

**Merit Energy Company**

13727 Noel Road, Suite 500  
 Dallas, TX 75240  
 (972) 701-8377

**Daily Activity Report****Completion/Wellwork Activity**

Well Name : Govt C 1035							
Well User ID :	7594-01	API Code:	05-103-07768-00-0S1	AFE # :	19765		
Operator :	MERIT ENERGY COMPANY			Operated :	Yes		
S/T/R :	/ /	WI :	0.9412152	NRI :	0.8056779		
County, St. :	RIO BLANCO, CO	Field :	NE RANGELY	AFE CC :	\$0		
Spud Date :		Dlg Rig Rel Date:		AFE Total:	\$257,520		
Comp Date:		AFE Type :	WWC	PBTD:			
	ft. from		line and		ft. from		line
Job Purpose :							

Date : 11/3/2008

Activity: REPAIR HOLE IN CASING

Days On Completion: 1

Remarks : RUN IN HOLE WITH 4 JTS 4 3/4 WASH PIPE LAY DOWN WASH PIPE TO GET FISH OUT. RECOVERED 75' 2 7/8 TUBING SEATING NIPPLE 3 1/2 LINE PIPE COLLAR 2 JTS 4 3/4 WASH PIPE WILL HAVE TO BE CUT WITH TORCH. RUN IN HOLE WITH 4 3/4 MILL SHOE, 2 JTS 4 3/4 WASH PIPE, JARS, BUMPER SUB, 4-3 1/2 DRILL COLLARS AND 2 7/8 TUBING. TAG @ 6580' 21 OF FILL. RIG UP SWIVEL, DRILLING EQ. BREAK CIRCULATION CLEAN OUT 6580' TO 6600' OVER 3 1/2 MUD ANCHOR CIRCULATE HOLE CLEAN. RIG ON. DRILLING EQ. POOH TO 4200' SHUT DOWN FOR NIGHT

DC : \$30,867

CCC: \$30,867

CWC: \$30,867

Date : 11/4/2008

Activity: REPAIR HOLE IN CASING

Days On Completion: 2

Remarks : TRAVEL TO LOCATION, SAFTY MEETING ON RIGGING DOWN PUMPING UNIT. RIG UP RIG AND EQUIPMENT. HAD TROUBLE UNSEATING ROD PUMP. UNSEAT PUMP LAY DOWN POLISH ROD. PULL OUT OF HOLE WITH 14'-6' 7/8 PONY RODS, 96 7/8 RODS, 165 3/4 RODS AND ROD PUMP. TUBING FLOWING 1/2 BPM WATER. DIG D.T FOR WATER FLOW. SPOT IN RIG PUMP AND TANK. RIG UP CIRCULATING EQUIPMENT. PUMP 5 BBLS 10# BRIME WATER DOWN TBG PUMP 15 BBLS DOEN CSG TBG ON VACCUM CSG STILL FLOWING 1/2 BPM PUMP ANOTHER BBLS DOWN CSG CSG STILL FLOWING 1/2 BPM FLOW WELL TO P.T. RIG UP TUBING EQ ATTEMPT TO RELEASE TUBING ANCHOR WORK TBG AT 30,000# OVER NO LUCK, LINE UP WIRELINE TRUCK TO FREE POINT AND CUT TUBING SHUT DOWN FOR NIGHT

DC : \$7,850

CCC: \$38,717

CWC: \$38,717

Date : 11/5/2008

Activity: REPAIR HOLE IN CASING

Days On Completion: 3

Remarks : RIG UP WEATHERFORD WIRE LINE TO RUN FREE POINT AND CUTTER. RIG UP WIRE LINE TRUCK RUN IN HOLE WITH GAUGE RING TO 6564' POOH WITH GAUGE RING. RUN IN HOLE WITH FREE POINT TOOLS TUBING 100% FREE AT 6504, 80 % AT 6552, 80% AT 6512' POOH WITH FREE POINT PICK UP JET CUTTER AND RUN IN HOLE TO 6540 JET CUT TUBING TUBING FREE RIG UP RIG FLOOR PULL OUT OF HOLE WITH WIRE LINE, RIG DOEN WIRELINE TRUCK. NIPPLE UP BOPS, RIG UP FLOOR PULL OUT OF HOLE TALLYING 182 JTS 2 7/8 EVE 3RD J-55 TBG 6.5#. 5 1/2 TUBING ANCHOR 29 MORE JTS 2 7/8TBG AND 20' CUT OFF. SDFN

DC : \$20,827

CCC: \$59,544

CWC: \$59,544

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**Date :** 11/6/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 4

**Remarks :** PICK UP AND RUN IN HOLE 2 7/8 OVERSHOT WITH MILL CUT 43 1/2 DRILL COLLARS TAG FISH AT 6540'. RIG UP POWER SWIVEL. CLEAN OFF FISHTOP. LATCH ON FISH AND JAR AT 30,000 OVER. WORK TO 40,000 OVER. NO LUCK. RELEASE FISH. POOH WITH 2 7/8 TBG 4-3 1/2 DRILL COLLAR, OVERSHOT JARS CHANGE OUT EQUIPMENT TO RUN 4 3/4 SHOE WITH 4 1/2 WASH PIPE TO WASH OVER FISH. SHUT DOWN FOR NIGHT

**DC :** \$7,151**CCC:**

\$66,695

**CWC:** \$66,695

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**Date :** 11/7/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 5

**Remarks :** PICKUP RUN IN HOLE WITH 4 3/4 MILL SHOE, 3 JTS 4 1/2 WASH PIPE 4-3 1/2 DRILL COLLARS 2 7/8 TBG. TAG AT 6540' RIG UP DRILLING HEAD POWER SWIVEL CIRC. EQ. BREAK CIRCULATION CLEAN OUT FROM 6540 TO 6578' STOPPED MAKING HOLE. CIRCULATE CLEAN, RIG DOWN POWER SWIVEL DRILLING HEAD, LAY DOWN 3 JTS 2 7/8 TBG POOH W/ 2 7/8 TBG JARS, 4 3 1/2 DRILL COLLARS ENERGIZER AND SHUT DOWN FOR NIGHT AT 3000'

**DC :** \$8,089**CCC:**

\$74,783

**CWC:** \$74,783

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**Date :** 11/10/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 8

**Remarks :** ZERO PSI ON WELL. RUN IN HOLE FROM 3000' WITH 4 3/4 OVERSHOT RUN IN HOLE TO 5605' TAG UP SOLID COULD NOT WORK 4 3/4 SHOE @ 5605' POOH WITH 4 3/4 CHANGE 4 3/4 OVERSHOT TO 4 1/8 OVERSHOT. R/H WITH 4 1/8 OVERSHOT JARS, 4-3 1/2 DRILL COLLARS ENERGIZER AND 2 7/8 TBG NO TAG AT 5605' CATCH FISH @ 6540' JAR ON FISH 39000-40,000# OVER COULD NOT FREE FISH RELEASE FROM FISH POOH WITH OVERSHOT LAY DOWN JARS AND OVERSHOT SDFN WILL RUN 4 3/4 STRING MILL IN AM TO CLEAN UP TIGHT SPOT @ 5605

**DC :** \$6,835**CCC:**

\$81,618

**CWC:** \$81,618

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**Date :** 11/11/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 9

**Remarks :** RUN IN HOLE WITH 4 3/4 STRING MILL 4-3 1/2 DRILL COLLARS, 2 7/8 TUBING TO 5605' RIG UP POWER SWIVEL DRILLING HEAD AND CIRCULATING EQ. MILL OUT FROM 5605' TO 5612' CIRCULATE CLEAN. RIG DOWN POWER SWIVEL. RUN IN HOLE TO 6446' RIG DOWN SWIVEL AND DRILLING EQUIPMENT POOH W/ 2 7/8 TBG 4-3 1/2 DRILL COLLARS LAY DOWN STRING MILL. SDFN WILL RUN 4 3/4 SHOE WASH PIPE AGAIN IN AM

**DC :** \$7,997**CCC:**

\$89,615

**CWC:** \$89,615

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**Date :** 11/12/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 10

**Remarks :** PICK UP, RUN IN HOLE 4 3/4 SHOE 4 JTS WASH PIPE BUMPER SUB, JARS, 4 3 1/2 DEILL COLLARS AND 2 7/8 TBG. TAG FISH AT 6520' 8' OF FILL SINCE LAST CLEAN OUT. FISH TOP AT 6578' RIG UP DRILLING EQ. BREAK CIRCULATION CLEAN OUT 6570 TO 6582' HAD TROUBLE CIRCULATING DUE TO SCALE, SAND, LOST CIRCULATION MATERIAL. CIRCULATE CLEAN. RIG DOWN SWIVEL & DRILLING EQ. POOH W/ 4 3/4 SHOE, 4 JTS WASH PIPE, JARS, BUMPER SUB, 4 3 1/2 DRILL COLLARS 2 7/8 TBG. HAD 70 +/- FISH UP IN WASH PIPE, COULD NOT GET OUT, WILL CUT IN AM. STAND BACK WASH PIPE IN DELRICK. SDFN

**DC :** \$7,464**CCC:**

\$97,079

**CWC:** \$97,079



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**Date :** 11/14/2008

**Activity:** REPAIR HOLE IN CASING

**Days On Completion:** 12

**Remarks :** FINISH POOH FROM 4200' WITH 4 3/4 MILL SHOVE 2 JTS 4 3/4 WASH PIPE JARS BUMPER SUB 4 3 1/2 DRILL COLLARS 2 7/8 TBG PICK UP AND RUN 3 1/2 OVERSHOT JARS BUMPER SUB 4 3 1/2 DRILL COLLARS 2 7/8 TBG LATCH ON FISH AT 6582' WORK UP TO 30,000# OVER CAME FREE POOH FOUND NO FISH IN OVERSHOT. PICKUP 4 3/4 MILL SHOE 2 JTS 4 3/4 WASH PIPE JARS, BUMPER SUB, 4 3 1/2 DRILL COLLARS 2 7/8 TBG TO 5500' SDFN

**DC :** \$70,023

**CCC:** \$167,102

**CWC:** \$167,102

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**Date :** 11/17/2008

**Activity:** REPAIR HOLE IN CASING

**Days On Completion:** 15

**Remarks :** SERO PSI ON WELL. FINISH RUNNING HOLE W/ 4 3/4 SHOE AND BOTTOM HOLE ASSEMBLY TAG FISH @ 6584' RIG UP DRILLING EQ. BDSAK CIRCULATION WORK SHOE OVER FISH TOP TAG AT 6596' 4' OF FILL. CLEAN OUT 6596 TO 6604' STOP MAKING HOLE CIRCULATE CLEAN RIG DOWN DRILLING EQUIPMENT. POOH WITH 2 7/8 TBG 4 3 1/2 DRILL COLLARS 2 JTS 4 3/4 WASH PIPE, JARS, BUMPERS SUB, 4 3/4 SHOE FISH STOCKIN WASH PIPE RECOVERED ALL OF FISH 21'3" 2 7/8 TUBING COLLAR AND BULL PLUG SHUT WELL IN FOR NIGHT.

**DC :** \$6,800

**CCC:** \$173,902

**CWC:** \$173,902

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**Date :** 11/18/2008

**Activity:** REPAIR HOLE IN CASING

**Days On Completion:** 16

**Remarks :** RUN IN HOLE WITH WASH PIPE LAY DOWN WASH PIPE AND FISH MAKE UP 4 3/4 BIT AND BIT SUB. RUN IN HOLE WITH 4 3 1/2 DRILL COLLARS AND TBG. TAG AT 6606' RIG UP DRILLING EQ. BREAK CIRCULATION CLEAN POOH WITH 6681' PBTD. CIRCULATE BACK SAND. SCALE CIRCULATE CLEAN POOH WITH 4 3/4 BIT. RUN IN HOLE WITH 4 3/4 BIT AND CASING SCRAPER FOE 5 1/2 15,5# CSG. RUN SCRAPER AND BIT TO 6620' POOH TO 5500'. SHUT DOWN FOR NIGHT

**DC :** \$59,276

**CCC:** \$233,179

**CWC:** \$233,179

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**Date :** 11/19/2008

**Activity:** REPAIR HOLE IN CASING

**Days On Completion:** 17

**Remarks :** POOH WITH 4 3/4 BIT AND 5 1/2CSG/ SCRAPER LAY DOWN SAME. RUN IN HOLE WITH 5 1/2 PACKER AND PLUG SET PLUG AT 6300' PACKER AT 6270' TEST TOOLS TO 500 PSI TEST GOOD. TEST CASING , NO TEST PUMP 3 BPM AT 300 PSI. ATTEMPT TO TEST CASING DOWN TUBING AT 5615-5585-4999-4691-4527-4535' NO TEST. BOTTOM HOLES BETWEEN 4567-4535' TEST CSG FROM 4535-2850 NO TEST 3 BPM @ 300 PSI. RUN IN HOLE RETRIEVE BRIDGE PLUG @ 6300' POOH TO 4722 SET PLUG. PULL OUT OF HOLE WITH RET HEAD AND PACKER RUN IN HOLE WITH FULLBORE PACKER TESTING. SET AT 2395 NO TEST, 2495 TOP OF HOLE 2325-2495. HOLES IN CSG FROM 4567' UP TO 2395' INJECTION RATE 3 BPM 250 TO 300 PSI.

**DC :** \$7,210

**CCC:** \$240,389

**CWC:** \$240,389

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**Date :** 11/20/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 18

**Remarks :** POOH WITH PACKER LAY DOWN PACKER SHUT BLIND RAMS OPEN ANULAR. RIG UP PIPE LINES TO CASING 5 1/2 CASING FULL. PUMP 13 BBLs AT 250-300 PSI CIRCULATE OUT OF 9 5/8 CSG. RUN IN HOLE WITH 2 7/8 TUBING TO 4691 20' ABOVE RBP DUMP 4 SACKS OF SAND ON PLUG. PUMP 17 BBLs KCL DOWN TUBING. SDFN. LINE UP CEMENT AND WATER TRUCKS. CANNOT GET CEMENT UNTIL SAT 22ND

**DC :** \$5,720**CCC:** \$246,109**CWC:** \$246,109

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**Date :** 11/21/2008**Activity:** REPAIR CASING LEAK IN 5 1/2**Days On Completion:** 19

**Remarks :** ZERO PSI ON WELL. POOH WITH 2 7/8 TUBING PICKUP 2 7/8 x 5 1/2 CEMENT RETAINER RUN IN HOLE TO 2333' SET RETAINER RIG UP PUMP LINES TEST CASING TO 500 PSI TEST OK. TEST TUBING TO 500 PSI TEST OK. STING OUT OF RETAINER SHUT WELL IN WAIT ON CEMENTERS.

**DC :** \$6,129**CCC:** \$252,238**CWC:** \$252,238

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**Date :** 11/22/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 20

**Remarks :** RIG UP CEMENT AND WATER TRUCKS TEST LINES TO 2000 PSI PRESSURE UP ON CASING TO 500 PSI. PUMP 300 SKS LITE 12.4# 105 BBLs. PUMP 200 SKS CLASS G 15.8# 42 BBLs. GOOD CIRCULATION OUT 9 5/8 DURING WHOLE JOB. STING OUT OF RETAINER REVERSE OUT TUBING CLEAN, PULL OUT OF HOLE WITH 2 7/8 TUBING AND STINGER RIG DOWN CEMENT TRUCKS AND WATER TRUCKS SHUT WELL IN WAIT ON CEMENT.

**DC :** \$27,204**CCC:** \$279,442**CWC:** \$279,442

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**Date :** 11/24/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 22

**Remarks :** RUN IN HOLE WITH 4 3/4 BIT 4-3 1/2 DRILL COLLARS AND 2 7/8 TBG. DRILL ON CEMENT RETAINER. RETAINER AT 2333 TAG UP OIL CEMENT @ 2329 4' OF CEMENT ON RETAINER. DRILL FROM 9:30AM UNTIL 2:30PM ON RETAINER. CIRCULATE HOLE CLEAN DRILL OUT 2333 TO 2394 DRILLED 61' GOOD CEMENT TODAY PLUS RETAINER.

**DC :** \$9,960**CCC:** \$289,402**CWC:** \$289,402

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**Date :** 11/25/2008**Activity:** WELL BORE INFORMATION**Days On Completion:** 23**Remarks :****DC :** \$0**CCC:** \$289,402**CWC:** \$289,402

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**Date :** 11/25/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 23

**Remarks :** RIG UP DRILLING EQUIPMENT CONTINUED DRILLING CEMENT FROM 2394 TO 2489' CEMENT TURNED SOFT (GREEN) ONLY TAKES 6-10 MINS TO DRILL DOWN A JOINT TEST CASING TO 500 PSI AT 2457, TEST 500 PSI AT 2489 TEST OK. RIG DOWN DRILLING EQUIPMENT. PULL OUT OF HOLE WITH 10 JOINTS LAYING DOWN SAME. SHUT DOWN RIG FOR THANKSGIVING HOLIDAY. WILL DRILL OUT CEMENT MON. DEC. 01, 2008

**DC :** \$6,630**CCC:** \$296,032**CWC:** \$296,032

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**Date :** 11/26/2008**Activity:** MIRU**Days On Completion:** 24**Remarks :****DC :** \$0**CCC:** \$296,032**CWC:** \$296,032

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**Date :** 11/26/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 24**Remarks :** RIG ON STANDBY WAITING ON CEMENT**DC :** \$3,500**CCC:** \$299,532**CWC:** \$299,532

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**Date :** 12/1/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 29

**Remarks :** ZERO PSI ON WELL. RUN IN HOLE FROM 2100' TAG AT 2489. RIG UP DRILLING EQUIPMENT BREAK CIRCULATION. DRILL CEMENT FROM 2489 TO 2758 GOOD CEMENT DRILLING HARD. CIRCULATE WELL BEFORE CLEAN. RIG DOWN DRILLING EQ. PULLOUT OF HOLE LAYING DOWN 10 JTS OF TUBING SHUT DOWN WELL FOR NIGHT

**DC :** \$17,399**CCC:** \$316,931**CWC:** \$316,931

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**Date :** 12/2/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 30

**Remarks :** ZERO PSI ON WELL. RUN IN HOLE FROM 2500' RIG UP DRILLING EQUIPMENT BREAK CIRCULATION DRILL FROM 2758' TO 2879 BIT SLOWED DOWN TO 2 HRS PER JOINT. CIRCULATE HOLE CLEAN PRESSURE TEST CASING TO 500 PSI FOR 10 MIN. TEST GOOD. RIG DOWN DRILLING EQ. LAY DOWN 4 JTS 2 7/8 TUBING STAND BACK 2 7/8 TUBING 4-3 1/2 DRILL COLLARS. CHANGE OUT 4 3/4 CONE BIT (BIT WORN OUT) PICK UP BLADED BIT RUN IN HOLE BIT SUB 4-3 1/2 DRILL COLLARS AND 2 7/8 TBG. SHUT DOWN FOR NIGHT @ 2879'

**DC :** \$8,652**CCC:** \$325,582**CWC:** \$325,582

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**Date :** 12/3/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 31

**Remarks :** ZERO PSI ON WELL RIG CIRCULATING AND DRILLING EQ. RUN IN HOLE TAG UP AT 2879 DRILL OUT CEMENT FROM 2879 DOWN TO 3461 TESTING TO 500 PSI EACH JOINT DRILLED DOWN. CIRCULATE HOLE CLEAN RIG DOWN POWER SWIVEL. PULL OUT OF HOLE LAYING DOWN 15 JOINTS 2 7/8 EVE 6.5# J-55 TUBING. RUN IN HOLE WITH 18 STANDS 2 7/8 TBG. LAY DOWN 1 JT. TBG. RIG SWIVEL BACK UP. SDFN.

**DC :** \$7,610**CCC:** \$333,192**CWC:** \$333,192



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**Date :** 12/4/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 32

**Remarks :** ZERO PSI ON WELL RIG UP DRILLING EQ. BREAK CIRCULATION DRILL CEMENT OUT FROM 3461 TO 3613 ATTEMPT TO TEST CASING TO 500 PSI LOST 100# IN ONE MINUTE TEST GOOD AT 3585: FELL OUT OF CEMENT AT 3618' CIRCULATE HOLE CLEAN PUMP TEST 1/2 BBI PER MINUTE AT 500 PSI RIG DOWN SWIVEL AND DRILLING HEAD. RUN IN HOLE TO 4704 TAG SAND ON RET. BRIDGE PLUG AT 4722' HAVE 18' OF SAND ON BRIDGE PLUG. PULL OUT OF HOLE 2 7/8 TUBING BIT AND 4 3 1/2 DRILL COLLARS PICK UP 5 1/2 PACKERS AND SET AT 3401 212' ABOVE LEAK @ 3613: LINE UP CEMENT FOR 12/05/08. TEST CASING TO 500 PSI TEST GOOD. BLEED DOWN PSI. SHUT DOWN FOR NIGHT. WILL DO CEMENT JOB IN AM.

**DC :** \$6,995**CCC:** \$340,187**CWC:** \$340,187

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**Date :** 12/5/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 33

**Remarks :** ZERO PSI ON WELL. RIG UP PRO-PETRO CEMENTERS TEST LINES TO 3000 PSI. PRESSURE UP ON BACK SIDE TO 500 PSI. ATTEMPT TO PUMP DOWN TUBING COULD ONLY PUMP 1.5 BPM AT 1600#. SHUT DOWN ORDER LOST CHEMICAL TO ADD TO CEMENT PUMP 150 SACKS NEAT TYPE "G" WITH FLUID LOSS ADDITIVES 30.7 BBLs SLURRY 15.8# 1.5BPM AT 1400 PSI PRESSURE DOWN TO 200 PSI SHUT DOWN WAIT 30 MIN. INITIAL SHUT DOWN PSI 1000 PSI 5 MIN ZERO PSI. TBG ZERO NOT ON VACUUM FINISH PUMPING AT 1:00PM WILL DRILL OUT MONDAY 12/08/08

**DC :** \$14,102**CCC:** \$354,289**CWC:** \$354,289

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**Date :** 12/8/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 36

**Remarks :** ZERO PSI ON WELL OPEN WELL RELEASE PACKER AT 3401' PULL OUT OF HOLE WITH TUBING AND PACKER, LAY DOWN PACKER. PICK UP AND RUN IN HOLE WITH 3 WAY BIT. 4 3 1/2 DRILL COLLARS AND TUBING. TAG CEMENT 3624' TEST CASING TO 500 PSI TEST GOOD. RIG UP POWER SWIVEL AND DRILLING EQ. DRILL OUT CEMENT FROM 3624' TO 3860' CIRCULATE HOLE CLEAN TEST CASING TO 500 PSI TEST GOOD. RIG DOWN DRILLING EQ. PULL OUT OF HOLE LAYING DOWN 14 JOINTS OF 2 7/8 TUBING. RUN IN HOLE WITH 7 STANDS 2 7/8 TUBING DRAW UP SHUT DOWN FOR NIGHT. DRILL 236' OF CEMENT TODAY.

**DC :** \$8,444**CCC:** \$362,733**CWC:** \$362,733

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**Date :** 12/9/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 37

**Remarks :** ZERO PSI ON WELL, OPEN UP WELL RIG UP DRILLING EQ. BREAK CIRCULATION DRILL OUT CEMENT FROM 3860 TO 4285 DRILL 425' TODAY CIRCULATE CLEAN TEST CASING TO 500 PSI TEST GOOD PULL OUT OF HOLE LAYING DOWN 10 JTS 2 7/8 TBG. RUN IN HOLE WITH 15 STANDS 2 7/8 TBG. DRAIN UP EQUIPMENT SHUT DOWN FOR NIGHT.

**DC :** \$9,428**CCC:** \$372,161**CWC:** \$372,161

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Date : 12/10/2008

Activity: REPAIR HOLE IN CASING

Days On Completion: 38

Remarks : ZERO PRESSURE ON WELL. OPEN WELL UP. RIG UP DRILLING EQ. BREAK CIRCULATION DRILL CEMENT FROM 4285 TO 4555' CIRCULATE HOLE CLEAN. PRESSURE TEST CASING TO 500 PSI, TEST GOOD. RIG DOWN POWER SWIVEL RUN IN HOLE CLEAN OUT TO RET. BRIDGE PLUG AT 4704' RIG SWIVEL BACK UP CLEAN OUT TO 4722. RIG DOWN DRILLING EQ. PULL OUT OF HOLE WITH TUBING, LAY DOWN 4 3 1/2 DRILL COLLARS AND BIT. PICK UP RETRIEVING TOOL FOE BRIDGE PLUG RUN IN HOLE TO 4600' SHUT DOWN FOR NIGHT.

DC : \$9,333

CCC: \$381,494

CWC: \$381,494

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Date : 12/11/2008

Activity: REPAIR HOLE IN CASING

Days On Completion: 39

Remarks : ZERO PSI ON WELL OPEN WELL UP RIG UP CIRCULATING EQUIPMENT CIRCULATE DOWN TO 4722 WASH SAND OFF OF PLUG. RETRIEVE BRIDGE PLUG. PULL OUT OF HOLE WITH BRIDGE PLUG LAY DOWN SAME. PICK UP 5 1/2 PACKER RIN IN HOLE TO 6264 SET PACKER TEST CASING TO 500 PSI TEST FOOD ATTEMPT TO SET UP ACID JOB HALLIBURTON, NO TRUCKS UNTIL SATURDAY 12/13/08 SHUT DOWN UNTIL SATURDAY

DC : \$6,339

CCC: \$387,833

CWC: \$387,833

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Date : 12/12/2008

Activity: REPAIR HOLE IN CASING

Days On Completion: 40

Remarks :

DC : \$3,399

CCC: \$391,231

CWC: \$391,231

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Date : 12/13/2008

Activity: REPAIR HOLE IN CASING

Days On Completion: 41

Remarks : ZERO PSI ON WELL MOVE IN AND RIG UP HALLIBURTON ACID TRUCKS, RIG UP RIG PUMP AND PRESSURE UP TO 500 PSI ON CASING ACIDIZE PERFORATIONS FROM 6328 TO 6610 720 MES 2 SAF 58' 116 HOLES WITH 750 GNS FE ACID RAN 116 7/8" OD BALL SEALERS 4 GALS LP-65 SCALE CHECK 1 GAL LOSURF. TEST HES LINES TO 1500 PSI OPEN T/W VALVE START ACID FLUSH TO BOTTOM PERF. SHUT WELL WILL SWAB BACK MONDAY 12/15/08 (2% KCL FLUSH FLUID) MAX PSI 1509  
AVG PSI 115  
MAX RATE 2.4 BPM  
AVG. RATE 1.2 BPM  
ISDP 800 PSI  
5 MIN. ZERO PSI  
TOTAL PUMPED ACID AND FLUSH 63 BBLS TO RECOVER

DC : \$76,091

CCC: \$467,322

CWC: \$467,322

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Date : 12/15/2008

Activity: REPAIR HOLE IN CASING

Days On Completion: 43

Remarks : ZERO PRESSURE ON WELL. PACKER SET AT 6264'. RIG UP SWAB EQUIPMENT MAKE 22 SWAB RUNS FLUID LEVEL ON 1ST RUN 4600' FLUID LEVEL ON LAST RUN 6000' RECOVERED 25 BBLS FLUID HAVING TROUBLE GETTING DOWN WITH SWAB. TRASH IN FLUID. HAVE 40 BBLS LEFT TO RECOVER.

DC : \$30,549

CCC: \$497,871

CWC: \$497,871



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**Date :** 12/16/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 44

**Remarks :** ZERO PSI ON WELL. RIG UP SWAB EQUIPMENT INITIAL FLUID LEVELS AT 4300' FLUID LEVEL LAST RUN 6100' MADE 25 RUNS RECOVERED 30 BBLS DIRTY FLUID AFTER RUN 13 WAIT 1/2 HOUR BETWEEN RUNS LAST 5 RUNS VERY LITTLE FLUID (NO FLUID ENTRY) HAVE 10 BBLS OF LOAD LEFT TO RECOVER.

**DC :** \$7,233**CCC:** \$505,104**CWC:** \$505,104

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**Date :** 12/17/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 45

**Remarks :** SHUT IN TUBING PSI 50#, SHUT IN CSG PSI ZERO. BLEED TUBING DOWN. RU SWABBING EQUIPMENT MADE 20 RUNS INITIAL FLUID LEVEL 1ST RUN 5200' FLUID LEVEL LAST RUN 6100' PULL FROM 6200', WAIT ONE HOUR BETWEEN RUNS AFTER RUN #12. RECOVERED 23 BBLS TOTAL RECOVERED AFTER ACID OB 78 BBLS 13 BBLS OVER ACID LOAD AND FLUSH

**DC :** \$7,320**CCC:** \$512,424**CWC:** \$512,424

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**Date :** 12/18/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 46

**Remarks :** RIG DOWN SWAB EQUIPMENT. RIG UP TUBING EQUIPMENT, 50# SHUT IN TUBING PRESSURE, BLEED TBG DOWN. ZERO CASING PRESSURE. RELEASE 5 1/2 PACKER @ 6264 PULL OUT OF HOLE WITH 2 7/8 6.5# J-55 EVE TBG. LAY DOWN PACKER. MAKE UP 2 7/8 BULL PLUG COLLAR 1-JT 2 7/8 J-55 TBG. 1-2 7/8x6' PERF. SUB 2 7/8 SEATING NIPPLE 14 JTS 2 7/8 J-55 6.5 EVE TBG 5 1/2 ANCHOR CATEWER RUN IN HOLE WITH 200 JTS 2 7/8 J-55 6.5# EVE TBG. END OF TUBING 6621.89 TUBING LANDED 294' BELOW TOP PERF. TUBING ANCHOR SET AT 6141' WITH 10,000# TENSION. CHANGE OVER TO ROD EQUIPMENT. RUN IN HOLE WITH 2 1/2x1.25RHBC rod pump 137" stroke. 165 3/4 rods, 96 7/8 rods 6'4"-6'7/8" pony rods 22' polish rod. Space out pump. Rig up pumping unit.

**DC :** \$6,855**CCC:** \$519,280**CWC:** \$519,280

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**Date :** 12/19/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 47

**Remarks :** ROD PUMP NOT PUMPING, RE-SPACE PUMP PRESSURE. TEST TUBING 500 PSI TEST OK THAW OUT FLOW LINES GET PUMP PUMPING TO RIG TANK

**DC :** \$6,794**CCC:** \$526,073**CWC:** \$526,073

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**Date :** 12/22/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 50

**Remarks :** HELP THAW OUT LINES, GET WELL PUMPING -20\*

**DC :** \$6,480**CCC:** \$532,553**CWC:** \$532,553

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**Date :** 12/24/2008**Activity:** REPAIR HOLE IN CASING**Days On Completion:** 52

**Remarks :** RE-SPACE PUMP TO TBG BOTTOM RIG UP LINES TO RIG PUMP LOAD TBG WITH 10 BBLS OF WATER WATCH WELL TO KEEP PUMPING ACTS LIKE SOMETHING IN PUMP

**DC :** \$5,008**CCC:** \$537,561**CWC:** \$537,561





## Merit Energy Company

13727 Noel Road, Suite 500  
Dallas, TX 75240  
(972) 701-8377

## Daily Activity Report

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Date : 12/30/2008

Activity: REPAIR HOLE IN CASING

Days On Completion: 58

Remarks : WELL PUMPING TO RIG TANK OVER NIGHT MADE 48 BBLS OIL & WATER RIG UP HOT OILER HOT OIL FLOW LINES SEPERATOR, HOT OIL FLOW LINE FOUND HOLE IN FLOW LINE UNDERGROUND. SHUT DOWN PUMPING UNTIL LINE UP ROUSTABOUT CREW.

DC : \$6,818

CCC: \$544,379

CWC: \$544,379

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Date : 1/5/2009

Activity: REPAIR HOLE IN CASING

Days On Completion: 64

Remarks : WAIT ON HOT OILER & WATER TRUCK, LOAD TUBING WITH 10 BBLS WATER TEST TO 250 PSI, TEST OK. TROUBLE WITH HOT OILER (ICE) WELL PUMPING TO RIG TANK. PUMP STOPED PUMPING AGAIN LOWER RODS TO HAVE PUMP TAG. NO PUMP, ATTEMPT TO UNSEAT PUMP. WORK UP TO 8000# OVER RODS PARTED. PULL OUT OF HOLE WITH OVERSHOT LATCH ON TO FISH WORK FREE 8000 OVER PULL OUT OF HOLE DRAGGING 2000-8000 OVER FOR FIRST 150' PULL UP TO 3000' TUBING BLOWING IN TROUBLE WITH WELL CONTROL SHUT DOWN FOR NIGHT.

DC : \$7,703

CCC: \$552,082

CWC: \$552,082

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Date : 1/6/2009

Activity: REPAIR HOLE IN CASING

Days On Completion: 65

Remarks : FINISH POOH WITH OVER SHOT LAYED DOWN OVER SHOT AND 3/4 ROD POOH WITH PUMP TRASH ON TOP OF PUMP AND INSIDE PUMP LARGE CHUNKS OF SCALE. TEST PUMP TEST OK. PICKUP NEW REDRESSED PUMP TEST SAME TEST OK. RUN IN HOLE 165 3/4 RODS, 96 7/8 RODS 1-6' 7/8 PONY ROD, 1-6' 7/8 PONY ROD. PICK UP POLISH ROD AND STUFFING BOX SPACE OUT AND SEAT PUMP. RIG UP HOT OILER LOAD TAG WITH 15 BBLS WATER TEST TO 500 PSI, PUMP RIG TO WELL TANK. SDFN

DC : \$5,751

CCC: \$557,834

CWC: \$557,834

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Date : 1/7/2009

Activity: REPAIR HOLE IN CASING

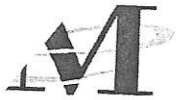
Days On Completion: 66

Remarks : PUMP NOT PUMPING AGAIN RIG DOWN PUMPING UNIT ATTEMPT TO UNSEAT PUMP WORK 8,000-10,000 OVER. RIG UP HOT OILER PUMP 60 BBLS WATER DOWN CASING 1/2 BPM AT 500 PSI STOPPED PUMPING CAN NOT PUMP INTO PERFS. RIG DOWN HOT OILER COULD NOT UN SEAT PUMP. BACK OFF RODS POOH EITH ROD & PUMP. PUMP CAME UNSCREWED LEAVING HOI DOWN MANDREL IN SEATING NIPPLE. CHANGE OVER TO RIG UP FLOOR, ATTEMPT TO RELEASE 5 1/2 TBG ANCHOR AT 6141 WORK UP TO 80,000 OVER ANCHOR IS STUCK. SDFN LINE UP FREE POINT WIPE LINE TRUCK SDFN

DC : \$5,810

CCC: \$563,644

CWC: \$563,644



# Merit Energy Company

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## Daily Activity Report

Date : 1/8/2009

Activity: REPAIR HOLE IN CASING

Days On Completion: 67

Remarks : RIG UP WIPE LINE TRUCK TO PERFORATE TUBING BELOW ANCHOR CATCHER AND ABOVE SEATING NIPPLE RUN IN HOLE WITH PERF GUNS AND PERF 4 HOLES @ 6164 ANDCHOR CATCHER IS AT 6141 POOH WITH WIRELINE. RIG UP PUMP TO PUMP DOWN CASING IN ATTEMPT TO CIRCULATE PRESSURE UP TO 500 PSI, NO CIRCULATION. RUN IN HOLE WITH FREE POINT TOOLS. SHOWS 100% STUCK AT 5650, 60 % @ 5630, 5620 100% FREE POOH, WL RUN IN HOLE WITH 2 1/8 CUTTER. COULD NOT GET BELOW 5015, POOH WITH CUTTER RUN IN HOLE WITH 1 3/4 SINKER BAR TO 6200'. POOH RIG DOWN WIRELINE. WILL HAVE 1 3/4 CUTTER HERE IN AM. SDFN

DC : \$16,334

CCC: \$579,978

CWC: \$579,978

Date : 1/9/2009

Activity: REPAIR HOLE IN CASING

Days On Completion: 68

Remarks : RIG UP WIRELINE RUN IN HOLE WITH 1 3/4 CHEMICAL CUTTER, CUT TUBING AT 6175' ANCHOR IS AT 6141'. RIG UP PUMP DOWN TUBING 300 PSI AT 2 BPM ISDP 150 PSI AFTER 2 MINS. NO RETURNS. RUN IN HOLE WITH SUTTER, CUT TUBING @ 5626' POOH WITH WIRE LINE. TBG FREE RIG DOWN WIRELINE TRUCK POOH WITH 2 7/8 TUBING LAYING DOWN ON FLOAT. 183 JTS 2 7/8 6.5 J-55 EVE TBG. 22' CUT JT PICK UP RUN IN HOLE WITH 4 3/4 MILL SHOE, 4 JTS 4 1/2 WASH PIPE, BUMPER SUB, JARS 4 3 1/2 DRILL COLLARS, INTENSIFIED. CHANGE OUT FLOATS. TALLY AND PICKUP NEW 2 7/8 6.5 J-55 EVE TUBING TO 2000' SDFN

DC : \$22,735

CCC: \$602,713

CWC: \$602,713

Date : 1/10/2009

Activity: REPAIR HOLE IN CASING

Days On Completion: 69

Remarks : ZERO PSI ON WELL. TALLY AND PICKING UP 2 7/8 TUBING TAG UP ON FISH 5634' RIG UP CIRCULATING EQUIPMENT. RIG UP SWIVEL BREAK CIRCULATION HAD TROUBLE CIRCULATING DUE TO DRILLING MUD 7 CEMENT. CLEAN OUT FROM 5634 TO 5642 RIG DOWN SWIVEL POOH LAY DOWN 4 JTS SHUT DOWN AT 5520' SDFN.

DC : \$11,565

CCC: \$614,278

CWC: \$614,278