

ENGINEER'S DAILY REPORT

Project: 2013 Piceance Reentries Well: Biscuit Ranch 10-31D
Date: 06/25/2013

Personnel On Location

| | | | |
|--------|---------------|------|-------|
| COGCC: | Kevin King | 8:30 | 19:30 |
| Magna: | Daniel Norton | 7:00 | 19:30 |
| | Tito | 7:00 | 19:30 |
| | Jose | 7:00 | 19:30 |
| | Alberto | 7:00 | 19:30 |
| | Daniel | 7:00 | 19:30 |

| | | |
|----------|-------------|------------|
| Weather: | AM | PM |
| | M. Sunny | M. Sunny |
| | Calm | Lt. Beeze |
| | 60's - 80's | 80's -90's |

Work Summary

Clear cement out of tubing sting that was causing pump to pressure up yesterday
Reconfigure some flow lines and cables to give more room for making connections and continue drilling out
Drill out 4 joints (123'), pull out of thenhole with the tubing and trip back in with the same bit, 3 collars and 1 joint of tubing
Continue drilling out to the bottom of the surface cement plug a 215' making connections with tubing
Pressure test casing (Perfs at 215'). Pressure dropped from 840 psi to 800 psi and held there for 10 min. Test Passes
Pull 1 joint of tubing out of the hole, close in well and shut down for the night

Measurement and Payment

| <u>Item No.</u> | <u>Description</u> | <u>Units</u> | <u>Unit Cost</u> | <u>Work Performed Today</u> | <u>Percent/Units Complete</u> | <u>Total Approved</u> |
|-----------------|---------------------------------|--------------|------------------|-----------------------------|-------------------------------|-----------------------|
| 1 | Mobilization and Demobilization | LS | \$ 7,000.00 | | 2.00 | \$ 14,000.00 |
| 2 | Plug and Abandon | Hr | \$ 575.00 | 12.5 Rig Hours | 47.50 | \$ 27,312.50 |
| 3 | Perforation Services | Sets | \$ 2,000.00 | | | \$ - |
| 4 | Cement Retainers | Each | \$ 1,800.00 | | | \$ - |
| 5 | Cement | Sacks | \$ 42.00 | | 155.00 | \$ 6,510.00 |
| 6 | Water Disposal | BBL | \$ 30.00 | | 85.00 | \$ 2,550.00 |
| 7 | Csg Free Pt, Cut, and Retrieval | LS | \$ 3,000.00 | Service removed from scope | - | \$ - |

Current Total => \$ 50,372.50