WOB AND SEE IF ANGLE CONTINUES TO BE AN ISSUE. UP WT 235K DWN 235K ROT 235K WOB 25K RPM 110 TQ 3 T/ 6K 2 PUMPS @ 198 SPM, 828 GPM= 2535 PSI. SPR #1@ 30 SPM= 122 PSI @ 45 SPM= 236 PSI SPR #2@ 30 SPM= 110 PSI @ 45 SPM= 197 PSI NO LATERAL VIBRATIONS.	
6:00	18:00	12.00	21INDR	DRILL	RSS	P	DRILL FROM 4850' TO 5050, 200' ROP 16.6' HR. UP WT 235K DWN 235K ROT 235K WOB 25K RPM 110 TQ 3 T/ 8K 2 PUMPS @ 194 SPM, 808 GPM= 2737 PSI. NO LATERAL VIBRATIONS. NO LOSSES REPORTED FOR LAST 12 HOURS.	
18:00	0:00	6.00	21INDR	DRILL	RSS	P	DRILL FROM 5050' TO 5174, 124' ROP 20.6' HR. UP WT 245K DWN 245K ROT 245K WOB 25K RPM 110 TQ 3 T/ 8K 2 PUMPS @ 194 SPM, 808 GPM= 2737 PSI. SPR #2@ 30 SPM= 102 PSI @ 45 SPM= 200 PSI SPR #3@ 30 SPM= 118 PSI @ 45 SPM= 222 PSI NO LATERAL VIBRATIONS. NO RECORDABLE LOSSES FOR LAST 24 HOURS.	
Total Time		24.00						

Safety Incident? N **Days since Last RI:** 41.00 **Weather Comments:**

Environ Incident? N **Days since Last LTA:** 41.00 CLEAR; WIND 6 MPH SSW; AMBIENT TEMP 45 DEGREES; WIND CHILL 42 DEGREES

Incident Comments:
 H2S DRILL @ 18:30 HRS. ALL HANDS PARTICIPATED, AND ACCOUNTED FOR.

Other Remarks: DIESEL USED: 2756 GALS. DIESEL ON HAND: 10,600 GALS. RECD: 4,000 GALLONS.

 NO ACCIDENTS, NO SPILLS.

 THIRD PARTY PERSONAL SIGNED IN = 5

 MUD LOST TO WELL BORE LAST 24 HR = 0 BBLS
 TOTAL MUD LOST TO WELL BORE = 606 BBLS

T 255 R01W S-35 43-041-30060

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT

OXY USA

PLATEAU VALLEY FEDERAL 35-1
USA

Date: 11/19/2008

Report No: 55

Prim. Reason: ORIG DRILL VERT

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 19.19
Today's MD: 5,310.0 ft	Progress: 136.0 ft	Ground Elev: 7,885.00 ft	Daily Cost:
Prev MD: 5,174.0 ft	Rot Hrs Today: 6.50 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost:
PBMD:	Avg ROP Today: 20.9 ft/hr	AFE Number: 94370114	AFE Cost:

Current Formation: ARAPIEN SHALE@4,720.0

Lithology: ARAPIEN SHALE: SHALE, SILTSTONE, ANHYDRATE, SALT.

Current Ops: DRILL 12-1/4" HOLE W/ RSS.

24-Hr Summary: DRILL 12-1/4" HOLE W/ RSS. / TRIP OUT FOR WASH OUT / CHANGE BIT & RSS / TRIP IN TO BOTTOM / DRILL 12-1/4" HOLE V

24-Hr Forecast: TRIP OUT OF HOLE / RESIZE BIT NOZZELS / TRIP BACK TO BOTTOM / DRILL 12-1/4" HOLE W/ RSS.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing: 13.375in @ 2,809ft	Str Wt Up/Dn: /	Pump Rate: 619.5	Conn:						
Next Casing: 9.625in @ 9,000ft	Str Wt Rot:	Pump Press: 2,275.0	Trip:						
Last BOP Press Test: 11/12/2008	Torq Off Btm:	Backgr:							
Form Test/EMW: FIT / 13.03 ppg	Torq On Btm:								

PERSONNEL

SURVEY DATA (LAST 6)

Supervisor 1: WADE FRAME	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 2: ROD MANIACI	5,229.0	0.06	221.55	5,228.84	13.7	-12.7	15.9	1.52	-1.46
Engineer: RUSTY HANNA	5,135.0	1.43	307.85	5,134.85	13.0	-11.7	15.0	0.24	0.12
Geologist: KIRK SPARKMAN	5,051.0	1.33	315.08	5,050.88	11.7	-10.2	13.4	0.12	0.12
Oxy Personnel: 0	4,956.0	1.22	314.31	4,955.90	10.2	-8.7	11.7	0.18	-0.16
Contractor Personnel: 25	4,830.0	1.42	318.37	4,829.93	8.1	-6.7	9.2	0.39	0.23
Total on Site: 25	4,766.0	1.27	326.93	4,765.95	6.9	-5.8	7.9	0.54	0.51

BIT RECORD

Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
4	12.500	HYCALOG	RSR 619m A-2	220440	422	6x12	5,179.0	5,310.0	0-0-NO-A	0-I-NO-PN
3	12.250	BAKER	HCD505ZX	7015752	323	7x13	2,839.0	5,179.0	5-1-CT-N	D-I-BT-WO

BIT OPERATING PARAMETERS TODAY

Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
4	6.00	6.00	131.0	131.0	21.8	21.8	10.0/20.0	90/110	0.663	846.5	300.2	2.5
3	0.50	114.00	5.0	2,340.0	10.0	20.5	30.0/35.0	100/110	0.907	744.6	282.9	2.9

MUD DATA - NEWPARK-AVA

LAST OR CURRENT BHA

Engineer: BILL DESHOTELS/ JASON
Sample From: PIT
Mud Type: BRINE / POLYMER WBM
Time / MD: 0:01 / 5,303.0
Density @ Temp: 10.40 / 105
Rheology Temp: 120
Viscosity: 47.00
PV / YP: 17 / 16
Gels 10s/10m/30m: 4 / 6 / 16
API WL: 11.70
HTHP WL:
Cake API / HTHP: 2.0 /
Solids / Sol Corr: 3.10 / 3.10
Oil / Water: 0.0 / 96.9
Sand: 0.05
Water Added:
Oil Added:
LGS: 3.10 / 28.12

MBT: 9.5
pH:
Pm / Pom:
Pf / Mf: 0.2 / 0.5
Chlorides: 188,000
Ca+ / K+: /
CaCl2:
Clom:
Lime:
ES:
ECD: 10.48
n / K:
Carbonate:
Bicarbonate:
Form Loss: 25.0 / 1,155.0
Fluid Disch: /

BHA No: 4 Bit No: 4 MD In: 5,179.0 ft
Purpose: MD Out: 5,310.0 ft

Component	OD	ID	Jts	Length
PDC BIT	12.250		1	0.95
ROTARY STEERABLE MOTOR	12.250	3.200	1	13.86
NON-MAG INTEGRAL BLADE STABILIZ	12.130	2.810	1	6.40
SAVER SUB	8.250	2.880	1	3.39
MWD TOOL	8.250	6.250	1	24.24
MWD TOOL	8.500	3.000	1	3.25
NON-MAG DRILL COLLAR	8.000	2.380	1	30.28
NON-MAG INTEGRAL BLADE STABILIZ	12.130	2.880	1	6.74
SPIRAL DRILL COLLAR	7.880	3.000	2	60.60
SPIRAL DRILL COLLAR	7.630	2.880	7	210.63
CROSSOVER	7.940	3.000	1	2.80
HWDP	5.000	3.000	4	123.06
DRILLING JAR	6.250	2.750	1	29.64

VG Meter: 3@3 / 4@6 / 14@100 / 22@200 / 33@300 / 50@600
Comments: DRILL TO 5179FT, POOH FOR WASHOUT. FIND WASHOUT 7 JOINTS DOWN & CHANGE OUT JOINT. CONTINUE TO POOH, SLIP/CUT DRILL LINE. WHEN FINISH POOH, CHANGE OUT PDC BIT & RIH NO PROBLEMS.

Total Length: 1,187.77 ft Wt below Jars: 62,873.0 kip

MUD PRODUCTS

Product	Units	Qty Used
CAUSTIC SODA	50 LB/SX	1.00
DYNA DET	5 GAL/CAN	4.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FLOW-ZAN	25 LB SX	1.00
LIME	50 LB/SX	7.00
MICA FINE	50 LB/SX	20.00
NEW CARB	50 LB/SX	20.00
NEWEASE 203	5 GAL/CN	6.00
PALLETS	EA	82.00
SALT GEL	50 LB/SX	13.00
SHRINK WRAP	EA	71.00

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NOV 21 2008

DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/19/2008
Report No: 55

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	0:30	0.50	21INDR	DRILL	RSS	P	DRILL FROM 5174' TO 5179, 5' ROP 10' HR. UP WT 245K DWN 245K ROT 245K WOB 30K RPM 110 TQ 3 T/ 8K 2 PUMPS @ 194 SPM, 808 GPM= 2240 PSI. NO LATERAL VIBRATIONS.
0:30	1:30	1.00	21INDR	OTHR	OTHER	PT	INVESTIGATE 300 PSI PRESSURE LOST. UNABLE TO FIND ANY LEAKS ON SURFACE. CONSULT WITH TOWN & TRIP OUT OF THE HOLE.
1:30	5:30	4.00	21INDR	TRIP	WSHO	PT	TRIP OUT OF HOLE FOR WASHOUT. TIGHT 25K @ 4000' TO 3985' & 3908' TO 3898' FOUND WASHOUT IN DP, 4 STANDS FROM HWDP. CHANGE OUT 1 JOINT OF DP. TRIP OUT TO JARS.
5:30	6:00	0.50	21INDR	RIGMT	REP	PT	REPAIR LEAKING HOSE ON IRON ROUGHNECK
6:00	9:30	3.50	21INDR	TRIP	WSHO	PT	TRIP OUT OF THE HOLE, LAY DOWN SHOCK SUB, BIT AND POWERDRIVE TOOL.
9:30	10:30	1.00	21INDR	TRIP	WSHO	PT	PICK UP NEW HYCALOG RSR619m A-22, FRESH POWERDRIVE TOOL.
10:30	12:30	2.00	21INDR	TRIP	WSHO	PT	TRIP IN HOLE TO 2811' SHALLOW HOLE TEST MWD
12:30	14:00	1.50	21INDR	RIGMT	SRVRIG	P	SLIP & CUT DRILLING LINE, RIG SERVICE
14:00	18:00	4.00	21INDR	TRIP	WSHO	PT	TRIP IN HOLE TO 5179'. WASH DOWN 70'. NO ADVERSE HOLE CONDITIONS WHILE TRIPPING IN HOLE. WHEN WASHING TO BOTTOM, SURFACE PRESSURE WAS NOTABLY HIGH AT 720 GPM. FLOW RATE WAS DROPPED TO 620 GPM MAXIMUM.
18:00	0:00	6.00	21INDR	DRILL	RSS	P	DRILL FROM 5179' TO 5310, 131' ROP 21.8' HR. CONFER WITH ENGINEER. FLOW RATE OF 620 GPM WAS BELOW MINIMAL ACCEPTABLE FOR HOLE CLEANING FACTORS. TRIP OUT OF THE HOLE TO OPEN UP NOZZLES ON BIT FOR 750 TO 800 GPM MAXIMUM. UP WT 245K DWN 245K ROT 245K WOB 20K RPM 110 TQ 3 T/ 8K 2 PUMPS @ 148 SPM, 618 GPM= 2275 PSI. NO LATERAL VIBRATIONS.

Total Time 24.00

Safety Incident? N	Days since Last RI: 42.00	Weather Comments: CLEAR; WIND 8 MPH WEST; AMBIENT TEMP 20 DEGREES; WIND CHILL 10 DEGREES
Environ Incident? N	Days since Last LTA: 42.00	
Incident Comments: No incidents reported last 24 hours.		

Other Remarks: DIESEL USED: 1686 GALS. DIESEL ON HAND: 12580 GALS. RECD: 4000 GALS.

 NO ACCIDENTS, NO SPILLS.

 THIRD PARTY PERSONAL SIGNED IN = 5

 MUD LOST TO WELL BORE LAST 24 HR = 25 BBLS
 TOTAL MUD LOST TO WELL BORE = 631 BBLS

T 255 ROLW S-35 43-041-30060

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT

OXY USA

PLATEAU VALLEY FEDERAL 35-1

Date: 11/20/2008

Prim. Reason: ORIG DRILL VERT

USA

Report No: 56

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 20.19
Today's MD: 5,634.0 ft	Progress: 324.0 ft	Ground Elev: 7,885.00 ft	Daily Cost:
Prev MD: 5,310.0 ft	Rot Hrs Today: 13.00 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost:
PBMD:	Avg ROP Today: 24.9 ft/hr	AFE Number: 94370114	AFE Cost:

Current Formation: ARAPIEN SHALE@4,720.0 Lithology: ARAPIEN SHALE: SHALE, SILTSTONE, ANHYDRATE, SALT.

Current Ops: DRILL 12-1/4" HOLE W/ RSS T/ 5634'

24-Hr Summary: TRIP FOR NOZZELS / DRILL 12-1/4" HOLE W/ RSS.

24-Hr Forecast: DRILL 12-1/4" HOLE W/ RSS.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing: 13.375in @ 2,809ft	Str Wt Up/Dn: /	Pump Rate: 795.4	Conn:						
Next Casing: 9.625in @ 9,000ft	Str Wt Rot:	Pump Press: 2,775.0	Trip:						
Last BOP Press Test: 11/12/2008	Torq Off Btm:		Backgr:						
Form Test/EMW: FIT / 13.03 ppg	Torq On Btm:								

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: WADE FRAME	5,515.0	0.09	47.21	5,514.84	13.7	-12.7	15.9	0.19	0.00	
Supervisor 2: ROD MANIACI	5,421.0	0.09	222.16	5,420.84	13.7	-12.7	15.9	0.14	0.03	
Engineer: RUSTY HANNA	5,325.0	0.06	353.17	5,324.84	13.7	-12.7	15.9	0.11	0.00	
Geologist: KIRK SPARKMAN	5,229.0	0.06	221.55	5,228.84	13.7	-12.7	15.9	1.52	-1.46	
Oxy Personnel: 0	5,135.0	1.43	307.85	5,134.85	13.0	-11.7	15.0	0.24	0.12	
Contractor Personnel: 25	5,051.0	1.33	315.08	5,050.88	11.7	-10.2	13.4	0.12	0.12	
Total on Site: 25										

BIT RECORD											
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R	
5	12.250	HYCALOG	RSR 619m A-2	220440	422	8x12	5,310.0		--	--	
4	12.500	HYCALOG	RSR 619m A-2	220440	422	6x12	5,179.0	5,310.0	0-0-NO-A	0-I-NO-PN	

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
5	13.00	13.00	324.0	324.0	24.9	24.9	20.0/25.0	100/105	0.884	770.6	285.0	3.0
4	0.00	6.00	0.0	131.0	0.0	21.8	0.0/0.0	0/0	0.663	0.0	0.0	0.0

MUD DATA - NEWPARK-AVA				LAST OR CURRENT BHA				
Engineer: BILL DESHOTELS/ JASON	MBT:			BHA No: 5	Bit No: 5	MD In: 5,310.0 ft		
Sample From: PIT	pH: 9.7			Purpose:		MD Out:		
Mud Type: BRINE / POLYMER WBM	Pm / Pom: 0.7 / 0.7							
Time / MD: 0:01 / 5,550.0	Pf / Mf: 191,000							
Density @ Temp: 10.50 / 105	Chlorides: /							
Rheology Temp: 120	CaCl2:							
Viscosity: 51.00	Clom: 10.50							
PV / YP: 21 / 19	Lime: /							
Gels 10s/10m/30m: 4 / 14 / 21	ES: /							
API WL: 11.80	ECD: 15.0 / 1,170.0							
HTHP WL:	n / K: /							
Cake API / HTHP: 2.0 /	Carbonate:							
Solids / Sol Corr: 3.70 / 3.70	Bicarbonate:							
Oil / Water: 0.0 / 96.3	Form Loss: /							
Sand: 0.05	Fluid Disch: /							
Water Added:								
Oil Added:								
LGS: 3.70 / 33.56								

VG Meter: Comments: TRIPPED OUT OF THE HOLE HANDLE BHA BREAK BIT, PULLED 2 JETS. MAKE BIT BACK AND CLEANED OUT FILTER SUB. TRIPPED BACK IN TO TO TEST TOOL OUTSIDE SHOE AT 2900 FEET. INSTALLED ROTATING HEAD 200 FEET OFF BTM. WASH AND REAM

MUD PRODUCTS		
Product	Units	Qty Used
CAUSTIC SODA	50 LB/SX	10.00
DEFOAM X	5 GAL/CN	4.00
DYNA DET	5 GAL/CAN	3.00
DYNA-FIBER	25 LBS	20.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FLOW-ZAN	25 LB SX	10.00
LIME	50 LB/SX	5.00
MICA FINE	50 LB/SX	10.00
NEW BAR	100 LB/SX	40.00
NEW CARB	50 LB/SX	68.00
NEWWEASE 203	5 GAL/CN	4.00

Total Length: 1,187.84 ft Wt below Jars: 37,148.0 kip

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NOV 21 2008
DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 11/20/2008
Report No: 56

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	1:30	1.50	21INDR	CIRC	CNDHOL	PT	CIRCULATE SWEEP AROUND TO CONDITION HOLE
1:30	6:00	4.50	21INDR	TRIP	DRILL	PT	TRIP OUT OF HOLE. CHANGE OUT JARS. SHALLOW HOLE TEST POWERDRIVE 500 GPM, REDRESS BIT.
6:00	8:30	2.50	21INDR	TRIP	BHA	PT	RE NOZZLE BIT, CLEAN OUT SCREEN ON TOP OF FILTER SUB, RUN IN THE HOLE TO 2805' SHALLOW HOLE TEST MWD. GOOD TEST.
8:30	10:30	2.00	21INDR	TRIP	DRILL	PT	RUN IN THE HOLE FROM 2805' TO 5265'.
10:30	11:00	0.50	21INDR	REAM	PRRM	PT	WASH AND REAM FROM 5265' TO 5309'. FAN BOTTOM
11:00	18:00	7.00	21INDR	DRILL	RSS	P	DRILL FROM 5310' TO 5522', 212' ROP 30.3' HR. UP WT 252K DWN 240K ROT 245K WOB 25K RPM 105 TQ 3 T/ 8K 2 PUMPS @ 188 SPM, 796 GPM= 2990 PSI. NO LATERAL VIBRATIONS. 10 BBLS LOST TO WELL BORE IN 12 HR.
18:00	0:00	6.00	21INDR	DRILL	RSS	P	DRILL FROM 5522' TO 5634', 112' ROP 18.6' HR. UP WT 252K DWN 240K ROT 245K WOB 25K RPM 105 TQ 3 T/ 8K 2 PUMPS @ 188 SPM, 796 GPM= 2990 PSI. NO LATERAL VIBRATIONS. 57 BBLS LOST TO WELL BORE IN 6 HR.

Total Time 24.00

Safety Incident? N	Days since Last RI: 43.00	Weather Comments: CLEAR; WIND 7 MPH WEST; AMBIENT TEMP 26 DEGREES; WIND CHILL 18 DEGREES
Environ Incident? N	Days since Last LTA: 43.00	

Incident Comments:
 No incidents reported last 24 hours. 2 Safe work permits issued.

Other Remarks: DIESEL USED: 2756 GALS. DIESEL ON HAND: 13,992 GALS. RECD: 4000 GALS.

NO ACCIDENTS, NO SPILLS.

THIRD PARTY PERSONAL SIGNED IN = 5

MUD LOST TO WELL BORE LAST 24 HR = 67 BBLS
 TOTAL MUD LOST TO WELL BORE = 698 BBLS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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

5. Lease Serial No.
UTU-81364

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

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
OXY USA Inc.

3a. Address
P.O. Box 27757
Houston, TX 77227-7757

3b. Phone No. (include area code)
(970) 263-3637

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Section 35, Township 25 South, Range 1 West, SLB&M
At surface: 868' FNL, 734' FEL, being in NE4NE4 At prod. zone: 868' FNL, 734' FEL, being in NE4NE4

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

8. Well Name and No.
Plateau Valley Federal 35-1

9. API Well No.
4304130060

10. Field and Pool or Exploratory Area
Exploratory

11. Country or Parish, State
Sevier, UT (041)

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

OXY USA Inc. (OXY) is providing notice of change to the drilling plan for the Plateau Valley Federal 35-1 well. OXY will continue to set 9 5/8" casing to a max depth of 12,000' or to the middle of the Navajo formation, whichever comes first. This change to the Plateau Valley Federal 35-1 drilling plan is because OXY has not identified the Salt section, or the Twin Creek and Navajo formations. Verbal approval was received from Al McKee with the BLM on December 5, 2008 regarding the change to the drilling plan.

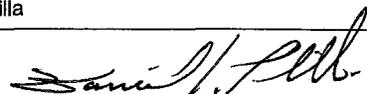
COPY SENT TO OPERATOR

Date: 12.30.2008

Initials: KS

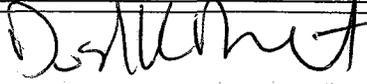
14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Daniel I. Padilla

Title Regulatory Coordinator

Signature 

Date 12/8/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by 

Title Pet. Eng. Date 12/22/08

Office DOG Federal Approval Of This Action Is Necessary

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED

DEC 10 2008

Attachment for 12000' of Intermediate 9-5/8" Casing Sundry Notice

	<u>Surface</u>	<u>Intermediate</u>	<u>Prod Liner</u>
Casing O. D. (in)	13.375	9.625	5.500
Casing Grade	J-55	HCL-80	L-80
Weight of Pipe (lbs/ft)	68.0	53.5	20.0
Connection	BTC	BTC	LTC
Top Setting Depth - MD (ft)	0	0	8500
Top Setting Depth - TVD (ft)	0	0	8500
Bottom Setting Depth - MD (ft)	3000	12000	14000
Bottom Setting Depth - TVD (ft)	3000	12000	14000
Maximum Mud Weight - Inside (ppg)	9.2	10.5	9.0
Maximum Mud Weight - Outside (ppg)	9.2	10.5	9.0
Design Cement Top - MD (ft)	0	2700	10750
Design Cement Top - TVD (ft)	0	2700	10700
Max. Hydrostatic Inside w/ Dry Outside (psi)	1435	6552	6552
Casing Burst Rating (psi)	3450	7930	9190
Burst Safety Factor (1.10 Minimum)	2.40	1.21	1.40
Max. Hydrostatic Outside w/ Dry Inside (psi)	1435	6552	6552
Collapse Rating	1950	8850	8830
Collapse Safety Factor (1.125 Minimum)	1.36	1.35	1.35
Casing Weight in Air (kips)	204.0	642.0	110.0
Body Yield (kips)	1069	1244	466
Joint Strength (kips)	1140	1414	416
Tension Safety Factor (1.60 Minimum)	5.59	1.94	3.78

T255 RO1W S-35 43-041-30060

CONFIDENTIAL

OXY USA
DAILY OPERATIONS PARTNER REPORT
 PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 12/05/2008
 Report No: 71

Prim. Reason: ORIG DRILL VERT

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 35.19
Today's MD: 9,200.0 ft	Progress: 127.0 ft	Ground Elev: 7,885.00 ft	Daily Cost:
Prev MD: 9,073.0 ft	Rot Hrs Today: 13.50 hr	AFF MD/Days: 14,000.0 / 98.0 days	Cum Cost:
PRMD:	Avg ROP Today: 9.4 ft/hr	AFF Number: 94370114	AFF Cost:

Current Formation ARAPIEN SHALE@4,720.0 Lithology: RED BROWN SHALE W/ ORANGE SILTY SAND & ANHYDRITE

Current Ops: TEST BOPE

24-Hr Summary: DRILL AHEAD W/ ROTARY STEERABLE SYSTEM / TRIP FOR DIRECTIONAL TOOLS / TEST BOPE

24-Hr Forecast: TEST BOPE / SLIP & CUT DRILLING LINE / TRIP BACK TO BOTTOM / DRILL AHEAD

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avr	Max
Last Casing: 13.375in @ 2,809ft	Str Wt Up/Dn: 320.0/ 305.0 kip	Pump Rate: 736.7	Conn:						
Next Casing: 9.625in @ 9,000ft	Str Wt Rot: 325.0 kip	Pump Press: 3,800.0	Trip:						
Last BOP Press Test: 11/12/2008	Torg Off Btm: 5.0 ft-lb		Backgr:						
Form Test/EMW: FIT / 13.03 ppg	Torg On Btm: 8.0 ft-lb								

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: DUB CAMERON	9,183.0	2.16	48.06	9,182.57	22.3	-15.6	24.9	1.11	1.06	
Supervisor 2: RODNEY MANIACI	9,090.0	1.17	37.09	9,089.61	20.4	-17.5	23.4	1.07	1.02	
Engineer: RUSTY HANNA	8,995.0	0.20	72.06	8,994.61	19.6	-18.2	22.7	0.04	0.00	
Geologist: KIRK SPARKMAN	8,901.0	0.20	82.62	8,900.62	19.5	-18.5	22.7	0.06	0.01	
Oxy Personnel: 0	8,805.0	0.19	98.69	8,804.62	19.5	-18.9	22.8	0.10	-0.05	
Contractor Personnel: 26	8,711.0	0.24	77.69	8,710.62	19.5	-19.2	22.8	0.11	0.09	
Total on Site: 26										

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
8	12.250	SECURITY DBS	FMHX653ZZ	11255966	M323	6x14	7,211.0	9,200.0	1-1-WT-T	D-I-NO-DMF

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
8	13.50	143.00	127.0	2,051.0	9.4	14.3	30.0/40.0	70/90	0.902	666.0	265.0	2.5

MUD DATA - NEWPARK-AVA	
Engineer: BILL DESHOTELS/NICK LIGH	MBT: 27.5 lbm/bbl
Sample From: PIT	pH: 10.8
Mud Type: BRINE / POLYMER WBM	Pm / Pom:
Time / MD: 18:00 / 9,200.0	Pf / Mf: 0.5 / 2.2
Density @ Temp: 10.60 / 55	Chlorides: 197,000
Rheology Temp: 55	Ca+ / K+:
Viscosity: 55.00	CaCl2:
PV / YP: 18 / 16	Clom:
Gels 10s/10m/30m 4 / 22 / 29	Lime:
API WL: 12.00	ES:
HTHP WL:	ECD: 10.60
Cake API / HTHP: 2.0 /	n / K:
Solids / Sol Corr: 4.10 / 4.10	Carbonate:
Oil / Water: / 95.9	Bicarbonate:
Sand: 0.25	Form Loss: 117.0 / 2,367.0
Water Added:	Fluid Disch: /
Oil Added:	
JGS: 4.10 / 37.19	
VG Meter: 4@3 / 5@6 / 17@100 / 2@200 / 34@300 / 53@600	
Comments: DRILL TO 9200 FT, ANGLE INCREASES TO 2.15. DECISION MADE TO POOH. PUMPED SWEEP, MIX AND PUMP SLUG, POOH. REPLACE WORN SCREENS ON S/S AND MUD CLEANER.	

LAST OR CURRENT BHA				
BHA No: 8	Bit No: 8	MD In: 7,211.0 ft		
Purpose: DRILL VERTICAL HOLE		MD Out: 9,200.0 ft		
Component	OD	ID	Jts	Length
PDC BIT	12.250	3.000	1	1.00
RSS (PUSH BIT)	8.375	3.200	1	13.79
FLOAT SUB	8.000	3.200	1	3.12
INTEGRAL BLADE STABILIZER	12.125	2.810	1	7.48
MWD TOOL	8.175	2.880	1	28.44
NON-MAG DRILL COLLAR	8.250	6.250	1	30.28
NON-MAG INTEGRAL BLADE STABILIZER	12.120	9.562	1	7.53
DRILL COLLAR	8.000	2.380	5	152.94
DRILL COLLAR	7.750	2.880	5	145.39
SPIRAL DRILL COLLAR	8.500	3.000	1	28.50
CROSSOVER	7.630	2.880	7	2.80
HWDP	5.000	3.000	7	215.34
DRILLING JAR	6.250	2.750	1	32.03
Total Length:	1,248.29 ft	Wt below Jars:	53,229.0 kip	

MUD PRODUCTS		
Product	Units	Qty Used
DIALD 25	5 GAL/CN	1.00
DYNAFIBER M	25 LB/SX	15.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FLOW-ZAN	25 LB SX	25.00
LIME	50 LB/SX	35.00
NEW BAR	100 LB/SX	90.00
NEWEASE 203	5 GAL/CN	8.00
NEWPAC LV	50 LB/SX	17.00
NOFOAM X	5 GAL/CN	4.00
PALLETS	EA.	18.00
SALTGEL	50 LB/SX	15.00

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DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 12/05/2008
Report No: 71

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
0:00	6:00	6.00	21INDR	DRILL	RSS	P	DRILL FROM 9073' TO 9132' ROP= 9.8 FPH WOB - 40K; RPM: 90; TQ= 7-11K UP WT= 320K; DN WT= 305K; RT WT= 325K SHOCKS & LAT VIBS: LEVEL 1	
6:00	11:00	5.00	21INDR	DRILL	RSS	P	DRILL FROM 9,132' TO 9,178' OR 46' IN 5 HRS OR 9.3'/HR. FORMATION CHANGE @ 9,175' - LIMESTONE - WOB - 38K; RPM - 70; 761 GPM @ 182 STKS @ 3,806 PSI, SHOCKS - 0.0; LAT VIB'S - 1-2; ROP - 12.3'/HR. TOOL BEGINNING TO BUILD ANGLE - 1.76 DEGREES.	
11:00	13:30	2.50	21INDR	DRILL	RSS	P	DRILL FROM 9,178' TO 9,200' OR 22' IN 2.5 HRS OR 8.8'/HR. TAKE SURVEY SHOT - 2.15 DEGREES. CONTACT DRLG ENGR & ADVISE. BEGIN BUILDING SLUG.	
13:30	14:00	0.50	21INDR	CIRC	CNDFLD	P	FINISH BUILDING SLUG & PUMP SAME.	
14:00	18:00	4.00	21INDR	TRIP	DRILL	P	POOH TO BHA # 8. PULL 6 - 8K OVER ON 1ST & 2ND STD. NO HOLE PROBLEMS ON TRIP-OUT.	
18:00	21:00	3.00	21INDR	TRIP	BHA	P	RACK BACK BHA, BREAK OUT BIT # 8. HOLE TOOK 115 BBLS MUD ON TRIP OUT, 12 BBLS OVER CALCULATED	
21:00	0:00	3.00	21INDR	BOP	TSTBOP	P	PULL WEAR BUSHING, RUN TEST PLUG, & TEST BOPE 250/5000 PSI	
Total Time		24.00						

Safety Incident?	N	Days since Last RI:	58.00	Weather Comments: 32 DEGREES AMBIENT TEMP; CLEAR; WIND 7 MPH FROM ne; 26 DEGREES WIND CHILL FACTOR
Environ Incident?	N	Days since Last LTA	58.00	
Incident Comments: No incidents reported last 24 hours.				

Other Remarks: NO ACCIDENTS OR INCIDENTS.

DIESEL USED: 2,332 GAL. DIESEL ON HAND: 13,992 GAL. RECIEVED 4000 GAL

HOLE TOOK 117 BBLS MUD IN LAST 24 HOURS. TOTAL LOSSES FOR SECTION 2084 BBLS

BLM AL McKEE & BERT HEART UPDATED BY EMAIL ON UPCOMING BOP TEST / POOH FOR BHA # 9 @ 15:00 HRS.

T 255 ROIW 5-35 43-041-30060

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DAILY OPERATIONS PARTNER REPORT
 PLATEAU VALLEY FEDERAL 35-1

Date: 12/06/2008
 Report No: 72

Prim. Reason: ORIG DRILL VERT

USA

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 36.19
Today's MD: 9,237.0 ft	Progress: 37.0 ft	Ground Elev: 7,885.00 ft	Daily Cost:
Prev MD: 9,200.0 ft	Rot Hrs Today: 3.00 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost:
PRMD:	Avg ROP Today: 12.3 ft/hr	AFE Number: 94370114	AFE Cost:

Current Formation ARAPIEN SHALE@4.720.0 Lithology: RED BROWN SHALE W/ ORANGE SILTY SAND & ANHYDRITE

Current Ops: DRILL AHEAD W/ ROTARY STEERABLE SYSTEM

24-Hr Summary: TEST BOPE / SLIP & CUT DRILLING LINE / TRIP TO BOTTOM / DRILL AHEAD

24-Hr Forecast: DRILL AHEAD W/ ROTARY STEERABLE SYSTEM

CASINGWELL CONTROL		HOOK LOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing: 13.375in @ 2,809ft		Str Wt Up/Dn: 315.0/ 320.0 kip		Pump Rate: 753.5		Conn:			
Next Casing: 9.625in @ 9,000ft		Str Wt Rot: 315.0 kip		Pump Press: 3,750.0		Trip:			
Last BOP Press Test: 12/06/2008		Torg Off Btm: 6.0 ft-lb				Backgr:			
Form Test/EMW: FIT / 13.03 ppg		Torg On Btm: 11.0 ft-lb							

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: DUB CAMERON	9,277.0	1.63	71.99	9,276.52	23.9	-13.0	26.0	1.00	-0.56	
Supervisor 2: RODNEY MANIACI	9,183.0	2.16	48.06	9,182.57	22.3	-15.6	24.9	1.11	1.06	
Engineer: RUSTY HANNA	9,090.0	1.17	37.09	9,089.61	20.4	-17.5	23.4	1.07	1.02	
Geologist: KIRK SPARKMAN	8,995.0	0.20	72.06	8,994.61	19.6	-18.2	22.7	0.04	0.00	
Oxy Personnel: 0	8,901.0	0.20	82.62	8,900.62	19.5	-18.5	22.7	0.06	0.01	
Contractor Personnel: 26	8,805.0	0.19	98.69	8,804.62	19.5	-18.9	22.8	0.10	-0.05	
Total on Site: 26										

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
9	12.250	HUGHES CHRISTENS	HC505ZX	7009897	M323	7x13	9,200.0		--	--
8	12.250	SECURITY DBS	FMHX653ZZ	11255966	M323	6x14	7,211.0	9,200.0	1-1-WT-T	D-I-NO-DMF

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
9	3.00	3.00	37.0	37.0	12.3	12.3	15.0/40.0	60/75	0.907	637.9	258.1	2.3

MUD DATA - NEWPARK-AVA	
Engineer: BILL DESHOTELS/NICK LIGH	MBT: 27.5 lbm/bbl
Sample From: PIT	pH: 10.5
Mud Type: BRINE / POLYMER WBM	Pm / Pom:
Time / MD: 20:00 / 9,200.0	Pf / Mf: 0.5 / 2.0
Density @ Temp: 10.60 / 50	Chlorides: 195,000
Rheology Temp: 50	Ca+ / K+: /
Viscosity: 55.00	CaCl2:
PV / YP: 17 / 15	Clom:
Gels 10s/10m/30m 4 / 19 / 27	Lime:
API WL: 12.00	ES:
HTHP WL:	ECD: 10.71
Cake API / HTHP: 2.0 /	n / K: /
Solids / Sol Corr: 4.30 / 4.30	Carbonate:
Oil / Water: / 95.9	Bicarbonate:
Sand: 0.25	Form Loss: / 2,367.0
Water Added:	Fluid Disch: /
OIL Added:	
LGS: 4.30 / 39.00	

LAST OR CURRENT BHA			
BHA No: 9	Bit No: 9	MD In: 9,200.0 ft	
Purpose: DRILL VERTICAL HOLE		MD Out:	
Component	OD	ID	Its
PDC BIT	12.250	3.000	1
ROTARY STEERABLE MOTOR	8.375	3.200	1
FLOAT SUB	8.000	2.875	1
NON-MAG INTEGRAL BLADE STABILIZER	12.125	2.500	1
MWD TOOL	8.500	2.812	1
NON-MAG DRILL COLLAR	8.125	2.937	1
NON-MAG INTEGRAL BLADE STABILIZER	12.120	2.812	1
DRILL COLLAR	7.875	3.000	5
DRILL COLLAR	7.750	2.875	5
DRILL COLLAR	7.437	2.750	1
CROSSOVER	6.625	3.000	7
HWDP	5.000	3.000	7
DRILLING JAR	6.250	2.500	1
Total Length:	1,243.92 ft	Wt below Jars:	53,229.0 kip

VG Meter: ?@3 / ?@6 / ?@100 / ?@200 / ?@300 / ?@600
 Comments: POOH, SLIP/CUT DRILL LINE, CHANGE OUT BHA AND BIT, RIH NO PROBLEMS.

MUD PRODUCTS		
Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00

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OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 12/06/2008
Report No: 72

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
0:00	4:00	4.00	21INDR	BOP	TSTBOP	P	TEST BOPE 250/5000 PSI, ANNULAR 250/3500 PSI.	
4:00	4:30	0.50	21INDR	BOP	TSTBOP	P	RIG DOWN BOP TEST EQUIPMENT	
4:30	5:00	0.50	21INDR	BOP	TSTBOP	P	INSTALL WEAR BUSHING	
5:00	8:30	3.50	21INDR	RIGMT	SRVRIG	P	SLIP & CUT DRILLING LINE	
8:30	10:00	1.50	21INDR	TRIP	BHA	P	TIH W/ BHA # 9 AND LAY DOWN TOOLS.	
10:00	15:30	5.50	21INDR	TRIP	BHA	P	PICK-UP TOOLS AND MAKE-UP. COULD NOT BREAK-OUT MONEL COLLAR W/ ST-80. BREAK-OUT W/ TONGS. CHANGE-OUT MONEL. ST-80 NOT WORKING PROPERLY. FORCED TO USE TONGS TO TORQUE BHA TOOLS. RUN 1 STD HWDP & SHALLOW TEST TOOL. GOOD TEST.	
15:30	20:30	5.00	21INDR	TRIP	BHA	P	TRIP IN HOLE TO 9124'. NO HOLE PROBLEMS.	
20:30	21:00	0.50	21INDR	REAM	PRRM	P	WASH & REAM TO BOTTOM. PRECAUTIONARY FAN BOTTOM FOR JUNK.	
21:00	0:00	3.00	21INDR	DRILL	RSS	P	DRILL FROM 9200' TO 9237' ROP= 12.3 FPH WOB - 40K; RPM: 75; TQ= 9-11K 745 GPM = 3750 PSI UP WT= 320K; DN WT= 305K; RT WT= 325K SPR #1@ 30 SPM= 200 PSI @ 50 SPM = 480 PSI SPR #3@ 30 SPM= 200 PSI @ 50 SPM = 440 PSI SHOCKS & LAT VIBS: LEVEL 1	
Total Time		24.00						

Safety Incident?	N	Days since Last RI:	59.00	Weather Comments: 41 DEGREES AMBIENT TEMP; CLEAR; WIND 5 MPH FROM SOUTH; 38 DEGREES WIND CHILL FACTOR
Environ Incident?	N	Days since Last LTA	59.00	
Incident Comments: No incidents reported last 24 hours.				

Other Remarks: NO ACCIDENTS OR INCIDENTS.
 1 SPILL 15 TO 20 BBLs MUD IN CONTAINMENT AROUND MUD PIT.
 DIESEL USED: 2831 GAL. DIESEL ON HAND: 13,356 GAL. RECIEVED 40000 GAL

T 255 ROLW S-35 43-041-30060

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DAILY OPERATIONS PARTNER REPORT
 PLATEAU VALLEY FEDERAL 35-1
 USA

Prim. Reason: ORIG DRILL VERT Date: 12/07/2008 Report No: 73

Wellbore: 00 Rig: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 37.19
 Today's MD: 9,800.0 ft Progress: 563.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 9,237.0 ft Rot Hrs Today: 22.50 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PRMD: Avg ROP Today: 25.0 ft/hr AFE Number: 94370114 AFE Cost:

Current Formation ARAPIEN SHALE@4,720.0 Lithology: RED BED BROWN SHALE W/ ORANGE SILTY SAND &
 Current Ops: DRILL AHEAD W/ ROTARY STEERABLE SYSTEM
 24-Hr Summary: DRILL AHEAD W/ ROTARY STEERABLE SYSTEM
 24-Hr Forecast: DRILL AHEAD W/ ROTARY STEERABLE SYSTEM

CASING/WELL CONTROL		HOOK LOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	13.375in @ 2,809ft	Str Wt Up/Dn:	315.0 / 320.0 kip	Pump Rate:	749.3	Conn:			
Next Casing:	9.625in @ 9,000ft	Str Wt Rot:	315.0 kip	Pump Press:	3,750.0	Trip:			
Last BOP Press Test:	12/06/2008	Torg Off Btm:	6.0 ft-lb	Backgr:					
Form Test/EMW:	FIT / 13.03 ppq	Torg On Btm:	12.0 ft-lb						

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: DUB CAMERON	9,848.0	0.29	97.59	9,847.46	25.1	-6.1	25.8	0.30	-0.29	
Supervisor 2: RODNEY MANIACI	9,753.0	0.57	90.24	9,752.46	25.1	-6.8	26.0	0.76	-0.72	
Engineer: RUSTY HANNA	9,658.0	1.25	73.01	9,657.48	24.8	-8.3	26.0	0.71	0.71	
Geologist: KIRK SPARKMAN	9,562.0	0.57	77.49	9,561.49	24.4	-9.8	25.8	0.52	0.48	
Oxy Personnel: 0	9,467.0	0.11	119.44	9,466.49	24.4	-10.3	25.9	0.76	-0.74	
Contractor Personnel: 25	9,372.0	0.81	86.36	9,371.49	24.4	-11.1	26.0	0.91	-0.86	
Total on Site: 25										

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
9	12.250	HUGHES CHRISTENS	HC505ZX	7009897	M323	7x13	9,200.0		--	--

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
9	22.50	25.50	653.0	690.0	29.0	27.1	15.0/40.0	60/75	0.907	654.4	265.2	2.4

MUD DATA - NEWPARK-AVA

Engineer: BILL DESHOTELS/NICK LIGHT
 Sample From: OUT
 Mud Type: BRINE / POLYMER WBM
 Time / MD: 18:00 / 9,683.0
 Density @ Temp: 10.60 / 178
 Rheology Temp: 165
 Viscosity: 56.00
 PV / YP: 18 / 16
 Gels 10s/10m/30m 5 / 19 / 25
 API WL: 12.00
 HTHP WL:
 Cake API / HTHP: 2.0 /
 Solids / Sol Corr: 3.80 / 3.80
 Oil / Water: / 96.2
 Sand: 0.25
 Water Added:
 Oil Added:
 LGS: 3.80 / 34.47

MBT: 10.3
 pH:
 Pm / Pom:
 Pf / Mf: 0.5 / 1.8
 Chlorides: 190,000
 Ca+ / K+: /
 CaCl2:
 Clom:
 Lime:
 ES:
 ECD: 10.71
 n / K: /
 Carbonate:
 Bicarbonate:
 Form Loss: 120.0 / 2,487.0
 Fluid Dlsch: /

LAST OR CURRENT BHA

BHA No: 9 Bit No: 9 MD In: 9,200.0 ft
 Purpose: DRILL VERTICAL HOLE MD Out:

Component	OD	ID	Jts	Length
PDC BIT	12.250	3.000	1	1.30
ROTARY STEERABLE MOTOR	8.375	3.200	1	13.76
FLOAT SUB	8.000	2.875	1	3.12
NON-MAG INTEGRAL BLADE STABILIZER	12.125	2.500	1	5.14
MWD TOOL	8.500	2.812	1	29.42
NON-MAG DRILL COLLAR	8.125	2.937	1	30.78
NON-MAG INTEGRAL BLADE STABILIZER	12.120	2.812	1	3.75
DRILL COLLAR	7.875	3.000	5	152.94
DRILL COLLAR	7.750	2.875	5	145.39
DRILL COLLAR	7.437	2.750	1	28.50
CROSSOVER	6.625	3.000	7	2.80
HWDP	5.000	3.000	7	215.34
DRILLING JAR	6.250	2.500	1	32.03

VG Meter: 3@3 / 4@5 / 17@100 / 23@200 / 34@300 / 52@600
 Comments: ADDED 2% BIODIESEL, NO EFFECT ON FOAMING ISSUES.
 DUMPED SAND TRAPS ON CONNECTIONS AS NEEDED. HIT A TIGHT SPOT
 AT 9685 AND WORKED THE PIPE THROUGH IT. CURRENTLY DRILLING

Total Length: 1,243.92 ft Wt below Jars: 53,229.0 kip

MUD PRODUCTS

Product	Units	Qty Used
AQUABLOC	50 LB/SX	40.00
CAUSTIC SODA	50 LB/SX	20.00
DIALD 25	5 GAL/CN	2.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FINNIFIX (CMC-LV)	50 LBS/SK	100.00
FLOW-ZAN	25 LB SX	25.00
LIME	50 LB/SX	10.00
MICA FINE	50 LB/SX	10.00
NOFOAM X	5 GAL/CN	10.00
SEA MUD	50 LBS/SK	110.00
SODA ASH	50 LBS/SK	4.00

RECEIVED
 DEC 12 2008
 DEPT OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
USA

Date: 12/07/2008
Report No: 73

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	3:00	3.00	21INDR	DRILL	RSS	P	DRILL FROM 9237' TO 9317' ROP= 26.6 FPH WOB - 40K; RPM: 75; TQ= 9-11K 750 GPM = 3750 PSI UP WT= 320K; DN WT= 305K; RT WT= 325K SHOCKS & LAT VIBS: LEVEL 1
3:00	3:30	0.50	21INDR	RIGMT	SRVRIG	P	SERVICE RIG
3:30	6:00	2.50	21INDR	DRILL	RSS	P	DRILL FROM 9317' TO 9385' ROP= 28.3 FPH WOB - 40K; RPM: 75; TQ= 9-11K 750 GPM = 3750 PSI UP WT= 320K; DN WT= 305K; RT WT= 325K SHOCKS & LAT VIBS: LEVEL 1
6:00	15:00	9.00	21INDR	DRILL	RSS	P	DRILL FROM 9,385' TO 9,603' OR 218' IN 9 HRS OR 24.2'/HR. WOB - 42K; RPM - 75; SHOCKS - 0.3; LAT VIB'S - LEVEL 1, SURFACE TORQUE - 7.
15:00	15:30	0.50	21INDR	RIGMT	REP	PT	REPAIR OILER LINES FOR ROTATING HEAD. MAINTAIN 20 -30 PSI.
15:30	18:00	2.50	21INDR	DRILL	RSS	P	DRILL FROM 9,603' TO 9,680' or 77' IN 2.5 HRS OR 30.8'/HR. SHOCKS - 0.0; LAT VIB'S - LEVEL 1. DUMP SAND TRAP ON EA. CONNECTION; FERMENTATION ODOR SUBSIDING. WOB - 41K; RPM - 80.
18:00	20:00	2.00	21INDR	DRILL	RSS	P	DRILL FROM 9680' TO 9719' ROP= 20 FPH WOB - 38K; RPM: 75; TQ= 9-10K 750 GPM = 3750 PSI UP WT= 320K; DN WT= 305K; RT WT= 325K SHOCKS & LAT VIBS: LEVEL 1
20:00	20:30	0.50	21INDR	CIRC	CNDFLD	PT	TREAT ACTIVE SYSTEM, ADD MUD AND STRING IN BRINE IN THE SUCTION PIT TO CONTROL EXCESSIVE FOAM. REPRIME MUD PUMPS. FERMENTATION ODOR STRONG
20:30	0:00	3.50	21INDR	DRILL	RSS	P	DRILL FROM 9719' TO 9800' ROP= 23 FPH WOB - 40K; RPM: 75; TQ= 9-10K 750 GPM = 3750 PSI UP WT= 320K; DN WT= 305K; RT WT= 325K SHOCKS & LAT VIBS: LEVEL 1

Total Time 24.00

Safety Incident?	N	Days since Last RI:	60.00	Weather Comments: 30 DEGREES AMBIENT TEMP; CLOUDY; WIND 5 MPH FROM NORTH; 25 DEGREES WIND CHILL FACTOR
Environ Incident?	N	Days since Last LTA	60.00	
Incident Comments: No incidents reported last 24 hours.				

Other Remarks: NO ACCIDENTS OR INCIDENTS.

GETTING LARGE PIECES OF WOOD, ROCKS & COTTON FIBRE'S IN DP SCREENS. BY ELIMINATION, DISCOVER IT'S COMING FROM BRINE STORAGE.
WILL RUN BRINE OVER SHAKERS FROM NOW ON. WILL INSTALL FILTER SYSTEM IF NECESSARY @ TRANSFER PUMP.
CONTINUE TO WORK ON CLEAN-UP THROUGHOUT MORN. TWR.

HOLE TOOK 120 BBLS MUD IN LAST 24 HOURS. TOTAL LOSSES FOR SECTION 2077 BBLS
DIESEL USED: 3392 GAL. DIESEL ON HAND: 11236 GAL.

T 255 ROLW S-35 43-04L 30060

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OXY USA
DAILY OPERATIONS PARTNER REPORT
 PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 12/08/2008
 Report No: 74

Prim. Reason: ORIG DRILL VERT

Wellbore: 00 Rig: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 38.19
 Today's MD: 10,168.0 ft Progress: 368.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 9,800.0 ft Rot Hrs Today: 23.00 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 16.0 ft/hr AFE Number: 94370114 AFE Cost:

Current Formation: ARAPIEN SHALE@4,720.0 Lithology: 80% ANHYDRITE, LIMESTONE

Current Ops: DRILL AHEAD W/ ROTARY STEERABLE SYSTEM

24-Hr Summary: DRILL AHEAD W/ ROTARY STEERABLE SYSTEM

24-Hr Forecast: DRILL AHEAD W/ ROTARY STEERABLE SYSTEM

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	13.375in @ 2,809ft	Str Wt Up/Dn:	315.0/ 320.0 kip	Pump Rate:	753.5	Conn:			
Next Casing:	9.625in @ 9,000ft	Str Wt Rot:	315.0 kip	Pump Press:	3,580.0	Trip:			
Last BOP Press Test:	12/06/2008	Torq Off Btm:	6.0 ft-lbf			Backgr:			
Form Test/EMW:	FIT / 13.03 ppg	Torq On Btm:	12.0 ft-lbf						

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: DUB CAMERON										
Supervisor 2: RODNEY MANIACI	10,135.0	0.37	97.28	10,134.44	25.6	-2.7	25.6	0.40	-0.37	
Engineer: RUSTY HANNA	10,040.0	0.72	81.70	10,039.44	25.6	-3.6	25.8	0.35	-0.34	
Geologist: KIRK SPARKMAN	9,944.0	1.05	76.81	9,943.45	25.3	-5.0	25.8	0.82	0.79	
Oxy Personnel: 0	9,848.0	0.29	97.59	9,847.46	25.1	-6.1	25.8	0.30	-0.29	
Contractor Personnel: 24	9,753.0	0.57	90.24	9,752.46	25.1	-6.8	26.0	0.76	-0.72	
Total on Site: 24	9,658.0	1.25	73.01	9,657.48	24.8	-8.3	26.0	0.71	0.71	

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
9	12.250	HUGHES CHRISTE	HC505ZX	7009897	M323	7x13	9,200.0		--	--

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
9	23.00	48.50	368.0	1,058.0	16.0	21.8	20.0/45.0	60/100	0.907	654.4	265.2	2.4

MUD DATA - NEWPARK-AVA

Engineer: BILL DESHOTELS/NICK LI
 Sample From: OUT
 Mud Type: BRINE / POLYMER WBM
 Time / MD: 22:00 / 10,167.0
 Density @ Temp: 10.50 / 170
 Rheology Temp: 165
 Viscosity: 64.00
 PV / YP: 18 / 15
 Gels 10s/10m/30m: 6 / 22 / 30
 API WL: 10.50
 HTHP WL:
 Cake API / HTHP: 2.0 /
 Solids / Sol Corr: 4.20 / 4.20
 Oil / Water: / 95.8
 Sand: 0.25
 Water Added:
 Oil Added:
 LGS: 4.20 / 38.09

MBT: 25.0 lbm/bbl
 pH: 10.4
 Pm / Pom:
 Pf / Mf: 0.5 / 1.7
 Chlorides: 185,000
 Ca+ / K+: /
 CaCl2:
 Clom:
 Lime:
 ES:
 ECD: 10.71
 n / K:
 Carbonate:
 Bicarbonate:
 Form Loss: 53.0 / 2,552.0
 Fluid Disch: /

LAST OR CURRENT BHA

BHA No: 9 Bit No: 9 MD In: 9,200.0 ft
 Purpose: DRILL VERTICAL HOLE MD Out:

Component	OD	ID	Jts	Length
PDC BIT	12.250	3.000	1	1.30
ROTARY STEERABLE MOTOR	8.375	3.200	1	13.76
FLOAT SUB	8.000	2.875	1	3.12
NON-MAG INTEGRAL BLADE STABILIZ	12.125	2.500	1	5.14
MWD TOOL	8.500	2.812	1	29.42
NON-MAG DRILL COLLAR	8.125	2.937	1	30.78
NON-MAG INTEGRAL BLADE STABILIZ	12.120	2.812	1	3.75
DRILL COLLAR	7.875	3.000	5	152.94
DRILL COLLAR	7.750	2.875	5	145.39
DRILL COLLAR	7.437	2.750	1	28.50
CROSSOVER	6.625	3.000	7	2.80
HWDP	5.000	3.000	7	215.34
DRILLING JAR	6.250	2.500	1	32.03

VG Meter: 3@3 / 4@6 / 15@100 / 25@200 / 33@300 / 51@600
 Comments: DRILLING AHEAD. ENDURING FOAMING CONDITIONS IN MIDDLE PITS. IN ORDER TO LOWER VOLUME, DUMPED MUD AT SAND TRAPS AND LATER BUILT BACK WITH RESERVE MUD AND BRINE. ONE OF 3 SHALE SHAKERS DOWN 2 DAYS, WAIT ON

Total Length: 1,243.92 ft Wt below Jars: 53,229.0 kip

MUD PRODUCTS

Product	Units	Qty Used
AQUABLOC	50 LB/SX	20.00
BUSAN	40 LB/SX	2.00
CAUSTIC SODA	50 LB/SX	20.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FINNFIX (CMC-LV)	50 LBS/SK	10.00
FLOW-ZAN	25 LB SX	25.00
LIME	50 LB/SX	10.00
MICA FINE	50 LB/SX	10.00
NEW CARB	50 LB/SX	10.00
NEWEASE 203	5 GAL/CN	21.00
NOFOAM A	5 GAL/CN	32.00

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DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
USA

Date: 12/08/2008
Report No: 74

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
0:00	3:00	3.00	21INDR	DRILL	RSS	P	DRILL FROM 9800' TO 9890' ROP= 30 FPH WOB - 40K; RPM: 75; TQ= 9-12K 750 GPM = 3750 PSI UP WT= 340K; DN WT= 335K; RT WT= 337K SHOCKS & LAT VIBS: LEVEL 1	
3:00	3:30	0.50	21INDR	RIGMT	REP	P	SERVICE RIG	
3:30	6:00	2.50	21INDR	DRILL	RSS	P	DRILL FROM 9890' TO 9985' ROP= 38 FPH WOB - 40K; RPM: 75; TQ= 9-12K 750 GPM = 3750 PSI UP WT= 335K; DN WT= 330K; RT WT= 340K SPR #1@ 30 SPM= 180 PSI @ 50 SPM = 400 PSI SPR #3@ 30 SPM= 180 PSI @ 50 SPM = 420 PSI SHOCKS & LAT VIBS: LEVEL 1	
6:00	18:00	12.00	21INDR	DRILL	RSS	P	DRILL FROM 9,985' TO 10,158' OR 173' IN 12 HRS OR 14.5'/HR. DRILLED OFF INTO ANHYDRITE. ROP - 5'/HR. WOB - 31K; RPM - 67; LAT VIB'S - 1; SHOCKS - 0; STICK - 100-300 %. CHANGING DRLG PARA TO DRILL TO MITIGATE STICK. PUMP 746 GPM @ 179 STKS @ 3,663 PSI.	
18:00	21:00	3.00	21INDR	DRILL	RSS	P	DRILL FROM 10,158' TO 10,165' ROP= 2 FPH WOB - 40K; RPM: 75; TQ= 9-12K 750 GPM = 3750 PSI UP WT= 335K; DN WT= 330K; RT WT= 340K SHOCKS & LAT VIBS: LEVEL 1	
21:00	21:30	0.50	21INDR	CIRC	CNDFLD	P	TREAT ACTIVE SYSTEM, BUILD MUD AND STRING IN BRINE IN THE SUCTION PIT TO CONTROL EXCESSIVE FOAM. REPRIME MUD PUMPS.	
21:30	0:00	2.50	21INDR	DRILL	RSS	P	DRILL FROM 10,165' TO 10,168' ROP= 1.2 FPH DISCUSSED WITH DRILLING ENGINEER OF REDUCED BIT PERFORMANCE AND DIFFICULTIES WOB - 40K; RPM: 75; TQ= 5-8K 750 GPM = 3750 PSI UP WT= 340K; DN WT= 350K; RT WT= 350K SHOCKS & LAT VIBS: LEVEL1; STICK SLIP 100 - 300%	
Total Time		24.00						

Safety Incident? N	Days since Last RI: 61.00	Weather Comments: 13 DEGREES AMBIENT TEMP; CLEAR; WIND 7 MPH FROM NNE; 3 DEGREES WIND CHILL FACTOR
Environ Incident? N	Days since Last LTA: 61.00	
Incident Comments: No incidents reported last 24 hours.		

Other Remarks: NO ACCIDENTS OR INCIDENTS.

HOLE TOOK 53 BBLS MUD IN LAST 24 HOURS. TOTAL LOSSES FOR SECTION 2130 BBLS DIESEL USED: 3816 GAL. DIESEL ON HAND: 11,660 GAL.

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OXY USA
DAILY OPERATIONS PARTNER REPORT
PLATEAU VALLEY FEDERAL 35-1

Date: 12/09/2008
Report No: 75

Prim. Reason: ORIG DRILL VERT

USA

Wellbore: 00 Rig: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 39.19
Today's MD: 10,212.0 ft Progress: 44.0 ft Ground Elev: 7,885.00 ft Daily Cost:
Prev MD: 10,168.0 ft Rot Hrs Today: 23.50 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
PBMD: Avg ROP Today: 1.9 ft/hr AFE Number: 94370114 AFE Cost:

Current Formation: ARAPIEN SHALE@4,720.0 Lithology: 80% ANHYDRITE, SHALE W/ SILTY SAND

Current Ops: DRILL AHEAD W/ ROTARY STEERABLE SYSTEM

24-Hr Summary: DRILL AHEAD W/ ROTARY STEERABLE SYSTEM

24-Hr Forecast: DRILL AHEAD W/ ROTARY STEERABLE SYSTEM

Table with 4 main columns: CASING/WELL CONTROL, HOOKLOAD & TORQUE, HYDRAULICS, MUD GAS. Sub-headers include Last Casing, Next Casing, Last BOP Press Test, Form Test/EMW, Str Wt Up/Dn, Str Wt Rot, Torq Off Btm, Torq On Btm, Pump Rate, Pump Press, Conn, Trip, Backgr.

PERSONNEL and SURVEY DATA (LAST 6) table. Personnel includes Supervisor 1: WADE FRAME, Supervisor 2: RODNEY MANIACI, Engineer: RUSTY HANNA, Geologist: KIRK SPARKMAN. Survey data includes MD, Incl, Azi, TVD, N-S, E-W, VS, DLS, Build.

BIT RECORD table with columns: Bit No, Size, Manufacturer, Model, Serial No, IADC Code, Nozzles, MD In, MD Out, I-O-D-L, B-G-O-R.

BIT OPERATING PARAMETERS TODAY table with columns: Bit No, Rot Hrs, Cum Rot Hrs, Prog, Cum Prog, ROP, Cum ROP, WOB, RPM, TFA, P Drop Bit, Noz Vel, HHPSI.

MUD DATA - NEWPARK-AVA table with columns: Engineer, Sample From, Mud Type, Time / MD, Density @ Temp, Rheology Temp, Viscosity, PV / YP, Gels 10s/10m/30m, API WL, HTHP WL, Cake API / HTHP, Solids / Sol Corr, Oil / Water, Sand, Water Added, Oil Added, LGS.

LAST OR CURRENT BHA table with columns: BHA No, Bit No, MD In, Purpose, Component, OD, ID, Jts, Length. Lists various drilling components like PDC BIT, ROTARY STEERABLE MOTOR, etc.

VG Meter: 2@3 / 3@6 / 11@100 / 16@200 / 22@300 / 33@600
Comments: IN ORDER TO COMBAT FOAM, WATERED BACK WITH BRINE AND RAN PEANUT PUMP AT THE FLOW LINE TO CONTINUE REMOVING FOAM HEAD. LOWERED SHAKERS TO RUN FOAM OVER. USING FRESH WATER AND NEWGEL TO BUILD 100 BBL HIGH VIS

Total Length: 1,243.92 ft Wt below Jars: 53,229.0 kip

MUD PRODUCTS table with columns: Product, Units, Qty Used. Lists items like BUSAN, CAUSTIC SODA, ENG 24 HR #1, etc.

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DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
USA

Date: 12/09/2008
Report No: 75

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	3:30	3.50	21INDR	DRILL	RSS	P	DRILL FROM 10,168' TO 10,173' ROP= 1.4 FPH WOB - 40K; RPM: 75; TQ= 9-12K 750 GPM = 3650 PSI UP WT= 340K; DN WT= 350K; RT WT= 350K SHOCKS & LAT VIBS: >LEVEL 1
3:30	4:00	0.50	21INDR	RIGMT	SRVRIG	P	SERVICE RIG
4:00	6:00	2.00	21INDR	DRILL	RSS	P	DRILL FROM 10,173' TO 10,176' ROP= 1.5 FPH DRILL AHEAD AS PER DRILLING ENGINEER WOB - 40K; RPM: 75; TQ= 9-12K 750 GPM = 3651 PSI UP WT= 340K; DN WT= 350K; RT WT= 350K SPR #1@ 30 SPM= 160 PSI @ 50 SPM = 378 PSI SPR #3@ 30 SPM= 160 PSI @ 50 SPM = 380 PSI SHOCKS & LAT VIBS: >LEVEL 1
6:00	10:00	4.00	21INDR	DRILL	RSS	P	DRILL FROM 10,176 TO 10,180'. EXPERIENCING LEVEL # 3 SHOCKS. ADJUST BIT WT TO 40K; RPM - 70. CONTINUE TO DRILL AHEAD W/ ADJUSTMENTS FOR ROP. CONTACT DRLG ENGR AND ADVISE.
10:00	18:00	8.00	21INDR	DRILL	RSS	P	DRILL FROM 10,180' TO 10,198' ROP= 1.1 FPH WOB - 50K; RPM: 75; TQ= 9-13K 750 GPM = 3651 PSI UP WT= 340K; DN WT= 350K; RT WT= 350K SHOCKS & LAT VIBS: >LEVEL 1
18:00	0:00	6.00	21INDR	DRILL	RSS	P	DRILL FROM 10,198' TO 10,212' ROP= 2.1 FPH WOB - 50K; RPM: 75; TQ= 4-5K 750 GPM = 3651 PSI UP WT= 340K; DN WT= 350K; RT WT= 350K SHOCKS & LAT VIBS: >LEVEL 1

Total Time 24.00

Safety Incident? N	Days since Last RI: 62.00	Weather Comments: 29 DEGREES AMBIENT TEMP; CLEAR; WIND 9 MPH FROM NE; 21 DEGREES WIND CHILL FACTOR
Environ Incident? N	Days since Last LTA: 62.00	
Incident Comments: No incidents reported last 24 hours.		

Other Remarks: NO ACCIDENTS OR INCIDENTS.

HOLE TOOK 3 BBLs MUD IN LAST 24 HOURS. TOTAL LOSSES FOR SECTION 2133 BBLs
DIESEL USED: 3,604 GAL. DIESEL ON HAND: 12,296 GAL.

T 255 RO1W S-35 43-041-30060

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DAILY OPERATIONS PARTNER REPORT
PLATEAU VALLEY FEDERAL 35-1

Date: 12/10/2008
Report No: 76

Prim. Reason: ORIG DRILL VERT

USA

Wellbore: 00 Rig: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 40.19
 Today's MD: 10,222.0 ft Progress: 10.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 10,212.0 ft Rot Hrs Today: 14.25 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 0.7 ft/hr AFE Number: 94370114 AFE Cost:

Current Formation: ARAPIEN SHALE@4,720.0 Lithology: 80% ANHYDRITE, SHALE W/ SILTY SAND

Current Ops: TRIP FOR BIT

24-Hr Summary: DRILL AHEAD W/ ROTARY STEERABLE SYSTEM / TRIP OUT OF HOLE FOR BIT

24-Hr Forecast: TRIP TO BOTTOM / DRILL AHEAD W/ ROTARY STEERABLE SYSTEM

CASING/WELL CONTROL		HOOKUP & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	13.375in @ 2,809ft	Str Wt Up/Dn:	340.0/ 350.0 kip	Pump Rate:	753.5	Conn:			
Next Casing:	9.625in @ 9,000ft	Str Wt Rot:	350.0 kip	Pump Press:	3,130.0	Trip:			
Last BOP Press Test:	12/06/2008	Torq Off Btm:	6.0 ft-lbf			Backgr:			
Form Test/EMW:	FIT / 13.03 ppg	Torq On Btm:	12.0 ft-lbf						

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: WADE FRAME										
Supervisor 2: RODNEY MANIACI	10,184.0	0.20	106.73	10,183.44	25.6	-2.4	25.6	0.36	-0.35	
Engineer: RUSTY HANNA	10,135.0	0.37	97.28	10,134.44	25.6	-2.7	25.6	0.40	-0.37	
Geologist: KIRK SPARKMAN	10,040.0	0.72	81.70	10,039.44	25.6	-3.6	25.8	0.35	-0.34	
Oxy Personnel: 0	9,944.0	1.05	76.81	9,943.45	25.3	-5.0	25.8	0.82	0.79	
Contractor Personnel: 24	9,848.0	0.29	97.59	9,847.46	25.1	-6.1	25.8	0.30	-0.29	
Total on Site: 24	9,753.0	0.57	90.24	9,752.46	25.1	-6.8	26.0	0.76	-0.72	

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
9	12.250	HUGHES CHRISTE	HC505ZX	7009897	M323	7x13	9,200.0	10,222.0	8-8-CR-M	D-I-BT-PR

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
9	14.25	86.25	10.0	1,112.0	0.7	12.9	30.0/50.0	60/80	0.907	654.4	265.2	2.4

MUD DATA - NEWPARK-AVA				LAST OR CURRENT BHA			
Engineer: Scott Jones / Jason Moore	MBT:	15.0 lbm/bbl	BHA No: 9	Bit No: 9	MD In: 9,200.0 ft		
Sample From: PIT	pH:	10.9	Purpose: DRILL VERTICAL HOLE		MD Out: 10,222.0 ft		
Mud Type: BRINE / POLYMER WBM	Pm / Pom:						
Time / MD: 0:01 / 10,222.0	Pf / Mf:	0.2 / 1.2					
Density @ Temp: 10.20 / 115	Chlorides:	142,000					
Rheology Temp: 120	Ca+ / K+:	/					
Viscosity: 46.00	CaCl2:	/					
PV / YP: 7 / 11	Clom:						
Gels 10s/10m/30m: 2 / 10 / 21	Lime:						
API WL: 12.40	ES:						
HTHP WL:	ECD:	10.20					
Cake API / HTHP: 2.0 /	n / K:	/					
Solids / Sol Corr: 4.80 / 4.80	Carbonate:						
Oil / Water: 0.0 / 84.0	Bicarbonate:						
Sand: 0.05	Form Loss:	12.0 / 2,567.0					
Water Added:	Fluid Disch:	/					
Oil Added:							
LGS: 4.80 / 43.54							

VG Meter: 3@3 / 4@6 / 9@100 / 12@200 / 18@300 / 25@600
 Comments: WHILE DRILLING, CIRCULATED AND CONDITIONED MUD. EXCESSIVE FOAMING WAS CONTROLLED BY ADDRESSING TEMPERATURE STABILITY. WATER HARDNESS, AND WITH ADDITIONS OF PRE-HYDRATED NEWGEL. EXCESS FOAM WAS ALSO

Total Length: 1,248.07 ft Wt below Jars: 53,229.0 kip

MUD PRODUCTS		
Product	Units	Qty Used
DYNA DET	5 GAL/CAN	1.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FINNIFX (CMC-LV)	50 LBS/SK	10.00
FLOW-ZAN	25 LB SX	10.00
LIME	50 LB/SX	8.00
MICA FINE	50 LB/SX	3.00
NEW GEL	100 LBS/SK	142.00
NEWPAC R	50 LB/SX	17.00
NOFOAM X	5 GAL/CN	6.00
SEA MUD	50 LBS/SK	20.00
SODA ASH	50 LBS/SK	15.00

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 DEC 12 2008
 DIV OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORTEvent: EXPL DRILLING
Prim. Reason: ORIG DRILL VERTPLATEAU VALLEY FEDERAL 35-1
USADate: 12/10/2008
Report No: 76**OPERATIONS**

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
0:00	0:30	0.50	21INDR	DRILL	RSS	P	DRILL FROM 10,212' TO 10,212' ROP= 0.7 FPH WOB - 50K; RPM: 75; TQ= 7-9K 750 GPM = 3651 PSI UP WT= 340K; DN WT= 350K; RT WT= 350K SHOCKS & LAT VIBS: >LEVEL 1	
0:30	1:00	0.50	21INDR	CIRC	CNDFLD	P	TREAT ACTIVE SYSTEM, BUILD MUD AND STRING IN BRINE IN THE SUCTION PIT TO CONTROL EXCESSIVE FOAM. REPRIME MUD PUMPS.	
1:00	6:00	5.00	21INDR	DRILL	RSS	P	DRILL FROM 10,212' TO 10,220' ROP= 0.7 FPH WOB - 50K; RPM: 75; TQ= 7-9K 750 GPM = 3270 PSI UP WT= 340K; DN WT= 350K; RT WT= 350K SPR #1@ 30 SPM= 160 PSI @ 50 SPM = 380 PSI SPR #3@ 30 SPM= 155 PSI @ 50 SPM = 380 PSI SHOCKS & LAT VIBS: >LEVEL 1	
6:00	6:45	0.75	21INDR	DRILL	RSS	P	DRILL FROM 10,220' TO 10,221' ROP= 1.3 FPH WOB - 50K; RPM: 75; TQ= 7-9K 750 GPM = 3270 PSI UP WT= 340K; DN WT= 350K; RT WT= 350K SHOCKS & LAT VIBS: >LEVEL 1	
6:45	7:30	0.75	21INDR	RIGMT	SRVRIG	P	SERVICE RIG.	
7:30	15:30	8.00	21INDR	DRILL	RSS	P	DRILL FROM 10,221' TO 10,222 ROP= 0.1 FPH WOB - 45K; RPM: 65; TQ= 7-9K 750 GPM = 3274 PSI UP WT= 340K; DN WT= 350K; RT WT= 350K SHOCKS & LAT VIBS: >LEVEL 3 STICK SLIP > 0	
15:30	16:30	1.00	21INDR	CIRC	CNDHOL	P	CIRCULATE MUD & CONDITION HOLE. MONITOR WELL MW= 10.4 PPG	
16:30	22:30	6.00	21INDR	TRIP	DRILL	P	TRIP OUT OF THE HOLE. HOLE TOOK 129 BBL DISP, 16 BBL OVER CALCULATED. 25K - 30K OVERPULL F/ 7650' TO 7565'	
22:30	0:00	1.50	21INDR	TRIP	BHA	P	PUMP ON MWD & ATTEMPT TO TEST POWERDRIVE. FOUND CRACK & WASHOUT IN SAVER SUB BELOW MWD COLLAR. CHANGE OUT MWD.	
Total Time		24.00						

Total Time 24.00

Safety Incident? N Days since Last RI: 63.00

Weather Comments:
Environ Incident? N Days since Last LTA: 63.00 33 DEGREES AMBIENT TEMP; CLEAR; WIND 1 MPH FROM SE; 33 DEGREES WIND CHILL FACTOR**Incident Comments:**

No incidents reported last 24 hours. 4 safe work permits issued. 1 Hot work permit issued.

Other Remarks:DIESEL USED: 2,544 GAL. DIESEL ON HAND: 13,568 GAL.
NO ACCIDENTS OR INCIDENTS.HOLE TOOK 12 BBL MUD IN LAST 24 HOURS.
TOTAL LOSSES FOR SECTION 2142 BBL

THIRD PARTY PERSONAL SIGNED IN = 18

T 255 ROW S-35 43-041-30060

OXY USA

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT

PLATEAU VALLEY FEDERAL 35-1

USA

Date: 12/11/2008

Report No: 77

Prim. Reason: ORIG DRILL VERT

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 41.19
Today's MD: 10,242.0 ft	Progress: 20.0 ft	Ground Elev: 7,885.00 ft	Daily Cost:
Prev MD: 10,222.0 ft	Rot Hrs Today: 10.50 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost:
PBMD:	Avg ROP Today: 1.9 ft/hr	AFE Number: 94370114	AFE Cost:

Current Formation: ARAPIEN SHALE@4,720.0 Lithology: 80% ANHYDRITE, SHALE W/ SILTY SAND

Current Ops: TRIP OUT OF THE HOLE FOR WASHOUT

24-Hr Summary: TRIP IN HOLE BHA #10 / DRILL AHEAD / TRIP OUT FOR WASHOUT

24-Hr Forecast: TRIP OUT OF HOLE / RIG UP & WIRELINE LOG OPEN HOLE SECTION.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing: 13.375in @ 2,809ft	Str Wt Up/Dn: 340.0/ 350.0 kip	Pump Rate: 753.5	Conn:						
Next Casing: 9.625in @ 9,000ft	Str Wt Rot: 350.0 kip	Pump Press: 3,200.0	Trip:						
Last BOP Press Test: 12/06/2008	Torq Off Btm: 4.0 ft-lbf		Backgr:						
Form Test/EMW: FIT / 13.03 ppg	Torq On Btm: 8.0 ft-lbf								

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N/S	E/W	VS	DLS	Build	
Supervisor 1: WADE FRAME	10,184.0	0.20	106.73	10,183.44	25.6	-2.4	25.6	0.36	-0.35	
Supervisor 2: RODNEY MANIACI	10,135.0	0.37	97.28	10,134.44	25.6	-2.7	25.6	0.40	-0.37	
Engineer: RUSTY HANNA	10,040.0	0.72	81.70	10,039.44	25.6	-3.6	25.8	0.35	-0.34	
Geologist: KIRK SPARKMAN	9,944.0	1.05	76.81	9,943.45	25.3	-5.0	25.8	0.82	0.79	
Oxy Personnel: 0	9,848.0	0.29	97.59	9,847.46	25.1	-6.1	25.8	0.30	-0.29	
Contractor Personnel: 24	9,753.0	0.57	90.24	9,752.46	25.1	-6.8	26.0	0.76	-0.72	
Total on Site: 24										

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
RR 8	12.250	SECURITY DBS	FMHX653ZX	7009897	M323	6x14	10,222.0		--	--
9	12.250	HUGHES CHRISTE	HC505ZX	7009897	M323	7x13	9,200.0	10,222.0	8-8-CR-M	D-I-BT-PR

BIT OPERATING PARAMETERS TODAY												
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
RR 8	10.50	10.50	20.0	20.0	1.9	1.9	30.0/45.0	60/90	0.902	662.2	266.8	2.5

MUD DATA - NEWPARK-AVA				LAST OR CURRENT BHA				
Engineer: SCOTT JONES / JASON M	MBT: 17.5 lbm/bbl	BHA No: 10	Bit No: RR 8	MD In: 10,222.0 ft				
Sample From: PIT	pH: 10.3	Purpose: DRILL VERTICAL HOLE						
Mud Type: BRINE / POLYMER WBM	Pm / Pom:							
Time / MD: 0:01 / 10,242.0	Pf / Mf: 0.2 / 1.3							
Density @ Temp: 10.40 / 139	Chlorides: 165,000							
Rheology Temp: 120	Ca+ / K+: /							
Viscosity: 40.00	CaCl2:							
PV / YP: 10 / 11	Clom:							
Gels 10s/10m/30m: 2 / 7 / 11	Lime:							
API WL: 12.20	ES:							
HTHP WL:	ECD: 10.50							
Cake API / HTHP: 2.0 /	n / K: /							
Solids / Sol Corr: 4.80 / 4.80	Carbonate:							
Oil / Water: 0.0 / 85.0	Bicarbonate:							
Sand: 0.05	Form Loss: 5.0 / 2,572.0							
Water Added:	Fluid Disch: /							
Oil Added:								
LGS: 4.80 / 43.50								

VG Meter: 2@3 / 3@6 / 9@100 / 15@200 / 21@300 / 31@600
 Comments: ON TOH FOR NEW BIT, PULLED 20-30K OVER FROM 7650-7565. ON TIH HIT LEDGE AT 3903, REAMED TO 3875 AND TIH WITH NO PROBLEMS. ADDED PREHYDRATED GEL TO MAINTAIN AND IMPROVE RHEOLOGY. ADDITIONS OF SODA ASH, AQUABLOC AND

Total Length: 1,243.92 ft Wt below Jars: 53,229.0 kip

MUD PRODUCTS		
Product	Units	Qty Used
CAUSTIC SODA	50 LB/SX	6.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FLOW-ZAN	25 LB SX	12.00
NEW BAR	100 LB/SX	66.00
NEW GEL	100 LBS/SK	93.00
NEWEDGE	50 LB/SX	50.00
NEWPAC LV	50 LB/SX	3.00
NEWPAC R	50 LB/SX	16.00
SAWDUST	2000 LBS/SK	15.00
SODA ASH	50 LBS/SK	54.00
TAX	EACH	1.00

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 DEC 12 2008
 OIL GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORTEvent: EXPL DRILLING
Prim. Reason: ORIG DRILL VERTPLATEAU VALLEY FEDERAL 35-1
USADate: 12/11/2008
Report No: 77**OPERATIONS**

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
0:00	2:30	2.50	21INDR	TRIP	BHA	P	CONTINUE CHANGE OUT MWD, & WARN 11 1/2" LOWER STABILIZER. SHALLOW HOLE TEST POWERDRIVE, CHANGE BIT TO RERUN SECURITY FMHX653ZX	
2:30	9:15	6.75	21INDR	TRIP	DRILL	P	TRIP IN HOLE TO 10,115' TAKING WEIGHT AT 3875'. WASH FROM 3875' TO 3930' CHANGED OUT SMITH HE HYDRAJAR	
9:15	10:00	0.75	21INDR	REAM	PRRM	P	WASH AND REAM FROM 10,115' TO 10,222', 50 RPM, 550 GPM, 2720 PSI, 1K WOB. FAN BOTTOM FOR 15 MIN.	
10:00	18:00	8.00	21INDR	DRILL	RSS	P	DRILL FROM 10,222 TO 10,241', 19' ROP= 2.4 FPH WOB - 42K; RPM: 60; TQ= 2-9K 750 GPM = 3197 PSI UP WT= 340K; DN WT= 350K; RT WT= 350K SPR #1@ 30 SPM= 141 PSI @ 45 SPM = 283 PSI SPR #2@ 30 SPM= 156 PSI @ 45 SPM = 297 PSI SHOCKS & LAT VIBS: >LEVEL 1 STICK SLIP > 15 RPM	
18:00	20:30	2.50	21INDR	DRILL	RSS	P	DRILL FROM 10,241' TO 10,242' ROP= 0.4 FPH WOB - 42K; RPM: 60; TQ= 5-7K 750 GPM = 3080 PSI UP WT= 340K; DN WT= 350K; RT WT= 350K SHOCKS & LAT VIBS: >LEVEL 1	
20:30	21:30	1.00	21INDR	OTHR	OTHER	P	TROUBLE SHOOT 200 PSI LOST PRESSURE. TEST SURFACE TO 1500 PSI. MW= 10.4 PPG	
21:30	0:00	2.50	21INDR	TRIP	WSHO	P	TRIP OUT OF THE HOLE. TIGHT HOLE 40K TO 50K FROM 10,200' TO 10,080'	
Total Time		24.00						
Safety Incident?		N	Days since Last RI:		64.00	Weather Comments:		
Environ Incident?		N	Days since Last LTA:		64.00	36 DEGREES AMBIENT TEMP; CLEAR; WIND 4 MPH FROM SOUTH; 33 DEGREES WIND CHILL FACTOR		
Incident Comments:		No incidents reported last 24 hours.						
Other Remarks:		DIESEL USED: 1,484 GAL. DIESEL ON HAND: 15,052 GAL. RECD 4000 GALLONS. NO ACCIDENTS OR INCIDENTS. HOLE TOOK 5 BBLS MUD IN LAST 24 HOURS. TOTAL LOSSES FOR SECTION 2147 BBLS THIRD PARTY PERSONAL SIGNED IN = 10						

T 255 R01W S-35 43-041-30060

CONFIDENTIAL

OXY USA
DAILY OPERATIONS PARTNER REPORT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 12/12/2008
 Report No: 78

Prim. Reason: ORIG DRILL VERT

Wellbore: 00 Rlg: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 42.19
 Today's MD: 10,243.0 ft Progress: 0.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 10,243.0 ft Rot Hrs Today: 0.00 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 0.0 ft/hr AFE Number: 94370114 AFE Cost:

Current Formation: ARAPIEN SHALE@4,720.0

Lithology: 80% ANHYDRITE, SHALE W/ SILTY SAND

Current Ops: WIRELING LOG OPEN HOLE SECTION

24-Hr Summary: TRIP OUT OF HOLE / WIRELING LOG OPEN HOLE SECTION

24-Hr Forecast: WIRELING LOG OPEN HOLE SECTION

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	13.375in @ 2,809ft	Str Wt Up/Dn:	/	Pump Rate:	0.0	Conn:			
Next Casing:	9.625in @ 9,000ft	Str Wt Rot:		Pump Press:	0.0	Trip:			
Last BOP Press Test:	12/06/2008	Torq Off Btm:				Backgr:			
Form Test/EMW:	FIT / 13.03 ppg	Torq On Btm:							

PERSONNEL										
SUPERVISEE DATA (LAST 6)										
Supervisor 1: WADE FRAME	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 2: RODNEY MANIACI	10,184.0	0.20	106.73	10,183.44	25.6	-2.4	25.6	0.36	-0.35	
Engineer: RUSTY HANNA	10,135.0	0.37	97.28	10,134.44	25.6	-2.7	25.6	0.40	-0.37	
Geologist: KIRK SPARKMAN	10,040.0	0.72	81.70	10,039.44	25.6	-3.6	25.8	0.35	-0.34	
Oxy Personnel: 0	9,944.0	1.05	76.81	9,943.45	25.3	-5.0	25.8	0.82	0.79	
Contractor Personnel: 24	9,848.0	0.29	97.59	9,847.46	25.1	-6.1	25.8	0.30	-0.29	
Total on Site: 24	9,753.0	0.57	90.24	9,752.46	25.1	-6.8	26.0	0.76	-0.72	

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
RR 8	12.250	SECURITY DBS	FMHX653ZX	11255966	M323	6x14	10,222.0	10,243.0	3-1-CT-N	D-I-WT-WO
9	12.250	HUGHES CHRISTE	HC505ZX	7009897	M323	7x13	9,200.0	10,222.0	8-8-CR-M	D-I-BT-PR

BIT OPERATING PARAMETERS TODAY											
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	HHPSI

MUD DATA - NEWPARK-AVA				LAST OR CURRENT BHA			
Engineer: SCOTT JONES / JASON M	MBT:	17.5 lbm/bbl	BHA No: 10	Bit No: RR 8	MD In: 10,222.0 ft		
Sample From: PIT	pH:	10.5	Purpose: DRILL VERTICAL HOLE		MD Out: 10,243.0 ft		
Mud Type: BRINE / POLYMER WBM	Pm / Pom:						
Time / MD: 0:01 / 10,242.0	Pf / Mf:	0.3 / 1.5					
Density @ Temp: 10.45 / 90	Chlorides:	185,000					
Rheology Temp: 120	Ca+ / K+:	/					
Viscosity: 50.00	CaCl2:						
PV / YP: 13 / 12	Clom:						
Gels 10s/10m/30m: 4 / 7 / 10	Lime:						
API WL: 11.20	ES:						
HTHP WL:	ECD:	10.50					
Cake API / HTHP: 2.0 /	n / K:	/					
Solids / Sol Corr: 3.70 / 3.70	Carbonate:						
Oil / Water: 0.0 / 85.0	Bicarbonate:						
Sand: 0.05	Form Loss:	8.0 / 2,580.0					
Water Added:	Fluid Disch:	/					
Oil Added:							
LGS: 3.70 / 33.50							

VG Meter: 3@3 / 4@6 / 12@100 / 16@200 / 25@300 / 38@600

Comments: WORKED TIGHT HOLE FROM 10,175-10,062 FT. TOH. FOUND CRACK IN DRILL COLLAR. LAY DOWN 8" DRILL COLLARS. CIRCULATED AND CONDITIONED MUD WHILE CONTINUING FOAM REMOVAL. RIGGED UP FOR LOGGING OPERATIONS. CURRENTLY

Total Length: 1,243.92 ft Wt below Jars: 53,229.0 kip

MUD PRODUCTS		
Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
NEW GEL	100 LBS/SK	13.00
NEWEDGE	50 LB/SX	20.00
NEWPAC R	50 LB/SX	19.00
NOFOAM X	5 GAL/CN	8.00
PALLETS	EA.	40.00
SAWDUST	2000 LBS/SK	10.00
SHRINK WRAP	EA.	44.00
SODA ASH	50 LBS/SK	8.00
TAX	EACH	1.00
TRUCKING SERVICE	EACH	1.00

RECEIVED
 DEC 19 2008
 DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 12/12/2008
Report No: 78

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	6:00	6.00	21INDR	TRIP	WSHO	P	TRIP OUT OF HOLE, CHECK TOOLS
6:00	9:30	3.50	21INDR	TRIP	BHA	P	STAND BACK TWO STANDS OF 8" DRILL COLLARS. CRACK / WASH OUT FOUND AT THE BOTTOM OF STAND #2 AND THE TOP OF STAND #3. LAY DOWN REMAINING 8" DRILL COLLARS AND DIRECTIONAL TOOLS.
9:30	13:00	3.50	21INDR	TRIP	BHA	P	LAY DOWN 8" DRILL COLLARS FROM DERRICK. CLEAR FLOOR OF 12 1/4" TOOLS.
13:00	13:30	0.50	21INDR	SAFE	PJSM	P	PRE JOB SAFETY MEETING WITH DRESSER ATLAS E - LINE PERSONAL.
13:30	14:00	0.50	21INDR	LOG	RIGUP	P	RIG UP DRESSER ATLAS EQUIPMENT.
14:00	15:30	1.50	21INDR	LOG	OHLOG	P	MAKE UP DLL, DAL, ZD, GM, AND GAMMA TOOLS.
15:30	23:00	7.50	21INDR	LOG	OHLOG	P	RUN IN THE HOLE WITH ATLAS E-LINE TOOLS. WORK THROUGH TIGHT SPOT @ 3945', TAG UP @ 10,220' @ LOG UP TO 13 3/8" CASING SHOE. GAMMA HAD A GAP FROM 6500' TO 6100'. WILL RERUN GAMMA ON CALIPER RUN. HOLE TOOK 8 BBLS MUD ON THIS RUN.
23:00	0:00	1.00	21INDR	LOG	RIGUP	P	LAY DOWN LOGGING TOOLS

Total Time 24.00

Safety Incident? N	Days since Last RI: 65.00	Weather Comments: 48 DEGREES AMBIENT TEMP; CLOUDY OVERCAST 11,000'; WIND 12 MPH FROM SSW; 45 DEGREES WIND CHILL FACTOR
Environ Incident? N	Days since Last LTA: 65.00	

Incident Comments:
No incidents reported last 24 hours. 3 safe work permits issued.

Other Remarks: DIESEL USED: 2,120 GAL. DIESEL ON HAND: 17,172 GAL. RECD 4000 GALLONS.
 NO ACCIDENTS OR INCIDENTS.

 HOLE TOOK 8 BBLS MUD IN LAST 24 HOURS.
 TOTAL LOSSES FOR SECTION 2155 BBLS

 THIRD PARTY PERSONAL SIGNED IN = 3

T 255 R01W S-35 43-04-3060

CONFIDENTIAL OXY USA **DAILY OPERATIONS PARTNER REPORT**
 PLATEAU VALLEY FEDERAL 35-1 USA

Prim. Reason: ORIG DRILL VERT Date: 12/13/2008 Report No: 79

Wellbore: 00 Rig: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 43.19
 Today's MD: 10,243.0 ft Progress: 0.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 10,243.0 ft Rot Hrs Today: 0.00 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 0.0 ft/hr AFE Number: 94370114 AFE Cost:

Current Formation: ARAPIEN SHALE@4,720.0 Lithology:
 Current Ops: WIRELING LOG OPEN HOLE SECTION
 24-Hr Summary: WIRELING LOG OPEN HOLE SECTION
 24-Hr Forecast: WIRELING LOG OPEN HOLE SECTION / MAKE A CLEAN OUT RUN WITH 12 1/4" BIT

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	13.375in @ 2,809ft	Str Wt Up/Dn:	/	Pump Rate:	0.0	Conn:			
Next Casing:	9.625in @ 9,000ft	Str Wt Rot:		Pump Press:	0.0	Trip:			
Last BOP Press Test:	12/06/2008	Torq Off Btm:				Backgr:			
Form Test/EMW:	FIT / 13.03 ppg	Torq On Btm:							

PERSONNEL										
SUPERVISEE DATA (LAST 6)										
Supervisor 1: WADE FRAME	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 2: RODNEY MANIACI	10,184.0	0.20	106.73	10,183.44	25.6	-2.4	25.6	0.36	-0.35	
Engineer: RUSTY HANNA	10,135.0	0.37	97.28	10,134.44	25.6	-2.7	25.6	0.40	-0.37	
Geologist: KIRK SPARKMAN	10,040.0	0.72	81.70	10,039.44	25.6	-3.6	25.8	0.35	-0.34	
Oxy Personnel:	9,944.0	1.05	76.81	9,943.45	25.3	-5.0	25.8	0.82	0.79	
Contractor Personnel:	24	9,848.0	0.29	97.59	9,847.46	25.1	-6.1	25.8	0.30	-0.29
Total on Site:	24	9,753.0	0.57	90.24	9,752.46	25.1	-6.8	26.0	0.76	-0.72

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
RR 8	12.250	SECURITY DBS	FMHX653ZX	11255966	M323	6x14	10,222.0	10,243.0	3-1-CT-N	D-I-WT-WO

BIT OPERATING PARAMETERS TODAY											
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	HHPSI

MUD DATA - NEWPARK-AVA	
Engineer: SCOTT JONES / JASON M	MBT: 17.5 lbm/bbl
Sample From: PIT	pH: 10.5
Mud Type: BRINE / POLYMER WBM	Pm / Pom:
Time / MD: 0:01 / 10,242.0	Pf / Mf: 0.3 / 1.5
Density @ Temp: 10.50 /	Chlorides: 176,000
Rheology Temp: 120	Ca+ / K+: /
Viscosity: 44.00	CaCl2:
PV / YP: 14 / 10	Clom:
Gels 10s/10m/30m: 3 / 5 / 9	Lime:
API WL: 11.00	ES:
HTHP WL:	ECD: 10.50
Cake API / HTHP: 2.0 /	n / K: /
Solids / Sol Corr: 4.80 / 4.80	Carbonate:
Oil / Water: 0.0 / 85.0	Bicarbonate:
Sand: 0.05	Form Loss: 19.0 / 2,599.0
Water Added:	Fluid Disch: /
Oil Added:	
LGS: 4.80 / 43.50	

LAST OR CURRENT BHA				
BHA No:	Bit No:	MD In:	MD Out:	
10	RR 8	10,222.0 ft	10,243.0 ft	
Purpose: DRILL VERTICAL HOLE				
Component	OD	ID	Jts	Length
PDC BIT	12.250	3.000	1	1.30
ROTARY STEERABLE MOTOR	8.375	3.200	1	13.76
FLOAT SUB	8.000	2.875	1	3.12
NON-MAG INTEGRAL BLADE STABILIZ	12.125	2.500	1	5.14
MWD TOOL	8.500	2.812	1	29.42
NON-MAG DRILL COLLAR	8.125	2.937	1	30.78
NON-MAG INTEGRAL BLADE STABILIZ	12.120	2.812	1	3.75
DRILL COLLAR	7.875	3.000	5	152.94
DRILL COLLAR	7.750	2.875	5	145.39
DRILL COLLAR	7.437	2.750	1	28.50
CROSSOVER	6.625	3.000	7	2.80
HWDP	5.000	3.000	7	215.34
DRILLING JAR	6.250	2.500	1	32.03

VG Meter: 2@3 / 3@6 / 11@100 / 18@200 / 24@300 / 38@600
 Comments: CIRCULATING & CONDITIONING MUD WHILE LOGGING HOLE.

Total Length: 1,243.92 ft Wt below Jars: 53,229.0 kip

MUD PRODUCTS		
Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
NEW GEL	100 LBS/SK	40.00
NEWEDGE	50 LB/SX	20.00
SODA ASH	50 LBS/SK	15.00
TAX	EACH	1.00

RECEIVED
DEC 19 2008
 DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 12/13/2008
Report No: 79

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	1:00	1.00	21INDR	LOG	RIGUP	P	RIG UP TO RUN HDT DIP METER
1:00	1:30	0.50	21INDR	LOG	RIGUP	P	CONDUCT PRE JOB SAFETY MEETING WITH RIG PERSONAL, E-LINE PERSONAL, & DSM
1:30	5:00	3.50	21INDR	LOG	OHLOG	PT	RUN DIP METER ON ATLAS E-LINE TO 10,163' WLM. NO PROBLEMS GETTING DIP METER PAST 3900' INTERVAL. OBTAIN SEISMIC DATA SHOTS EVERY 250 FT. TOOL FAILED AT 10,163' WLM. PULL OUT AND CHANGE TOOL.
5:00	12:30	7.50	21INDR	LOG	OHLOG	P	RERUN DIP METER ON ATLAS E-LINE. WORKED DIP METER THRU 3900' INTERVAL. LOGGING UP FROM 10,066'. THUMPING EVERY 250'.
12:30	13:30	1.00	21INDR	LOG	RIGUP	P	BREAK OUT DIP METER TOOL'S AND MAKE UP DIGITAL SPECTRALOG (GAMMA) DIGITAL ORIENTATION (ORIENTATION) 6 ARM DIPLOG. TOTAL LENGHT 57.49', TOTAL WEIGHT 879#
13:30	19:00	5.50	21INDR	LOG	OHLOG	P	RUN IN THE HOLE WITH BAKER ATLAS TOOLS TO 10,155'.
19:00	21:00	2.00	21INDR	LOG	RIGUP	P	LAY DOWN TOOLS & RIG DOWN ATLAS.
21:00	23:30	2.50	21INDR	LOG	RIGUP	P	RIG UP HALIBURTON & SIDE WALL CORE TOOL
23:30	0:00	0.50	21INDR	LOG	OHLOG	P	RUN SIDE WALL CORE TOOL TO 3885'. TAG BRIDGE
Total Time		24.00					

Safety Incident? N	Days since Last RI: 66.00	Weather Comments: LIGHT SNOW; 13 DEGREES AMBIENT TEMP; WIND 15 MPH NWN; -3 DEGREES WIND CHILL FACTOR
Environ Incident? N	Days since Last LTA: 66.00	
Incident Comments: No incidents reported last 24 hours. 4 Safe work permits Issued.		

Other Remarks: DIESEL USED: 1,484 GAL. DIESEL ON HAND: 15688 GAL. RECD 4000 GALLONS.
 NO ACCIDENTS OR INCIDENTS.

 HOLE TOOK 19 BBLS MUD IN LAST 24 HOURS.
 TOTAL LOSSES FOR SECTION 2166 BBLS

 THIRD PARTY PERSONAL SIGNED IN = 13

TASS ROW S-35 43-041-30060

CONFIDENTIAL

OXY USA
DAILY OPERATIONS PARTNER REPORT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 12/14/2008
 Report No: 80

Prm. Reason: ORIG DRILL VERT

Wellbore: 00 Rlg: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 44.19
 Today's MD: 10,243.0 ft Progress: 0.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 10,243.0 ft Rot Hrs Today: 0.00 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 0.0 ft/hr AFE Number: 94370114 AFE Cost:

Current Formation: ARAPIEN SHALE@4,720.0

Lithology:

Current Ops: TRIP OUT OF THE HOLE WITH 12 1/4" BIT

24-Hr Summary: WIRELINE LOG / CLEAN OUT RUN TO BOTTOM

24-Hr Forecast: LOG SIDEWALL CORES / RUN CASING

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	13.375in @ 2,809ft	Str Wt Up/Dn:	330.0/ 330.0 kip	Pump Rate:	711.6	Conn:			
Next Casing:	9.625in @ 9,000ft	Str Wt Rot:	327.0 kip	Pump Press:	2,850.0	Trip:			
Last BOP Press Test:	12/06/2008	Torq Off Btm:	2.0 ft-lbf	Backgr:					
Form Test/EMW:	FIT / 13.03 ppg	Torq On Btm:	0.0 ft-lbf						

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Buld	
Supervisor 1: WADE FRAME										
Supervisor 2: RODNEY MANIACI	10,184.0	0.20	106.73	10,183.44	25.6	-2.4	25.6	0.36	-0.35	
Engineer: RUSTY HANNA	10,135.0	0.37	97.28	10,134.44	25.6	-2.7	25.6	0.40	-0.37	
Geologist: KIRK SPARKMAN	10,040.0	0.72	81.70	10,039.44	25.6	-3.6	25.8	0.35	-0.34	
Oxy Personnel: 0	9,944.0	1.05	76.81	9,943.45	25.3	-5.0	25.8	0.82	0.79	
Contractor Personnel: 24	9,848.0	0.29	97.59	9,847.46	25.1	-6.1	25.8	0.30	-0.29	
Total on Site: 24	9,753.0	0.57	90.24	9,752.46	25.1	-6.8	26.0	0.76	-0.72	

BIT RECORD

Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
RR7	12.250	HUGHES CHRISTE	GX44CDX	6053967	323	3x32	10,243.0		--	--

BIT OPERATING PARAMETERS TODAY

Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
RR7	0.00	0.00	0.0	0.0	0.0	0.0	0.0/0.0	75/75	2.356	87.0	96.7	0.3

MUD DATA - NEWPARK-AVA

Engineer: SCOTT JONES / JASON M
 Sample From: OUT
 Mud Type: BRINE / POLYMER WBM
 Time / MD: 0:01 / 10,243.0
 Density @ Temp: 10.50 / 120
 Rheology Temp: 120
 Viscosity:
 PV / YP: 15 / 12
 Gels 10s/10m/30m: 3 / 9 / 11
 API WL: 11.60
 HTHP WL:
 Cake API / HTHP: 2.0 /
 Solids / Sol Corr: 5.80 / 5.80
 Oil / Water: 0.0 / 85.0
 Sand: 0.05
 Water Added:
 Oil Added:
 LGS: 5.80 / 52.60

MBT: 17.5 lbm/bbl
 pH: 10.9
 Pm / Pom:
 Pf / Mf: 0.3 / 1.1
 Chlorides: 163,000
 Ca+ / K+: /
 CaCl2:
 Clom:
 Lime:
 ES:
 ECD: 10.50
 n / K: /
 Carbonate:
 Bicarbonate:
 Form Loss: 2.0 / 2,601.0
 Fluid Disch: /

LAST OR CURRENT BHA

BHA No: 11 Bit No: RR7 MD In: 10,243.0 ft
 Purpose: MD Out:

Component	OD	ID	Jts	Length
TRI-CONE BIT	12.250	3.000	1	1.30
BIT SUB	8.000	3.000	1	2.95
CROSSOVER	6.500	2.750	1	2.63
DRILL COLLAR	6.500	2.375	12	367.83
CROSSOVER	6.500	2.000	1	2.60
HWDP	5.000	3.000	7	215.34
DRILLING JAR	6.250	2.500	1	32.33
HWDP	5.000	3.000	19	579.65

VG Meter: 2@3 / 3@8 / 15@100 / 21@200 / 27@300 / 42@600
 Comments: FINISHED LOGGING. TIH. TIGHT SPOT FROM 3,647 - 4,000FT. AFTER REACHING BOTTOM, TWO HIGH VIS HOLE CLEANING SWEEPS WERE PUMPED. POOH AT TIME OF REPORT.

Total Length: 1,204.63 ft Wt below Jars: 42,209.0 kip

MUD PRODUCTS

Product	Units	Qty Used
AQUABLOC	50 LB/SX	8.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FLOW-ZAN	25 LB SX	1.00
MICA FINE	50 LB/SX	8.00
NEWPAC R	50 LB/SX	15.00
SALTGEL	50 LB/SX	50.00
SODA ASH	50 LBS/SK	15.00
TAX	EACH	1.00
WALNUT PLUG M	50 LB/SX	10.00

RECEIVED

DEC 19 2008

DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORTEvent: EXPL DRILLING
Prim. Reason: ORIG DRILL VERTPLATEAU VALLEY FEDERAL 35-1
USADate: 12/14/2008
Report No: 80**OPERATIONS**

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	2:00	2.00	21INDR	LOG	OHLOG	P	UNABLE TO WORK THROUGH BRIDGE AT 3885' WLM. CYCLE TOOL SEVERAL TIMES IN AN ATTEMPT TO GET TOOL TO DROP IN. PULL OUT OF HOLE.
2:00	3:00	1.00	21INDR	LOG	RIGUP	P	RIG DOWN HALIBURTON E-LINE HOLE TOOK 3.2 BBLs MUD SINCE MIDNIGHT
3:00	5:00	2.00	21INDR	TRIP	COND	P	PICK UP 12 1/4" INSERT BIT & 6 1/4" DRILL COLLARS.
5:00	7:00	2.00	21INDR	TRIP	COND	P	RUN IN THE HOLE FROM 1200' TO 3558'.
7:00	7:15	0.25	21INDR	TRIP	COND	P	FILL PIPE AND BLOW DOWN TOP DRIVE.
7:15	7:45	0.50	21INDR	TRIP	COND	P	RUN IN THE HOLE FROM 3558' TO 3760'. TAKING 20K DOWN WEIGHT AT 3740'. UP WT 200K, DOWN WT 200K.
7:45	12:00	4.25	21INDR	REAM	RMTGT	PT	PULL OUT OF THE HOLE TO 3,740'. INSTALL ROTATING RUBBER. WASH AND REAM FROM 3,760' TO 3,769'. 60 RPM, 0 TO 2 K TQ, 400 GPM 563 PSI, 5 TO 15 WOB. RUN IN THE HOLE FROM 3,769' TO 3,790' WITH OUT PUMPS OR ROTATION. TAKING WT AT 3,769'. FROM 3,769' TO 3,790' SET 15K DOWN ROTATE STRING 2 ROUNDS WITHOUT ANY SURFACE TORQUE. WEIGHT FELL OFF. WASH AND REAM FROM 3,790' TO 3,956', AT 400 GPM 563 PSI, 60 RPM, 5 TO 15K WOB. BACK REAM FROM 3,956' TO 3,863'. REAM BACK DOWN TO 3,933' TAKING 20K. INCREASE GPM TO 700 AT 1410 PSI. RPMS FROM 100 TO 60, 0 TO 2K SURFACE TORQUE. WASHING TO 4,045'.
12:00	12:45	0.75	21INDR	CIRC	CNDHOL	PT	PUMP HI-VIS SWEEP WHILE ROTATING AND RECIPROCATING STRING.
12:45	13:15	0.50	21INDR	TRIP	COND	PT	PULL OUT OF THE HOLE FROM 4,045' TO 3,720'. NO PROBLEMS.
13:15	14:30	1.25	21INDR	TRIP	COND	PT	RUN IN THE HOLE FROM 3,720' TO 4,210'. TAKING 25K DOWN WT.
14:30	15:00	0.50	21INDR	REAM	RMTGT	PT	WASH AND REAM FROM 4,210' TO 4,217' AT 700 GPM 1485 PSI, 50 TO 100 RPM, TQ 0 TO 2K, 20 TO 30K WOB.
15:00	18:00	3.00	21INDR	TRIP	COND	PT	RUN IN THE FROM 4,217' TO 9,968'. AT 5,770', 7,596' AND 8,042'. THESE AREA REQUIRED REAMING FOR SHORT PERIODS.
18:00	18:30	0.50	21INDR	TRIP	COND	PT	RUN IN HOLE FROM 9,968' & TAG UP @ 10,138'.
18:30	19:00	0.50	21INDR	REAM	RMTGT	PT	WASH & REAM FILL FROM 10,138' TO 10243' WOB= 10; RPM= 75; TQ= 2K; 710 GPM= 2850 PSI UP WT= 335K; DN WT= 330K; RT WT =327K CORRECTED DEPTH TO 10,143'.
19:00	22:00	3.00	21INDR	CIRC	CNDHOL	P	PUMP 20 BBL HIGH VIS SWEEP, DISPLACE TO BIT, & PUMP ANOTHER HIGH VIS SWEEP. CIRCULATE SWEEPS OUT OF THE HOLE. SPOT 100 BBL HIGH VIS PILL ON BOTTOM. MW= 10.4 PPG
22:00	0:00	2.00	21INDR	TRIP	DRILL	P	TRIP OUT OF THE HOLE TO 5800'.
Total Time	24.00						

Safety Incident?	N	Days since Last RI:	67.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	67.00	CLEAR; -17 DEGREES AMBIENT TEMP; WIND 6 MPH SW; -32 DEGREES WIND CHILL FACTOR
Incident Comments:	No incidents reported last 24 hours.			

Other Remarks: DIESEL USED: 2332 GAL. DIESEL ON HAND: 13356 GAL. RECD 0 GALLONS.
NO ACCIDENTS OR INCIDENTS.

HOLE TOOK 2 BBLs MUD IN LAST 24 HOURS.
TOTAL LOSSES FOR SECTION 2168 BBLs

THIRD PARTY PERSONAL SIGNED IN = 13

T255 ROW 5-3 43-041-30060

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT

OXY USA

PLATEAU VALLEY FEDERAL 35-1
USA

Date: 12/15/2008
Report No: 81

Prim. Reason: ORIG DRILL VERT

Wellbore: 00 Rlg: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 45.19
 Today's MD: 10,243.0 ft Progress: 0.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 10,243.0 ft Rot Hrs Today: 0.00 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 0.0 ft/hr AFE Number: 94370114 AFE Cost:

Current Formation: ARAPIEN SHALE@4,720.0

Lithology:

Current Ops: RUN 9 5/8" CASING

24-Hr Summary: CONT. TRIP OUT OF THE HOLE / RUN ROTARY SIDE WALL CORE TOOL / CHANGE & TEST CASING RAM / R/UP & RUN CSG

24-Hr Forecast: RUN CASING & CEMENT

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	13.375in @ 2,809ft	Str Wt Up/Dn:	/	Pump Rate:	0.0	Conn:			
Next Casing:	9.625in @ 9,000ft	Str Wt Rot:		Pump Press:	0.0	Trip:			
Last BOP Press Test:	12/06/2008	Torq Off Btm:				Backgr:			
Form Test/EMW:	FIT / 13.03 ppg	Torq On Btm:							

PERSONNEL

SURVEY DATA (LAST 6)

	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build
Supervisor 1: WADE FRAME	10,184.0	0.20	106.73	10,183.44	25.6	-2.4	25.6	0.36	-0.35
Supervisor 2: RODNEY MANIACI	10,135.0	0.37	97.28	10,134.44	25.6	-2.7	25.6	0.40	-0.37
Engineer: RUSTY HANNA	10,040.0	0.72	81.70	10,039.44	25.6	-3.6	25.8	0.35	-0.34
Geologist: KIRK SPARKMAN	9,944.0	1.05	76.81	9,943.45	25.3	-5.0	25.8	0.82	0.79
Oxy Personnel: 0	9,848.0	0.29	97.59	9,847.46	25.1	-6.1	25.8	0.30	-0.29
Contractor Personnel: 24	9,753.0	0.57	90.24	9,752.46	25.1	-6.8	26.0	0.76	-0.72
Total on Site: 24									

BIT RECORD

Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
RR7	12.250	HUGHES CHRISTE	GX44CDX	6053967	323	3x32	10,243.0		1-1-WT-A	1-1-NO-LOG

BIT OPERATING PARAMETERS TODAY

Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI

MUD DATA - NEWPARK-AVA

LAST OR CURRENT BHA

Engineer: SCOTT JONES / JASON M	MBT:	17.5 lbm/bbl	BHA No: 11	Bit No: RR7	MD In: 10,243.0 ft
Sample From: PIT	pH:	10.8	Purpose:		MD Out:
Mud Type: BRINE / POLYMER WBM	Pm / Pom:				
Time / MD: 0:01 / 10,243.0	Pf / Mf:	0.3 / 1.1			
Density @ Temp: 10.50 / 90	Chlorides:	171,000			
Rheology Temp: 120	Ca+ / K+:	/			
Viscosity: 47.00	CaCl2:				
PV / YP: 13 / 12	Clom:				
Gels 10s/10m/30m: 3 / 7 / 10	Lime:				
API WL: 11.60	ES:				
HTHP WL:	ECD:	10.50			
Cake API / HTHP: 2.0 /	n / K:	/			
Solids / Sol Corr: 5.20 / 5.20	Carbonate:				
Oil / Water: 0.0 / 85.0	Bicarbonate:				
Sand: 0.05	Form Loss:	0.0 / 2,601.0			
Water Added:	Fluid Disch:	/			
Oil Added:					
LGS: 5.20 / 47.10					

VG Meter: 2@3 / 8@6 / 12@100 / 18@200 / 25@300 / 38@600

Comments: POOH WITH NO TIGHT HOLE SPOTS OR HOLE PROBLEMS ENCOUNTERED. FINISHED ALL LOGGING OPERATIONS. PREPARING TO RUN CASING AT TIME OF REPORT. LOSSES ON REPORT DUE TO HOLE DISPLACEMENT.

Total Length: 1,204.63 ft Wt below Jars: 42,209.0 klp

MUD PRODUCTS

Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FIBER-SEAL	40 LBS/SK	6.00
FLOW-ZAN	25 LB SX	2.00
NEWEDGE	50 LB/SX	20.00
SALT GEL	50 LB/SX	80.00
SODA ASH	50 LBS/SK	13.00
TAX	EACH	1.00

RECEIVED

DEC 19 2008

DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prfm. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 12/15/2008
Report No: 81

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	0:30	0.50	21INDR	TRIP	WIPER	P	TRIP OUT OF HOLE TO 4000'
0:30	1:00	0.50	21INDR	CIRC	CNDHOL	P	SPOT 100 BBL HIGH VIS PILL AT 4000'
1:00	2:30	1.50	21INDR	TRIP	WIPER	P	TRIP OUT OF HOLE
2:30	3:30	1.00	21INDR	LOG	RIGUP	P	RIG UP HALIBURTON E-LINE & ROTARY SIDEWALL CORE TOOL
3:30	6:00	2.50	21INDR	LOG	OHLOG	P	RUN ROTARY SIDEWALL CORE TOOL TO 6600'
6:00	10:30	4.50	21INDR	LOG	OHLOG	P	ROTARY SIDE WALL CORING INTERVALS. 1- 6,600' 2- 6,592' 3- 6,401' 4- 6,400' 5- 6,310' 6- 6,219' 7- 6,128' 8- 6,070' 9- 6,011 10- 6,002' 11- 5,992' 12- 5,934' 13- 5,929' 14- 5,878' 15- 5,848' 16- 5,835' 17- 5,812' 18- 5,805' 19- 5,777'
10:30	11:15	0.75	21INDR	LOG	RIGUP	P	RIG DOWN HES WIRE LINE.
11:15	12:00	0.75	21INDR	BOP	CHRAMS	P	REMOVE WEAR BUSHING AND INSTALL TEST PLUG.
12:00	15:30	3.50	21INDR	BOP	CHRAMS	P	REMOVE 5" RAM'S FROM UPPER PIPE RAM'S AND INSTALL 9-5/8" RAM'S.
15:30	16:00	0.50	21INDR	SAFE	PJSM	P	PRE JOB SAFETY MEETING WITH IPS PERSONAL.
16:00	17:00	1.00	21INDR	BOP	TSTBOP	P	TEST UPPER PIPE RAM DOOR SEALS TO 2000 PSI.
17:00	18:00	1.00	21INDR	CSG	RIGUP	P	RIG DOWN TESTERS, PULL TEST PLUG.
18:00	19:30	1.50	21INDR	CSG	RIGUP	P	RIG UP TO RUN CASING.
19:30	20:00	0.50	21INDR	CSG	RIGUP	P	PREJOB SAFETY MEETING
20:00	0:00	4.00	21INDR	CSG	RIGUP	P	CONTINUE TO RIG UP TO RUN CASING
Total Time		24.00					

Safety Incident? N	Days since Last RI: 68.00	Weather Comments: LIGHT SNOW; 22 DEGREES AMBIENT TEMP; WIND 14 MPH WSW; 9 DEGREES WIND CHILL FACTOR
Environ Incident? N	Days since Last LTA: 68.00	
Incident Comments: No incidents reported last 24 hours.		

Other Remarks: DIESEL USED: 2,120 GAL. DIESEL ON HAND: 16,960 GAL. RECD 5405 GALLONS.
 NO ACCIDENTS OR INCIDENTS.

HOLE TOOK 0 BBLs MUD IN LAST 24 HOURS.
 TOTAL LOSSES FOR SECTION 2168 BBLs

THIRD PARTY PERSONAL SIGNED IN = 13

OXY USA

DAILY OPERATIONS PARTNER REPORTEvent: EXPL DRILLING
Prim. Reason: ORIG DRILL VERTPLATEAU VALLEY FEDERAL 35-1
USADate: 12/16/2008
Report No: 82**OPERATIONS**

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	0:30	0.50	21INDR	CSG	RUNCSG	P	PREJOB SAFETY MEETING FOR RUNNING CASING
0:30	3:00	2.50	21INDR	CSG	RUNCSG	P	RUN 9 5/8" CASING TO 342' PUMP THROUGH FLOAT EQUIPMENT AT 167'
3:00	4:30	1.50	21INDR	SRFEQ	REPR	PT	WHEN FILLING JOINT, FRANKS TOOL PLUGGED. RIG DOWN FRANKS TOOL, AND CLEAR SALT CRYSTAL PLUG IN MUD SAVER VALVE.
4:30	5:00	0.50	21INDR	CSG	RUNCSG	P	RUN CASING TO 430'
5:00	5:30	0.50	21INDR	SRFEQ	REPR	PT	WHEN FILLING JOINT, FRANKS TOOL PLUGGED AGAIN. REMOVE THE MUD SAVER VALVE ON THE FRANKS TOOL. PLUGGED WITH SALT CRYSTALS.
5:30	6:15	0.75	21INDR	CSG	RUNCSG	P	RUN 9-5/8" 53.5# HCL-80 BTC CASING TO 609'. AVERAGE MAKE UP TORQUE 10,600 FOOT POUNDS.
6:15	9:00	2.75	21INDR	OTHR	OTHER	PT	TROUBLE SHOOT POWER FAILURE TO FRANKS STABBING BOARD. PROBLEM FOUND TO BE POWER CORD TO ELEC MOTOR ON STABBING BOARD GOT PULLED FROM MOTOR. CHANGE OUT ELEC MOTOR AND POWER CABLE.
9:00	13:30	4.50	21INDR	CSG	RUNCSG	P	RUN 9-5/8" 53.5# HCL-80 BTC CASING FROM 609' TO 2,806'.
13:30	14:00	0.50	21INDR	CIRC	CNDHOL	P	CIRCULATE BOTTOMS UP. 400 GPM, 117 PSI. 210K UP WT, 200K DWN WT.
14:00	15:00	1.00	21INDR	CSG	RUNCSG	P	RUN 9-5/8" 53.5# HCL-80 BTC CASING FROM 2,806' TO 2,819'.
15:00	16:15	1.25	21INDR	OTHR	OTHER	PT	REMOVE BJ 500 TON BASE PLATE, OPENING IN BASE PLATE SLOT TO SMALL (9")
16:15	17:30	1.25	21INDR	CSG	RUNCSG	P	RUN 9-5/8" 53.5# HCL-80 BTC CASING FROM 2,819' TO 3,463'.
17:30	18:00	0.50	21INDR	CIRC	CNDHOL	P	BREAK CIRCULATION. 250K UP, 240K.
18:00	20:00	2.00	21INDR	CSG	RUNCSG	P	RUN 9-5/8" 53.5# HCL-80 BTC CASING FROM 3,463' TO 4517'.
20:00	20:30	0.50	21INDR	CSG	RUNCSG	P	CHANGE OUT CASING COLLAR ON JT# 111
20:30	0:00	3.50	21INDR	CSG	RUNCSG	P	RUN 9-5/8" 53.5# HCL-80 BTC CASING FROM 4517' TO 6007'.
							LAST 24 HRS, ACTUAL CASING DISPL. 155 BBLS: CALCULATED DISPLACEMENT 159 BBLS.
Total Time		24.00					

Safety Incident?	N	Days since Last RI:	69.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	69.00	PARTLY CLOUDY; 11 DEGREES AMBIENT TEMP; WIND 7 MPH SOUTH; 1 DEGREES WIND CHILL FACTOR.
Incident Comments:				
No incidents reported last 24 hours.				

Other Remarks: DIESEL USED: 1,908 GAL. DIESEL ON HAND: 15,052 GAL. RECD 0 GALLONS.
NO ACCIDENTS OR INCIDENTS.

HOLE TOOK 4 BBLS MUD IN LAST 24 HOURS.
TOTAL LOSSES FOR SECTION 2172 BBLS

THIRD PARTY PERSONAL SIGNED IN = 13

T255 ROW 8-35 43-041-30060

CONFIDENTIAL

OXY USA
DAILY OPERATIONS PARTNER REPORT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 12/17/2008
 Report No: 83

Prim. Reason: ORIG DRILL VERT

Wellbore: 00 Rig: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 47.19
 Today's MD: 10,243.0 ft Progress: 0.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 10,243.0 ft Rot Hrs Today: 0.00 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 0.0 ft/hr AFE Number: 94370114 AFE Cost:

Current Formation: MOENKOPI@7,810.0

Lithology:

Current Ops: CHANGE BOP BACK TO 5" RAM

24-Hr Summary: RUN & CEMENT 9 5/8" CASING / RUN & TEST PACK OFF / CHANGE RAM & TEST BOPE.

24-Hr Forecast: TEST BOPE / PICK UP & RUN 8 1/2" BIT & DRILLING ASSY / DRILL OUT SHOE TRACK + 20 FT / FIT

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	13.375in @ 2,809ft	Str Wt Up/Dn:	/	Pump Rate:	0.0	Conn:			
Next Casing:	9.625in @ 9,000ft	Str Wt Rot:		Pump Press:	0.0	Trip:			
Last BOP Press Test:	12/06/2008	Torq Off Btm:		Backgr:					
Form Test/EMW:	FIT / 13.03 ppg	Torq On Btm:							

PERSONNEL

SURVEY DATA (LAST 6)

Supervisor 1:	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 2: RODNEY MANIACI	10,184.0	0.20	106.73	10,183.44	25.6	-2.4	25.6	0.36	-0.35	
Engineer: RUSTY HANNA	10,135.0	0.37	97.28	10,134.44	25.6	-2.7	25.6	0.40	-0.37	
Geologist: KIRK SPARKMAN	10,040.0	0.72	81.70	10,039.44	25.6	-3.6	25.8	0.35	-0.34	
Oxy Personnel:	9,944.0	1.05	76.81	9,943.45	25.3	-5.0	25.8	0.82	0.79	
Contractor Personnel:	24	9,848.0	0.29	97.59	9,847.46	25.1	-6.1	25.8	0.30	-0.29
Total on Site:	24	9,753.0	0.57	90.24	9,752.46	25.1	-6.8	26.0	0.76	-0.72

BIT RECORD

Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
									--	--

BIT OPERATING PARAMETERS TODAY

Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI

MUD DATA - NEWPARK-AVA

LAST OR CURRENT BHA

Engineer: SCOTT JONES / JASON M
 Sample From: PIT
 Mud Type: BRINE / POLYMER WBM
 Time / MD: 0:01 / 10,243.0
 Density @ Temp: 10.50 / 100
 Rheology Temp: 120
 Viscosity: 49.00
 PV / YP: 10 / 8
 Gels 10s/10m/30m: 3 / 6 / 9
 API WL: 11.80
 HTHP WL:
 Cake API / HTHP: 2.0 /
 Solids / Sol Corr: 5.60 / 5.80
 Oil / Water: 0.0 / 85.0
 Sand: 0.05
 Water Added:
 Oil Added:
 LGS: 5.60 / 50.79

MBT: 15.0 lbm/bbl
 pH: 10.8
 Pm / Pom:
 Pf / Mf: 0.2 / 1.0
 Chlorides: 165,000
 Ca+ / K+: /
 CaCl2:
 Clom:
 Lime:
 ES:
 ECD: 10.50
 n / K: /
 Carbonate:
 Bicarbonate:
 Form Loss: 0.0 / 2,605.0
 Fluid Disch: /

VG Meter: 2@3 / 3@6 / 8@100 / 13@200 / 18@300 / 28@600

Comments: FINISHED RUNNING CASING TO 10,225FT. DISPLACED CEMENT WITH 735BBLS OF FRESHWATER WITH NO RETURNS AT SURFACE. DUMPING AND CLEANING PITS AT TIME OF REPORT.

MUD PRODUCTS

Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00

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DEC 19 2008

DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORTEvent: EXPL DRILLING
Prim. Reason: ORIG DRILL VERTPLATEAU VALLEY FEDERAL 35-1
USADate: 12/17/2008
Report No: 83**OPERATIONS**

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	6:00	6.00	21INRC	CSG	RUNCSG	P	RUN 9-5/8" 53.5# HCL-80 BTC CASING FROM 6007' TO 10,178'. UP WT= 506K; DN WT= 460K HOLE TOOK 3 BBLS OVER DISPLACEMENT
6:00	7:00	1.00	21INRC	CSG	RUNCSG	P	MAKE UP HANGER AND LANDING JOINT.
7:00	10:30	3.50	21INRC	CIRC	CNDHOL	P	CIRCULATE AT 487 GPM, 296 PSI. RIG DOWN FRANK'S CASING EQUIPMENT.
10:30	11:00	0.50	21INRC	CSG	RUNCSG	P	LAND HANGER ON RING. REMOVE FRANK'S FILL UP TOOL UP WT 570K DWN WT 520K
11:00	11:30	0.50	21INRC	CSG	RIGUP	P	INSTALL HALLIBURTON LATCH TYPE CIRC SWEDGE.
11:30	12:15	0.75	21INRC	CIRC	CNDHOL	P	ATTEMPT TO BREAK CIRCULATION, ENCOUNTERING PACKING OFF, WORK CASING UP TO 10,211', REGAIN CIRCULATION.
12:15	15:00	2.75	21INRC	CIRC	CNDHOL	P	CIRCULATE AT 603 GPM, 890 PSI. WASH DOWN TO 10,225'. UP WT 570K DWN WT 520K
15:00	15:30	0.50	21INRC	SAFE	PJSM	P	PRE JOB SAFETY MEETING WITH HALLIBURTON PERSONAL.
15:30	16:00	0.50	21INRC	CMT	RIGUP	P	LAND HANGER. REMOVE CIRCULATING SWEDGE AND LOAD BOTTOM PLUG, VERIFY TOP PLUG LOADED, MAKE UP CEMENT HEAD. 9-5/8" SHOE SETTING DEPTH 10,226'
16:00	20:15	4.25	21INRC	CMT	PRIM	P	PRESSURE TEST LINES TO 5,000 PSI, PRESSURE TEST N2 LINES TO 8,000 PSI. *PUMP 40 BBL H2O SPACER, 10 BBL FOAMED H2O SPACER *382 BBLS FOAMED H2O THERMACEM SYSTEM LEAD CEMENT @ 14.3 PPG *47 BBLS THERMACEM SYSTEM TAIL CEMENT @ 14.3 PPG. *DROP TOP PLUG & DISPLACE WITH 717 BBLS H2O. BUMP PLUG WITH 500 PSI OVER TO 2520 PSI & HOLD FOR 10 MIN. FLOATS HELD. CIP @ 20:05 HRS.
20:15	21:30	1.25	21INRC	CSG	RIGUP	P	RIG DOWN HALIBURTON, BACK OFF LANDING JOINT AND LAY DOWN SAME.
21:30	0:00	2.50	21INRC	CSG	RIGUP	P	RUN, SET & TEST CASING PACK OFF TO 2000 PSI.

Total Time 24.00

Safety Incident? N	Days since Last RI: 70.00	Weather Comments: PARTLY CLOUDY; -5 DEGREES AMBIENT TEMP; WIND 17 MPH NNW; -11 DEGREES WIND CHILL FACTOR.
Environ Incident? N	Days since Last LTA: 70.00	
Incident Comments: No incidents reported last 24 hours.		

Other Remarks: DIESEL USED: 1,908 GAL. DIESEL ON HAND: 13,144 GAL. RECD XXX GALLONS.
NO ACCIDENTS OR INCIDENTS.HOLE TOOK 0 BBLS MUD IN LAST 24 HOURS.
TOTAL LOSSES FOR SECTION 2172 BBLS

THIRD PARTY PERSONAL SIGNED IN = 7

T255 R01W 5-35 43-041-30060

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT

OXY USA

PLATEAU VALLEY FEDERAL 35-1
USA

Date: 12/18/2008
Report No: 84

Prim. Reason: ORIG DRILL VERT

Wellbore: 00	Rlg: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 48.19
Today's MD: 10,243.0 ft	Progress: 0.0 ft	Ground Elev: 7,885.00 ft	Daily Cost:
Prev MD: 10,243.0 ft	Rot Hrs Today: 0.00 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost:
PBMD:	Avg ROP Today: 0.0 ft/hr	AFE Number: 94370114	AFE Cost:

Current Formation: MOENKOPI@7,810.0 Lithology:

Current Ops: TRIP IN HOLE WITH 8 1/2" RSS DRILLING ASSEMBLY

24-Hr Summary: TEST BOPE / PICK UP & RUN BHA # 12 / TRIP IN HOLE

24-Hr Forecast: TEST CASING / DRILL SHOE TRACK + 20' NEW HOLE / FIT-LOT / DRILL AHEAD WITH RSS

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing: 13.375in @ 2,809ft	Str Wt Up/Dn: /	Pump Rate: 0.0	Conn:						
Next Casing: 9.625in @ 9,000ft	Str Wt Rot:	Pump Press: 0.0	Trip:						
Last BOP Press Test: 12/18/2008	Torq Off Btm:		Backgr:						
Form Test/EMW: FIT / 13.03 ppg	Torq On Btm:								

PERSONNEL		SURVEY DATA (LAST 6)								
Supervisor 1: WADE FRAME	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 2: RODNEY MANIACI	10,184.0	0.20	106.73	10,183.44	25.6	-2.4	25.6	0.36	-0.35	
Engineer: RUSTY HANNA	10,135.0	0.37	97.28	10,134.44	25.6	-2.7	25.6	0.40	-0.37	
Geologist: KIRK SPARKMAN	10,040.0	0.72	81.70	10,039.44	25.6	-3.6	25.8	0.35	-0.34	
Oxy Personnel: 0	9,944.0	1.05	76.81	9,943.45	25.3	-5.0	25.8	0.82	0.79	
Contractor Personnel: 23	9,848.0	0.29	97.59	9,847.46	25.1	-6.1	25.8	0.30	-0.29	
Total on Site: 23	9,753.0	0.57	90.24	9,752.46	25.1	-6.8	26.0	0.76	-0.72	

BIT RECORD

Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
11	8.500	BAKER OIL TOOLS	Q507HX	7122686	M323	7x12	10,243.0		--	--

BIT OPERATING PARAMETERS TODAY

Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI

MUD DATA - NEWPARK-AVA

Engineer: SCOTT JONES / JASON M	MBT:	
Sample From:	pH: 7.5	
Mud Type: FRESH WATER POLYMER	Pm / Pom: /	
Time / MD: 0:01 / 10,243.0	Pf / Mf: /	
Density @ Temp: 8.45 /	Chlorides: 200	
Rheology Temp:	Ca+ / K+: /	
Viscosity: 26.00	CaCl2:	
PV / YP: /	Clom:	
Gels 10s/10m/30m: / /	Lime:	
API WL:	ES:	
HTHP WL:	ECD:	
Cake API / HTHP: /	n / K: /	
Solids / Sol Corr: 0.90 / 0.90	Carbonate:	
Oil / Water: 0.0 / 99.1	Bicarbonate:	
Sand: 0.00	Form Loss: 0.0 / 2,605.0	
Water Added:	Fluid Disch: /	
Oil Added:		
LGS: 8.10 / 8.10		

VG Meter:
Comments: DUMPED AMD CLEANED PITS. FILLED PITS WITH FRESH WATER, AND PREPARING TO BUILD MUD. CURRENTLY TIH AT TIME OF REPORT.

MUD PRODUCTS

Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00

LAST OR CURRENT BHA

BHA No: 12	Bit No: 11	MD In: 10,243.0 ft		
Purpose: DRILL PRODUCTION HOLE		MD Out:		
Component	OD	ID	Jts	Length
PDC BIT	8.500	1.750	1	1.20
ROTARY STEERABLE MOTOR	6.750	3.200	1	13.48
NON-MAG INTEGRAL BLADE STABILIZ	12.125	2.500	1	5.83
FLOAT SUB	7.125	2.875	1	3.05
MWD TOOL	7.000	2.875	1	24.21
GAP SUB	7.875	2.875	1	2.84
NON-MAG DRILL COLLAR	6.750	2.562	1	30.95
NON-MAG INTEGRAL BLADE STABILIZ	6.375	2.812	1	5.83
CROSSOVER	6.312	2.812	1	2.96
DRILL COLLAR	6.500	2.875	15	459.78
CROSSOVER	6.750	2.812	1	3.04
HWDP	5.000	3.000	5	153.89
DRILLING JAR	6.250	2.500	1	32.08

Total Length: 1,291.68 ft Wt below Jars: 51,431.0 kip

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DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORTEvent: EXPL DRILLING
Prim. Reason: ORIG DRILL VERTPLATEAU VALLEY FEDERAL 35-1
USADate: 12/18/2008
Report No: 84**OPERATIONS**

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
0:00	3:00	3.00	21INDR	BOP	CHRAMS	P	CHANGE BOTTOM RAN FROM 9 5/8" TO 5".	
3:00	6:00	3.00	21INDR	BOP	TSTBOP	P	TEST BOPE 250 / 5000 PSI, ANNULAR 250 / 2500 PSI FOR 10 MINUTES EACH.	
6:00	9:00	3.00	21INDR	BOP	TSTBOP	P	TEST BOPE 250 / 5000 PSI, ANNULAR 250 / 2500 PSI FOR 10 MINUTES EACH.	
9:00	11:30	2.50	21INDR	SRFEQ	RIGUP	P	INSTALL WEAR BUSHING.	
9:00	9:00	0.00	21INDR	BOP	RDBOP	P	RIG DOWN IPS TEST EQUIPMENT.	
11:30	14:45	3.25	21INDR	TRIP	BHA	P	PICK UP BHA CONSISTING OF 8.5" Q507HX, RSS, 8-3/8" OD STRING STAB, SAVER SUB (FLOAT) MWD, FILTER SUB, NMDC, 8-3/8" OD STRING STAB, X-O = 90.35'	
14:45	16:30	1.75	21INDR	TRIP	BHA	P	RUN IN THE HOLE WITH 6-1/2" DRILL COLLARS. PICKING 3 MORE DC UP.	
16:30	23:00	6.50	21INDR	TRIP	BHA	P	RUN IN THE HOLE WITH HWDP. INSPECTING EACH JOINT OF HWDP. LAID DOWN 8 JOINTS TOTAL. (1 CRACKED AND 7 UNDERSIZED)	
23:00	0:00	1.00	21INDR	TRIP	BHA	P	PICK UP 5 JTs HWDP & TRIP IN HOLE TO 10243'.	
Total Time		24.00						

Safety Incident?	N	Days since Last RI:	71.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	71.00	PARTLY CLOUDY; -11 DEGREES AMBIENT TEMP; WIND 22 MPH SSW; -23 DEGREES WIND CHILL FACTOR.
Incident Comments:				
No incidents reported last 24 hours.				

Other Remarks: DIESEL USED: 1696 GAL. DIESEL ON HAND: 11448 GAL. RECD 0 GALLONS.
NO ACCIDENTS OR INCIDENTS.

HOLE TOOK 0 BBLs MUD IN LAST 24 HOURS.
TOTAL LOSSES FOR SECTION 2172 BBLs

THIRD PARTY PERSONAL SIGNED IN = 4

T255 ROW S-35

43-041-30060

CONFIDENTIAL

OXY USA
DAILY OPERATIONS PARTNER REPORT
 PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 01/02/2009
 Report No: 99

Prim. Reason: ORIG DRILL VERT

Wellbore: 00 Rlg: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 63.19
 Today's MD: 11,392.0 ft Progress: 65.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 11,327.0 ft Rot Hrs Today: 24.00 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 2.7 ft/hr AFE Number: 94370114 AFE Cost:
 Current Formation: KAIBAB@10,510.0 Lithology: MISSISSIPPIAN HORSESHOE MESA @ 11,230' DOLOMITE W/ CHERT.

Current Ops: DRILL AHEAD W/ RSS & MOTOR FROM 11,327'
 24-Hr Summary: DRILL AHEAD W/ RSS & MOTOR FROM 11,327' TO 11,392'
 24-Hr Forecast: CONTINUE TO DRILL AHEAD W/ RSS & MOTOR.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.675in @ 10,260ft	Str Wt Up/Dn:	373.0/ 360.0 kip	Pump Rate:	494.0	Conn:			
Next Casing:	5.500in @ 14,000ft	Str Wt Rot:	371.0 kip	Pump Press:	2,790.0	Trip:			
Last BOP Press Test:		Torg Off Btm:	3.0 ft-lb	Backgr:					
Form Test/EMW:	LOT / 14.05 ppg	Torg On Btm:	4.0 ft-lb						

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N/S	E/W	VS	DLS	Build	
Supervisor 1: DUB CAMERON	11,288.0	0.00	12.36	11,287.15	41.7	-5.3	41.9	2.61	-2.61	
Supervisor 2:	11,192.0	2.51	313.53	11,191.18	40.3	-3.8	40.2	1.26	-0.09	
Engineer: RUSTY HANNA	11,096.0	2.60	340.82	11,095.27	36.8	-1.5	36.4	0.83	0.48	
Geologist: KIRK SPARKMAN	11,000.0	2.14	356.82	10,999.35	32.9	-0.7	32.4	0.58	0.32	
Oxy Personnel: 0	10,906.0	1.84	9.96	10,905.41	29.7	-0.9	29.3	0.06	0.00	
Contractor Personnel: 22	10,905.0	1.84	9.98	10,904.41	29.6	-0.9	29.2	1.62	1.62	
Total on Site: 22										

BIT RECORD										
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
16	8.500	SECURITY DBS	FMH36452Z	11052936	M434	5x12, 1x13	11,221.0	11,450.0	1-2-NO-S	0-I-NO-TD

BIT OPERATING PARAMETERS TODAY													
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI	
16	24.00	48.00	65.0	171.0	2.7	3.6	12.0/15.0	23/30	0.682	395.8	226.8	2.0	

MUD DATA - NEWPARK-AVA	
Engineer: JERRY TODD/NICK LIGHTNEI	MBT: 17.5 lbm/bbl
Sample From: OUT	pH: 10.3
Mud Type: LOW SOLIDS / NON-DISPER	Pm / Pom:
Time / MD: 23:00 / 11,389.0	Pf / Mf: 0.3 / 0.7
Density @ Temp: 8.70 / 120	Chlorides: 3,200
Rheology Temp: 95	Ca+ / K+: /
Viscosity: 61.00	CaCl2:
PV / YP: 21 / 15	Clom:
Gels 10s/10m/30m: 9 / 24 / 27	Lime:
API WL: 7.10	ES:
HTHP WL: 19.00	ECD: 8.80
Cake API / HTHP: 2.0 /	n / K: /
Solids / Sol Corr: 2.50 / 2.50	Carbonate:
Oil / Water: / 97.5	Bicarbonate:
Sand: 0.25	Form Loss: 12.0 / 2,737.0
Water Added:	Fluid Disch: /
Oil Added:	
LGS: 2.50 / 22.68	

VG Meter: 5@3 / 6@6 / 19@100 / 27@200 / 36@300 / 57@600
 Comments: DRILLED AHEAD THROUGHOUT THE DAY TO 11389 WITH NO PROBLEMS. PUMPED TWO 20 BBL LCM SWEEPS TO CONTROL MINOR LOSSES.

LAST OR CURRENT BHA					
BHA No:	Bit No:	MD In:	MD Out:	Purpose:	
17	16	11,221.0 ft	11,450.0 ft	DRILL VERTICLE HOLE	
Component		OD	ID	Jts	Length
HWDP		5.000		10	307.42
DRILLING JAR		6.375		1	32.38
HWDP		5.000		13	399.10
CROSSOVER		6.500		1	3.04
DRILL COLLAR		6.500		20	610.74
CROSSOVER		6.250		1	2.96
NON-MAG DRILL COLLAR		6.750		1	30.95
3-POINT NEAR BIT REAMER		6.750		1	5.83
STEERING TOOL		6.875		1	29.77
CROSSOVER		6.500		1	3.08
RSS (PUSH BIT)		6.250		1	30.31
CROSSOVER		6.750		1	3.94
ROTARY STEERABLE MOTOR		6.750		1	13.48
Total Length:		1,474.00 ft	Wt below Jars:		76,672.0 kip

MUD PRODUCTS		
Product	Units	Qty Used
AQUABLOC	50 LB/SX	12.00
CAUSTIC SODA	50 LB/SX	6.00
DYNAFIBER M	25 LB/SX	20.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FLOW-ZAN	25 LB SX	8.00
LIME	50 LB/SX	4.00
NEW GEL HY	50 LBS/SK	10.00
NEWPAC LV	50 LB/SX	11.00
SODA ASH	50 LBS/SK	12.00
TAX	EACH	1.00

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JAN 09 2009
 DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 01/02/2009
Report No: 99

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	6:00	6.00	31PRDR	DRILL	MTRVER	P	DRILL FROM 11,327' TO 11,353' OR 26' IN 6 HRS OR 4.3'/HR. WOB - 12-14K; RPM @ SURFACE - 25; RPM @ BIT 85; PUMP - 60 & 60 @ 501 GPM @ 2,860 PSI. VIB'S, SHOCKS, STICK - NON-EXISTANT.
6:00	10:00	4.00	31PRDR	DRILL	MTRVER	P	DRILL FROM 11,353' TO 11,358' OR 5' IN 4 HRS OR 1.3'/HR. WOB - 12-14K; RPM SURFACE - 30; VIB'S, SHOCKS, STICK - NON-EXISTANT. RPM @ BIT - 85.
10:00	10:30	0.50	31PRDR	RIGMT	SRVRIG	P	RIG SERVICE.
10:30	0:00	13.50	31PRDR	DRILL	MTRVER	P	DRILL FROM 11,358' TO 11,392' OR 34' IN 13.5 HRS OR 2.5'/HR. WOB - 12-14K; RPM (SURFACE) - 30; RPM (BIT) - 82; VIB'S, SHOCKS, STICK - NON-EXISTANT. SURFACE TORQUE - 4.
Total Time		24.00					

Safety Incident?	N	Days since Last RI:	86.00	Weather Comments: MOSTLY CLOUDY; LIGHT S/W WINDS, TEMP - 6 DEGREES.
Environ Incident?	N	Days since Last LTA:	86.00	
Incident Comments: No incidents reported last 24 hours.				

Other Remarks: DIESEL USED - 2,968 GALS; DIESEL ON HAND - 11,660 GALS; DIESEL REC. - 0.0.

T255 ROW 5-35 43-041-30060

OXY USA

CONFIDENTIAL

DAILY OPERATIONS PARTNER REPORT

PLATEAU VALLEY FEDERAL 35-1

USA

Date: 01/03/2009

Report No: 100

Prim. Reason: ORIG DRILL VERT

Wellbore:	00	Rlg:	NABORS 797	Ref Datum:	ORIGINAL KB @7,920.00ft	DFS:	64.19
Today's MD:	11,450.0 ft	Progress:	58.0 ft	Ground Elev:	7,885.00 ft	Daily Cost:	
Prev MD:	11,392.0 ft	Rot Hrs Today:	13.00 hr	AFE MD/Days:	14,000.0 / 98.0 days	Cum Cost:	
PRMD:		Avg ROP Today:	4.5 ft/hr	AFE Number:	94370114	AFE Cost:	

Current Formation: KAIBAB@11,230.0 Lithology: MISSISSIPPIAN HORSESHOE MESA - DOLOMITE & CHERT.

Current Ops: DRILL AHEAD W/ RSS & MOTOR FROM 11,392'

24-Hr Summary: DRILL AHEAD W/ RSS & MOTOR FROM 11,392' TO 11,450' - TD.

24-Hr Forecast: CONTINUE TO DRILL AHEAD TO TD @ 11,500' OR BIT FAILURE.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.675in @ 10,260ft	Str Wt Up/Dn:	373.0/ 360.0 kip	Pump Rate:	481.4	Conn:			
Next Casing:	5.500in @ 14,000ft	Str Wt Rot:	371.0 kip	Pump Press:	2,735.0	Trip:			
Last BOP Press Test:		Torg Off Btm:	3.0 ft-lb			Backgr:			
Form Test/EMW:	LOT / 14.05 ppg	Torg On Btm:	4.0 ft-lb						

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: DUB CAMERON	11,288.0	0.00	12.36	11,287.15	41.7	-5.3	41.9	2.61	-2.61	
Supervisor 2:	11,192.0	2.51	313.53	11,191.18	40.3	-3.8	40.2	1.26	-0.09	
Engineer: RUSTY HANNA	11,096.0	2.60	340.82	11,095.27	36.8	-1.5	36.4	0.83	0.48	
Geologist: KIRK SPARKMAN	11,000.0	2.14	356.82	10,999.35	32.9	-0.7	32.4	0.58	0.32	
Oxy Personnel:	0									
Contractor Personnel:	22	10,906.0	1.84	9.96	10,905.41	29.7	-0.9	29.3	0.06	0.00
Total on Site:	22	10,905.0	1.84	9.98	10,904.41	29.6	-0.9	29.2	1.62	1.62

BIT RECORD

Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
16	8.500	SECURITY DBS	FMH3645ZZ	11052936	M434	5x12, 1x13	11,221.0	11,450.0	1-2-NO-S	0-1-NO-TD

BIT OPERATING PARAMETERS TODAY

Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI
16	13.00	61.00	58.0	229.0	4.5	3.8	12.0/15.0	23/30	0.682	395.8	226.8	2.0

MUD DATA - NEWPARK-AVA

Engineer: JERRY TODD/NICK LIGHTNE	MBT:	17.5 lbm/bbl
Sample From: PIT	pH:	10.2
Mud Type: LOW SOLIDS / NON-DISPER	Pm / Pom:	
Time / MD: 23:00 / 11,450.0	Pf / Mf:	0.3 / 0.7
Density @ Temp: 87.00 / 93	Chlorides:	3,000
Rheology Temp: 93	Ca+ / K+:	/
Viscosity: 61.00	CaCl2:	
PV / YP: 20 / 15	Clom:	
Gels 10s/10m/30m: 9 / 25 / 28	Lime:	
API WL: 7.10	ES:	
HTHP WL: 19.00	ECD:	8.80
Cake API / HTHP: 2.0 /	n / K:	/
Solids / Sol Corr: /	Carbonate:	
Oil / Water: / 97.4	Bicarbonate:	
Sand: 0.25	Form Loss:	36.0 / 2,773.0
Water Added:	Fluid Disch:	/
Oil Added:		
LGS:		

LAST OR CURRENT BHA

BHA No: 17	Bit No: 16	MD In: 11,221.0 ft
Purpose: DRILL VERTICLE HOLE		MD Out: 11,450.0 ft
Component		
HWDP	OD	ID
DRILLING JAR	6.375	10
HWDP	5.000	13
CROSSOVER	6.500	1
DRILL COLLAR	6.500	20
CROSSOVER	6.250	1
NON-MAG DRILL COLLAR	6.750	1
3-POINT NEAR BIT REAMER	6.750	1
STEERING TOOL	6.875	1
CROSSOVER	6.500	1
RSS (PUSH BIT)	6.250	1
CROSSOVER	6.750	1
ROTARY STEERABLE MOTOR	6.750	1

Total Length: 1,474.00 ft Wt below Jars: 76,672.0 kip

VG Meter: 5@3 / 6@6 / 18@100 / 26@200 / 35@300 / 55@600
 Comments: TOOK LOSSES AT 11405 AND 11416 FT AND PUMPED 25 BBLs LCM SWEEPS ON BOTH OCCASIONS. DRILLED AHEAD TO 11450 WHERE TD WAS CALLED. PUMPED 75 BBL HIGH VIS SWEEP.

MUD PRODUCTS

Product	Units	Qty Used
AQUABLOC	50 LB/SX	11.00
CAUSTIC SODA	50 LB/SX	5.00
DYNAFIBER M	25 LB/SX	10.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FLOW-ZAN	25 LB SX	10.00
LIME	50 LB/SX	4.00
NEWPAC LV	50 LB/SX	13.00
SODA ASH	50 LBS/SK	21.00
TAX	EACH	1.00

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JAN 09 2009

UNION OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 01/03/2009
Report No: 100

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	6:00	6.00	31PRDR	DRILL	MTRVER	P	DRILL FROM 11,392' TO 11,407' OR 15' IN 6 HRS OR 2.5'/HR. WOB - 14K; RPM (SURFACE) - 30; RPM (BIT) - 82. VIB'S, SHOCKS, STICK, NON-EXISTANT.
6:00	19:00	13.00	31PRDR	DRILL	MTRVER	P	DRILL FROM 11,407' TO 11,450' OR 43' IN 13 HRS OR 3.2'/HR. TD WELL @ 11,450', AS PER INSTRUCTIONS.
19:00	23:00	4.00	31PRDR	CIRC	CNDHOL	P	CIRCULATE & CONDITION MUD. MIX 100+ VIS SWEEP (50 BBLs), & PUMP AWAY. SLB TOOL UNABLE TO GET SURVEY @ TD, PRIOR TO SWEEP.
23:00	0:00	1.00	31PRDR	TRIP	DRILL	P	POOH FOR LOGS.
Total Time		24.00					

Safety Incident?	N	Days since Last RI:	87.00	Weather Comments: S/E WINDS @ 20 MPH, SNOW FLURRIES, TEMP - -6 DEGREES.
Environ Incident?	N	Days since Last LTA:	87.00	
Incident Comments: No incidents reported last 24 hours.				

Other Remarks: DIESEL USED - 2,756 GALS; DIESEL ON HAND - 13,356 GALS, DIESEL RECEIVED - 4,000 GALS.

T255 ROWS-35 43-041-30060

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OXY USA
DAILY OPERATIONS PARTNER REPORT
 PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 01/04/2009
 Report No: 101

Prim. Reason: ORIG DRILL VERT

Wellbore: 00 Rig: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 65.19
 Today's MD: 11,450.0 ft Progress: 0.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 11,450.0 ft Rot Hrs Today: AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 0.0 ft/hr AFE Number: 94370114 AFE Cost:
 Current Formation: KAIBAB@11,230.0 Lithology: MISSISSIPPIAN HORSESHOE MESA @ 11,230'

Current Ops: POOH FOR LOGS
 24-Hr Summary: POOH FOR LOGS & LOG WELL
 24-Hr Forecast: LOG WELL

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.675in @ 10,260ft	Str Wt Up/Dn:	/	Pump Rate:	0.0	Conn:			
Next Casing:	5.500in @ 14,000ft	Str Wt Rot:		Pump Press:	0.0	Trip:			
Last BOP Press Test:		Torq Off Btm:		Backgr:					
Form Test/EMW:	LOT / 14.05 ppg	Torq On Btm:							

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: DUB CAMERON	11,288.0	0.00	12.36	11,287.15	41.7	-5.3	41.9	2.61	-2.61	
Supervisor 2:	11,192.0	2.51	313.53	11,191.18	40.3	-3.8	40.2	1.26	-0.09	
Engineer: RUSTY HANNA	11,096.0	2.60	340.82	11,095.27	36.8	-1.5	36.4	0.83	0.48	
Geologist: KIRK SPARKMAN	11,000.0	2.14	356.82	10,999.35	32.9	-0.7	32.4	0.58	0.32	
Oxy Personnel: 0	10,906.0	1.84	9.96	10,905.41	29.7	-0.9	29.3	0.06	0.00	
Contractor Personnel: 22	10,905.0	1.84	9.98	10,904.41	29.6	-0.9	29.2	1.62	1.62	
Total on Site: 22										

BIT RECORD											
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R	
16	8.500	SECURITY DBS	FMH3645ZZ	11052936	M434	5x12, 1x13	11,221.0	11,450.0	1-2-NO-S	0-I-NO-TD	

BIT OPERATING PARAMETERS TODAY													
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI	

MUD DATA - NEWPARK-AVA		
Engineer: JERRY TODD/NICK LIGHTNER	MBT:	17.5 lbm/bbl
Sample From: PIT	pH:	9.9
Mud Type: LOW SOLIDS / NON-DISPER	Pm / Pom:	
Time / MD: 22:01 / 11,450.0	Pf / Mf:	0.3 / 0.6
Density @ Temp: 8.70 / 81	Chlorides:	3,000
Rheology Temp: 81	Ca+ / K+:	/
Viscosity: 65.00	CaCl2:	
PV / YP: 22 / 16	Clom:	
Gels 10s/10m/30m: 11 / 26 / 31	LiMe:	
API WL: 7.00	ES:	
HTHP WL: 19.00	ECD:	8.85
Cake API / HTHP: 2.0 /	n / K:	/
Solids / Sol Corr: 2.60 / 2.60	Carbonate:	
Oil / Water: / 97.4	Bicarbonate:	
Sand: 0.25	Form Loss:	/ 2,773.0
Water Added:	Fluid Disch:	/
Oil Added:		
LGS: 2.60 / 23.58		

LAST OR CURRENT BHA				
BHA No: 17	Bit No: 16	MD In: 11,221.0 ft		
Purpose: DRILL VERTICLE HOLE		MD Out: 11,450.0 ft		
Component	OD	ID	Jts	Length
HWDP	5.000		10	307.42
DRILLING JAR	6.375		1	32.38
HWDP	5.000		13	399.10
CROSSOVER	6.500		1	3.04
DRILL COLLAR	6.500		20	610.74
CROSSOVER	6.250		1	2.96
NON-MAG DRILL COLLAR	6.750		1	30.95
3-POINT NEAR BIT REAMER	6.750		1	5.83
STEERING TOOL	6.875		1	29.77
CROSSOVER	6.500		1	3.08
RSS (PUSH BIT)	6.250		1	30.31
CROSSOVER	6.750		1	3.94
ROTARY STEERABLE MOTOR	6.750		1	13.48

VG Meter: 6@3 / 7@6 / 21@100 / 29@200 / 38@300 / 60@600
 Comments: FINISHED TOH WITH NO PROBLEMS. CURRENTLY LOGGING HOLE.
 INTERVAL LOSSES - 168 BBLs

Total Length: 1,474.00 ft Wt below Jars: 76,672.0 kip

MUD PRODUCTS		
Product	Units	Qty Used
AQUABLOC	50 LB/SX	2.00
CAUSTIC SODA	50 LB/SX	3.00
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
FLOW-ZAN	25 LB SX	2.00
LIME	50 LB/SX	1.00
NEW BAR	100 LB/SX	105.00
NEW GEL HY	50 LBS/SK	20.00
NEWPAC LV	50 LB/SX	2.00
PALLETS	EA.	12.00
SHRINK WRAP	EA.	12.00
SODA ASH	50 LBS/SK	3.00

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 JAN 09 2009
 DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 01/04/2009
Report No: 101

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	6:00	6.00	31PRDR	TRIP	DRILL	P	POOH FOR LOGS. W/L ETA - 06:00.
6:00	9:30	3.50	31PRDR	TRIP	DRILL	P	FINISH OUT OF HOLE. BREAK-OUT SLB TOOLS & L/D.
9:30	10:30	1.00	31PRDR	LOG	RIGUP	P	W/L TECH ON PHONE W/ MR. SEALE, GEOLOGIST, AS TO LOGGING RUN AND EXPEDITE LOGS.
10:30	13:00	2.50	31PRDR	LOG	RIGUP	P	R/U BAKER/ATLAS FOR LOGS
13:00	19:30	6.50	31PRDR	LOG	OHLOG	P	TIH & LOG OPEN HOLE. SEND LOG DATA TO MR. SEALE, FOR DECISION TO DRILL AHEAD OR P & A. PREPARE TOOLS FOR 2ND RUN.
19:30	0:00	4.50	31PRDR	LOG	OHLOG	P	CONTINUE TO LOG WELL.
Total Time		24.00					

Safety Incident?	N	Days since Last RI:	88.00	Weather Comments: N/E WINDS @ 15; CLOUDY; TEMP - -10 DEGREES.
Environ Incident?	N	Days since Last LTA:	88.00	
Incident Comments: No incidents reported last 24 hours.				

Other Remarks: DIESEL USED - 3,180 GALS; DIESEL ON HAND - 10,176 GALS. SWEEP IN QUESTION WAS PUMPED AFTER 3 FAILED ATTEMPTS FOR SURVEY @ TD. SLB - D.D. COULD NOT WAKE-UP TOOL.

T255 ROW 5-35 43-041-30060

CONFIDENTIAL

OXY USA
DAILY OPERATIONS PARTNER REPORT
 PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 01/05/2009
 Report No: 102

Prim. Reason: ORIG DRILL VERT

Wellbore: 00 Rig: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 66.19
 Today's MD: 11,450.0 ft Progress: 0.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 11,450.0 ft Rot Hrs Today: 0.00 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 0.0 ft/hr AFE Number: 94370114 AFE Cost:
 Current Formation: KAIBAB@11,230.0 Lithology: MISSISSIPPIAN HORSESHOE MESA @ 11,230'

Current Ops: OPEN HOLE LOGGING

24-Hr Summary: OPEN HOLE LOGGING

24-Hr Forecast: CONTINUE TO LOG. GET DECISION TO P & A OR DRILL AHEAD.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.675in @ 10,260ft	Str Wt Up/Dn:	/	Pump Rate:	0.0	Conn:			
Next Casing:	5.500in @ 14,000ft	Str Wt Rot:		Pump Press:	0.0	Trip:			
Last BOP Press Test:		Torq Off Btm:		Backgr:					
Form Test/EMW:	LOT / 14.05 ppg	Torq On Btm:							

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: DUB CAMERON	11,288.0	0.00	12.36	11,287.15	41.7	-5.3	41.9	2.61	-2.61	
Supervisor 2:	11,192.0	2.51	313.53	11,191.18	40.3	-3.8	40.2	1.26	-0.09	
Engineer: RUSTY HANNA	11,096.0	2.60	340.82	11,095.27	36.8	-1.5	36.4	0.83	0.48	
Geologist: KIRK SPARKMAN	11,000.0	2.14	356.82	10,999.35	32.9	-0.7	32.4	0.58	0.32	
Oxy Personnel: 0	10,906.0	1.84	9.96	10,905.41	29.7	-0.9	29.3	0.06	0.00	
Contractor Personnel: 22	10,905.0	1.84	9.98	10,904.41	29.6	-0.9	29.2	1.62	1.62	
Total on Site: 22										

BIT RECORD

Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
									--	--

BIT OPERATING PARAMETERS TODAY

Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI

MUD DATA - NEWPARK-AVA

Engineer: JERRY TODD/NICK LIGHTNE MBT: 17.5 lbm/bbl
 Sample From: PIT pH: 9.6
 Mud Type: LOW SOLIDS / NON-DISPER Pm / Pom:
 Time / MD: 22:01 / 11,450.0 Pf / Mf: 0.2 / 0.5
 Density @ Temp: 8.70 / 70 Chlorides: 3,000
 Rheology Temp: 70 Ca+ / K+: /
 Viscosity: 65.00 CaCl2:
 PV / YP: 21 / 16 Clom:
 Gels 10s/10m/30m: 10 / 26 / 31 Lime:
 API WL: 7.00 ES:
 HTHP WL: 19.00 ECD: 8.85
 Cake API / HTHP: 2.0 / n / K: /
 Solids / Sol Corr: 2.60 / 2.60 Carbonate:
 Oil / Water: / 97.4 Bicarbonate:
 Sand: 0.25 Form Loss: / 2,773.0
 Water Added: Fluid Disch: /
 Oil Added:
 LGS: 2.60 / 23.58

LAST OR CURRENT BHA

Component	OD	ID	Jts	Length

VG Meter: 5@3 / 6@6 / 19@100 / 28@200 / 37@300 / 58@600
 Comments: CONTINUING TO LOG HOLE.
 INTERVAL LOSSES - 168 BBLS

MUD PRODUCTS

Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
TRUCKING SERVICE	EACH	1.00

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DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 01/05/2009
Report No: 102

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	6:00	6.00	31PRDR	LOG	OHLOG	P	CONTINUE TO LOG WELL: 3RD RUN.
6:00	10:00	4.00	31PRDR	LOG	OHLOG	P	TIH WITH LOGGING RUN # 4 AND LOG WELL.
10:00	11:00	1.00	31PRDR	LOG	OHLOG	P	RECEIVED CALL FROM MR. SEALE. WANTS TO REPEAT MICRO LOG AND ADD LATEROLOG. ADVISE BAKER/ATLAS ENGR. MUST GET TOOLS OUT OF VERNAL.
11:00	12:00	1.00	31PRDR	LOG	RIGUP	P	R/U CORE TOOL
12:00	20:00	8.00	31PRDR	LOG	OHLOG	P	TIH WITH CORE TOOL. SEE REMARKS FOR INTERVALS.
20:00	0:00	4.00	31PRDR	WAIT	WOEQ	P	W/O LOGGING TOOLS; DLL & MICRO LOG (REPEAT)
Total Time		24.00					

Safety Incident?	N	Days since Last RI:	89.00	Weather Comments: CLOUDY WITH S/W WINDS; TEMP - -6 DEGREES.
Environ Incident?	N	Days since Last LTA:	89.00	
Incident Comments: No incidents reported last 24 hours.				

Other Remarks: DIESEL USED - 1,484 GALS; DIESEL ON HAND - 8,692 GALS. LOGS RUN: # 1 - (HDIL,DAL,CZD,CNL,GR) RUN # 2 - REPEAT (REPEAT HDIL) RUN # 3 - (MLL) RUN # 4 - (HEX DIP) RUN # 5 - (RSWC) RUN # 6 - (REPEAT MLL DUE TO TOOL FAILURE) CORES AS FOLLOWS:
 11435,11426,11422,11405,11374,11368,11364,11355,11336,11315,11282,11255,11245,11140,11130,11125,11042,10898,10744,10734 & 10463'. 21 OF 21 CORES RECOVERED. W/L TD ON ALL RUNS 11,469'.

TASS ROW S-35 43-041-30060

CONFIDENTIAL

OXY USA
DAILY OPERATIONS PARTNER REPORT
 PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 01/06/2009
 Report No: 103

Prim. Reason: ORIG DRILL VERT

Wellbore: 00	Rig: NABORS 797	Ref Datum: ORIGINAL KB @7,920.00ft	DFS: 67.19
Today's MD: 11,450.0 ft	Progress: 0.0 ft	Ground Elev: 7,885.00 ft	Daily Cost: [REDACTED]
Prev MD: 11,450.0 ft	Rot Hrs Today: 0.00 hr	AFE MD/Days: 14,000.0 / 98.0 days	Cum Cost: [REDACTED]
PBMD:	Avg ROP Today: 0.0 ft/hr	AFE Number: 94370114	AFE Cost: [REDACTED]
Current Formation: KAIBAB@11,230.0		Lithology: MISSISSIPPIAN HORSESHOE BEND @ 11,230'	

Current Ops: WAIT ON LOGGING TOOLS
 24-Hr Summary: OPEN HOLE LOGGING & W/O LOGGING TOOLS.
 24-Hr Forecast: SET CEMENT ABANDONMENT PLUGS

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing: 9.675in @ 10,260ft		Str Wt Up/Dn: /		Pump Rate: 0.0		Conn:			
Next Casing: 5.500in @ 14,000ft		Str Wt Rot:		Pump Press: 0.0		Trip:			
Last BOP Press Test: 12/18/2008		Torq Off Btm:				Backgr:			
Form Test/EMW: LOT / 14.05 ppg		Torq On Btm:							

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: WADE FRAME	11,288.0	0.00	12.36	11,287.15	41.7	-5.3	41.9	2.61	-2.61	
Supervisor 2:	11,192.0	2.51	313.53	11,191.18	40.3	-3.8	40.2	1.26	-0.09	
Engineer: RUSTY HANNA	11,096.0	2.60	340.82	11,095.27	36.8	-1.5	36.4	0.83	0.48	
Geologist: KIRK SPARKMAN	11,000.0	2.14	356.82	10,999.35	32.9	-0.7	32.4	0.58	0.32	
Oxy Personnel: 0	10,906.0	1.84	9.96	10,905.41	29.7	-0.9	29.3	0.06	0.00	
Contractor Personnel: 22	10,905.0	1.84	9.98	10,904.41	29.6	-0.9	29.2	1.62	1.62	
Total on Site: 22										

BIT RECORD											
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R	
									--	--	

BIT OPERATING PARAMETERS TODAY													
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI	

MUD DATA - NEWPARK-AVA	
Engineer: SCOTT JONES/NICK LIGHTNI	MBT: 17.5 lbm/bbl
Sample From: PIT	pH: 9.5
Mud Type: LOW SOLIDS / NON-DISPER	Pm / Pom:
Time / MD: 22:00 / 11,450.0	Pf / Mf: 0.2 / 0.5
Density @ Temp: 8.70 / 58	Chlorides: 3,000
Rheology Temp: 62	Ca+ / K+: /
Viscosity: 64.00	CaCl2:
PV / YP: 20 / 14	Clom:
Gels 10s/10m/30m: 10 / 25 / 29	Lime:
API WL: 7.10	ES:
HTHP WL: 19.00	ECD: 8.85
Cake API / HTHP: 2.0 /	n / K: /
Solids / Sol Corr: 2.60 / 2.60	Carbonate:
Oil / Water: / 97.4	Bicarbonate:
Sand: 0.25	Form Loss: 0.0 / 2,773.0
Water Added:	Fluid Disch: /
Oil Added:	
LGS: 2.60 / 23.58	
VG Meter: 5@3 / 6@6 / 18@100 / 26@200 / 34@300 / 54@600	
Comments: FINISHED LOGGING HOLE. WORKING AT BUILDING 400 BBLs OF 10.7 LB/BBL MUD TO USE AS PLUG MUD. CURRENTLY TRIPPING IN HOLE OPEN ENDED TO BEGIN CEMENT JOB.	

LAST OR CURRENT BHA				
Component	OD	ID	Jts	Length

MUD PRODUCTS		
Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00

RECEIVED
 JAN 09 2009
 DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 01/06/2009
Report No: 103

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	2:00	2.00	31PREV	WAIT	WOEQ	PT	W/O DLL & MICRO LOG TOOLS. TOOLS ARRIVED @ 02:00.
2:00	5:00	3.00	31PREV	LOG	OHLOG	P	MAKE UP TOOLS, TIH & LOGGING, (ML).
5:00	6:00	1.00	31PREV	LOG	RIGUP	P	L/D ML, M/U DLL & TIH FOR LOGS.
6:00	10:00	4.00	31PREV	LOG	OHLOG	P	LOG OPEN HOLE W/ DLL. L/D TOOLS.
10:00	10:30	0.50	31PREV	LOG	RIGUP	P	R/D BAKER/ATLAS
10:30	11:30	1.00	61ABND	WAIT	WOORD	PT	WAIT ON ORDERS FOR DISPOSITION OF WELL.
11:30	14:30	3.00	61ABND	TRIP	PULD	P	USING "MOUSE HOLE", BREAK-OUT DC'S & L/D SAME.
14:30	16:30	2.00	61ABND	TRIP	PULD	P	LAY DOWN HWDP.
16:30	22:30	6.00	61ABND	TRIP	PULD	P	PICK UP 36 JOINTS OF DRILL PIPE (1,126')
22:30	0:00	1.50	61ABND	TRIP	CMT	P	RUN IN THE HOLE TO 4930'.
Total Time		24.00					

Safety Incident?	N	Days since Last RI:	90.00	Weather Comments: CLEAR -3 DEG. NW WIND @ 13 MPH, WIND CHILL -7.
Environ Incident?	N	Days since Last LTA:	90.00	
Incident Comments: No incidents reported last 24 hours.				

Other Remarks: DIESEL USED - 1,696 GALS; DIESEL ON HAND - 13,780 GALS; DIESEL RECEIVED - 8,000 GALS.

LOGS: FINAL RUN (DLL) W/L TD ON ALL LOGGING RUNS - 11,469'.

NO ACCIDENTS OR INCIDENTS.

HOLE TOOK 0 BBLS MUD IN LAST 24 HOURS.
 TOTAL LOSSES FOR SECTION 0 BBLS

THIRD PARTY PERSONAL SIGNED IN = 11
 DAY LIGHT CREW - FULL.
 NIGHT CREW SHORT HANDED 1

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
USA

Date: 01/07/2009
Report No: 104

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
0:00	2:00	2.00	61ABND	TRIP	CMT	P	RUN IN THE HOLE FROM 4,930' TO 10,159'. 9-5/8" CASING SHOE @ 10,226'.	
2:00	3:00	1.00	61ABND	CMT	PLUG	PT	WAIT ON HALLIBURTON. NOTE: HALLIBURTON LEFT GRAND JUNCTION YARD @ 17:30 HOURS ON 01-06-2009	
3:00	4:15	1.25	61ABND	TRIP	CMT	P	RUN IN THE HOLE FROM 10,159' TO 11,204'.	
4:15	5:45	1.50	61ABND	CIRC	CNDFLD	P	CIRCULATE @ 650 GPM, 2180 PSI. WHILE HALLIBURTON RIGS UP.	
5:45	6:00	0.25	61ABND	SAFE	PJSM	P	PRE JOB SAFETY MEETING.	
6:00	7:00	1.00	61ABND	CMT	RIGUP	P	RIG UP HALLIBURTON. TEST LINES	
7:00	7:30	0.50	61ABND	CMT	REM	P	PUMP 20 BBLs WATER 65 SACKS OF THERMACEM CEMENT 17.6 BBL 15.8 PPG, 7.7 BBLs OF WATER, DISPLACE WITH 183 BBLs OF 8.3 PPG MUD. CALCULATED TOP OF PLUG 10,950'. NO CONTAMINATED MUD AT BOTTOMS UP.	
7:30	8:00	0.50	61ABND	TRIP	CMT	P	PULL OUT OF THE HOLE TO 10,351'.	
8:00	9:00	1.00	61ABND	CIRC	CNDFLD	P	CIRCULATE @ 540 GPM 1900 PSI	
9:00	10:00	1.00	61ABND	CMT	REM	P	PUMP 20 BBLs WATER 80 SACKS OF THERMACEM CEMENT 1.523 FT/SK 21.7 BBL 15.8 PPG, 7.6 BBLs OF WATER, DISPLACE WITH 183 BBLs OF 8.3 PPG MUD. CALCULATED TOP OF PLUG 10,053'. NO CONTAMINATED MUD AT BOTTOMS UP.	
10:00	10:30	0.50	61ABND	TRIP	CMT	P	PULL OUT OF THE HOLE TO 9,400'	
10:30	11:30	1.00	61ABND	CIRC	CNDHOL	P	CIRCULATE @ 540 GPM 1370 PSI.	
11:30	12:30	1.00	61ABND	TRIP	CMT	P	PULL OUT OF THE HOLE TO 7,025'.	
12:30	13:15	0.75	61ABND	CMT	REM	P	PUMP 20 BBLs WATER, 90 SACKS OF THERMACEM CEMENT 1.148 FT/SK 18.5 BBL 15.8 PPG, 7.6 BBLs OF WATER, DISPLACE WITH 109 BBLs OF 8.3 PPG MUD. CALCULATED TOP OF PLUG 6,733'. NO CONTAMINATED MUD AT BOTTOMS UP.	
13:15	14:00	0.75	61ABND	TRIP	CMT	P	PULL OUT OF THE HOLE TO 5,609' RACKED BACK IN THE DERRICK 5,500' OF DRILL PIPE.	
14:00	16:00	2.00	61ABND	CIRC	CNDHOL	P	CIRCULATE @ 540 GPM, 863 PSI. RIG DOWN HALLIBURTON, RIG UP WEATHERFORD TRS LAY DOWN TRUCK.	
16:00	17:00	1.00	61ABND	TRIP	PULD	P	PULL OUT OF THE HOLE LAYING DOWN EXCESS DRILL PIPE TO 5,000'.	
17:00	19:00	2.00	61ABND	CIRC	CHOVR	P	DISPLACE WELL BORE WITH 320 BBLs OF 10.7 PPG MUD.	
19:00	0:00	5.00	61ABND	TRIP	PULD	P	PULL OUT OF THE HOLE LAYING DOWN EXCESS DRILL PIPE.	
Total Time		24.00						

Safety Incident?	N	Days since Last RI:	91.00	Weather Comments: OVERCAST, 28 DEG.
Environ Incident?	N	Days since Last LTA:	91.00	
Incident Comments: No incidents reported last 24 hours. 5 Safe work permits issued.				

Other Remarks: DIESEL USED - 1696 GALS; DIESEL ON HAND - 12084 GALS; DIESEL RECEIVED - 0 GALS.

NO ACCIDENTS OR INCIDENTS.

HOLE TOOK 0 BBLs MUD IN LAST 24 HOURS.
TOTAL LOSSES FOR SECTION 0 BBLs

THIRD PARTY PERSONAL SIGNED IN = 15
DAY CREW - FULL.
NIGHT CREW SHORT HANDED 1

T255 ROLU S-35 43-041-30060

CONFIDENTIAL

OXY USA
DAILY OPERATIONS PARTNER REPORT
 PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 01/08/2009
 Report No: 105

Prim. Reason: ORIG DRILL VERT
 Wellbore: 00 Rig: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 69.19
 Today's MD: 11,450.0 ft Progress: 11,450.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 11,450.0 ft Rot Hrs Today: 0.00 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 0.0 ft/hr AFE Number: 94370114 AFE Cost:

Current Formation: KAIBAB@11,230.0 Lithology:
 Current Ops: WAIT ON IPS
 24-Hr Summary: CHANGE OUT HYDRIL ELEMENT.
 24-Hr Forecast: FREE POINT 9-5/8" CASING. RIH W/ 9-5/8"

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.675in @ 10,260ft	Str Wt Up/Dn:	/	Pump Rate:	0.0	Conn:			
Next Casing:	5.500in @ 14,000ft	Str Wt Rot:		Pump Press:	0.0	Trip:			
Last BOP Press Test:	12/18/2008	Torq Off Btm:				Backgr:			
Form Test/EMW:	LOT / 14.05 ppg	Torq On Btm:							

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Buld	
Supervisor 1: WADE FRAME	11,288.0	0.00	12.36	11,287.15	41.7	-5.3	41.9	2.61	-2.61	
Supervisor 2:	11,192.0	2.51	313.53	11,191.18	40.3	-3.8	40.2	1.26	-0.09	
Engineer: RUSTY HANNA	11,096.0	2.60	340.82	11,095.27	36.8	-1.5	36.4	0.83	0.48	
Geologist: KIRK SPARKMAN	11,000.0	2.14	356.82	10,999.35	32.9	-0.7	32.4	0.58	0.32	
Oxy Personnel: 0	10,906.0	1.84	9.96	10,905.41	29.7	-0.9	29.3	0.06	0.00	
Contractor Personnel: 17	10,905.0	1.84	9.98	10,904.41	29.6	-0.9	29.2	1.62	1.62	
Total on Site: 17										

BIT RECORD											
Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R	
									--	--	

BIT OPERATING PARAMETERS TODAY													
Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI	

MUD DATA - NEWPARK-AVA	
Engineer: SCOTT JONES / JASON MOO	MBT: 17.5 lbm/bbl
Sample From: PIT	pH: 9.6
Mud Type: DISPERSED / FRESH WBM	Pm / Pom:
Time / MD: 0:01 / 11,450.0	Pf / Mf: 0.2 / 0.5
Density @ Temp: 9.00 / 57	Chlorides: 3,000
Rheology Temp: 120	Ca+ / K+: /
Viscosity: 63.00	CaCl2:
PV / YP: 20 / 15	Clom:
Gels 10s/10m/30m: 9 / 21 / 26	Lime:
API WL: 7.30	ES:
HTHP WL: 19.00	ECD:
Cake API / HTHP: 2.0 / 2.0	n / K: /
Solids / Sol Corr: 2.90 / 2.90	Carbonate:
Oil / Water: 0.0 / 97.0	Bicarbonate:
Sand: 0.25	Form Loss: 0.0 / 2,773.0
Water Added:	Fluid Disch: /
Oil Added:	
LGS: 1.10 / 9.76	
VG Meter: 4@3 / 6@6 / 17@100 / 24@200 / 35@300 / 55@600	
Comments: RETURNED PRODUCT TO WAREHOUSE FOR CREDIT. CURRENTLY UNDERGOING RIG REPAIRS.	

LAST OR CURRENT BHA				
Component	OD	ID	Jts	Length

MUD PRODUCTS		
Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00

RECEIVED
 JAN 09 2009
 DIV. OF OIL, GAS & MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 01/08/2009
Report No: 105

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	0:30	0.50	61ABND	TRIP	PULD	P	RIG DOWN WEATHERFORD TRS LAY DOWN TRUCK.
0:30	4:00	3.50	61ABND	BOP	CHRAMS	PT	ATTEMPT TO PULL WEAR BUSHING, WEAR BUSHING BECAME STUCK IN THE HYDRIL PULLING LOOSE OF RUNNING TOOL IN HYDRIL. CLOSE BLIND RAMS APPLY 450 PSI CLOSING PRESSURE ON HYDRIL ELEMENT, DRESS DOGS ON RUNNING TOOL AND EN GAUGE WEAR BUSHING. REMOVE THE 450 PSI CLOSING PRESSURE TO HYDRIL. PUSH WEAR BUSHING THRU HYDRIL ELEMENT AND RUN IN LOCK DOWN SCREWS. REMOVE RUNNING TOOL. WEAR BUSHING OD 13.18"
4:00	6:00	2.00	61ABND	BOP	CHRAMS	PT	PREPARE TO CHANGE OUT HYDRIL ELEMENT. REMOVE DRILLING RISER AND FLOW FLOW.
6:00	15:30	9.50	61ABND	WAIT	WOEQ	PT	WAIT ON HYDRIL ELEMENT.
15:30	18:00	2.50	61ABND	RIGMT	REP	PT	CHANGE OUT HYDRIL ELEMENT.
18:00	19:30	1.50	61ABND	BOP	CHRAMS	PT	NILLPLE UP DRILLING RISER AND FLOW LINE.
19:30	20:30	1.00	61ABND	BOP	CHRAMS	P	PULL WEAR RING.
20:30	0:00	3.50	61ABND	WAIT	WOEQ	P	WAIT ON IPS (BOP TESTERS)
Total Time		24.00					

Safety Incident?	N	Days since Last RI:	92.00	Weather Comments: CLEAR AND 21 DEG, 28 MPH NORTH WIND, WIND CHILL -10, 6" OF FRESH SNOW.
Environ Incident?	N	Days since Last LTA:	92.00	
Incident Comments: No incidents reported last 24 hours. 3 Safe work permits issued.				

Other Remarks: DIESEL USED - 1,908 GALS; DIESEL ON HAND - 10,176 GALS; DIESEL RECEIVED - 0 GALS.

NO ACCIDENTS OR INCIDENTS.

HOLE TOOK 0 BBLs MUD IN LAST 24 HOURS.
 TOTAL LOSSES FOR SECTION 0 BBLs

THIRD PARTY PERSONAL SIGNED IN = 10
 DAY CREW - FULL.
 NIGHT CREW FULL.

T25S R01WS-35 43-041-30060

CONFIDENTIAL

OXY USA
DAILY OPERATIONS PARTNER REPORT
 PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 01/09/2009
 Report No: 106

Prim. Reason: ORIG DRILL VERT

Wellbore: 00 Rig: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 70.19
 Today's MD: 3,000.0 ft Progress: 3,000.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 11,450.0 ft Rot Hrs Today: 0.00 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 0.0 ft/hr AFE Number: 94370114 AFE Cost:

Current Formation: KAIBAB@11,230.0 Lithology:

Current Ops: RIGGING UP WEATHERFORD TRS LAY DOWN TRUCK.

24-Hr Summary: FREE POINT 9-5/8" CASING, CUT 9-5/8" CASING, CIRCULATE.

24-Hr Forecast: LAY DOWN CASING, R/D CASING EQUIPMENT, RIH T/2900'.

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.675in @ 10,260ft	Str Wt Up/Dn:	140.0/ 140.0 kip	Pump Rate:	255.4	Conn:			
Next Casing:	5.500in @ 14,000ft	Str Wt Rot:	140.0 kip	Pump Press:	766.0	Trip:			
Last BOP Press Test:	12/18/2008	Torq Off Btm:	0.0 ft-lbf			Backgr:			
Form Test/EMW:	LOT / 14.05 ppg	Torq On Btm:	0.0 ft-lbf						

PERSONNEL	SURVEY DATA (LAST 6)									
	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 1: WADE FRAME	11,288.0	0.00	12.36	11,287.15	41.7	-5.3	41.9	2.61	-2.61	
Supervisor 2:	11,192.0	2.51	313.53	11,191.18	40.3	-3.8	40.2	1.26	-0.09	
Engineer: RUSTY HANNA	11,096.0	2.60	340.82	11,095.27	36.8	-1.5	36.4	0.83	0.48	
Geologist: KIRK SPARKMAN	11,000.0	2.14	356.82	10,999.35	32.9	-0.7	32.4	0.58	0.32	
Oxy Personnel: 0	10,906.0	1.84	9.96	10,905.41	29.7	-0.9	29.3	0.06	0.00	
Contractor Personnel: 17	10,905.0	1.84	9.98	10,904.41	29.6	-0.9	29.2	1.62	1.62	
Total on Site: 17										

BIT RECORD

Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
									--	--

BIT OPERATING PARAMETERS TODAY

Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI

MUD DATA - NEWPARK-AVA				LAST OR CURRENT BHA				
Engineer: SCOTT JONES / JASON MOO	MBT:	17.5 lbm/bbl						
Sample From: OUT	pH:	9.6						
Mud Type: DISPERSED / FRESH WBM	Pm / Pom:							
Time / MD: 0:01 / 3,000.0	Pf / Mf:	0.3 / 0.5						
Density @ Temp: 9.60 / 74	Chlorides:	2,800						
Rheology Temp: 120	Ca+ / K+:	/						
Viscosity: 60.00	CaCl2:							
PV / YP: 22 / 13	Clom:							
Gels 10s/10m/30m: 7 / 17 / 23	Lime:							
API WL: 14.00	ES:							
HTHP WL:	ECD:							
Cake API / HTHP: 2.0 /	n / K:	/						
Solids / Sol Corr: 5.00 / 4.90	Carbonate:							
Oil / Water: 0.0 / 95.0	Bicarbonate:							
Sand: 0.05	Form Loss:	0.0 / 2,773.0						
Water Added:	Fluid Disch:	/						
Oil Added:								
LGS: 0.60 / 5.30								
VG Meter: 3@3 / 8@6 / 14@100 / 22@200 / 35@300 / 57@600								
Comments: TIH WITH CASING CUTTER TOOL. CUT CASING AND ENCOUNTERED SATURATED SALT MUD. CIRCULATED BOTTOMS UP. BUILT 2 POUND OVER PILL. POOH AND LAYED DOWN DRILL PIPE.								

Component	OD	ID	Jts	Length
DRILL PIPE				
CROSSOVER	6.250	2.375	1	2.17
CROSSOVER	5.625	2.375	1	1.61
CUTTER	5.625	2.750	1	3.96

MUD PRODUCTS		
Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00
NEW BAR	100 LB/SX	80.00
TAX	EACH	1.00

RECEIVED
 JAN 20 2009
 DIV. OF OIL, GAS & MINING

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
USA

Date: 01/09/2009
Report No: 106

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details	
0:00	1:00	1.00	61ABND	WAIT	WOEQ	PT	WAIT ON IPS (BOP TESTERS)	
1:00	1:30	0.50	61ABND	SRFEQ	RIGUP	P	INSTALL TEST PLUG AND RIG UP IPS.	
1:30	2:00	0.50	61ABND	SAFE	PJSM	P	PRE JOB SAFETY MEETING.	
2:00	2:30	0.50	61ABND	BOP	TSTBOP	P	TEST HRDRIL 250 LOW PSI, 3500 PSI HIGH.	
2:30	3:00	0.50	61ABND	SRFEQ	RIGUP	P	RIG DOWN IPS.	
3:00	4:45	1.75	61ABND	TRIP	DRILL	P	MAKE UP 7-1/4" SPEAR, DRESSED WITH 8.688" GRAPPLE.	
4:45	5:00	0.25	61ABND	SAFE	PJSM	P	PRE JOB SAFETY MEETING.	
5:00	7:30	2.50	61ABND	LOG	RIGUP	P	RIG UP DCT WIRE LINE, HANG SHEAVE IN DERRICK 0 PSI ON 13-3/8 X 9-5/8 ANNUALS.	
7:30	8:00	0.50	61ABND	FISH	OTH	P	EN GAUGE 9-5/8" MANDREL HANGER AND PICK UP TO 530K. HANGER OFF SEAT AT 430K	
8:00	8:30	0.50	61ABND	LOG	WLWRK	P	RUN IN THE HOLE WITH FREE POINT AND CCL.	
8:30	9:00	0.50	61ABND	LOG	WLWRK	P	WORK 9-5/8" CASING FROM 530K UP WT TO 430 DWN WT (1 FOOT OF PIPE STRECTH) CASING FOUND FREE AT 3,350'	
9:00	10:00	1.00	61ABND	LOG	WLWRK	P	PULL OUT OF THE HOLE WITH FREE POINT AND CCL.	
10:00	10:30	0.50	61ABND	FISH	OTH	P	RELEASE SPEAR.	
10:30	11:00	0.50	61ABND	FISH	OTH	P	LAY DOWN SPEAR.	
11:00	11:30	0.50	61ABND	LOG	RIGUP	P	RIG DOWN WIRE LINE	
11:30	12:00	0.50	61ABND	TRIP	BHA	P	MAKE UP 5-9/16" OD INTERNAL CASING CUTTER, XO, XO = 7.74'	
12:00	15:00	3.00	61ABND	TRIP	DRILL	P	RUN IN THE HOLE WITH 5" DRILL PIPE TO 3,007'.	
15:00	15:30	0.50	61ABND	FISH	OTH	P	OBTAIN PARAMETERS UP WT 140K DWN WT 140K ROT WT 140K. BEGIN CUTTING 9-5/8" CASING WITH 60 RPM, 0 TQ, 84 GPM, 550 PSI. CASING CUT @ 3,007'	
15:30	17:30	2.00	61ABND	CIRC	CNDFLD	P	CIRCULATE @ 276 GPM 609 PSI. MIX AND PUMP DRY JOB.	
17:30	19:00	1.50	61ABND	TRIP	DRILL	P	PULL OUT OF THE HOLE.	
19:00	19:30	0.50	61ABND	FISH	OTH	P	LAY DOWN CASING CUTTER	
19:30	20:00	0.50	61ABND	FISH	OTH	P	MAKE UP 7-1/4" SPEAR, DRESSED WITH 8.688" GRAPPLE.	
20:00	20:30	0.50	61ABND	FISH	OTH	P	EN GAUGE 9-5/8" MANDREL HANGER AND PULL TO THE RIG FLOOR. UP WT. 220K.	
20:30	22:30	2.00	61ABND	CIRC	CNDFLD	P	CIRCULATE @ 256 GPM, 766 PSI WHILE RIGGING UP WEATHERFORD TRS CASING CREW.	
22:30	23:30	1.00	61ABND	TRIP	BHA	P	RELEASE 7-1/4" SPEAR AND LAY DOWN, BREAK AND LAY DOWN 9-5/8" MANDREL HANGER WITH 9-5/8" PACK OFF.	
23:30	0:00	0.50	61ABND	CSG	RIGUP	P	RIG UP WEATHERFORD TRS LAY DOWN TRUCK.	
Total Time		24.00						

Safety Incident? N Days since Last RI: 93.00 Weather Comments:

Environ Incident? N Days since Last LTA: 93.00 CLEAR AND 19 DEG.

Incident Comments:

No incidents reported last 24 hours.

Pit drill held, Reaction time 1 min 20 sec.

Other Remarks: DIESEL USED - 1696 GALS; DIESEL ON HAND - 8480 GALS; DIESEL RECEIVED - 0 GALS.

NO ACCIDENTS OR INCIDENTS.

HOLE TOOK 0 BBLs MUD IN LAST 24 HOURS.
TOTAL LOSSES FOR SECTION 0 BBLs

THIRD PARTY PERSONAL SIGNED IN = 12
DAY CREW - FULL.
NIGHT CREW FULL.

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 01/10/2009
Report No: 107

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	1:00	1.00	61ABND	CSG	RIGUP	P	RIG UP WEATHERFORD TRS LAY DOWN TRUCK.
1:00	6:00	5.00	61ABND	ABDN	PULCSG	P	LAY DOWN 9-5/8" CASING.
6:00	6:30	0.50	61ABND	ABDN	PULCSG	P	LAY DOWN 9-5/8" CASING. RECOVERED 73 JOINTS PLUS 18.5" CUT OFF JOINT = 2966.74'
6:30	8:00	1.50	61ABND	CSG	RIGUP	P	RIG DOWN CASING EQUIPMENT.
8:00	9:00	1.00	61ABND	TRIP	CMT	P	RUN IN THE HOLE WITH 5" DRILL PIPE TO 2900'.
9:00	11:45	2.75	61ABND	CMT	RIGUP	P	RIG UP HALLIBURTON
11:45	12:00	0.25	61ABND	SAFE	PJSM	P	PRE JOB SAFETY MEETING.
12:00	12:30	0.50	61ABND	CMT	PLUG	P	TEST LINES TO 3500 PSI, PUMP 20 BBLS WATER, 52 BBLS 15.8 PPG, 254 SX OF CEMENT, 2.7 BBLS OF WATER AND DISPLACE WITH 42.4 BBLS OF 9.7 PPG MUD. CALCULATED TOP OF CEMENT AT 2,559'.
12:30	12:45	0.25	61ABND	TRIP	CMT	P	PULL OUT OF THE HOLE TO 2,413'.
12:45	14:00	1.25	61ABND	CIRC	CNDFLD	P	CIRCULATE AT 209 GPM, 100 PSI. RIG DOWN HALLIBURTON AND RIG UP WEATHERFORD TRS LAY DOWN TRUCK.
14:00	16:30	2.50	61ABND	TRIP	PULD	P	LAY DOWN DRILL PIPE.
16:30	17:00	0.50	61ABND	SRFEQ	RIGUP	P	RIG DOWN WEATHERFORD TRS LAY DOWN TRUCK.
17:00	17:30	0.50	61ABND	TRIP	PULD	P	RUN IN THE HOLE WITH EXCESS DRILL PIPE TO 2375'.
17:30	18:00	0.50	61ABND	SRFEQ	RIGUP	P	RIG UP WEATHERFORD TRS LAY DOWN TRUCK.
18:00	20:00	2.00	61ABND	TRIP	PULD	P	LAY DOWN DRILL PIPE 32 STANDS, 96 JOINTS.
20:00	20:30	0.50	61ABND	TRIP	PULD	P	RUN IN THE HOLE WITH EXCESS DRILL PIPE TO 665'.
20:30	21:00	0.50	61ABND	TRIP	PULD	P	LAY DOWN DRILL PIPE, 7 STANDS, 21 JOINTS.
21:00	22:00	1.00	61ABND	SRFEQ	RIGUP	P	RIG DOWN WEATHERFORD TRS LAY DOWN TRUCK.
22:00	0:00	2.00	61ABND	BOP	RDBOP	P	NIPPLE DOWN DRILLING RISER.
Total Time		24.00					

Safety Incident?	N	Days since Last RI:	94.00	Weather Comments:
Environ Incident?	N	Days since Last LTA:	94.00	OVER CAST, 29 DEG, N WIND @ 20 MPH.
Incident Comments: No incidents reported last 24 hours. 1 Hot work permit issued				

Other Remarks: DIESEL USED - 1908 GALS; DIESEL ON HAND - 6572 GALS; DIESEL RECEIVED - 0 GALS.

NO ACCIDENTS OR INCIDENTS.

THIRD PARTY PERSONAL SIGNED IN = 6
 DAY CREW - FULL.
 NIGHT CREW FULL.

TASS ROW 5-35 43-041-30060

CONFIDENTIAL

OXY USA
DAILY OPERATIONS PARTNER REPORT
 PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 01/11/2009
 Report No: 108

Prim. Reason: ORIG DRILL VERT

Wellbore: 00 Rig: NABORS 797 Ref Datum: ORIGINAL KB @7,920.00ft DFS: 72.19
 Today's MD: 3,000.0 ft Progress: 3,000.0 ft Ground Elev: 7,885.00 ft Daily Cost:
 Prev MD: 3,000.0 ft Rot Hrs Today: 0.00 hr AFE MD/Days: 14,000.0 / 98.0 days Cum Cost:
 PBMD: Avg ROP Today: 0.0 ft/hr AFE Number: 94370114 AFE Cost:

Current Formation: KAIBAB@11,230.0 Lithology:

Current Ops: RIG RELEASED FROM PLATEAU VALLEY FEDERAL 35-1

24-Hr Summary: NIPPLE DOWN BOP, PUMP SURFACE ABANDONMENT

24-Hr Forecast: PERPARE TO MOVE RIG TO BURRVILLE

CASING/WELL CONTROL		HOOKLOAD & TORQUE		HYDRAULICS		MUD GAS		Avg	Max
Last Casing:	9.675in @ 10,260ft	Str Wt Up/Dn:	/	Pump Rate:	0.0	Conn:			
Next Casing:	5.500in @ 14,000ft	Str Wt Rot:		Pump Press:	0.0	Trip:			
Last BOP Press Test:	12/18/2008	Torq Off Btm:				Backgr:			
Form Test/EMW:	LOT / 14.05 ppg	Torq On Btm:							

PERSONNEL		SURVEY DATA (LAST 6)									
Supervisor 1:	WADE FRAME	MD	Incl	Azi	TVD	N-S	E-W	VS	DLS	Build	
Supervisor 2:		11,288.0	0.00	12.36	11,287.15	41.7	-5.3	41.9	2.61	-2.61	
Engineer:	RUSTY HANNA	11,192.0	2.51	313.53	11,191.18	40.3	-3.8	40.2	1.26	-0.09	
Geologist:	KIRK SPARKMAN	11,096.0	2.60	340.82	11,095.27	36.8	-1.5	36.4	0.83	0.48	
Oxy Personnel:	0	11,000.0	2.14	356.82	10,999.35	32.9	-0.7	32.4	0.58	0.32	
Contractor Personnel:	17	10,906.0	1.84	9.96	10,905.41	29.7	-0.9	29.3	0.06	0.00	
Total on Site:	17	10,905.0	1.84	9.98	10,904.41	29.6	-0.9	29.2	1.62	1.62	

BIT RECORD

Bit No	Size	Manufacturer	Model	Serial No	IADC Code	Nozzles	MD In	MD Out	I-O-D-L	B-G-O-R
									--	--

BIT OPERATING PARAMETERS TODAY

Bit No	Rot Hrs	Cum Rot Hrs	Prog	Cum Prog	ROP	Cum ROP	WOB min/max	RPM min/max	TFA	P Drop Bit	Noz Vel	HHPSI

MUD DATA -

Engineer:
 Sample From:
 Mud Type:
 Time / MD: /
 Density @ Temp: /
 Rheology Temp:
 Viscosity:
 PV / YP: /
 Gels 10s/10m/30m: //
 API WL:
 HTHP WL:
 Cake API / HTHP: /
 Solids / Sol Corr: /
 Oil / Water: /
 Sand:
 Water Added:
 Oil Added:
 LGS: /
 VG Meter:
 Comments:

MBT:
 pH:
 Pm / Pom:
 Pf / Mf: /
 Chlorides:
 Ca+ / K+: /
 CaCl2:
 Clom:
 Lime:
 ES:
 ECD:
 n / K: /
 Carbonate:
 Bicarbonate:
 Form Loss: 0.0 / 2,773.0
 Fluid Disch: /

LAST OR CURRENT BHA

Component	OD	ID	Jts	Length
DRILL PIPE				
CROSSOVER	6.250	2.375	1	2.17
CROSSOVER	5.625	2.375	1	1.61
CUTTER	5.625	2.750	1	3.96

MUD PRODUCTS

Product	Units	Qty Used
ENG 24 HR #1	1	1.00
ENG 24 HR #2	1	1.00

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MINING

OXY USA

DAILY OPERATIONS PARTNER REPORT

Event: EXPL DRILLING
Prim. Reason: ORIG DRILL VERT

PLATEAU VALLEY FEDERAL 35-1
 USA

Date: 01/11/2009
Report No: 108

OPERATIONS

From	To	Hrs	Op Phase	Op Code	Op Sub	Op Type	Operation Details
0:00	6:00	6.00	61ABND	BOP	RDBOP	P	NIPPLE DOWN BOP.
6:00	11:00	5.00	61ABND	BOP	RDBOP	P	NIPPLE DOWN BOP AND "B" SECTION. BEGIN CLEANING MUD TANKS.
11:00	11:30	0.50	61ABND	TRIP	CMT	P	RUN IN THE HOLE TO 186'. RIG UP HALLIBURTON.
11:30	11:45	0.25	61ABND	SAFE	PJSM	P	PRE JOB SAFETY MEETING.
11:45	12:15	0.50	61ABND	CMT	PLUG	P	TEST LINES TO 3500 PSI, PUMP 20 BBLS OF FRESH WATER, 21.5 BBLS OF 15.8 PPG CEMENT, 105 SACKS, PUMP .5 BBLS OF FRESH WATER.
12:15	12:30	0.25	61ABND	TRIP	CMT	P	PULL OUT OF THE HOLE. TOP OF CEMENT 13' BELOW GROUND LEVEL.
12:30	17:00	4.50	61ABND	CMT	WOC	P	WOC. MUD TANKS CLEANED.
17:00	19:00	2.00	61ABND	ABDN	OTHER	P	REMOVE "A" SECTION FROM 9-5/8" CASING.
19:00	21:30	2.50	61ABND	ABDN	OTHER	P	CUT 9-5/8" AND 20" 3.5' BELOW GROUND LEVEL, WELD ON 20" ABANDONMENT LID WITH WELL INFORMATION.
21:30	22:00	0.50	61ABND	TRIP	PULD	P	LAY DOWN DRILL PIPE (2 STANDS) RIG RELEASED FROM PLATEAU VALLEY FEDERAL 35-1 @ 22:00 HOURS ON 01-11-2009
Total Time		22.00					

Safety Incident?	N	Days since Last RI:	95.00	Weather Comments: CLEAR AND 28 DEG.
Environ Incident?	N	Days since Last LTA:	95.00	

Incident Comments:
 No incidents reported last 24 hours. 1 Safe work permit issued. 1 Hot work permit issued. 1 confined space permit issued.

Other Remarks: DIESEL USED - 1,060 GALS; DIESEL ON HAND - 5,512 GALS; DIESEL RECEIVED - 0 GALS.

NO ACCIDENTS OR INCIDENTS.

THIRD PARTY PERSONAL SIGNED IN = 8
 DAY CREW - FULL.
 NIGHT CREW FULL.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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

5. Lease Serial No.
UTU-81364

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

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

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

2. Name of Operator
OXY USA Inc.

8. Well Name and No.
Plateau Valley Federal 35-1

3a. Address
P.O. Box 27757
Houston, TX 77227-7757

3b. Phone No. (include area code)
(970) 263-3637

9. API Well No.
4304130060

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Section 35, Township 25 South, Range 1 West, SLB&M
At surface: 868' FNL, 734' FEL, being in NE4NE4 At prod. zone: 868' FNL, 734' FEL, being in NE4NE4

10. Field and Pool or Exploratory Area
Exploratory

11. Country or Parish, State
Sevier, UT (041)

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

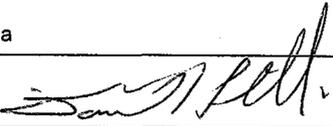
OXY USA Inc. (OXY) is providing subsequent report of plug and abandonment operations on the Plateau Valley Federal 35-1 well. OXY set a total of 5 plugs at this location on January 9, 2009. The method of plug placement was using balanced cement plugs. The plugs were set at depths of 11,200', 10,226', 7,000', 2900-2559', and from 140' below ground to the surface. The 53.5 lb, 9 5/8" casing was mechanically cut at a depth of 2966' and removed. 8.7 lb/gallon mud was left in the casing from a depth of 2966' down to TD. Verbal approval for the plug and abandonment of the Plateau Valley Federal 35-1 well was received by Al McKee with the BLM on January 3, 2009. OXY will comply with all reclamation requirements and notify the BLM when the site is ready for final inspection.

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JAN 20 2009

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Daniel I. Padilla Title Regulatory Coordinator

Signature  Date 1/14/09

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____
Office _____

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

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

PLATEAU VALLEY FEDERAL 35-1

35' (Ø FROM GL)

40" CASING SHOE
65'

CEMENT PLUG #5

186'

20" CASING SHOE
1135'

13 3/8" CASING SHOE
2809'

CEMENT PLUG #4

2559'

2900'

9 5/8" CASING CUT
3007'

9 5/8" TOE
3350'

6730'

CEMENT PLUG #3

7025'

9 5/8" CASING SHOE
10226'

CEMENT PLUG #2

10650'

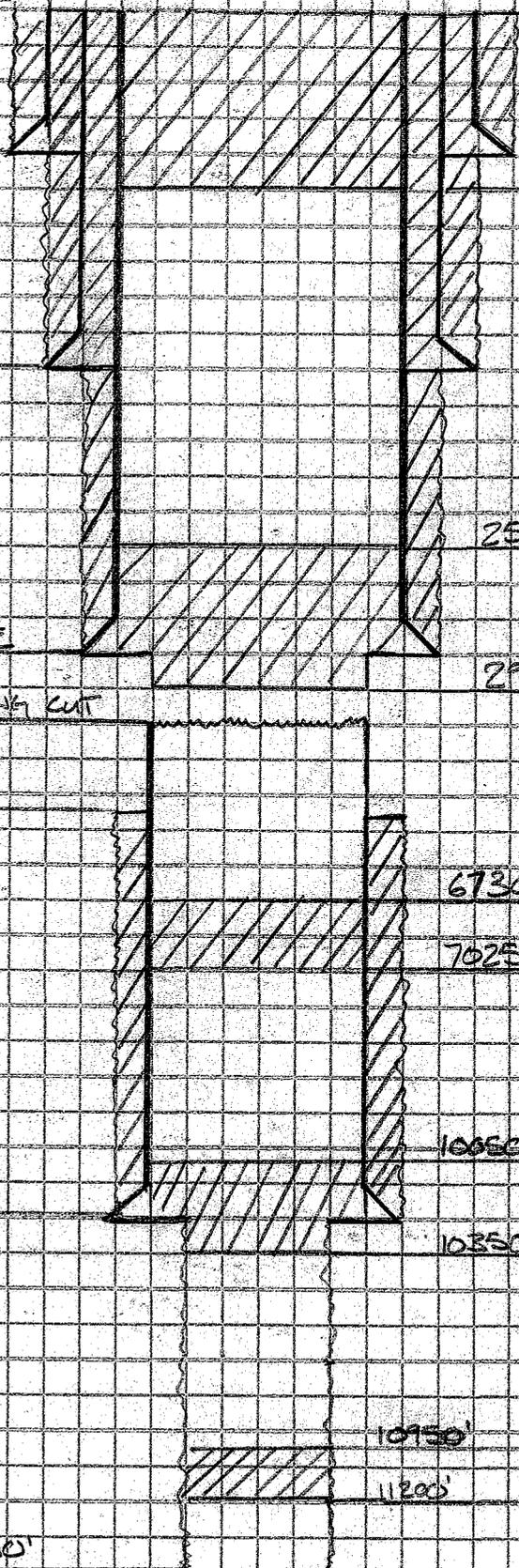
10350'

10950'

CEMENT PLUG #1

11200'

3 1/2" HOLE TD @ 11450'





United States Department of the
Interior



BUREAU OF LAND MANAGEMENT
Richfield Field Office
150 East 900 North
Richfield, Utah 84701
<http://www.blm.gov>

IN REPLY REFER TO:
3160
UT050

October 7, 2008

Daniel I. Padilla
Regulatory Coordinator
OXY USA, Inc.
P.O. Box 27570
Houston, Texas 77227-7757

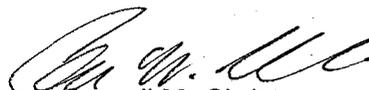
Re: Well No. Plateau Valley Federal 35-1 *43-041-38060*
SW $\frac{1}{4}$ NE $\frac{1}{4}$, Section *3*, T. 25 S., R. 1 W., SLB&M
Sevier County, Utah *35*
Lease No. UTU-81364

Gentlemen:

This correspondence is in regard to the self-certification statement submitted requesting a change in operator for the referenced well. After a review by this office, the change in operator request is approved. Effective immediately, OXY USA, Inc. is responsible for all operations performed on the referenced well. All liability will now fall under your bond, BLM Bond No. ES0136, for all operations conducted on the referenced well on the leased land.

If you have any other questions concerning this matter, please contact Pam Hart of this office at (435) 896-1590.

Sincerely,


Cornell M. Christensen
Field Office Manager

cc: UDOGM

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OCT 14 2008

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
UTU-81364
6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
Plateau Valley Federal 35-1

2. Name of Operator
OXY USA Inc. (OXY)

9. API Well No.
4304130060

3a. Address
P.O. Box 27757
Houston, TX 77227-7757

3b. Phone No. (include area code)
(970) 263-3637

10. Field and Pool or Exploratory Area
Exploratory

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Section 35, Township 25 South, Range 1 West, SLB&M
At surface: 868' FNL, 734' FEL, being in NE4NE4 At prod. zone: 868' FNL, 734' FEL, being in NE4NE4

11. Country or Parish, State
Sevier, UT (041)

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Operator change</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

OXY USA Inc. (OXY) is providing notice that the operator of the Plateau Valley Federal 35-1 well has changed from Wolverine Operating Company of Utah, LLC to OXY. OXY requests the effective date to occur on or around September 24, 2008. As part of the operator transfer, OXY has reviewed and accepts the conditions of approval as issued on June 25, 2008 by Wayne Wetzel of the Richfield Field Office of the BLM. OXY's existing BLM/BIA Bond No. is ES 0136. OXY's Utah oil and gas operator number is N0416. Also, OXY has provided the Utah Oil and Gas Commission a copy of the Notice of Intent.

Self-Certification Statement:

Under the Federal regulations in effect as of June 15, 1988, an operator is now required to submit a self-certification statement to the appropriate Bureau office stating that said operator has the right to operate upon the leasehold premises. Said notification may be in the following format:

"Please be advised that OXY USA Inc. is considered to be the operator of Well No. Plateau Valley Federal 35-1; NE1/4 NE1/4, Section 35, Township 25S, Range 1W; Lease UTU-81364; Sevier County, UT; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by ES 0136."

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Daniel I. Padilla
Title Regulatory Coordinator
Signature *Daniel I. Padilla*
Date 10/1/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *[Signature]*
Title FM
Date 10/7/08
Office Richfield FO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

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DIV. OF OIL, GAS & MINING

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WELL COMPLETION OR RECOMPLETION REPORT AND LOG							6. IF INDIAN, ALLOTTEE OR TRIBE NAME				
1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input checked="" type="checkbox"/> OTHER _____							7. UNIT or CA AGREEMENT NAME N/A				
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____							8. WELL NAME and NUMBER: Plateau Valley Federal 35-1				
2. NAME OF OPERATOR: OXY USA Inc.							9. API NUMBER: 4304130060				
3. ADDRESS OF OPERATOR: P.O. Box 27757 CITY Houston STATE TX ZIP 77227					PHONE NUMBER: (970) 263-3629		10 FIELD AND POOL, OR WILDCAT Exploratory				
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 868' FNL, 734' FEL, being in the NE4NE4 AT TOP PRODUCING INTERVAL REPORTED BELOW: 868' FNL, 734' FEL, being in NE4NE4 AT TOTAL DEPTH: ⁸²¹⁶ 868' FNL, ⁹ 734' FEL, being in NE4NE4							11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 35 25S 1W S				
							12. COUNTY Sevier		13. STATE UTAH		
14. DATE SPUDED: 9/26/2008		15. DATE T.D. REACHED: 1/3/2009		16. DATE COMPLETED: 1/9/2009		ABANDONED <input checked="" type="checkbox"/> READY TO PRODUCE <input type="checkbox"/>		17. ELEVATIONS (DF, RKB, RT, GL): 7885 GL, 7920 RKB			
18. TOTAL DEPTH: MD 11,450 TVD 11,449		19. PLUG BACK T.D.: MD 3,000 TVD 3,000		20. IF MULTIPLE COMPLETIONS, HOW MANY? *		21. DEPTH BRIDGE MD PLUG SET: TVD					
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) Sonic, velocity, side well cores, micro log, Gamma ray log, resistivity, density, porosity <i>comp 2, CIN, DL, DA</i>							23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input checked="" type="checkbox"/> WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> DIRECTIONAL SURVEY? NO <input type="checkbox"/> YES <input checked="" type="checkbox"/> <i>per operator. (Submit analysis) (Submit report) (Submit copy)</i>				
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		
46"	40" N96	159	35	65		G 45	15	35	0		
26"	20" J55	78.6	35	1,135		G 884	294	35	0		
17.5"	13.37" J55	68	35	2,809		Versa 1,516	633	35	0		
12.25"	9.625" HCP	53.5	35	10,226		G 1,585	429	3350	3000		
25. TUBING RECORD											
SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)			
NA											
26. PRODUCING INTERVALS						27. PERFORATION RECORD					
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS			
(A) NA								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>		
(B)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>		
(C)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>		
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>		
28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.											
DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL										
NA											
29. ENCLOSED ATTACHMENTS:								30. WELL STATUS:			
<input checked="" type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION <input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> CORE ANALYSIS <input type="checkbox"/> DST REPORT <input type="checkbox"/> OTHER:								<input checked="" type="checkbox"/> DIRECTIONAL SURVEY P & A			

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FEB 18 2009

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.)

NA

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)
				Volcanics	0
				Tertiary	2,580
				Arapien Shale	4,720
				Top Twin Creek	5,462
				Top Navajo	5,755
				Top Chinle	7,356
				Top Moenkopi	7,810
				Top Sinbad Member	9,620
				Top Black Dragon	9,846
				Top Kaibab	10,148

35. ADDITIONAL REMARKS (Include plugging procedure)

Additional formation markers - Top Toroweap = 10,510' Top White Rim = 10,688' Top Pakoon = 11,099'

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

NAME (PLEASE PRINT) Daniel I. Padilla TITLE Regulatory Coordinator
 SIGNATURE  DATE 2/11/89

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



6501 S. Fiddler's Green Circle, Suite 400
 Greenwood Village, CO 80111
 (303) 486-3200

CONFIDENTIAL

**SUB-SURFACE
 SURVEY CERTIFICATION REPORT**

ORX USA INC
Occidental
 Company

January 16, 2009
 Date

 Lease

Plateau Valley 35-1

Sevier, UT
 County/State

Survey Depths 1174 to 11288 ft

Type of Survey Measurements While Drilling (MWD)

Survey Depths 11288 11452 ft

Type of Survey Projection to Bit

Survey Depths _____ to _____ ft

Type of Survey _____

Site Supervisor Tandy Dillen

The data submitted in this report conforms to the standards and procedures as set forth by Schlumberger. This report represents a true and correct directional wellbore survey based on original survey data obtained at the well site.

Ed Moore
 Ed Moore
 Drilling Engineer

This document has been subscribed and affirmed, or sworn before me in the county of Arapahoe in the state of Colorado, this 20th day of January, 2009.

Christine J. Wilson My commission expires: 12-19-09





Report Date: January 16, 2009 Client: Oxy Field: UT, Sevier County (NAD 27 Ut State Planes CZ US Feet) Structure / Slot: Plateau Valley 35-1 / Plateau Valley 35-1 Well: Plateau Valley 35-1 Borehole: Original Hole UW/API#: Survey Name / Date: Plateau Valley 35-1 Final Surveys (Gyro+MWD) 0' to 11452' / October 27, 2008 Tort / AHD / DDI / ERD ratio: 35.461° / 83.46 ft / 3.471 / 0.007 Grid Coordinate System: NAD27 Utah State Planes, Central Zone, US Feet Location Lat/Long: N 38 35 49.358, W 111 52 8.899 Location Grid N/E Y/X: N 96274.044 R/U.S. E 1894479.747 R/U.S. Grid Convergence Angle: -0.23646232° Grid Scale Factor: 1.00012992	Survey / DLS Computation Method: Minimum Curvature / Lubinski Vertical Section Azimuth: 360.000° Vertical Section Origin: N 0.000 ft. E 0.000 ft TVD Reference Datum: RKB TVD Reference Elevation: 7920.1 ft relative to MSL Sea Bed / Ground Level Elevation: 7885.530 ft relative to MSL Magnetic Declination: 12.132° Total Field Strength: 51431.156 nT Magnetic Dip: 64.325° Declination Date: October 31, 2008 Magnetic Declination Model: BGGM 2008 North Reference: Grid North Total Corr Mag North -> Grid North: +12.368° Local Coordinates Referenced To: Well Head
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Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	DLS (deg/100 ft)	Northing (ftUS)	Easting (ftUS)	Latitude	Longitude
Surface	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	96274.04	1894479.75	N 38 35 49.358	W 111 52 8.899
Begin Gyro Surveys	100.00	0.14	246.40	100.00	-0.05	-0.05	-0.11	0.14	96274.00	1894479.64	N 38 35 49.358	W 111 52 8.901
	200.00	0.05	284.15	200.00	-0.09	-0.09	-0.27	0.11	96273.96	1894479.48	N 38 35 49.358	W 111 52 8.902
	300.00	0.03	247.90	300.00	-0.09	-0.09	-0.33	0.03	96273.96	1894479.41	N 38 35 49.358	W 111 52 8.903
	400.00	0.11	271.67	400.00	-0.09	-0.09	-0.45	0.08	96273.95	1894479.29	N 38 35 49.358	W 111 52 8.905
	500.00	0.07	239.01	500.00	-0.12	-0.12	-0.60	0.06	96273.92	1894479.15	N 38 35 49.357	W 111 52 8.907
	600.00	0.05	279.81	600.00	-0.15	-0.15	-0.70	0.05	96273.90	1894479.05	N 38 35 49.357	W 111 52 8.908
	700.00	0.09	358.94	700.00	-0.06	-0.06	-0.74	0.09	96273.98	1894479.01	N 38 35 49.358	W 111 52 8.908
	800.00	0.21	47.21	800.00	0.14	0.14	-0.61	0.16	96274.19	1894479.14	N 38 35 49.360	W 111 52 8.907
	900.00	0.08	20.48	900.00	0.33	0.33	-0.45	0.14	96274.38	1894479.30	N 38 35 49.362	W 111 52 8.905
Last Gyro Survey	990.00	0.22	349.17	990.00	0.56	0.56	-0.46	0.17	96274.61	1894479.29	N 38 35 49.364	W 111 52 8.905
Begin SLB MWD Surveys	1174.00	0.12	351.99	1174.00	1.10	1.10	-0.55	0.05	96275.14	1894479.19	N 38 35 49.369	W 111 52 8.906
	1301.00	0.04	89.98	1301.00	1.23	1.23	-0.53	0.10	96275.28	1894479.22	N 38 35 49.371	W 111 52 8.906
	1396.00	0.06	316.11	1396.00	1.27	1.27	-0.53	0.10	96275.31	1894479.22	N 38 35 49.371	W 111 52 8.906
	1490.00	0.03	114.92	1490.00	1.29	1.29	-0.54	0.09	96275.34	1894479.21	N 38 35 49.371	W 111 52 8.906
	1585.00	0.03	171.18	1585.00	1.26	1.26	-0.51	0.03	96275.30	1894479.23	N 38 35 49.371	W 111 52 8.906
	1679.00	0.03	224.68	1679.00	1.21	1.21	-0.53	0.03	96275.26	1894479.22	N 38 35 49.370	W 111 52 8.906
	1775.00	0.06	285.56	1775.00	1.21	1.21	-0.59	0.05	96275.25	1894479.15	N 38 35 49.370	W 111 52 8.907
	1871.00	0.06	4.81	1871.00	1.27	1.27	-0.64	0.08	96275.32	1894479.11	N 38 35 49.371	W 111 52 8.907
	1966.00	0.06	15.47	1966.00	1.37	1.37	-0.62	0.01	96275.42	1894479.13	N 38 35 49.372	W 111 52 8.907
	2060.00	0.03	77.91	2060.00	1.42	1.42	-0.58	0.06	96275.47	1894479.16	N 38 35 49.373	W 111 52 8.907
	2156.00	0.09	42.47	2156.00	1.49	1.49	-0.51	0.07	96275.53	1894479.24	N 38 35 49.373	W 111 52 8.906
	2252.00	0.04	13.73	2252.00	1.57	1.57	-0.45	0.06	96275.62	1894479.30	N 38 35 49.374	W 111 52 8.905
	2347.00	0.04	13.52	2347.00	1.64	1.64	-0.43	0.00	96275.68	1894479.31	N 38 35 49.375	W 111 52 8.905
	2443.00	0.00	12.15	2443.00	1.67	1.67	-0.43	0.04	96275.71	1894479.32	N 38 35 49.375	W 111 52 8.905
	2536.00	0.04	313.11	2536.00	1.69	1.69	-0.45	0.04	96275.74	1894479.30	N 38 35 49.375	W 111 52 8.905
	2631.00	0.06	349.56	2631.00	1.76	1.76	-0.48	0.04	96275.81	1894479.26	N 38 35 49.376	W 111 52 8.905
	2726.00	0.06	250.09	2726.00	1.80	1.80	-0.54	0.10	96275.84	1894479.21	N 38 35 49.376	W 111 52 8.906
13 3/8" Casing Point	2809.00	0.09	213.52	2809.00	1.73	1.73	-0.61	0.06	96275.77	1894479.13	N 38 35 49.376	W 111 52 8.907
	2871.00	0.12	200.66	2871.00	1.63	1.63	-0.66	0.06	96275.67	1894479.08	N 38 35 49.375	W 111 52 8.908
	2967.00	0.09	119.57	2967.00	1.50	1.50	-0.63	0.14	96275.54	1894479.11	N 38 35 49.373	W 111 52 8.907
	3061.00	0.09	265.80	3061.00	1.46	1.46	-0.64	0.18	96275.50	1894479.10	N 38 35 49.373	W 111 52 8.907
	3155.00	0.09	166.96	3155.00	1.38	1.38	-0.70	0.15	96275.42	1894479.05	N 38 35 49.372	W 111 52 8.908
	3249.00	0.12	236.30	3249.00	1.25	1.25	-0.76	0.13	96275.30	1894478.98	N 38 35 49.371	W 111 52 8.909
	3344.00	0.29	246.21	3344.00	1.10	1.10	-1.07	0.18	96275.14	1894478.68	N 38 35 49.369	W 111 52 8.913
	3440.00	0.18	165.47	3440.00	0.85	0.85	-1.25	0.33	96274.90	1894478.50	N 38 35 49.367	W 111 52 8.915
	3534.00	0.13	85.75	3534.00	0.72	0.72	-1.11	0.22	96274.76	1894478.64	N 38 35 49.366	W 111 52 8.913
	3628.00	0.03	193.57	3627.99	0.70	0.70	-1.01	0.15	96274.75	1894478.74	N 38 35 49.365	W 111 52 8.912
	3723.00	0.16	22.22	3722.99	0.80	0.80	-0.96	0.20	96274.85	1894478.78	N 38 35 49.366	W 111 52 8.911
	3817.00	0.12	95.31	3816.99	0.91	0.91	-0.82	0.18	96274.96	1894478.93	N 38 35 49.367	W 111 52 8.909
	3911.00	0.09	335.73	3910.99	0.97	0.97	-0.75	0.19	96275.02	1894479.00	N 38 35 49.368	W 111 52 8.909
	4006.00	0.25	347.87	4005.99	1.24	1.24	-0.82	0.17	96275.29	1894478.92	N 38 35 49.371	W 111 52 8.910
	4099.00	0.40	335.02	4098.99	1.74	1.74	-1.00	0.18	96275.78	1894478.74	N 38 35 49.376	W 111 52 8.912
	4195.00	0.55	309.18	4194.99	2.33	2.33	-1.50	0.27	96276.38	1894478.25	N 38 35 49.381	W 111 52 8.918
	4291.00	0.59	302.41	4290.98	2.89	2.89	-2.28	0.08	96276.93	1894477.47	N 38 35 49.387	W 111 52 8.928
	4386.00	0.57	294.11	4385.98	3.34	3.34	-3.12	0.09	96277.39	1894476.63	N 38 35 49.391	W 111 52 8.939
	4482.00	0.48	314.72	4481.98	3.82	3.82	-3.84	0.22	96277.86	1894475.91	N 38 35 49.396	W 111 52 8.948
	4575.00	0.56	322.55	4574.97	4.46	4.46	-4.39	0.11	96278.50	1894475.35	N 38 35 49.402	W 111 52 8.955
	4671.00	0.79	337.27	4670.97	5.44	5.44	-4.94	0.30	96279.48	1894474.81	N 38 35 49.412	W 111 52 8.962
	4766.00	1.27	326.93	4765.95	6.92	6.92	-5.76	0.54	96280.97	1894473.98	N 38 35 49.427	W 111 52 8.972
	4861.00	1.42	318.37	4860.92	8.69	8.69	-7.12	0.26	96282.72	1894472.63	N 38 35 49.444	W 111 52 8.989
	4956.00	1.22	314.31	4955.90	10.27	10.27	-8.62	0.23	96284.32	1894471.12	N 38 35 49.460	W 111 52 9.008
	5051.00	1.33	315.08	5050.87	11.76	11.76	-10.13	0.12	96285.81	1894469.62	N 38 35 49.474	W 111 52 9.027
	5135.00	1.43	307.75	5134.85	13.09	13.09	-11.64	0.24	96287.14	1894468.10	N 38 35 49.487	W 111 52 9.046
	5229.00	0.06	221.55	5228.84	13.77	13.77	-12.60	1.52	96287.82	1894467.14	N 38 35 49.494	W 111 52 9.059
	5325.00	0.06	353.11	5324.84	13.79	13.79	-12.64	0.11	96287.83	1894467.10	N 38 35 49.494	W 111 52 9.059
	5421.00	0.09	222.16	5420.84	13.78	13.78	-12.70	0.14	96287.83	1894467.05	N 38 35 49.494	W 111 52 9.060
	5515.00	0.09	47.21	5514.84	13.77	13.77	-12.70	0.19	96287.82	1894467.05	N 38 35 49.494	W 111 52 9.060
	5611.00	0.10	335.48	5610.84	13.90	13.90	-12.67	0.12	96287.95	1894467.07	N 38 35 49.495	W 111 52 9.060
	5707.00	0.14	56.93	5706.84	14.04	14.04	-12.61	0.17	96288.09	1894467.13	N 38 35 49.497	W 111 52 9.059

Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	DLS (deg/100 ft)	Northing (ftUS)	Easting (ftUS)	Latitude	Longitude
	5802.00	0.04	29.89	5801.84	14.13	14.13	-12.50	0.11	96288.18	1894467.25	N 38 35 49.498	W 111 52 9.057
	5898.00	0.12	329.89	5897.84	14.25	14.25	-12.53	0.11	96288.30	1894467.21	N 38 35 49.499	W 111 52 9.058
	5993.00	0.15	330.73	5992.84	14.45	14.45	-12.64	0.03	96288.49	1894467.10	N 38 35 49.501	W 111 52 9.059
	6088.00	0.30	114.40	6087.84	14.45	14.45	-12.48	0.45	96288.50	1894467.27	N 38 35 49.501	W 111 52 9.057
	6183.00	1.04	243.00	6182.83	13.96	13.96	-13.02	1.32	96288.00	1894466.73	N 38 35 49.496	W 111 52 9.064
	6278.00	1.49	261.93	6277.81	13.39	13.39	-15.01	0.64	96287.44	1894464.74	N 38 35 49.490	W 111 52 9.089
	6374.00	1.56	277.83	6373.78	13.39	13.39	-17.54	0.45	96287.44	1894462.21	N 38 35 49.490	W 111 52 9.121
	6468.00	2.27	296.46	6467.73	14.40	14.40	-20.47	1.00	96288.44	1894459.27	N 38 35 49.500	W 111 52 9.158
	6570.00	1.88	297.96	6569.66	16.08	16.08	-23.76	0.39	96290.13	1894455.98	N 38 35 49.516	W 111 52 9.199
	6665.00	0.04	71.25	6664.64	16.82	16.82	-25.11	2.01	96290.87	1894454.64	N 38 35 49.524	W 111 52 9.216
	6760.00	0.13	309.97	6759.64	16.90	16.90	-25.16	0.16	96290.95	1894454.59	N 38 35 49.525	W 111 52 9.217
	6855.00	0.25	335.83	6854.64	17.16	17.16	-25.32	0.15	96291.21	1894454.42	N 38 35 49.527	W 111 52 9.219
	7000.00	0.14	22.76	6999.64	17.61	17.61	-25.38	0.13	96291.66	1894454.36	N 38 35 49.532	W 111 52 9.220
	7096.00	0.06	16.89	7095.64	17.77	17.77	-25.32	0.08	96291.82	1894454.42	N 38 35 49.533	W 111 52 9.219
	7196.00	0.03	10.07	7195.64	17.85	17.85	-25.31	0.03	96291.89	1894454.44	N 38 35 49.534	W 111 52 9.219
	7288.00	0.08	337.23	7287.64	17.93	17.93	-25.33	0.06	96291.98	1894454.42	N 38 35 49.535	W 111 52 9.219
	7383.00	0.03	327.19	7382.64	18.01	18.01	-25.36	0.05	96292.06	1894454.38	N 38 35 49.535	W 111 52 9.220
	7477.00	0.77	25.34	7476.64	18.60	18.60	-25.11	0.80	96292.65	1894454.64	N 38 35 49.541	W 111 52 9.216
	7573.00	0.43	34.12	7572.63	19.48	19.48	-24.63	0.37	96293.53	1894455.11	N 38 35 49.550	W 111 52 9.210
	7668.00	0.08	114.08	7667.63	19.75	19.75	-24.37	0.45	96293.80	1894455.37	N 38 35 49.553	W 111 52 9.207
	7761.00	0.14	92.68	7760.63	19.72	19.72	-24.20	0.08	96293.77	1894455.55	N 38 35 49.552	W 111 52 9.205
	7856.00	0.31	83.32	7855.63	19.75	19.75	-23.83	0.18	96293.79	1894455.92	N 38 35 49.553	W 111 52 9.200
	7949.00	0.32	108.99	7948.63	19.69	19.69	-23.33	0.15	96293.74	1894456.41	N 38 35 49.552	W 111 52 9.194
	8044.00	0.41	116.67	8043.63	19.45	19.45	-22.78	0.11	96293.50	1894456.97	N 38 35 49.550	W 111 52 9.187
	8140.00	0.23	120.50	8139.63	19.20	19.20	-22.30	0.19	96293.25	1894457.44	N 38 35 49.547	W 111 52 9.181
	8235.00	0.35	88.55	8234.62	19.11	19.11	-21.85	0.21	96293.16	1894457.90	N 38 35 49.546	W 111 52 9.175
	8330.00	0.41	73.65	8329.62	19.21	19.21	-21.23	0.12	96293.26	1894458.51	N 38 35 49.548	W 111 52 9.168
	8425.00	0.37	89.07	8424.62	19.31	19.31	-20.60	0.12	96293.36	1894459.15	N 38 35 49.549	W 111 52 9.160
	8520.00	0.26	97.30	8519.62	19.29	19.29	-20.08	0.12	96293.34	1894459.67	N 38 35 49.548	W 111 52 9.153
	8616.00	0.15	95.50	8615.62	19.25	19.25	-19.74	0.11	96293.30	1894460.01	N 38 35 49.548	W 111 52 9.149
	8711.00	0.24	77.69	8710.62	19.28	19.28	-19.42	0.11	96293.33	1894460.33	N 38 35 49.548	W 111 52 9.145
	8805.00	0.19	98.69	8804.62	19.30	19.30	-19.07	0.10	96293.35	1894460.67	N 38 35 49.548	W 111 52 9.140
	8901.00	0.20	82.62	8900.62	19.30	19.30	-18.75	0.06	96293.34	1894461.00	N 38 35 49.548	W 111 52 9.136
	8995.00	0.20	72.06	8994.62	19.37	19.37	-18.43	0.04	96293.42	1894461.31	N 38 35 49.549	W 111 52 9.132
	9090.00	1.17	37.09	9089.61	20.19	20.19	-17.69	1.07	96294.24	1894462.06	N 38 35 49.557	W 111 52 9.123
	9156.00	2.15	44.93	9155.58	21.61	21.61	-16.41	1.52	96295.65	1894463.34	N 38 35 49.571	W 111 52 9.107
	9183.00	2.16	48.06	9182.56	22.31	22.31	-15.67	0.44	96296.35	1894464.07	N 38 35 49.578	W 111 52 9.098
	9277.00	1.63	71.99	9276.51	23.90	23.90	-13.08	1.00	96297.95	1894466.66	N 38 35 49.594	W 111 52 9.065
	9372.00	0.81	86.36	9371.49	24.36	24.36	-11.13	0.91	96298.41	1894468.62	N 38 35 49.599	W 111 52 9.041
	9467.00	0.11	119.44	9466.48	24.36	24.36	-10.38	0.76	96298.41	1894469.37	N 38 35 49.599	W 111 52 9.031
	9562.00	0.57	77.49	9561.48	24.42	24.42	-9.84	0.52	96298.47	1894469.91	N 38 35 49.599	W 111 52 9.024
	9658.00	1.25	73.01	9657.47	24.83	24.83	-8.37	0.71	96298.88	1894471.38	N 38 35 49.604	W 111 52 9.006
	9753.00	0.57	90.24	9752.46	25.13	25.13	-6.90	0.76	96299.18	1894472.84	N 38 35 49.607	W 111 52 8.987
	9848.00	0.29	97.59	9847.45	25.10	25.10	-6.19	0.30	96299.14	1894473.55	N 38 35 49.606	W 111 52 8.978
	9944.00	1.05	76.81	9943.45	25.26	25.26	-5.10	0.82	96299.31	1894474.65	N 38 35 49.608	W 111 52 8.965
	10040.00	0.72	81.70	10039.44	25.55	25.55	-3.64	0.35	96299.60	1894476.10	N 38 35 49.611	W 111 52 8.946
	10135.00	0.37	97.28	10134.43	25.60	25.60	-2.75	0.40	96299.65	1894477.00	N 38 35 49.611	W 111 52 8.935
	10184.00	0.20	106.73	10183.43	25.56	25.56	-2.51	0.36	96299.60	1894477.24	N 38 35 49.611	W 111 52 8.932
9 5/8" Casing Point	10242.00	0.14	73.14	10241.43	25.55	25.55	-2.34	0.19	96299.59	1894477.40	N 38 35 49.611	W 111 52 8.930
	10330.00	0.20	16.06	10329.43	25.73	25.73	-2.20	0.19	96299.77	1894477.55	N 38 35 49.613	W 111 52 8.928
	10426.00	0.24	1.02	10425.43	26.09	26.09	-2.15	0.07	96300.14	1894477.60	N 38 35 49.616	W 111 52 8.928
	10520.00	0.29	23.49	10519.43	26.50	26.50	-2.05	0.12	96300.55	1894477.70	N 38 35 49.620	W 111 52 8.926
	10616.00	0.14	8.99	10615.43	26.84	26.84	-1.93	0.16	96300.89	1894477.81	N 38 35 49.624	W 111 52 8.925
	10715.00	0.57	43.24	10714.43	27.32	27.32	-1.58	0.47	96301.37	1894478.17	N 38 35 49.628	W 111 52 8.920
	10810.00	0.30	9.05	10809.42	27.91	27.91	-1.21	0.38	96301.96	1894478.53	N 38 35 49.634	W 111 52 8.916
	10906.00	1.84	9.98	10905.40	29.68	29.68	-0.91	1.60	96303.72	1894478.84	N 38 35 49.652	W 111 52 8.912
	11000.00	2.14	356.82	10999.35	32.92	32.92	-0.74	0.58	96306.96	1894479.00	N 38 35 49.684	W 111 52 8.910
	11096.00	2.60	340.82	11095.27	36.76	36.76	-1.56	0.83	96310.81	1894478.19	N 38 35 49.722	W 111 52 8.921
	11192.00	2.51	313.53	11191.17	40.27	40.27	-3.80	1.26	96314.32	1894475.95	N 38 35 49.756	W 111 52 8.949
Last SLB MWD Survey	11288.00	0.00	12.36	11287.14	41.71	41.71	-5.32	2.61	96315.76	1894474.43	N 38 35 49.771	W 111 52 8.968
Projection to Bit	11452.00	0.00	12.36	11451.14	41.71	41.71	-5.32	0.00	96315.76	1894474.43	N 38 35 49.771	W 111 52 8.968

Survey Type: Definitive Survey

Survey Error Model: SLB ISCWSA version 24 *** 3-D 95.00% Confidence 2.7955 sigma

Surveying Prog:

MD From (ft)	MD To (ft)	EOU Freq	Survey Tool Type	Borehole -> Survey
0.00	34.60	Act-Stns	SLB_NSG+MSHOT-Depth Only	Original Hole -> Plateau Valley 35-1 Final Surveys (Gyro+MWD) 0' to 11452'
34.60	990.00	Act-Stns	SLB_NSG+MSHOT	Original Hole -> Plateau Valley 35-1 Final Surveys (Gyro+MWD) 0' to 11452'
990.00	11288.00	Act-Stns	SLB_MWD-STD	Original Hole -> Plateau Valley 35-1 Final Surveys (Gyro+MWD) 0' to 11452'
11288.00	11452.00	Act-Stns	SLB_BLIND+TREND	Original Hole -> Plateau Valley 35-1 Final Surveys (Gyro+MWD) 0' to 11452'

*Italicized stations are NOT used in position calculations.

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

43-041-30060
T 25S R1W
Sec 35
FORM 5

DESIGNATION OF AGENT OR OPERATOR

CONFIDENTIAL

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

LEASE NAME: Plateau Valley Federal 35-1, Entity #17116 43-041-30060 plugged 1/9/09
LEASE NUMBER: Burrville Federal 3-1, Entity # 17171 43-041-30059 plugged 4/28/09

and hereby designates

NAME: Chris Clark, Regulatory Coordinator 970-263-3628
ADDRESS: OXY USA Inc. 760 Horizon Drive, Suite 101
city Grand Junction state CO zip 81506

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.)

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: 12/14/2009

BY: (Name) Daniel Padilla
(Signature) [Signature]
(Title) Regulatory Advisor
(Phone) (970) 263-3637

OF: (Company) OXY USA Inc. N0415
(Address) 760 Horizon Drive, Suite 101
city Grand Junction
state CO zip 81506

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DEC 22 2009

For Operator N 0415, OXY USA Inc., please note the following changes:

--The operator status on your website indicates "inactive"; the status should be "active"

--Please remove Donna Havins from the contact list; she is no longer working in the Regulatory Department. Please add the name of Brent Sonnier, Senior Regulatory Advisor, 5 Greenway Plaza, Suite 110, Houston TX 77046, 713-366-5654.

--Please also remove the name of Blair Rollins; he is no longer employed by Oxy.

--Please add the name of Chris Clark, Regulatory Coordinator, 970-263-3628

--Please add the name of Joan Proulx, Regulatory Administrative Assistant, 970-263-3641

--Please change the address of the Grand Junction office to 760 Horizon Drive, #101, Grand Junction, CO 81506. The address on Compass Drive is no longer valid.

--The correct address for our Houston office is P O Box 27757, Houston, TX 77227-7757

The above changes are in reference to Entity #17116, Plateau Valley Federal 35-1, and Entity #17171, Burrville Federal 3-1.

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DEC 22 2009

DIV. OF OIL, GAS & MINING