

ENGINEER'S DAILY REPORT**COGCC Document No. 2055507**

Project: Dolphin Bond Claim Plugging and Abandonment (PHA-1233)
Date: 4/24/2012

Personnel On Location

| | | | | | |
|------------------|--|-----------------|------|-------|--|
| COGCC: | Dave Andrews | Project Manager | 7:30 | 17:45 | Off site to Rifle office and lunch 8:50 to 12:40 |
| A-Plus: | George Archuleta | Superintendent | 7:00 | 17:15 | |
| | Jaben Mangum | Cementer | 7:00 | 17:45 | |
| | Wendell Bennally | Operator | 7:00 | 17:45 | |
| | Brent Begay | Derrick Hand | 7:00 | 17:45 | |
| | Robert Slaugh | Motor Man | 7:00 | 17:45 | |
| | Peter Romero | Floor Hand | 7:00 | 17:45 | |
| | Neil Frost | Wireline | 7:45 | 17:00 | |
| Screamin' Eagle: | Various personnel on location throughout the day moving tanks and fluid between Biscuit Ranch pads | | | | |

Weather: M. Sunny (AM & PM)
Calm (AM), Light to Moderate SW Breeze (PM)
40's - 60's (AM), 70's - 80's (PM)

| | | |
|------------|--------------------------|--------------------------|
| Equipment: | Pickups | Pump truck |
| | Doghouse trailer | Wireline truck |
| | Haul trailer | Waste pit (tank) |
| | Pusher trailer | Circulation tank |
| | Tubing truck and trailer | Upright fresh water tank |
| | Workover rig | Porta-Potty |
| | Cement truck (bin type) | |

Work Summary

Biscuit Ranch 10-31D well conditions this morning: Csg opened with a quick "poof" then dead. Gas hissing from bradenhead when bull plug and valve removed (csg and bradenhead valves were cemented up during the job yesterday). Good blow on bradenhead when broke through cement at valve connection. Install new valve and SI bradenhead; built to 85 psi in 10 minutes. ND BOP. Started demobilization from Biscuit Ranch 10-31D at 8:30. LEL on bradenhead gas decreasing through 13:00.

Mobilized to Biscuit Ranch BRO3-03B well; mobilization complete at 10:30. Well pressures: CP = 0 psi, BH = negligible pressure, opened to a very light blow, then dead immediately. SI and no pressure build after 2 hours. RIH with gauge ring to 5500', no obstructions, water level at 90'. RIH and wireline-set CIBP at 5490' (Plug #1). RIH with dump bailer on wireline, and dump bail 2.5 sacks cement on top of CIBP (approximately 5457' TOC in csg). Pressure-test casing to 550 psi, lost 18 psi in 15 minutes, test OK. Shoot perf holes at 1200'; minor fluid drop, then stabilized. Attempt to circulate; loaded 1/8 bbls and pressured up with no rate. Loaded backside with 4.1 bbls (103'), and pressured up to 400 psi, holding. Backside appears to be cemented across surface casing shoe. RIH at 16:15 with tbg to 1274' to set a balanced plug in the casing across perfs, plan for 1274' to 1100' (or above). Mix and pump Plug #2, Class B cement (1.18 cf/sk yield) down tbg at 17:00, 16.0 ppg; took wet sample. Pumped total of 15 sacks cement (3.15 bbls slurry, 4 bbls water displacement. TOO H with tubing above planned cement top, ready for tag in the morning. SWIFN.

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Measurement and Payment

| <u>Pad No.</u> | <u>Bid Item No.</u> | <u>Description</u> | <u>Units</u> | <u>Unit Cost</u> | <u>Work Performed Today</u> | <u>Cumulative Percent/Units Complete</u> | <u>Total Approved</u> |
|----------------|--------------------------|-------------------------------------|--------------|------------------|--|--|-----------------------|
| BR-31 | 1 | Mobilization and Demobilization | each | \$ 11,035.00 | Demobilized from Biscuit Ranch 31 pad. 2.00 hours for demob/mob. Task complete. | 100% | \$ 11,035.00 |
| BR-31 | 2 | Plug and Abandon | hours | \$ 458.00 | 1.50 hours on Biscuit Ranch 31 pad today to check pressures and rig down (2.00 demob/mob hours not counted in the Plug and Abandon line item). | 42.75 | \$ 19,579.50 |
| BR-31 | 3 | Perforation Services | sets | \$ 1,722.00 | | 4 | \$ 6,888.00 |
| BR-31 | 4 | Cement Retainers | each | \$ 1,150.00 | | 3 | \$ 3,450.00 |
| BR-31 | 6 | Cement Services | sacks | \$ 26.00 | | 431 | \$ 11,206.00 |
| BR-31 | 7.1 (Change Order #1) | Covered Tank Rental | lump sum | \$ 1,322.10 | | 100% | \$ 1,322.10 |
| BR-31 | 7.2 (Change Order #1) | Standby Time at 75% of regular rate | hours | \$ 343.50 | | 3.5 | \$ 1,202.25 |
| BR-31 | 8 (Change Order #2) | Haul Salvaged Drilling Mud | lump sum | \$ 533.36 | | 100% | \$ 533.36 |
| BR-31 | 9.1 (Change Order #3) | Tubing Cut and Free Point Services | lump sum | \$ 10,180.54 | | 100% | \$ 10,180.54 |
| BR-31 | 9.2 (Change Order #3) | Standby Time at 75% of regular rate | hours | \$ 343.50 | | 8.75 | \$ 3,005.63 |
| BR-3 | 1 | Mobilization and Demobilization | each | \$ 11,035.00 | Mobilized to Biscuit Ranch 3 pad. 2.00 hours total for demob/mob. Incremental 40% complete today. | 50% | \$ 5,517.50 |
| BR-3 | 2 | Plug and Abandon | hours | \$ 458.00 | 7.25 hours on Biscuit Ranch 3 pad today to rig up, check pressures, run a gauge ring, perforate, and set plugs (2.00 demob/mob hours not counted in the Plug and Abandon line item). | 7.25 | \$ 3,320.50 |
| BR-3 | 3 | Perforation Services | sets | \$ 1,722.00 | Perforate at 1200'. | 1 | \$ 1,722.00 |
| BR-3 | 4 | Cement Retainers | each | \$ 1,150.00 | | | \$ - |
| BR-3 | 5 | Cast Iron Bridge Plugs | each | \$ 1,932.00 | Set CIBP at 5490'. | 1 | \$ 1,932.00 |
| BR-3 | 6 | Cement Services | sacks | \$ 26.00 | Dump-bail 2+ sacks cement on CIBP (Plug #1). Mixed and pumped 15 sacks cement for Plug #2. | 17 | \$ 442.00 |
| M-32 | 1 | Mobilization and Demobilization | each | \$ 11,035.00 | | 10% | \$ 1,103.50 |
| M-32 | 2 | Plug and Abandon | hours | \$ 458.00 | | | \$ - |
| M-32 | 3 | Perforation Services | sets | \$ 1,722.00 | | | \$ - |
| M-32 | 4 | Cement Retainers | each | \$ 1,150.00 | | | \$ - |
| M-32 | 5 | Cast Iron Bridge Plugs | each | \$ 1,932.00 | | | \$ - |
| M-32 | 6 | Cement Services | sacks | \$ 26.00 | | | \$ - |
| A-16 | 1 | Plug and Abandon Conductors | lump sum | \$ 25,000.00 | | | \$ - |

Current Total => \$ 82,439.88