



Post Well Audit
Doe Canyon #2
McElmo Dome
Sec 18- T40N- R17W
Dolores County, CO

Prepared For:

**Mr. Todd Gentles
Drilling Supervisor
Kinder Morgan Energy
500 DallasSt, Ste 1000
Houston, TX 77002**



Cover Letter

Mr. Todd Gentles
Kinder Morgan Energy
500 Dallas St., Suite 1000
Houston TX 77002

November 25, 2007

Dear Mr. Gentles:

Baroid Drilling Fluids is pleased to submit this recap for Kinder Morgan Doe Canyon Well #2. We hope the enclosed information will aid you in the planning of future wells in this area.

It has been a pleasure to work with you on this well and look forward to working with you on future projects.

Sincerely,

Leroy Bell
Field Service Representative
Rockies NWA
Baroid Fluid Services

Cover Page

Operator Kinder Morgan Energy

Contractor Patterson Drilling

Prepared For Todd Gentles

Title

Well Name Doe Canyon #2

Rig Name Patterson 17

Document Date 11/25/2007

Author Leroy Bell

District Rocky Mountain

Field Name Doe Canyon

Field or Block McElmo Dome

Country United States

SAP Order # 21359106

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Executive Summary

KINDER MORGAN Doe Canyon Well #2 was difficult to drill. Mud weights were maintained at the lowest possible levels, but loss circulation occurred almost from start to finish. In the 12 1/4" hole traditional loss circulation materials (lcm) were effective in controlling to rate of fluid loss. In the 8 3/4" hole the rate of loss was reduced with lcm, but not enough so that drilling could continue to TD. In addition to lcm, two FUSE-IT lcm squeezes were performed; and finally cement was bullheaded into the loss zones.

Even with the extensive loss circulation problems and controlled drilling through the Paradox formations, the well was completed in 21 drilling days. The sodium chloride drilling fluid was treated with DA 320 sulfide scavenger and an 11-12 pH was maintained in the 8 3/4" brine section to control possible hydrogen sulfide (H2S) contamination. No H2S problems were encountered on this well.

Other than loss circulation, hole conditions were good. Casing in both the 12 1/4" and 8 3/4" holes was run and cemented without problems.

BAROID Fluid Services wishes to thank KINDER MORGAN ENERGY for the opportunity to supply drilling fluid products and services on Doe Canyon #2. We hope this report gives useful information in the planning of future wells in this area.

Well Name
Operator
Contractor
Rig No
Unit System

Doe Canyon #2
Kinder Morgan Energy
Patterson Drilling
Patterson 17
API pre-defined system

Well Summary Report

Well Data

Spud Date	10/18/2007	Fluids/Products: Drilling Cost	\$ 208,802.44
TD Date	11/10/2007	Fluids/Products: Completion Cost	\$ 0.00
Project		Solids Control/Waste Management Cost	\$ 0.00
Days on Well	33	Fluids/Products: Cementing Cost	\$ 0.00
From Date	10/18/2007	Prod Lost/Damaged Cost	\$ 204.03
To Date	11/19/2007	Engineer Services Cost	\$ 23,630.00
Drilling Days	20	Equipment Cost	\$ 478.88
Rotating / Drilling Hours	289.5/281.0	Transport/Packaging	\$ 6,622.00
Average ROP ft/hr	30.3	Other Cost	\$ 0.00
Maximum Density ppg	10.00	Total Well Cost	\$ 239,737.35
Total Measured Depth ft	8,490	Planned Cost	\$ 131,249.00
True Vertical Depth ft	8,490	Fluid Cost Per Fluid Volume	\$/bbl 13.10
Distance Drilled ft	8,504	Fluid Cost Per Length Drilled	\$/ft 24.44
Maximum Deviation deg	0.00	Fluid Cost/Vol of Hole Drilled	\$/bbl 248.82
Max. Horz. Displacement ft	0	Total Additions/Hole Drilled	bbl/bbl 18.988
Bottom Hole Temp Deg F	120	Total Additions/Length Drilled	bbl/ft 1.865

Casing Design

Description	Set Date & Time	Top MD ft	Top TVD ft	End MD ft	End TVD ft	CSG OD in	CSG ID in	Max. Hole Size in	Hole MD ft	Hole TVD ft
9.625 K-55 36.0	10/23/2007 11:00	0	0	2,811	2,811	9.625	8.921	12.250	2,825	2,825

Fluid Program

Int #	Fluid Type	Interval Days	BHT Deg F	Max. Dens ppg	Whole fluid + Mix products	Other material charges	Other charges	Total Interval Cost \$		
								Plan	Actual	Variance
1	Fresh Water	9	120	8.60	31,519.49	396.90	9,511.00	9,232.00	41,427.39	32,195.39
2	Fresh Water	9		8.60	95,089.73	27.28	12,194.00	11,652.00	107,311.01	95,659.01
3	Sodium Chloride	15		10.00	74,106.90	2,327.31	14,564.74	110,365.00	90,998.95	-19,366.05
Total Well Cost \$					200,716.12	2,751.49	36,269.74	131,249.00	239,737.35	108,488.35

Net Well Cost Breakdown

Cost Breakdown I \$	Interval 01	Interval 02	Interval 03	Total
Fluid/Product: Drilling	31,916.39	95,117.01	81,769.04	208,802.44
Fluid/Product: Comp/Filtration				
Solids Control/Waste Management Cost				
Fluids/Products: Cementing Cost				
Engineering Services	6,255.00	9,730.00	7,645.00	23,630.00
Fluid/Product: Lost Damage			204.03	204.03
Other Cost				
Equipment Cost			478.88	478.88
Transport/Packaging Cost	3,256.00	2,464.00	902.00	6,622.00
Total Cost	41,427.39	107,311.01	90,998.95	239,737.35

Cost Breakdown II \$	Interval 01	Interval 02	Interval 03	Total
Total Products Cost	31,916.39	95,117.01	76,434.21	203,467.61
Total Fluids Cost				
Total Charges Cost	9,511.00	12,194.00	14,564.74	36,269.74
Allocated To / From Other Interval			0.00	
Total Cost	41,427.39	107,311.01	90,998.95	239,737.35
Planned Cost	9,232.00	11,652.00	110,365.00	131,249.00
Variance	32,195.39	95,659.01	-19,366.05	108,488.35

Volume Breakdown bbl	Interval 01	Interval 02	Interval 03	Total
Total Base Fluids Addition				
Total Chemical Addition	216.1	214.5	219.3	649.9
Total Barite Addition				
Total Water Addition	1,945.1	1,227.5	860.0	4,032.5
Total Fluid Built	2,161.3	1,442.0	1,079.2	4,682.5
Total Fluid Received	11,171.6		5.0	11,176.6
Total Influx Addition				
Not Used In Interval	-3,400.0	-3,600.0	-7,002.1	
Total Fluid Volume	9,932.9	8,812.5	5,523.7	15,859.1

United States
ColbertMcElmo Dome
ColoradoBaroid Fluid Services
Sec18 T40NR17W
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Printed: 2/19/2008

Baroid Fluid Services

Well Name

Doe Canyon #2

Operator

Kinder Morgan Energy

Contractor

Patterson Drilling

Rig No

Patterson 17

Unit System

API pre-defined system

Total Cost Breakdown

	Unit Size	Quantity	Total Cost
Engineering/Services			
Engineer 24 hour service	day(s)	34.00	23,630.00
		SubTotal	\$ 23,630.00
Equipment Cost			
Coupon Corr. Ring- 4 1/2 in.	each	2.00	168.00
DR Pipe Wiper 7-in.	each	4.00	310.88
		SubTotal	\$ 478.88
Fluid/Product: Lost Damage			
BAROLIFT	7.5 lb box	3.00	204.03
		SubTotal	\$ 204.03
Transport/Packaging Cost			
Pallets	each	146.00	3,212.00
Shrink wrap	each	155.00	3,410.00
		SubTotal	\$ 6,622.00
Fluids/Products: Drilling Cost			
aluminum stearate	50 lb bag	1.00	71.82
AQUAGEL GOLD SEAL	50 lb bag	958.00	5,508.50
BARACAT	5 gal can	24.00	2,715.36
BARACOR 700	55 gal drum	4.00	5,143.00
BARAFOAM	5 gal can	13.00	1,761.50
BARAZAN D	25 lb bag	5.00	1,101.00
BAROFIBRE Credit	each	17.00	-551.65
BAROID	50 lb bag	70.00	396.90
BARO-SEAL	40 lb bag	468.00	10,581.48
caustic soda	50 lb bag	280.00	7,473.20
Cedar Fiber	40 lb bag	990.00	9,622.80
DA320	55 gal drum	44.00	57,812.92
DIAMOND SEAL	10 lb pail	3.00	258.51
Drillers Rock Salt	50 lb bag	294.00	1,869.84
Drilling Paper	40 lb bag	287.00	3,702.30
EZ-MUD	5 gal can	33.00	2,887.50
FIBERTEX	40 lb bag	875.00	11,970.00
FILTER-CHEK	50 lb bag	19.00	1,326.20
FUSE-IT	1 each drum	4.00	39,255.36
HOLEPLUG 3/8	50 lb bag	4.00	27.28
IMPERMEX	50 lb bag	35.00	971.25
lime	50 lb bag	200.00	1,500.00
LIQUI-DRIL	5 gal can	9.00	806.67
NXS-LUBE	55 gal drum	2.00	3,360.00
OXYGON	6 gal pail	21.00	3,450.30
sawdust	20 lb bag	1,430.00	10,982.40

United States
DoloresMcElmo Dome
ColoradoBaroid Fluid Services
Sec18 T40NR17W

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Printed: 2/19/2008

Well Name	Doe Canyon #2
Operator	Kinder Morgan Energy
Contractor	Patterson Drilling
Rig No	Patterson 17
Unit System	API pre-defined system

Total Cost Breakdown

soda ash	50 lb sack	17.00	169.32
Tax :Total	each	1.00	6,090.51
WALL-NUT MEDIUM	50 lb bag	96.00	1,523.52
ZEOGEL	50 lb bag	1,693.00	17,014.65
SubTotal		\$	208,802.44
Total Well Cost:		\$	239,737.35

Quote# : 21359106
Sold To Party: 0000320986 KINDER MORGAN INC HOUSTON TX
Ship To Party: 0002598863 KINDER MOR DOE CANYON #2,MONTEZUMA CORTEZ CO

PO#	DocDate	Order#	DTyp	ShipTo	Material	Description	Quantity	NetPrice	NetValue	Curr	Invoice#	Billg.date	Plnt
DOE CANYON #2 / PATT	11/12/2007	5490435	ZOB	2598863	152017	DR PIPE WIPR BL 7-IN,MED FOAM,175 MM	4.000	77.72	310.88	USD	95059374	11/30/2007	020C
* * * Total * * *							4.000		310.88	USD			
DOE CANYON #2 / PATT	10/18/2007	5434237	ZOB	2598863	200585	BA.AQUAGEL GOLDSEAL - 50 LB BAG	576.000	5.75	3,312.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	200585	BA.AQUAGEL GOLDSEAL - 50 LB BAG	136.000	5.75	782.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5440078	ZOB	2598863	200585	BA.AQUAGEL GOLDSEAL - 50 LB BAG	96.000	5.75	552.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5442333	ZOB	2598863	200585	BA.AQUAGEL GOLDSEAL - 50 LB BAG	192.000	5.75	1,104.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/19/2007	5504019	ZOB	2598863	200585	BA.AQUAGEL GOLDSEAL - 50 LB BAG	278.000	5.75	1,598.50	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	200585	BA.AQUAGEL GOLDSEAL - 50 LB BAG	320.000-	5.75	1,840.00-	USD	95059374	11/30/2007	020C
* * * Total * * *							958.000		5,508.50	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	201068	BA.CAUSTIC SODA - 50 LB BAG	260.000	26.69	6,939.40	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/30/2007	5462405	ZOB	2598863	201068	BA.CAUSTIC SODA - 50 LB BAG	120.000	26.69	3,202.80	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	201068	BA.CAUSTIC SODA - 50 LB BAG	100.000-	26.69	2,669.00-	USD	95059374	11/30/2007	020C
* * * Total * * *							280.000		7,473.20	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	201096	BA.WALL-NUT MEDIUM - 50 LB BAG	160.000	15.87	2,539.20	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/31/2007	5464319	ZOB	2598863	201096	BA.WALL-NUT MEDIUM - 50 LB BAG	192.000	15.87	3,047.04	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	201096	BA.WALL-NUT MEDIUM - 50 LB BAG	256.000-	15.87	4,062.72-	USD	95059374	11/30/2007	020C
* * * Total * * *							96.000		1,523.52	USD			
DOE CANYON #2 / PATT	10/18/2007	5434237	ZOB	2598863	201099	BA.ZEOGEL - 50 LB BAG	150.000	10.05	1,507.50	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	201099	BA.ZEOGEL - 50 LB BAG	50.000	10.05	502.50	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5440078	ZOB	2598863	201099	BA.ZEOGEL - 50 LB BAG	100.000	10.05	1,005.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5442304	ZOB	2598863	201099	BA.ZEOGEL - 50 LB BAG	400.000	10.05	4,020.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5442333	ZOB	2598863	201099	BA.ZEOGEL - 50 LB BAG	200.000	10.05	2,010.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/30/2007	5462405	ZOB	2598863	201099	BA.ZEOGEL - 50 LB BAG	300.000	10.05	3,015.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/02/2007	5470606	ZOB	2598863	201099	BA.ZEOGEL - 50 LB BAG	500.000	10.05	5,025.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/11/2007	5489041	ZOB	2598863	201099	BA.ZEOGEL - 50 LB BAG	600.000	10.05	6,030.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	201099	BA.ZEOGEL - 50 LB BAG	607.000-	10.05	6,100.35-	USD	95059374	11/30/2007	020C
* * * Total * * *							1,693.000		17,014.65	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	201102	BA.HOLEPLUG 3/8 - 50 LB BAG	96.000	6.82	654.34	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5442319	ZOB	2598863	201102	BA.HOLEPLUG 3/8 - 50 LB BAG	92.000-	6.82	627.07-	USD	95059374	11/30/2007	020C
* * * Total * * *							4.000		27.27	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	201142	BA.N-SEAL - 30 LB BAG	48.000	46.63	2,238.24	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5442319	ZOB	2598863	201142	BA.N-SEAL - 30 LB BAG	48.000-	46.63	2,238.24-	USD	95059374	11/30/2007	020C
* * * Total * * *							0.000		0.00	USD			
DOE CANYON #2 / PATT	10/18/2007	5434237	ZOB	2598863	201160	BA.OXYGON - 50 LB CAN	12.000	164.30	1,971.60	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	201160	BA.OXYGON - 50 LB CAN	11.000	164.30	1,807.30	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/30/2007	5462405	ZOB	2598863	201160	BA.OXYGON - 50 LB CAN	24.000	164.30	3,943.20	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	201160	BA.OXYGON - 50 LB CAN	26.000-	164.30	4,271.80-	USD	95059374	11/30/2007	020C
* * * Total * * *							21.000		3,450.30	USD			

Quote# : 21359106
Sold To Party: 0000320986 KINDER MORGAN INC HOUSTON TX
Ship To Party: 0002598863 KINDER MOR DOE CANYON #2,MONTEZUMA CORTEZ CO

PO#	DocDate	Order#	DTyp	ShipTo	Material	Description	Quantity	NetPrice	NetValue	Curr	Invoice#	Billg.date	Plnt
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	201164	BA.CEDAR FIBER - 40 LB BAG	330.000	9.72	3,207.60	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5442333	ZOB	2598863	201164	BA.CEDAR FIBER - 40 LB BAG	240.000	9.72	2,332.80	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/31/2007	5464319	ZOB	2598863	201164	BA.CEDAR FIBER - 40 LB BAG	480.000	9.72	4,665.60	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/02/2007	5470606	ZOB	2598863	201164	BA.CEDAR FIBER - 40 LB BAG	360.000	9.72	3,499.20	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	201164	BA.CEDAR FIBER - 40 LB BAG	420.000-	9.72	4,082.40-	USD	95059374	11/30/2007	020C
* * * Total * * *							990.000		9,622.80	USD			
DOE CANYON #2 / PATT	10/18/2007	5434237	ZOB	2598863	201215	BA.EZ-MUD - 5 GAL CAN	64.000	87.50	5,600.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	201215	BA.EZ-MUD - 5 GAL CAN	31.000-	87.50	2,712.50-	USD	95059374	11/30/2007	020C
* * * Total * * *							33.000		2,887.50	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	201265	BA.LIME - 50 LB BAG	100.000	7.50	750.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5442319	ZOB	2598863	201265	BA.LIME - 50 LB BAG	100.000-	7.50	750.00-	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/19/2007	5504019	ZOB	2598863	201265	BA.LIME - 50 LB BAG	100.000	7.50	750.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	01/02/2008	5593085	ZOB	2598863	201265	BA.LIME - 50 LB BAG	100.000	7.50	750.00	USD	95136531	01/09/2008	020C
* * * Total * * *							200.000		1,500.00	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	201397	BA.EZ SPOT - 55 GAL DRUM	4.000	988.60	3,954.40	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	201397	BA.EZ SPOT - 55 GAL DRUM	4.000-	988.60	3,954.40-	USD	95059374	11/30/2007	020C
* * * Total * * *							0.000		0.00	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	201410	BA.SALT - DRILLER'S ROCK - 50 LB BAG	196.000	6.36	1,246.56	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	01/02/2008	5593085	ZOB	2598863	201410	BA.SALT - DRILLER'S ROCK - 50 LB BAG	98.000	6.36	623.28	USD	95136531	01/09/2008	020C
* * * Total * * *							294.000		1,869.84	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	201420	BA.SAW DUST - 20 LB BAG	190.000	7.68	1,459.20	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5440078	ZOB	2598863	201420	BA.SAW DUST - 20 LB BAG	293.000	7.68	2,250.24	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5442333	ZOB	2598863	201420	BA.SAW DUST - 20 LB BAG	300.000	7.68	2,304.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/31/2007	5464319	ZOB	2598863	201420	BA.SAW DUST - 20 LB BAG	600.000	7.68	4,608.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/11/2007	5489041	ZOB	2598863	201420	BA.SAW DUST - 20 LB BAG	218.000	7.68	1,674.24	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	201420	BA.SAW DUST - 20 LB BAG	171.000-	7.68	1,313.28-	USD	95059374	11/30/2007	020C
* * * Total * * *							1,430.000		10,982.40	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	201423	BA.SODA ASH - 50 LB BAG	17.000	9.96	169.32	USD	95059374	11/30/2007	020C
* * * Total * * *							17.000		169.32	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	201556	BA.BARACAT - 5 GAL CAN	41.000	113.14	4,638.74	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	201556	BA.BARACAT - 5 GAL CAN	17.000-	113.14	1,923.38-	USD	95059374	11/30/2007	020C
* * * Total * * *							24.000		2,715.36	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	201573	BA.DRILLING PAPER - 40 LB BAG	180.000	12.90	2,322.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5440078	ZOB	2598863	201573	BA.DRILLING PAPER - 40 LB BAG	190.000	12.90	2,451.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	201573	BA.DRILLING PAPER - 40 LB BAG	83.000-	12.90	1,070.70-	USD	95059374	11/30/2007	020C

Quote# : 21359106
Sold To Party: 0000320986 KINDER MORGAN INC HOUSTON TX
Ship To Party: 0002598863 KINDER MOR DOE CANYON #2,MONTEZUMA CORTEZ CO

PO#	DocDate	Order#	DTyp	ShipTo	Material	Description	Quantity	NetPrice	NetValue	Curr	Invoice#	Billg.date	Plnt	
* * * Total * * *							287.000		3,702.30	USD				
DOE CANYON #2 / PATT			10/18/2007	5435324	ZOB	2598863	201583	BA.ALDACIDE G - 5 GAL CAN		32.000	148.16	4,741.12	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			11/27/2007	5522608	ZOB	2598863	201583	BA.ALDACIDE G - 5 GAL CAN		32.000-	148.16	4,741.12-	USD	95059374 11/30/2007 020C
* * * Total * * *							0.000		0.00	USD				
DOE CANYON #2 / PATT			10/18/2007	5435324	ZOB	2598863	201590	BA.BARACOR 700 - 55 GAL DRUM		5.000	1,285.75	6,428.75	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			11/11/2007	5489041	ZOB	2598863	201590	BA.BARACOR 700 - 55 GAL DRUM		4.000	1,285.75	5,143.00	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			11/27/2007	5522608	ZOB	2598863	201590	BA.BARACOR 700 - 55 GAL DRUM		5.000-	1,285.75	6,428.75-	USD	95059374 11/30/2007 020C
* * * Total * * *							4.000		5,143.00	USD				
DOE CANYON #2 / PATT			10/18/2007	5435324	ZOB	2598863	201597	BA.FILTER-CHEK - 50 LB BAG		31.000	69.80	2,163.80	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			10/27/2007	5453665	ZOB	2598863	201597	BA.FILTER-CHEK - 50 LB BAG		100.000	69.80	6,980.00	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			11/27/2007	5522608	ZOB	2598863	201597	BA.FILTER-CHEK - 50 LB BAG		112.000-	69.80	7,817.60-	USD	95059374 11/30/2007 020C
* * * Total * * *							19.000		1,326.20	USD				
DOE CANYON #2 / PATT			10/18/2007	5435324	ZOB	2598863	201600	BA.BAROFIBRE - 25 LB BAG		345.000	32.45	11,195.25	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			10/22/2007	5442319	ZOB	2598863	201600	BA.BAROFIBRE - 25 LB BAG		362.000-	32.45	11,746.90-	USD	95059374 11/30/2007 020C
* * * Total * * *							17.000-		551.65-	USD				
DOE CANYON #2 / PATT			10/18/2007	5435324	ZOB	2598863	201605	BA.H2S SCAVENGER DA320 - 55 GAL DRUM		22.000	1,313.93	28,906.55	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			10/27/2007	5453665	ZOB	2598863	201605	BA.H2S SCAVENGER DA320 - 55 GAL DRUM		24.000	1,313.93	31,534.42	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			10/30/2007	5462405	ZOB	2598863	201605	BA.H2S SCAVENGER DA320 - 55 GAL DRUM		24.000	1,313.93	31,534.42	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			11/27/2007	5522608	ZOB	2598863	201605	BA.H2S SCAVENGER DA320 - 55 GAL DRUM		26.000-	1,313.93	34,162.28-	USD	95059374 11/30/2007 020C
* * * Total * * *							44.000		57,813.11	USD				
DOE CANYON #2 / PATT			10/18/2007	5435324	ZOB	2598863	201616	BA.BARAZAN D - 25 LB BAG		35.000	220.22	7,707.70	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			11/27/2007	5522608	ZOB	2598863	201616	BA.BARAZAN D - 25 LB BAG		30.000-	220.22	6,606.60-	USD	95059374 11/30/2007 020C
* * * Total * * *							5.000		1,101.10	USD				
DOE CANYON #2 / PATT			10/18/2007	5435324	ZOB	2598863	201687	BA.LIQUI-DRIL - 5 GAL CAN		32.000	89.63	2,868.10	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			11/27/2007	5522608	ZOB	2598863	201687	BA.LIQUI-DRIL - 5 GAL CAN		23.000-	89.63	2,061.44-	USD	95059374 11/30/2007 020C
* * * Total * * *							9.000		806.66	USD				
DOE CANYON #2 / PATT			10/18/2007	5434237	ZOB	2598863	201864	BA.PALLET - EA		22.000	22.00	484.00	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			10/22/2007	5440078	ZOB	2598863	201864	BA.PALLET - EA		20.000	22.00	440.00	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			10/22/2007	5442304	ZOB	2598863	201864	BA.PALLET - EA		4.000	22.00	88.00	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			10/22/2007	5442319	ZOB	2598863	201864	BA.PALLET - EA		9.000-	22.00	198.00-	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			10/22/2007	5442333	ZOB	2598863	201864	BA.PALLET - EA		16.000	22.00	352.00	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			10/27/2007	5453665	ZOB	2598863	201864	BA.PALLET - EA		16.000	22.00	352.00	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			10/30/2007	5462405	ZOB	2598863	201864	BA.PALLET - EA		17.000	22.00	374.00	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			10/30/2007	5462413	ZOB	2598863	201864	BA.PALLET - EA		4.000-	22.00	88.00-	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			10/31/2007	5464319	ZOB	2598863	201864	BA.PALLET - EA		20.000	22.00	440.00	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			11/02/2007	5470606	ZOB	2598863	201864	BA.PALLET - EA		16.000	22.00	352.00	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			11/11/2007	5489041	ZOB	2598863	201864	BA.PALLET - EA		16.000	22.00	352.00	USD	95059374 11/30/2007 020C
DOE CANYON #2 / PATT			11/19/2007	5504019	ZOB	2598863	201864	BA.PALLET - EA		8.000	22.00	176.00	USD	95059374 11/30/2007 020C

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PO#	DocDate	Order#	DTyp	ShipTo	Material	Description	Quantity	NetPrice	NetValue	Curr	Invoice#	Billg.date	Plnt
DOE CANYON #2 / PATT	01/02/2008	5593085	ZOB	2598863	201864	BA.PALLET - EA	4.000	22.00	88.00	USD	95136531	01/09/2008	020C
* * * Total * * *							146.000		3,212.00	USD			
DOE CANYON #2 / PATT	10/18/2007	5434237	ZOB	2598863	201866	BA.SHRINK WRAP (OR STRCH) - EA	22.000	22.00	484.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5440078	ZOB	2598863	201866	BA.SHRINK WRAP (OR STRCH) - EA	20.000	22.00	440.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5442304	ZOB	2598863	201866	BA.SHRINK WRAP (OR STRCH) - EA	4.000	22.00	88.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5442319	ZOB	2598863	201866	BA.SHRINK WRAP (OR STRCH) - EA	7.000-	22.00	154.00-	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5442333	ZOB	2598863	201866	BA.SHRINK WRAP (OR STRCH) - EA	16.000	22.00	352.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/27/2007	5453665	ZOB	2598863	201866	BA.SHRINK WRAP (OR STRCH) - EA	16.000	22.00	352.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/30/2007	5462405	ZOB	2598863	201866	BA.SHRINK WRAP (OR STRCH) - EA	17.000	22.00	374.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/30/2007	5462413	ZOB	2598863	201866	BA.SHRINK WRAP (OR STRCH) - EA	3.000-	22.00	66.00-	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/31/2007	5464319	ZOB	2598863	201866	BA.SHRINK WRAP (OR STRCH) - EA	20.000	22.00	440.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/02/2007	5470606	ZOB	2598863	201866	BA.SHRINK WRAP (OR STRCH) - EA	22.000	22.00	484.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/11/2007	5489041	ZOB	2598863	201866	BA.SHRINK WRAP (OR STRCH) - EA	16.000	22.00	352.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/19/2007	5504019	ZOB	2598863	201866	BA.SHRINK WRAP (OR STRCH) - EA	8.000	22.00	176.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	01/02/2008	5593085	ZOB	2598863	201866	BA.SHRINK WRAP (OR STRCH) - EA	4.000	22.00	88.00	USD	95136531	01/09/2008	020C
* * * Total * * *							155.000		3,410.00	USD			
DOE CANYON #2 / PATT	11/13/2007	5493733	ZOB	2598863	210100	COUPON CORR. RING 4-1/2in. X-TRA HOLE	2.000	84.00	168.00	USD	95059374	11/30/2007	020C
* * * Total * * *							2.000		168.00	USD			
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	210993	BA.DM TECH SERVICE/LAND/24HR - 1 DAY	34.000	695.00	23,630.00	USD	95059374	11/30/2007	020C
* * * Total * * *							34.000		23,630.00	USD			
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	211406	BA.DM TECHNICAL ENGINEERING SERVICES BOM	34.000	0.00	0.00	USD	95059374	11/30/2007	020C
* * * Total * * *							34.000		0.00	USD			
DOE CANYON #2 / PATT	10/18/2007	5434237	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5440078	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5442304	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5442319	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5442333	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/27/2007	5453665	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/30/2007	5462405	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/30/2007	5462413	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/31/2007	5464319	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/02/2007	5470606	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/11/2007	5489041	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/12/2007	5490435	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/13/2007	5493733	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/19/2007	5504019	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	01/02/2008	5593085	ZOB	2598863	211428	BA.DM LAND SERVICES BOM (1b.)	1.000	0.00	0.00	USD	95136531	01/09/2008	020C
* * * Total * * *							17.000		0.00	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	215628	BA.IMPERMEX - 50 LB BAG	172.000	27.75	4,773.00	USD	95059374	11/30/2007	020C

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Sold To Party: 0000320986 KINDER MORGAN INC HOUSTON TX
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PO#	DocDate	Order#	DTyp	ShipTo	Material	Description	Quantity	NetPrice	NetValue	Curr	Invoice#	Billg.date	Plnt
DOE CANYON #2 / PATT	10/30/2007	5462405	ZOB	2598863	215628	BA.IMPERMEX - 50 LB BAG	100.000	27.75	2,775.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	215628	BA.IMPERMEX - 50 LB BAG	237.000-	27.75	6,576.75-	USD	95059374	11/30/2007	020C
* * * Total * * *							35.000		971.25	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	226431	BA.HYDRO-PLUG - 50 LB BAG	80.000	136.08	10,886.40	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	226431	BA.HYDRO-PLUG - 50 LB BAG	80.000-	136.08	10,886.40-	USD	95059374	11/30/2007	020C
* * * Total * * *							0.000		0.00	USD			
DOE CANYON #2 / PATT	10/22/2007	5440078	ZOB	2598863	342065	BA.BARO-SEAL CLASSIC - 40 LB BAG	228.000	22.61	5,155.08	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/27/2007	5453665	ZOB	2598863	342065	BA.BARO-SEAL CLASSIC - 40 LB BAG	240.000	22.61	5,426.40	USD	95059374	11/30/2007	020C
* * * Total * * *							468.000		10,581.48	USD			
DOE CANYON #2 / PATT	10/18/2007	5434237	ZOB	2598863	389325	BA.FIBER PLUG - 40 LB BAG	240.000	13.68	3,283.20	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/22/2007	5442304	ZOB	2598863	389325	BA.FIBER PLUG - 40 LB BAG	480.000	13.68	6,566.40	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/27/2007	5453665	ZOB	2598863	389325	BA.FIBER PLUG - 40 LB BAG	240.000	13.68	3,283.20	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	389325	BA.FIBER PLUG - 40 LB BAG	85.000-	13.68	1,162.80-	USD	95059374	11/30/2007	020C
* * * Total * * *							875.000		11,970.00	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	404259	BA.ZZZBDF-376 - 275 GAL IBC	2.000	7,177.68	14,355.35	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/12/2007	5490435	ZOB	2598863	404259	BA.ZZZBDF-376 - 275 GAL IBC	2.000	12,450.00	24,900.00	USD	95059374	11/30/2007	020C
* * * Total * * *							4.000		39,255.35	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	440196	BA.NXS-LUBE - 55 GAL DRUM	6.000	1,680.00	10,080.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	440196	BA.NXS-LUBE - 55 GAL DRUM	4.000-	1,680.00	6,720.00-	USD	95059374	11/30/2007	020C
* * * Total * * *							2.000		3,360.00	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	478095	BA.BAROID 41 - 50 LB BAG	600.000	5.67	3,402.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	10/30/2007	5462413	ZOB	2598863	478095	BA.BAROID 41 - 50 LB BAG	525.000-	5.67	2,976.75-	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	478095	BA.BAROID 41 - 50 LB BAG	5.000-	5.67	28.35-	USD	95059374	11/30/2007	020C
* * * Total * * *							70.000		396.90	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	101252558	BA.ALUMINUM TRISTEARATE - 25 LB BAG	9.000	71.82	646.38	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	101252558	BA.ALUMINUM TRISTEARATE - 25 LB BAG	8.000-	71.82	574.56-	USD	95059374	11/30/2007	020C
* * * Total * * *							1.000		71.82	USD			
DOE CANYON #2 / PATT	10/18/2007	5434237	ZOB	2598863	101252666	BA.BARA-DEFOAM 1 - 5 GAL CAN	16.000	135.50	2,168.00	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	101252666	BA.BARA-DEFOAM 1 - 5 GAL CAN	3.000-	135.50	406.50-	USD	95059374	11/30/2007	020C
* * * Total * * *							13.000		1,761.50	USD			
DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	101278096	BA.DIAMOND SEAL - 10 LB CAN	28.000	86.17	2,412.76	USD	95059374	11/30/2007	020C
DOE CANYON #2 / PATT	11/27/2007	5522608	ZOB	2598863	101278096	BA.DIAMOND SEAL - 10 LB CAN	25.000-	86.17	2,154.25-	USD	95059374	11/30/2007	020C
* * * Total * * *							3.000		258.51	USD			

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	DOE CANYON #2 / PATT	10/18/2007	5435324	ZOB	2598863	101278141	BA.BAROLIFT - 7.5 LB CASE	3.000	68.01	204.03	USD	95059374	11/30/2007 020C
* * * Total * * *							3.000		204.03	USD			

* * * Sub Total * * *									233,647.10	USD			
* * * Tax * * *									6,090.51	USD			
* * * GRAND TOTAL * * *									239,737.61	USD			

Conclusions And Recommendations

KINDER MORGAN DOE CANYON WELL #2

Interval I: 12 ¼" Hole 0' - 2825' Fresh Water Drilling Fluid

This interval is comprised of sandstone and shales. The major drilling problem is lost circulation. The losses were controlled with additions of various lost circulation material to sweeps, or by closing in the mud system to keep the lcm and drilled solids circulating through the hole to bridge the loss zones.

Hole cleaning was not a problem. High annular velocities and periodic high viscosity loss circulation material (hi-vis lcm) sweeps ensured a clean well bore, and casing was run without problems.

Interval II: 8 ¾" Hole 2811'- 5645' Fresh Water Drilling Fluid

This interval is comprised of shales and carbonates. The major drilling problem is severe lost circulation. No one remedy cured the lost circulation, but cumulatively the various lcm additions and squeezes did bridge the loss zone(s).

Interval III: 8 ¾" Hole 5645' - 8490' NaCl Brine Drilling Fluid

This interval is comprised of shales, salts, and carbonates. Torque and stuck pipe are a concern. Kinder Morgan has drilling procedures to successfully drill these formations. Potential hydrogen sulfide exists in the Paradox formations.

Lost circulation continues to be a problem. The sodium chloride brine used to drill the salts is heavier than the fresh water used in the previous interval. The heavier fluid creates new loss zones or makes the losses worse into formations already drilled. The various lost circulation remedies together did stabilize the well to TD.

Hole cleaning was not a problem. High annular velocities and periodic hi-vis lcm sweeps clean the well bore, and casing was run without problems. A hi-vis pill was spotted before pulling out of the hole to run casing to prevent fill.

Recommendations:

Lost circulation was the major drilling problem on Doe Canyon #2. Drilling water is expensive to transport, and the brine water has added costs of formulation and treatment in anticipation of H₂S contamination. Lost rig time and the cost of remedial procedures to regain enough circulation to continue drilling made this a serious and costly problem.

BAROID recommends that lost circulation in the 12 ¼" hole be treated with lost circulation material (lcm). A blend of FIBER PLUG and DRILLING PAPER seals the loss zones and allows drilling to continue. Up to 1000 sacks of lcm might be added to sweeps and to the circulating system. Other products that were used on Doe Canyon #2 and were effective as lost circulation material were Cedar Fiber, Saw Dust, and BARASEAL. All provided bridging material to plug the loss zones.

The lost circulation problems in the 8 ¾" hole were more severe than in the previous section of the well. Complete lost returns occurred around 5400' and lcm did not provide enough bridging to regain full circulation. Two FUSE-IT

Conclusions And Recommendations

lcm squeezes did not plug the loss zone. Setting a packer and bull heading cement finally bridged the zone enough to allow drilling to continue, but even then with some losses. The circulating system was periodically 'shut in' to allow lost circulation material and cutting to build up to pack off the loss zones. Finally the loss zones filled up with fluid and material, and the interval was TD'd with steady volume.

BAROID recommends a HYDRO-PLUG lost circulation squeeze if loss of returns can not be regained with 30-40% lcm sweeps. The HYDRO-PLUG squeeze can be formulated at the well site with rig equipment. Following is a product description and formulation procedure for HYDRO-PLUG.

HYDRO-PLUG™ Technical Information

HYDRO-PLUG is self-expanding lost circulation material (LCM) which hydrates with time and temperature.

HYDRO-PLUG is pumped in a un-hydrated or partially hydrated state in a liquid medium. The liquid pill is designed to pass through measurement-while-drilling (MWD) and other downhole tools.

The HYDRO-PLUG lost circulation treatment is compatible with both invert emulsion and water-base fluids. Rig pumps are normally used to place HYDRO-PLUG LCM, no special equipment is required.

MIXING PROCEDURES:

§ Un-weighted

- **DO NOT ADD LIME OR CAUSTIC SODA.**
- Mix 80 pounds per barrel (ppb) of HYDRO-PLUG in fresh water.
- *Pump immediately.*

§ Weighted

- **DO NOT ADD LIME OR CAUSTIC SODA.**
- **Up to 12 ppg only.** Mix 0.50 to 0.75 ppb BARAZAN™ in fresh water.
- Add BAROID to the desired density
- Then add 80 ppb HYDRO-PLUG through the hopper (run a small stream of fresh water while mixing HYDRO-PLUG, as BAROID will adsorb some free water). **Pump immediately.**
- **For 12.0 to 17.0 ppg.** Mix 6 ppb of AQUAGEL™ in fresh water.
- Add BAROID to the desired density
- Add 60 ppb HYDRO-PLUG through the hopper (run a small stream of fresh water while mixing HYDRO-PLUG, as BAROID will absorb some free water). **Pump immediately.**

SPOTTING PROCEDURES:

Pump the pill and clear the pipe. Then apply a gentle squeeze (150-250 psi). HYDRO-PLUG penetrates into fractures and expands to plug the voids.

SETTING TIME:

Temp Time

70-100°F 5-7 hours
 100-150°F 4-6 hours
 150-200°F 3-4 hours
 200-300°F 2-3 hours

CEMENT PLUG/CEMENT SQUEEZE:

If lost returns occurred while drilling the interval (or during a previous cementing attempt), a HYDRO-PLUG pill can be used to help prevent further losses and achieve a successful cement job.

Procedure:

Mix HYDRO-PLUG material as per above mixing instructions, then pump and clear pipe prior to pumping cement. As the cement is pumped, HYDRO-PLUG LCM will penetrate and seal

Conclusions And Recommendations

fractures, thus allowing cement returns to surface.

TECHNICAL INFORMATION:

Packaging 50-lb (22.7 kg) bags

Appearance Dark gray mixture of flakes and granules

Specific gravity 2.0

The potential presence of hydrogen sulfide gas (H₂S) is a safety concern. BARIOD recommends continuing the use of DA320 sulfide scavenger and maintaining an elevated pH of the brine drilling fluid to neutralize H₂S gas.

Interval Summary

Interval #	1	Max Bit Size: 12.250 in	Hole Size Avg/Max	12.250 / 12.250 in
Interval Start Date	10/18/2007	Planned Cost	\$	9,232.00
Interval End Date	10/26/2007	Total Interval Cost	\$	41,427.39
Interval TD Date	10/24/2007	Program Variance	\$	32,195.39
Drilling Days	6.00	Other material charges	\$	396.90
Rotating/Hours	96.50 / 96.50	Total Fluids Cost	\$	31,519.49
Interval Top MD/TVD	ft 0 / 0	Total Charges Cost	\$	9,511.00
Interval End MD/TVD	ft 2,825 / 2,825	Total Cementing Cost	\$	0.00
Footage	ft 2,825	Fluid Cost Per Vol Unit	\$/bbl	3.17
Average ROP	ft/hr 29	Fluid Cost/Hole Drilled	\$/ft	11.16
Max Hole Angle	degrees 0.00	Fluid Cost/Vol Drilled	\$/bbl	76.54
Casing Size	in 9.625	Fluid Built	bbl	2,161.3
Casing Shoe MD	ft 2,811	Total Additions/Vol Drilled	bbl/bbl	24.12
Casing Length	ft 2,811	Total Additions/Hole Drilled	bbl/ft	3.52
Bottom Hole Temp	Deg F 120	Fluid Loss/Vol Drilled	bbl/bbl	5.27
Max Fluid Density	ppg 8.60	Fluid Loss/Hole Drilled	bbl/ft	0.77

Interval Product and Base Fluids Usage and Cost

Product Function / Name	Drilling Fluid	Packaging	Quantity Used	Product Cost
Viscosifier/Suspension Agent				
AQUAGEL GOLD SEAL	Fresh Water	50 lb bag	541.000	3,110.75
ZEOGEL	Fresh Water	50 lb bag	300.000	3,015.00
			Total	\$ 6,125.75
Shale Control				
BARACAT	Fresh Water	5 gal can	9.000	1,018.26
EZ-MUD	Fresh Water	5 gal can	24.000	2,100.00
			Total	\$ 3,118.26
Foaming Agent				
BARAFOAM	Fresh Water	5 gal can	1.000	135.50
			Total	\$ 135.50
Lost Circulation/Bridging Agent				
BARO-SEAL	Fresh Water	40 lb bag	114.000	2,577.54
Cedar Fiber	Fresh Water	40 lb bag	330.000	3,207.60
Drilling Paper	Fresh Water	40 lb bag	150.000	1,935.00
FIBERTEX	Fresh Water	40 lb bag	540.000	7,387.20
WALL-NUT MEDIUM	Fresh Water	50 lb bag	10.000	158.70
sawdust	Fresh Water	20 lb bag	633.000	4,861.44
			Total	\$ 20,127.48
Weighting Material				
BAROID	No Fluid	50 lb bag	70.000	396.90
			Total	\$ 396.90
Alkalinity Control				
caustic soda	Fresh Water	50 lb bag	20.000	533.80
			Total	\$ 533.80
Corrosion Inhibitor				
OXYGON	Fresh Water	6 gal pail	9.000	1,478.70
			Total	\$ 1,478.70

Interval Summary

Interval #	2	Max Bit Size: 8.750 in	Hole Size Avg/Max	8.771 / 8.750 in
Interval Start Date	10/27/2007	Planned Cost	\$	11,652.00
Interval End Date	11/04/2007	Total Interval Cost	\$	107,311.01
Interval TD Date	11/04/2007	Program Variance	\$	95,659.01
Drilling Days	8.00	Other material charges	\$	27.28
Rotating/Hours	99.00 / 97.00	Total Fluids Cost	\$	95,089.73
Interval Top MD/TVD	ft 2,811 / 2,811	Total Charges Cost	\$	12,194.00
Interval End MD/TVD	ft 5,645 / 5,645	Total Cementing Cost	\$	0.00
Footage	ft 2,834	Fluid Cost Per Vol Unit	\$/bbl	10.79
Average ROP	ft/hr 29	Fluid Cost/Hole Drilled	\$/ft	33.55
Max Hole Angle	degrees 0.00	Fluid Cost/Vol Drilled	\$/bbl	449.00
Casing Size	in 9.625	Fluid Built	bbl	1,442.0
Casing Shoe MD	ft 2,811	Total Additions/Vol Drilled	bbl/bbl	41.61
Casing Length	ft 2,811	Total Additions/Hole Drilled	bbl/ft	3.11
Bottom Hole Temp		Fluid Loss/Vol Drilled	bbl/bbl	4.48
Max Fluid Density	ppg 8.60	Fluid Loss/Hole Drilled	bbl/ft	0.33

Interval Product and Base Fluids Usage and Cost

Product Function / Name	Drilling Fluid	Packaging	Quantity Used	Product Cost
Defoamer				
aluminum stearate	Fresh Water	50 lb bag	1.000	71.82
			Total	\$ 71.82
Viscosifier/Suspension Agent				
AQUAGEL GOLD SEAL	Fresh Water	50 lb bag	75.000	431.25
ZEOGEL	Fresh Water	50 lb bag	580.000	5,829.00
			Total	\$ 6,260.25
Shale Control				
BARACAT	Fresh Water	5 gal can	15.000	1,697.10
EZ-MUD	Fresh Water	5 gal can	6.000	525.00
			Total	\$ 2,222.10
Foaming Agent				
BARAFOAM	Fresh Water	5 gal can	5.000	677.50
			Total	\$ 677.50
Lost Circulation/Bridging Agent				
BARO-SEAL	Fresh Water	40 lb bag	354.000	8,003.94
Cedar Fiber	Fresh Water	40 lb bag	333.000	3,236.76
Drilling Paper	Fresh Water	40 lb bag	137.000	1,767.30
FIBERTEX	Fresh Water	40 lb bag	240.000	3,283.20
WALL-NUT MEDIUM	Fresh Water	50 lb bag	74.000	1,174.38
sawdust	Fresh Water	20 lb bag	375.000	2,880.00
HOLEPLUG 3/8	No Fluid	50 lb bag	4.000	27.28
DIAMOND SEAL	Fresh Water	10 lb pail	2.000	172.34
FUSE-IT	Fresh Water	1 each drum	4.000	39,255.36
			Total	\$ 59,800.56
Alkalinity Control				
caustic soda	Fresh Water	50 lb bag	11.000	293.59
soda ash	Fresh Water	50 lb sack	17.000	169.32

Interval Summary

			Total	\$ 462.91
Corrosion Inhibitor				
OXYGON	Fresh Water	6 gal pail	4.000	657.20
DA320	Fresh Water	55 gal drum	19.000	24,964.67
			Total	\$ 25,621.87

Interval Summary

Interval #	3	Max Bit Size: 8.750 in	Hole Size Avg/Max	8.750 / 8.750 in
Interval Start Date	11/05/2007	Planned Cost	\$	110,365.00
Interval End Date	11/19/2007	Total Interval Cost	\$	90,998.95
Interval TD Date	11/19/2007	Program Variance	\$	-19,366.05
Drilling Days	6.00	Other material charges	\$	2,327.31
Rotating/Hours	94.00 / 87.50	Total Fluids Cost	\$	74,106.90
Interval Top MD/TVD	ft 5,645 / 5,645	Total Charges Cost	\$	14,564.74
Interval End MD/TVD	ft 8,490 / 8,490	Total Cementing Cost	\$	0.00
Footage	ft 2,845	Fluid Cost Per Vol Unit	\$/bbl	13.42
Average ROP	ft/hr 33	Fluid Cost/Hole Drilled	\$/ft	26.05
Max Hole Angle	degrees 0.00	Fluid Cost/Vol Drilled	\$/bbl	350.22
Casing Size	in 9.625	Fluid Built	bbl	1,079.2
Casing Shoe MD	ft 2,811	Total Additions/Vol Drilled	bbl/bbl	26.10
Casing Length	ft 2,811	Total Additions/Hole Drilled	bbl/ft	1.94
Bottom Hole Temp		Fluid Loss/Vol Drilled	bbl/bbl	0.02
Max Fluid Density	ppg 10.00	Fluid Loss/Hole Drilled	bbl/ft	0.00

Interval Product and Base Fluids Usage and Cost

Product Function / Name	Drilling Fluid	Packaging	Quantity Used	Product Cost
Viscosifier/Suspension Agent				
AQUAGEL GOLD SEAL	Sodium Chloride	50 lb bag	342.000	1,966.50
BARAZAN D	Sodium Chloride	25 lb bag	5.000	1,101.00
BAROLIFT	No Fluid	7.5 lb box	3.000	204.03
ZEOGEL	Sodium Chloride	50 lb bag	813.000	8,170.65
			Total	\$ 11,442.18
Corrosion Inhibitor				
BARACOR 700	Sodium Chloride	55 gal drum	4.000	5,143.00
OXYGON	Sodium Chloride	6 gal pail	8.000	1,314.40
DA320	Sodium Chloride	55 gal drum	25.000	32,848.25
			Total	\$ 39,305.65
Foaming Agent				
BARAFOAM	Sodium Chloride	5 gal can	7.000	948.50
			Total	\$ 948.50
Alkalinity Control				
caustic soda	Sodium Chloride	50 lb bag	249.000	6,645.81
lime	No Fluid	50 lb bag	200.000	1,500.00
			Total	\$ 8,145.81
Lost Circulation/Bridging Agent				
Cedar Fiber	Sodium Chloride	40 lb bag	327.000	3,178.44
FIBERTEX	Sodium Chloride	40 lb bag	95.000	1,299.60
WALL-NUT MEDIUM	Sodium Chloride	50 lb bag	12.000	190.44
sawdust	Sodium Chloride	20 lb bag	422.000	3,240.96
DIAMOND SEAL	Sodium Chloride	10 lb pail	1.000	86.17
			Total	\$ 7,995.61
Shale Control				
EZ-MUD	Sodium Chloride	5 gal can	3.000	262.50
			Total	\$ 262.50

Interval Summary

Filtration Control				
FILTER-CHEK	Sodium Chloride	50 lb bag	19.000	1,326.20
IMPERMEX	Sodium Chloride	50 lb bag	35.000	971.25
			Total	\$ 2,297.45
ROP Enhancer				
LIQUI-DRIL	Sodium Chloride	5 gal can	9.000	806.67
			Total	\$ 806.67
Lubricant				
NXS-LUBE	Sodium Chloride	55 gal drum	2.000	3,360.00
			Total	\$ 3,360.00
Other				
Drillers Rock Salt	No Fluid	50 lb bag	98.000	623.28
Drillers Rock Salt	Sodium Chloride	50 lb bag	196.000	1,246.56
			Total	\$ 1,869.84

Interval Discussion

Interval	01	From Date	10/18/2007	Top of Interval	ft
Max. Hole Size / Bit Size	12.250 / 12.250 in	To Date	10/26/2007	Bottom of Interval	2,825 ft

KINDER MORGAN DOE CANYON WELL #2

Interval I: 12 ½" Hole 0' - 2825'	Drilling Days	6
<u>Fresh Water Drilling Fluid</u>	Mud Cost/ft	\$ 11.16

Doe Canyon #2 was spudded on 10/18/2007. A fresh water drilling fluid was used to maintain low mud weight and to maximize penetration rates. BARACAT flocculent was added at the flowline to aid in settling drilled solids in the reserve pits. A combination of AQUAGEL Wyoming bentonite and EZ MUD were used to viscosify sweeps, and DRILLING PAPER and FIBER PLUG loss circulation materials were also added to increase hole cleaning (hi-vis lcm sweeps). At the start of the interval the sweeps were used every 90' of new hole drilled.

At 1050' the hole started to take drilling fluid and the frequency of the lcm sweeps were increased to every connection. At 1442' complete lost circulation occurred. Circulation was regained with lcm, and a mix of loss circulation materials was added to sweeps and to the circulating system from this depth to the end of the interval. Many different lcm materials and mixing techniques were used to control the losses. At times the mud system was circulated through the rig mud tanks and the lcm content increased to between 10 and 20% by volume of the mud. This allowed the lcm to stay in the system to plug the loss zones.

Approximately 1500 sacks of lost circulation materials were mixed while drilling the 12 ¼" hole. The lcm stopped or moderated the losses so the interval could be TD'd at 2825'. 9 5/8" casing was run to 2811' and cemented with cement returns to the surface.

MATERIAL USED

PURPOSE

BARACAT	flowline flocculent
OXYGON	oxygen scavenger, corrosion inhibitor
ZEOGEL	viscosifier
EZ-MUD	viscosifier
AQUAGEL GS	viscosifier
BARIOD	weight material (used to build dam in flowline)
Caustic Soda	pH control
DRILLING PAPER	loss circulation material
Cedar Fiber	loss circulation material
Sawdust	loss circulation material
FIBER PLUG	loss circulation material
Wall Nut	loss circulation material
BARASEAL	loss circulation material
Soda Ash	hardness reducer
BARAFOAM	defoamer

Interval Discussion

Interval	02		From Date	10/27/2007	Top of Interval	2,811	ft
Max. Hole Size / Bit Size	8.750 / 8.750	in	To Date	11/4/2007	Bottom of Interval	5,645	ft

KINDER MORGAN DOE CANYON WELL #2

Interval II: 8 ¾" Hole 2811' - 5645'

Fresh Water Drilling Fluid

Drilling Days

9

Mud Cost/ft

\$33.55

Drilling continued with an 8 ¾" hole using the same fresh water drilling fluid as in the 12 ¼" hole. Hi-vis lcm sweeps were used every 90' of new hole drilled, or as needed. As in the previous interval, partial loss of returns occurred. Hundreds of sacks of various loss circulation materials were mixed. All helped reduce the rate of loss but drilling continued without full returns.

At 5557' the rate of fluid loss was too high to displace the hole to the heavier sodium chloride brine. Two FUSE-IT lcm squeezes were run. These held some pressure but did not plug the loss zones. A packer was then set inside the casing and cement was bullheaded into the loss zones. After the cement job the hole was displaced to 10 ppg NaCl brine to drill the Paradox salt/shale intervals.

MATERIAL USED

PURPOSE

BARACAT	flowline flocculent
OXYGON	oxygen scavenger, corrosion inhibitor
EZ-MUD	viscosifier
AQUAGEL GS	viscosifier
ZEOGEL	viscosifier
Caustic Soda	pH control
DRILLING PAPER	loss circulation material
Cedar Fiber	loss circulation material
Sawdust	loss circulation material
FIBER PLUG	loss circulation material
Walnut	loss circulation material
FUSE-IT	loss circulation squeeze
BAROSEAL	loss circulation material
DIAMOND SEAL	loss circulation material
LIQUIDRIL	torque reducer
Aluminum Sterate	defoamer
BARAFOAM	defoamer
Soda Ash	water conditioner

Interval Discussion

Interval	03		From Date	11/5/2007	Top of Interval	5,645	ft
Max. Hole Size / Bit Size	8.750 / 8.750	in	To Date	11/19/2007	Bottom of Interval	8,490	ft

KINDER MORGAN D OE CANYON WELL #2

Interval III: 8 ¾" Hole 5645-8490'	Drilling Days	6
Saturate Sodium Chloride Brine Drilling Fluid	Mud Cost/ft	\$26.05

At 5645' the 8 ¾" hole was displaced to 10 ppg sodium chloride (NaCl) brine. The brine had been pretreated with 2 ppb DA 320 sulfide scavenger. After displacement the brine was treated with caustic soda to increase the pH of the fluid, and the pH was maintained 11+ to TD. While drilling the DA 320 scavenger was constantly being mixed into the suction pit, and another drum of scavenger was standing by. 6 - 8 drums of DA 320 were mixed per day to maintain safety from potential H2S contamination.

Hi-vis loss circulation material (lcm) sweeps were pumped often, sometimes every 30 minutes, to keep bridging material constantly across the loss zones. Again, a lot of lcm was used. Ultimately the loss zones filled up and the interval was completed with steady volume while drilling. The BARIOD mud engineer was released prior TDing 8 ¾" interval.

MATERIAL USED

PURPOSE

DA 320	sulfide scavenger, H2S inhibitor
OXYGON	oxygen scavenger, corrosion inhibitor
BARACORR 700	oxygen scavenger, corrosion inhibitor
ZEOGEL	viscosifier
Caustic Soda	pH control
DRILLING PAPER	loss circulation material
Cedar Fiber	loss circulation material
Sawdust	loss circulation material
FIBER PLUG	loss circulation material
Walnut	loss circulation material
BAROSEAL	loss circulation material
DIAMOND SEAL	loss circulation material
LIQUIDRIL	torque reducer
NSX LUBE	torque reducer
Aluminum Sterate	defoamer
BARAFOAM	defoamer
Soda Ash	hardness reducer
IMPERMEX	fluid loss reducer
FILTER CHECK	fluid loss reducer

The BAROID drilling fluids representative was released from the well before running 7" casing and drilling the 6" pilot hole. The costs for interval III include materials used drilling the 6" hole.

Interval Cost Breakdown

Interval # 01	From Date	10/18/2007	Top of Interval	0 ft
Max. Hole Size / Bit Size 12.250 / 12.250 in	To Date	10/26/2007	Bottom of Interval	2,825 ft

Material	Unit Size	Quantity	Total Cost
Engineering/Services			
Engineer 24 hour service	day(s)	9.00	6255.00
SubTotal			\$ 6,255.00

Transport/Packaging Cost			
Pallets	each	74.00	1628.00
Shrink wrap	each	74.00	1628.00
SubTotal			\$ 3,256.00

Fluids/Products: Drilling Cost			
AQUAGEL GOLD SEAL	50 lb bag	541.00	3110.75
BARACAT	5 gal can	9.00	1018.26
BARAFOAM	5 gal can	1.00	135.50
BAROID	50 lb bag	70.00	396.90
BARO-SEAL	40 lb bag	114.00	2577.54
caustic soda	50 lb bag	20.00	533.80
Cedar Fiber	40 lb bag	330.00	3207.60
Drilling Paper	40 lb bag	150.00	1935.00
EZ-MUD	5 gal can	24.00	2100.00
FIBERTEX	40 lb bag	540.00	7387.20
OXYGON	6 gal pail	9.00	1478.70
sawdust	20 lb bag	633.00	4861.44
WALL-NUT MEDIUM	50 lb bag	10.00	158.70
ZEOGEL	50 lb bag	300.00	3015.00
SubTotal			\$ 31,916.39
Interval Total Cost			\$ 41,427.39

Charged To/From Other Interval	\$	
Net Description Total Cost	\$	41,427.39
Programmed Cost	\$	9,232.00
Program Variance	\$	32,195.39

Interval Cost Breakdown

Interval # 02	From Date	10/27/2007	Top of Interval	2,811 ft
Max. Hole Size / Bit Size 8.750 / 8.750 in	To Date	11/04/2007	Bottom of Interval	5,645 ft

Material	Unit Size	Quantity	Total Cost
Engineering/Services			
Engineer 24 hour service	day(s)	14.00	9730.00
SubTotal			\$ 9,730.00

Transport/Packaging Cost			
Pallets	each	53.00	1166.00
Shrink wrap	each	59.00	1298.00
SubTotal			\$ 2,464.00

Fluids/Products: Drilling Cost			
aluminum stearate	50 lb bag	1.00	71.82
AQUAGEL GOLD SEAL	50 lb bag	75.00	431.25
BARACAT	5 gal can	15.00	1697.10
BARAFOAM	5 gal can	5.00	677.50
BARO-SEAL	40 lb bag	354.00	8003.94
caustic soda	50 lb bag	11.00	293.59
Cedar Fiber	40 lb bag	333.00	3236.76
DA320	55 gal drum	19.00	24964.67
DIAMOND SEAL	10 lb pail	2.00	172.34
Drilling Paper	40 lb bag	137.00	1767.30
EZ-MUD	5 gal can	6.00	525.00
FIBERTEX	40 lb bag	240.00	3283.20
FUSE-IT	1 each drum	4.00	39255.36
HOLEPLUG 3/8	50 lb bag	4.00	27.28
OXYGON	6 gal pail	4.00	657.20
sawdust	20 lb bag	375.00	2880.00
soda ash	50 lb sack	17.00	169.32
WALL-NUT MEDIUM	50 lb bag	74.00	1174.38
ZEOGEL	50 lb bag	580.00	5829.00

SubTotal	\$ 95,117.01
Interval Total Cost	\$ 107,311.01

Charged To/From Other Interval	\$	
Net Description Total Cost	\$	107,311.01
Programmed Cost	\$	11,652.00
Program Variance	\$	95,659.01

Baroid Fluid Services

Well Name	Doe Canyon #2
Operator	Kinder Morgan Energy
Contractor	Patterson Drilling
Rig No	Patterson 17
Unit System	API pre-defined system

Interval Cost Breakdown

Interval # 03	From Date	11/05/2007	Top of Interval	5,645 ft
Max. Hole Size / Bit Size 8.750 / 8.750 in	To Date	11/19/2007	Bottom of Interval	8,490 ft

Material	Unit Size	Quantity	Total Cost
Engineering/Services			
Engineer 24 hour service	day(s)	11.00	7645.00
SubTotal			\$ 7,645.00
Equipment Cost			
Coupon Corr. Ring- 4 1/2 in.	each	2.00	168.00
DR Pipe Wiper 7-in.	each	4.00	310.88
SubTotal			\$ 478.88
Fluid/Product: Lost Damage			
BAROLIFT	7.5 lb box	3.00	204.03
SubTotal			\$ 204.03
Transport/Packaging Cost			
Pallets	each	19.00	418.00
Shrink wrap	each	22.00	484.00
SubTotal			\$ 902.00
Fluids/Products: Drilling Cost			
AQUAGEL GOLD SEAL	50 lb bag	342.00	1966.50
BARACOR 700	55 gal drum	4.00	5143.00
BARAFOAM	5 gal can	7.00	948.50
BARAZAN D	25 lb bag	5.00	1101.00
BAROFIBRE Credit	each	17.00	-551.65
caustic soda	50 lb bag	249.00	6645.81
Cedar Fiber	40 lb bag	327.00	3178.44
DA320	55 gal drum	25.00	32848.25
DIAMOND SEAL	10 lb pail	1.00	86.17
Drillers Rock Salt	50 lb bag	294.00	1869.84
EZ-MUD	5 gal can	3.00	262.50
FIBERTEX	40 lb bag	95.00	1299.60
FILTER-CHEK	50 lb bag	19.00	1326.20
IMPERMEX	50 lb bag	35.00	971.25
lime	50 lb bag	200.00	1500.00
LIQUI-DRIL	5 gal can	9.00	806.67
NXS-LUBE	55 gal drum	2.00	3360.00
OXYGON	6 gal pail	8.00	1314.40
sawdust	20 lb bag	422.00	3240.96
Tax :Total	each	1.00	6090.51
WALL-NUT MEDIUM	50 lb bag	12.00	190.44
ZEOGEL	50 lb bag	813.00	8170.65
SubTotal			\$ 81,769.04

United States
Dolores

McElmo Dome
Colorado

Baroid Fluid Services
Sec18 T40NR17W
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Well Name Doe Canyon #2
Operator Kinder Morgan Energy
Contractor Patterson Drilling
Rig No Patterson 17
Unit System API pre-defined system

Interval Cost Breakdown

	Interval Total Cost	\$	90,998.95
Charged To/From Other Interval		\$	
Net Description Total Cost		\$	90,998.95
Programmed Cost		\$	110,365.00
Program Variance		\$	-19,366.05

Interval Inventory Report

Interval # 01		From Date 10/18/2007		Top of Interval		0 ft	
Max. Hole Size / Bit Size 12.250 / 12.250 in		To Date 10/26/2007		Bottom of Interval		2,825 ft	
Product Name	Units	Starting	Received	Used	Returned	Ending	Weight lb
.ALDACIDE G	5 gal pail		32.0			32.0	
aluminum stearate	50 lb bag		9.0			9.0	450.00
AQUAGEL GOLD SEAL	50 lb bag		1,000.0	541.0		459.0	22,950.00
BARACAT	5 gal can		41.0	9.0		32.0	1,378.44
BARACOR 700	55 gal drum		5.0			5.0	2,637.52
BARAFOAM	5 gal can		16.0	1.0		15.0	656.77
BARAZAN D	25 lb bag		35.0			35.0	875.00
BAROID	50 lb bag		600.0	70.0		530.0	26,500.00
BAROLIFT	7.5 lb box		3.0			3.0	22.50
BARO-SEAL	40 lb bag		228.0	114.0		114.0	4,560.00
caustic soda	50 lb bag		260.0	20.0		240.0	12,000.00
Cedar Fiber	40 lb bag		570.0	330.0		240.0	9,600.00
DA320	55 gal drum		22.0			22.0	11,806.94
DIAMOND SEAL	10 lb pail		28.0			28.0	280.00
Drillers Rock Salt	50 lb bag		196.0			196.0	9,800.00
Drilling Paper	40 lb bag		370.0	150.0		220.0	8,800.00
EZ SPOT	55 gal drum		4.0			4.0	4,220.04
EZ-MUD	5 gal can		64.0	24.0		40.0	1,751.40
FIBERTEX	40 lb bag		720.0	540.0		180.0	7,200.00
FILTER-CHEK	50 lb bag		31.0			31.0	1,550.00
FUSE-IT	1 each drum		2.0			2.0	
HOLEPLUG 3/8	50 lb bag		96.0			96.0	4,800.00
HYDRO-PLUG	50 lb bag		80.0			80.0	4,000.00
IMPERMEX	50 lb bag		172.0			172.0	8,600.00
lime	50 lb bag		100.0		100.0		
LIQUI-DRIL	5 gal can		32.0			32.0	1,334.40
NXS-LUBE	55 gal drum		6.0			6.0	2,724.68
OXYGON	6 gal pail		23.0	9.0		14.0	840.67
sawdust	20 lb bag		783.0	633.0		150.0	3,000.00
soda ash	50 lb sack		17.0			17.0	850.00
WALL-NUT MEDIUM	50 lb bag		160.0	10.0		150.0	7,500.00
ZEOGEL	50 lb bag		900.0	300.0		600.0	30,000.00
Total Weight of Products in Stock lb							190,688.36
Total Weight of Products in Stock, Metric Tons							86.49

Interval Inventory Report

Interval # 02		From Date 10/27/2007		Top of Interval		2,811 ft	
Max. Hole Size / Bit Size 12.250 / 12.250 in		To Date 11/04/2007		Bottom of Interval		5,645 ft	
Product Name	Units	Starting	Received	Used	Returned	Ending	Weight lb
.ALDACIDE G	5 gal pail	32.0				32.0	
aluminum stearate	50 lb bag	9.0		1.0		8.0	400.00
AQUAGEL GOLD SEAL	50 lb bag	459.0		75.0		384.0	19,200.00
BARACAT	5 gal can	32.0		15.0		17.0	732.29
BARACOR 700	55 gal drum	5.0				5.0	2,637.52
BARAFOAM	5 gal can	15.0		5.0		10.0	437.85
BARAZAN D	25 lb bag	35.0				35.0	875.00
BAROID	50 lb bag	530.0				530.0	26,500.00
BAROLIFT	7.5 lb box	3.0				3.0	22.50
BARO-SEAL	40 lb bag	114.0	240.0	354.0			
caustic soda	50 lb bag	240.0	120.0	11.0		349.0	17,450.00
Cedar Fiber	40 lb bag	240.0	840.0	333.0		747.0	29,880.00
DA320	55 gal drum	22.0	48.0	19.0		51.0	27,370.63
DIAMOND SEAL	10 lb pail	28.0		2.0		26.0	260.00
Drillers Rock Salt	50 lb bag	196.0				196.0	9,800.00
Drilling Paper	40 lb bag	220.0		137.0		83.0	3,320.00
EZ SPOT	55 gal drum	4.0				4.0	4,220.04
EZ-MUD	5 gal can	40.0		6.0		34.0	1,488.69
FIBERTEX	40 lb bag	180.0	240.0	240.0		180.0	7,200.00
FILTER-CHEK	50 lb bag	31.0	100.0			131.0	6,550.00
FUSE-IT	1 each drum	2.0	2.0	4.0			
HOLEPLUG 3/8	50 lb bag	96.0		4.0		92.0	4,600.00
HYDRO-PLUG	50 lb bag	80.0				80.0	4,000.00
IMPERMEX	50 lb bag	172.0	100.0			272.0	13,600.00
lime	50 lb bag						
LIQUI-DRIL	5 gal can	32.0				32.0	1,334.40
NXS-LUBE	55 gal drum	6.0				6.0	2,724.68
OXYGON	6 gal pail	14.0	24.0	4.0		34.0	2,041.63
sawdust	20 lb bag	150.0	600.0	375.0		375.0	7,500.00
soda ash	50 lb sack	17.0		17.0			
WALL-NUT MEDIUM	50 lb bag	150.0	192.0	74.0		268.0	13,400.00
ZEOGEL	50 lb bag	600.0	800.0	580.0		820.0	41,000.00
Total Weight of Products in Stock lb							248,545.24
Total Weight of Products in Stock, Metric Tons							112.74

Interval Inventory Report

Interval # 03		From Date 11/05/2007		Top of Interval		5,645 ft	
Max. Hole Size / Bit Size 8.750 / 8.750 in		To Date 11/19/2007		Bottom of Interval		8,490 ft	
Product Name	Units	Starting	Received	Used	Returned	Ending	Weight lb
.ALDACIDE G	5 gal pail	32.0			32.0		
aluminum stearate	50 lb bag	8.0			8.0		
AQUAGEL GOLD SEAL	50 lb bag	384.0	278.0	342.0	320.0		
BARACAT	5 gal can	17.0			17.0		
BARACOR 700	55 gal drum	5.0	4.0	4.0	5.0		
BARAFOAM	5 gal can	10.0		7.0	3.0		
BARAZAN D	25 lb bag	35.0		5.0	30.0		
BAROID	50 lb bag	530.0			530.0		
BAROLIFT	7.5 lb box	3.0		3.0			
BARO-SEAL	40 lb bag						
caustic soda	50 lb bag	349.0		249.0	100.0		
Cedar Fiber	40 lb bag	747.0		327.0	420.0		
DA320	55 gal drum	51.0		25.0		26.0	13,953.65
DIAMOND SEAL	10 lb pail	26.0		1.0	25.0		
Drillers Rock Salt	50 lb bag	196.0	98.0	294.0			
Drilling Paper	40 lb bag	83.0			83.0		
EZ SPOT	55 gal drum	4.0				4.0	4,220.04
EZ-MUD	5 gal can	34.0		3.0	31.0		
FIBERTEX	40 lb bag	180.0		95.0	85.0		
FILTER-CHEK	50 lb bag	131.0		19.0	112.0		
FUSE-IT	1 each drum						
HOLEPLUG 3/8	50 lb bag	92.0			92.0		
HYDRO-PLUG	50 lb bag	80.0				80.0	4,000.00
IMPERMEX	50 lb bag	272.0		35.0	237.0		
lime	50 lb bag		200.0	200.0			
LIQUI-DRIL	5 gal can	32.0		9.0	23.0		
NXS-LUBE	55 gal drum	6.0		2.0	4.0		
OXYGON	6 gal pail	34.0		8.0	26.0		
sawdust	20 lb bag	375.0	218.0	422.0	171.0		
soda ash	50 lb sack						
WALL-NUT MEDIUM	50 lb bag	268.0		12.0	256.0		
ZEOGEL	50 lb bag	820.0	600.0	813.0	607.0		
Total Weight of Products in Stock lb							22,173.69
Total Weight of Products in Stock, Metric Tons							10.06

Fluid Property Recap : Water-Based Fluid

Date	Depth	FL Temp	Density	Funn Visc	Rheology 80 Deg F				Filtration					Filtrate Analysis						MBT	Sand	Retort Analysis				Rheometer Dial Readings									
					PV	lbs/100 ft2				API	HTHP	Cake API	Cake HTHP	Temp	pH	Pm	Pf	Mf	Cl			Total Hardness	ppb Eq.	% by vol	% by vol				600	300	200	100	6	3	
						YP	10S	10M	30M																Corr Solid	LGS	NAP Base	Water							
ft	Deg F	ppg	sec/qt	cP					ml/30 min	ml/30 min		32nd in	Deg F							ml	ml				ml	mg/l	mg/l								
Interval # 01										From Date				10/18/2007						Top of Interval				0						ft					
Max. Hole Size / Bit Size				12.250 / 12.250 in				To Date				10/26/2007						Bottom of Interval				2,825						ft							
10/19/2007	369	70	8.40	27											9.00		0.20		7,000	200			0.17	0.305		99.3									
10/20/2007	1,310		8.40	27	1										9.20	0.20	0.20		8,500	200			0.2	0.481		99.2	2.0	1.0							
10/21/2007	1,726	70	8.60	30	3	2	1	1							9.50	0.40	0.25	0.40	8,000	120			1.43	1.401		98	8.0	5.0							
10/22/2007	2,169	75	8.50	28	1		1	1							9.00	0.25	0.10	0.25	7,000	160			0.77	0.76		98.7	2.0	1.0							
10/23/2007	2,694		8.60	28	2			1							9.00	0.30	0.15	0.25	7,000	160			1.58	1.617		97.9	4.0	2.0							
10/24/2007	2,825		8.60	28	1	1	1	1							9.00	0.30	0.10	0.20	8,000	160			1.43	1.401		98	3.0	2.0							
10/25/2007	2,811		8.40	27	1										9.00	0.10	0.10		8,000	160			-0.08	-0.11		99.5	2.0	1.0							
10/26/2007	2,825		8.40	27	1	2	1	2							8.80	0.10	0.08	0.90	7,500	680		0.01	0.05	0.097		99.4	4.0	3.0							
Interval # 02										From Date				10/27/2007						Top of Interval				2,811						ft					
Max. Hole Size / Bit Size				8.750 / 8.750 in				To Date				11/04/2007						Bottom of Interval				5,645						ft							
10/27/2007	3,067	60	8.40	27	2		1	2							9.40	0.16	0.15	0.78	8,000	720		0.01	0.12	0.289		99.3	4.0	2.0							
10/28/2007	3,737	68	8.40	27	1	2	1	2							8.90	0.08	0.08	0.62	7,000	360		0.01	0.07	0.105		99.4	4.0	3.0							
10/29/2007	4,658	70	8.40	27	1	2	1	2							8.30	0.16	0.02	0.78	7,500	240		0.01	0.05	0.097		99.4	4.0	3.0							
10/30/2007	5,088		8.40	27	1	2	1	2							8.40		0.02	0.82	7,500	560		0.01	0.05	0.097		99.4	4.0	3.0							
10/31/2007	5,409		8.40	28	1	2	1	2							9.00	0.02	0.10	0.87	8,000	240		0.01	0.12	0.289		99.3	4.0	3.0							
11/01/2007	5,497		8.60	30	3	2	4	5							8.60	0.26	0.04	0.85	9,500	640		0.30	1.36	1.374		98	8.0	5.0							
11/02/2007	5,557		8.40	27	1	2	1	2							8.30		0.07	0.80	9,500	720		0.01	-0.15	-0.14		99.5	4.0	3.0							
11/03/2007	5,557		8.40	27	1	2	1	2							8.60	0.15	0.08	0.90	9,500	360		0.01	-0.15	-0.14		99.5	4.0	3.0							
11/04/2007	5,645		8.40	28	1	2	1	2							12.00	1.08	1.00	1.35	8,000	440		0.01	0.12	0.289		99.3	4.0	3.0							
Interval # 03										From Date				11/05/2007						Top of Interval				5,645						ft					
Max. Hole Size / Bit Size				8.750 / 8.750 in				To Date				11/19/2007						Bottom of Interval				8,490						ft							
11/05/2007	6,345	68	10.00	28	1	1									11.80	0.40	0.20	0.27	188,000	1,200		0.01	0.16	0.158		88.5	3.0	2.0							
11/06/2007	6,926	72	10.00	28	1	1									11.00	1.80	0.12	0.18	188,000	1,600		0.01	0.16	0.158		88.5	3.0	2.0							
11/07/2007	7,800	80	10.00	28	1	1									11.50	0.51	0.34	0.67	188,000	2,000		0.01	0.16	0.158		88.5	3.0	2.0							
11/08/2007	8,221		10.00	28	1	1									10.90	0.40	0.31	0.65	188,000	8,000		0.01	0.16	0.158		88.5	3.0	2.0							

United States
Dolores

McElmo Dome
Colorado

Baroid Fluid Services
Sec18 T40NR17W
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Fluid Property Recap : Water-Based Fluid

Date	Depth	FL Temp	Density	Funn Visc	Rheology 80 Deg F					Filtration					Filtrate Analysis						MBT	Sand	Retort Analysis				Rheometer Dial Readings						
					PV	lbs/100 ft2				API	HTHP	Cake API	Cake HTHP	Temp	pH	Pm	Pf	Mf	Cl	Total Hardness			% by vol	% by vol				600	300	200	100	6	3
						YP	10S	10M	30M															Corr Solid	LGS	NAP Base	Water						
												32nd in																					
11/09/2007	8,230	80	10.00	28	1	1									9.20	0.10	0.90	0.46	188,000	16,000		0.01	0.16	0.158		88.5	3.0	2.0					
11/19/2007	8,324	80	10.00	28	1	1									11.00	0.50	0.33	0.67	188,000	18,000		0.01	0.16	0.158		88.5	3.0	2.0					

Operations Log Recap

Interval	01		From Date	001	Top of Interval	ft
Max. Hole Size / Bit Size	12.250 / 12.250	in	To Date	009	Bottom of Interval	2,825 ft
For Report	# 001	On	10/18/2007	Operation at Depth	ft	
Rig Activity			Rigging up. Fresh water has some salt contamination - chlorides 6000 mg/l.			
Activity			Rig up and rig down			
For Report	# 002	On	10/19/2007	Operation at Depth	369 ft	
Rig Activity			Block return ditch to brine section with Barite sacks Drill to 369' and pump hi-vis lcm sweep every 3 connections. Survey.			
Activity			Drilling			
Fluid Treatment			SWEEP 75 bbls water 1/2 sx soda ash 25 sxs Aqual Gel 5 sxs Drilling Paper 5 sxs Fiber 1 drm EZ-Mud just before pumping 1 drm Baracat/4 hrs into flowline 1 drm Oxygon/6 hrs into suction 4 sxs caustic soda/tour Add a vis cup of EZ-Mud into drill pipe on connections			
For Report	# 003	On	10/20/2007	Operation at Depth	1,310 ft	
Rig Activity			Hole taking fluid @ +/-1050'. Increase lcm sweeps to 30 bbls/connection and add lcm to suction pit. Adding EZ-Mud down drill pipe on connections for hole cleaning.			
Activity			Drilling			
Fluid Treatment			SWEEP 80 water 1/2 sx soda ash 25 Aqua Gel 5 sxs Drilling Paper 5 sxs Fiber 1 drm EZ-Mud just before pumping sweep pump 30 bbls/connection Tour Treatment 4 drms Baracat - over shaker tank 2 drms Oxygon - suction 2 caustic soda - suction 10 sxs lcm/ hr - suction EZ-Mud in drill pipe on connections.			

Operations Log Recap

Interval	01		From Date	001	Top of Interval	ft
Max. Hole Size / Bit Size	12.250 / 12.250	in	To Date	009	Bottom of Interval	2,825 ft
For Report	# 004	On	10/21/2007	Operation at Depth	1,726 ft	
Rig Activity		Drill to 1442' with some losses and then full lost circulation. Pull up and mix 80 bbl 30% lcm sweep. Displace into hole and get back returns. Circulate and pump 4 more 30% lcm sweeps, full returns, back to drilling. Run closed system to let hole heal and then run returns back thru reserve pits.				
		Drill to 1570' and lose circulation. Mixing lcm sweeps and close mud system to maintain lcm in mud going downhole. Get circulation back and drill to 1726'.				
Activity		Drilling				
Fluid Treatment		Sweep 75 bbls water 30 sxs AquaGel 5 sxs Drilling Paper 5xs Fiber Plug sweep hole as needed				
		Tour Treatment 2 caustic soda 2 oxygen				
For Report	# 005	On	10/22/2007	Operation at Depth	2,169 ft	
Rig Activity		Drilling with closed system. Mud weight increasing so adding water to maintain weight. Hole taking some mud with increased pump output. Increase lcm content in mud system to 10%. Volume steady. Slowly return mud thru reserve pits. Volume steady. Pump lcm sweep every 1/2 hr.				
Activity		Drilling				
Fluid Treatment		SWEEPS 75 bbls water 30 AqualGel 20 sxs lcm pump 30 bbl sweep/1/2 hr.				
		Tour Treatment 2 drms Oxygen 2 sxs caustic soda				
For Report	# 006	On	10/23/2007	Operation at Depth	2,694 ft	
Rig Activity		Drill to 2161' and lose returns. Mix 80 bbls 30% lcm sweep and circulate into hole. Get returns back. Drilling and mixing lcm sweeps. Pump 30 bbl lcm sweep every 30 min. Returns to reserve pits. Drill to 2256' and lose returns. Shut in mud system and mix 30% lcm sweeps, and add lcm into suction. Bringing lcm content up to 10%. Drill to 2694'.				
Activity		Drilling				
For Report	# 007	On	10/24/2007	Operation at Depth	2,825 ft	
Rig Activity		Drill to 2825', pump sweep and circulate out. Pump 30 bbl lcm pill and spot on bottom. Short trip. Pump sweep and survey, pump sweep and circulate out and POH to run casing.				
Activity		Run casing and cement				

Operations Log Recap

Interval	01		From Date	001	Top of Interval	ft
Max. Hole Size / Bit Size	12.250 / 12.250	in	To Date	009	Bottom of Interval	2,825 ft
For Report	# 008	On	10/25/2007	Operation at Depth	2,825 ft	
Rig Activity	Finish cementing 9 5/8 casing. Dump and clean all mud pits. Working on BOPs.					
Activity	Nipple up B.O.P.					
For Report	# 009	On	10/26/2007	Operation at Depth	2,825 ft	
Rig Activity	Nipple up BOP Waiting on parts Test BOP					
Activity	Nipple up B.O.P.					
Fluid Treatment	Once drilling starts: SWEEP:60'-90' or sooner if needed 75 bbls water 1 sx soda ash 25 sxs ZeoGel 5 sxs Drilling Paper 5 sxs Fiber 1 can EZ-Mud just before pumping 1 can Baracat every 4 hrs into flowline					

Operations Log Recap

Interval	02	From Date	010	Top of Interval	2,811 ft
Max. Hole Size / Bit Size	8.750 / 8.750 in	To Date	018	Bottom of Interval	5,645 ft
For Report	# 010	On	10/27/2007	Operation at Depth	3,321 ft
Rig Activity	Test BOP Make up BHA Set rotary rubber/fill pipe Drill shoe 2770ft-2911ft R/S Drill 2971ft-3035ft Dev. sur. @2935-2.25 deg. Drill 3035ft-3290ft Dev. sur. @3210ft-miss fire Drill 3290ft-3321ft				
Activity	Drilling				
Fluid Treatment	SWEEP:90' or sooner if needed 75 bbls water 1 sx soda ash 30 sxs ZeoGel 5 sxs Drilling Paper 5 sxs Fiber 1 can EZ-Mud just before pumping Add 1 cup EZ MUD down each connection 1 can Baracat every 2 hrs into flowline				
For Report	# 011	On	10/28/2007	Operation at Depth	4,075 ft
Rig Activity	Dev. sur. @ 3230ft-2.25 dev Drill 3321ft-3400ft Lost PSI/pump sweep-cond. mud Drill 3400ft-3576ft R/S Dev. sur.-miss fire Drill 3576ft-3608ft Dev. sur.-2 dev. Drill 3608ft-4075ft				
Activity	Drilling				
Fluid Treatment	SWEEPS:90' or sooner if needed 75 bbls water 1/3 sx soda ash 30 sxs ZeoGel 5 sxs Drilling Paper 5 sxs Fiber 1 can EZ-Mud just before pumping Add 1 cup EZ MUD down each connection 1 can Baracat every 2 hrs into flowline				
For Report	# 012	On	10/29/2007	Operation at Depth	4,832 ft
Rig Activity	Drill 4075ft-4117ft Sweep/circulate for survey Survey @ 4040ft-1.5 dev. Drill 4117ft-4498ft R/S Drill 4498ft-4625ft				

Operations Log Recap

Interval	02		From Date	010	Top of Interval	2,811	ft
Max. Hole Size / Bit Size	8.750 / 8.750	in	To Date	018	Bottom of Interval	5,645	ft
			Dev. sur. @4545ft-1.75 dev. BOP Drill Drill 4625ft-4832ft				
Activity			Drilling				
Fluid Treatment			SWEEPS:90' or sooner if needed 75 bbls water 1/3 sx soda ash 30 sxs ZeoGel 5 sxs Drilling Paper 5 sxs Fiber Add 1 cup EZ MUD down each connection 1 can Baracat every 2 hrs into flowline Begin to pretreat brine with DA320 scavenger- 2lb/bbl				
For Report	# 013	On	10/30/2007	Operation at Depth	5,088	ft	
Rig Activity			Drill 4832ft-4911ft R/S Drill 4911ft-5087ft Circulate sweep Drop survey tool-TOOH/ bit change L/D tools Slip & cut drill line Test collars M/U BHA				
Activity			Tripping				
Fluid Treatment			SWEEPS:90' or sooner if needed 75 bbls water 30 sxs ZeoGel 8-10 sxs Drilling Paper 8-10 sxs Cedar Fiber Add 1 cup EZ MUD down each connection 1 can Baracat every 2 hrs into flowline Add 2 sx caustic to raise Ph Add 2 sx soda ash to lower hardness				
For Report	# 014	On	10/31/2007	Operation at Depth	5,409	ft	
Rig Activity			TIH/ck collars with inspectors R/D inspectors TIH w/pipe Circulate 60 vis sweep-pits closed Drill 5089ft-5234ft R/S				

Operations Log Recap

Interval	02		From Date	010	Top of Interval	2,811	ft
Max. Hole Size / Bit Size	8.750 / 8.750	in	To Date	018	Bottom of Interval	5,645	ft
	Drill 5234ft-5409ft- LOST RETURNS L/D 1 jt pipe-pump 80bbl LCM pill P/U 1 jt pipe mix LCM pill TOOH						
Activity	Tripping						
Fluid Treatment	SWEEPS:90' or sooner if needed 75 bbls water 30 sxs ZeoGel 8-10 sxs Drilling Paper 8-10 sxs Cedar Fiber Add 1 cup EZ MUD down each connection 1 can Baracat every 2 hrs into flowline Lost all returns@5409ft Currently trying to get returns back Add 1 sx soda ash to lower hardness						
For Report	# 015	On	11/01/2007	Operation at Depth	5,515	ft	
Rig Activity	TOOH R/S TIH Brk.cir.-plugged pipe Run survey to find plug Chase pipe to find plug TOOH-unplug float sub TIH Drill 5409ft-5515						
Activity	Drilling						
Fluid Treatment	Keep pits closed in while losing mud Maintain 30-35 vis using ZEOGEL Use various LCM to raise & maintain 20% in system Switch system to brine when directed by co. man Other treatments will be given after switching to brine Lost approx. 350bbl-400bbl Hole currently still losing with returns						
For Report	# 016	On	11/02/2007	Operation at Depth	5,557	ft	
Rig Activity	Drill 5515ft-5557ft Circulate TOOH R/S-adjust brakes TIH open ended Wait on squeeze set up Squeeze job FUSE IT Wait on squeeze to set /45 min. Cir.- fill back side TOOH-1 std Cir. TOOH-4 std						

Operations Log Recap

Interval	02		From Date	010	Top of Interval	2,811	ft
Max. Hole Size / Bit Size	8.750 / 8.750	in	To Date	018	Bottom of Interval	5,645	ft
			Close annular pressure test squeeze-failed TIH 5 std Cir. Pump 2nd FUSE IT squeeze TOOH-24 std Cir. at shoe 56 stks-let squeeze set				
Activity			Cond. mud & Circ.				
Fluid Treatment			Circulate at idle for 8-10 hrs to let FUSE IT cure Add 12 sx soda ash to lower calcium Keeps pits closed and monitor for any losses Switch to brine at co.mans direction if no losses are occurring				
For Report	# 017	On	11/03/2007	Operation at Depth	5,557	ft	
Rig Activity				Circulate shoe at 56 stks Wait on squeeze to cure Watch for losses TOOH Wait on packer/fill hole every hour M/U packer/TIH/29 stds,1 single S/M,set packer,R/U Halliburton Press. test lines/pump cement squeeze			
Activity				Squeeze Cement			
Fluid Treatment				After cement squeeze Keeps pits closed and monitor for any losses Switch to brine at co.mans direction if no losses are occurring			
For Report	# 018	On	11/04/2007	Operation at Depth	5,645	ft	
Rig Activity				WOC S/M-press. test lines with Halliburton Release packer-TOOH TIH-top of cement Ream cement 5190ft-5557ft Drill 5557ft-5613ft TOOH-install float TIH Drill 5613ft-5645 Circulating-Switching mud to brine system			
Activity				Drilling			

Operations Log Recap

Interval	03		From Date	019	Top of Interval	5,645	ft
Max. Hole Size / Bit Size	8.750 / 8.750	in	To Date	024	Bottom of Interval	8,490	ft
For Report	# 019	On	11/05/2007	Operation at Depth	6,345	ft	
Rig Activity	Displace fresh water with brine Drill ahead to 5660 ft. Drill ahead to 5990 ft. Drill ahead to 6345 ft.						
Activity	Drilling						
For Report	# 020	On	11/06/2007	Operation at Depth	6,926	ft	
Rig Activity	Drill ahead to 6441 ft. Drill ahead to 6471 ft. Rig service Drill ahead to 6700 ft. Drill ahead to 6926 ft.						
Activity	Drilling						
For Report	# 021	On	11/07/2007	Operation at Depth	7,800	ft	
Rig Activity	Drill ahead to 7458 ft. Rig service Drill ahead to 7553 ft. Rig service Drill ahead to 7800 ft.						
Activity	Drilling						
For Report	# 022	On	11/08/2007	Operation at Depth	8,221	ft	
Rig Activity	Drill ahead to 7958 POOH TIH Ream Drill ahead to 8030 ft. Rig service Drill ahead to 8062 ft. Rig service Drill ahead to 8221 ft. POOH Rig repair drill line guide POOH						
Activity	Tripping						
For Report	# 023	On	11/09/2007	Operation at Depth	8,230	ft	
Rig Activity	POOH Slip and cut drill line Wait on GAMMA RAY tools PU tools TIH Fill pipe TIH Fill pipe TIH Ream 6523 ft.to 6600 ft. TIH Ream 8051 ft. to 8178 ft. Rig service						

Operations Log Recap

Interval	03		From Date	019	Top of Interval	5,645	ft
Max. Hole Size / Bit Size	8.750 / 8.750	in	To Date	024	Bottom of Interval	8,490	ft
			POOH for for screen Drill ahead to 8230 ft.				
Activity			Drilling				
For Report	# 024	On	11/19/2007	Operation at Depth	8,490	ft	
Rig Activity			Rig down				
Activity			Rig up and rig down				
Fluid Treatment			End of well				

Bit Record Report

Run No	Bit No	Bit Size in	Bit Manufacturer	Bit Type	Bit Style	IADC Code	Serial Number	Jet or TFA sq-in	Depth Out ft	Run Length ft	ROP ft/hr	WOB lb	Bit RPM	Pump Press psi	Pump OutPut gpm	Fluid Type	Fluid Weight ppg	Hole Angle	Bit Grading	Reason Pulled
1	1	12.250	SEC/DBS	SEB 2257	MT	527	11031768	3x20	2,825	2,825				1,425.0	558	Fresh Water	8.40			TD - Total/Casing Depth
2	2	8.750	REED	DSR616M-E1	FC		117313	6x16	5,088	2,277				1,075.0	412	Fresh Water	8.40			BHA - Change BHA
3	3	8.750	SII	F 28	IN		PB4351	3x20	8,221	3,133				970.0	387	Sodium Chloride	10.00			BHA - Change BHA
4	4	8.750	SECURITY	EBXS29SR	IN		11024352	3x18	8,490	269				1,494.0	373	Sodium Chloride	10.00			TD - Total/Casing Depth

Hydraulics Summary Report

Rpt No	Rpt Date	Hole MD	Max. Hole Size	ECD @ Csg Shoe	ECD @ Bit	Flow Rate	Btms Up Time	Total Circ Time	Press Drop DP	Press Drop @ Bit	Press Drop An	Total Press Drop	Hyd Meth	Circ Press	Ann Vel Riser	AV min DP	AV max DC	Bit HHSI	Bit Jet Vel	Bit Imp Force
		ft	in	ppg	ppg	gpm	Min	Min	psi	psi	psi	psi		psi	ft/min	ft/min	ft/min	hhp/in2	ft/sec	lbf
001	10/18/2007																			
002	10/19/2007	369	12.250			523	3	485		248		348	HB	775			149.0	0.64	182	414.1
003	10/20/2007	1,310	12.250			453	13	617		187		287	HB	1,160		85.6	129.2	0.42	158	311.0
004	10/21/2007	1,726	12.250			426	19	633		168		268	HB	1,090		80.4	121.2	0.35	148	280.4
005	10/22/2007	2,169	12.250			558	19	510		286		386	HB	1,425		105.4	159.0	0.79	194	476.7
006	10/23/2007	2,694	12.250			558	24	516		289		389	HB	1,260		105.4	159.0	0.80	194	482.3
007	10/24/2007	2,825	12.250																	
008	10/25/2007	2,825	12.250																	
009	10/26/2007	2,825	12.250																	
010	10/27/2007	3,321	8.921	8.40	8.40	412	16	782		94		94	HB	1,075		170.0	270.2	0.37	112	200.1
011	10/28/2007	4,075	8.921	8.40	8.40	408	16	790		92		92	HB	1,345		168.6		0.37	111	196.7
012	10/29/2007	4,832	8.921	8.40	8.40	415	16	779		95		95	HB	1,362		171.5		0.38	113	203.5
013	10/30/2007	5,088	8.921	8.40	8.40	419	16	774		159		159	HB	1,300		172.9		0.65	146	265.0
014	10/31/2007	5,409	8.921	8.40	8.40	419	16	775		159		159	HB	1,360		172.9		0.65	146	265.0
015	11/01/2007	5,515	8.921	8.60	8.60	419	16	55		163		163	HB	836		172.9		0.66	146	271.3
016	11/02/2007	5,557	8.921	8.40	8.40	419	16	63		159		159	HB	1,300		172.9		0.65	146	265.0
017	11/03/2007	5,557	8.921	8.40	8.40	419	16	70		159		159	HB	1,300		172.9		0.65	146	265.0
018	11/04/2007	5,645	8.921	8.40	8.40	436	15	67		173		173	HB	863		180.1		0.73	152	287.6
019	11/05/2007	6,345	8.921	10.00	10.00	387	17	467		162		162	HB	970		159.9		0.61	135	269.9
020	11/06/2007	6,926	8.921	10.00	10.00	419	16	433		189		189	HB	1,156		172.9		0.77	146	315.5
021	11/07/2007	7,800	8.921	10.00	10.00	408	16	446		180		180	HB	1,408		168.6		0.71	142	299.9
022	11/08/2007	8,221	8.921	10.00	10.00	412	16	442		183		183	HB	1,282		170.0		0.73	143	305.1
023	11/09/2007	8,230	8.921	10.00	10.00	373	18	488		229		229	HB	1,494		154.2		0.83	160	309.3
024	11/19/2007	8,490	8.921	10.00	10.00	391	17	466		251		251	HB	1,574		161.4		0.95	168	338.9

Personnel Register

1.0 FARMINGTON, NEW MEXICO PERSONNEL AND FACILITIES

Address: Halliburton Energy Services
Baroid Drilling Fluids
410 S Lorena Street

Location: Farmington, New Mexico

Office Phone (505) 325-1896

Fax: (505) 325-5942

Personnel

Leonard Morales

PSL Operations Manager

Office: (505) 325-1896

Cell: (505) 486-3387

Gary Przekurat

Warehouse Manager

Office: (505) 325-1896

Cell: (505) 320-8410

Drilling Fluid Engineers

Lenny Morley (505) 486-3285

Matt Jensen (505) 486-3049

Jay Christensen (505) 486-1439

Randy Phipps (505) 330-8033

Jerry Goss (505) 320-9705

Leroy Bell (505) 320-5373

Facilities

Site Size One acre

Warehouse 10,000 sq feet covered

Liquid Storage 500 bbls

Mud Mixing Special arrangements are available on request

Miscellaneous

Fork Lift One 5,583-lb - warehouse only

Bulk Gel 2,000-lb bags

Facilities 24-hr service

Baroid's brine facility in Cortez, CO is available to provide high quality NaCl brine on short notice. The plant is located at the RW Trucking yard in Cortez, Colorado and is run by Lorinda Begay, 505-320-4530.

Date	10/18/2007	Depth	0 ft
Spud Date	10/18/2007	Rig Activity	Rig up and rig down

HALLIBURTON | **Fluid Systems**

Daily Drilling Fluid Report

Daily Drilling Fluid Report										Date	10/19/2007	Depth	369 ft			
										Spud Date	10/18/2007	Rig Activity		Drilling		
Operator					Report For					Well Name						
Kinder Morgan Energy					Mike Lindsay/Casey Sprouse					Doe Canyon #2						
Contractor					Report For					Rig Name		Unit System				
Patterson Drilling					Jeff					Patterson 17		API pre-defined system				
Country			State/Province/Region			Geographic Area/County			Field or Block							
United States			Colorado			Dolores			McElmo Dome							
Bit Information			Drill String (in) / (ft)			in Casing ft			Circulation/Hydraulics Data							
Bit Size	12.250 in		OD	ID	Length	OD	Set	MD	Model	Oilwell A-1100-PT		Oilwell A-1100-PT				
Make/Type	SEC/DBS/SEB 2257		Drill Collar	6.500	2.750	232			Bore in	6.000		6.000				
Jets	3x20		Drill Collar	8.000	2.750	106			Strokes in	10.000		10.000				
TFA	0.920 sq-in		Motor	8.000	0.000	31			Eff(%)	95		95				
Jets Velocity	182 ft/sec								bbl/stk	0.083		0.083				
Jet Impact Force	414.1 lbf								SPM	150		0				
Bit HHSI	0.64 hhp/in2								gpm bbl/min	523 12.46						
Press Drop @ Bit	248 psi		Open Hole	12.250	369				Total GPM	523	AV, Riser		Circ Press psi	775		
Bit Depth	369 ft								Total Circ Time	485	AV min DP		Tot Pres Loss	348		
ECD @ Csg Shoe	ppg								BU Time , min	3	AV max DC	149.0	Press Drop DP			
ECD @ Bit	ppg								Total Strokes	72.699	BU Strokes	430	Press Drop An			
Properties		Hyd 1	2	3	4	Targets			Program		Fluid Treatments					
Source		mud pits									Fluid Type Fresh Water					
Time		4:00									SWEEP					
Depth		369									75 bbls water					
FL Temp		70									1/2 sx soda ash					
Density @ Deg F		8.40 @ 70							8.30	8.50	25 sxs Aqual Gel					
FV @ Deg F		27 @ 70							27	28	5 sxs Drilling Paper					
PV @ Deg F											5 sxs Fiber					
YP		lbs/100 ft2									1 drm EZ-Mud just before pumping					
GELS		lbs/100 ft2									1 drm Baracat/4 hrs into flowline					
600/300											1 drm Oxygen/6 hrs into suction					
200/100											4 sxs caustic soda/tour					
6/3											Add a vis cup of EZ-Mud into drill pipe on connections					
API Filt		ml/30 min									Rig Activity					
HTHP @ Deg F		ml/30 min									Block return ditch to brine section with Barite sacks					
Cake API/HTHP		32nd in									Drill to 369' and pump hi-vis lcm sweep every 3 connections. Survey.					
Corr Solid		% by Vol			0.2											
NAP/Water		% by Vol			-99.3											
Sand		% by vol														
MBT		ppb Eq.														
pH @ Deg F		9.00														
ALK Mud		Pm														
ALK Filt		Pf/Mf			0.20/-											
Chlorides		mg/l			7,000											
Tot. Hardness		mg/l			200											
LGS/HGS		% by Vol			0.3/-0.1											
LGS/HGS		ppb			2.78/-2.00											
ASG		SG			1.322											
Additional Properties																
Product Name		Units	Start	Rec	Used	End	Cost			Solids Control Equipment			Time			
Engineer 24 hour service		day(s)			1		\$695.00			Shaker		Screens	Hrs	Drilling	11.0	
Pallets		each			22		\$484.00							Circulating		
Shrink wrap		each			22		\$484.00							Trips		
BARACAT		5 gal can	41		4	37	\$452.56							Rig	0.5	
OXYGON		6 gal pail	12	11	2	21	\$328.60							Surveys	0.5	
EZ-MUD		5 gal can			2	62	\$175.00							Fishing		
AQUAGEL GOLD SEAL		50 lb bag	136	576	25	687	\$143.75							Run Casing		
caustic soda		50 lb bag	260		4	256	\$106.76							Coring		
Drilling Paper		40 lb bag	180		5	175	\$64.50							Reaming		
Cedar Fiber		40 lb bag	330		5	325	\$48.60			Hydrocyclone		Cones	Screens	Hrs	Testing	
.ALDACIDE G		5 gal pail	32			32								Logging		
aluminum stearate		50 lb bag	9			9								Dir Work		
BARACOR 700		55 gal drum	5			5								Repair		
BARAFOAM		5 gal can		16		16								Other	12.0	
BARAZAN D		25 lb bag	35			35				Centrifuge		Speed	Feed Rate	Hrs	Total	
BAROID		50 lb bag	600			600								Rotating	11.0	
BAROLIFT		7.5 lb box	3			3								ROP	33.5	
DA320		55 gal drum	22			22								Dil Rate	0.00	
DIAMOND SEAL		10 lb pail	28			28				Fluid Volume Breakdown					Fresh Water	
Drillers Rock Salt		50 lb bag	196			196				Active		bbl	Additions	bbl	Losses	bbl
EZ SPOT		55 gal drum	4			4				Annulus		35.8	Base		Fluid Dumped	-0.2
FIBERTEX		40 lb bag		240		240				Pipe Cap		2.5	Drill Water		Transferred	
FILTER-CHEK		50 lb bag	31			31				Active Pits		6000.0	Dewatering		SCE	
FUSE-IT		1 each drum	2			2				Total Hole		38.2	Sea Water		Evaporation	
HOLEPLUG 3/8		50 lb bag	96			96				Total Circ		6038.2	Whole Mud		Trips	
HYDRO-PLUG		50 lb bag	80			80				Reserve			Barite		Other	
IMPERMEX		50 lb bag	172			172				Prev Vol		8000.0	Chemicals	3.8	Total Surface	
lime		50 lb bag	100			100				Net Change		38.2	Other	34.6	Downhole	
LIQUI-DRIL		5 gal can	32			32				Total Vol		6038.2	Total	38.4	Total Losses	-0.2
							Fluid Types			Vol	bbl	Deviation Information				
Daily Products Cost		\$1,319.77	Total Daily Cost				\$2,982.77			Sodium Chloride		2000.0	Survey MD			ft
Cumulative Products Cost		\$1,319.77	Total Cumulative Cost				\$3,677.77						Survey TVD			ft
Baroid Representatives		Leroy Bell 505 320-5373										Angle			Deg	
Office		1125 17th Street				Telephone			303-899-4700				Direction			
Warehouse		410 South Lorena Street Farmington New Mexico				Telephone			505-325-1896				Horiz Displ.			ft

Date	10/20/2007	Depth	1,310 ft
Spud Date	10/18/2007	Rig Activity	Drilling

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Date	10/21/2007	Depth	1,726 ft
Spud Date	10/18/2007	Rig Activity	Drilling

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Date	10/22/2007	Depth	2,169 ft
Spud Date	10/18/2007	Rig Activity	Drilling

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Daily Drilling Fluid Report

Daily Drilling Fluid Report											Date	10/23/2007	Depth	2,694 ft							
											Spud Date	10/18/2007	Rig Activity		Drilling						
Operator					Report For					Well Name											
Kinder Morgan Energy					Mike Lindsay/Casey Sprouse					Doe Canyon #2											
Contractor					Report For					Rig Name		Unit System									
Patterson Drilling					Jeff					Patterson 17		API pre-defined system									
Country				State/Province/Region				Geographic Area/County				Field or Block									
United States				Colorado				Dolores				McElmo Dome									
Bit Information				Drill String (in) / (ft)				in Casing ft				Circulation/Hydraulics Data									
Bit Size		12.250 in		OD		ID		Length		OD		Set		MD		Model		Oilwell A-1100-PT		Oilwell A-1100-PT	
Make/Type		SEC/DBS/SEB 2257		Drill Pipe		4.500		3.826		1,936						Bore in		6.000		6.000	
Jets		3x20		Drill Collar		6.500		2.750		621						Strokes in		10.000		10.000	
TFA		0.920 sq-in		Drill Collar		8.000		2.750		106						Eff(%)		95		95	
Jets Velocity		194 ft/sec		Motor		8.000		0.000		31						bbl/strk		0.083		0.083	
Jet Impact Force		482.3 lbf														SPM		160		0	
Bit HHSI		0.80 hhp/in2														gpm bbl/min		558 13.29			
Press Drop @ Bit		289 psi														Total GPM		558		AV, Riser	
Bit Depth		2,694 ft		Open Hole		12.250				2,694						Total Circ Time		516		AV min DP	
ECD @ Csg Shoe		ppg														BU Time , min		24		AV max DC	
ECD @ Bit		ppg														Total Strokes		82,482		BU Strokes	
																		3,837		Press Drop An	
Properties				Hyd 1		2		3		4		Targets		Program		Fluid Treatments					
Source				mud pits												Fluid Type					
Time				4:00												Fresh Water					
Depth				ft		2,694										Drill to 2161' and lose returns. Mix 80 bbls 30% lcm sweep and circulate into hole. Get returns back. Drilling and mixing lcm sweeps. Pump 30 bbl lcm sweep every 30 min. Returns to reserve pits. Drill to 2256' and lose returns. Shut in mud system and mix 30% lcm sweeps, and add lcm into suction. Bringing lcm content up to 10%. Drill to 2694' .					
FL Temp				Deg F																	
Density @ Deg F				ppq		8.60 @ 70															
FV @ Deg F				sec/qt		28 @ 70															
PV @ Deg F				cP		2 @ 70															
YP				lbs/100 ft2																	
GELS				lbs/100 ft2		-1/-															
600/300						4.0/2.0															
200/100																					
6/3																					
API Filt				ml/30 min																	
HTHP @ Deg F				ml/30 min																	
Cake API/HTHP				32nd in																	
Corr Solid				% by Vol		1.6															
NAP/Water				% by Vol		-97.9															
Sand				% by vol																	
MBT				ppb Eq.																	
pH @ Deg F						9.00 @ 70															
ALK Mud				Pm		0.30															
ALK Filt				Pf/Mf		0.15/0.25															
Chlorides				mg/l		7,000															
Tot. Hardness				mg/l		160															
LGS/HGS				% by Vol		1.6/0.0															
LGS/HGS				ppb		14.73/-0.59															
ASG				SG		2.560															
										</											

Daily Drilling Fluid Report

Daily Drilling Fluid Report											Date	10/24/2007	Depth	2,825 ft		
											Spud Date	10/18/2007	Rig Activity		Run casing and cement	
Operator					Report For					Well Name						
Kinder Morgan Energy					Mike Lindsay/Casey Sprouse					Doe Canyon #2						
Contractor					Report For					Rig Name		Unit System				
Patterson Drilling					Jeff					Patterson 17		API pre-defined system				
Country			State/Province/Region			Geographic Area/County			Field or Block							
United States			Colorado			Dolores			McElmo Dome							
Bit Information			Drill String (in) / (ft)			in Casing ft			Circulation/Hydraulics Data							
Bit Size	in		OD	ID	Length	OD	Set	MD	Model	Oilwell A-1100-PT		Oilwell A-1100-PT				
Make/Type						9.625	@	2,811	Bore in	6.000	6.000					
Jets									Strokes in	10.000	10.000					
TFA	sq-in								Eff(%)	95	95					
Jets Velocity	ft/sec								bbl/strk	0.083	0.083					
Jet Impact Force	lbf								SPM	0	0					
Bit HHSI	hhp/in2								gpm bbl/min							
Press Drop @ Bit	psi								Total GPM	AV, Riser		Circ Press psi				
Bit Depth	ft		Open Hole 12.250			131			Total Circ Time	AV min DP		Tot Pres Loss				
ECD @ Csg Shoe	8.60 ppg								BU Time , min	AV max DC		Press Drop DP				
ECD @ Bit	ppg								Total Strokes	BU Strokes		Press Drop An				
Properties			Hyd 1		2		3		4		Targets		Program		Fluid Treatments	
Source			mud pits												Fluid Type Fresh Water	
Time			4:00												Rig Activity Drill to 2825', pump sweep and circulate out. Pump 30 bbl lcm pill and spot on bottom. Short trip. Pump sweep and survey, pump sweep and circulate out and POH to run casing.	
Depth			2,825													
FL Temp			Deg F													
Density @ Deg F			ppq		8.60 @ 70											
FV @ Deg F			sec/qt		28 @ 70											
PV @ Deg F			cP		1 @ 70											
YP			lbs/100 ft2		1											
GELS			lbs/100 ft2		1/1/-											
600/300					3.0/2.0											
200/100																
6/3																
API Filt			ml/30 min													
HTHP @ Deg F			ml/30 min													
Cake API/HTHP			32nd in													
Corr Solid			% by Vol		1.4											
NAP/Water			% by Vol		-98.0											
Sand			% by vol													
MBT			ppb Eq.													
pH @ Deg F					9.00 @ 70											
ALK Mud			Pm		0.30											
ALK Filt			Pf/Mf		0.10/0.20											
Chlorides			mg/l		8,000											
Tot. Hardness			mg/l		160											
LGS/HGS			% by Vol		1.4/0.0											
LGS/HGS			ppb		12.76/0.45											
ASG			SG		2.634											
Additional Properties																

Date	10/25/2007	Depth	2,825 ft
Spud Date	10/18/2007	Rig Activity	Nipple up B.O.P.

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Date	10/26/2007	Depth	2,825 ft
Spud Date	10/18/2007	Rig Activity	Nipple up B.O.P.

HALLIBURTON | **Fluid Systems**

Date	10/27/2007	Depth	3,321 ft
Spud Date	10/18/2007	Rig Activity	Drilling

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Date	10/28/2007	Depth	4,075 ft
Spud Date	10/18/2007	Rig Activity	Drilling

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Date	10/29/2007	Depth	4,832 ft
Spud Date	10/18/2007	Rig Activity	Drilling

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Date	10/30/2007	Depth	5,088 ft
Spud Date	10/18/2007	Rig Activity	Tripping

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Date	10/31/2007	Depth	5,409 ft
Spud Date	10/18/2007	Rig Activity	Tripping

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Daily Drilling Fluid Report

Date11/01/2007		Depth5,515 ft	
Spud Date10/18/2007		Rig ActivityDrilling	
OperatorKinder Morgan Energy		Report ForMike Lindsay/Casey Sprouse	
ContractorPatterson Drilling		Well NameDoe Canyon #2	
CountryUnited States		Report ForJeff Peters/James	
State/Province/RegionColorado		Rig NamePatterson 17	
Geographic Area/CountyDolores		Unit SystemAPI pre-defined system	
Field or BlockMcElmo Dome			
Bit Information		Drill String (in) / (ft)	
Bit Size8.750 in		in Casing ft	
Make/TypeSII/F 28		Circulation/Hydraulics Data	
Jets3x20		Oilwell A-1100-PT	
TFA0.920 sq-in		Oilwell A-1100-PT	
Jets Velocity146 ft/sec		6.000	
Jet Impact Force271.3 lbf		10.000	
Bit HHSI0.66 hhp/in2		95	
Press Drop @ Bit163 psi		0.083	
Bit Depth5,515 ft		0	
ECD @ Csg Shoe8.60 ppg		419	
ECD @ Bit8.60 ppg		6,638	
Open Hole8.750		9.97	
Total GPM		419	
Total Circ Time		55	
BU Time , min		16	
Total Strokes		6,638	
AV, Riser		Circ Press psi	
AV min DP		172.9	
AV max DC		Tot Pres Loss	
BU Strokes		1,916	
Press Drop DP		Press Drop An	
Properties		Hyd 1	
Source		mud pits	
Time		3:30	
Depth		5,497	
FL Temp		Deg F	
Density @ Deg F		8.60 @ 58	
FV @ Deg F		ppq	
PV @ Deg F		30 @ 58	
YP		cP	
GELS		2	
600/300		4/5/-	
200/100		8.0/5.0	
6/3			
API Filt		ml/30 min	
HTHP @ Deg F		ml/30 min	
Cake API/HTHP		32nd in	
Corr Solid		% by Vol	
NAP/Water		-98.0	
Sand		% by vol	
MBT		ppb Eq.	
pH @ Deg F		8.60 @ 58	
ALK Mud		Pm	
ALK Filt		0.04/0.85	
Chlorides		mg/l	
Tot. Hardness		9,500	
LGS/HGS		mg/l	
LGS/HGS		640	
ASG		ppb	
SG		12.52/-0.17	
Additional Properties		2.587	
Calcium		mg/l	
		440	
Product Name		Units	
Engineer 24 hour service		day(s)	
BARO-SEAL		40 lb bag	
ZEOGEL		50 lb bag	
sawdust		20 lb bag	
Cedar Fiber		40 lb bag	
FIBERTEX		40 lb bag	
BARAFOAM		5 gal can	
caustic soda		50 lb bag	
WALL-NUT MEDIUM		50 lb bag	
ALDACIDE G		5 gal pail	
aluminum stearate		50 lb bag	
AQUAGEL GOLD SEAL		50 lb bag	
BARACAT		5 gal can	
BARACOR 700		55 gal drum	
BARAZAN D		25 lb bag	
BAROID		50 lb bag	
BAROLIFT		7.5 lb box	
DA320		55 gal drum	
DIAMOND SEAL		10 lb pail	
Drillers Rock Salt		50 lb bag	
Drilling Paper		40 lb bag	
EZ SPOT		55 gal drum	
EZ-MUD		5 gal can	
FILTER-CHEK		50 lb bag	
FUSE-IT		1 each drum	
HOLEPLUG 3/8		50 lb bag	
HYDRO-PLUG		50 lb bag	
IMPERMEX		50 lb bag	
LIQUI-DRIL		5 gal can	
Solids Control Equipment		Time	
Shaker		Screens	
Hrs		Drilling	
Circulating		Trips	
Rig		Surveys	
Fishing		Run Casing	
Coring		Reaming	
Testing		Logging	
Dir Work		Repair	
Other		Total	
Rotating		Dil Rate	
ROP		Total	
Dil Rate		Total	
Fluid Volume Breakdown		Fresh Water	
Active		bbl	
Annulus		159.2	
Pipe Cap		72.2	
Active Pits		320.0	
Total Hole		231.3	
Total Circ		551.3	
Reserve		7000.0	
Prev Vol		7719.8	
Net Change		-162.8	
Total Vol		7551.3	
Fluid Types		Vol bbl	
Sodium Chloride		3600.0	
Survey MD		Survey TVD	
Angle		Direction	
Horiz Displ.		ft	
Deviation Information		ft	
Daily Products Cost		\$9,962.59	
Cumulative Products Cost		\$85,980.70	
Baroid Representatives		Lenny Morley 505-486-3285	
Office		1125 17th Street	
Warehouse		410 South Lorena Street Farmington New Mexico	
Telephone		303-899-4700	
Telephone		505-325-1896	

Daily Drilling Fluid Report

Date11/02/2007		Depth5,557 ft	
Spud Date10/18/2007		Rig ActivityCond. mud & Circ.	

OperatorKinder Morgan Energy		Report ForMike Lindsay/Casey Sprouse		Well NameDoe Canyon #2	
ContractorPatterson Drilling		Report ForJeff Peters/James		Rig NamePatterson 17	
CountryUnited States		State/Province/RegionColorado		Geographic Area/CountyDolores	
				Field or BlockMcElmo Dome	

Bit Information		Drill String (in) / (ft)			in Casing ft			Circulation/Hydraulics Data			
Bit Size	8.750 in	OD	ID	Length	OD	Set	MD	Model	Oilwell A-1100-PT	Oilwell A-1100-PT	
Make/Type	SII/F 28	Drill Pipe	4.500	3.826	4,903	9.625	@	2,811	Bore in	6.000	6.000
Jets	3x20	Drill Collar	6.500	2.750	654				Strokes in	10.000	10.000
TFA	0.920 sq-in								Eff(%)	95	95
Jets Velocity	146 ft/sec								bbl/stk	0.083	0.083
Jet Impact Force	265.0 lbf								SPM	120	0
Bit HHSI	0.65 hhp/in2								gpm/bbl/min	419	9.97
Press Drop @ Bit	159 psi								Total GPM	419	AV, Riser
Bit Depth	5,557 ft	Open Hole	8.750						Total Circ Time	63	AV min DP
ECD @ Csg Shoe	8.40 ppg								BU Time , min	16	AV max DC
ECD @ Bit	8.40 ppg								Total Strokes	7,584	BU Strokes

Properties		Hyd 1	2	3	4	Targets	Program	Fluid Treatments	
Source		mud pits						Fluid Type	Fresh Water
Time		4:30						Circulate at idle for 8-10 hrs to let FUSE IT cure	
Depth	ft	5,557						Add 12 sx soda ash to lower calcium	
FL Temp	Deg F							Keeps pits closed and monitor for any losses	
Density @ Deg F	ppq	8.40 @ 50						Switch to brine at co.mans direction if no losses are occurring	
FV @ Deg F	sec/qt	27 @ 50							
PV @ Deg F	cP	1 @ 50							
YP	lbs/100 ft2	2							
GELS	lbs/100 ft2	1/2/-							
600/300		4.0/3.0							
200/100									
6/3									
API Filt	ml/30 min								
HTHP @ Deg F	ml/30 min								
Cake API/HTHP	32nd in								
Corr Solid	% by Vol	-0.1							
NAP/Water	% by Vol	-99.5							
Sand	% by vol	0.01							
MBT	ppb Eq.							Rig Activity	
pH @ Deg F		8.30 @ 50						Drill 5515ft-5557ft	
ALK Mud	Pm							Circulate	
ALK Filt	Pf/Mf	0.07/0.80						TOOH	
Chlorides	mg/l	9,500						R/S-adjust brakes	
Tot. Hardness	mg/l	720						TIH open ended	
LGS/HGS	% by Vol	-0.1/0.0						Wait on squeeze set up	
LGS/HGS	ppb	-1.27/-0.12						Squeeze job FUSE IT	
ASG	SG	2.686						Wait on squeeze to set /45 min.	
Additional Properties								Cir.- fill back side	
Calcium	mg/l	360						TOOH-1 std	
								Cir.	
								TOOH-4 std	
								Close annular pressure test squeeze-failed	
								TIH 5 std	

Product Name	Units	Start	Rec	Used	End	Cost	Solids Control Equipment				Time				
Engineer 24 hour service	day(s)			2		\$1,390.00	Shaker				Screens	Hrs	Drilling	3.0	
FUSE-IT	1 each drum	2	2	4		\$39,255.36							Circulating	4.5	
Drilling Paper	40 lb bag	139		34	105	\$438.60							Trips	7.0	
soda ash	50 lb sack	15		15		\$149.40							Rig	0.5	
HOLEPLUG 3/8	50 lb bag	96		4	92	\$27.28							Surveys		
.ALDACIDE G	5 gal pail	32											Fishing		
aluminum stearate	50 lb bag	8				8							Run Casing		
AQUAGEL GOLD SEAL	50 lb bag	432			432								Coring		
BARACAT	5 gal can	17			17								Reaming		
BARACOR 700	55 gal drum	5			5		Hydrocyclone				Cones	Screens	Hrs	Testing	
BARAFOAM	5 gal can	10			10								Logging		
BARAZAN D	25 lb bag	35			35								Dir Work		
BAROID	50 lb bag	530			530								Repair		
BAROLIFT	7.5 lb box	3			3								Other	9.5	
caustic soda	50 lb bag	349			349		Centrifuge				Speed	Feed Rate	Hrs	Total	24.5
Cedar Fiber	40 lb bag	420			420								Rotating	3.0	
DA320	55 gal drum	51			51								ROP	14.0	
DIAMOND SEAL	10 lb pail	26			26								Dil Rate	0.00	
Drillers Rock Salt	50 lb bag	196			196										
EZ SPOT	55 gal drum	4			4		Fluid Volume Breakdown				Fresh Water				
EZ-MUD	5 gal can	34			34		Active	bbl	Additions	bbl	Losses	bbl			
FIBERTEX	40 lb bag	180			180		Annulus	159.2	Base		Fluid Dumped				
FILTER-CHEK	50 lb bag	131			131		Pipe Cap	72.7	Drill Water	134.2	Transferred				
HYDRO-PLUG	50 lb bag	80			80		Active Pits	398.0	Dewatering		SCE				
IMPERMEX	50 lb bag	272			272		Total Hole	231.9	Sea Water		Evaporation				
LIQUI-DRIL	5 gal can	32			32		Total Circ	629.9	Whole Mud		Trips				
NXS-LUBE	55 gal drum	6			6		Reserve	7000.0	Barite		Other				
OXYGON	6 gal pail	34			34		Prev Vol	7551.3	Chemicals	4.7	Total Surface				
sawdust	20 lb bag	375			375		Net Change	80.9	Other		Downhole				-58.0
							Total Vol	7629.9	Total	138.9	Total Losses				-58.0

Daily Products Cost		\$39,870.64	Total Daily Cost	\$41,260.64	Fluid Types		Vol bbl	Deviation Information	
Cumulative Products Cost		\$125,851.34	Total Cumulative Cost	\$144,138.34	Sodium Chloride		3600.0	Survey MD	ft
Baroid Representatives		Lenny Morley 505-486-3285						Survey TVD	ft
Office		1125 17th Street	Telephone 303-899-4700					Angle	Deg
Warehouse		410 South Lorena Street Farmington New Mexico	Telephone 505-325-1896					Direction	
								Horiz Displ.	ft

Date	11/03/2007	Depth	5,557 ft
Spud Date	10/18/2007	Rig Activity	Squeeze Cement

HALLIBURTON | Fluid Systems

Date	11/04/2007	Depth	5,645 ft
Spud Date	10/18/2007	Rig Activity	Drilling

[illegible]

Product Name	Units	Start	Rec	Used	End	Cost	Solids Control Equipment				Time	
Engineer 24 hour service	day(s)			2		\$1,390.00	Shaker		Screens	Hrs	Drilling	5.0
Shrink wrap	each			16		\$352.00					Circulating	12.0
Pallets	each			13		\$286.00					Trips	
AQUAGEL GOLD SEAL	50 lb bag	432		48	384	\$276.00					Rig	
Cedar Fiber	40 lb bag	390	360	3	747	\$29.16					Surveys	
ALDACIDE G	5 gal pail	32			32						Fishing	
aluminum stearate	50 lb bag	8			8						Run Casing	
BARACAT	5 gal can	17			17						Coring	
BARACOR 700	55 gal drum	5			5						Reaming	2.0
BARAFOAM	5 gal can	10			10						Testing	
BARAZAN D	25 lb bag	35			35						Logging	
BAROID	50 lb bag	530			530		Dir Work					
BAROLIFT	7.5 lb box	3			3		Repair					
caustic soda	50 lb bag	349			349		Other	5.0				
DA320	55 gal drum	51			51		Centrifuge	Speed	Feed Rate	Hrs	Total	24.0
DIAMOND SEAL	10 lb pail	26			26						Rotating	7.0
Drillers Rock Salt	50 lb bag	196			196						ROP	17.6
Drilling Paper	40 lb bag	83			83						Dil Rate	0.00
EZ SPOT	55 gal drum	4			4		Fluid Volume Breakdown				Fresh Water	
EZ-MUD	5 gal can	34			34		Active	bbl	Additions	bbl	Losses	bbl
FIBERTEX	40 lb bag	180			180		Annulus	159.2	Base		Fluid Dumped	
FILTER-CHEK	50 lb bag	131			131		Pipe Cap	72.7	Drill Water	140.7	Transferred	
HOLEPLUG 3/8	50 lb bag	92			92		Active Pits	467.0	Dewatering		SCE	
HYDRO-PLUG	50 lb bag	80			80		Total Hole	231.9	Sea Water		Evaporation	
IMPERMEX	50 lb bag	272			272		Total Circ	698.9	Whole Mud		Trips	
LIQUI-DRIL	5 gal can	32			32		Reserve	7000.0	Barite		Other	
NXS-LUBE	55 gal drum	6			6		Prev Vol	7698.9	Chemicals	3.1	Total Surface	
OXYGON	6 gal pail	34			34		Net Change	6.6	Other		Downhole	-137.2
sawdust	20 lb bag	375			375		Total Vol	7698.9	Total	143.8	Total Losses	-137.2
							Fluid Types		Vol	bbl	Deviation Information	
Daily Products Cost	\$305.16	Total Daily Cost				\$2,333.16	Sodium Chloride		3600.0	Survey MD		ft
Cumulative Products Cost	\$127,033.40	Total Cumulative Cost				\$148,738.40				Survey TVD		ft
Baroid Representatives Lenny Morley 505-486-3285										Angle		Deg
Office 1125 17th Street				Telephone 303-899-4700						Direction		
Warehouse 410 South Lorena Street Farmington New Mexico				Telephone 505-325-1896						Horiz Displ.		ft

Date	11/05/2007	Depth	6,345 ft
Spud Date	10/18/2007	Rig Activity	Drilling

[illegible]

Product Name	Units	Start	Rec	Used	End	Cost	Solids Control Equipment				Time		
Engineer 24 hour service	day(s)			2		\$1,390.00	Shaker		Screens	Hrs	Drilling	23.0	
DA320	55 gal drum	51		8	43	\$10,511.44					Circulating	1.0	
ZEOGEL	50 lb bag	820		466	354	\$4,683.30					Trips		
caustic soda	50 lb bag	349		69	280	\$1,841.61					Rig		
Cedar Fiber	40 lb bag	747		170	577	\$1,652.40					Surveys		
BARACOR 700	55 gal drum	5		1	4	\$1,285.75					Fishing		
sawdust	20 lb bag	375		165	210	\$1,267.20					Run Casing		
Drillers Rock Salt	50 lb bag	196		196		\$1,246.56					Coring		
OXYGON	6 gal pail	34		6	28	\$985.80					Reaming		
BARAFOAM	5 gal can	10		7	3	\$948.50	Hydrocyclone		Cones	Screens	Hrs	Testing	
IMPERMEX	50 lb bag	272		13	259	\$360.75					Logging		
LIQUI-DRIL	5 gal can	32		2	30	\$179.26					Dir Work		
.ALDACIDE G	5 gal pail	32			32						Repair		
aluminum stearate	50 lb bag	8			8						Other		
AQUAGEL GOLD SEAL	50 lb bag	384			384		Centrifuge		Speed	Feed Rate	Hrs	Total	
BARACAT	5 gal can	17			17						Rotating	24.0	
BARAZAN D	25 lb bag	35			35						ROP	23.0	
BAROID	50 lb bag	530			530						Dil Rate	30.4	
BAROLIFT	7.5 lb box	3			3							0.00	
DIAMOND SEAL	10 lb pail	26			26		Fluid Volume Breakdown						
Drilling Paper	40 lb bag	83			83		Active		bbl	Additions	bbl	Losses	bbl
EZ SPOT	55 gal drum	4			4		Annulus		159.2	Base	Fluid Dumped		
EZ-MUD	5 gal can	34			34		Pipe Cap		83.7	Drill Water	810.9	Transferred	
FIBERTEX	40 lb bag	180			180		Active Pits		4067.0	Dewatering	SCE		
FILTER-CHEK	50 lb bag	131			131		Total Hole		242.8	Sea Water	Evaporation		
HOLEPLUG 3/8	50 lb bag	92			92		Total Circ		4309.8	Whole Mud	Trips		
HYDRO-PLUG	50 lb bag	80			80		Reserve			Barite	Other		
NXS-LUBE	55 gal drum	6			6		Prev Vol		3600.0	Chemicals	88.1	Total Surface	
WALL-NUT MEDIUM	50 lb bag	268			268		Net Change		899.0	Other	Downhole		
							Total Vol		4309.8	Total	899.0	Total Losses	
							Fluid Types		Vol	bbl	Deviation Information		
Daily Products Cost		\$24,962.57	Total Daily Cost			\$26,352.57	Fresh Water		7000.0	Survey MD		ft	
Cumulative Products Cost		\$151,995.97	Total Cumulative Cost			\$175,090.97				Survey TVD		ft	
Baroid Representatives		Leroy Bell 505 320-5373 Randy Phipps 505-330-8033								Angle		Deg	
Office		1125 17th Street			Telephone	303-899-4700				Direction			
Warehouse		410 South Lorena Street Farmington New Mexico			Telephone	505-325-1896				Horiz Displ.		ft	

Daily Drilling Fluid Report

Daily Drilling Fluid Report										Date	11/06/2007		Depth	6,926 ft																	
										Spud Date	10/18/2007		Rig Activity			Drilling															
Operator					Kinder Morgan Energy					Report For			Mike Lindsay/Casey Sprouse					Well Name			Doe Canyon #2										
Contractor					Patterson Drilling					Report For			Jeff Peters/James					Rig Name		Patterson 17		Unit System			API pre-defined system						
Country				United States				State/Province/Region				Colorado				Geographic Area/County				Dolores				Field or Block				McElmo Dome			
Bit Information				Drill String (in) / (ft)				in Casing ft				Circulation/Hydraulics Data																			
Bit Size		8.750 in		OD		ID		Length		OD		Set		MD		Model		Oilwell A-1100-PT		Oilwell A-1100-PT											
Make/Type		SII/F 28		Drill Pipe		4.500		3.826		6,272		9.625 @		2,811		Bore in		6.000		6.000											
Jets		3x20		Drill Collar		6.500		2.750		654						Strokes in		10.000		10.000											
TFA		0.920 sq-in														Eff(%)		95		95											
Jets Velocity		146 ft/sec														bbl/strk		0.083		0.083											
Jet Impact Force		315.5 lbf														SPM		120		0											
Bit HHSI		0.77 hhp/in2														gpm bbl/min		419 9.97													
Press Drop @ Bit		189 psi														Total GPM		419		AV, Riser				Circ Press psi		1156					
Bit Depth		6,926 ft		Open Hole		8.750										Total Circ Time		433		AV min DP		172.9		Tot Pres Loss		189					
ECD @ Csg Shoe		10.00 ppg														BU Time , min		16		AV max DC				Press Drop DP							
ECD @ Bit		10.00 ppg														Total Strokes		51,986		BU Strokes		1,916		Press Drop An							
Properties		Hyd 1		2		3		4		Targets		Program		Fluid Treatments																	
Source		Flow Line												Fluid Type						Sodium Chloride											
Time		4:00																													
Depth		ft		6,926																											
FL Temp		Deg F		72																											
Density @ Deg F		ppq		10.00 @ 72																											
FV @ Deg F		sec/qt		28 @ 72																											
PV @ Deg F		cP		1 @ 72																											
YP		lbs/100 ft2		1																											
GELS		lbs/100 ft2		3.0/2.0																											
600/300																															
200/100																															
6/3																															
API Filt		ml/30 min																													
HTHP @ Deg F		ml/30 min																													
Cake API/HTHP		32nd in																													
Corr Solid		% by Vol		0.2																											
NAP/Water		% by Vol		-88.5																											
Sand		% by vol		0.01																											
MBT		ppb Eq.																													
pH @ Deg F				11.00 @ 72																											
ALK Mud		Pm		1.80																											
ALK Filt		Pt/Mf		0.12/0.18																											
Chlorides		mg/l		188,000																											
Tot. Hardness		mg/l		1,600																											
LGS/HGS		% by Vol		0.2/0.0																											
LGS/HGS		ppb		1.44/0.07																											
ASG		SG		2.644																											

Date	11/07/2007	Depth	7,800 ft
Spud Date	10/18/2007	Rig Activity	Drilling

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Daily Drilling Fluid Report

Daily Drilling Fluid Report											Date	11/08/2007	Depth	8,221 ft		
											Spud Date	10/18/2007	Rig Activity		Tripping	
Operator					Report For					Well Name						
Kinder Morgan Energy					Mike Lindsay/Casey Sprouse					Doe Canyon #2						
Contractor					Report For					Rig Name		Unit System				
Patterson Drilling					Jeff Peters/James					Patterson 17		API pre-defined system				
Country			State/Province/Region			Geographic Area/County			Field or Block							
United States			Colorado			Dolores			McElmo Dome							
Bit Information			Drill String (in) / (ft)			in Casing ft			Circulation/Hydraulics Data							
Bit Size	8.750 in		OD	ID	Length	OD	Set	MD	Model	Oilwell A-1100-PT	Oilwell A-1100-PT					
Make/Type	SII/F 28		Drill Pipe	4.500	3.826	7,567	9.625	@	2,811	Bore in	6.000	6.000				
Jets	3x20		Drill Collar	6.500	2.750	654				Strokes in	10.000	10.000				
TFA	0.920 sq-in									Eff(%)	95	95				
Jets Velocity	143 ft/sec									bbl/strk	0.083	0.083				
Jet Impact Force	305.1 lbf									SPM	0	118				
Bit HHSI	0.73 hhp/in2									gpm bbl/min		412	9.80			
Press Drop @ Bit	183 psi		Open Hole	8.750						Total GPM	412	AV, Riser	Circ Press psi	1282		
Bit Depth	8,221 ft									Total Circ Time	442	AV min DP	Tot Pres Loss	183		
ECD @ Csg Shoe	10.00 ppg									BU Time , min	16	AV max DC	Press Drop DP			
ECD @ Bit	10.00 ppg									Total Strokes	52,202	BU Strokes	1,916	Press Drop An		
Properties		Hyd 1	2	3	4	Targets		Program		Fluid Treatments						
Source		mud pits								Fluid Type	Sodium Chloride					
Time		4:00														
Depth	ft	8,221														
FL Temp	Deg F															
Density @ Deg F	ppq	10.00 @ 80														
FV @ Deg F	sec/qt	28 @ 80														
PV @ Deg F	cP	1 @ 80														
YP	lbs/100 ft2	1														
GELS	lbs/100 ft2															
600/300		3.0/2.0														
200/100																
6/3																
API Filt	ml/30 min															
HTHP @ Deg F	ml/30 min															
Cake API/HTHP	32nd in															
Corr Solid	% by Vol	0.2														
NAP/Water	% by Vol	-88.5														
Sand	% by vol	0.01														
MBT	ppb Eq.															
pH @ Deg F		10.90 @ 80														
ALK Mud	Pm	0.40														
ALK Filt	Pf/Mf	0.31/0.65														
Chlorides	mg/l	188,000														
Tot. Hardness	mg/l	8,000														
LGS/HGS	% by Vol	0.2/0.0														
LGS/HGS	ppb	1.44/0.07														
ASG	SG	2.644														
Additional Properties																
LSRV	lbs/100 ft2	2,000														
Product Name		Units	Start	Rec	Used	End	Cost			Solids Control Equipment				Time		
Engineer 24 hour service		day(s)			2		\$1,390.00			Shaker		Screens	Hrs	Drilling	11.0	
FILTER-CHEK		50 lb bag	124		12	112	\$837.60							Circulating		
ZEOGEL		50 lb bag	750		73	677	\$733.65							Trips	7.0	
caustic soda		50 lb bag	210		23	187	\$613.87							Rig	1.0	
sawdust		20 lb bag	275		66	209	\$506.88							Surveys		
Cedar Fiber		40 lb bag	463		43	420	\$417.96							Fishing		
FIBERTEX		40 lb bag	117		15	102	\$205.20							Run Casing		
ALDACIDE G		5 gal pail	32			32								Coring		
aluminum stearate		50 lb bag	8			8								Reaming	4.5	
AQUAGEL GOLD SEAL		50 lb bag	384			384				Hydrocyclone		Cones	Screens	Hrs	Testing	
BARACAT		5 gal can	17			17								Logging		
BARACOR 700		55 gal drum	5			5								Dir Work		
BARAFOAM		5 gal can	3			3								Repair	0.5	
BARAZAN D		25 lb bag	33			33								Other		
BAROID		50 lb bag	530			530				Centrifuge		Speed	Feed Rate	Hrs	Total	24.0
BAROLIFT		7.5 lb box	3			3								Rotating	15.5	
DA320		55 gal drum	29			29								ROP	38.3	
DIAMOND SEAL		10 lb pail	26			26								Dil Rate	0.00	
Drilling Paper		40 lb bag	83			83				Fluid Volume Breakdown				Sodium Chloride		
EZ SPOT		55 gal drum	4			4	Active		bbl	Additions	bbl	Losses	bbl			
EZ-MUD		5 gal can	33			33	Annulus		159.2	Base		Fluid Dumped				
HOLEPLUG 3/8		50 lb bag	92			92	Pipe Cap		109.6	Drill Water	11.0	Transferred				
HYDRO-PLUG		50 lb bag	80			80	Active Pits		4067.0	Dewatering		SCE				
IMPERMEX		50 lb bag	237			237	Total Hole		268.8	Sea Water		Evaporation				
LIQUI-DRIL		5 gal can	23			23	Total Circ		4335.8	Whole Mud		Trips				
NXS-LUBE		55 gal drum	6			6	Reserve			Barite		Other				
OXYGON		6 gal pail	26			26	Prev Vol		4330.0	Chemicals	17.5	Total Surface				
WALL-NUT MEDIUM		50 lb bag	268			268	Net Change		28.5	Other		Downhole				
							Total Vol		4335.8	Total	28.5	Total Losses				
		Fluid Types	Vol	bbl	Deviation Information											
Daily Products Cost		\$3,315.16	Total Daily Cost			\$4,705.16			Fresh Water		7000.0	Survey MD		ft		
Cumulative Products Cost		\$187,209.87	Total Cumulative Cost			\$215,112.87						Survey TVD		ft		
Baroid Representatives		Leroy Bell 505 320-5373	Randy Phipps 505-330-8033									Angle		Deg		
Office		1125 17th Street				Telephone		303-899-4700					Direction			
Warehouse		410 South Lorena Street Farmington New Mexico				Telephone		505-325-1896					Horiz Displ.		ft	

Date	11/09/2007	Depth	8,230 ft
Spud Date	10/18/2007	Rig Activity	Drilling

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Daily Drilling Fluid Report

Daily Drilling Fluid Report										Date	11/19/2007	Depth	8,490 ft		
										Spud Date	10/18/2007	Rig Activity	Rig up and rig down		
Operator					Report For					Well Name					
Kinder Morgan Energy					Mike Lindsay/Casey Sprouse					Doe Canyon #2					
Contractor					Report For					Rig Name		Unit System			
Patterson Drilling					Jeff Peters/James					Patterson 17		API pre-defined system			
Country			State/Province/Region			Geographic Area/County				Field or Block					
United States			Colorado			Dolores				McElmo Dome					
Bit Information			Drill String (in) / (ft)			in Casing ft			Circulation/Hydraulics Data						
Bit Size	8.750 in		OD	ID	Length	OD	Set	MD	Model	Oilwell A-1100-PT		Oilwell A-1100-PT			
Make/Type	SECURITY/EBXS29SR		Drill Pipe	4.500	3.826	7,768	9.625	@	2,811	Bore in	6.000	6.000			
Jets	3x18		Drill Collar	6.500	2.750	654				Strokes in	10.000	10.000			
TFA	0.746 sq-in		Other	4.750	0.000	68				Eff(%)	95	95			
Jets Velocity	168 ft/sec									bbl/strk	0.083	0.083			
Jet Impact Force	338.9 lbf									SPM	0	112			
Bit HHSI	0.95 hhp/in2									gpm bbl/min		391	9.30		
Press Drop @ Bit	251 psi		Open Hole	8.750						Total GPM	391	AV, Riser	Circ Press psi	1574	
Bit Depth	8,490 ft									Total Circ Time	466	AV min DP	161.4	Tot Pres Loss	251
ECD @ Csg Shoe	10.00 ppg									BU Time , min	17	AV max DC		Press Drop DP	
ECD @ Bit	10.00 ppg									Total Strokes	52,236	BU Strokes	1,916	Press Drop An	
Properties		Hyd 1		2		3		4		Targets		Program		Fluid Treatments	
Source		Flow Line												Fluid Type	Sodium Chloride
Time		11:30												End of well	
Depth ft		8,324													
FL Temp Deg F		80													
Density @ Deg F ppq		10.00 @ 80													
FV @ Deg F sec/qt		28 @ 80													
PV @ Deg F cP		1 @ 80													
YP lbs/100 ft2		1													
GELS lbs/100 ft2		3.0/2.0													
600/300															
200/100															
6/3															
API Filt ml/30 min															
HTHP @ Deg F ml/30 min															
Cake API/HTHP 32nd in															
Corr Solid % by Vol		0.2													
NAP/Water % by Vol		-88.5													
Sand % by vol		0.01													
MBT ppb Eq.															
pH @ Deg F		11.00 @ 80													
ALK Mud Pm		0.50													
ALK Filt Pt/Mf		0.33/0.67													
Chlorides mg/l		188,000													
Tot. Hardness mg/l		18,000													
LGS/HGS % by Vol		0.2/0.0													
LGS/HGS ppb		1.44/0.07													
ASG SG		2.644													