

001

**APPLICATION FOR PERMIT TO DRILL**

1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
2. NAME OF OPERATOR: Clear Creek, LLC		7. UNIT or CA AGREEMENT NAME:	
3. ADDRESS OF OPERATOR: 1431 N. 1200 W. Orem UT 84058		8. WELL NAME and NUMBER: Cook 20-1	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 667' FNL, 787' FEL AT PROPOSED PRODUCING ZONE:		9. FIELD AND POOL, OR WILDCAT: Clear Creek	
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 3.35 Miles South of Scofield		10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 20 13S 7E S	
14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 667'		11. COUNTY: Carbon	
15. NUMBER OF ACRES IN LEASE: 40		12. STATE: UTAH	
17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) NA		16. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 8062' GR		18. PROPOSED DEPTH: 5,300	
21. APPROXIMATE DATE WORK WILL START: 10/1/2001		19. BOND DESCRIPTION:	
22. ESTIMATED DURATION: 2 weeks			

**CONFIDENTIAL**

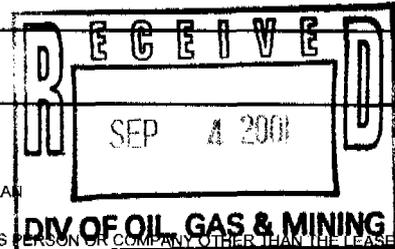
**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
17.5"	13.375" Conducto	30	
12.25"	8.625" J-55 24.0	530	Class G + 2% CaCl + 179 sx 1.17 cf/sk 15.8 ppg
7.875"	5.5 J-55 15.5	5,300	50/50 Pozmix + 8% ge 447 sx 2.07 cf/sk 12.2 ppg
			Class G thixotropic 75 sx 1.51 cf/sk 14.0 ppg

**ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN                                   |
| <input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER        | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |



NAME (PLEASE PRINT) Steven L. Prince TITLE Petroleum Engineer  
SIGNATURE Steven L. Prince DATE 9/1/2001

(This space for State use only)

API NUMBER ASSIGNED: 43-009-30808

APPROVAL:

Approved by the  
Utah Division of  
Oil, Gas and Mining  
Date: 12-24-01  
By: [Signature]

# Range 7 East

(N89°47'W - 2617.89')

(EAST - 5251.62')

N89°42'37"W - 2605.95'

GLO ROCK MONUMENT  
LOCATED AND IDENTIFIED

GLO ROCK MONUMENT  
LOCATED AND IDENTIFIED

786.62'

667.46'

DRILL HOLE #20-1  
ELEVATION 8062.40'

UTM  
E - 4392111  
N - 4866520

20

(NORTH - 5280.07')

(NORTH - 5280.07')

(S89°50'W - 5285.94')

### Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

### Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

### GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

### Basis of Elevation:

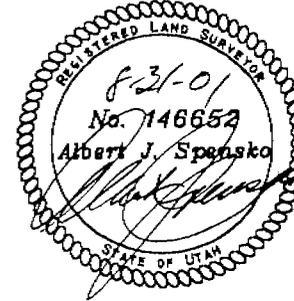
BASIS OF ELEVATION OF 9844.0' BEING A USGS BENCHMARK IN THE SE 1/4 OF SECTION 36, TOWNSHIP 13 SOUTH, RANGE 6 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE SCOFIELD QUADRANGLE 7.5 MINUTE SERIES MAP.

### Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE NE1/4, NE1/4 OF SECTION 20, T13S, R7E, S.L.B.&M., BEING 667.46' SOUTH AND 786.62' WEST FROM THE NORTHEAST CORNER OF SECTION 20, T13S, R7E, SALT LAKE BASE & MERIDIAN.

### Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



**Talon Resources, Inc.**  
375 South Carbon Avenue, Suite 101  
Price, Utah 84501  
Ph: 435-637-8781  
Fax: 435-636-8603

**COOK PROPERTIES L.L.C.**  
WELL #20-1  
Section 20, T13S, R7E, S.L.B.&M.  
Carbon County, Utah

Drawn By:  
M. MOON

Checked By:  
L.W.J./A.J.S.

Drawing No.  
A-1

Date:  
08/29/01

Scale:  
1" = 1000'

Sheet 1 of 4

Job No.  
434

### Legend

- Drill Hole Location
- ⊕ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Rock Pile
- ( ) GLO

GPS Measured

NOTES:  
1. UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG  
39°40'50"N  
111°09'22"W

### GRAPHIC SCALE

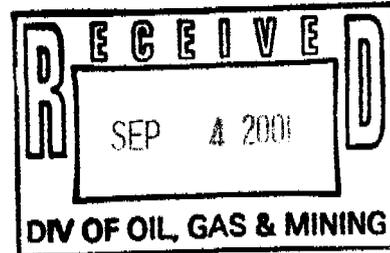
0 500' 1000'  
( IN FEET )  
1 inch = 1000 ft.

EXHIBIT "B"

1431 N. 1200 W., Orem, UT 84058 • (801) 225-0600 • FAX (801) 225-0666

September 1, 2001

Mr. Dustin Doucette, Petroleum Engineer  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114



RE: Application for Permit to Drill - Cook 20-1, SE/NW, Section 21, T13S, R7E, SLB&M,  
Carbon County, Utah

Dear Dustin:

Please find attached the original and two copies of *Form 3 - Application for Permit to Drill* (APD) for the above named well. Included with the APD is the following supporting documentation:

- Exhibit "A" - Location map;
- Exhibit "B" - Survey plat;
- Exhibit "C" - Drilling site plan with cross-sections;
- Exhibit "D" - Drilling program;
- Exhibit "E" - BOPE schematic; and
- Exhibit "F" - Evidence of bond.

A water use agreement is currently being negotiated with one of the coal mines near Scofield and has tentatively been approved by Mark Page of the Division of Water Rights. The agreement has been delayed because of vacation schedules of various key mine personnel, but will be completed and submitted to your office as soon as possible.

Negotiations for a surface land use agreement are ongoing with the land owner. An affidavit regarding the agreement will be submitted to your office upon its completion.

Please accept this letter as Clear Creek, LLC's written request for confidential treatment of all information contained in and pertaining to this permit application and any subsequent submissions, if said information is eligible for such consideration. This request is made in accordance with the State of Utah's Oil and Gas Conservation General Rules item number R649-2-11.

Thank you very much for your timely consideration of this application. Please feel free to contact me if you have any questions.

Best regards,

Steven L. Prince  
Petroleum Engineer

## EXHIBIT "D" - DRILLING PROGRAM

Attached to UDOGM Form 3  
Clear Creek, LLC  
Cook 20-1  
NE/4 NE/4, Section 20, T13S, R7E, SLB&M  
667' FNL & 787' FEL  
Carbon County, Utah

1. Geologic Surface Formation

Upper Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate      2770'  
Ferron          4660'

3. Projected Gas & Water zones (Ferron Formation)

Coals and sandstones - 4660'-5060'

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 1170 psi.

4. Casing Program

<u>HOLE SIZE</u>	<u>SETTING DEPTH (INTERVAL)</u>	<u>SIZE (OD)</u>	<u>GRADE &amp; WEIGHT</u>	<u>NEW/USED</u>
17-1/2"	30'	13-3/8"	Conductor	New
12-1/4"	530'	8-5/8"	J55, 24#	New
7-7/8"	5,300'	5-1/2"	J55, 15.5#	New

5. Cementing Program

Surface Casing:      179 sx Class "G" + 2% CaCl + 1/4 lb. per sack Flocele<sup>®</sup> + 5 gal/sk water (includes 5% excess). Cement will be circulated to surface.

Production Casing: 447 sx 50/50 poz + 8% gel + 2% CaCl + 10% extender + 11.96 gal/sk water (includes 15% excess), followed by 75 sx Class "G" thixotropic + 11.96 gal/sk water.

Exhibit "D" - Drilling Program

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
  - 2) Blowout preventer tests for proper functioning;
  - 3) Blowout prevention drills conducted;
  - 4) Casing run, including size, grade, weight, and depth set;
  - 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
  - 6) Waiting on cement time for each casing string; and
  - 7) Casing pressure tests after cementing, including test pressures and results.
6. The Operator's Minimum Specifications for Pressure Control

A schematic diagram of the blowout preventer equipment (BOPE) is presented as Exhibit "E". A double gate 3000 psi BOPE will be used with a rotating head. This equipment will be tested to 3000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOPE will be checked on each trip.

7. Type and Characteristics of the Proposed Circulating Muds

0'-530'      12-1/4 " hole    Drill with air, will mud-up if necessary.  
530'-3000'    7-7/8" hole      Drill with air. 400 psi @ 1500-1800 scf  
3000'-TD    7-7/8" hole      Mud up with EZ Mud.

8. Testing, Logging and Coring Programs are as follows

530'-TD      Gamma Ray, Density, Neutron Porosity, Induction, Caliper

9. Abnormal Conditions

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure is expected to be no greater than 1590 psi. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

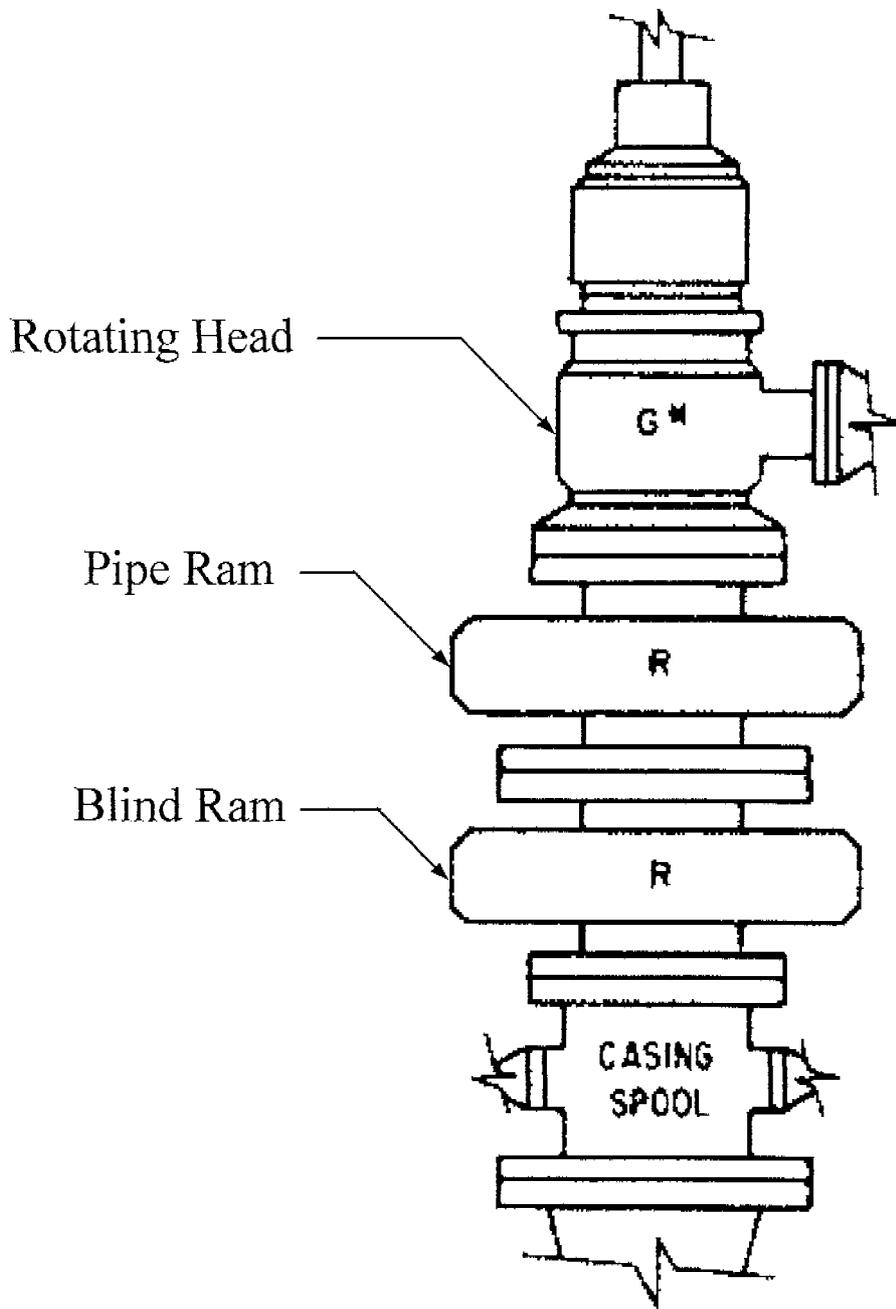
10. Anticipated Starting Date and Duration of Operations.

The well will be drilled commencing on October 1, 2001 or as soon thereafter as practicable.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

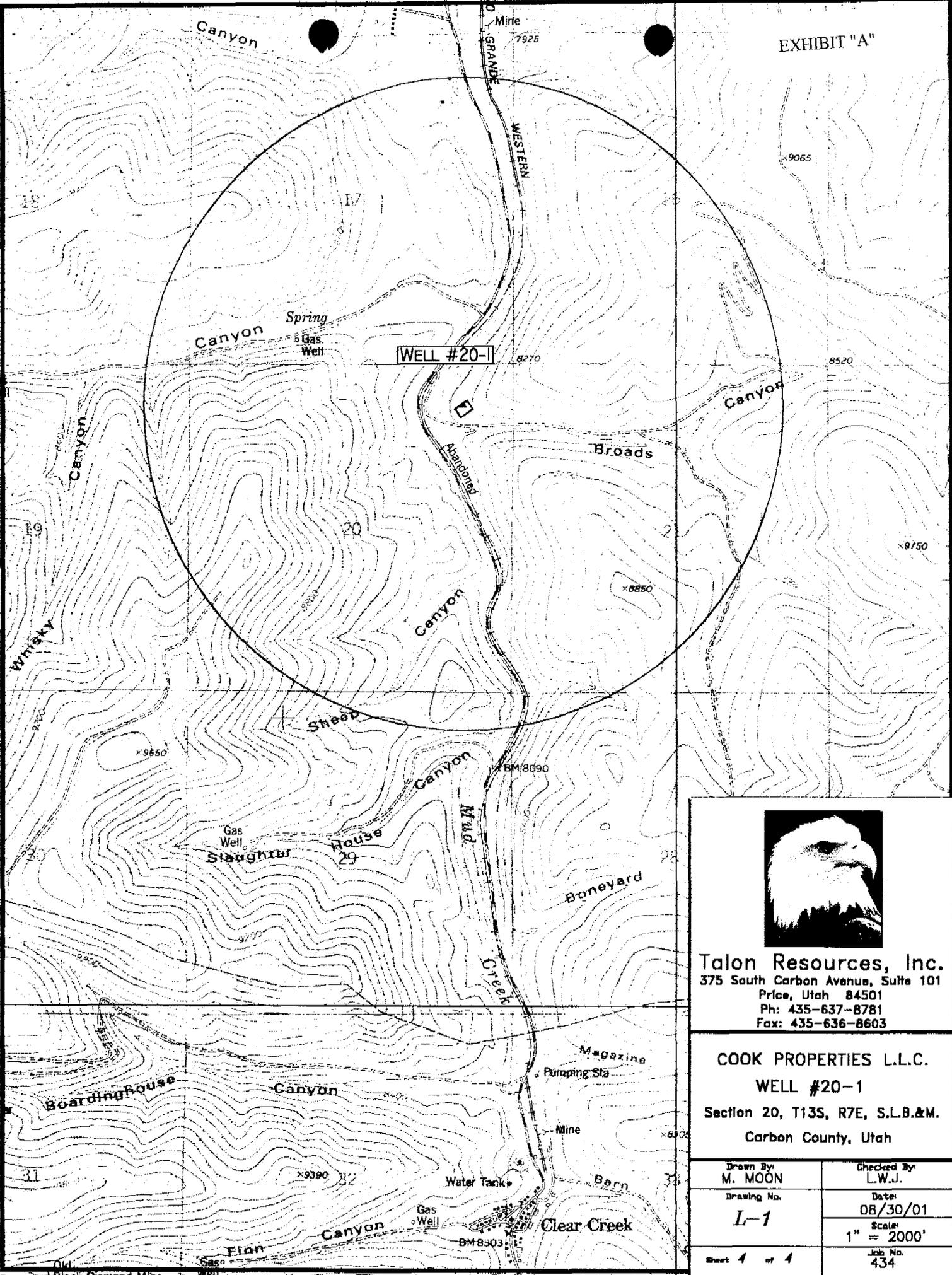
- (a) Prior to beginning construction;
- (b) Prior to spudding;
- (c) Prior to running any casing or BOP tests; and
- (d) Prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.



# Typical 3000 psi BOP Equipment

Clear Creek, LLC



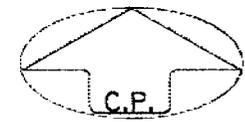
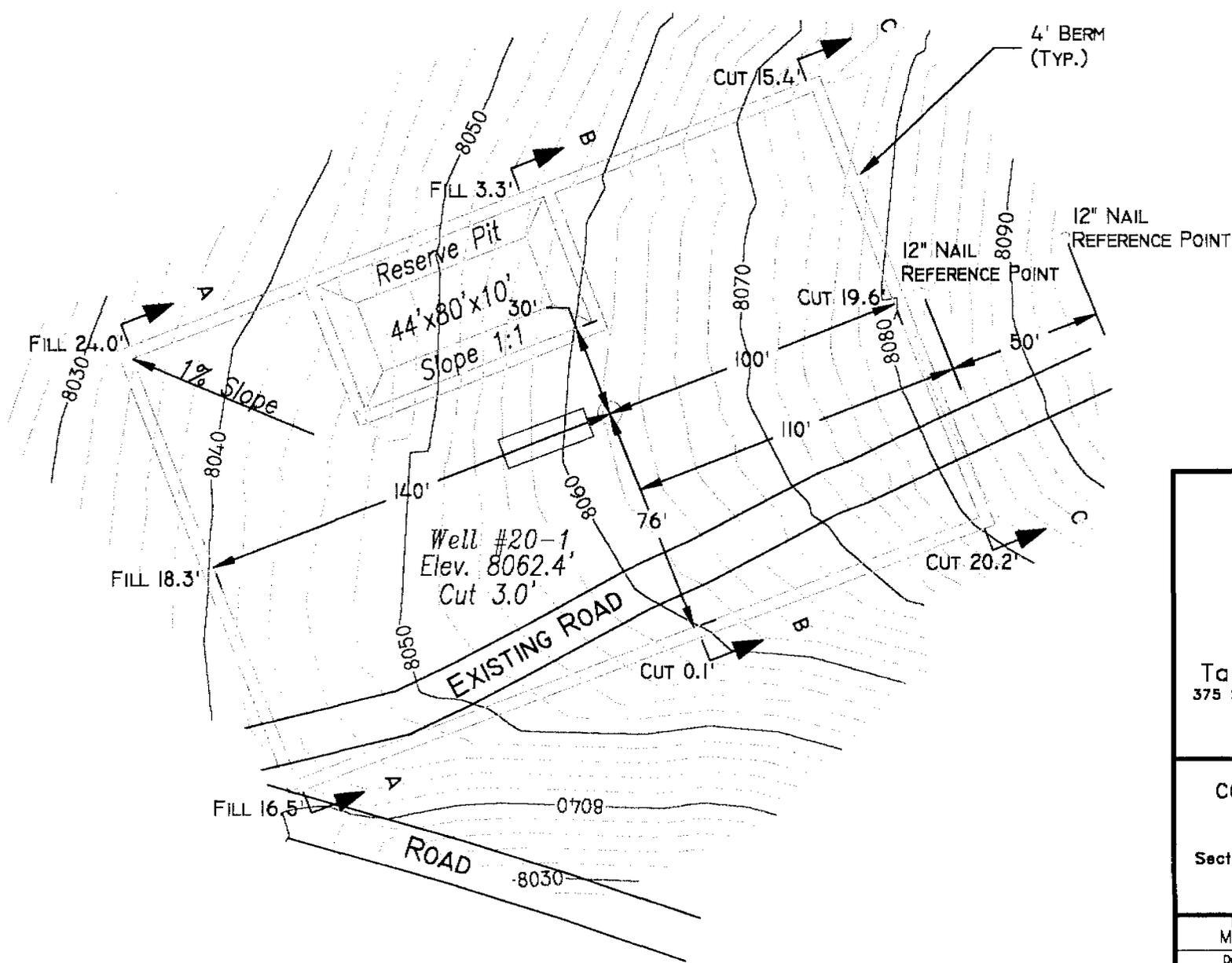
**Talon Resources, Inc.**  
 375 South Carbon Avenue, Suite 101  
 Price, Utah 84501  
 Ph: 435-637-8781  
 Fax: 435-636-8603

**COOK PROPERTIES L.L.C.**  
**WELL #20-1**  
 Section 20, T13S, R7E, S.L.B.&M.  
 Carbon County, Utah

Drawn By: <b>M. MOON</b>	Checked By: <b>L.W.J.</b>
Drawing No. <b>L-1</b>	Date: <b>08/30/01</b>
	Scale: <b>1" = 2000'</b>
Sheet <b>1</b> of <b>1</b>	Job No. <b>434</b>

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 8062.4'

ELEVATION OF GRADED GROUND AT LOCATION STAKE = 8059.4'

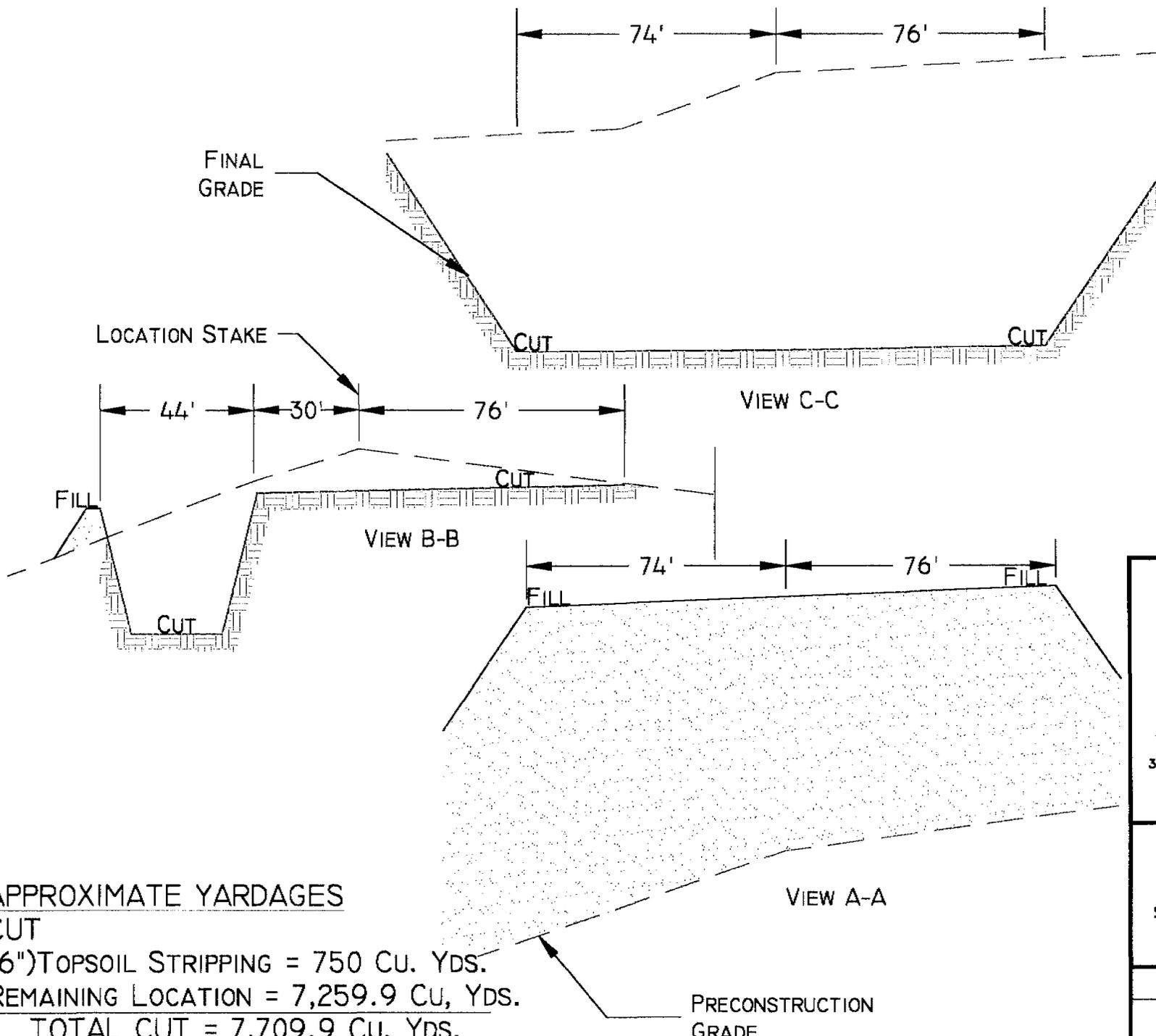


**Talon Resources, Inc.**  
 375 South Carbon Avenue, Suite 101  
 Price, Utah 84501  
 Ph: 435-637-8781  
 Fax: 435-636-8603

**COOK PROPERTIES L.L.C.**  
**LOCATION LAYOUT**  
 Section 20, T13S, R7E, S.L.B.&M.  
**WELL #20-1**

Drawn By: M. MOON	Checked By: L.W.J.
Drawing No. A-2	Date: 08/29/01
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 434

EXHIBIT "C"



$1" = 10'$   
 X-Section  
 Scale  
 $1" = 40'$

SLOPE = 1 1/2 : 1  
 (EXCEPT PIT)  
 PIT SLOPE = 1 : 1



**Talon Resources, Inc.**  
 375 South Carbon Avenue, Suite 101  
 Price, Utah 84501  
 Ph: 435-637-8781  
 Fax: 435-636-8603

**COOK PROPERTIES L.L.C.**  
**TYPICAL CROSS SECTION**  
 Section 20, T13S, R7E, S.L.B.&M.  
 WELL #20-1

Drawn By: M. MOON	Checked By: L.W.J.
Drawing No. C-1	Date: 08/30/01
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 434

**APPROXIMATE YARDAGES**  
 CUT  
 (6") TOPSOIL STRIPPING = 750 CU. YDS.  
 REMAINING LOCATION = 7,259.9 CU, YDS.  
 TOTAL CUT = 7,709.9 CU. YDS.  
 TOTAL FILL = 7,504.9 CU. YDS.

PRECONSTRUCTION  
 GRADE

EXHIBIT "C"

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/04/2001

API NO. ASSIGNED: 43-007-30808

WELL NAME: COOK 20-1  
OPERATOR: CLEAR CREEK LLC ( N1920 )  
CONTACT: STEVEN PRINCE

PHONE NUMBER: 801-225-0600

PROPOSED LOCATION:  
NENE 20 130S 070E  
SURFACE: 0667 FNL 0787 FEL  
BOTTOM: 0667 FNL 0787 FEL  
CARBON  
CLEAR CREEK ( 10 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	11/30/01
Geology		
Surface		

LEASE TYPE: 4 - Fee  
LEASE NUMBER: FEE  
SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: FRSD

RECEIVED AND/OR REVIEWED:

Plat

Bond: Fed[] Ind[] Sta[] Fee[4]  
(No. 5105 )

Potash (Y/N)

Oil Shale 190-5 (B) or 190-3 or 190-13

Water Permit  
(No. \_\_\_\_\_ )

RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )

Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3. Unit \_\_\_\_\_

R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells

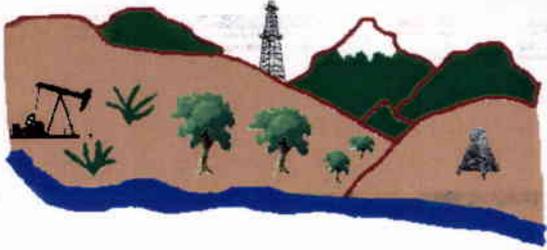
R649-3-3. Exception

Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_

R649-3-11. Directional Drill

COMMENTS: Need Permit (9-26-01)

STIPULATIONS: 1- Surface Cement Stip  
2- Statement of basis



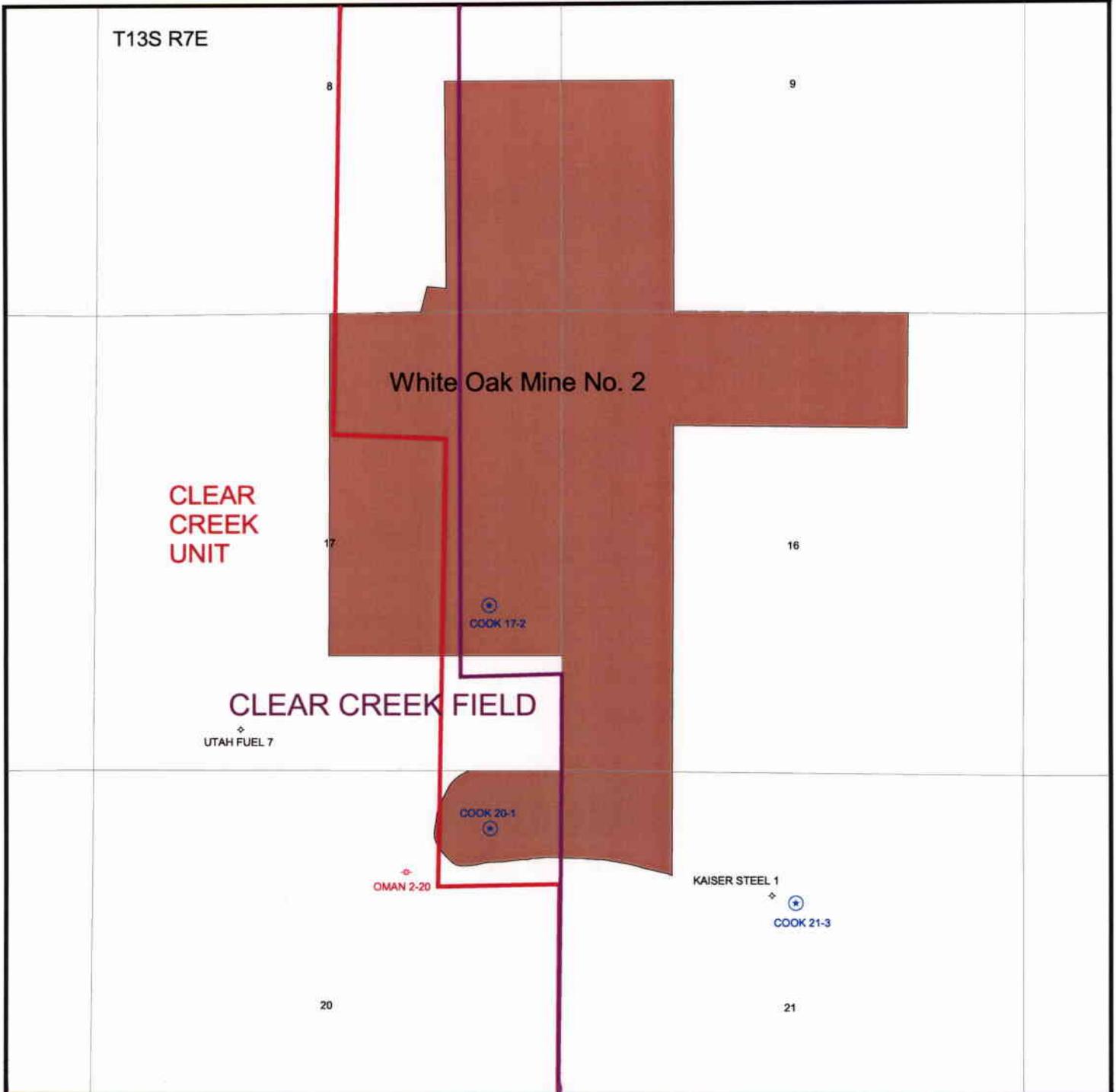
Utah Oil Gas and Mining

OPERATOR: CLEAR CREEK LLC (N1920)

SEC. 20, T13S, R7E

FIELD: CLEAR CREEK (010)

COUNTY: CARBON SPACING: R649-3-2/GEN ST

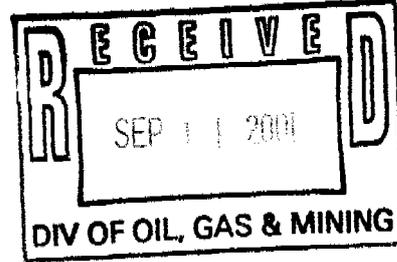


# Clear Creek, LLC

1431 N. 1200 W., Orem, UT 84058 • (801) 225-0600 • FAX (801) 225-0666

September 10, 2001

Ms. Lisha Cordova  
 State of Utah  
 Department of Natural Resources  
 Division of Oil, Gas and Mining  
 1594 West North Temple, Suite 1210  
 Salt Lake City, UT 84114



VIA FACSIMILE (801)359-3940

RE: APDs for Cook 20-1, Cook 17-2, Cook 21-3

Dear Lisha:

Thank you for notifying me concerning deficiencies in the three APDs filed recently. We will forward the evidence of bonding, the water permit number, and surface use agreements to you as they are completed. The surface owners for the three subject wells are:

WELL	CONTACT	PHONE NUMBER	ADDRESS
Cook 20-1	George Liodakis	(801)569-0863	1411 W. Highland Hollow Dr., W. Jordan
Cook 17-2	George Liodakis	(801)569-0863	1411 W. Highland Hollow Dr., W. Jordan
Cook 21-3	Jim Jacob	(801)226-4403	127 W. 1700 S., Orem

If you have any questions or need additional information, please feel free to contact me. Thanks again for your help

Best regards,

Steven L. Prince  
 Petroleum Engineer

**ON-SITE PREDRILL EVALUATION**  
**Division of Oil, Gas and Mining**

OPERATOR: Clear Creek, LLC  
WELL NAME & NUMBER: Cook 20-1  
API NUMBER: 43-007-30808  
LEASE: Fee FIELD/UNIT: Clear Creek  
LOCATION: 1/4,1/4 NENE Sec: 20 TWP: 13S RNG: 9E 667 FNL 787 FEL  
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.  
GPS COORD (UTM): X =486,620 E; Y ,=4,392,111 N SURFACE OWNER: George Liodakis

**PARTICIPANTS**

M. Jones (DOGM), S. Prince (Clear Creek), G. Liodakis (surface).

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

Location sits on grassy west facing slope of in Clear Creek. Skyline Mine's train loading facility is ~.3 miles North. Clear Creek, a year round live water source, is ~.1 mile west of proposed location. The natural slope of the hillside where the location is to be built is fairly steep and has an old two-track road that will be discarded at the requests of the landowner. Some trees will be taken out during the construction phase. Others will be left in to provide a sight barrier.

**SURFACE USE PLAN**

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 240' X 130' pad w/ pit included.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: Two PA wells, 1 Shut-In gas well and 2 proposed wells within a 1 mile radius.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Along roadways.

SOURCE OF CONSTRUCTION MATERIAL: Local material and transported in.

ANCILLARY FACILITIES: None.

**WASTE MANAGEMENT PLAN:**

Portable chemical toilet for the duration of the drilling and completion process. A dumpster for disposal of solid refuse. Drill cuttings and fluids will be disposed of in pit. At the conclusion of drilling and completion the pit will be allowed to evaporate after which it will be reclaimed.

**ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: Clear Creek, which flows year round, is located ~430' West of proposed location.

FLORA/FAUNA: Native grasses, pine trees, sagebrush, deer, elk, small game animals, and various fowl.

SOIL TYPE AND CHARACTERISTICS: Silty loamy clay.

EROSION/SEDIMENTATION/STABILITY: Moderately erosive.

PALEONTOLOGICAL POTENTIAL: None Observed.

**RESERVE PIT**

CHARACTERISTICS: Dugout earthen pit, as per APD.

LINER REQUIREMENTS (Site Ranking Form attached): Synthetic liner.

**SURFACE RESTORATION/RECLAMATION PLAN**

As per landowners requests in surface use agreement.

SURFACE AGREEMENT: Being negotiated.

CULTURAL RESOURCES/ARCHAEOLOGY: None requested.

**OTHER OBSERVATIONS/COMMENTS**

Clear Creek LLC chose to spin the location 180 degrees to avoid such a large cut and fill yardage. I asked them to place the pit in cut rather than fill the way the submitted it as well, which they agreed to do. My submittal of the pre-site is waiting to view the amended location plat and pit placement.

**ATTACHMENTS**

Photos of this location were taken and placed on file.

Mark L. Jones  
DOGM REPRESENTATIVE

Sept. 26, 2001 / 3:30 pm  
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score  
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>2</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permcability	10	
High permcability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid containing significant levels of hazardous constituents	15	
	20	<u>0</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>10</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present.	0	
Unknown	10	
Present.	15	<u>0</u>

**Final Score**      27      (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.  
Sensitivity Level II = 15-19; lining is discretionary.  
Sensitivity Level III = below 15; no specific lining is required.

**DIVISION OF OIL, GAS AND MINING**  
APPLICATION FOR PERMIT TO DRILL  
STATEMENT OF BASIS

**OPERATOR:** Clear Creek, LLC  
**WELL NAME & NUMBER:** Cook 20-1  
**API NUMBER:** 43-007-30808  
**LOCATION:** 1/4,1/4 NENE Sec: 20 TWP: 13S RNG: 7E \_667 FNL 787 FEL

**Geology/Ground Water:**

A well drilled at this location will likely spud into a poorly to moderately permeable soil developed on the Cretaceous Blackhawk Formation. Ground water is likely to be encountered in Blackhawk Formation sandstones and the Star Point, Emery, and Ferron Sandstones, all of Cretaceous age. Water quality will deteriorate in the deeper strata. The base of moderately saline ground water is likely to be above sea level and within several thousand feet of the surface. If so, quality water is likely to be encountered in permeable strata in the Mesa Verde Group and the Emery Sandstone. Application has been made for many water rights (including several springs, 2 wells and a tunnel) within a mile of this location. The location is situated on the east side of the canyon containing Mud Creek (Clear Creek?), near and north of the mouth of Broads Canyon. Natural drainage is to flow into Broads Canyon, Mud Creek, Scofield Reservoir and then the Price River. The proposed surface and intermediate casing/cementing program and freshwater gel/air drilling fluid system should be sufficient protect the shallow ground water resource. A sulphur spring has been documented as existing 4 miles to the north (1 mile north of Scofield, Utah), along the same fault (Pleasant Valley system) as found along Mud Creek, which flows near this proposed location. It is not known if this occurrence portends a hydrogen sulfide/sulphur dioxide hazard, but it is at least worthy of note.

**Reviewer:** Christopher J. Kierst **Date:** 11/27/01

**Surface:**

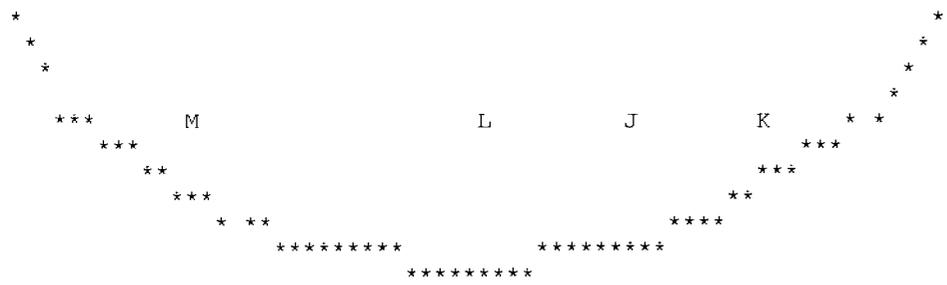
Clear Creek, a year-round live water source is located ~430' West of the above proposed location. Rehabilitation of the site, litter and waste control, preservation of drainage patterns, groundwater and other resources was discussed and agreed on. Any well utilities and gathering systems will follow the roadways.

**Reviewer:** Mark L. Jones **Date:** Nov. 20, 2001

**Conditions of Approval/Application for Permit to Drill:**

1. Culverts sufficient to manage expected runoff, standing and surface water in crossed drainages.
2. Berm location and pit.
3. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
4. Amended location plat map and placement of pit in cut on East side of location.





UTAH DIVISION OF WATER RIGHTS  
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS	AND/OR AC-FT	SOURCE DESCRIPTION	DIAMETER	DEPTH	WELL INFO YEAR LOG	POINT OF DIVERSION DESCRIPTION						U A P T	
								NORTH	EAST	CNR	SEC	TWN	RNG B&M	N P E I	
0	91 4140	.1500	.00	Mine Tunnel (Utah Number 1)				S 1020	W 310	NE 17	13S	7E	SL	X	
		WATER USE(S): DOMESTIC OTHER													
				Karawha and Hocking Coal and Coke Compan 700 West Gate Tower											OH 44116
0	91 1986	.0500	.00	Unnamed Spring				S 1020	W 310	NE 17	13S	7E	SL	X	
		WATER USE(S): OTHER													
				LDS Church Corporation of the Presiding 50 East North Temple 12th Floor											UT 84150
1	91 3012	.0150	.00	Unnamed Spring				S 1030	W 300	NE 17	13S	7E	SL	X	
		WATER USE(S): IRRIGATION STOCKWATERING													
				LDS Church Corporation of the Presiding 50 East North Temple 12th Floor											UT 84150
2	91 3667	.0000	.00	Clear Creek										X	
		WATER USE(S): DOMESTIC STOCKWATERING													
				LDS Church Corporation of the Presiding 50 East North Temple 12th Floor											UT 84150
2	91 3666	.0000	.00	Clear Creek										X	
		WATER USE(S):													
				Marakis, Nick											UT
2	91 3665	.0000	.00	Clear Creek										X	
		WATER USE(S):													
				Marakis, John (Estate)											UT
3	E2475	.0000	1.00	6		220	1987 Y	S 1400	W 1305	NE 17	13S	7E	SL	X	

		WATER USE(S): DOMESTIC		PRIORITY DATE: 10/08/1986	
		LDS Church, Corporation of the Presiding	50 East North Temple	Salt Lake City	UT 84150
4	91 3666	.0000	.00 Clear Creek		X :
		WATER USE(S):		PRIORITY DATE: 00/00/1869	
		Marakis, Nick		UT	
4	91 3665	.0000	.00 Clear Creek		X :
		WATER USE(S):		PRIORITY DATE: 00/00/1869	
		Marakis, John (Estate)		UT	
5	91 479	.0000	.00 Unnamed Wash		X :
		WATER USE(S):		PRIORITY DATE: 00/00/1902	
		Marakis, John (Estate)		UT	
5	91 440	.0000	.00 Unnamed Wash		X :
		WATER USE(S):		PRIORITY DATE: 00/00/1902	
		Markis, Nick	165 East 1st South	Price	UT 84501
6	91 441	.0000	.00 Unnamed Stream		X :
		WATER USE(S):		PRIORITY DATE: 00/00/1902	
		Marakis, Nick	165 East 1st South	Price	UT 84501
6	91 480	.0000	.00 Unnamed Stream		X :
		WATER USE(S):		PRIORITY DATE: 00/00/1902	
		Marakis, John	165 East 1st South	Price	UT 84501
7	91 3040	.0000	.00 Clear Creek		X :
		WATER USE(S): STOCKWATERING		PRIORITY DATE: 00/00/1869	
		Nicolaides, Tom	1026 East 1st South	Salt Lake City	UT
		Nicolaides, Leon	1026 East 1st South	Salt Lake City	UT
		Stathis, Mary	1026 East 1st South	Salt Lake City	UT
		Daraban, Bessie	1026 East 1st South	Salt Lake City	UT
7	91 3040	.0000	.00 Clear Creek		X :
		WATER USE(S): STOCKWATERING		PRIORITY DATE: 00/00/1869	
		Nicolaides, Tom	1026 East 1st South	Salt Lake City	UT
		Nicolaides, Leon	1026 East 1st South	Salt Lake City	UT
		Stathis, Mary	1026 East 1st South	Salt Lake City	UT
		Daraban, Bessie	1026 East 1st South	Salt Lake City	UT
7	91 3075	.0000	.00 Eccles Canyon Creek		X :
		WATER USE(S): STOCKWATERING		PRIORITY DATE: 00/00/1869	
		Nicolaides, Tom	1026 East 1st South	Salt Lake City	UT 84102
		Nicolaides, Leon		UT	
		Stathis, Mary		UT	
		Daraban, Bessie		UT	
8	91 3074	.0000	.00 Eccles Canyon Creek		X :
		WATER USE(S):		PRIORITY DATE: 00/00/1869	
		Oman, Milton A.	717 Continental Bank Building	Salt Lake City	UT



	Jacob, James C.	914 East 300 North	Orem	UT 84097
	Jacob, J. Mark	914 East 300 North	Orem	UT 84097
H 91 3440	.0000	.00 Clear Creek		X :
	WATER USE(S):		PRIORITY DATE: 00/00/1869	
	Jacob, James C.	914 East 300 North	Orem	UT 84097
	Jacob, J. Mark	914 East 300 North	Orem	UT 84097
H 91 3440	.0000	.00 Clear Creek		X :
	WATER USE(S):		PRIORITY DATE: 00/00/1869	
	Jacob, James C.	914 East 300 North	Orem	UT 84097
	Jacob, J. Mark	914 East 300 North	Orem	UT 84097
I 91 3045	.0000	.00 Clear Creek		X :
	WATER USE(S):		PRIORITY DATE: 00/00/1869	
	Oman, Milton A	717 Continental Bank Building	Salt Lake City	UT 84111
J 91 3051	.0000	.00 Clear Creek		X :
	WATER USE(S):		PRIORITY DATE: 00/00/1869	
	Marakis, John (Estate)	160 East 1st South	Price	UT 84501
J 91 3051	.0000	.00 Clear Creek		X :
	WATER USE(S):		PRIORITY DATE: 00/00/1869	
	Marakis, John (Estate)	160 East 1st South	Price	UT 84501
J 91 3052	.0000	.00 Clear Creek		X :
	WATER USE(S):		PRIORITY DATE: 00/00/1869	
	Marakis, Nick	789 East 8th North	Price	UT 84501
J 91 3052	.0000	.00 Clear Creek		X :
	WATER USE(S):		PRIORITY DATE: 00/00/1869	
	Marakis, Nick	789 East 8th North	Price	UT 84501
K 91 4090	.0000	.00 Unnamed Spring		X :
	WATER USE(S): STOCKWATERING		PRIORITY DATE: 00/00/1902	
	Jacob, James C.	914 East 300 North	Orem	UT 84097
	Jacob, J. Mark	914 East 300 North	Orem	UT 84097
L 91 3045	.0000	.00 Clear Creek		X :
	WATER USE(S):		PRIORITY DATE: 00/00/1869	
	Oman, Milton A	717 Continental Bank Building	Salt Lake City	UT 84111
M 91 3076	.0110	.00 Unnamed Spring		X :
	WATER USE(S):		PRIORITY DATE: 00/00/1869	
	Oman, Milton A.	717 Continental Bank Building	Salt Lake City	UT

Well name:	<b>11-01 Clear Creek LLC Cook 20-1</b>		
Operator:	<b>Clear Creek LLC</b>	Project ID:	43-007-30808
String type:	Surface		
Location:	Carbon County		

**Design parameters:**

**Collapse**  
Mud weight: 8.330 ppg  
Design is based on evacuated pipe.

**Burst**  
Max anticipated surface pressure: 0 psi  
Internal gradient: 0.436 psi/ft  
Calculated BHP: 231 psi  
No backup mud specified.

**Minimum design factors:**

**Collapse:**  
Design factor: 1.125

**Burst:**  
Design factor: 1.00

**Tension:**  
8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on air weight.  
Neutral point: 464 ft

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 72 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 250 ft

Cement top: Surface

Non-directional string.

**Re subsequent strings:**

Next setting depth: 5,300 ft  
Next mud weight: 8.400 ppg  
Next setting BHP: 2,313 psi  
Fracture mud wt: 19,000 ppg  
Fracture depth: 530 ft  
Injection pressure: 523 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ( )
1	530	8.625	24.00	J-55	ST&C	530	530	7.972	3473

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	229	1370	5.97	231	2950	12.76	13	244	19.18 J

Prepared by: Dustin Doucet  
Utah Dept. of Natural Resources

Phone: 801-538-5281  
FAX: 801-359-3940

Date: November 30, 2001  
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE  
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
Collapse is based on a vertical depth of 530 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.  
Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:

**11-01 Clear Creek LLC Cook 20-1**

Operator: **Clear Creek LLC**

String type: Production

Project ID:

43-007-30808

Location: Carbon County

**Design parameters:**

**Collapse**

Mud weight: 9.000 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 139 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 250 ft

Cement top:

1,049 ft

**Burst**

Max anticipated surface pressure: 0 psi  
Internal gradient: 0.468 psi/ft  
Calculated BHP: 2,478 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.  
Neutral point: 4,578 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ( )
1	5300	5.5	15.50	J-55	ST&C	5300	5300	4.825	22438

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2478	4040	1.63	2478	4810	1.94	82	202	2.46 J

Prepared by: Dustin Doucet  
Utah Dept. of Natural Resources

Phone: 801-538-5281  
FAX: 801-359-3940

Date: November 30, 2001  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

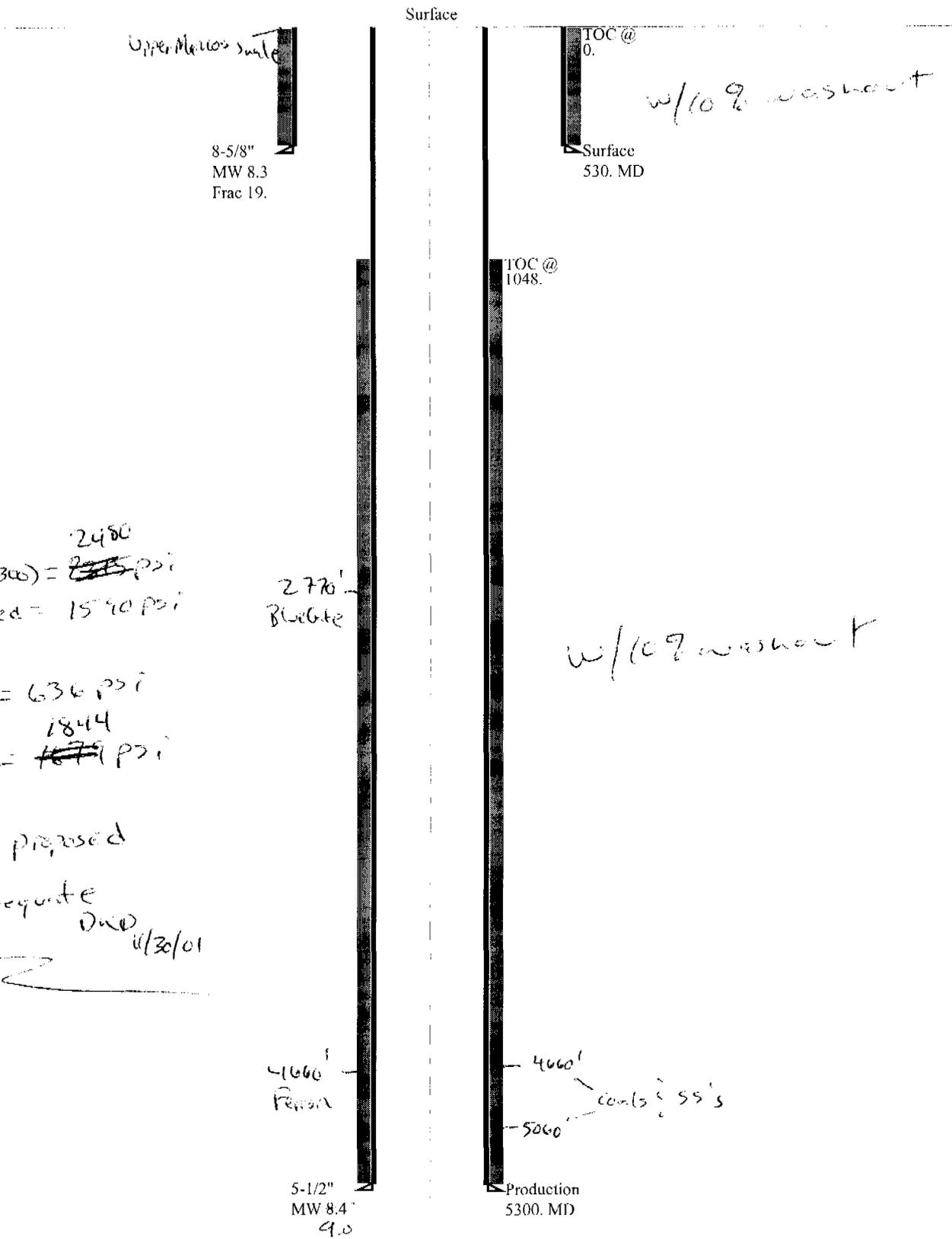
Collapse is based on a vertical depth of 5300 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

11-01 Clear Creek LLC Co 20-1

Casing Schematic



BOP  
 BHP  
 $(0.052)(90)(5300) = 2480$   
~~2480~~ psi  
 Anticipated = 1590 psi

Gas  
 $(0.12)(5300) = 636$  psi  
 1844  
 MASP = ~~1678~~ psi

3M BOP/E proposed  
 Adequate  
 DWD  
 4/30/01

4660'  
 Perfor  
 5-1/2"  
 MW 8.4"  
 9.0

Surface  
 TOC @ 0.  
 Surface 530. MD  
 TOC @ 1048.  
 Production 5300. MD

w/10% washout

w/10% washout

4660'  
 5060'  
 conls ss's

## Clear Creek, LLC

1431 N. 1200 W., Orem, UT 84058 • (801) 225-0600 • FAX (801) 225-0666

December 20, 2001

Ms. Lisha Cordova  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114

VIA FACSIMILE (801)359-3940

RE: Water Use for Cook 20-1, API #43-007-30808

Dear Lisha:

Thank you for your help in finalizing the permit for the Cook 20-1 well. Regarding a water source for the drilling and fracturing on the well, we are still negotiating with one of the mining companies and with the city of Scofield on using some of their water. In the event the negotiations are unsuccessful, we will purchase water from Price River Water Improvement District (PRWID) which is a municipal water supplier here in Price. So, for now, please accept this as our notice that we will purchase water from PRWID and we will notify you if that situation changes.

Thanks again for your help and feel free to contact me at 435-650-3011 if you have any questions.

Best regards,

Steven L. Prince  
Petroleum Engineer

003

1431 North 1200 West  
Orem, Utah 84057  
Phone (801) 225-0600 Fax (801) 225-0666



# Fax

*Jimmy Thompson for*

**To:** *Lisha Cordova* **From:** Glenn Cook

---

**Fax:** *801-359-3840* **Pages:** *8*

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**Phone:** **Date:** *12-20-01*

---

**Re:** **CC:**

---

- Urgent     For Review     Please Comment     Please Reply     Please Recycle
-

**SURFACE USE AGREEMENT**

This Surface Use Agreement ("Agreement") is entered into this 20 day of December, 2001 by and between Clear Creek CBM, LLC ("Operator") and Liodakis Rance, L.L.C. and Nick Marakis Family Trust, ("Surface Owners").

**RECITALS**

A. Operator is the owner of the leasehold interest in the mineral estate on the property described in the attached Exhibit A (the "Property");

B. Surface Owners are the owners of surface rights whose rights are subject to and limited by a lease agreement dated August 6, 1976, between Surface Owners' predecessor in interest and Kanawha and Hocking Coal and Coke Company, and their successors in interest. A copy of the lease and easement agreement has been provided to counsel for Operator and receipt is acknowledged.

C. The parties recognize the dominant nature of the mineral estate under the laws of the State of Utah in which the mineral owner has the right to the use of so much of the surface estate as is reasonably necessary and reasonably convenient to develop and operate drilling, mining and other extraction activities to explore for, mine or produce coal, oil, gas and other minerals from the Property; and

D. The parties desire to provide for a reasonable agreement and accommodation between Operator and Surface Owners in order to allow for orderly development of the mineral estate without unnecessary or unreasonable interference with the surface estate of the Property.

NOW, THEREFORE, for and in consideration of the mutual promises and agreements of the parties hereto, it is hereby agreed as follows:

1. Surface Owners hereby consent to any and all reasonable operations of Operator in the exploration of the mineral estate and in the development and production of the mineral estate, including but not limited to the placement and drilling of oil and gas wells, coalbed methane wells, and any and all related facilities, structures, stockpiles, pipelines, gathering systems, property, equipment, pits and other structures reasonable or necessary, in the reasonable discretion of Operator, for the exploration and development of the mineral estate and the production of oil, gas, coal or coalbed methane from the Property. The consent of Surface Owners herein includes the consent for all operations reasonable or necessary for operator's activities, including but not limited to those described above and consent for the placement of separators and tank battery storage facilities and equipment for operating such wells and to use the Property for the operating, including reworking operations, and producing of such wells. For

the same consideration, Surface Owners do hereby grant and convey unto Operator, its successors and assigns, the right, from time to time, (i) to construct, reconstruct, operate, maintain, repair and remove roads over and across the Property and (ii) to lay, construct, reconstruct, replace, renew, operate, maintain, repair, change the size of, and remove pipes and pipelines for the transportation of oil, petroleum or any of its products, gas, water and other substances, or any thereof, along, over, through, upon, under and across the Property, together with rights of ingress and egress to and from said line or lines for the purposes aforesaid.

2. Operator agrees to consult with surface owner prior to the conducting of any activities described in paragraph 1 and, to the extent reasonably practicable in Operator's discretion, will consider Surface Owner's comments, suggestions, and requests relating to such activities.

3. Specifically in connection with Operator's activities, Operator agrees as follows:

- (a) The Operator agrees to conduct all operations subject to the opportunity of reasonable inspection by the Surface Owners.
- (b) Operator shall conduct operations in a manner that prevents unnecessary impacts and minimizes other impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users.
- (c) Subject to paragraph 4 below Operator shall save and hold Surface Owners harmless from all claims for damage or harm to persons or property directly as a result of its operations. In addition, Operator shall indemnify and hold Surface Owners harmless from all claims by third parties arising out of or as a result of its operations. This obligation includes all costs of suit, including attorneys' fees, incurred by Surface Owners incurred responding to any claims. Operator further agrees to indemnify and hold Surface Owners harmless from liability, damages or costs of suit, including attorneys' fees, arising out of any claims or damage done to Operator's property or operations by any third party.
- (d) Operator shall conduct operations in accordance with all applicable laws and regulations, including the requirements of Utah Admin. Code §§ R649-3-1, *et seq.*, except that with respect to § R649-3-34, the parties hereby stipulate:

- (i) That this Agreement shall serve as the "surface use agreement" described therein for the Property; and
- (ii) That the "well site restoration requirements" established under this Agreement shall be the minimum well site restoration requirements established by the Utah Division of Oil, Gas and Mining pursuant to § R649-3-34.

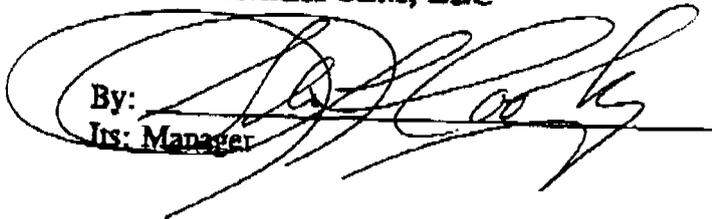
4. In consideration for entering into this Agreement, and for the stipulations described in paragraph 3(d) above to the effect that this Agreement shall constitute the "surface use agreement" for the property and that the "well site restoration requirements" for the property shall be the minimum established by the Utah Division of Oil, Gas and Mining in accordance with Utah Admin. Code § R649-3-34, Operator hereby agrees to convey to Surface Owner a 2% royalty of gross revenue derived from the Property. As long as Operator meets such minimum, Operator shall have no further liability to Surface Owner relating to the effects on or damage to the surface of the Property resulting from its operations. The consideration paid by Operator is accepted by Surface Owners in full and final satisfaction for all damages and claims for damages to Surface Owner's Property, growing crops, pasturage, and timber resulting from the ordinary activities of Operator.

5. Pursuant to requirements of Carbon County, Operator must provide a gate and cattle guard if so requested by Surface Owners, and Surface Owners agree Operator may widen existing gates and cattle guards to accommodate equipment where needed.

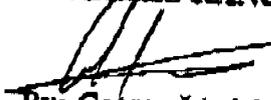
6. This Agreement shall remain in effect for a period of thirty (30) years from the date of its execution.

Executed this 20 day of December, 2001.

**CLEAR CREEK CBM, LLC**

By:   
Its: Manager

**LIODAKIS RANCE, L.L.C**

  
By: George Liodakis  
Its: President and Manager

**NICK MARAKIS FAMILY TRUST**

*Helen Marakis Liodakis*

By: Helen Marakis Liodakis  
Its: Trustee

121091.doc\surface use agre.doc

## EXHIBIT A.

Township 13 South, Range 6 East, Salt Lake Base & Meridian

- Section 12: All
- Section 13: NE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$
- Section 13: Beginning at the Northwest corner of SW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 13, thence East to the Northeast corner of SE $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 13, thence South to the intersection of Eccles Canyon Creek with the East Township line; thence Westerly along the center line of Eccles Canyon Creek to the point of beginning.
- Section 24:

Township 13 South, Range 7 East, Salt Lake Base & Meridian

- Section 7: W $\frac{1}{2}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$
- Section 8: E $\frac{1}{2}$ E $\frac{1}{4}$ , less and except the following described parcel amounting to 2 acres, more or less; Beginning at a point North 237.36 feet from the Southeast corner of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ ; thence North 204.38 feet; thence South 78°07' East 370 feet, more or less, to the West edge of the present Clear-Creek-Scofield Road; thence South 9° West 200.25 feet along the West edge of road; thence North 78°07' West 338 feet, more or less, to the point of beginning. Also less and except a tract of land for highway known as Project No. 0215, situated in the E $\frac{1}{2}$ SE $\frac{1}{4}$  of said Section 8 and containing 3.09 acres. Subject to an easement over a tract of land 50 feet wide through the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 8, for the purpose of constructing and maintaining thereon a channel change for Clear Creek.
- Section 9: W $\frac{1}{2}$ SW $\frac{1}{4}$ , excepting, however, the existing right-of-way of Carbon County Railway Company and the right-of-way of the Utah Power and Light Company, a corporation.
- Section 16: W $\frac{1}{2}$ , W $\frac{1}{2}$ E $\frac{1}{4}$ ; subject to an easement over a tract of land containing .18 acres in the NW $\frac{1}{4}$ SW $\frac{1}{4}$  for the purpose of constructing and maintaining thereon a channel change for Clear Creek.

21.9M.

1/6/11

• Section 17: Beginning at a point where the center line of Eccles Canyon Creek intersects the East boundary line of SE $\frac{1}{2}$ SW $\frac{1}{2}$ , thence North to the Northeast corner of SE $\frac{1}{2}$ SW $\frac{1}{2}$ , thence West to the Northwest corner of SW $\frac{1}{2}$ SW $\frac{1}{2}$ ; thence South to a point where the center line of Eccles Canyon Creek intersects the West boundary of SW $\frac{1}{2}$ SW $\frac{1}{2}$ ; thence Easterly along the center line of Eccles Canyon Creek to beginning. E $\frac{1}{2}$ NE $\frac{1}{2}$ , NE $\frac{1}{2}$ SE $\frac{1}{2}$ ; Less beginning at a point 985 feet West of the Northeast corner of said Section 17, thence West 335 feet; thence South 1420 feet; thence East 750 feet to State Road right-of-way; thence North 18°35' West 110 feet; thence North 31°00' West 374 feet; thence North 10°00' West 1020 feet more or less to beginning, containing 16.75 acres. Also, less and excepting a tract of land for highway known as Project No. 0215 situated in the E $\frac{1}{2}$ NE $\frac{1}{2}$  of said Section 17, containing 2.88 acres of land.

• Also less and excepting a tract of land for highway known as Project No. 0215 situated in the SE $\frac{1}{2}$ NE $\frac{1}{2}$  and NE $\frac{1}{2}$ SE $\frac{1}{2}$  of said Section 17, containing 6.11 acres, more or less.

• Subject to an easement over a tract of land containing .76 acres situated in SE $\frac{1}{2}$ NE $\frac{1}{2}$  of said Section 17, for the purpose of constructing and maintaining thereon a channel change for Clear Creek.

• Subject also to an easement over a tract of land containing .76 acres situated in NE $\frac{1}{2}$ SE $\frac{1}{2}$  of said Section 17, for the purpose of constructing and maintaining thereon a channel change for Clear Creek.

92977  
 • Section 18: NW $\frac{1}{2}$ , N $\frac{1}{2}$ SW $\frac{1}{2}$ ; also, beginning at the point where the East boundary line of SE $\frac{1}{2}$ SE $\frac{1}{2}$  of Section 18 intersects with the center line of Eccles Canyon Creek and running thence North to the Northeast corner of SE $\frac{1}{2}$ SE $\frac{1}{2}$ , thence West to the Northwest corner of the SW $\frac{1}{2}$ SW $\frac{1}{2}$  of said Section 18, thence South to the intersection of the West line of SW $\frac{1}{2}$ SW $\frac{1}{2}$  of Section 18 with the center line of Eccles Canyon Creek; thence Easterly along the center line of Eccles Canyon Creek to the point of beginning.

Section 20: Beginning at a point where the center line of  
 Section 21: Broad Canyon Creek intersects with the North  
 boundary line of the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 21,  
 thence Westarly along said center line to a  
 point where the center line of said creek in-  
 tersects with the North boundary line of the  
 NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 20, thence East to the point  
 of beginning.

Township 14 South, Range 7 East, Salt Lake Base & Meridian

~~Section 4, 6, 8, 10~~

~~Subject to any and all reservations, easements,  
 rights of way and other restrictions of record  
 pertaining to the above described property.~~

APR

Ad. 9/17

10



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor  
Kathleen Clarke  
Executive Director  
Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

December 24, 2001

Clear Creek, LLC  
1431 North 1200 West  
Orem, UT 84058

Re: Cook 20-1 Well, 667' FNL, 787' FEL, NE NE, Sec. 20, T. 13 South,  
R. 7 East, Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30808.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza".

John R. Baza  
Associate Director

dm

Enclosures

cc: Carbon County Assessor

Operator: Clear Creek, LLC

Well Name & Number Cook 20-1

API Number: 43-007-30808

Lease: FEE

Location: NE NE      Sec. 20      T. 13 South      R. 7 East

### Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. Surface casing shall be cemented to the surface.

008

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

FEE

6. IF INDIAN ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:

Cook 20-1

2. NAME OF OPERATOR:

Clear Creek, LLC

9. API NUMBER:

4300730808

3. ADDRESS OF OPERATOR:

1431 N. 1200 W. CITY Orem STATE UT ZIP 84058

PHONE NUMBER:

(801) 225-0600

10. FIELD AND POOL OR WILDCAT:

Clear Creek

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 667' FNL, 787' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 20 13S 7E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: <u>12/27/2001</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input checked="" type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please note the following casing and borehole design changes from those which were submitted with the APD:

Conductor: 12-3/4" casing in 15" hole (instead of 13-3/8" casing in 17-1/2" hole).

Surface Casing: 11" hole (instead of 12-1/4" hole). 8-5/8" casing will remain the same. The revised cement volume for this portion of the hole will be 121 sacks (instead of 179 sx).

NAME (PLEASE PRINT) Steven L. Prince

TITLE Petroleum Engineer

SIGNATURE Steven L. Prince

DATE 12/26/2001

(Use space for State use only)

12/27/01  
 [Signature]  
 \* Surface Casing shall be cemented to Surface

11-01 Clear Creek LLC Co -1  
Casing Schematic

Surface

Opp. Max 0

8-5/8"  
MW 8.3  
Frac 19.

TOC @  
0.

Surface  
530. MD

w/0% washout

30P

30P

$(0.052)(4)(5700) = 2480 \text{ psi}$

Anticipated = 1570 psi

3M BOP E Proposed

Adequate  
DRO

12(2760)

2770'  
Bluegate

TOC @  
1049.

w/10% washout

4660'  
Ferron

4660'

1045' SSS

5160'

5-1/2"  
MW 9.

Production  
5300. MD

Division of Oil, Gas and Mining  
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File COOK 20-1

Suspense

Other

(Loc.) Sec \_\_\_\_\_ Twp \_\_\_\_\_ Rng \_\_\_\_\_  
(API No.) 43-007-30808

(Return Date) \_\_\_\_\_  
(To-Initials) \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

1. Date of Phone Call: 12/28/01 Time: 13:30

2. DOGM Employee (name) DORIAN DOUGLET ( Initiated Call)

Talked to:

Name Steve Prince ( Initiated Call) - Phone No. (435) 613-0416  
of (Company/Organization) Clear Creek LLC

3. Topic of Conversation: Spudding of Cook 20-1 well

4. Highlights of Conversation: Steve told me they spudded the  
Cook 20-1 well at 11:30 a.m. on 12/28/01.  
I told him Carol Daniels was the official contact  
for Spud Notices and supplied him with her number.  
She was out of the office today, however.

## DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATIONName of Company: CLEAR CREEK LLCWell Name: COOK 20-1Api No. 43-007-30808 LEASE TYPE: FEESection 20 Township 13S Range 07E County CARBON

Drilling Contractor \_\_\_\_\_ RIG # \_\_\_\_\_

## SPUDDED:

Date 12/28/2001Time 11:30 AMHow ROTARY

Drilling will commence \_\_\_\_\_

Reported by STEVE PRINCE TO DUSTIN DOUCET (12/28/01)Telephone # 1-435-613-0416Date 01/02/2002 Signed: CHD

**ENTITY ACTION FORM**

Operator: Clear Creek, LLC  
 Address: 1431 North 1200 West  
 city Orem  
 state UT zip 84058

Operator Account Number: N 1920

Phone Number: (801) 225-0600

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300730808	Cook 20-1		NENE	20	13S	7E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	13399	12/28/2001		1-7-02		
Comments: <p style="text-align: center;">CONFIDENTIAL</p>							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Steven L. Prince

Name (Please Print)

*Steven L. Prince*

Signature

Petroleum Engineer

1/4/2002

Title

Date

012

5. LEASE DESIGNATION AND SERIAL NUMBER:  
FEE

**SUNDRY NOTICES AND REPORTS ON WELLS**

8. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
Cook 20-1

2. NAME OF OPERATOR:  
Clear Creek CBM, LLC

9. API NUMBER:  
4300730808

3. ADDRESS OF OPERATOR:  
1431 N. 1200 W. Orem UT 84058

PHONE NUMBER:  
(435) 613-0416

10. FIELD AND POOL, OR WILDCAT:  
Clear Creek

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 667' FNL, 787' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 20 13S 7E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input checked="" type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Dustin:

As we discussed by telephone with Mr. Baza and yourself, we request permission to drill beyond the total depth designated on the drilling permit due to revised geological data accumulated while drilling the well. The well is currently drilling ahead at approximately 4227' and we anticipate that we will find the top of the Ferron at approximately 5390'. Drilling would cease at approximately 6000' (or 200' below the bottom of the Ferron). This change in total depth would necessitate running 6000' of 17.0#, 5.5", J-55 instead of the 15.5# string approved in the drilling permit. The cement design would be modified to run 505 sacks of lead cement instead of 447 sacks. If there are any questions or recommendations, please feel free to contact me at either (435)613-0416 (office), (435)636-5002 (cell), or (435)637-8450 (home). Thank you for your help on this matter.

RECEIVED  
MAY 2 2002  
DIVISION OF  
OIL, GAS AND MINING

NAME (PLEASE PRINT) Steven L. Prince

TITLE Petroleum Engineer

SIGNATURE *Steven L. Prince*

DATE 3/22/2002

Use space for State use only

RECEIVED BY  
3/22/02  
Dustin D...

3-25-02  
CHD

Well name:

**03-02 Clear Creek LLC Cook 20-1rev.**

Operator: **Clear Creek LLC**

String type: **Production**

Project ID:  
43-007-30808

Location: **Carbon County**

**Design parameters:**

**Collapse**

Mud weight: 9.000 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 149 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 250 ft

Cement top: 1,257 ft

**Burst**

Max anticipated surface pressure: 0 psi  
Internal gradient: 0.468 psi/ft  
Calculated BHP 2,805 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.  
Neutral point: 5,181 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ( )
1	6000	5.5	17.00	J-55	ST&C	6000	6000	4.767	27821

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2805	4910	1.75	2805	5320	1.90	102	229	2.25 J

Prepared by: Dustin Doucet  
Utah Dept. of Natural Resources

Phone: 801-538-5281  
FAX: 801-359-3940

Date: March 22,2002  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 6000 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

3-02 Clear Creek LLC Cook 0-1 rev.

Casing Schematic

Surface

8-5/8"  
MW 8.3  
Frac 19.

TOC @  
0.

Surface  
530. MD

TOC @  
1257.

$2808 - 720 = 2088 \text{ psi}$

$2808 - 720 = 2088 \text{ psi}$

3MBOPF

Adequate  
DVED

3/22/02

2770'  
Blugate

w/10% washout

5390'  
Ferris

Ferris 5-1/2"  
MW 9.

Production  
6000. MD

014

**SUNDRY NOTICES AND REPORTS ON WELLS**

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
2. NAME OF OPERATOR: Clear Creek CBM, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1431 N. 1200 W. Orem UT 84057		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 667' FNL, 787' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 20 13S 7E S		8. WELL NAME and NUMBER: Cook 20-1
PHONE NUMBER: (435) 613-0416		9. API NUMBER: 4300730808
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Clear Creek
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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	<input checked="" type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 4/1/2002	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

4/1/02: Perforate @ 2818'-2819' (4 shots) to allow circulation to complete 2-stage cement job on 5-1/2" casing (staging tool failed). Pump second cementing stage to surface.

**RECEIVED**

APR 22 2002

DIVISION OF  
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Steven L. Prince</u>	TITLE <u>Operations Manager</u>
SIGNATURE <u>Steven L. Prince</u>	DATE <u>8/19/2002</u>

015

**SUNDRY NOTICES AND REPORTS ON WELLS**

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2. NAME OF OPERATOR: Clear Creek CBM, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1431 N. 1200 W. Orem UT 84057		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 667' FNL, 787' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 20 13S 7E S		8. WELL NAME and NUMBER: Cook 20-1
PHONE NUMBER: (435) 613-0416		9. API NUMBER: 4300730808
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Clear Creek
STATE: UTAH		

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<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 4/11/2002	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

4/11: Perforated Ferron SS @ 4795'-4797'; 4800'-4802'; 4809'-4812'; 4815'-4818'; 4820'-4823'; & 4920'-4928' (4 spf) 84 - 0.43" dia. shots. Pumped 24 bbls if 15% MSR 100 acid and balls. Flush with fresh water and clay stabilizer.

**RECEIVED**

2002 8 19

DIVISION OF  
OIL GAS AND MINING

NAME (PLEASE PRINT) <u>Steven L. Prince</u>	TITLE <u>Operations Manager</u>
SIGNATURE <u><i>Steven L. Prince</i></u>	DATE <u>8/19/2002</u>

SUNDRY NOTICES AND REPORTS ON WELLS

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2. NAME OF OPERATOR:  
Clear Creek CBM, LLC

3. ADDRESS OF OPERATOR: 1431 N. 1200 W. Orem UT 84057 PHONE NUMBER: (435) 613-0416

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 667' FNL, 787' FEL  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 20 13S 7E S

5. LEASE DESIGNATION AND SERIAL NUMBER:

FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Cook 20-1

9. API NUMBER:

4300730808

10. FIELD AND POOL OR WILDCAT:

Clear Creek

COUNTY: Carbon

STATE: UTAH

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	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 4/16/2002	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

4/16/02: Set packer @2793'. Dump 4 sacks of sand on plug. Squeeze perms at 2818' with 4000 psi. Unseat packer, circulate out cement, Pressured tubing to 2000 psi and shut in for night.

4/17/02: Bleed off pressure. TOOH with packer and laid down. RIH with bit and scraper. Tag cement @ 2856'. Drill out cement to sand @ 2887'. TOOH with bit and scraper.

RECEIVED

AUG 2 2002

DIVISION OF  
OIL, GAS AND MINING

NAME (PLEASE PRINT) Steven L. Prince

TITLE Operations Manager

SIGNATURE *Steven L. Prince*

DATE 8/19/2002

017

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4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>667' FNL, 787' FEL</b>		8. WELL NAME and NUMBER: <b>Cook 20-1</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENE 20 13S 7E S</b>		9. API NUMBER: <b>4300730808</b>
COUNTY: <b>Carbon</b>		10. FIELD AND POOL, OR WILDCAT: <b>Clear Creek</b>
STATE: <b>UTAH</b>		

**CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <b>6/6/2002</b>	<input type="checkbox"/> ALTER CASING	<input checked="" type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
6/6/02: Perforate from 4795'-4928' (4 spf) 532-0.43" holes. Fracture Ferron SS with 5 stage job. Total fluid: 33687 gal. Total proppant (20/40): 69,883#.

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NAME (PLEASE PRINT) <u>Steven L. Prince</u>	TITLE <u>Operations Manager</u>
SIGNATURE <u>Steven L. Prince</u>	DATE <u>8/19/2002</u>

(This space for State use only)

**CONFIDENTIAL**

Meter Name: COOK 20-1  
Field Name: CLEAR CREEK  
Analyst: Kelly

Meter Loc. #: CK201  
Cylinder Pres: 0 psig  
Line Pres #: 530 psig

Report Date: 05/14/2002 00:00:00  
Sample Date(s): 05/14/2002  
Flowing Temp: 0° F

**Gas Analysis by Chromatograph**

NAME	MOLE%	BTU	SG	GPM
Nitrogen	10.9381	0	0.1058	0
Methane	86.1515	872.1432	0.4772	0
CO2	2.5702	0	0.0391	0
Ethane	0.2446	4.3387	0.0025	0.0654
H2S	0	0	0	0
Propane	0.0684	1.7251	0.001	0.0188
i-Butane	0.0079	0.2575	0.0002	0.0026
n-Butane	0.0105	0.3433	0.0002	0.0033
i-Pentane	0.0025	0.1003	0.0001	0.0009
n-Pentane	0.0018	0.0723	0	0.0007
Hexanes	0.0018	0.0858	0.0001	0.0007
Heptanes	0.0002	0.011	0	0.0001
Octanes	0.0011	0.0689	0	0.0006
Nonanes	0.0014	0.0982	0.0001	0.0008
<b>DEAL TOTAL:</b>	<b>100.0</b>	<b>879.2443</b>	<b>0.6263</b>	<b>0.0939</b>

**Gross BTU/Real Cu Ft. @ 60 deg F**

Pressure =	14.73	14.65	15.025
Dry =	880.8387	876.0462	898.5121
Sat =	866.6404	861.8467	884.3182
Actual =	880.8387	876.0462	898.5121
Real S.G. =	0.627172	0.627165	0.627194
Gas Comp. =	0.99819	0.9982	0.998154

**Gasoline Content**

Pressure =	14.73
Propane GPM =	0.0188
Butane GPM =	0.0059
24# Gasoline GPM =	0.0041
26# Gasoline GPM =	0.0057
Total GPM =	0.0939

**Sulfur Content**

Mercaptans ppm = N/A  
H2S ppm = N/A

**Dewpoints**

H2O #/mmcf = N/A  
Hydrocarbon °F = N/A  
@ psig = N/A

Comments: WELL HEAD SAMPLE

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# Applied Technology Services

P.O. Box 1129, 1210 D Street, Rock Springs, WY 82901 (307)352-7292

**QUESTAR**  
Energy Services

**CONFIDENTIAL**

Meter Name: COOK 20-1  
Field Name: CLEAR CREEK  
Analyst: JOHNSON

Meter Loc. #: CK201  
Cylinder Pres: 0 psig  
Line Pres #: 100 psig

Report Date: 06/19/2002 18:56:00  
Sample Date(s): 06/19/2002  
Flowing Temp: 0° F

## Gas Analysis by Chromatograph

NAME	MOLE%	BTU	SG	GPM
Nitrogen	8.3124	0	0.0804	0
Methane	90.0273	911.3794	0.4987	0
CO2	1.2318	0	0.0187	0
Ethane	0.2786	4.9418	0.0029	0.0745
H2S	0	0	0	0
Propane	0.112	2.8247	0.0017	0.0308
i-Butane	0.0071	0.2214	0.0001	0.0023
n-Butane	0.0185	0.6049	0.0004	0.0058
i-Pentane	0.0044	0.1764	0.0001	0.0016
n-Pentane	0.0044	0.1768	0.0001	0.0016
Hexanes	0.0026	0.1239	0.0001	0.0011
Heptanes	0.0009	0.0496	0	0.0004
Octanes	0	0	0	0
Nonanes	0	0	0	0
<b>IDEAL TOTAL:</b>	<b>100.0</b>	<b>920.505</b>	<b>0.6032</b>	<b>0.1181</b>

Gross BTU/Real Cu Ft. @ 60 deg F  
 Pressure = 14.73 14.65 15.025  
 Dry = 922.208 917.1902 940.712  
 Sat. = 907.3033 902.2842 925.8119  
 Actual = 922.208 917.1902 940.712  
 Real S.G. = 0.604109 0.604102 0.604131  
 Gas Comp. = 0.998158 0.998168 0.998121

### Gasoline Content

Pressure = 14.73  
 Propane GPM = 0.0308  
 Butane GPM = 0.0004  
 14# Gasoline GPM = 0.0048  
 26# Gasoline GPM = 0.0068  
 Total GPM = 0.1181

**Sulfur Content**  
 Mercaptans ppm = N/A  
 H2S ppm = N/A

**Dewpoints**  
 H2O #/mmcf = N/A  
 Hydrocarbon °F = N/A  
 @ psig = N/A

Comments:

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# QUESTAR APPLIED TECHNOLOGY

1210 D. Street, Rock Springs, Wyoming 82901

(307) 352-7292

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LIMS ID:	N/A	Description:	Cook 20-1
Analysis Date/Time:	6/24/02 10:38	Field:	Clear Creek LLC
Analyst Initials:	BRS	ML#:	CK201/CBM
Instrument ID:	Instrument 1	GC Method:	Quesgas
Data File:	QPC85.D		
Date Sampled:	20-Jun-02		

Component	Mol%	Wt%	LV%
Methane	89.3807	81.8218	92.1662
Ethane	0.2326	0.3991	0.3794
Propane	0.0588	0.1480	0.0986
Isobutane	0.0039	0.0129	0.0077
n-Butane	0.0068	0.0225	0.0130
Neopentane	0.0007	0.0028	0.0016
Isopentane	0.0015	0.0060	0.0032
n-Pentane	0.0013	0.0052	0.0028
2,2-Dimethylbutane	0.0001	0.0006	0.0003
2,3-Dimethylbutane	0.0003	0.0013	0.0007
2-Methylpentane	0.0003	0.0014	0.0007
3-Methylpentane	0.0002	0.0007	0.0004
n-Hexane	0.0003	0.0016	0.0008
Heptanes	0.0006	0.0029	0.0014
Octanes	0.0000	0.0000	0.0000
Nonanes	0.0033	0.0194	0.0075
Decanes plus	0.0000	0.0000	0.0000
Nitrogen	9.1300	14.5940	6.0930
Carbon Dioxide	1.1786	2.9500	1.2227
Oxygen	0.0000	0.0000	0.0000
Total	100.0000	100.0000	100.0000

Global Properties:	Units:	
Gross BTU/Real CF	912.8	BTU/SCF at 60 F and 14.73 psia
Sat. Gross BTU/Real CF	398.1	BTU/SCF at 60°F and 14.73 psia
Gas Compressibility (Z)	0.9982	
Specific Gravity	0.6065	air=1
Avg Molecular Weight	17.525	gm/mole
Propane GPM	0.016166	gal/MCF
Butane GPM	0.003412	gal/MCF
Gasoline GPM	0.002002	gal/MCF
26# Gasoline GPM	0.004197	gal/MCF
Total GPM	0.021636	gal/MCF
Base Mol%	99.888	%v/v

Sample Temperature:	N/A	°F	
Sample Pressure:	400	psig	
Hydrogen Sulfide	0.0000	Mole%	

Reviewed By: \_\_\_\_\_

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# **WELLSITE GEOLOGY REPORT**

for the

**COOK 20-1 WELL**

**CLEAR CREEK CBM**

Prepared by

**Jack R. Rogers  
Geologist**

**LASR Geo Consulting  
March 2002**

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## **DRILLING SUMMARY**

Drilling of the Cook 20-1 well was drilled 500+ feet and cased from the surface to that depth in January of 2002. Because of water problems and drill rig problems, further drilling of the well was postponed until March. In March a Union Drill Rig was moved onto the site and drilling began on March 8, 2002. The target of this exploration was the Ferron and Emery Sandstone members of the Mancos Shale. The Ferron Sandstone was thought to contain two to three seams of coal, that would produce coalbed methane, would identify it during drilling; since coal cuttings were not seen, drilling continued to the target depth determined from the Kaiser #1 well. Both of these wells targeted the Ferron Sandstone in the same fault block. Several coals seams were thought to exist and be producible for Coalbed Methane (CBM) gas. After drilling, e-logs were run by Phoenix Surveys consisting of nuclear and electrical logs.

### **Blackhawk Formation**

The well was spudded in the Blackhawk Formation west of the Clear Creek fault in the Pleasant Valley graben. Several coal seams of variable thickness exist in the Blackhawk Formation; three or four which are or have been historically mined in the Scofield area. The base of the Blackhawk Formation is considered to be the Upper O'Connor coal seam mined locally. A fault was encountered between 1100 and 1200 feet wherein approximately 1,000' of section is absent making coal correlation in the Blackhawk Formation and Starpoint Sandstone difficult. This was evidenced by the gumming up and difficulty of drill pipe extraction during bit trips. The well bore started in the graben and upon intercepting the fault continued into the horst east of the graben. There were some coal shows during this interval. Because drilling occurred close to the fault and interception of the fault occurred somewhere in the Starpoint Sandstone, correlation of the section above the fault is difficult. Cuttings returned during drilling of the Blackhawk were of very fine- to fine- grained sandstone and shales composed of mudstone and siltstone. Water inflow was considerable during drilling of this formation.

### **Mancos Upper Bluegate Shale**

The Upper Bluegate Member of the Mancos Shale consisted of blue-gray to dark-gray, interbedded, sandy siltstones and silty mudstones. Sand content of samples increased near the base of this formations. No major coal seams were encountered during the drilling of this formation.

### **Emery Sandstone Member**

The top of the Emery Sandstone Member was intercepted at 1,430 feet and the base is at 3,092 feet. This gives an approximate thickness of 1,662 feet. The sandstone is very fine to fine grained, well sorted, calcareous, and firm; it is interbedded with silty shales composed of

mudstones and carbonaceous mudstones. Several coals occur within the Emery Sandstone Member that tally to approximately 119 feet. These coals are probably gassy, but gas readings were not recorded because drilling was with fluid instead of air and the equipment was intended to sample an air rather than a fluid medium. The air collection system was used without success.

### **Mancos Lower Blue Gate Shale**

Lower Blue Gate Member of the Mancos Shale extended from 3,092 to 4,368 feet and is approximately 1,276 feet thick. It consists of shale interbedded with occasional thin to very-thin, silty, sandstones. No major coals were present in this interval. The trap motor needed to sample gas from the fluid arrived and was installed midway through the drilling of this formation. After installation gas readings were consistently 80-100 units. Trip gas of 1,124 units was recorded during a bit trip. This gas is probably from coal or sandstone units within the Emery Sandstone and not from the Lower Blue Gate Mancos Shale Member.

### **Ferron Sandstone**

The Ferron Sandstone is noted as the first major sandstone followed by a sequence of sandstones. Gamma ray curves indicate a sharp contact between the Ferron and the Lower Blue Gate, which is observed at approximately 4,368 on the log chart. The lower contact is less distinguishable occurring at 5,045 feet. Thickness of the Ferron is therefore approximately 677 feet. No coals were seen during drilling of this interval making it difficult to distinguish between the Lower Blue Gate and the Ferron. Another factor was the lack of sandstone and coal seen in the samples.

Analysis of the log charts indicate that low density regions thought to be coals are in reality bentonite beds as shown by corresponding high gamma counts. These bentonite layers produced washout zones, which may be responsible for the low density curves.

Gas values showed background values of 80-100 units increasing to 150-200 units throughout the Ferron. Spikes shown on the gas chart of the mudlog indicate either trip gas, pump problems, or equipment testing. A 10 foot zone between 4,750 and 4,760 showed gas values of over 400 units dropping to 175 at 4,765 feet. Just below this zone at 4,781 an influx of almost 10,000 units of gas was recorded over a 20 foot interval.

### **Tununk Shale**

The interval of the Tununk Shale is from 5045 to 5544 feet. Because of the absence of any coals in the Ferron, the complete interval of the Tununk was drilled. Samples collected during drilling suggest it is composed of variegated (shades of red, purple, and gray), sandy siltstones and mudstones with and occasional sandstone bed. Gas values were very low with

background readings of less than 10 units. The gas detector was checked several times during this interval to ensure that it was working.

**Dakota Sandstone**

The Dakota Sandstone is approximately 88 feet thick, from 5544 to 5632 feet. Samples collected during this interval were much the same as those collected during the Tununk Shale interval, lots of variegated shale chips. The e-log shows it to be composed of sandstone.

**Cedar Mountain Formation**

The interval from 5632 to 5702, a depth of 70 feet was drilled into the Cedar Mountain Formation. This formation is a variegated silty shale.

Jack R. Rogers, P.G.  
Geologist



## WELLDATA

Operator: ClearCreekCBM

WellName: Cook20-1

SurfaceLocation: 667'FNL,787'FEL,NENE,Sec.20,T.13  
South,R.7East,CarbonCounty,Utah

Elevations: 8062'GL8075'KB

Field: ClearCreek

SpudDate: March8,2002

DrillingCompleted: March31,2002

TotalDepth: 5702'MDDriller5675'MDLogger

LastFormationPenetrated: CedarMountainFormation

ToolPusher: Rex  
ConradTenny

CompanyMan: (Bo)MitchelStinson

GeologicService: From3/8/02to4/1/02Geologist  
LASRGeoConsulting(JackR.Rogers)

Logging: PhoenixSurveys

LogsRun: Gamma,Corr,DensityCaliper,SP,  
Resistivity,DensityPorosity,CNPorosity,  
RHOB

HoleSize: 77/8inches

FORMATION TOPS			
Measured from a K Belevation of 8075'			
Formation	Sample Top	Logged Top	Sea Level
Blackhawk Formation	Surface	Surface	+8062
Starpoint Sandstone	350'	364'	+7711
Upper Blue Gate Shale	970'	970'	+7105
Emery Sandstone	1430'	1430'	+6645
Lower Blue Gate Shale	3092'	3092'	+4983
Ferron Sandstone	4368'	4368'	+3707
Tununk Shale	5044'	5044'	+3031
Dakota Sandstone	5545'	5545'	+2530
Cedar Mountain Formation	5632'	5632'	+2443

018

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  OTHER

b. TYPE OF WORK: NEW  HORIZ.  DEEP-  RE-  DIFF.

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2. NAME OF OPERATOR:  
Clear Creek CBM, LLC

3. ADDRESS OF OPERATOR:  
1431 N. 1200 West CITY Orem STATE UT ZIP 84057

PHONE NUMBER:  
(801) 225-0600

4. LOCATION OF WELL (FOOTAGES)  
667' FNL, 787' FEL

AT TOP PRODUCING INTERVAL REPORTED BELOW:

AT TOTAL DEPTH:

5. LEASE DESIGNATION AND SERIAL NUMBER:  
Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:  
Cook 20-1

9. API NUMBER:  
4300730808

10. FIELD AND POOL, OR WILDCAT  
Clear Creek

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  
NENE 20 13S 7E S

12. COUNTY  
Carbon

13. STATE  
UTAH

14. DATE SPUNDED:  
12/28/2001

15. DATE T.D. REACHED:  
3/31/2002

16. DATE COMPLETED:  
7/22/2002

ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):  
8062' GL

18. TOTAL DEPTH: MD 5,730  
TVD

19. PLUG BACK T.D.: MD 5,130  
TVD

20. IF MULTIPLE COMPLETIONS, HOW MANY? \*

21. DEPTH BRIDGE MD  
PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
Compensated Density, Compensated Neutron, Gamma Ray, Dual Induction Guard, SP, CBL, Mud log - 8-27-02

23. WAS WELL CORED? NO  YES  (Submit analysis)  
WAS DST RUN? NO  YES  (Submit report)  
DIRECTIONAL SURVEY? NO  YES  (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
17.5"	12.75 X42	29.31	0	30		Grout	29	0' (CIR)	
11"	8.625 J55	24.0	0	470		V 145	30	0' (CIR)	
7.875"	5.5" N80	17.0	0	5,190	3,250	V 220	120	3092' (CBL)	
					2,818	980	62	0' (CBL)	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2.875	4,949							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Ferron Sandstone	4,368	5,044		
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
2,818 2,819		4	Open <input type="checkbox"/> Squeezed <input checked="" type="checkbox"/>
4,795 4,928	.43	84	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
4,795 4,928	.43	532	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
2818'-2819'	Pump second stage of production casing cement job (980 sx).
4795'-4823' & 4920'-4928'	1000 gal 15% HCl; 100 gal MSR 100 Concentrate; 100 Ball Sealers
4795'-4928'	70,000# 20/40 Sand; 36,285 gal fresh Water; 150 gal HCl; 30 gal Surfactant

29. ENCLOSED ATTACHMENTS:

- ELECTRICAL/MECHANICAL LOGS  GEOLOGIC REPORT  DST REPORT  DIRECTIONAL SURVEY  
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION  CORE ANALYSIS  OTHER: \_\_\_\_\_

30. WELL STATUS:

SI/per B.P.

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31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 4/15/2002		TEST DATE: 8/17/2002		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 46	WATER - BBL: 0	PROD. METHOD: Flowing
CHOKE SIZE: 0.5	TBG. PRESS. 45	CSG. PRESS. 705	API GRAVITY	BTU - GAS 920	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 46	WATER - BBL: 0	INTERVAL STATUS:

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Used for fuel and/or vented

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Blackhawk	0	364	Sandstone & Coal-water bearing.	Blackhawk SS	0
Star Point	364	970	Sandstone & Coal-water bearing.	Star Point SS	364
Emery	1,430	3,092	Sandstone & Coal-possibly gas bearing	Upper Bluegate	970
Ferron	4,368	5,044	Sandstone-gas and water bearing.	Emery SS	1,430
Dakota	5,545	5,632	Sandstone-possibly gas and water bear	Lower Bluegate	3,092
				Ferron SS	4,368
				Tununk Shale	5,044
				Dakota SS	5,545
				Cedar Mountain	5,632

35. ADDITIONAL REMARKS (include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Steven L. Prince TITLE Operations Manager  
 SIGNATURE *Steven L. Prince* DATE 8/22/2002

This report must be submitted within 30 days of

- completing or plugging a new well
- reentering a previously plugged and abandoned well
- drilling horizontal laterals from an existing well bore
- significantly deepening an existing well bore below the previous bottom-hole depth
- recompleting to a different producing formation
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining Phone: 801-538-5340  
 1594 West North Temple, Suite 1210  
 Box 145801 Fax: 801-359-3940  
 Salt Lake City, Utah 84114-5801

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DIVISION OF OIL, GAS AND MINING

013

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
Clear Creek CBM, LLC

3. ADDRESS OF OPERATOR:  
1431 N. 1200 W. CITY Orem STATE UT ZIP 84057

PHONE NUMBER:  
(435) 613-0416

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 667' FNL, 787' FEL  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 20 13S 7E S

5. LEASE DESIGNATION AND SERIAL NUMBER:  
FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:  
Cook 20-1

9. API NUMBER:  
4300730808

10. FIELD AND POOL, OR WILDCAT:  
Clear Creek

COUNTY: Carbon

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 3/10/2002	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input checked="" type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

3/10/02: Pump 28.4 bbl 14.2 ppg thixotropic cement @ 470' to stop water influx.

NAME (PLEASE PRINT) Steven L. Prince

TITLE Operations Manager

SIGNATURE *Steven L. Prince*

DATE 8/22/2002

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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
2. NAME OF OPERATOR: Clear Creek CBM, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1431 N. 1200 W. CITY Orem STATE UT ZIP 84057		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 667' FNL, 787' FEL		8. WELL NAME and NUMBER: Cook 20-1
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 20 13S 7E S		9. API NUMBER: 4300730808
		10. FIELD AND POOL, OR WILDCAT: Clear Creek
		COUNTY: Carbon
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input checked="" type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 9/4/2002	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Zone Isolation
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

8/28/02: TOOH w/ rods & pump; NU BOP; TOOH w/ tubing; TIH w/ bridge plug & packer; set bridge plug @ 4790'; set packer @ 4692'; SDFN.

8/29/02: RU & swabbed well. Started flowing. Tested gas with Questar. Tested & found slight leak @ 2815' (perfs from cement job). Pressured up to 750 psi. Bleed down to 500 psi in 20 seconds, then from 500 psi to 300 psi in 3 minutes, then 300 psi to 175 psi in 7 minutes, tripped out and shut down for night.

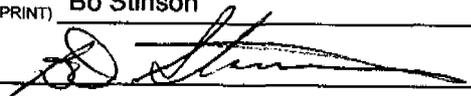
9/2/02 - 9/3/02: Down for rig repairs.

9/4/02: Pulled packer out & run in hole with production string. Hung well off above bridge plug @ bottom of mud anchor @ 4758.53' - 31.7' above plug.

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NAME (PLEASE PRINT) <u>Bo Stinson</u>	TITLE <u>Drilling Supervisor</u>
SIGNATURE 	DATE <u>9/4/2002</u>

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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

020

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**FEE**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:  
**Cook 20-1**

9. API NUMBER:  
**4300730808**

10. FIELD AND POOL, OR WILDCAT:  
**Clear Creek**

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
**Clear Creek CBM, LLC**

3. ADDRESS OF OPERATOR:  
**1431 N. 1200 W.** CITY **Orem** STATE **UT** ZIP **84057** PHONE NUMBER: **(435) 613-0416**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **667' FNL, 787' FEL** COUNTY: **Carbon**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENE 20 13S 7E S** STATE: **UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>Daily Drilling Report</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
Please see attached sheet for daily report of drilling operations.

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NAME (PLEASE PRINT) Steven L. Prince TITLE Operations Manager

SIGNATURE *Steven L. Prince* DATE 9/3/2002

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# Daily Drilling Report Summary

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## Cook 20-1

NE/NE, Section 20, T13S, R7E, SLB&M

12/27/01 MIRU Leon Ross Drilling Rig (Footage contract).  
12/28/01 Spud at 11:30 AM. Set conductor @25' in 17.5" hole. Drill out w/ 11" air hammer to 150'.  
12/29/01 Waiting on rig motor repair.  
12/30/01 Waiting on rig motor repair.  
12/31/01 Waiting on rig motor repair.  
1/1/02 Waiting on rig motor repair.  
1/2/02 Waiting on rig motor repair.  
1/3/02 Thaw frozen pump. Drill to 225'.  
1/4/02 Thaw heater on compressor. Drill to 350'.  
1/5/02 Drill to 380'. Conductor washing out.  
1/6/02 Place concrete around conductor at surface.  
1/7/02 Shut down for weekend.  
1/8/02 Rig starter trouble.  
1/9/02 Return to drilling. Broke concrete slab--water flowing up conductor backside.  
1/10/02 Waiting on Leon Ross to return from Cancun.  
1/11/02 Waiting on Leon Ross to return from Cancun.  
1/12/02 Waiting on Leon Ross to return from Cancun.  
1/13/02 Waiting on Leon Ross to return from Cancun.  
1/14/02 Pull conductor. Ream 17-1/2" hole to 30'. RIH with conductor. Grout conductor with 3 yds. ready-mix.  
1/15/02 Grout conductor with another 3 yds. ready-mix. Excess cement at surface.  
1/16/02 NU makeshift diverter. Thaw hammer bit (stored horizontally). RIH w/ drillstring. Tagged fill at 300'. Repair compressor. Drill to 405'.  
1/17/02 POOH w/ drillstring.  
1/18/02 RIH w/ tubing. Wash past water zone @280'.  
1/19/02 Place cement plug @ 310'. LD derrick to repair leaking ram.  
1/20/02 Waiting on rig repair.  
1/21/02 Waiting on rig repair.  
1/22/02 Waiting on rig repair.  
1/23/02 Waiting on rig repair.  
1/24/02 Waiting on rig repair.  
1/25/02 Finish rig repair. GIH w/ drill pipe. Drill out cement plug. Water still flowing. Drill to 410'. Drilling slow.  
1/26/02 Trip for tri-cone bit. Drill to 480'.  
1/27/02 Drill to 530'. Water flowing.  
1/28/02 Blizzard. WO gel.  
1/29/02 Condition hole with gel mud. Spot viscous pill @ 320'. Ready to run casing and cement. Break free pipe trailer and rig--both frozen to ground.  
1/30/02 RIH w/ 8-5/8" casing. Casing stuck at 470'. Circulate cement. Contaminated cement to surface.  
1/31/02 WOC. Begin search for different drilling rig and crew.

3/5/02 MIRU Union Drilling Rig 14.  
3/6/02 MIRU  
3/7/02 MIRU  
3/8/02 MIRU  
3/9/02 MIRU  
3/10/02 Finish MIRU. NU flow line. Drill rat and mouse holes. TIH. Tag cement @436'. Drill out cement. Tagged water below shoe @ 470'. Drilled to 590'. TOO. Squeeze water formation with 28.4 sacks thixotropic cement to shut off water. WOC.  
3/11/02 TIH. Drill out cement. Set up to drill with air. Drill to 965'. Run survey. Work pipe through tight spot @880'.

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## Daily Drilling Report Summary - Cook 20-1

3/12/02 Pump gel sweep. TOOH. Set up to drill with aerated fluid. TIH. Tag fill @ 880'. Wash fill to bottom. Drill to 1337'. Run survey (3.25° out). Drill to 1523. Circulate hole.

3/13/02 Set up to run mud system. TOOH 10 stands. Mix mud. TIH. Work through tight spot. Stuck pipe, circulated clear. Ream hole @ 1050' to 1173'. Tag fill @ 1463'. Run survey (3.25° out). Drill to 1992'.

3/14/02 Drill to 2234'. TOOH. Attempt to log well--hit bridge @ 700'--log to 470'. TIH. Ream 80' of fill. Drill to 2400'.

3/15/02 Run survey (4° out). Drill to 2484'. Lost circulation. Build up mud volume and work on pump. Drill to 2640'. Run survey (4.25° out). Drill to 2733'. Run survey (4° out). Drill to 2860'.

3/16/02 Drill to 3044'. Run survey (4° out). Drill to 3200'. Circulate hole clean. Run survey (2.25° out).

3/17/02 TOOH. Run mud motor with F5 bit. Hit bridge @ 740'. Ream hole. Hit bridge @ 1200'. Ream. Wash 5' fill @ bottom. Drill to 3430'

3/18/02 Drill to 3443'. Run survey (2.25° out). Drill to 3630'. Clean mud tanks out.

3/19/02 Mix clean mud. Run gel sweep. TOOH for new bit. Slipped drill line. TIH. Drill to 3800'.

3/20/02 Drill to 3846'. Run survey (4.75° out). Drill to 3877'. Run survey (4.75° out). Drill to 3938'. Run survey (4° out). Drill to 4034'. Hit soft drilling point about 60'. Run survey (7° out). Drill to 4065'. Run survey (7° out). Drill to 4097'.

3/21/02 Drill to 4128. Run survey (10° out). Drill to 4159'. Run survey (12° out). Short trip. Run to bottom. TOOH. Hit bridge @ 730', worked through tight spot.

3/22/02 Finish TOOH. PU Stabilizers. RIH with Bit #5 (F4). Wash & ream hole to bottom. Drill to 4227'. Run survey (11.75° out). Drill to 4290'. Run survey (9° out). Work on transmission cooler.

3/23/02 Drill to 4321'. Run survey (8° out). Drill to 4351'. Run survey (7.5° out). Drill to 4392'. Run survey (7.5° out). Work on mud pump. Drill to 4444'. Run survey (7° out). Drill to 4507'. Run survey (5° out). Drill to 4560'. Losing fluid.

3/24/02 Drill to 4600'. Run survey (5.5° out). Drill to 4662'. Run survey (4.75° out). Work on mud pump. Drill to 4800'. Background gas to 450 units between 4750' and 4771'.

3/25/02 Drill to 4850'. Run survey (4.5° out). Clean out pits and build up mud volume. Drill to 4960'.

3/26/02 Drill to 4975'. Run survey (4.5° out). Run gel pill. TOOH. Work through tight spot @ 730'. Slip drilling line. Replace transmission hydraulic line. TIH

3/27/02 Drill to 5030. Service rig. Drill to 5107'.

3/28/02 Clean hole. Run survey (5.5° out). Run gel sweep. TOOH. RIH with bit #7 (CH35 tri-cone). Wash to bottom. Drill to 5233'. Run survey (5° out). Drill to 5256'.

3/29/02 Drill to 5478'.

3/30/02 Drilling break @ 5548'. Drill to 5638'.

3/31/02 Drill to 5665'. Run survey (8° out). Drill to 5727'. Run survey (8° out). Circulate hole. Pump two polymer sweeps. Short trip to 4600'. Circulate & pump gel sweep. TOOH.

4/1/02 Pipe stuck @ 800'. Worked pipe free. Finish TOOH. Ream to surface casing. Rig up loggers. Log well. TIH. Wash to bottom.

4/2/02 Circulate hole clean. Run gel sweep. Rig up lay-down crew. TOOH. Change out pipe rams. Run 5-1/2" casing.

4/3/02 Cement production casing.

4/4/02 WOC. Rig down and begin moving off location.

4/8/02 MIRU Pennant workover rig. NU casing head. NU BOP. TIH w/ bit & casing scraper + 6 3-1/8" DC. Tag cement @ 4600'. RU power swivel. Drill out cement. SIFN.

4/9/02 Tag DV tool. Drill out. Trip to TD (5017'). Displace fresh water with KCl water. TOOH w/ tubing. Lay down DC. RU logging unit. Log well. Perforate from 4795' to 4928'. SIFN.

4/10/02 TIH w/ tubing & packer to 4854'. Set packer. Swab well down. Unseat packer. Fill tubing. Move packer up hole to 4760'. Set packer. Swab well down. Gas shows on swab runs. SIFN.

4/11/02 Check tubing pressure--10 psi. Make swab run--600' of water. Unseat packer. Lower packer two joints. Spot acid. Pull up two joints. Set packer at 4765. Swab well in. RD to change swab sheave. Flowed well. SIFN.

4/12/02 Flow down well. Repair swab sheave. Swab well. SIFN.

4/15/02 Clean up location. Lay flare/vent line. Test well for four hours. 925 psi lower pressure to 500 psi. SIFN.

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Daily Drilling Report Summary - Cook 20-1

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- 4/16/02 Bleed off pressure. Fill hole. Test casing for leaks. Pull up in hole. Test at 2700 psi. Held pressure. TOH. PU bridge plug. TIH. Set plug @ 2887'. Pull up and set packer @ 2793'. Dump four sacks of sand on plug. RU cementing trucks. Squeeze perfs--lock up pressure at 4000 psi. Unseat packer. Circulate out cement. Pressure up tubing. Leave overnight @ 2000 psi.
- 4/17/02 Bleed off pressure. TOH. Lay down packer. PU bit and scraper. TIH. Tag cement @ 2856'. Drill out cement. Trip down to sand @ 2887'. Wash to bridge plug. PU bridge plug and circulate. TOH. LD bit and scraper. TIH w/ retrieval tool. Wash sand off plug. Pull plug. TOH. LD plug. TIH and set packer @ 4763'. ND BOP. SIFN.
- 4/18/02 Make up tubing. Swab well down. Clean up well. RD rig pump and tank. SIFN.
- 6/6/02 MIRU. Bleed down well pressure. ND tubing head. NU BOP. Unseat packer. TOH w/ tubing. LD packer. RU wireline unit. Perf well. SIFN.
- 6/7/02 RU Halliburton. Frac bottom perfs. RU wireline and set plug. Drop setting tools in hole. MU wireline head. TIH. Tag tools @ 4781'. TOH. MU guns. TIH. Shot bottom gun @ 4777' and second gun @ 4755'. TOH. LD guns. SIFN
- 6/8/02 Frac second zone. Set plug on third zone. Frac third zone. Set plug on fourth zone. Frac fourth zone. RD Halliburton and wireline unit. TIH w/ catch tool. Tag sand @ 4590'. Wash to plug @ 4600'. Pull plug. TOH. LD plug. Start in hole. SIFN.
- 6/9/02 Finish in hole. Tag sand @ 4745. Wash to plug @ 4748'. Pull plug. TOH. LD plug. MU fishing tool. TIH to fish setting tool. PU tool. TOH. LD tools. TIH w/ catch tool. Tag sand @ 4785'. Wash to plug @ 4790'. Pull plug. TOH. LD plug. TIH w/ sand pump & bit to 4600'. SIFN.
- 6/10/02 TIH. Tag sand @ 4960'. Bailed 40' plug sand pump. TOH. LD sand pump. TIH w/ 30 stands tubing. TOH. LD tubing. MU mud anchor, seating nipple, and perf sub 4' X 2-7/8". TIH. Hang off tubing @ 4914.15'. Hang off on casing head. SIFN.
- 6/11/02 ND BOP. MU tubing head. Started swabbing. Swab back 360 bbls. SIFN.
- 6/12/02 Swab well down. Swab well in. Flow well to pit rest of day.
- 6/13/02 Flow well. RD rig and move off location.
- 7/11/02 MIRU. Spot pump & tank. RU BOP. Tag fill @ 5000'. TOH. SIFN.
- 7/12/02 MU sand pump. TIH. Tag fill @ 4990'. Bailed to 5005'. TOH. PU 4-3/4" bit. TIH. SIFN.
- 7/13/02 TIH. Tag cement @ 5024'. Drill cement 28'. Plug bit. TOH. SIFN.
- 7/15/02 TIH w/ bit & sand pump. Drill & bail cement to 5056'. TOH. LD sand pump. Clean up tools. SIFN.
- 7/16/02 MU packer. TIH. Set packer @ 4360'. RU swab. Swab well for five hours. Unseat packer. Run down to 4707'. Set packer. Swab.
- 7/17/02 Check pressures: casing = 150 psi; tubing = 0 psi. Start swabbing. Fluid level @ 3000'. Swab well down to 4100'. SIFN.
- 7/18/02 Check pressures: casing = 50 psi; tubing = 900 psi. Bleed down tubing. Pump 15 barrels of water into tubing to kill well. Unseat packer. TOH. LD packer. MU M/A + seating nipple + 4' 2-7/8" perf sub. TIH. Hang off tubing on casing head. ND BOP. Made up tubing head. RU swab unit and swab well two hours. Clean up well. SIFN.
- 7/19/02 TIH w/ pump & rods. 114 X 3/4" rods + 83 X 7/8" rods. Space out pump. RD rig pump & tank. Move rig.

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DIVISION OF  
OIL, GAS AND MINING



State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

April 16, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 6365

Marjean Lyon  
Clear Creek CBM, LLC  
P.O. Box 171055  
Salt Lake City, Utah 84117

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases.

Dear Ms. Lyon:

Clear Creek CBM LLC, as of April 2004, has one (1) Fee Lease Well (see attachment A) that is currently in non-compliance for extended shut-in or temporary abandonment status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Page 2  
April 16, 2004  
Marjean Lyon

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

jc  
cc: John Baza  
Well File

Clear Creek CBM, LLC

	<b>Well Name</b>	<b>API</b>	<b>Lease Type</b>	<b>Years Inactive</b>
1	Cook 20-1	43-007-30808	Fee	1 Years 8 Months

Attachment A

# SUMMIT OPERATING, LLC

October 13, 2004

State of Utah  
Dept of Natural Resources  
Division of Oil, Gas & Mining  
PO Box 145801  
Salt Lake City, UT84114-5801

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OCT 15 2004

DIV. OF OIL, GAS & MINING

Attn: Clinton Dworshak

Re: Clear Creek CBM, LLC's Cook 20-1 Well, API #43-007-30808

Dear Mr. Dworshak:

Clear Creek CBM, LLC ("Clear Creek") has recently developed a relationship with Summit Operating, LLC ("Summit"), whereby Summit will act as a consultant in advising Clear Creek on matters of development and operation of the captioned well. Although Summit is not the operator of record, it will assist Clear Creek where it can to develop the Clear Creek properties. Summit just received a copy of your letter dated 4-16-04 to Clear Creek regarding the SI status of the captioned well.

Summit has reviewed the records of the said well and has presented to Clear Creek a workover procedure and AFE to return the well to production. Enclosed is a copy of this information along with a wellbore diagram. Clear Creek is presently reviewing the proposal. Given the fact that Summit just became involved with this property within the last month, we are requesting on behalf of Clear Creek, that Clear Creek be granted a one-year extended shut-in. This should be adequate time to undertake the workover or develop alternate plans for the well.

If you have any questions or need further information, please do not hesitate to call me at my Denver office 303-432-0025.

Sincerely,



Gregory N. Schmidt  
Agent for Summit Operating, LLC

WELL DATA SHEET

Lease Cook Well No. 20-

Location NE NE Sec 20-13S-7E County Carbon State Utah

Elevation 8062' GL 8072' KB API# 43-007-30808 Formation Ferron

Date Completed 7-19-02 Field Clear Creek

Initial Potential 46 MCFD

Conductor Pipe: 12 3/4" @ 42'; cmt'd w/ 6 yds readmix

8 5/8" 24 #  
Gr. J-55 Thd.  
Set @ 470'  
W/ 145 Sks.  
Hole Size 11"

2 7/8" tubing, SN, perf sub,  
MA @ 4758.5' (31.7' above  
BP @ 4790')

2818-19 Squeeze perfs due to  
failed DV Tool. Pumped  
980 sk to surface.  
Approx cmt top of primary job  
3092' (Good cmt)

3250' DV Tool

4377-4526 Frac w/ 25000# sd

4526

4646

Frac w/ 65000# sd

4739

4755

Frac w/ 41000# sd

4781

4795

Frac w/ 70000# sd

4823

4920-28'

5056'

5140'

5 1/2" 17 #  
Gr. N-80 Thd. LTC  
Set @ 5190'  
W/ 220 Sks.  
Hole Size 7 7/8"

5731'

WELL HISTORY

Date	Remarks
12-28-01	Spud well 4102 Perf 2818-19' - Pump 2nd stage cement job.
4-9-02	Perf well in Ferron sands 4795'-4928' gross interval. Acidize w/ 1000 gal 15% HCl w/ balls. Well Test - Verbal per completion supervisor -- flowed 24 hours to pit on 2" line wide open w/ 200-250 FTP, w/ very little water.
5-14-02	Gas analysis: 86% Methane, 11% N2, 2.6% CO2. Btu = 866 Gas Grav = .627
6-7-02/6-8-02	Frac perfs 4795'-4928' w/ 70000# sd. Add perfs 4755-63' (Ferron SS) + 4777-81' (Ferron Coal) & frac w/ 41000# sd
	Add perfs 4646-4739' (Ferron SS) & frac w/ 65000# sd. Add perfs 4377-4526 gross interval (Ferron SS) & frac w/ 25000# sd.
6-11-02 to 6-13-02	Swab & flow well back from all 4 sets of perfs.
6-14-02	Flow test all perfs -- started @ 11 MMCFD, dropped to 6 MMCFD in less than 1 hr began loading up w/ wtr in 1 1/2 hrs.
7-11-02 to 7-13-02	Clean out well, drill 28' of cmt & clean out to 5056'.
7-16-02 to 7-17-02	Swab well w/ plr @ 4360' for 5 hrs. Set plr @ 4707'. Swab well & 3000' down to 4100'. Next day CP=50 TP=900. Kill well to release plr. Pull plr.
7-19-02	Rod up well to pump all zones.
8-28-02	Pull rods & pump, tag. Set BP @ 4790'. Swab & flow well w/ plr @ 4692'. Test gas. Pressure up annulus found small leak @ 2815'. Pull plr & rod up well to pump f/ zones above BP @ 4790'. (Supposedly plr was set @ 4790' first, lower zones swabbed in & tested 2+ MMCFD before BP set.)

DOP Lease Number \_\_\_\_\_

DOP Working Interest \_\_\_\_\_

DOP Net Revenue Interest \_\_\_\_\_

Crude Oil Classification \_\_\_\_\_

Gas Classification \_\_\_\_\_

Gas Price \_\_\_\_\_

\*\* This is per typed report. LG Mosely who was on well said that the good gas came when they set plr @ 4806'. Most water came f/ area between 4750-4800', most likely the coal @ 4780'.

T.D. 5731' PBD 5056'

**COOK 20-1**  
**WORKOVER PROCEDURE**

**DATE:** September 30, 2004

**DISCUSSION:** The Cook 20-1 was drilled and completed in several intervals of the Ferron SS from 4377 – 4928' (gross interval) and one Ferron zone interpreted to be a coal from 4777 – 4781'. After testing relatively dry gas from several lower sands 4795 – 4928', said sands were fraced, and additional sands and the coal zone were perfed and fraced in stages. After adding the additional perforations the well began making water to the point where the well would no longer flow. Even rod pumping of the well would not stay ahead of the water. A bridge plug was set above the lower sands that tested dry gas. This procedure is designed to test a few intervals directly above the plug; remove the plug and retest the lower zones to see if they are still capable of commercial production. A determination will be made as to which zones will flow dry gas and then a packer will be set at the appropriate depth and production will be commenced under a packer.

**WELL INFORMATION:** (All measurements are from KB -- 10' above GL.)

**API No.:** 43-007-30808

**LOCATION:** 667' FNL & 787' FEL, NENE Sec 20-13S-7E, Carbon County, Utah

**ELEVATION:** 8062' GL, 8072' KB

**TD:** 5731'

**PBTD:** 5056' (depth to cmt clean out; float collar depth believed to be 5130')

**BRIDGE PLUG DEPTH:** RBP set @ 4790'

**SURF CSG:** 8 5/8", 24#, J-55 landed @ 470'; cmtd w/ 145 sx to surface.

**PROD CSG:** 5 1/2", 17#, N-80, LT&C, landed @ 5190'; cmtd w/ 220 sx, TOC @ 3092'; 2<sup>nd</sup> stage: 980 sx pumped thru perfs @ 2818 – 2819' to surface. Perfs @ 2818 – 2819' reportedly have a small leak.

**TBG:** 2 7/8", J-55 with SN, perf sub and MA landed @ 4758.5' (btm of MA). Rods and pump in hole.

**CURRENT PERFS:** Ferron SS and Coal -- See well log. Gross interval 4377 – 4928' 4 jspf.

**PROCEDURE:**

1. Dig workover pit on location. MIRUPU. TOO H w/ rods & pump. Unflange wellhead. Nipple up BOP. TOO H w/ tbg. TIH w/ RBP retrieving head and a pkr. Set pkr @ 4700'. Swab perfs f/ 4722 – 4781' (includes coal @ 4777 – 4781') to determine productivity and report results.
2. Latch onto RBP @ 4790'. Drop down and set RBP under perfs @ 4920 – 4928'. Come up hole and set pkr @ 4790'. Swab perfs f/ 4795 – 4928' to determine productivity and report results. If dry gas is obtained proceed to Step 4. If water is still too strong, proceed to Step 3.
3. Set pkr @ 4806' and swab test perfs f/ 4809 – 4928'. If zones will continuously flow, proceed to Step 4. If not, keep moving pkr and RBP to determine if any zones will flow water-free.
4. Retrieve RBP and TOO H. Lay down RBP. Run pkr back in hole and set at the appropriate depth where dry gas can be produced. Remove BOP and nipple up wellhead. Swab/flow back load water to establish well productivity. Run 4-point flow test. Evaluate economics to complete tank battery, finish pipeline and add compression. Return well to production.

END OF PROCEDURE

# DIAMONDBACK OIL PARTNERS, LLP

## AUTHORITY FOR EXPENDITURE

AFE NO.:      UNIT NO.:

PROSPECT: Clear Creek			LEASE: Cook		WELL NO.: 20-1	
SEC.: 20	TWP.: 13S	RANGE: 7E	BLK.:	SURVEY:	COUNTY: Carbon	STATE: Utah
FIELD: Clear Creek			WORKING INTEREST: 1		NET REVENUE INTEREST: 1	
TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>			EXPLORATORY <input type="checkbox"/>		DEVELOPMENT <input checked="" type="checkbox"/> S.R. <input type="checkbox"/>	
PROJECTED DEPTH:			DRY HOLE COST: \$0		COMPLETED WELL COST: \$50,000	

OBJECTIVE:  
Retrieve bridge plug, swab test well and return to production from lower Ferron SS.

CODE	CLASSIFICATION				ESTIMATE		
	INTANGIBLES				DRLG (71-)	COMP (73-)	TOTAL
010	PERMITS, FEES AND SURVEYS						0
020	LOCATION AND PITS					1500	1,500
030	ROADS						0
040	DAMAGES AND RIGHT-OF-WAYS						0
050	RIG MOVING						0
060	DRILLING - TURNKEY						0
070	DRILLING - FOOTAGE	FT. @		\$/FT.			0
080	DRILLING - DAYWORK	DAYS @		\$/DAY			0
090	PULLING UNIT	6	DA	3000	\$/DAY	18000	18,000
100	WATER AND LINES					2000	2,000
110	MUD AND ADDITIVES						0
120	SURFACE CASING/CONDUCTOR PIPE						0
130	CEMENTING SERVICES						0
140	INTERMED CSG/CEMENTING SERVICES						0
150	TRUCKING						0
160	LABOR & INSTALLATION						0
170	FORMATION TESTING						0
180	CORING AND ANALYSIS						0
190	MUD LOGGING						0
200	O.H. WELL LOGGING AND SURVEYS						0
210	CASING CREW						0
220	POWER & FUEL						0
230	BITS & REAMERS						0
240	C.H. LOGGING AND PERFORATING						0
250	FORMATION TREATING						0
260	SUPPLIES AND TOOLS						0
270	MISC. RENTALS AND SERVICES					2000	2,000
280	WELLSITE SUPERVISION	6 x 1000				6000	6,000
290	PROFESSIONAL SERVICES						0
300	WELL MANAGEMENT FEES						0
310	PLUGGING AND RESTORATION						0
320	MISC. AND CONTINGENCIES					20500	20,500
<b>TOTAL INTANGIBLE COSTS</b>					<b>\$0</b>	<b>\$50,000</b>	<b>\$50,000</b>
	TANGIBLES					COMP	TOTAL
72010	PROD. CASING	FT.	IN. @	\$/FT.			0
72020	TUBING	FT.	IN. @	\$/FT.			0
72030	RODS	FT.	IN. @	\$/FT.			0
72040	SUBSURFACE PUMPS						0
72050	MISC. SUBSURFACE EQUIPMENT						0
72060	WELLHEAD CONNECTIONS						0
72070	VALVES AND FITTINGS						0
72080	FLOW LINES						0
72090	SURFACE PUMPING EQUIPMENT						0
72100	PRIME MOVER						0
72110	STORAGE TANKS AND STAIRWAYS						0
72120	SEPARATORS AND TREATING EQUIPMENT						0
72130	ELECTRICAL SYSTEM AND LINES						0
72140	BUILDINGS						0
72150	MISC. EQUIPMENT						0
72160	INSTALLATION COSTS WELL EQUIPMENT						0
<b>TOTAL TANGIBLE COSTS</b>					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL COST</b>					<b>\$0</b>	<b>\$50,000</b>	<b>\$50,000</b>

COMPANY APPROVALS			CO-OWNER APPROVAL	
RECOMMENDED OR PREPARED BY: GREGORY N. SCHMIDT <i>Gregory N. Schmidt</i>	TITLE: MANAGING GP	DATE:	COMPANY: X	
APPROVED BY:	TITLE:	DATE:	BY: X	DATE: X
APPROVED BY:	TITLE:	DATE:	TITLE: X	

022



State of Utah  
Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining  
MARY ANN WRIGHT  
*Acting Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

December 2, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 5900

Mr. Gregory Schmidt  
Diamondback Oil Partners, LLP  
% Clear Creek CBM, LLC  
5990 Klipling Parkway, Ste. 201  
Arvada, Colorado 80004

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Wells on Fee or State Leases dated April 16, 2004.

Dear Mr. Schmidt:

The Division of Oil, Gas and Mining (the "Division") is in receipt of your letter dated October 13, 2004 (received by the Division on 10/15/2004) in regards to the Cook 20-1 (API # 43-007-30808) operated by Clear Creek CBM, LLC ("Clear Creek"). It is the Division's understanding Summit Operating, LLC ("Summit") will assist Clear Creek with the development of its properties, and you are an agent for Summit.

The Division denies your request for extended SI/TA for the Cook 20-1 well. Insufficient information has been provided to approve the requested action (please refer to the Division's letter dated April 16, 2004). Although a potential plan to return this well to production was provided, a commitment to the proposed plan by Clear Creek remains uncertain. Submitted information also shows that the casing has a leak at 2815' jeopardizing the integrity of this well. Information regarding the leak in the casing and whether it poses any threat to fresh water zones or the open reservoirs should be submitted. Remedial action may be necessary.

Clear Creek also has a second well, the Kaiser Steel #1 (API # 43-007-30021) in non-compliance of R649-3-36. This well was reentered by Clear Creek in July of 2002 and has been Shut-in since October of 2002. Clear Creek attempted to reenter the 7" casing stub (with a 50' cement plug above the stub at approximately 2000') with a 6 1/4" bit and subsequently drilled out through the side of the casing down to approximately 2400'. Because of these facts, the Division believes it is highly suspect whether this well bore has any future potential. Clear Creek must submit their future plans for this well, and information that demonstrates the well has integrity and is not a risk to public health and safety or the environment (R649-3-36-1.1-1.3).

Page 2  
Mr. Gregory Schmidt  
December 2, 2004

The required information should be submitted to the Division within 30 days of the date of this letter or further actions may be initiated. If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Doucet". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dustin Doucet  
Petroleum Engineer

DKD:jc  
cc: Well files  
Summit Operating, LLC  
Clear Creek CBM, LLC



**DIAMONDBACK  
OIL PARTNERS, LLP**

**FAX TRANSMITTAL COVER PAGE**

DATE: 12-21-04

ORIGINAL TO FOLLOW  
BY MAIL:  YES  NO

TO: Dustin Doucet

FAX #: 801-357-3940

FROM: Gregory N. Schmidt, Managing General Partner

NO. OF PAGES (including Cover Sheet): 2

MESSAGE: Dustin - This letter was sent to you today.

Thanks,

Gary

RECEIVED

DEC 21 2004

DIAMONDBACK OIL, GAS & MINING

**SUMMIT OPERATING, LLC**

December 21, 2004

State of Utah  
Dept of Natural Resources  
Attn: Mr. Dustin Doucet, Petroleum Engineer  
PO Box 145801  
Salt Lake City, UT 84114-5801

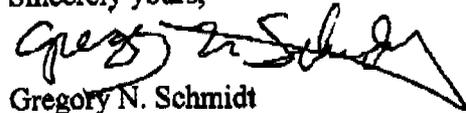
Re: Request for Extended Shut-in Status for Cook 20-1 and Kaiser Steel #1 Wells, Owned and Operated by Clear Creek CBM

Dear Mr. Doucet:

Pursuant to our phone conversation today we intend to gather surface pressure and fluid level data by mid-January, in order to support our request for extended shut-in status on the referenced wells. We will present this data to you as soon as possible in order to demonstrate that the wells are in a static condition and do not pose a threat to fresh water zones.

It is our hope that you will ultimately grant us extended shut-in status so that we may evaluate the merits of working over the wells versus certain offers that the owners have recently received to either sell out their interests or further develop the property. We appreciate your assistance in these matters.

Sincerely yours,

  
Gregory N. Schmidt  
Agent for Summit Operating, LLC

Cc: Clear Creek CBM, LLC, Attn: Rich Bennion.

RECEIVED

DEC 21 2004

DIV. OF OIL, GAS & MINERAL

023

SUMMIT OPERATING, LLC

43.007.30808  
135 7E 20

December 21, 2004

State of Utah  
Dept of Natural Resources  
Attn: Mr. Dustin Doucet, Petroleum Engineer  
PO Box 145801  
Salt Lake City, UT 84114-5801

RECEIVED

DEC 23 2004

DIV. OF OIL, GAS & MINING

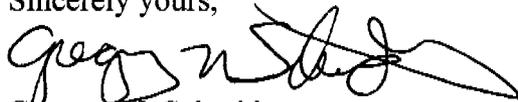
Re: Request for Extended Shut-in Status for Cook 20-1 and Kaiser Steel #1 Wells, Owned and Operated by Clear Creek CBM

Dear Mr. Doucet:

Pursuant to our phone conversation today we intend to gather surface pressure and fluid level data by mid-January, in order to support our request for extended shut-in status on the referenced wells. We will present this data to you as soon as possible in order to demonstrate that the wells are in a static condition and do not pose a threat to fresh water zones.

It is our hope that you will ultimately grant us extended shut-in status so that we may evaluate the merits of working over the wells versus certain offers that the owners have recently received to either sell out their interests or further develop the property. We appreciate your assistance in these matters.

Sincerely yours,



Gregory N. Schmidt  
Agent for Summit Operating, LLC

Cc: Clear Creek CBM, LLC, Attn: Rich Bennion,

## SUMMIT OPERATING, LLC

February 9, 2005

State of Utah  
Dept of Natural Resources  
Attn: Mr. Dustin Doucet, Petroleum Engineer  
PO Box 145801  
Salt Lake City, UT 84114-5801

RECEIVED

FEB 11 2005

DIV. OF OIL, GAS & MINING

*T 135 R 01E S-20*

Re: Request for Extended Shut-in Status for Cook 20-1 (API #43-007-30808) and Kaiser Steel #1 (API # 43-007-30021) Wells, Owned and Operated by Clear Creek CBM

Dear Mr. Doucet:

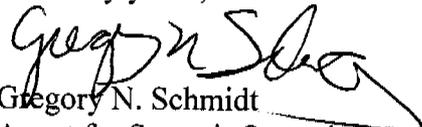
Pursuant to your request we have gathered surface pressure and fluid level data to support our request for extended shut-in status on the referenced wells. The wells had the following surface pressures and fluid levels:

Cook 20-1: Casing and tubing pressure is zero. Fluid level is at 341' from surface.  
Kaiser Steel 1: Casing and tubing pressure is zero. Fluid level is at 155' from surface.

It is our belief that the wells are in a static condition and do not pose a threat to fresh water zones.

It is our hope that you will ultimately grant us extended shut-in status so that we may evaluate the merits of working over the wells versus certain offers that the owners have recently received to either sell out their interests or further develop the property. We appreciate your assistance in these matters.

Sincerely yours,

  
Gregory N. Schmidt  
Agent for Summit Operating, LLC

Cc: Clear Creek CBM, LLC, Attn: Rich Bennion,

025



State of Utah

Department of  
Natural Resources

MICHAEL R. STYLER  
*Executive Director*

Division of  
Oil, Gas & Mining

MARY ANN WRIGHT  
*Acting Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

February 15, 2005

132 OFE Sec. 20

Mr. Gregory Schmidt  
Diamondback Oil Partners, LLP  
% Clear Creek CBM, LLC  
5990 Kipling Parkway, Suite 201  
Arvada, Colorado 80004

Re: Approval for Extension of Shut-in or Temporarily Abandoned Status for Wells on Fee or State Leases

Dear Mr. Schmidt:

The Division of Oil, Gas and Mining (the "Division") is in receipt of your letters dated December 21, 2004 (received by the Division on December 23, 2004), and February 9, 2005 (received by the Division on February 11, 2005), in regards to the Cook 20-1 (API # 43-007-30808) and Kaiser Steel # 1 (API # 43-007-30021) operated by Clear Creek CBM, LLC ("Clear Creek"). It is the Division's understanding Summit Operating, LLC ("Summit") will assist Clear Creek with the development of its properties and you are an agent for Summit.

Although the pressures and fluid levels provided may give a good indication that the wells don't pose a threat to any fresh water zones, the evidence does not definitively prove this. Until such time as the wells can be put into production or plugged, continual monitoring should take place in order to verify the assumed static condition of the wellbores.

Based on the submitted information and plan of action, the Division approves your request for extended SI/TA for the Cook 20-1 well (API # 43-007-30808) and the Kaiser Steel # 1 well (API # 43-007-30021) until October 1, 2005, to allow time to either plug and abandon the wells or to put the wells into production. This approval is conditioned on the operator conducting frequent monitoring and documenting of the pressures and fluid levels (e.g. monthly). Any significant change in pressure or fluid level should be reported to the Division immediately. Remedial action may be necessary.

Page 2  
Mr. Gregory Schmidt  
February 15, 2005

The required monitoring information should be submitted to the Division upon acquiring said information. If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

A handwritten signature in black ink, appearing to read "Dustin Doucet". The signature is fluid and cursive, with the first name "Dustin" and last name "Doucet" clearly distinguishable.

Dustin Doucet  
Petroleum Engineer

DKD:jc  
cc: Well Files  
Summit Operating, LLC  
Clear Creek CBM, LLC



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

July 28, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 5780

Mr. Steve Ault  
Clear Creek CBM, LLC  
P.O. Box 536  
Ferron, UT 84523

43 007 30808  
Cook 20-1  
135 7E 20

Re: Second Notice of Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Mr. Ault:

As of July 2008, Clear Creek CBM LLC ("Clear Creek") has three (3) Fee Lease Wells (see attachment A) that are in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("DOG M" or "Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

In February 2005 the Division notified Clear Creek by certified mail that it had been approved for extended SI/TA for the Cook 20-1 well (API # 43-007-30808) and the Kaiser Steel #1 well (API # 43-007-30021) until October 1, 2005, to allow time to either plug and abandon the wells or to put the wells into production. The Division also gave extended SI/TA approval for the Cook 17-2 well through July 1, 2007 to allow for Clear Creek to complete and put this well on line. The Division feels more than sufficient time has passed since your company was notified of these matters and we have not seen any resolutions. Please submit your plans to produce or plug these wells to DOGM within 30 days of this notice or further actions will be initiated.



Page 2  
July 28, 2008  
Mr. Ault

For extended SI/TA consideration the operator shall provide the Division with the following:

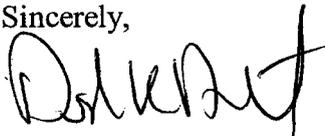
1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and Copy of recent casing pressure test, and
2. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
3. Fluid level in the wellbore, and
4. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

JP/js

cc: Operator Compliance File  
Well File

## ATTACHMENT A

	<b>Well Name</b>	<b>Location</b>	<b>API</b>	<b>Lease Type</b>	<b>Years Inactive</b>
1	Kaiser Steel #1	SENW Sec 21-T13S-R7E	43-007-30021	Fee	6 years 0 months
2	Cook 20-1	NENE Sec 20-T13S-R7E	43-007-30808	Fee	2 years 9 months
3	Cook 17-2	NESE Sec 17-T13S-R7E	43-007-30809	Fee	2 years 8 months

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

\*\*\*\*\*

To the following operator:

Name: Clear Creek CBM LLC

Well(s) or Site(s): 1.) COOK 20-1 API #: 43-007-30808
2.) COOK 17-2 43-007-30809

Date and Time of Inspection/Violation: January 15, 2009 13S 7E 20

Mailing Address: Attn: Steve Ault
P.O. BOX 536
Ferron, UT 84523

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells - According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Clear Creek CBM, LLC (Clear Creek) requesting required information. The Cook 20-1 well had a first notice sent out via certified mail on April 16, 2004. A follow-up letter was sent out, dated December 2, 2004 on behalf of a response received from Clear Creek. An extension of SI/TA status was then issued valid until October 1, 2005 to allow time to either plug and abandon the well or place it back into production. The Cook 17-2 well status, reported via sundry notice dated October 30, 2006, stated that it had surface casing set to 520'. Fresh water was encountered at 275' and high sulfur odor water was encountered at 875'. Approval for temporary suspension of drilling was granted until July 1, 2007, to allow time to complete this well. Immediate action is now required due to risk of contamination of fresh water. Having heard no response or seen any work to move these wells into compliance, a second notice was sent via certified mail on July 28, 2008 addressing both Cook 20-1 and Cook 17-2 wells. To date, the required information has not been submitted to the Division nor has action to PA or re-complete the wells been initiated.

Action: For the wells subject to this notice, Clear Creek shall either submit the information required by R649-3-36, plug and abandon or place the well on production.

Clear Creek CBM, LLC

January 15, 2009 Notice of Violation

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: March 15, 2009

Date of Service Mailing: January 29, 2009

CERTIFIED MAIL NO: 7004 2510 0004 1824 6688



\_\_\_\_\_  
Division's Representative

\_\_\_\_\_  
Operator or Representative  
(If presented in person)

6/2005

cc: Well file  
Operator Compliance file

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Cook 20-1

9. API NUMBER:

4300730808

10. FIELD AND POOL, OR WILDCAT:

Wildcat

COUNTY: Carbon

STATE: UTAH

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
Clear Creek CBM, LLC

3. ADDRESS OF OPERATOR:  
PO Box 536 Ferron UT 84523

PHONE NUMBER:  
(435) 384-2858

4. LOCATION OF WELL  
FOOTAGES AT SURFACE:  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 20 13S 7E

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Temp. Shut-in</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This well remains temporarily shut-in pending economically viable options of water disposal. We are presently exploring two independent options of water disposal. Either or both of these could be available as early as Spring 2010.

NAME (PLEASE PRINT) Steven H. Ault

TITLE Project Manager

SIGNATURE *Steven H. Ault*

DATE 8/27/2009

(This space for State use only)

(5/2009)

(See Instructions on Reverse Side)

RECEIVED

AUG 27 2009

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		6. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Clear Creek CBM, LLC		8. WELL NAME and NUMBER: Cook 20-1
3. ADDRESS OF OPERATOR: PO Box 536 CITY Ferron STATE UT ZIP 84523		9. API NUMBER: 4300730808
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0669 FWL 0787 FEL QTR/QR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 20 13S 7E		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: Carbon STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 6/1/2010	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input checked="" type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This well will be put on production as soon as weather permits or within 60 days.

COPY SENT TO OPERATOR

Date: 6/22/2010

Initials: KS

NAME (PLEASE PRINT): Steven H. Ault	TITLE: Project Manager
SIGNATURE: <i>Steven H. Ault</i>	DATE: 5/18/2010

(This space for State use only)

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: 6/15/10  
BY: *[Signature]*

RECEIVED

MAY 19 2010

DIV. OF OIL, GAS & MINING

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION  
STATE OF UTAH  
OIL AND GAS CONSERVATION ACT

\*\*\*\*\*

To the following operator:

Name: CLEAR CREEK CBM, LLC

Well(s) or Site(s): 1.) Cook 20-1 API #: 43-007-30808

2.) Cook 17-2 API#: 43-007-30809

Date and Time of Inspection/Violation: December 28, 2012

135 7E 17

Mailing Address: Attn: Steve Ault

P.O. Box 536

Ferron, UT 84523

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

**Description of Violation(s):**

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells – According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

Rule R649-3-4.3, Bonding - If the division finds that a well subject to this bonding rule is in violation of Rule R649-3- 36., Shut-in and Temporarily Abandoned Wells, the division shall require a bond amount for the applicable well in the amount of actual plugging and site restoration costs.

Rule R649-3-4.4.1. Bonding - Within 30 days of notification by the division, the operator shall submit to the division an estimate of plugging and site restoration costs for division review and approval.

The Division has initiated several contacts with Clear Creek CBM, LLC (Clear Creek) requesting required documents and action per R649-3-36. The wells above have previously been issued SI/TA Notices and Notices of Violation without the required work being accomplished or information submitted to bring these wells into compliance.

There has not been any evidence of effort being made to bring these wells out of violation status. These wells are in violation of R-649-3-36. The Division requires Clear Creek to put up full cost bonding for all wells in violation above per R649-3-4. It is also mandatory that Clear Creek submit all documentation as required by R649-3-36 concerning shut-in and temporarily abandoned wells.

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

**Immediate Action: For the wells subject to this notice, Clear Creek shall fulfill full cost bonding requirements for each well. Clear Creek shall also submit all information as required by R649-3-36 or plug and abandon or place the wells on production.**

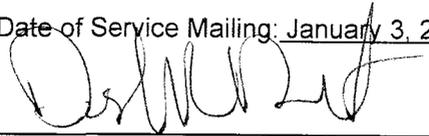
- \* **Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A. 40-6-11, part 4.**

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

**Compliance Deadline: February 8, 2013**

Date of Service Mailing: January 3, 2013

Certified Mail No: 7010 1670 0001 4810 3621



Division's Representative

Operator or Representative

(If presented in person)

cc: Compliance File  
Well Files

6/2005

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Clear Creek CBM, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 752 S 500 E CITY Orem STATE UT ZIP 84097		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE:		8. WELL NAME and NUMBER: Cook 20-1
QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 20 13S 7E		9. API NUMBER: 4300730808
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 06/15/2013	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This well has a new PCP in place and is ready to operate and be put on production as soon as weather permits. We plan to further analyze the suspect water zone during production to see if a cement squeeze could have the potential to significantly reduce water production. It is believed that the majority of water is coming from a certain small 2 ft perforated coal seam. If after analyzing it is determined not feasible to produce, then this well will be P&A.

COPY SENT TO OPERATOR  
Date: 4/2/2013  
Initials: KS

NAME (PLEASE PRINT) <u>Steven H Ault</u>	TITLE <u>Project Manager</u>
SIGNATURE <u>[Signature]</u>	DATE <u>02/26/2013</u>

(This space for State use only)

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: 3/28/2013  
BY: [Signature] (See Instructions on Reverse Side)

\* Well should be monitored on a regular basis until weather allows work to be done.

RECEIVED

FEB 26 2013

DIV. OF OIL, GAS & MINING

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5.LEASE DESIGNATION AND SERIAL NUMBER:</b> FEE
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7.UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> COOK 20-1
<b>2. NAME OF OPERATOR:</b> CLEAR CREEK CBM LLC	<b>9. API NUMBER:</b> 43007308080000
<b>3. ADDRESS OF OPERATOR:</b> 752 s 500 e , Orem, UT, 84097	<b>PHONE NUMBER:</b> 801 787-1212 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0667 FNL 0787 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NENE Section: 20 Township: 13.0S Range: 07.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> CLEAR CREEK  <b>COUNTY:</b> CARBON  <b>STATE:</b> UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 11/15/2014	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input checked="" type="checkbox"/> <b>PLUG AND ABANDON</b>	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width:100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

We will begin immediately to remove all surface equipment from the location. The downhole portion of the P & A is presently being engineered and will be forthcoming. It will be completed by 06/30/2015.

**Approved by the Utah Division of Oil, Gas and Mining**  
**Date:** November 18, 2014  
**By:** *Derek Duff*

**Please Review Attached Conditions of Approval**

<b>NAME (PLEASE PRINT)</b> Connie H. Ault	<b>PHONE NUMBER</b> 801 756-5788	<b>TITLE</b> Registered Agent
<b>SIGNATURE</b> N/A	<b>DATE</b> 11/4/2014	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Sundry Conditions of Approval Well Number 43007308080000**

**Sundry intent for P&A should be submitted for approval as soon as the details have been determined.**

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> FEE
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>1. TYPE OF WELL</b> Gas Well		<b>8. WELL NAME and NUMBER:</b> COOK 20-1
<b>2. NAME OF OPERATOR:</b> CLEAR CREEK CBM LLC		<b>9. API NUMBER:</b> 43007308080000
<b>3. ADDRESS OF OPERATOR:</b> 752 s 500 e , Orem, UT, 84097	<b>PHONE NUMBER:</b> 801 787-1212 Ext	<b>9. FIELD and POOL or WILDCAT:</b> CLEAR CREEK
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0667 FNL 0787 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NENE Section: 20 Township: 13.0S Range: 07.0E Meridian: S		<b>COUNTY:</b> CARBON
		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 11/25/2014		<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION
<input type="checkbox"/> SPUD REPORT Date of Spud:		<input type="checkbox"/> OTHER: <input type="text" value="Removal of surface equipme"/>
<input type="checkbox"/> DRILLING REPORT Report Date:		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.		
<p>Three trailer loads of surface equipment has been removed from the location. Remaining equipment consists of Green House, Bladder, Separator, Water Storage Tank &amp; Propane Tank. Winter storms prevented us from further removal.</p>		
		<p><b>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY February 13, 2015</b></p>
<b>NAME (PLEASE PRINT)</b> Connie H. Ault	<b>PHONE NUMBER</b> 801 756-5788	<b>TITLE</b> Registered Agent
<b>SIGNATURE</b> N/A		<b>DATE</b> 2/6/2015

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

			5. LEASE DESIGNATION AND SERIAL NUMBER: <b>Fee</b>
			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
			7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			8. WELL NAME and NUMBER: <b>Cook 20-1</b>
2. NAME OF OPERATOR: <b>Clear Creek CBM LLC</b>			9. API NUMBER: <b>4300730808</b>
3. ADDRESS OF OPERATOR: <b>752 S 500 E</b>		CITY <b>Orem</b> STATE <b>UT</b> ZIP <b>84097</b>	PHONE NUMBER: <b>(801) 787-1212</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____			10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENE 20 13S 7E</b>			COUNTY: <b>CARBON</b>
			STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <b>11/25/2014</b>	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>Removal of surface equipment</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Three trailer loads of surface equipment has been removed from the location. Remaining equipment consists of Green House, Bladder, Separator, Water Storage Tank & Propane Tank.

Winter storms prevented us from further removal.

NAME (PLEASE PRINT) <u>Steven H Ault</u>	TITLE <u>Managing Member</u>
SIGNATURE	DATE <u>2/6/2015</u>

(This space for State use only)

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: COOK 20-1
2. NAME OF OPERATOR: CLEAR CREEK CBM LLC	9. API NUMBER: 43007308080000
3. ADDRESS OF OPERATOR: 752 s 500 e , Orem, UT, 84097	PHONE NUMBER: 801 787-1212 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0667 FNL 0787 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENE Section: 20 Township: 13.0S Range: 07.0E Meridian: S	9. FIELD and POOL or WILDCAT: CLEAR CREEK
	COUNTY: CARBON
	STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 10/1/2016	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Set a 200' plug between elevations 4750' & 4550'. Set a 350' plug between 3100' & 2750'. Set a 100' plug from 630' to 530'. It is our intent to explore whether or not the fresh water discovered, during the original drilling activity, is of sufficient quantity & quality to establish a fresh water well. If it is discovered that it is of sufficient quantity & quality, our water engineer, Jim Rilry will work with the Division of Water Resources to meet their criteria . If water is not of sufficient quantity or quality we will file an additional sundry to finish the P & A process to satisfaction of DOGM.

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

Date: October 06, 2016

By: 

**Please Review Attached Conditions of Approval**

NAME (PLEASE PRINT) Connie H. Ault	PHONE NUMBER 801 756-5788	TITLE Registered Agent
SIGNATURE N/A	DATE 9/29/2016	



**The Utah Division of Oil, Gas, and Mining**

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Sundry Conditions of Approval Well Number 43007308080000**

- 1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.**
- 2. Amend Plug # 2: Move and set plug from 3300' to 2750' ( $\pm 60$  sx) across perms and stage collars.**
- 3. Requirements of R649-3-24-6 shall be met prior to conversion to a water well. This includes a letter being submitted from the landowner assuming liability of the wellbore and filing an application and obtaining approval for appropriation of underground water from the Division of Water Rights.**
- 4. All balanced plugs shall be tagged to ensure they are at the depths specified in the procedure.**
  - 5. All annuli shall be cemented from a minimum depth of 100' to the surface.**
  - 6. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.**
  - 7. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.**
- 8. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.**
- 9. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.**

10/6/2016

### Wellbore Diagram

r263

**API Well No:** 43-007-30808-00-00    **Permit No:**    **Well Name/No:** COOK 20-1  
**Company Name:** CLEAR CREEK CBM LLC  
**Location:** Sec: 20 T: 13S R: 7E Spot: NENE  
**Coordinates:** X: 486548 Y: 4392315  
**Field Name:** CLEAR CREEK  
**County Name:** CARBON

**String Information**

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capac. (F/C)
HOL1	30	17.5			
COND	30	12.75	29	30	
HOL2	470	11			
SURF	470	8.625	24	470	
HOL3	5190	7.875			
PROD	5190	5.5	17	5190	7.661
T1	4949	2.875			

**Cement Information**

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
COND	30	0	UK	
PROD	5190	0	T5	1200
SURF	470	0	T5	145

**Perforation Information**

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
2818	2819			
4795	4928			

**Formation Information**

Formation	Depth
BLKHK	0
STRPT	364
BLUGT	970
EMRY	1430
FRSD	4368
TNUNK	5044
DKTA	5545
CDMTN	5632

