

Denbury Onshore LLC

5100 Tennyson Parkway, Suite 3000

Plano , TX 75022

Daily Drilling

Summary

Date - 7/10/2009

Rpt. No. - 31

Well Name - CFU CO2 31F-3 #1 (BEG)

County, St - Franklin, MS

Sec. 31

Location - FR SE/C of SEC 31 go north along east line 589'

Phone 1 601-757-1651

AFE No. DR0908969CAP

Foreman - Dale Barnett

Tnshp. 7N

Rge. 1E

Rig - David New # 16

ToolPusher-

Phone 2

User - 1

User - 2

Proposed Depth MD - 10828

Proposed Depth TVD- 10700

KO Depth- 0

KO Date-

Casing

Date

Size

Weight

Grade

Set Depth

Casing Top

Shoe -EMW

TOL-EMW

1. Conductor

5/21/2009

20.000

94.00

J-55

60.00

0.00

3. Surface

6/14/2009

13.375

54.50

J-55

2007.00

18.00

Rpt T. Activity- 02 - Drilling

Rpt T. Activity Description - Drlg @ 10768

Drilling Days - 29

Depth TVD - 10768

PBTD - 0

Accidents -

Drill Depth - 10768

Ftg Drld. - 245

Weather -

Crews -

Next Day Operations - Drill to TD, Wiper Trip, Circulate & Pooh, Log Well,

Pollution -

AFE - \$1,300,000

Daily Costs - \$42,773

Cum Cost - \$1,156,984

Daily Mud - \$6,171

Cum Mud - \$192,506

Daily Drilling: 23.50

Rotating: 23.50

Trips: 0.00

Circulating: 0.00

Down: 0.00

Other: 0.50

Cum Drilling: 322.50

Rotating: 328.50

Trips: 118.50

Circulating: 17.50

Down: 29.50

Other: 250.00

Hrs

Operations

Start Depth

End Depth

Run

0.50

Service Rig

10523.00

10523.00

8

23.50

Drlg F/ 10523' to 10768' = 245' @ 10.5 f.p.h.

10523.00

10768.00

8

24.00

Remarks

Service Rig

Drlg F/ 10523' to 10768'

Depth

Time

Wt In

Wt Out

Vis

PV

YP

Gels

FL

HTFL

FC

HTFC

Solid

Water

Oil

Sand

10660

10:00

9.80

9.80

47

16

14

3/12/0

6.8

12.4

2

3.00

7.0%

92.0%

1.0%

0.0%

MBT

pH

Pm

Pf

Mf

Cl

Ca

ES

Pom

Lime

Total Sal.

CaCl2

EDTA

O/W Ratio

Mud Lost

25.0

9.50

0.00

0.25

0.00

2200

20

0

0.00

0.00

0

0

0.00

1/99

0

Water Lost

LCM

ECD

FL Temp

Remarks

0

0.0

0.0

145

Make - Reed

Type - MSX716M

Size - 12 1/4

Serial No. 220411

Jet TFA - 0.60

Bit No. BHA

Jet Size

Depth

Depth

Cum

Drlg

Cum

T

B

G

WOB

Torque

Rot.

Mot.

No.

In

Out

Ftg.

Hrs.

Hrs.

I / O

RPM

RPM

8

8

11/11/11/11/10/10/10/0

10505

10768

263

24.50

24.50

/

0

0

WOB - 15K

Rot RPM - 95

Motor RPM - 168

Torque - 13000

ROP- 10.43

Drag Up - 3E+05

Hook Load- 295000

Press. On Bottom- 2500

BOP Days -

Next Test Date-

Drag Down- 3E+05

Over Pull - 10000

Press. Off Bottom 2500

Last Insp-

Last Drill Date-

Pumps No

Liner Size

Stroke

SPM

GPM

BPM

Pressure

Slow Pump Data (SPM - Pressure)

1

6

10

86

300

7.14

2500

0

0

0

0

0

0

2

6

10

86

300

7.14

2500

0

0

0

0

0

0

Last Survey Date

MD

Angle

Direction

TVD

SEC

N or -S

E or - W

DLS

7/10/2009

10703

1.10

205.00

10702.43

16.74

16.74

-44.30

0.65

BHA

Length

Mud Addition

Otv

Inventory

Oty.

Bit - PDC - fixe

1.15

Barite

30

All - Temp

25

Sub - bit

5.01

Caustic

12

Barite

1920

Teledrift

9.78

Ligco

24

Benex

7

SPIRAL COLL

61.74

Rig Fuel Usage

2605

Caustic

105

Stab - string

5.47

Chemtrol X

39

SPIRAL COLL

31.09

Gel

503

Stab - string

4.42

Ligco

262

SPIRAL COLL

30.68

Lime

7

Sub - X/O

2.35

MD

2

Drill collar

184.86

Mil-plug

32

HWDP

91.44

Milcarb

58

Jar

28.70

Milpac

37

HWDP

790.40

New Drill

8

Total Length - 1247.09

New Drill HP

65

Rig Fuel Usage

6839

Sapp

6

Sulfatrol

86

Unical

94

W.O. Defoam

14

W.O. Defoam

8

Xanplex D

48

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Phone 1 601-757-1651		Phone 2		User - 1	
				User - 2	
Intangible Drilling Costs	Code	Vendor	Remarks	Daily Expense	Cum Expense
INT - ADMINISTRATIV	ID-5500001	DRI	Administrative Overhead	\$200	\$3,400
INT - CONSULTING S	ID-5500104	Barnett Consulting Inc.	Drilling Supervisor	\$1,300	\$40,300
INT - DOWNHOLE EQ	ID-5600009	Thomas Tools Inc	Three 8" DC's & Handling To	\$204	\$141,966
INT - DOWNHOLE EQ	ID-5600009	Weatherford	5" Drill Pipe, 5" HWDP & rel	\$1,408	\$141,966
INT - DOWNHOLE EQ	ID-5600009	Teledrift	Pro-Shot Survey Tool	\$1,350	\$141,966
INT - DOWNHOLE EQ	ID-5600009	Smith (Services) Inter	Drilling Jar Rental	\$300	\$141,966
INT - DOWNHOLE EQ	ID-5600009	Allis Chalmers Rental	5 1/4" Hex Kelly & Drive Bus	\$58	\$141,966
INT - DRILLING - DAY	ID-5600030	David New Drilling Co	Rig Dayrate	\$12,000	\$349,595
INT - DRILLING MUD	ID-5600040	Baker Hughes Inteq	Daily Mud Additives.	\$6,171	\$191,084
INT - EQUIPMENT RE	ID-5600047	Jay Bird Rentals	Floater & Trash Pump.	\$120	\$64,554
INT - EQUIPMENT RE	ID-5600047	R&R Rentals	Co. Mans Trailer, Sewer, W	\$270	\$64,554
INT - EQUIPMENT RE	ID-5600047	Rebel Testers Inc	780' of Fastline from water w	\$50	\$64,554
INT - EQUIPMENT RE	ID-5600047	Mapp Oilfield	Two Frac Tanks for mud sto	\$195	\$64,554
INT - EQUIPMENT RE	ID-5600047	MD Totco	Rig Sense Monitoring Syste	\$576	\$64,554
INT - EQUIPMENT RE	ID-5600047	Thompson Brothers W	Water Well Rental	\$200	\$64,554
INT - EQUIPMENT RE	ID-5600047	Allis Chalmers Rental	13 5/8" 5M Bop's	\$620	\$64,554
INT - EQUIPMENT RE	ID-5600047	MI Swaco	Choke Rental.	\$124	\$64,554
INT - EQUIPMENT RE	ID-5600047	Rebel Testers Inc	Light Plant	\$65	\$64,554
INT - INSPECTION	ID-5600402	Smith (Services) Inter	Inspect 365 Joints of 4 1/2"	\$12,430	\$15,224
INT - FUEL & WATER	ID-5600414	Richard E. Johnson In	2634 Gallons of Diesel used	\$5,132	\$75,600
Total Intangible Drilling Costs:				\$42,773	\$1,098,113
Total Well Costs:				\$42,773	\$1,156,984