

THE UNCONVENTIONAL DRILLING REPORT

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The Land Rig Newsletter Group

Data as of July 23, 2010

EXECUTIVE SUMMARY: Rigs counts across the major unconventional plays climbed 2.5% to 770 units. The higher count was driven by healthy gains in the Eagle Ford and Pennsylvania Marcellus, with each play seeing an increase of 11 units. Other areas recorded small changes since our last report. Overall, utilization remained flat at 83%.

HIGHLIGHTS

- Could the once mighty Haynesville, the play with a voracious appetite for big rigs, be content with less than 200 rigs? In recent weeks, the answer is a resounding yes. In fact, the count has hovered around 180 units since June. This level makes sense to us given drilling needs for leasehold retention and the relatively low natural gas prices.
- Permit counts surged to almost 500 last week, well above our expectations. The Piceance saw the greatest increase, as applications grew 172%. However, refilings accounted for almost half of the increase. Elsewhere, strong interest in liquids led to higher filings for drilling in Montague County (Barnett) and sustained activity in the Eagle Ford and Bakken plays.
- We are revising our Eagle Ford rig count for July 9 to 73 from 65. The revision reflects recent confirmation with operators regarding locations in Dimmit, La Salle, McMullen, and Webb counties.

OUTLOOK

Demand for high-spec rigs remains strong according to large contractors. Patterson has set a torrid pace with 23 newbuild APEX rigs scheduled this year. Seven of them were put to work in 1H '10, and 16 are expected in the second half. Helmerich & Payne has come on strong recently by securing an additional 9 new build Flexrigs since July 6, raising its total to 19 for the 2010 fiscal year. Not to be ignored, Nabors has 12 new build rigs under contract, five of them PACE rigs, three of them upgraded SCR rigs and 4 newbuilds from the first quarter..

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Major Unconventional Rig Counts

	3Q09	4Q09	1Q10	2Q10	4/23	5/7	5/21	5/28	6/11	6/25	7/9	7/23	Avg.	Mktd.	Util.
MAJOR SHALES															
Barnett (Core)	NA	NA	NA	67	71	65	70	59	68	61	64	60	65	79	76%
Barnett (Non-core)	NA	NA	NA	12	12	14	17	15	15	16	19	21	16	22	95%
Total Barnett	69	60	68	79	83	79	87	74	83	77	83	81	81	101	80%
Eagle Ford ¹	NA	NA	NA	42	49	51	47	56	59	63	73	84	70	85	99%
Fayetteville	44	39	33	35	39	39	39	39	41	37	36	33	38	43	77%
Haynesville (LA Core)	67	82	99	111	106	111	118	109	113	110	108	108	110	148	73%
Haynesville (LA Non-core)	NA	NA	NA	10	12	17	18	14	16	13	14	16	15	16	100%
Haynesville (E. Texas)	NA	NA	NA	59	56	62	62	63	57	58	58	56	59	66	85%
Total Haynesville	67	82	99	180	174	190	198	186	186	181	180	180	184	230	78%
Marcellus (PA)	31	48	71	76	83	85	91	83	86	85	90	101	88	119	85%
Marcellus (WV)	NA	NA	NA	17	22	20	17	22	18	17	18	19	19	20	95%
Marcellus (Other)	NA	NA	NA	2	3	3	1	2	2	1	3	4	2	12	33%
Total Marcellus	31	48	71	95	108	108	109	107	106	103	111	124	110	151	82%
Bakken (ND) ¹	33	41	57	73	88	98	96	73	109	107	111	108	99	133	81%
Woodford	23	21	21	27	29	27	27	29	27	27	25	27	27	28	96%
Total Shales	267	291	349	531	570	592	603	564	611	595	619	637	599	771	83%
MAJOR TIGHT SANDS															
DJ Basin	13	12	14	16	23	18	17	15	21	22	21	21	20	23	91%
Green River Basin	31	32	33	31	30	32	28	33	36	36	35	33	33	37	89%
Piceance Basin	26	25	23	27	31	30	30	23	32	29	28	31	29	36	86%
Uinta Basin	13	13	14	18	24	22	22	20	24	26	25	23	23	25	92%
Total Tight Sands	83	82	84	92	108	102	97	91	113	113	109	108	105	121	89%
MAJOR CBM															
Appalachian CBM	NA	NA	NA	1	2	5	3	1	2	3	4	4	3	7	57%
Powder River CBM	NA	NA	NA	7	1	1	4	3	3	4	7	11	4	11	100%
San Juan CBM	11	13	6	6	5	7	5	4	7	11	12	10	8	11	91%
Total CBM	11	13	6	14	8	13	12	8	12	18	23	25	15	29	86%
TOTAL	361	386	439	637	686	707	712	663	736	726	751	770	719	921	84%

1. The ND Bakken is an oil shale; the Eagle Ford is comprised of oil, condensate, and dry gas windows.

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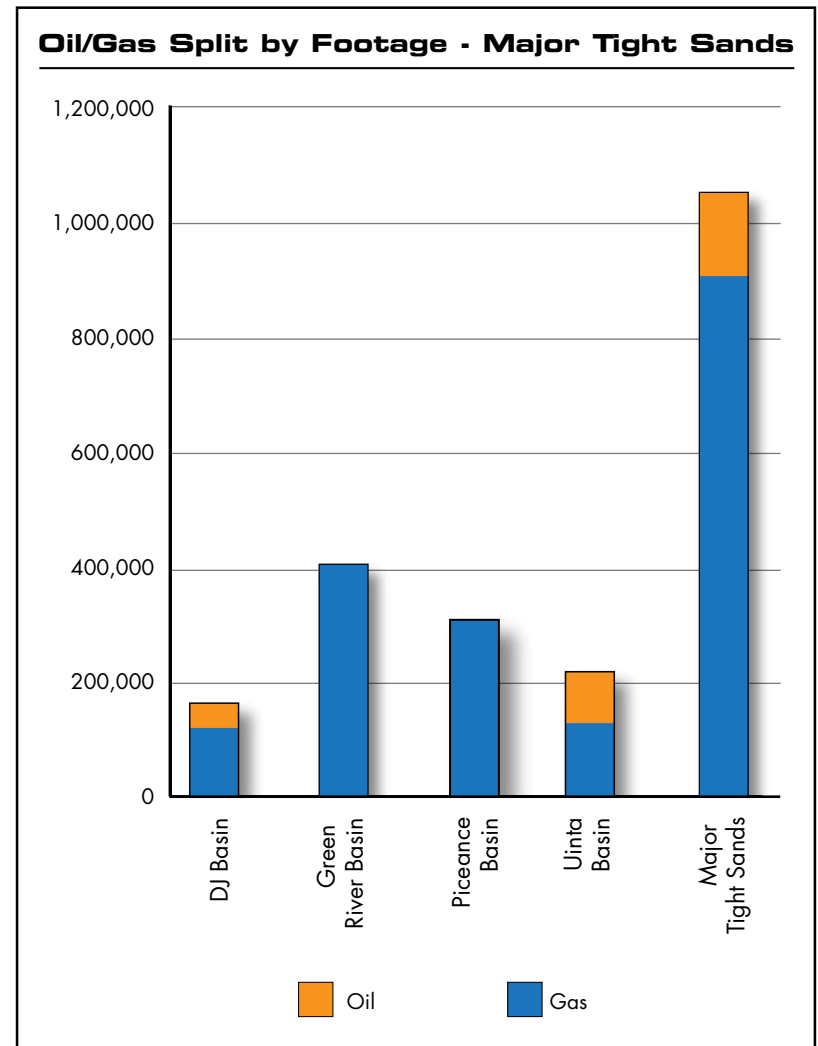
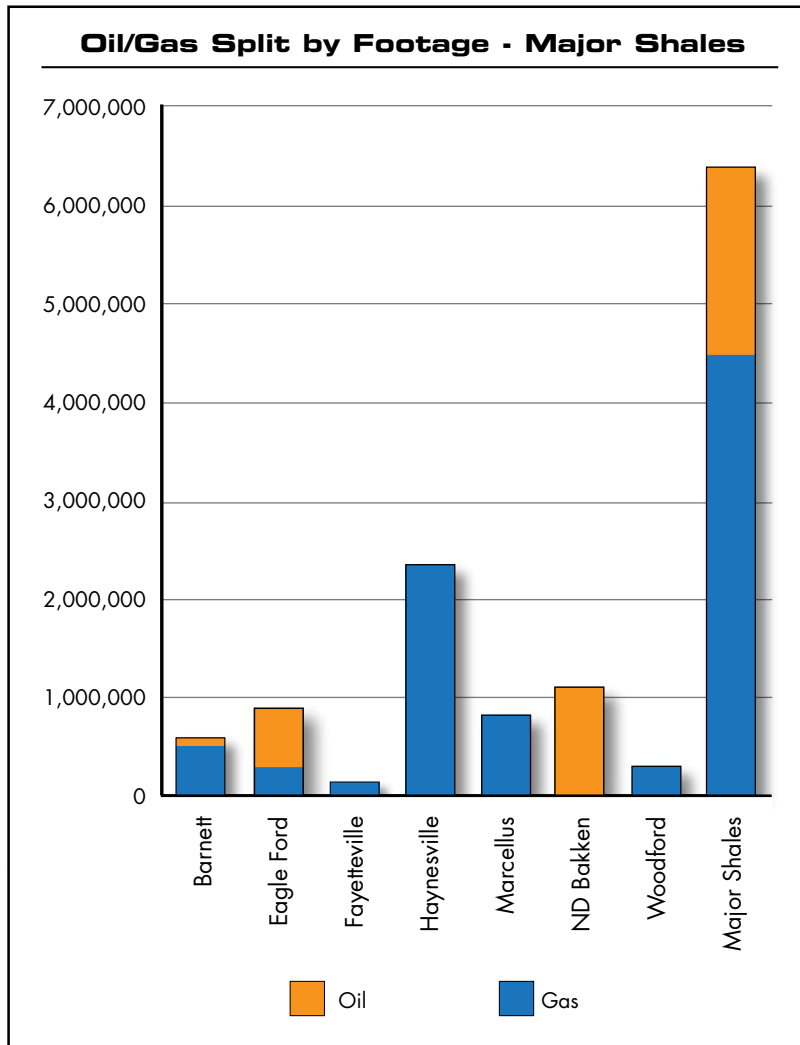
Unconventional Drilling Metrics

MAJOR SHALES	PERMITS	MARKETED RIGS	ACTIVE RIGS	UTILIZATION	FOOTAGE	SHARE	FOOTAGE PER WELL	Well Class		Well Orientation		
								OIL	GAS	VERT.	HOR.	DIR.
Barnett (Core)	36	79	60	76%	540,069	7%	9,001	-	60	-	60	-
Barnett (Non-core)	18	22	21	95%	178,099	2%	8,481	15	6	5	14	2
Total Barnett	54	101	81	80%	718,168	9%	8,866	15	66	5	74	2
Eagle Ford¹	27	85	84	99%	1,085,210	14%	12,919	45	39	11	72	1
Fayetteville	11	43	33	77%	167,218	2%	5,067	-	33	-	33	-
Haynesville (LA Core)	22	148	108	73%	1,329,938	17%	12,314	-	108	1	106	1
Haynesville (LA Non-core)	3	16	16	100%	203,838	3%	12,740	-	16	3	13	-
Haynesville (E. Texas)	6	66	56	85%	813,511	11%	14,527	-	56	5	46	5
Total Haynesville	31	230	180	78%	2,347,287	30%	13,040	-	180	9	165	6
Marcellus (PA)	99	119	101	85%	713,758	9%	7,067	-	101	13	82	6
Marcellus (WV)	0	20	19	95%	122,440	2%	6,444	-	19	3	16	-
Marcellus (Other)	13	12	4	33%	26,927	0%	6,732	-	4	1	3	-
Total Marcellus	112	151	124	82%	863,125	11%	6,961	-	124	17	101	6
Bakken (ND)¹	31	133	108	81%	1,090,956	14%	10,101	106	2	9	99	-
Woodford	6	28	27	96%	245,640	3%	9,098	-	27	1	26	-
Total Shales	272	771	637	83%	6,517,604	84%	10,232	166	471	52	570	15
MAJOR TIGHT SANDS												
DJ Basin	61	23	21	91%	182,981	2%	8,713	4	17	7	6	8
Green River Basin	5	37	33	89%	401,137	5%	12,156	-	33	7	1	25
Piceance Basin	90	36	31	86%	312,336	4%	10,075	-	31	4	-	27
Uinta Basin	15	25	23	92%	218,843	3%	9,515	10	13	9	2	12
Total Tight Sands	171	121	108	89%	1,115,297	14%	10,327	14	94	27	9	72
MAJOR CBM												
Appalachian CBM	33	7	4	57%	10,955	0%	2,739	-	4	4	-	-
Powder River CBM	10	11	11	100%	1,507	0%	137	-	11	11	-	-
San Juan CBM	12	11	10	91%	83,254	1%	8,325	-	10	7	-	3
Total CBM	55	29	25	86%	95,716	1%	3,829	-	25	22	-	3
Total	498	921	770	84%	7,728,617		10,037	180	590	101	579	90

1. The ND Bakken is an oil shale; the Eagle Ford is comprised of oil, condensate, and dry gas windows.

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Footage in the major shales increased 2.0% since our last report. The Eagle Ford notched the biggest change with a 13.5% gain, followed by the Marcellus with 9.6%. The Fayetteville posted the biggest decline, with footage tumbling just over 10%. In tight sands, solid gains in the Piceance and DJ resulted in an overall improvement of 1.7%.



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Barnett Overview

CORE						Rig Matrix							
COUNTY	PERMITS	RIGS	FOOTAGE	SHARE	FOOTAGE PER WELL	Well Class		Known Horsepower Class					
						OIL	GAS	<500	500-999	1,000-1,499	1,500-1,999	2000+	
Denton	4	9	78,570	15%	8,730	-	9			6	3		
Johnson	7	16	141,999	26%	8,875	-	16		5	6	5		
Parker	-	3	25,000	5%	8,333	-	3		1	2			
Tarrant	21	23	213,500	40%	9,283	-	23		4	10	7	2	
Wise	4	9	81,000	15%	9,000	-	9			4	5		
Total	36	60	540,069		9,001	-	60	-	10	28	20	2	

NON-CORE						Rig Matrix							
COUNTY	PERMITS	RIGS	FOOTAGE	SHARE	FOOTAGE PER WELL	Well Class		Known Horsepower Class					
						OIL	GAS	<500	500-999	1,000-1,499	1,500-1,999	2000+	
Bosque	-	-	-	0%	nm	-	-						
Clay	-	2	13,600	8%	6,800	2	-	1	1				
Comanche	-	-	-	0%	nm	-	-						
Cooke	1	8	77,500	44%	9,688	8	-		2	4	2		
Dallas	2	1	9,000	5%	9,000	-	1		1				
Erath	-	-	-	0%	nm	-	-						
Hamilton	-	-	-	0%	nm	-	-						
Hill	-	1	9,000	5%	9,000	-	1					1	
Hood	-	1	6,500	4%	6,500	1	-					1	
Jack	3	2	12,499	7%	6,250	-	2		2				
Montague	11	5	45,000	25%	9,000	5	-		3	2			
Palo Pinto	1	1	5,000	3%	5,000	1	-		1				
Somervell	-	-	-	0%	nm	-	-						
Total	18	21	178,099		8,481	17	4	1	10	6	4	-	

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Barnett Overview (cont.)

LEADING OPERATORS

BARNETT SHALE		
COMPANY	RIGS	FOOTAGE
Chesapeake	18	162,000
Devon	15	135,500
EOG	14	126,499
ExxonMobil	7	71,000
Williams	3	24,070
Aruba Petroleum	3	27,000
Quicksilver	3	27,000
Carrizo	2	18,000
ConocoPhillips	2	18,000
Titan Operating	2	14,500
Total	81	718,168
Gas Share		81%

CORE		
COMPANY	RIGS	FOOTAGE
Chesapeake	17	153,000
Devon	15	135,500
ExxonMobil	7	71,000
Aruba Petroleum	3	27,000
Williams	3	24,070
ConocoPhillips	2	18,000
Carrizo	2	18,000
EOG	2	15,999
Quicksilver	2	18,000
Braden Exploration	1	9,000
Total	60	540,069
Gas Share		100%

NON-CORE		
COMPANY	RIGS	FOOTAGE
EOG	12	110,500
Titan Operating	1	6,500
Addax Operating	1	7,000
Chaparral	1	12,000
Quicksilver	1	9,000
Chesapeake	1	9,000
Pitcock	1	5,000
Cholla Petroleum	1	5,999
Bentley Oil & Gas	1	6,600
DTE Gas Resources	1	6,500
Total	21	178,099
Gas Share		24%

LEADING CONTRACTORS

BARNETT SHALE		
COMPANY	RIGS	FOOTAGE
Helm. & Payne	15	130,070
Patterson UTI	13	117,000
Precision	8	69,999
Nomac	7	63,000
Felderhoff Brothers Drlg	6	59,500
Nabors	5	47,000
Union	4	39,000
Trinidad	4	36,000
Saxon Drilling	4	36,500
Unit	3	27,000
Total	81	718,168
Gas Share		81%

CORE		
COMPANY	RIGS	FOOTAGE
Helm. & Payne	12	105,570
Patterson UTI	12	108,000
Nomac	6	54,000
Precision	6	51,999
Felderhoff Brothers Drlg	5	47,500
Trinidad	4	36,000
Nabors	3	27,000
Unit	3	27,000
Union	2	21,000
Cactus Drilling	2	19,000
Total	60	540,069
Gas Share		100%

NON-CORE		
COMPANY	RIGS	FOOTAGE
Saxon Drilling	4	36,500
Helm. & Payne	3	24,500
Precision	2	18,000
E & H Drilling	2	13,500
Nabors	2	20,000
Union	2	18,000
LLP Lindemann Drlg.	1	6,600
Tasajillo Drilling	1	5,999
Nomac	1	9,000
Rockin R Drilling	1	5,000
Total	21	178,099
Gas Share		24%

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Eagle Ford Overview

EAGLE FORD						Rig Matrix						
COUNTY	PERMITS	RIGS	FOOTAGE	SHARE	FOOTAGE PER WELL	Well Class		Known Horsepower Class				
						OIL	GAS	<500	500-999	1,000-1,499	1,500-1,999	2000+
Colorado	1	1	12,000	1%	12,000	1	-		1			
Dimmit	-	10	100,250	9%	10,025	10	-		5	4	1	
De Witt	1	10	143,700	13%	14,370	10	-		3	5	2	
Karnes	3	8	103,550	10%	12,944	7	1		3	5		
La Salle	3	12	152,076	14%	12,673	1	11		4	7	1	
Live Oak	4	4	54,834	5%	13,709	3	1	1			2	1
Maverick	-	-	-	0%	nm	-	-					
McMullen	7	6	85,000	8%	14,167	4	2	1	1	3	1	
Webb	5	22	281,800	26%	12,809	10	12	5	4	12	1	
Other	3	11	152,000	14%	13,818	-1	12		1	8	1	
Total	27	84	1,085,210		12,919	44	39	-	7	22	46	8

LEADING OPERATORS

COMPANY	RIGS	FOOTAGE
Lewis Petro Properties	10	151,500
Petrohawk	8	115,500
EOG	7	81,500
ConocoPhillips	5	70,000
Chesapeake	5	60,000
Anadarko	5	44,000
Enduring Resources	3	43,000
Swift	3	47,500
ExxonMobil	3	46,500
Riley Exploration	2	24,700
Total	84	1,085,210
Gas Share		41%

COMPANY	RIGS	FOOTAGE
Nabors	20	268,100
Helm. & Payne	18	215,500
Patterson UTI	12	144,710
Pioneer Drilling	10	129,400
Orion Drilling	6	83,000
Unit	4	52,500
Lewis Petro Properties	4	57,000
Precision	3	40,000
Premium Well Drilling	2	23,500
Edde Drilling	2	25,000
Total	84	1,085,210
Gas Share		41%

LEADING CONTRACTORS

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Fayetteville Overview

FAYETTEVILLE						Well Class		Rig Matrix				
COUNTY	PERMITS	RIGS	FOOTAGE	SHARE	FOOTAGE PER WELL	OIL	GAS	Known Horsepower Class				
								<500	500-999	1,000-1,499	1,500-1,999	2000+
Cleburne	-	7	28,200	17%	4,029	-	7	6	1			
Conway	4	5	24,235	14%	4,847	-	5	2	3			
Faulkner	-	10	60,782	36%	6,078	-	10	9	1			
Johnson	-	-	-	0%	nm	-	-					
Pope	-	-	-	0%	nm	-	-					
Van Buren	6	3	9,250	6%	3,083	-	3	2		1		
White	1	7	42,268	25%	6,038	-	7	3	4			
Other	-	1	-	0%	-	-	1	1				
Total	11	33	167,218		5,067	-	33	-	23	9	1	-

Could a prolonged slowdown be in the making? Trends in both permit and rig counts seem to corroborate this likelihood. Since May, permit levels have retreated to about a third of their former counts. Meanwhile, the number of rigs has been sliding steadily.

LEADING OPERATORS

COMPANY	RIGS	FOOTAGE
Southwestern	17	72,600
Chesapeake	8	54,482
ExxonMobil	7	34,501
Petrohawk	1	5,635
Total	33	167,218
Gas Share		100%

COMPANY	RIGS	FOOTAGE
Desoto Drilling	12	50,000
Nomac	8	54,482
Saxon Drilling	4	17,000
Keen Energy Svcs.	4	24,068
Union	3	10,433
Helm. & Payne	1	5,635
Nabors	1	5,600
Total	33	167,218
Gas Share		100%

LEADING CONTRACTORS

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Haynesville Overview

LOUISIANA CORE						Rig Matrix							
COUNTY	PERMITS	RIGS	FOOTAGE	SHARE	FOOTAGE PER WELL	Well Class		Known Horsepower Class					
						OIL	GAS	<500	500-999	1,000-1,499	1,500-1,999	2000+	
Bienville	3	7	83,085	6%	11,869	-	7		1	3	3		
Bossier	4	6	69,548	5%	11,591	-	6			2	3		1
Caddo	4	9	105,701	8%	11,745	-	9			4	4		1
De Soto	11	59	730,683	55%	12,384	-	59			21	36		2
Red River	-	27	340,921	26%	12,627	-	27		1	1	17		8
Total	22	108	1,329,938		12,314	-	108	-	2	31	63		12

LOUISIANA NON-CORE						Rig Matrix							
COUNTY	PERMITS	RIGS	FOOTAGE	SHARE	FOOTAGE PER WELL	Well Class		Known Horsepower Class					
						OIL	GAS	<500	500-999	1,000-1,499	1,500-1,999	2000+	
Claiborne	-	1	11,200	5%	11,200	-	1		1				
Lincoln	-	-	-	0%	nm	-	-						
Sabine	3	11	139,838	69%	12,713	-	11		1	1	8		1
Webster	-	2	28,000	14%	14,000	-	2			2			
Other	-	2	24,800	12%	12,400	-	2		1		1		1
Total	3	16	203,838		12,740	-	16	-	2	3	9		2

EAST TEXAS						Rig Matrix							
COUNTY	PERMITS	RIGS	FOOTAGE	SHARE	FOOTAGE PER WELL	Well Class		Known Horsepower Class					
						OIL	GAS	<500	500-999	1,000-1,499	1,500-1,999	2000+	
Harrison	1	11	142,406	18%	12,946	-	11			5	5		1
Nacogdoches	1	9	131,030	16%	14,559	-	9			1	8		
Panola	3	9	112,950	14%	12,550	-	9			6	3		
Rusk	-	5	63,225	8%	12,645	-	5			5			
San Augustine	-	12	185,300	23%	15,442	-	12			1	9		2
Shelby	1	10	178,600	22%	17,860	-	10			3	2		5
Other	-	-	-	0%	nm	-	-						
Total	6	56	813,511		14,527	-	56	-	-	21	27		8

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Haynesville Overview (cont.)

LEADING OPERATORS

LOUISIANA CORE		
COMPANY	RIGS	FOOTAGE
Chesapeake	26	317,600
EnCana	20	249,434
Petrohawk	13	152,226
EXCO	12	162,000
Questar	7	83,265
Comstock	6	71,400
El Paso	4	46,237
EOG	4	46,841
J-W Power Co.	3	37,474
Shell	3	39,670
Total	108	1,329,938
Gas Share		100%

LOUISIANA NON-CORE		
COMPANY	RIGS	FOOTAGE
Shell	3	40,520
EnCana	3	38,032
Petrohawk	2	24,133
Chesapeake	2	25,300
Eagle Oil & Gas	1	12,165
Forest	1	12,500
Petro-Chem Operating	1	11,200
BEUSA Energy, Inc.	1	15,000
Comstock	1	11,988
ExxonMobil	1	13,000
Total	16	203,838
Gas Share		100%

EAST TEXAS		
COMPANY	RIGS	FOOTAGE
EOG	8	113,500
ExxonMobil	8	147,100
Devon	8	124,000
NFR Energy	4	47,406
EXCO	4	57,000
Chesapeake	3	53,000
Classic Operating Co.	2	23,000
Penn Virginia	2	27,000
SM Energy	2	27,200
GMX Resources	2	26,000
Total	56	813,511
Gas Share		100%

LEADING CONTRACTORS

LOUISIANA CORE		
COMPANY	RIGS	FOOTAGE
Trinidad	24	298,461
Nabors	18	213,338
Patterson UTI	15	189,975
Nomac	14	170,500
Helm. & Payne	10	123,956
Rowan	5	65,370
Unit	4	48,807
Precision	4	50,973
Bronco Drilling	3	35,049
Energy Drilling	2	24,361
Total	108	1,329,938
Gas Share		100%

LOUISIANA NON-CORE		
COMPANY	RIGS	FOOTAGE
Nabors	4	52,995
Trinidad	2	24,000
Helm. & Payne	2	23,646
Nomac	1	12,500
Rowan	1	12,800
Patterson UTI	1	12,500
Energy Drilling	1	11,200
Ensign USA	1	14,032
Precision	1	13,000
Bronco Drilling	1	15,000
Total	16	203,838
Gas Share		100%

EAST TEXAS		
COMPANY	RIGS	FOOTAGE
Nabors	16	228,406
Helm. & Payne	10	143,000
Rowan	5	76,300
Scan	5	63,030
Precision	5	75,150
Patterson UTI	3	42,000
Latshaw Drilling & Expl.	3	48,900
Keen Energy Svcs.	2	33,725
Nomac	2	35,000
Trinidad	1	18,000
Total	56	813,511
Gas Share		100%

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Marcellus Overview

PENNSYLVANIA						Rig Matrix							
COUNTY	PERMITS	RIGS	FOOTAGE	SHARE	FOOTAGE PER WELL	Well Class		Known Horsepower Class					
						OIL	GAS	<500	500-999	1,000-1,499	1,500-1,999	2000+	
Bradford	26	21	134,470	19%	6,403	-	21		18	3			
Centre	1	2	14,619	2%	7,310	-	2			1	1		
Clearfield	3	2	14,224	2%	7,112	-	2	1		1			
Fayette	3	5	42,600	6%	8,520	-	5		1	2			
Greene	2	9	71,527	10%	7,947	-	9		3	2	2		
Indiana	4	2	12,500	2%	6,250	-	2		2				
Lycoming	11	6	46,317	6%	7,720	-	6		1	3	2		
Potter	-	2	11,950	2%	5,975	-	2			1	1		
Susquehanna	1	13	94,599	13%	7,277	-	13		4	8	1		
Tioga	12	8	54,678	8%	6,835	-	8		3	5			
Washington	4	13	94,320	13%	7,255	-	13		6	7			
Westmoreland	11	3	22,131	3%	7,377	-	3		1	1	1		
Other	21	15	99,823	14%	6,655	-	15	3	5	6	1		
Total	99	101	713,758		7,067	-	101	4	44	40	9		-

If the old adage of strength in numbers holds true, drilling in north central Pennsylvania has little to worry about. Last week, a combined 49 permits were recorded in Bradford, Lycoming, and Tioga counties, suggesting that operators remain confident of their ability to execute their plans despite rumblings on the regulatory front.

WEST VIRGINIA						Rig Matrix							
COUNTY	PERMITS	RIGS	FOOTAGE	SHARE	FOOTAGE PER WELL	Well Class		Known Horsepower Class					
						OIL	GAS	<500	500-999	1,000-1,499	1,500-1,999	2000+	
Barbour	-	-	-	0%	nm	-	-						
Doddridge	-	5	25,000	20%	5,000	-	5		2	1			
Harrison	-	3	21,470	18%	7,157	-	3			3			
Ritchie	-	1	5,600	5%	5,600	-	1	1					
Taylor	-	1	5,620	5%	5,620	-	1		1				
Upshur	-	2	14,274	12%	7,137	-	2		2				
Wetzel	-	1	7,650	6%	7,650	-	1	1					
Other	-	6	42,826	35%	7,138	-	6		3	1			
Total	-	19	122,440		6,444	-	19	2	8	5	-	-	-

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Marcellus Overview (cont.)

LEADING OPERATORS

PENNSYLVANIA		
COMPANY	RIGS	FOOTAGE
Chesapeake	19	128,070
Range Resources	11	80,470
Talisman	10	68,097
Cabot Oil & Gas	6	45,500
Anadarko	6	48,352
EQT Corp.	4	32,050
Southwestern	3	18,802
Atlas Resources	3	26,100
Phillips Exploration	3	18,800
Chief Oil & Gas	3	25,750
Total	101	713,758
Gas Share		100%

WEST VIRGINIA		
COMPANY	RIGS	FOOTAGE
EQT Corp.	6	30,560
Chesapeake	3	21,270
Antero Resources	3	21,470
Texas Keystone	1	5,620
Key Oil	1	6,500
Grenadier Energy Partners	1	7,650
BRC Operating	1	7,705
Chief Oil & Gas	1	9,000
Murvin & Meier Oil Co.	1	5,600
ExxonMobil	1	7,065
Total	19	122,440
Gas Share		100%

OTHER		
COMPANY	RIGS	FOOTAGE
EQT Corp.	2	10,329
Range Resources	1	6,821
Anschutz Corp.	1	9,777
Total	4	26,927
Gas Share		100%

LEADING CONTRACTORS

PENNSYLVANIA		
COMPANY	RIGS	FOOTAGE
Patterson UTI	18	135,198
Nomac	17	113,162
Precision	10	70,904
Helm. & Payne	9	70,958
Union	7	48,410
Pioneer Drilling	6	41,020
Falcon Drilling	6	40,912
Whipstock Natural Gas	4	27,267
Saxon Drilling	3	22,014
Phillips Drilling	3	17,650
Total	101	713,758
Gas Share		100%

WEST VIRGINIA		
COMPANY	RIGS	FOOTAGE
Patterson UTI	3	19,000
Highlands Drilling	3	15,560
Nomac	3	21,270
Frontier Drilling	2	14,050
Helm. & Payne	1	7,705
Warren Drilling	1	7,650
Union	1	7,065
Bronco Drilling	1	7,420
Nexus Drilling	1	5,600
Phoenix Drilling	1	6,500
Total	19	122,440
Gas Share		100%

OTHER		
COMPANY	RIGS	FOOTAGE
Gasco Drilling	2	10,329
Bronco Drilling	1	9,777
Phoenix Drilling	1	6,821
Total	4	26,927
Gas Share		100%

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Bakken Overview

BAKKEN						Well Class		Rig Matrix Known Horsepower Class				
COUNTY	PERMITS	RIGS	FOOTAGE	SHARE	FOOTAGE PER WELL	Well Class		Known Horsepower Class				
						OIL	GAS	<500	500-999	1,000-1,499	1,500-1,999	2000+
Burke	1	5	58,683	5%	11,737	5	-			5		
Bottineau	-	3	30,000	3%	10,000	3	-	1	2			
Divide	1	4	40,000	4%	10,000	4	-			1	3	
Dunn	4	23	230,949	21%	10,041	23	-			14	9	
McKenzie	13	20	200,925	18%	10,046	20	-			8	10	2
Mountrail	4	31	310,388	28%	10,013	31	-		3	9	18	1
Williams	2	18	179,470	16%	9,971	18	-			12	5	1
Other	6	4	40,541	4%	10,135	4	-		1	1	2	
Total	31	108	1,090,956		10,101	108	-	1	6	50	47	4

LEADING OPERATORS	COMPANY	RIGS	FOOTAGE
	Continental	15	150,000
	EOG	10	108,123
	Whiting	8	82,193
	Slawson Companies	6	60,000
	Hess	6	60,221
	Petro-Hunt	5	50,000
	Marathon	5	50,000
	Zenergy	4	40,000
	Brigham Exploration	4	40,000
	Newfield	4	40,000
	Total	108	1,090,956
Gas Share		0%	

LEADING CONTRACTORS	COMPANY	RIGS	FOOTAGE
	Nabors	26	258,875
	Precision	14	139,976
	Helm. & Payne	13	131,990
	Cyclone Drilling	11	110,000
	Ensign USA	6	60,000
	Patterson UTI	6	60,000
	Bronco Drilling	5	50,372
	Unit	5	50,388
	Redhawk Drilling	5	50,000
	Pioneer Drilling	5	50,923
	Total	108	1,090,956
Gas Share		0%	

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Woodford Overview

WOODFORD						Rig Matrix						
COUNTY	PERMITS	RIGS	FOOTAGE	SHARE	FOOTAGE PER WELL	Well Class		Known Horsepower Class				
						OIL	GAS	<500 999	1,000- 1,499	1,500- 1,999	2000+	
Atoka	-	1	13,140	5%	13,140	-	1			1		
Coal	3	5	37,487	15%	7,497	-	5		1	4		
Hughes	1	2	21,546	9%	10,773	-	2			1	1	
Pittsburg	2	19	173,467	71%	9,130	-	19		6	13		
Total	6	27	245,640		9,098	-	27	-	-	7	19	1

LEADING OPERATORS

COMPANY	RIGS	FOOTAGE
Newfield	6	56,699
BP	6	54,632
Devon	4	30,476
ExxonMobil	4	34,930
Sedna Energy	2	24,810
SM Energy	1	7,888
PetroQuest	1	8,574
Kaiser-Francis Oil Co.	1	8,800
Antero Resources	1	8,394
Continental	1	10,437
Total	27	245,640
Gas Share		100%

LEADING CONTRACTORS

COMPANY	RIGS	FOOTAGE
Cactus Drilling	9	86,375
Nabors	7	62,166
Helm. & Payne	3	22,942
Patterson UTI	2	18,325
Unit	2	24,810
Keen Energy Svcs.	2	16,620
Bronco Drilling	1	8,394
Latshaw Drilling & Expl.	1	6,008
Total	27	245,640
Gas Share		100%

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DJ Basin Overview

COUNTY	DJ BASIN					Well Class		Rig Matrix				
						OIL	GAS	Known Horsepower Class				
	PERMITS	RIGS	FOOTAGE	SHARE	FOOTAGE PER WELL			<500	500-999	1,000-1,499	1,500-1,999	2000+
Lincoln	1	1	7,550	4%	7,550	1	-		1			
Logan	-	-	-	0%	nm	-	-					
Weld	59	19	169,031	92%	8,896	3	16	1	9	8	1	
Other	1	1	6,400	3%	6,400	-	1		1			
Total	61	21	182,981		8,713	4	17	1	11	8	1	-

LEADING OPERATORS

COMPANY	RIGS	FOOTAGE
Noble	7	59,021
Anadarko	5	41,636
EOG	2	25,648
Petroleum Development	2	14,299
Esenjay Operating, Inc.	1	6,400
EnCana	1	8,364
Synergy Resources Corp.	1	7,320
Slawson Companies	1	12,743
Unit Corp.	1	7,550
Total	21	182,981
Gas Share		77%

COMPANY	RIGS	FOOTAGE
Ensign USA	8	57,846
Xtreme Coil Drilling	4	33,325
Cade Drilling	3	30,499
Patterson UTI	2	15,861
Fort Drilling	1	7,885
DHS Drilling	1	13,095
SST Energy	1	12,553
Helm. & Payne	1	11,917
Total	21	182,981
Gas Share		77%

LEADING CONTRACTORS

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Green River Basin Overview

GREEN RIVER BASIN						Rig Matrix							
COUNTY	PERMITS	RIGS	FOOTAGE	SHARE	FOOTAGE PER WELL	Well Class		Known Horsepower Class					
						OIL	GAS	<500	500-999	1,000-1,499	1,500-1,999	2000+	
Fremont	-	2	26,000	6%	13,000	-	2			2			
Lincoln	-	-	-	0%	nm	-	-						
Sublette	5	20	267,279	67%	13,364	-	20			5	11	4	
Sweetwater	-	10	95,268	24%	9,527	-	10	1	2	5	2		
Uinta	-	1	12,590	3%	12,590	-	1				1		
Other	-	-	-	0%	nm	-	-						
Total	5	33	401,137		12,156	-	33	1	2	12	14	4	

LEADING OPERATORS

COMPANY	RIGS	FOOTAGE
EnCana	9	110,300
Ultra	7	98,000
BP	4	41,891
Wexpro	3	34,886
Questar	3	42,656
Anadarko	3	21,829
Shell	2	21,775
Devon	1	11,800
Cimarex	1	18,000
Total	33	401,137
Gas Share		100%

COMPANY	RIGS	FOOTAGE
Ensign USA	9	110,300
Nabors	6	64,939
Unit	5	74,656
Patterson UTI	5	70,000
SST Energy	3	34,886
Helm. & Payne	2	21,060
Precision	1	14,000
Frontier Drilling	1	5,643
Capstar Drilling	1	5,653
Total	33	401,137
Gas Share		100%

LEADING CONTRACTORS

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Piceance Overview

PICEANCE BASIN						Rig Matrix						
COUNTY	PERMITS	RIGS	FOOTAGE	SHARE	FOOTAGE PER WELL	Well Class		Known Horsepower Class				
						OIL	GAS	<500	500-999	1,000-1,499	1,500-1,999	2000+
Garfield	72	22	197,702	63%	8,986	-	22		1	13	8	
Moffat	1	1	9,805	3%	9,805	-	1		1			
Rio Blanco	14	8	104,829	34%	13,104	-	8		1	1	6	
Other	3	-	-	0%	nm	-	-					
Total	90	31	312,336		10,075	-	31	-	3	14	14	-

LEADING OPERATORS

COMPANY	RIGS	FOOTAGE
Williams	11	100,525
EnCana	5	56,875
ExxonMobil	5	68,300
Bill Barrett	3	23,356
OXY	1	9,631
Berry Petroleum	1	12,280
Yates Petroleum	1	9,805
Petroleum Development	1	9,200
Antero Resources	1	7,067
Total	31	312,336
Gas Share		100%

COMPANY	RIGS	FOOTAGE
Helm. & Payne	11	119,099
Patterson UTI	7	72,995
Cyclone Drilling	4	37,522
Nabors	4	34,527
Frontier Drilling	3	30,677
Precision	1	7,711
SST Energy	1	9,805
Total	31	312,336
Gas Share		100%

LEADING CONTRACTORS

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Uinta Overview

UINTA BASIN						Rig Matrix						
COUNTY	PERMITS	RIGS	FOOTAGE	SHARE	FOOTAGE PER WELL	Well Class		Known Horsepower Class				
						OIL	GAS	<500	500-999	1,000-1,499	1,500-1,999	2000+
Carbon	-	-	-	0%	nm	-	-					
Duchesne	5	6	56,213	29%	9,369	6	-		3	3		
Grand	-	-	-	0%	nm	-	-					
Uintah	8	15	140,880	71%	9,392	3	12	2	2	7	4	
Utah	-	-	-	0%	nm	-	-					
Wasatch	-	-	-	0%	nm	-	-					
Other	2	-	-	0%	nm	-	-					
Total	15	21	197,093		9,385	9	12	2	5	10	4	-

LEADING OPERATORS	COMPANY	RIGS	FOOTAGE
	Anadarko	9	84,175
	EOG	2	18,230
	Questar	2	19,991
	El Paso	2	28,600
	Newfield	2	13,725
	Wolverine Gas & Oil	1	13,750
	Petroglyph Energy	1	6,214
	Python AG	1	8,000
	Bill Barrett	1	8,831
	Berry Petroleum	1	5,618
Total	23	218,843	
Gas Share		58%	

LEADING CONTRACTORS	COMPANY	RIGS	FOOTAGE
	Patterson UTI	3	30,581
	Aztec Well Svcg	3	26,205
	Ensign USA	3	28,150
	Helm. & Payne	3	28,893
	True Drilling	2	18,230
	Pioneer Drilling	2	17,337
	Capstar Drilling	2	16,745
	Precision	2	28,600
	Unit	1	11,709
	Frontier Drilling	1	5,618
Total	23	218,843	
Gas Share		58%	

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San Juan CBM Overview

SAN JUAN CBM						Rig Matrix						
COUNTY	PERMITS	RIGS	FOOTAGE	SHARE	FOOTAGE PER WELL	Well Class		Known Horsepower Class				
						OIL	GAS	<500	500-999	1,000-1,499	1,500-1,999	2000+
Archuleta	-	-	-	0%	nm	-	-					
La Plata	-	-	-	0%	nm	-	-					
San Juan	7	2	12,809	15%	6,405	-	2		2			
Rio Arriba	2	8	70,445	85%	8,806	-	8	2	6			
Other	3	-	-	0%	nm	-	-					
Total	12	10	83,254		8,325	-	10	-	2	8	-	-

LEADING OPERATORS

COMPANY	RIGS	FOOTAGE
ConocoPhillips	4	31,700
Williams	2	14,150
Energen	2	19,815
D. J. Simmons, Inc.	1	5,800
EnerVest	1	11,789
Total	10	83,254
Gas Share		100%

COMPANY	RIGS	FOOTAGE
Aztec Well Svcg	4	34,439
Helm. & Payne	3	26,066
Frontier Drilling	1	6,891
D & J Drilling	1	10,058
L & W Drilling	1	5,800
Total	10	83,254
Gas Share		100%

LEADING CONTRACTORS

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Major Unconventional Permit Counts

	3Q09	4Q09	1Q10	2Q10	4/23	5/7	5/21	5/28	6/11	6/25	7/9	7/23	Avg.	vs. Avg.	vs. 1Q10
MAJOR SHALES															
BARNETT (CORE)	00	00	42	37	45	44	26	38	43	27	18	36	35	104%	97%
BARNETT (NON-CORE)	00	00	6	8	9	8	4	8	12	8	7	18	9	195%	225%
TOTAL BARNETT	NA	NA	48	45	54	52	30	46	55	35	25	54	44	123%	120%
EAGLE FORD ¹	NA	NA	11	18	13	16	23	24	18	24	29	27	22	124%	150%
FAYETTEVILLE	NA	NA	22	26	20	26	32	20	35	26	24	11	24	45%	42%
HAYNESVILLE (LA CORE)	NA	NA	38	29	44	24	22	35	35	30	21	22	29	76%	76%
HAYNESVILLE (LA NON-CORE)	NA	NA	4	5	7	4	3	6	5	5	2	3	4	69%	60%
HAYNESVILLE (E. TEXAS)	NA	NA	16	9	9	17	9	8	14	4	6	6	9	66%	67%
TOTAL HAYNESVILLE	NA	NA	58	43	60	45	34	49	54	39	29	31	43	73%	72%
MARCELLUS (PA)	NA	NA	36	106	148	78	151	90	55	80	51	99	94	105%	93%
MARCELLUS (WV)	NA	NA	14	16	7	27	26	13	13	15	9	-	14	0%	0%
MARCELLUS (OTHER)	NA	NA	4	9	8	14	10	11	6	6	6	13	9	141%	144%
TOTAL MARCELLUS	NA	NA	54	131	163	119	187	114	74	101	66	112	117	96%	85%
BAKKEN (ND) ¹	NA	NA	27	18	21	25	25	17	19	4	34	31	22	141%	172%
WOODFORD	NA	NA	4	4	3	2	5	4	4	4	1	6	4	166%	150%
TOTAL SHALES	NA	NA	224	285	334	285	336	274	259	233	208	272	275	99%	95%
MAJOR TIGHT SANDS															
DJ BASIN	NA	NA	50	75	51	189	22	84	50	77	27	61	70	87%	81%
GREEN RIVER BASIN	NA	NA	27	16	15	27	3	10	29	27	11	5	16	31%	31%
PICEANCE BASIN	NA	NA	49	51	85	29	72	15	33	34	33	90	49	184%	176%
UINTA BASIN	NA	NA	21	20	15	70	21	20	13	-	32	15	23	65%	75%
TOTAL TIGHT SANDS	NA	NA	147	162	166	315	118	129	125	138	103	171	158	108%	106%
MAJOR CBM															
APPALACHIAN CBM	NA	NA	20	49	46	80	43	50	46	46	46	33	49	68%	67%
POWDER RIVER CBM	NA	NA	5	30	14	52	18	54	14	14	14	10	24	42%	33%
SAN JUAN CBM	NA	NA	18	8	9	7	15	15	6	1	1	12	8	145%	150%
TOTAL CBM	NA	NA	43	87	69	139	76	119	66	61	61	55	81	68%	63%
TOTAL PERMITS	NA	NA	414	534	569	739	530	522	450	432	372	498	514	97%	93%

Piceance permit counts surged almost threefold since our last report. A total of 27 refilings contributed to the sharp increase. Consequently, we expect levels to settle back to more normal levels.

1. The ND Bakken is an oil shale; the Eagle Ford is comprised of oil, condensate, and dry gas windows.

END NOTES

- ALL "ACTIVE" RIG COUNTS TALLY UNITS THAT ARE ON LOCATION, POST SPUD, AND PRE-RELEASE AS OF THE SAMPLE DATE.
- UNITS MOVING OR RIGGING UP ON THE SAMPLE DATE ARE NOT TALLIED AS ACTIVE, BUT ARE REFLECTED IN THE MARKETED TALLIES. GENERALLY, PUBLICLY HELD DRILLERS COUNT RIGS MOVING OR RIGGING UP AS ACTIVE IN THEIR PUBLISHED MATERIALS. THE MARKETED NUMBER WILL INCLUDE STACKED RIGS AS A SUBSET. A RIG IS COUNTED AS MARKETED IN EACH REGION IF IT HAS DRILLED ONE OR MORE OIL OR GAS WELLS OVER THE PRECEDING 90 DAYS.
- FOOTAGE IS DERIVED FROM PERMITTED WELL DEPTH AND REPRESENTS THE SUM OF ALL RIGS ON SAMPLE DATE.
- NABORS REPRESENTS NABORS INDUSTRIES, INCLUDING NABORS DRILLING USA, NABORS ALASKA AND, IN A FEW INSTANCES, NABORS WELL SERVICES.
- QUARTERLY AVERAGES REPRESENTED IN THESE TABLES ARE AN AVERAGE OF WEEKLY COUNTS.
- GAS SHARE IS BASED ON THE FOOTAGE OF GAS LOCATIONS DIVIDED BY TOTAL FOOTAGE WITHIN A GIVEN AREA/PLAY.

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