



RECEIVED

January 11, 2002

JAN 14 2002

Ms. Lisha Cordova
State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

DIVISION OF
OIL, GAS AND MINING

Re: Application for Permit to Drill
Prickly Pear and Jack's Canyon Unit Area
Carbon County, Utah

Dear Ms. Cordova:

Enclosed in duplicate please find seven (7) Applications for Permit to Drill for the below listed wells to be located on BLM administered surface and minerals:

<u>Well Name</u>	<u>Legal Description</u>	<u>Footage</u>
Prickly Pear Unit #21-2	T12S-R15E; Sec. 21: SWNW	1620 FNL, 1247 FWL
Prickly Pear Unit #10-4	T12S-R14E; Sec. 10: SESE	75 FSL, 271 FEL
Prickly Pear Unit #27-3	T12S-R15E; Sec. 27: NWSW	1685 FSL, 691 FWL
Prickly Pear Unit #1215-11-2	T12S-R15E; Sec. 11: SENW	1424 FNL, 2083 FWL
<i>(bottom hole location #1215-11-2)</i>	Sec. 11: NESW	1980 FSL, 1980 FWL
Prickly Pear #13-4	T12S-R14E; Sec. 13: SE/4	1320 FSL, 1347 FEL
Jack's Canyon Unit #19-2	T12S-R16E; Sec. 19: SENW	1942 FNL, 1619 FWL
Jack's Canyon Unit #18-3	T12S-R16E; Sec. 18:NWSW	1557 FSL, 1308 FWL

Please do not hesitate to contact me if you should have any questions regarding this matter.

R. Heggie Wilson, Agent
Wasatch Oil & Gas

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

001

5. LEASE DESIGNATION AND SERIAL NO.
UTU-66801

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
Jack Canyon

8. FARM OR LEASE NAME
Jack Canyon

9. WELL NO.
#18-3

10. FIELD AND POOL OR WILDCAT
Jack Canyon Undesignated

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
Sec.18-T12S-R16E

12. COUNTY OR PARISH
Carbon

13. STATE
UT.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK **DRILL** **DEEPEN**

1b. TYPE OF WELL
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Wasatch Oil & Gas, LLC

3. ADDRESS OF OPERATOR
P.O. Box 699, Farmington, UT. 84025-0699 Phone # (801)451-9200

CONFIDENTIAL

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At Surface **1557' fsl & 1308' fwl (SW/4)** *4462448 N*
At proposed Prod. Zone **same** *571014 E*

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
38 miles south of Myton, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
1,308 feet east of lease line

16. NO. OF ACRES IN LEASE
317.64

17. NO. OF ACRES ASSIGNED TO THIS WELL
160

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.
n/a

19. PROPOSED DEPTH
6,771'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5,546' GR

22. APPROX. DATE WORK WILL START*
5/1/02

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8- 5/8"	32#	680'	294 sxs "G" & "Lite"
7-7/8"	4-1/2"	11.6#	6,771'	550 sxs 50/50 Poz

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DIVISION OF
OIL, GAS AND MINING

*Federal Approval of this
Action is Necessary*

Operations hereunder will be conducted pursuant to a statewide bond filed with the Utah State Office of BLM, under UT-1128, Surety Bond No. B7998

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone.
If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *R. Hagg Wilson* TITLE Agent DATE 1/7/02

(This space for Federal or State office use)
PERMIT NO. 43-007-30826 APPROVAL DATE _____
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

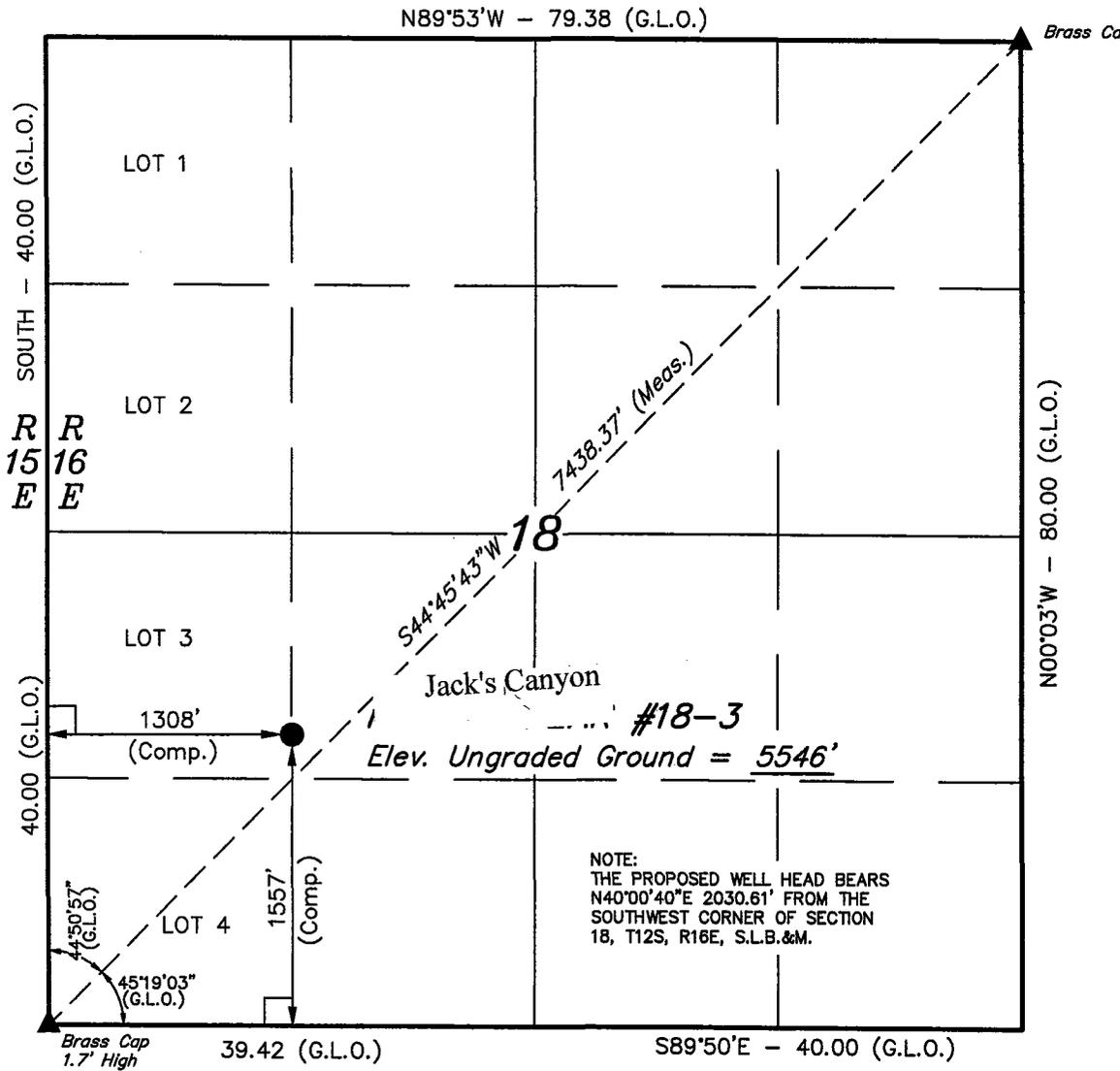
CONDITIONS OF APPROVAL, IF ANY:
APPROVED BY *Bradley G. Hill* **BRADLEY G. HILL** DATE 04-30-02
RECLAMATION SPECIALIST III
*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

T12S, R16E, S.L.B.&M.

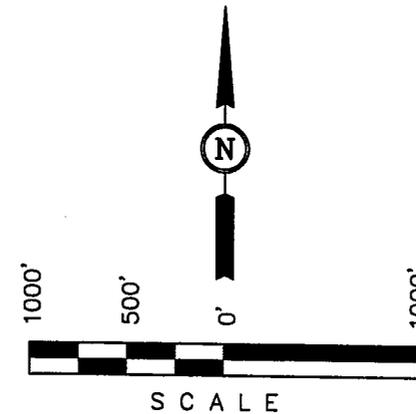
WASATCH OIL & GAS LLC.

Well location, PRICKLY PEAR #18-3, located as shown in the SW 1/4 of Section 18, T12S, R16E, S.L.B.&M., Carbon County, Utah.



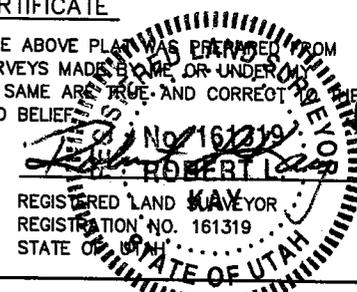
BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 7, T12S, R15E, S.L.B.&M. TAKEN FROM THE COWBOY BENCH, QUADRANGLE, UTAH, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7563 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



NOTE:
THE PROPOSED WELL HEAD BEARS
N40°00'40"E 2030.61' FROM THE
SOUTHWEST CORNER OF SECTION
18, T12S, R16E, S.L.B.&M.

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

BASIS OF BEARINGS
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

LATITUDE = 39°46'15"
LONGITUDE = 110°10'15"

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 10-25-01	DATE DRAWN: 11-05-01
PARTY B.B. W.L. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE WASATCH OIL & GAS LLC.	

Certification

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, *Onshore Oil & Gas Orders*, the approved plan of operations, and any applicable *Notice to Lessees*.

Wasatch Oil & Gas will be fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished along with a fully approved APD along with any additional BLM conditions of approval will be furnish to the field representative(s) to ensure compliance.

The dirt contractor will be provided with a copy of the Surface Use Plan from the approved Application for Permit to Drill (APD).

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan, are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Wasatch Oil & Gas their contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision 18 U.S.C. 1001 for filing a false statement.

1/7/02
Date

R. Heggie Wilson
R. Heggie Wilson
Agent, Wasatch Oil & Gas

Wasatch Oil & Gas, LLC
Lease # U-66801
Jacks Canyon Unit #18-3
SW/4, Section 18-T12S-R16E
Carbon County, Utah

Surface Use & Operations Plan

1. EXISTING ROADS – Refer to Exhibit Topo Maps “A” and “B”.

A. The proposed wellsite has been surveyed to memorialize the existing well pad (see Location Layout Plat)

B. From Duchesne, Utah; proceed at mile marker 104.8 on US Highway 40 south on County Rd. 5550 West 1.6 miles, turn right (southwest) on County Rd. 9450 So. and proceed towards Nine Mile Canyon via Gate Canyon 29.7 miles.

From the junction of Gate and Nine Mile Canyon proceed East down County maintained Nine Mile Canyon road 5.1 miles to the junction of Dry Canyon and Nine Mile Canyon. Turn right (south) up Dry Canyon and proceed 1 mile up Dry Canyon. Turn right (West) and travel 30 feet to drill pad

C. Access roads refer to Exhibit Topo Maps “A” and “B”.

D. Access roads within a one (1) mile radius, none – refer to Exhibit Topo Maps “A” and “B”.

E. The existing roads will be maintained in the same or better condition as existed prior to the commencement of operation and said maintenance will continue until final abandonment and reclamation of said well location.

2. PLANNED ACCESS ROADS – Refer to Map Exhibits “A” and “B”

Access to the Jacks Canyon Unit # 19-2 will be on existing roads, 30 feet of road construction is anticipated.

A. Width – The current approximate width is an eighteen (18) foot running surface. This road is current adequate for the proposed operations.

B. Construction Standard – Any road improvements will be conducted in accordance with roading guidelines established for oil & gas exploration and development activities as referenced in the joint BLM/USFS publication: *Surface Operating Standards for Oil and Gas Exploration and Development*, Third Edition and/or BLM Manual Section 9113 concerning road construction activities on public domain lands.

C. Maximum grade – The maximum grade is under 8%.

- D. Turnouts – Several turnouts exist on the existing road and no new turnouts are anticipated.
- E. Drainage design – The existing road shall be maintained to provide proper drainage along the road.
- F. Culverts and low water crossings – No Culverts are anticipated.
- G. Surface material – It is anticipated that no additional surface material will be required for drilling and production operations. Should spot graveling be required during drilling operations, gravel would be obtained from the nearest commercial site.
- H. Gates, cattleguards or fence cuts: No Fence cuts or cattleguards will be required along the proposed existing route. All gates will be maintained during operations.
- I. Road maintenance – During both the drilling and production phase of operations, the road surface will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing, and will also be maintained in accordance with the original construction standards. The access road will be kept free and clear of trash during all operations. The Dry Canyon road is considered to be an R.S. 2477 road adapted under a Memorandum of Understanding dated December 15, 1980.

3. LOCATION OF EXISTING WELL WITHIN A ONE-MILE RADIUS

A.	Water wells	none
B.	Abandoned wells	none
C.	Temporarily abandoned wells	none
D.	Disposal wells	none
E.	Proposed wells	none
F.	Shut-in wells	none
G.	Producing	none

4. LOCATION OF PROPOSED FACILITIES

- A. All production facilities will be located on the disturbed portion of the well pad and at a minimum from of twenty-five (25) feet from the toe of the back slope or top of the fill slope.
- B. Production facilities will be located on the drillsite location. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (Form #3160-5) will be submitted upon completion and installation of facilities. All site security guidelines identified in 43CFR 3162.7-5 and *Onshore Oil And Gas Order No. 3* shall be followed.
- C. An existing pipeline for gas gathering is in place (ROW Grant U-59970) and is utilized by existing wells in the area. If the subject well is deemed commercial, approximately 50 feet of new gathering line will be constructed to connect with the existing facility and laid adjacent to existing travel corridors.
- D. All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, non-reflective color to match the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within six months of installation. Facilities required by OSHA may be excluded. Colors will be painted desert brown (Munsell standard color #10 YR 6/3).
- E. If a gas meter run is constructed, it will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream until it leaves the pad. The meter run will be housed. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR 3162. 7-3, *Onshore Oil and Gas Order No. 5*, and the American Gas Association (AGA) Report No. 3.
- F. If a tank battery is constructed on the lease, it will be surrounded by a berm of sufficient capacity to contain 1 1/2 times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurements shall conform to provisions of 43 CFR 3162. 7-3 and *Onshore Oil and Gas Order No. 4*.
- G. Production facilities on location may include a lined or unlined water pit as specified in *Onshore Oil and Gas Order No. 7*. If water is produced from the well, an application in conformance with Order No. 7 must be submitted. Any pit will be fenced with barbwire held in place by metal side post and wooden corner "H" braces in order to protect livestock and wildlife.
- H. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road, drill pad and any additional area specified in the approved Application for Permit to Drill (APD).

- I. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling and seeding as recommended by the BLM.

5. LOCATION AND TYPE OF WATER SUPPLY

- A. Wasatch Oil & Gas will utilize an existing water well located on State lands in the Section 32, Township 12 South, Range 16 East. Wasatch has been granted this authorization by STILA Right of Entry 4366.
- B. No water well will be drilled.

6. SOURCE OF CONSTRUCTION MATERIALS

- A. It is not anticipated that any construction materials (gravel) will be required during construction or operations. If required, a private contractor (or surface owner) having a previously approved source within the general area will be used.
- B. No construction material will be taken from Federal lands. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2-3.

7. METHODS OF HANDLING WASTE MATERIALS

- A. Cuttings - The drill cuttings will be deposited in the reserve pit.
- B. Drilling fluids – All fluids including chemicals will be contained in the reserve pit. The reserve pit will be designed to prevent the collection of surface runoff and will be constructed with a minimum of one-half (1/2) total depth below the original ground level and at the lowest point within the pit. Prior to backfilling the reserve pit liquids will be disposed in an approved facility and the contents will be allowed to dry. The disturbed portion of the pad will be reclaimed. A 9-mil synthetic pit liner is proposed.
- C. Produced fluids – Liquid hydrocarbons that may be produced during completion operations will be placed in test tanks on the location. Produced water will be placed in the reserve pit for a period not to exceed ninety days after initial production.

During this ninety (90) day period, in accordance with *Onshore Oil and Gas Order Number 7*, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted to the Authorized Officer for approval.

Any spills of oil, gas, salt water or any other potentially hazardous substances will be cleaned up and immediately removed to an approved disposal site.

- D. Sewage – Portable, self-contained chemical toilets will be provided for human waste disposal. Upon completion of operations, or as required, these toilets will be removed and the contents thereof disposed of in an approved sewage disposal facility.
- E. Garbage and other waste material – All garbage and non-flammable waste materials will be contained in a dumpster or trash cage. Upon completion of operations, or as needed, the accumulated trash will be hauled off-site to an approved sanitary landfill. No trash will be placed in the reserve pit during any operations pertaining to this well.
- F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No potentially adverse materials or substances will be left on location.
- G. Any open pits will be fenced during the drilling operation and said fencing will be maintained until such time as the pits have been backfilled.

8. ANCILLARY FACILITIES

None anticipated.

9. WELLSITE LAYOUT

- A. Attached hereto as figure # 1 is a diagram showing the proposed location layout. No permanent living facilities are planned. There will be approximately three (3) trailers on location during drilling operations: one each for the wellsite supervisor, geologist and toolpusher.
- B. Topsoil will be stock piled on the West and East of the drillpad. Brush and trees will also be stock piled on the Northwest corner of pad and will be used in the site reclamation process. Erosion ditches will be created along the side of the drill pad to control runoff from the drill pad. (see figure #1)
- C. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via *Sundry Notice* (form #3160-5) for approval (see # 4B).
- D. Prior to commencement of drilling operations, the reserve pit will be fenced on three (3) sides with four strand barbed wire held in place by metal side post and wooden corner "H" braces in order to protect livestock and wildlife.
 - 1. Corner post shall be braced in such a manner to keep the fence tight at all times.

2. Standard steel, wood or pipe post shall be used between the corner braces. The maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.
 3. All wire shall be stretched, by using a stretching devise, before it is attached to the corner posts.
 4. The fourth (4th) side of the reserve pit will be fenced immediately upon removal of the drilling rig and the fencing will be maintained until the pit is backfilled.
- E. Any Hydrocarbons on the pit will be removed immediately.
- F. Flare pit will be a *minimum* of 100 feet from the wellhead and 30 feet from the reserve pit when applicable. The flare pit will be on laydown side of pad or on the down wind side.

10. PLANS FOR RECLAMATION OF THE SURFACE

Producing

- A. Any rat and mouse holes will be backfilled and compacted from top immediately upon release of the completion rig from the location. The location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.
- B. Any oil located on the pits will be removed immediately in accordance with 43 CFR 3162.7-1.
- C. Backfilling, leveling and re-contouring are planned as soon as possible after cessation of drilling and completion operations. Waste and spoil materials will be disposed of immediately upon cessation of drilling and completion activities.

Fluids from the reserve pit shall be removed. The liner shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within six (6) months from the date of well completion. Before any dirt work takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc., shall be removed.

The BLM surface management agency will be contacted for required seed mixture.

Dry Hole/Abandoned Location

1. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and the BLM will attach the appropriate surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP

Bureau of Land Management
Price Field Office
125 South 600 West
Price, UT 84501
(435) 636-3600

12. OTHER INFORMATION

- A. Proximity of Water, Occupied Dwellings, Archaeologist, Historical or Cultural Sites:
1. There are no known, occupied dwellings within one (1) mile of the location.
 2. There are no known water wells within one (1) mile of location.
 3. An archaeological survey will performed over the proposed location and newly planned access road. This report will be submitted to the BLM and the State Historical Office

Wasatch Oil & Gas, LLC will be responsible for informing all persons in the area who are associated with the project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. If historic or archaeological materials are uncovered, Wasatch will suspend all operations that might further disturb such materials and immediately contact the Authorized Officer (AO). Operations are not to resume until written authorization to proceed is issued by the AO. Within five (5) working days the AO will inform the operator as to:

- A. whether the materials appear eligible for the National Register of Historic Places;
- B. the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and

- C. A time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Reservation Officer, that the findings of the AO are correct and that mitigation is appropriate.
- D. The operator will, control noxious weeds along right-of-way for roads, pipelines, wellsites or other applicable facilities. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- E. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

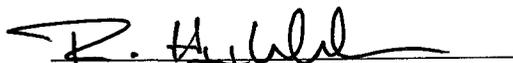
13. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

Wasatch Oil & Gas
P.O. Box 699
Farmington, UT 84025-0699
(801) 451-9200
Fax 451-9204
Attention: Todd Cusick

Stonegate Resources, LLC
4994 E. Meadows Dr.
Park City, UT 84098
(435) 647-9712
fax 647-9713
Attention: R. Heggie Wilson

Prepared by:

Date:



1/7/02

R. Heggie Wilson – Stonegate Resources, LLC.
Agent for Wasatch Oil & Gas

Wasatch Oil & Gas LLC
Drilling Prognosis
Jack's Canyon Unit #18-3
SW Sec. 18-T12S-R16E
Carbon County, Utah

November 20, 2001

General

NOTE: This well is to be drilled as a tight hole. Unauthorized personnel are not to be allowed on rig floor. All information is to be kept confidential.

Surface Location: 1557' FSL and 1308' FWL
SW Sec. 18-T12S-R16E
Carbon County, Utah

Bottomhole Location: Same

Proposed Total Depth: 6,771'

Elevation: 5,546' (Ground Level)

Drilling Contractor: Yet to be determined

Drilling Procedure

Location

- 1) Build location, dig and line reserve pit as per pad layout specifications.
- 2) Move in rathole driller. Drill 20" hole to 40'. Run 40' of 16" conductor casing and cement w/ ready mix to surface.
- 3) Drill rat hole and mouse hole.

Surface Hole

- 1) Move in and rig up drilling rig.
- 2) Drill a 12-1/4" surface hole to 680' Notify Price BLM as to surface casing / BOP pressure test.
- 3) Circulate and condition as required. Trip out of hole.
- 4) Run and cement 680' of 8-5/8", 32#, K-55, ST&C, 8rd casing as per cement recommendation. If cement returns to surface are not obtained, run 1" pipe in casing/hole annulus and top out w/ neat cement. Wait 8 hrs on cement.
- 5) Weld on 11" X 5,000 PSI flanged casing head.
- 6) Nipple up and pressure test BOPE and 8-5/8" casing.

Production Hole

- 1) Trip in hole w/ 7-7/8" bit. Drill out float collar and guide shoe.
- 2) Drill 7-7/8" production hole from base of surface casing to T.D.
- 3) Drillstem tests may be run in the Wasatch and Mesaverde (contingent on shows and/or drilling breaks)
- 4) Drilling samples will be caught every 20' from surface to 1,700'. Mudloggers will be on location and rigged up by 1,700'. 10' samples will be caught from 1,700' to T.D. or as directed by wellsite geologist.
- 5) Well will be drilled to a depth of 6,771'

**Jack's Canyon Unit #18-3
Drilling Prognosis**

- 6) At T.D., condition hole for running openhole logs as per mud program.
- 7) Run openhole logs as per logging program.

Decision Point: Producible/Dryhole

Producible

- 1) Trip in hole w/ bit and drill string. Condition hole for running pipe. Trip out of hole laying down drill-pipe and collars.
- 2) Run and cement 4-1/2" production casing according to cement recommendation.

Dryhole

- 1) Notify BLM in Price and receive plugging orders. Trip in hole open ended and plug well as per BLM orders.
- 2) Release drilling rig. Reclaim location.

**Estimated Tops of Geological Markers
(From Ungraded GL)**

<u>Formation</u>	<u>Top</u>	<u>Sub Surface</u>
Green River	Surface	+5,546'
Wasatch	1,546'	+4,000'
North Horn	3,496'	+2,050'
Mesaverde	5,556'	-10'

**Estimated Depths of Anticipated Water, Oil, Gas or Mineral Formations
(From Ungraded GL)**

<u>Formation</u>	<u>Top</u>	<u>Possible Formation Content</u>
North Horn	3,496'-5,556'	gas
Mesaverde	5,556'-6,671'	gas

Pressure Control Equipment

- 1) Type: 11" X 5,000 psi WP, double-gate BOP and 11" X 5,000 psi WP annular BOP with hydraulic closing unit.

The blowout preventer will be equipped as follows:

- 1) One set of blind rams
- 2) One set of pipe rams
- 3) Drilling spool with two side outlet (choke side: 3" minimum and kill side 2" minimum)
- 4) Kill line: Two-inch minimum
- 5) Two kill line valves, one of which will be a check valve (2" minimum)
- 6) Choke line: Three-inch minimum.

Jack's Canyon Unit #18-3
Drilling Prognosis

- 7) Two choke line valves: Three-inch minimum.
- 8) One manually operated choke: Three-inch minimum.
- 9) Pressure gauge on choke manifold.
- 10) Upper kelly cock with handle readily available.
- 11) Full opening internal blowout preventer or drill pipe safety valve able to fit all connections.
- 12) Fill-up line to be located above uppermost preventer.

2) PRESSURE RATING: 5,000 PSI

3) TESTING PROCEDURE

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the approved BOP stack. (if isolated from the surface casing by means of a test plug) or 70% of the internal yield strength of the surface casing (if not isolated from the surface casing by means of a test plug). Pressure will be maintained for a period of at least ten minutes or until requirements of the test are met, whichever is longer.

At a minimum, this pressure test will be performed:

- 1) When the BOP is initially installed
- 2) Whenever any seal subject to test is broken.
- 3) Following related repairs.
- 4) At thirty day intervals.

In addition to the above, the pipe rams will be activated daily, and the blind rams will be activated on each trip (but not more frequently than once each day). All BOP tests and drills will be recorded in the IADC Driller's Log (tour sheet)

5) CHOKE MANIFOLD EQUIPMENT:

All choke lines will be straight lines, unless turns use tee-blocks, or are targeted with running tees. These lines will be anchored to prevent whip and vibration.

6) ACCUMULATOR:

The accumulator will have sufficient capacity to close all rams (plus the annular preventer, if applicable) and maintain a minimum of 200 psi above the precharge pressure without the use of the closing-unit pumps. The fluid reservoir capacity will be double the accumulator capacity and the fluid level will be maintain at the manufacturer's recommendation. The BOP system will have two independent power sources to close preventers. Nitrogen bottles (three minimum) will be considered one of these sources and will maintain a charge equal to the manufacturer's specifications.

The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six months thereafter. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum limits as specified in *Onshore Oil and Gas Order Number 2*.

7) MISCELLANEAUS INFORMATION:

The blowout preventer and related pressure-control equipment will be installed, tested, and maintained in compliance with the specifications in and requirements of *Onshore Oil and Gas Order Number 2*. The choke manifold and BOP extension rods will be located outside the rig sub-structure.

Jack's Canyon Unit #18-3
Drilling Prognosis

The hydraulic BOP closing unit will be located at least twenty-five feet from the wellhead, but will be readily accessible to the driller. Exact location and configuration of the hydraulic BOP closing unit will depend upon the particular drilling rig contracted to drill this hole.

Casing and Cementing Programs

1) PROPOSED CASING DESIGN

Size	Interval	Length	Description	SFt	SFc	SFb
16" Conductor	0'-40'	40'	0.25" WT			
8-5/8"	0' - 680'	680'	32#, K-55, STC			
4-1/2"	0' - 6,771'	6,771'	11.6#, N-80, LTC			

A regular guide shoe and insert float will be run on the bottom and top of the first joint on casing. The guide shoe and float collar will be made up with A.P.I. thread locking compound. On 4-1/2" casing, a stop ring and centralizer will be run in the middle of the shoe joint. Centralizers will be ran 1 joint above float and across all potential pay zones.

NOTE: Casing strings will be pressure tested to 0.22 psi/ft of casing string depth, or 1,500 psi, whichever is greater (not to exceed 70 % of the internal yield strength of the casing) after cementing and prior to drilling out from under the casing shoe.

2) PROPOSED CEMENTING PROGRAM

Casing / Hole Size	Cement Slurry	SX	PPG	Yield
8-5/8" / 12-1/4"	Lead: B.J. Premium Light w/ 2% CaCl ₂ & 0.25 PPS Flocele	168	12.0	2.27
	Tail: Class "G" w/ 2% CaCl ₂ & 0.25 PPS Flocele (100% excess)	126	15.8	1.17

Casing Equipment: 1 - Regular Guide Shoe
1 - Insert float collar

NOTE: Precede cement w/ 50 bbls of fresh water. Have 100 sx "neat" cement on location and 1" line pipe to pump a cement top job if cement is not circulated to surface and/or cement falls back. All waiting-on - cement times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

Casing / Hole Size	Cement Slurry	SX	PPG	Yield
4-1/2" / 7-7/8"	50/50 poz cement w/ 0.25 PPS Flocele (30% excess)	550	14.1	1.26

NOTE: A two stage cement job may be required if sands in the Wasatch are considered commercial.

**Jack's Canyon Unit #18-3
Drilling Prognosis**

The proposed Evaluation Program may change at the discretion of the well site drilling supervisor and geologist with the approval from the Authorizing Officer, Price BLM.

Two copies of all logs, core descriptions, core analyses, DST test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during drilling, workover, and/or completion operations will be filed on form #3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the District Manager, Price BLM.

Abnormal Conditions

No abnormal temperature or pressures are anticipated in the drilling of the Jack's Canyon Unit #18-3

Anticipated Starting Date and Miscellaneous

1) ANTICIPATED STARTING DATE:	Location Construction	May 1, 2002
	Spud Date	May 3, 2002
	Drilling Days	15 days
	Completion Days	10 days

3) MISCELLANEOUS

There will be no deviation from the proposed drilling and/or workover program as approved. Safe drilling and operating practices will be observed.

All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.6. There will be a sign or marker with the name of the operator, lease serial number, well name and number and survey description of the well.

Any changes in operation must have prior approval from the Authorized Officer (AO), Price Office, Bureau of Land Management. Pressure test will be performed before drilling out from under of all casing strings set and cemented in place. Blowout preventers controls will remain in use until the well is either completed or abandoned. Preventers will be inspected and operated at least daily to insure good mechanical working order, and inspection will be recorded on the daily drilling report. All BOP test will be recorded on the daily drilling report.

The spud date will be orally reported to the Price BLM Office forty-eight (48) hours after spudding. If spudding occurs on a weekend or holiday, this report will be called in on the next regular work day following spudding of the well.

In accordance with *Onshore Oil & Gas Order Number 1*, this well will be reported on MMS Form #3160-6, *Monthly Report of Operations and Production*, starting with the month in which operation commence and continue each month until the well is physically plugged and abandon. This report will be filed directly with the Royalty Management Program, Minerals Management Service, P.O. Box 17110, Denver, CO. 80217.

**Jack's Canyon Unit #18-3
Drilling Prognosis**

All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL-3A will be reported to the Price District Office. Major events will be reported verbally within twenty-four (24) hours and will be followed with a written report within fifteen (15) days, "Other than major events" will be reported in writing within fifteen days. "Minor events" will be reported on the *Monthly Report of Operations and Production* (Form #3160-6).

No well abandonment operations will be commenced without the prior approval of the Authorized Officer. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the District Petroleum Engineer. A *Notice of Intention to Abandon* (Form #3160-5) will be filed with the Authorized Officer within fifteen (15) days following the granting of oral approval to plug and abandon.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently placed on the marker with a plate, cap, or beaded-on with a welder: Company Name and Number, Location by Quarter/Quarter, Section, Township, Range and Federal Lease Number.

A *Subsequent Report of Abandonment* (Form #3160-5) will be submitted within thirty (30) days following the actual plugging of the well bore. This report will indicate where plugs were placed and the current status of surface restoration operations. If surface restoration has not been completed at that time, a follow-up report on Form #3160-5 will be filed when all surface restoration work has been completed and the location is considered ready for final inspection.

Pursuant to NTL-4A, lessees and operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of thirty (30) days or the production of fifty (50) MMCF of gas, whichever occurs first. An application must be filed with the Authorized Officer, and approval received, for any venting /flaring of gas beyond the initial thirty (30) day or otherwise authorized test period.

Not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than ninety (90) days, the operator shall notify the Authorized Officer by letter or "*Sundry Notice*" of the date on which such production has begun or resumed. The notification shall provide as a minimum, the following information:

- A. Operator name, address, and telephone number.
- B. Well name and number.
- C. Well location " ¼, ¼, Section, Township, Range, P.M."
- D. Date well was placed on production.
- E. The nature of the well's production, i.e.: crude oil, casing gas, or natural gas and entrained liquid hydrocarbons.
- F. The OCS, Federal or Indian lease prefix and number on which the well is located. Otherwise, the non-federal or non-Indian land category. i.e.: state or private.

Within sixty (60) days following construction of a new tank battery, a site facility diagram of the battery showing actual conditions and piping must be submitted to the Authorized Officer. Facility diagrams shall be filed within sixty (60) days after existing facilities are modified. For complete information as to what is required on these diagrams, please refer to 43 CFR 3162.7-4 (d).

Page 8

**Jack's Canyon Unit #18-3
Drilling Prognosis**

Pursuant to *Onshore Oil & Gas Order Number 1*, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in such a manner which conforms with applicable Federal laws and regulations and with State and Local laws and regulations to the extent that such State and local laws are applicable to operations on Federal and Indian lands.

Date:

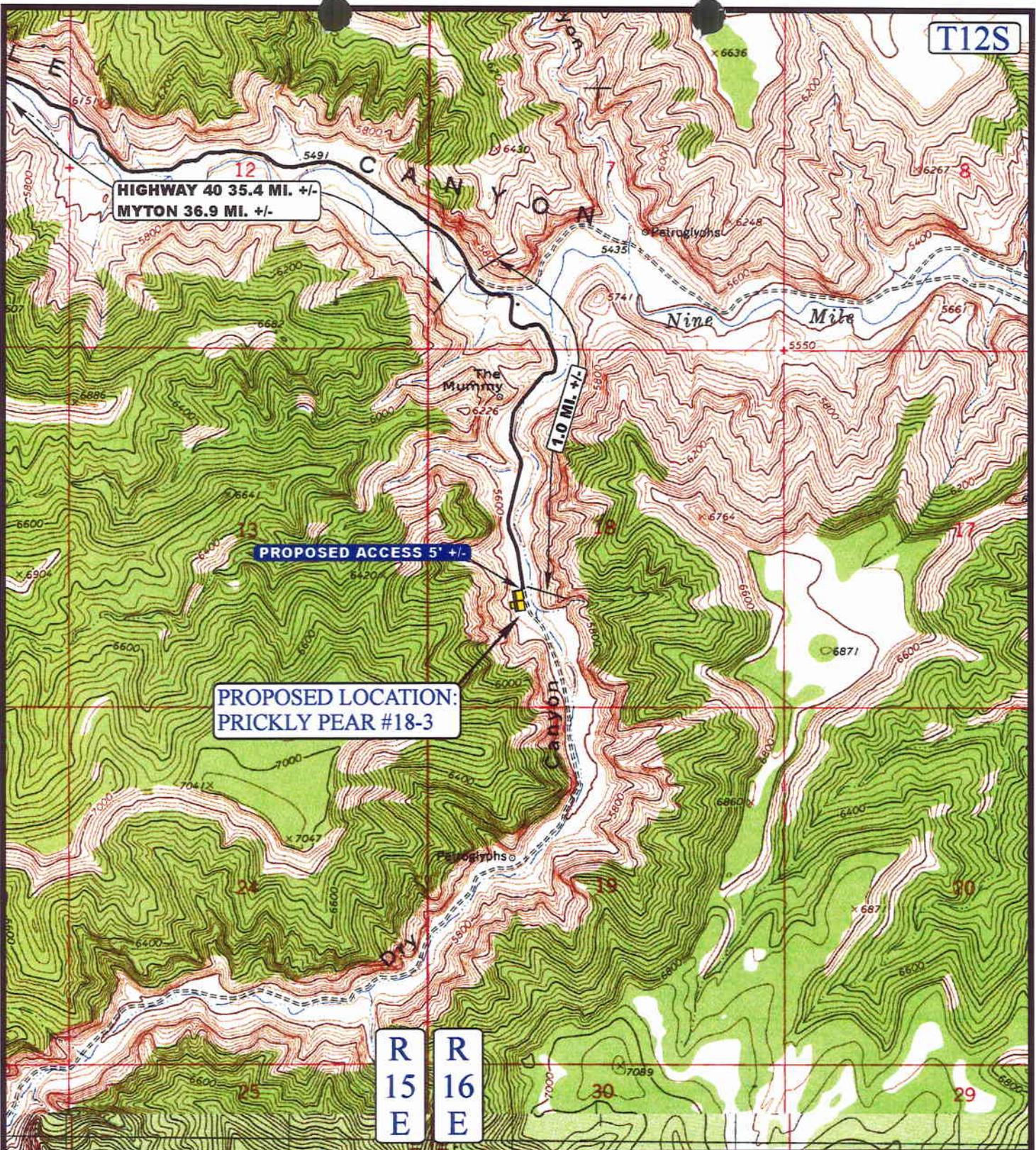
1/7/02

Prepared by:

Eric Noblitt

Eric Noblitt, Agent
Wasatch Oil&Gas LLC

T12S



HIGHWAY 40 35.4 MI. +/-
MYTON 36.9 MI. +/-

PROPOSED ACCESS 5' +/-

PROPOSED LOCATION:
PRICKLY PEAR #18-3

R 15 E
R 16 E

LEGEND:

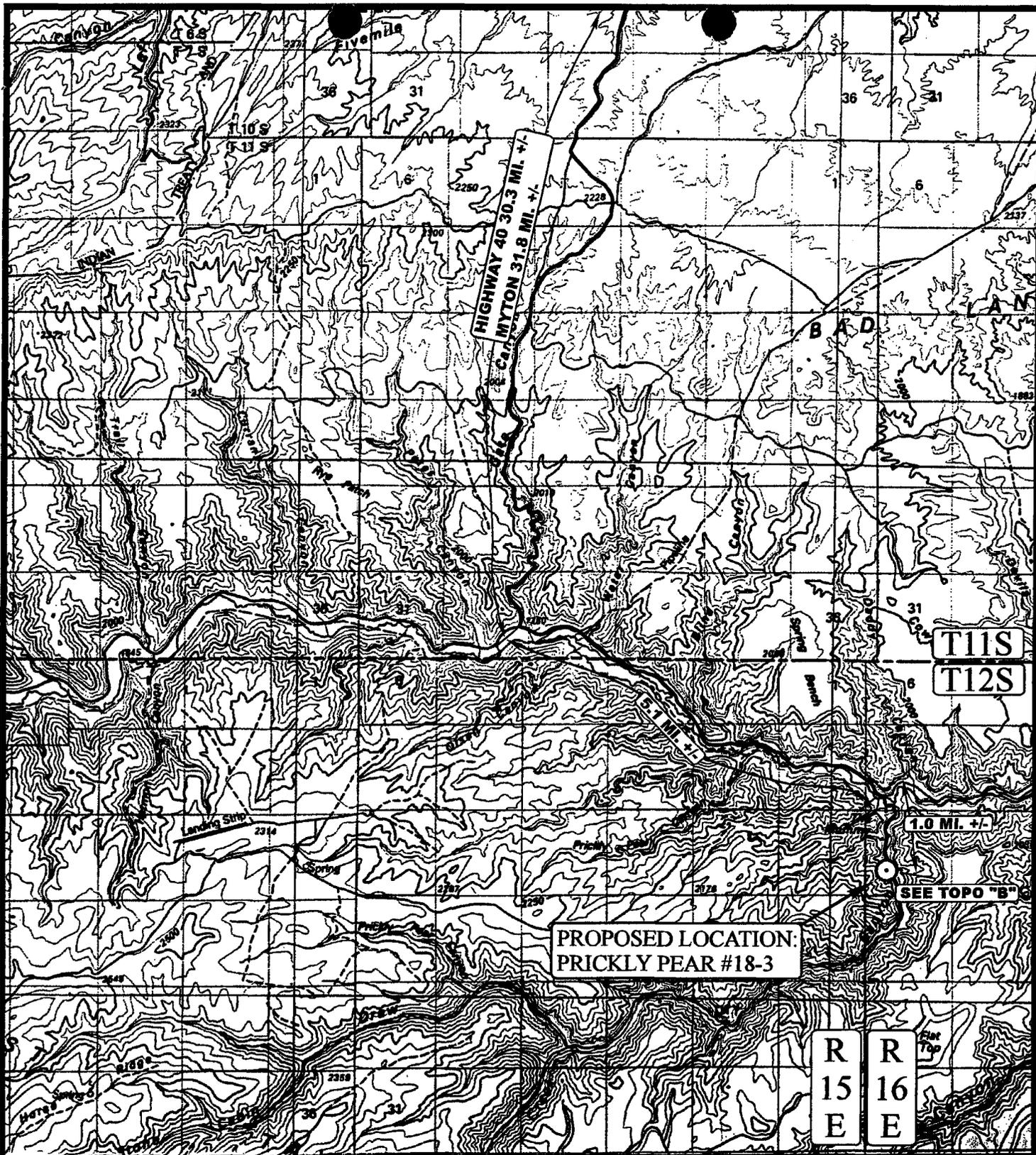
- - - - - PROPOSED ACCESS ROAD
- EXISTING ROAD

WASATCH OIL & GAS LLC

PRICKLY PEAR #18-3
SECTION 18, T12S, R16E, S.L.B.&M.
1557' FSL 1308' FWL

UEIS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP 11 1 01
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00 **B** TOPO



LEGEND:

○ PROPOSED LOCATION

WASATCH OIL & GAS LLC

PRICKLY PEAR #18-3
SECTION 18, T12S, R16E, S.L.B.&M.
1557 FNL 1308' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC
MAP

10	1	01
MONTH	DAY	YEAR

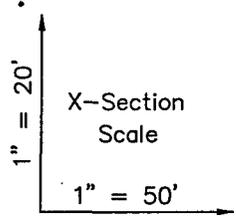
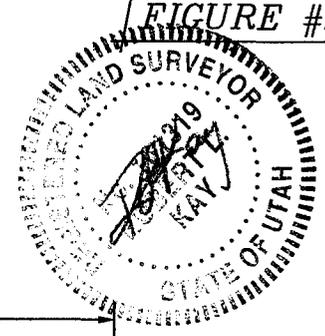
SCALE: 1: 100,000 DRAWN BY: J.L.G. REVISED: 00-00-00



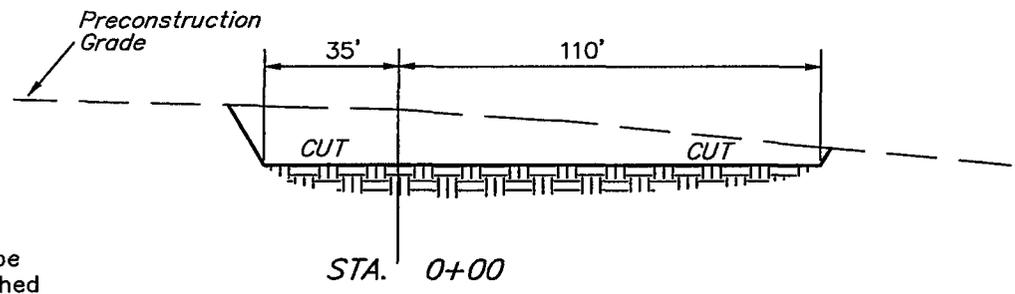
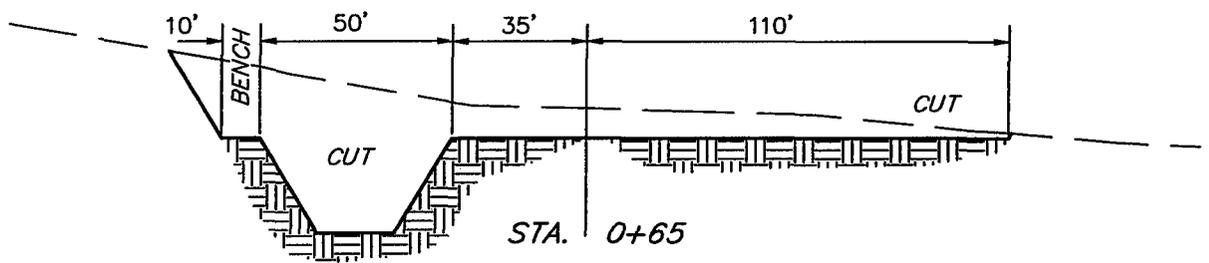
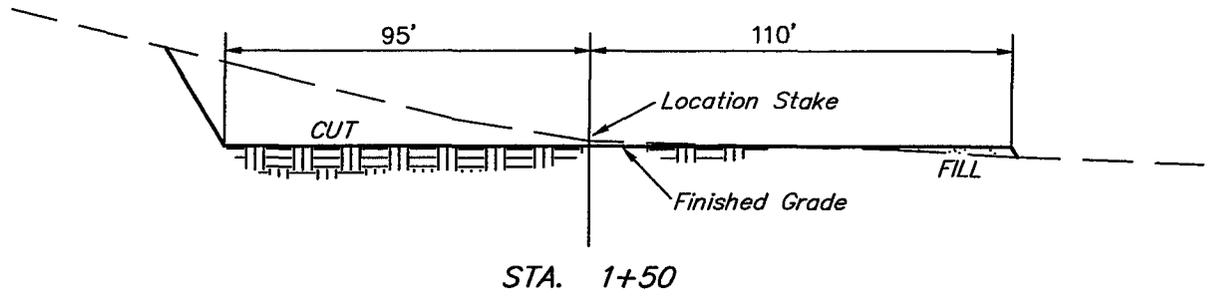
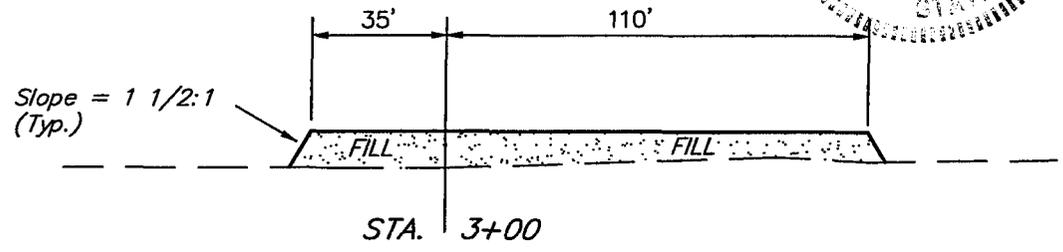
WASATCH OIL & GAS LLC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR
 Jack's Canyon #18-3
 SECTION 18, T12S, R16E, S.L.B.&M.
 1557' FSL 1308' FWL



DATE: 11-05-01
 Drawn By: D.R.B.



NOTE:
 Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	940 Cu. Yds.
Remaining Location	=	4,470 Cu. Yds.
TOTAL CUT	=	5,410 CU.YDS.
FILL	=	1,910 CU.YDS.

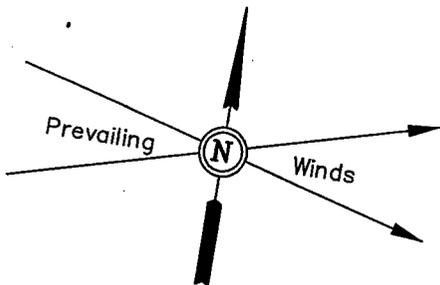
EXCESS MATERIAL AFTER 5% COMPACTION	=	3,400 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	1,510 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	1,890 Cu. Yds.

WASATCH OIL & GAS LLC.

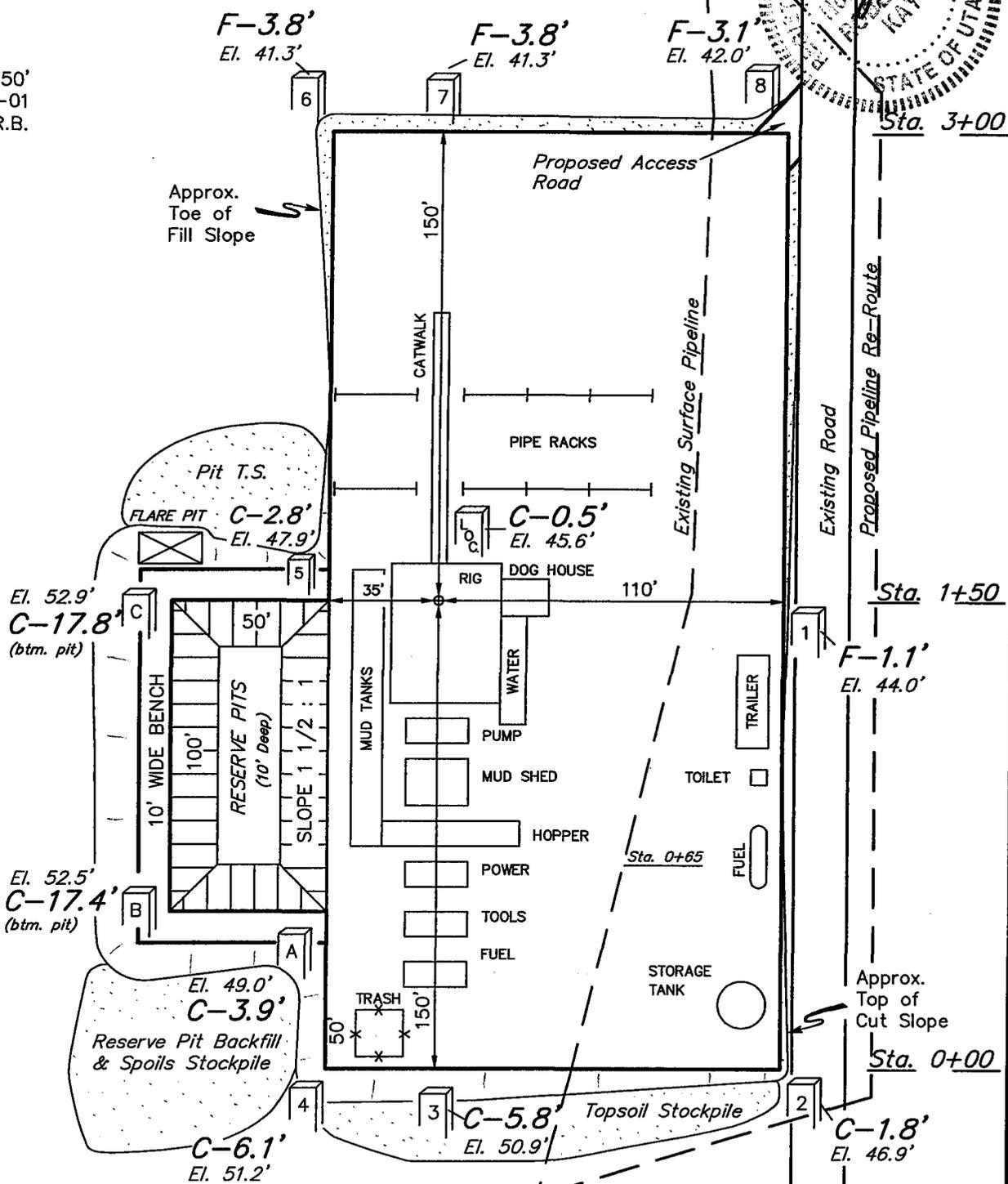
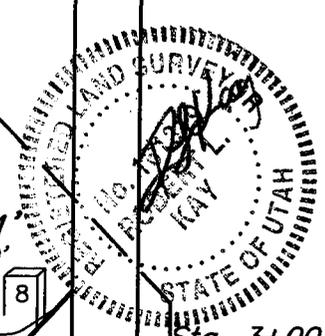
FIGURE #1

LOCATION LAYOUT FOR

Jack's Canyon #18-3
SECTION 18, T12S, R16E, S.L.B.&M.
1557' FSL 1308' FWL



SCALE: 1" = 50'
DATE: 11-05-01
Drawn By: D.R.B.



Pit Capacity With
2' of Freeboard
is ±3,810 Bbls.

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5545.6'
FINISHED GRADE ELEV. AT LOC. STAKE = 5545.1'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

WASATCH OIL & GAS LLC

Jack's Canyon

#18-3

LOCATED IN CARBON COUNTY, UTAH
SECTION 18, T12S, R16E, S.L.B.&M.



PHOTO: VIEW OF LOCATION STAKE

CAMERA ANGLE: WESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHWESTERLY



UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

11 1 01
MONTH DAY YEAR

PHOTO

TAKEN BY: B.B.

DRAWN BY: J.L.G.

REVISED: 00-00-00

- Since 1964 -

002

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/14/2002

API NO. ASSIGNED: 43-007-30826

WELL NAME: JACKS CANYON 18-3

OPERATOR: WASATCH OIL & GAS CORP (N4520) N2095

CONTACT: HEGGIE WILSON, AGENT

PHONE NUMBER: 801-451-9200

PROPOSED LOCATION:

C-SW 18 120S 160E
SURFACE: 1557 FSL 1308 FWL
BOTTOM: 1557 FSL 1308 FWL
CARBON
~~WILDCAT~~ Undesignated (-) 002

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-66801
SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

RECEIVED AND/OR REVIEWED:

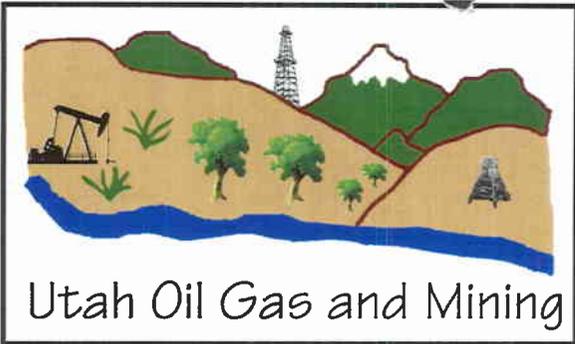
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. B7998)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 4366)
- RDCC Review (Y/N)
(Date:)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING: *top. nm. chg. eff. 4-19-02*

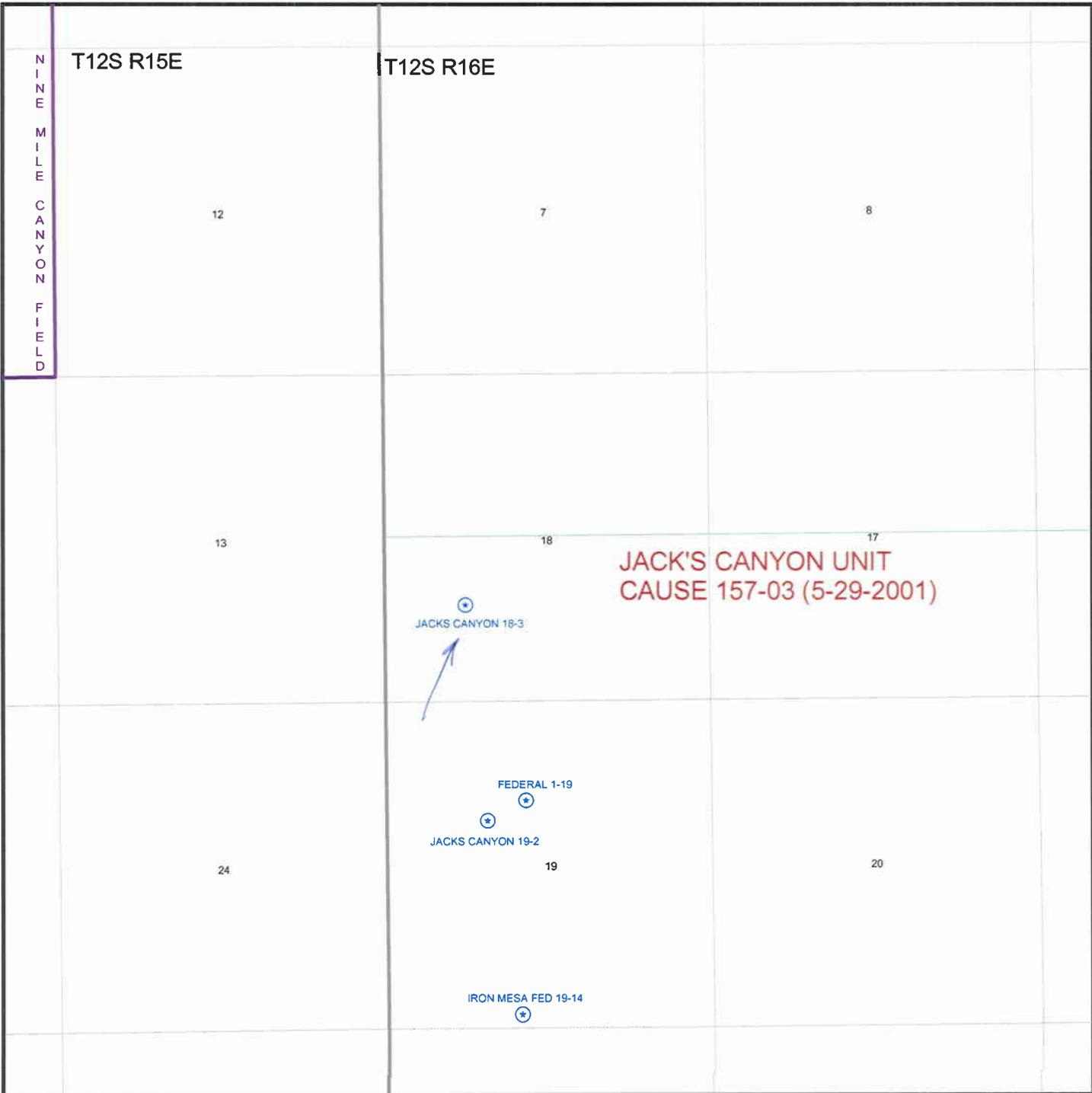
- R649-2-3. Unit JACKS CANYON
- R649-3-2. General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: 157-03
- Eff Date: 5-29-01
- Siting: *Suspends Gen. Siting
- R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: 1- Fed. Approval



OPERATOR: WASATCH O&G LLC (N4520)
 SEC. 18, T12S, R16E
 FIELD: WILDCAT (001)
 COUNTY: CARBON UNIT: JACK'S CANYON
 CAUSE: 157-03



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

January 17, 2002

Memorandum

To: Assistant District Manager Minerals, Moab District
From: Michael Coulthard, Petroleum Engineer
Subject: 2002 Plan of Development Jack's Canyon Unit
Carbon County, Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 2002 within the Jack's Canyon Unit, Carbon County, Utah.

API #	WELL NAME	LOCATION
43-007-30826	Jack's Canyon 18-3	1557-FSL 1308-FWL 18 12S 16E
43-007-30827	Jack's Canyon 19-2	1942-FNL 1619-FWL 19 12S 16E

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Jacks Canyon Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:1-17-02



RECEIVED

JAN 29 2002

**DIVISION OF
OIL, GAS AND MINING**

January 26, 2002

Ms. Lisha Cordova
State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: Exception to Location and Siting of Wells R649-3-3
Jack's Canyon #18-3: 1,557' FSL, 1308'FWL
SW ¼; Sec. 18-T12S-R16E
Carbon County, Utah

Dear Ms. Cordova:

Pursuant to the filing of Wasatch Oil & Gas's Application for Permit to Drill regarding the above referenced well on January 11, 2002, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-3 pertaining to the Exception to Location and Siting of Wells.

- Wasatch Oil & Gas's Jack's #18-3 is located within the proposed Jack's Canyon Unit Area.
- The Jack's Canyon #18-3 was surveyed at its present location due to the steep topography in Dry Canyon, which prohibited the well to be located within a normal siting area. In order to limit greater surface disturbance the well location was placed adjacent to an existing road and pipeline.
- Wasatch Oil & Gas has determined that the reservoir drainage from the Lower Wasatch, North Horn and Mesaverde Formation wells generally range from 80 to 160 acres in this area. Wasatch Oil & Gas in Cause No. 157-03 evidenced this in front of the Board on April 25, 2001. In anticipation that this well will eventually be placed in Participation Area ranging from 100 to 160 acres, Wasatch Oil & Gas elected to place the well in the approximate center of the quarter section.
- Furthermore, Wasatch Oil & Gas hereby certifies that it is the sole working interest owner within 460 feet of the proposed vertical well bore and the entire quarter section.

Therefore, based on the above stated information Wasatch Oil & Gas, LLC requests an exception to the siting rules pursuant to R649-3-3. We appreciate your consideration of this request.

Respectfully Submitted,

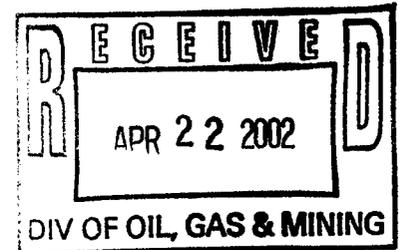
R. Heggie Wilson
Agent



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



IN REPLY REFER TO
UT-922

April 19, 2002

Wasatch Oil & Gas, LLC
P.O. Box 699
Farmington, Utah 84025-0699

Re: Jack's Canyon Unit
Carbon County, Utah

Gentlemen:

On April 10, 2002, we received an indenture dated February 12, 2002, whereby Wasatch Oil & Gas Corporation resigned as Unit Operator and Wasatch Oil & Gas, LLC was designated as Successor Unit Operator for the Jack's Canyon Unit, Carbon County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective April 19, 2002. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under Jack's Canyon Unit Agreement.

Your statewide (Utah) oil and gas bond No. 1128 will be used to cover all operations within the Jack's Canyon Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Moab (w/enclosure)
Division of Oil, Gas & Mining
Minerals Adjudication Group U-932
File - Jack's Canyon Unit (w/enclosure)
Agr. Sec. Chron
Fluid Chron

UT922:TAThompson:tt:4/19/02



April 24, 2002

Mr. Jim Thompson
State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: Transfer Title to Wasatch Oil & Gas, LLC.

Dear Mr. Thompson:

Enclosed please find an Assignment and Bill of Sale from Wasatch Oil & Gas Corporation to Wasatch Oil & Gas, LLC, effective July 1, 2000.

Please do not hesitate to contact me at (435) 647-9712 regarding this transfer.

Sincerely,

R. Heggie Wilson
Agent

RECEIVED

APR 25 2002

DIVISION OF
OIL, GAS AND MINING

ASSIGNMENT AND BILL OF SALE

FOR AND CONSIDERATION OF Ten and No/100 Dollars (\$10.00) and other good and valuable considerations, in hand paid to Wasatch Oil & Gas Corporation, ("ASSIGNOR"), by WASATCH OIL & GAS LLC, P.O. Box 699, Farmington, Utah, 84025-0699, ("ASSIGNEE") the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby sell, assign and transfer unto Assignee all of the Assignor's right, title and interest in and to the following properties situated in Duchesne and Carbon Counties, Utah (hereinafter called the "Interest"):

- (a) The oil, gas and other mineral leasehold interests described in Exhibit "A" attached hereto and made a part hereof, insofar as such cover and affect the lands described in Exhibit "A", (hereinafter called the "Leases") together with Assignor's interest in any pooled, communitized, or unitized acreage derived by virtue of Assignor's ownership of the leases;
- (b) The wells described on Exhibit "A", equipment and facilities located on the Leases and used in the operation of the Leases, including, but not limited to pumps, well equipment (surface and subsurface), saltwater disposal wells, water wells, lines and facilities, compressors, compressor stations, dehydration facilities, treating facilities, pipeline gathering lines, flow lines, transportation lines (including long lines and laterals), valves, meters, separators, tanks, tank batteries and other fixtures but expressly excluding tools, vehicles, or other rolling stock, communication equipment, leased equipment, computer and software;
- (c) Oil, condensate, natural gas, and natural gas liquids produced after the Effective Date of this Assignment and Bill of Sale, including "line fill" attributable to the Interest;
- (d) To the extent transferable, all contracts and agreements concerning the Interest, including, but not limited to, unit agreements, pooling agreements, areas of mutual interest, farmout agreements, farmin agreements, saltwater disposal agreements, water injection agreements, road use agreements, operating agreements, gas transportation and processing agreements, and gas balancing agreements (excluding any spot sales contracts, storage or warehouse agreements, supplier contracts, insurance contracts, and construction agreements);
- (e) To the extent transferable, all surface use agreements, right-of-way, licenses, authorizations, permits, and similar rights and interests applicable to, or used or useful in connection with, any or all of the Interest;
- (f) To the extent transferable, all files and records of Assignor relating to the Interests including land, well, lease, geological, geophysical and accounting files and records;
- (g) All rights of Assignor to reassignments of interests in the Leases.

RECEIVED

APR 25 2002

DIVISION OF
OIL, GAS AND MINING

Assignor and Assignee, in consideration of the mutual benefits to be derived hereunder and, by their acceptance hereof, signify their understanding and agreement to the following terms and conditions:

1. Assignee hereby agrees that it has inspected the Lease(s), well(s), personal property and equipment assigned and conveyed herein and that it accepts the same in its present

condition. Assignee agrees to assume all responsibility for said well(s), the casing, leasehold equipment, plugging requirements or exceptions thereto, including bonding requirements, in and on said well(s), and all other personal property used on or in connection therewith, from and after the Effective Date of this Assignment and Bill of Sale. Assignee agrees to protect, defend, indemnify and hold Assignor and its employees free and harmless from and against any and all costs, expenses, claims, demands and causes of action of every kind and character arising out of, incident to, or in connection with Assignee's ownership of the above described lease(s), lands, well(s), casing, leasehold equipment and other personal property, or Assignee's or other parties' operations on said lease(s) and said lands, from and after the Effective Date of this Assignment and Bill of Sale.

- 2. All claims, liabilities and causes of action, including those of an environmental nature, of whatever source or cause which arise out of Assignor's ownership of the Interest prior to the Effective Date, regardless of when actually instituted, shall be borne by Assignor by Assignor, and Assignor agrees to save, protect, indemnify and hold harmless for any liability associated with its ownership thereof. All claims, liabilities and causes of action of whatever source or cause which arise out of ownership of the Interest after the Effective Date, shall be borne by, and Assignee agrees to save, protect, indemnify and hold Assignor harmless therefrom.
- 3. Assignee hereby assumes all obligations and duties imposed upon Assignor pursuant to the terms of the lease(s), contracts, agreements, licenses, easements and right-of-ways to which Assignor's interest is subject, but only insofar as they pertain to the interest hereby assigned and transferred.

TO HAVE AND TO HOLD the Interest unto the Assignee and its successors and assigns forever.

Executed this 27th day of October, but effective July 1, 2000.

ASSIGNOR
Wasatch Oil & Gas Corporation

By: Todd Cusick
Todd Cusick, President

ASSIGNEE
Wasatch Oil & Gas LLC

By: Todd Cusick
Todd Cusick, President

ACKNOWLEDGEMENT

STATE OF UTAH }

COUNTY OF DAVIS }

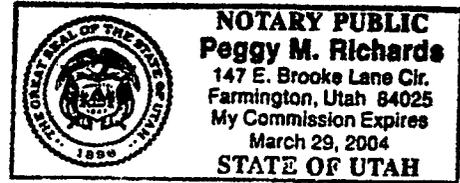
The foregoing instrument as acknowledged before me on this 27th day of October, 2000, by Todd Cusick as President of Wasatch Oil & Gas Corporation. on behalf of said Corporation.

WITNESS my hand and official seal.

My Commission Expires:

3/29/04

Peggy M. Richards
Notary Public



STATE OF UTAH }

COUNTY OF DAVIS }

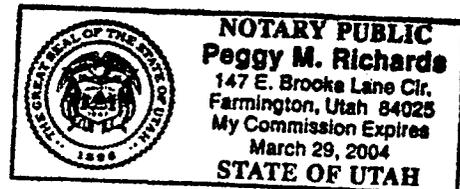
The foregoing instrument as acknowledged before me on this 27th day of October, ~~1999~~, 2000, by Todd Cusick as President of Wasatch Oil & Gas LLC on behalf of said Company.

WITNESS my hand and official seal.

My Commission Expires:

3/29/04

Peggy M. Richards
Notary Public



**EXHIBIT "A"
LEASES**

<u>Serial Number</u>	<u>Description</u>	<u>County</u>
SL-069551	<u>Township 12 South, Range 16 East</u> Section 33: All Containing 640.00 Acres Lease Date: 11-1-50 (HBP)	Carbon
SL-071595	<u>Township 12 South, Range 16 East</u> Section 34: S/2 Section 35: Lots 1-4, E/2W/2 Containing 620.27 Acres Lease Date: 2-1-51 (HBU)	Carbon
U-0681	<u>Township 12 South, Range 16 East</u> Section 25: S/2 Section 26: Lots 6, 7, E/2SW/4, SE/4 Section 35: E/2 Section 36: S/2 <u>Township 13 South, Range 16 East</u> Section 1: All Containing 1598.62 Acres Lease Date: 7-1-51 (HBU)	Carbon
U-0683	<u>Township 13 South, Range 16 East</u> Section 13: All Section 23: E/2 Containing 960.0 Acres Lease Date: 3-1-51 (HBU)	Carbon
U-0684	<u>Township 13 South, Range 17 East</u> Section 5: All Section 9: W/2 Containing 639.32 Acres Lease Date: 7-1-51 (HBU)	Carbon
U-0685	<u>Township 13 South, Range 17 East</u> Section 7: All Section 17: N/2 Containing 943.42 Acres Lease Date: 7-1-51 (HBU)	Carbon
U-0719	<u>Township 13 South, Range 16 East</u> Section 12: All Section 14: E/2 Containing 960.00 Acres Lease Date: 3-1-51 (HBU)	Carbon
U-0725	<u>Township 13 South, Range 17 East</u> Section 8: All Section 18: Lots 1, 2, NE/4, E/2NW/4 Containing 951.79 Acres Lease Date: 3-1-51 (HBU)	Carbon

<u>Serial Number</u>	<u>Description</u>	<u>County</u>
U-0737	<u>Township 12 South, Range 17 East</u> Section 31: S/2 Containing 312.50 Acres Lease Date: 3-1-51 (HBU)	Carbon
U-0741	<u>Township 13 South, Range 16 East</u> Section 24: All Containing 640.00 Acres Lease Date: 3-1-51 (HBU)	Carbon
U-0744	<u>Township 13 South, Range 17 East</u> Section 4: W/2 Section 6: All Containing 480.51 Acres Lease Date: 3-1-51 (HBU)	Carbon
U-01519-B	<u>Township 12 South, Range 15 East</u> Section 9: NE/4, E/2NW/4, SW/4NW/4 Section 10: S/2 Section 11: S/2 Section 13: N/2 Section 14: NE/4 Containing 1400.00 Acres Lease Date: 6-1-51 (HBU)	Carbon
U-03333	<u>Township 12 South, Range 17 East</u> Section 30: SW/4 Section 31: N/2 Section 32: S/2 Containing 784.50 Acres Lease Date: 1-1-52 (HBU)	Carbon
U-04049	<u>Township 12 South, Range 16 East</u> Section 36: NW/4, W/2NE/4, SE/4NE/4 Containing 280 Acres Lease Date: 5-1-51 (HBU)	Carbon
U-04049-A	<u>Township 12 South, Range 16 East</u> Section 36: NE/4NE/4 Containing 40.00 Acres Lease Date: 5-1-51 (HBU)	Carbon
U-08107	<u>Township 12 South, Range 16 East</u> Section 27: S/2 Section 34: N/2 Containing 640.00 Acres Lease Date: 11-1-50 (HBU)	Carbon
U-013064	<u>Township 12 South, Range 15 East</u> Section 11: W/2NE/4, NW/4 Containing 240.00 Acres Lease Date: 8-1-54 (HBU)	Carbon

<u>Serial Number</u>	<u>Description</u>	<u>County</u>
U-0137844	<u>Township 12 South, Range 15 East</u> Section 27: N/2, SE/4 Containing 480.00 Acres Lease Date: 4-1-64 (HBU)	Carbon
U-11604	<u>Township 12 South, Range 15 East</u> Section 22: All Section 23: All Section 35: N/2, SE/4 Containing 1760.00 Acres Lease Date: 5-1-79 (HBP)	Carbon
U-15254	<u>Township 12 South, Range 14 East</u> Section 11: W/2, W/2E/2, SE/4NE/4, E/2SE/4 Containing 600.00 Acres Lease Date: 8-1-71 (HBP)	Carbon
U-73006	<u>Township 12 South, Range 15 East</u> Section 7: All Section 8: All Section 9: S/2, NW/4NW/4 Section 10: NW/4 Section 17: E/2 Containing 2054.68 Acres Lease Date: 4-1-94, Exp. 3-31-04	Carbon
ML-21020	<u>Township 11 South, Range 14 East</u> Section 36: Lots 1-4, N/2SE/4, NE/4, N/2NW/4, SE/4NW/4 Containing 520.76 Acres Lease Date: 1-1-64 (HBU)	Duchesne
Freed Investment Bk187/P345	<u>Township 11 South, Range 14 East</u> Section 35: S/2NW, SW/4NE/4, NW/4SW/4 Section 36: NW/4SW/4	Duchesne
BK 152/P396	<u>Township 12 South, Range 14 East</u> Section 13: NE/SW/4 Section 24: SE/4NE/4 <u>Township 12 South, Range 15 East</u> Section 19: Lot 2 Lease Date: 3-21-79 (HBU)	Carbon
UTU-78431	<u>Township 11 South, Range 14 East, SLM</u> Section 33: NW/4, N/2SW/4, SE/4SW/4 Containing 280.0 acres Lease Date: 7-1-99, Exp. 6-30-09	Duchesne
UTU-79004	<u>Township 11 South, Range 15 East, SLM</u> Section 3: SW/4 Containing 160.0 acres Lease Date: 8-1-00, Exp. 7-31-10	Carbon

<u>Serial Number</u>	<u>Description</u>	<u>County</u>
Hunt Oil Company BK M292/P757	<u>Township 11 South, Range 15 East, SLM</u> Section 31: Lot 3, E/2SW/4, S2/SE Section 32: S/2SE4, NESE, S/2SW Section 33: SW/4, S/2SE/4 Containing 635.48 acres Lease Date: 4-26-00, Exp.4-26-03 (2 year option to extend)	Duchesne
UTU-77513 (SEGO)	<u>Township 12 South, Range 14 East, SLM</u> Section 23: N/2 Section 24: SW/4NE/4, S/2NW/4, SW/4, NW/4SE/4 Containing 640.0 acres Lease Date: 10-1-98, Exp. 9-31-08	Carbon
ML-48381	<u>Township 11 South, Range 14 East, SLM</u> Section 33: SW/4SW/4 Containing 40.0 acres Lease Date: 1-26-00, Exp. 1-31-10	Duchesne
ML-48385	<u>Township 13 South, Range 15 East, SLM</u> Section 2: Lots 1-4, S/2S/2 (All) Containing 313.52 Lease Date: 1-26-00, Exp. 1-31-10	Carbon
UTU-73665 (SKS)	<u>Township 12 South, Range 14 East, SLM</u> Section 10: E/2 Section 12: NW/4SW/4, S/2S/2 Section 13: NW/4, NW/4SW/4, N/2SE/4 Section 14: N/2NE/4, SE/4NE/4, NE/4NW/4 Containing 960.0 acres Lease Date: 1-1-95, Exp. 12-31-04	Carbon
UTU-74386 (SKS)	<u>Township 12 South, Range 14 East, SLM</u> Section 10: W/2 Section 11: NE/4NE/4 Section 12: N/2, NE/4SW/4, N/2SE/4 Section 13: S/2S/2 Section 14: SW/4NE/4, W/2NW/4, SE/4NW/4, S/2 Section 15: N/2, N/2SW/4, SE/4 Containing 2,000.0 acres Lease Date: 7-1-95, Exp. 6-30-05	Carbon
UTU-77060 (SKS)	<u>Township 12 South, Range 14 East, SLM</u> Section 23: SE/4 Containing 160.0 Lease Date: 4-1-98, Exp. 3-31-08	Carbon
UTU-73668 (SKS)	<u>Township 12 South, Range 15 East, SLM</u> Section 17: W/2 Section 18: All Containing 899.77 Lease Date: 1-1-95, Exp. 12-31-04	Carbon

<u>Serial Number</u>	<u>Description</u>	<u>County</u>
UTU-73670 (SKS)	<u>Township 12 South, Range 15 East, SLM</u> Section 21: All Section 27: SW/4 Section 28: ALL Containing 1,440.0 Lease Date: 1-1-95, Exp. 12-31-04	Carbon
UTU-73671 (SKS)	<u>Township 12 South, Range 15 East, SLM</u> Section 33: All Section 34: All Section 35: SW/4 Containing 1,440.0 Lease Date: 1-1-95, Exp. 12-31-04	Carbon
UTU-73896 (SKS)	<u>Township 12 South, Range 15 East, SLM</u> Section 24: All Section 25: All Section 26: All Containing 1,920.0 Lease Date: 4-1-95, Exp. 3-31-05	Carbon
UTU-74388 (SKS)	<u>Township 12 South, Range 15 East, SLM</u> Section 13: S/2 Containing 320.0 Lease Date: 7-1-95, Exp. 6-30-05	Carbon
UTU- 65319 (Mission)	<u>Township 11 South, Range 15 East, SLM</u> Section 34: W/2 Containing 320.0 gross/ 160.0 net acres Lease Date: 5-1-89 In Suspension 3-1-99	Duchesne
UTU-65767 (Mission)	<u>Township 11 South, Range 14 East, SLM</u> Section 20: All Section 21: W/2 Section 28: W/2 Section 29: All Containing 1920.0 gross/ 960.0 net acres Lease Date: 8-1-89 In Suspension 3-1-99	Duchesne
UTU-65773 (Mission)	<u>Township 12 South, Range 15 East, SLM</u> Section 14: S/2 Section 15: W/2, SE/4 Containing 800.0 gross/ 400.0 net acres Lease Date: 8-1-89 In Suspension 3-1-99	Carbon
UTU-65776 (Mission)	<u>Township 12 South, Range 15 East, SLM</u> Section 29: NE/4 Section 30: E/2 Containing 480.0 gross/ 240.0 net acres Lease Date: 8-1-89 In Suspension 3-1-89	Carbon

<u>Serial Number</u>	<u>Description</u>	<u>County</u>
UTU-72054 (Mission)	<u>Township 12 South, Range 15 East, SLM</u> Section 29: W/2, SE/4 Section 30: Lots 1-4, E/W/2 Section 31: Lots 1, 2, NE/4, E/2NW/4 Containing 1048.66 gross/ net acres Lease Date: 7-1-93, Exp. 6-30-03	Carbon
UTU-77059 (Mission)	<u>Township 12 South, Range 14 East, SLM</u> Section 17: All Section 20: N/2NE/4, SE/NE/4, NW/4 Section 25: N/2, SE/4 Containing 1400.0 gross/ net acres Lease Date: 4-1-98, Exp. 3-31-00	Carbon
ML-46708 (Mission)	<u>Township 12 South, Range 15 East, SLM</u> Section 16: All Containing 640.0 gross/ net acres Lease Date: 11-1-94, Exp. 10-31-04	Carbon
ML-46710 (Mission)	<u>Township 12 South, Range 15 East, SLM</u> Section 36: All Containing 640.0 gross/ net acres Lease Date: 11-1-94, Exp. 10-31-04	Carbon
ML-43798 (Mission)	<u>Township 12 South, Range 16 East, SLM</u> Section 32: S/2NE/4 Containing 80.0 gross/ net acres Lease Date: 4-1-88, (HBU Jack Canyon)	Carbon
ML-43541-A (Mission)	<u>Township 12 South, Range 16 East, SLM</u> Section 32: SW/4, E/2SE/4, SW/4SE/4, NW/4 N/2NE/4 Containing 520 acres Lease Date: 10-1-87, (HBU Jack Canyon)	Carbon
ML-43541	<u>Township 12 South, Range 16 East, SLM</u> Section 32: NW/4SE/4 Operating Rights Blow 3,398 Containing 40.0 gross/ net acres Lease Date: 10-1-87, (HBU Jack Canyon)	Carbon
UTU-65486 (Mission)	<u>Township 12 South, Range 16 East, SLM</u> Section 18: SE/4 Section 19: All Section 20: All Section 21: N/2, NW/4SW/4, SE/4 Containing 1,995.22 gross/ net acres Lease Date: 1-1-00, (HBU) In Suspension 3-1-99	Carbon
UTU-62890 (Mission)	<u>Township 12 South, Range 16 East, SLM</u> Section 15: SW/4 Containing 160.0 gross/ net acres Lease Date: 2-1-88, (HBU Jack Canyon Unit)	Carbon

<u>Serial Number</u>	<u>Description</u>	<u>County</u>
UTU-60470 (Mission)	<u>Township 12 South, Range 16 East, SLM</u> Section 31: Lots 3, 4, SE/4, E/2SW/4 Containing 318.18 gross/ net acres Lease Date: 4-1-88, (HBU Jack Canyon)	Carbon
UTU-69463 (Mission)	<u>Township 12 South, Range 16 East, SLM</u> Section 30: Lots 3, 4, E/2SW/4 Containing 157.96 gross/ net acres Lease Date: 4-1-92, (HBU Jack Canyon)	Carbon
UTU-66801 (Mission)	<u>Township 12 South, Range 16 East, SLM</u> Section 17: SW/4SW/4 Section 18: Lots 3, 4, E/2SW/4 Section 21: NE/4SW/4, S/2SW/4 Containing 317.64 gross/ net acres Lease Date 5-1-90, (HBU Jack Canyon)	Carbon
UTU-62645 (Mission-Burris)	<u>Township 12 South, Range 17 East, SLM</u> Section 3: Lots 1-3, SE, E/2SW/4 Section 10: E/2, E/2W/2 Section 11: All Section 15: W/2E/2, W/2 Section 17: S/S/2 Section 18: Lot 4, SE/4SW/4, S/2SE/4 Section 22: N/2N/2 Containing 2,433.37 gross/ net acres Lease Date: 12-1-87 Suspension Requested 5-26-00	Carbon
UTU-65783 (Mission-Burris)	<u>Township 12 South, Range 17 East, SLM</u> Section 20: N/2, N/2SW/4, SE/4 Section 21: N/2SE/4 Section 22: S/2NW/4, NW/4SW/4 Containing 760 gross/ 380 net acres Lease Date: 8-1-89 In Suspension	Carbon
UTU-65782 (Mission-Burris)	<u>Township 12 South, Range 17 East, SLM</u> Section 3: Lot 4, W/2SW/4 Section 4: Lots 1, 2, SE/4 Section 8: E/2, E/2W/2 Section 9: N/2 Section 10: W/2W/2 Containing 1,317.72 gross/ 658.86 net acres Lease Date: 8-1-89 In Suspension	Carbon

WELLS

<u>Wells</u>	<u>Legal Description</u> <u>Located in Carbon County, Utah:</u>
1. Stone Cabin #1-11	Township 12 South, Range 14 East, Section 11: SW/4SE/4
2. Government Pickrell	Township 12 South, Range 15 East, Section 11: SE/4NW/4
3. Stone Cabin Unit #1	Township 12 South, Range 14 East, Section 13: SW/4NE/4
4. Stobin Federal #21-22	Township 12 South, Range 15 East, Section 22: NE/4NW/4
5. Stone Cabin #2-B-27	Township 12 South, Range 15 East, Section 27: SE/4NW/4
6. Claybank Springs #33-1A	Township 12 South, Range 15 East, Section 33: SW/4NW/4
7. Jack Canyon #101A	Township 12 South, Range 16 East, Section 33: SW/4SE/4
8. Peters Point #2	Township 12 South, Range 16 East, Section 36: NE/4SW/4
9. Peters Point #9	Township 13 South, Range 16 East, Section 1: SE/4NE/4
10. Peters Point #14-9	Township 13 South, Range 16 East, Section 14: NE/4SE/4
11. Peters Point #4	Township 13 South, Range 16 East, Section 24: NW/4NW/4
12. Peters Point #5-14	Township 13 South, Range 17 East, Section 5: SE/4SW/4
13. Peters Point #1	Township 13 South, Range 17 East, Section 6: SW/4SW/4
14. Peters Point #3	Township 13 South, Range 17 East, Section 8: SW/4SE/4
	<u>Located in Duchesne County, Utah:</u>
15. PTS #33-36 State	Township 11 South, Range 14 East, Section 36: NW/4SE/4

003



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)

April 30, 2002

Wasatch Oil & Gas LLC
PO Box 699
Farmington UT 84025-0699

Re: Jacks Canyon 18-3 Well, 1557' FSL, 1308' FWL, C SW, Sec. 18, T. 12 South, R. 16 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 43-007-30826.

Sincerely,

John R. Baza
Associate Director

er

Enclosures

cc: Carbon County Assessor
Bureau of Land Management, Moab District Office

Operator: Wasatch Oil & Gas LLC
Well Name & Number Jacks Canyon 18-3
API Number: 43-007-30826
Lease: UTU-66801

Location: C SW **Sec.** 18 **T.** 12 South **R.** 16 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

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

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. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No. U-66801
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No. Jack's Canyon
8. Well Name and No. Jack's Canyon 18-3
9. API Well No. 43-007-30826
10. Field and Pool, or Exploratory Area Undesignated
11. County or Parish, State Carbon / Utah

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Bill Barrett Corporation	
3a. Address 1099 18th Street, Suite 2300, Denver, CO 80202	3b. Phone No. (include area code) 303 293-9100
4. Location of Well (Footage, Sec., T, R., M., or Survey Description) 1,557' FSL and 1,308' FWL; NW¼SW¼; Section 18: T. 12 S., R. 16 E.	

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Change of Operator</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please be advised that Bill Barrett Corporation has succeeded Wasatch Oil & Gas Corporation as Operator of the above described well effective April 1, 2002

Wasatch Oil & Gas Corporation

Todd Cusick

Todd Cusick, President April 30, 2002

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Dominc Bazile	Title Vice President of Operations
Signature <i>Dominc Bazile</i>	Date April 30, 2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)	Name (Printed/Typed)	Title
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	Date

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on next page)

RECEIVED
MAY 06 2002
DIVISION OF
OIL, GAS AND MINING

BILL BARRETT CORPORATION

May 15, 2002

Mr. Jim Thompson
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

RE: Annual Waste Management Plan, Response Form, 2002 Report

Dear Jim,

Enclosed you will find *Call for Annual Waste Management Plans for Calendar Year 2002 – Response Form*.

Annual Waste Management Plan - 2002

Listed below are the facilities from which water will be hauled to the water disposal operation of RNI Disposal in Roosevelt. We anticipate disposing of all produced water with RNI from these facilities and any others. RNI is permitted and in good standing with the division.

Bill Barrett Corporation estimates that approximately 3,000 barrels of water will be produced from these facilities during 2002. This number may vary depending on rework and new drilling activities.

<u>Wells</u>	<u>Legal Description</u> <u>Located in Carbon County, Utah:</u>
Government Pickrell	T12S, R15E, Section 11: SE/4NW/4
Stone Cabin #2-B-27	T12S, R15E, Section 27: SE/4NW/4
Peters Point #3A	T13S, R17E, Section 8: SW/SE/4
Hunt Ranch #3-4	T12S, R15E, Section 3: SE/4SE/4

<u>Compressor Stations</u>	
Main Compressor	T11S, R15E, Section 23
Airport Compressor	T12S, R16E, Section 27

Please contact the undersigned if you have any questions.

Sincerely,



Dominic J. Bazile, II
Vice President, Operations
Enclosure

RECEIVED

MAY 21 2002

**DIVISION OF
OIL, GAS AND MINING**



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

IN REPLY REFER TO
UT-922

May 24, 2002

Bill Barrett Corporation
1099 18th Street, Suite 2300
Denver, Colorado 80202

Re: Peters Point Unit
Carbon County, Utah

Gentlemen:

On May 9, 2002, we received an indenture dated April 1, 2002, whereby Wasatch Oil & Gas Corporation resigned as Unit Operator and Bill Barrett Corporation was designated as Successor Unit Operator for the Peters Point Unit, Carbon County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective May 24, 2002. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Peters Point Unit Agreement.

Your statewide (Utah) oil and gas bond No. 1262 will be used to cover all operations within the Peters Point Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Moab (w/enclosure)
Division of Oil, Gas & Mining
SITLA
Minerals Adjudication Group U-932
File - Peters Point Unit (w/enclosure)
Agr. Sec. Chron
Fluid Chron

UT922:TAThompson:tt:5/24/02

Call for Annual Waste Management Plans for Calendar Year 2002 – Response Form

In accordance with Rule R649-9-2.4 of the Utah Oil and Gas Conservation General Rules, the Utah Division of Oil, Gas and Mining requests that all oil and gas operators, who are active in Utah, inform the Division of their waste management plans for their Utah operations by returning this Response Form and, if a waste stream is anticipated during calendar year 2002, attaching an Annual Waste Management Plan.

Operator Name: Bill Barrett Corporation
Name and Title of Company Representative: Dominic J. Bazile II, Vice President, Operations
Date: May 15, 2002 Phone Number: 303 -293-9100

Three waste stream outcomes are defined below. Please select the one that fits your operational circumstances by placing an "X" on the underlined spaces in front of the selection:

- No Exploration and Production (E&P) wastes of any kind are anticipated and an amended Waste Management Plan will be filed when and if E&P wastes are generated.
- An E&P waste stream is probable but it is unlikely to include any produced water. We will file an amended Waste Management Plan when and if our operations generate any produced water. Attached please find our Annual Waste Management Plan (providing the information specified in Rule R649-9-2.4).
- Our E&P waste stream is likely to include produced water. We will probably dispose of our produced water in the approximate percentage(s) specified, using the disposition strategy(ies) selected, below:

100 % by Permitted Class II Water Disposal well(s).
 % by Permitted Class II Injection well(s) in a waterflood project.
 % by Permitted Commercial Evaporative Pit(s).
 % by Permitted Private, Non-commercial Evaporative Pit(s).
 % by Onsite (Surface) Pit(s).
 % by operations utilizing produced water for drilling, completion and workover activities.
 % by Permitted UPDES surface discharge
 % by Out of State Transfer to (specify in Annual Waste Management Plan).
 % by Other Means (specify in Annual Waste Management Plan).
100 % Total

and have attached the Annual Waste Management Plan to provide the information specified in Rule R649-9-2.4.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

IN REPLY REFER TO
UT-922

May 24, 2002

Bill Barrett Corporation
1099 18th Street, Suite 2300
Denver, Colorado 80202

Re: Jack's Canyon Unit
Carbon County, Utah

Gentlemen:

On May 9, 2002, we received an indenture dated April 1, 2002, whereby Wasatch Oil & Gas, LLC resigned as Unit Operator and Bill Barrett Corporation was designated as Successor Unit Operator for the Jack's Canyon Unit, Carbon County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective May 24, 2002. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Jack's Canyon Unit Agreement.

Your statewide (Utah) oil and gas bond No. 1262 will be used to cover all operations within the Jack's Canyon Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Moab (w/enclosure)
Division of Oil, Gas & Mining
SITLA
Minerals Adjudication Group U-932
File - Jack's Canyon Unit (w/enclosure)
Agr. Sec. Chron
Fluid Chron

UT922:TAThompson:tt:5/24/02



May 23, 2002

Mr. Jim Thompson
State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

RECEIVED

MAY 24 2002

**DIVISION OF
OIL, GAS AND MINING**

Re: Transfer Title to Wasatch Oil & Gas, LLC.

Dear Mr. Thompson:

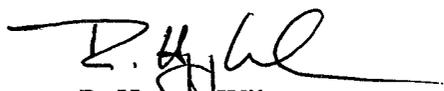
Pursuant to my April 24, 2002 letter and our recent conversation regarding the wells formally owned by Wasatch Oil & Gas LLC, please allow this letter to clarify that all the interest in the wells and well permits located in Carbon and Duchesne Counties previously owned by either Wasatch Oil & Gas Corporation or Wasatch Oil & Gas, LLC have been transferred to Bill Barrett Corporation effective April 1, 2002.

Effective July 1, 2000, Wasatch Oil & Gas Corporation attempted to transfer all their leasehold interest in State, Federal and Fee lands to Wasatch Oil & Gas, LLC. However, there was some apparent oversight in transferring the wells and units at the same time. Recently we made these transfers close to the same time Bill Barrett Corporation acquired the referenced wells.

Regardless of whether or not Wasatch Corp. or Wasatch LLC was shown as the operator of the wells on April 1, 2002, it is the intent that Bill Barrett Corporation is being transferred ownership.

Please do not hesitate to contact me if you have any further questions regarding this matter.

Sincerely,


R. Heggie Wilson

6. (R649-9-2)Waste Management Plan has been received on: 05/21/2002

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: N/A

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 05/24/2002

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 05/28/2002

2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 05/28/2002

3. Bond information entered in RBDMS on: N/A

4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: LPM4138146

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: 1262

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: N/A

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number N/A

2. The **FORMER** operator has requested a release of liability from their bond on: N/A

The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

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

FORM 9

006

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-66801

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
n/a

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.

7. UNIT or CA AGREEMENT NAME:
Jack Canyon Unit

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Jack Canyon Unit Federal #18-3

2. NAME OF OPERATOR:
BILL BARRETT CORPORATION

CONFIDENTIAL

9. API NUMBER:
4300730826

3. ADDRESS OF OPERATOR:
1099 18th St Ste 2300 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:
(303) 312-8120

10. FIELD AND POOL, OR WILDCAT:
Nine Mile Canyon

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1557' FSL x 1308' FWL COUNTY: Carbon
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SW 18 12S 16E 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 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 checked="" 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"/> 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 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.

BILL BARRETT CORPORATION REQUESTS APPROVAL TO MAKE THE FOLLOWING CHANGE REGARDING THIS PROPOSED WELL. THE ORIGINAL APD FOR THIS WELL SUBMITTED BY WASATCH OIL & GAS, LLC SPECIFIES A 5000# BOP SYSTEM. BBC REQUESTS THAT A 3000 PSI BOP BE USED IN A 3000 PSI CONFIGURATION BASED ON THE FOLLOWING CALCULATIONS USING A MAXIMUM 10,000' TOTAL DEPTH:

(TOTAL DEPTH 10,000')
BHP ESTIMATE: $10,000 * .33 \text{ PSI/FT} = 3300 \text{ PSI AT BH DEPTH}$
MASP ESTIMATE: REDUCE BHP BY PARTIALLY EVACUATED PIPE
 $3300 - (.22 \text{ PSI/FT} * 10,000) = 1100 \text{ PSI}$

A 3000# BOP SCHEMATIC IS ATTACHED

RECEIVED

MAY 16 2003

DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR
Date: 5-23-03
Initials: CHD

NAME (PLEASE PRINT) Debra K. Stanberry TITLE Permit Specialist
SIGNATURE *[Signature]* DATE 5/14/2003

(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining

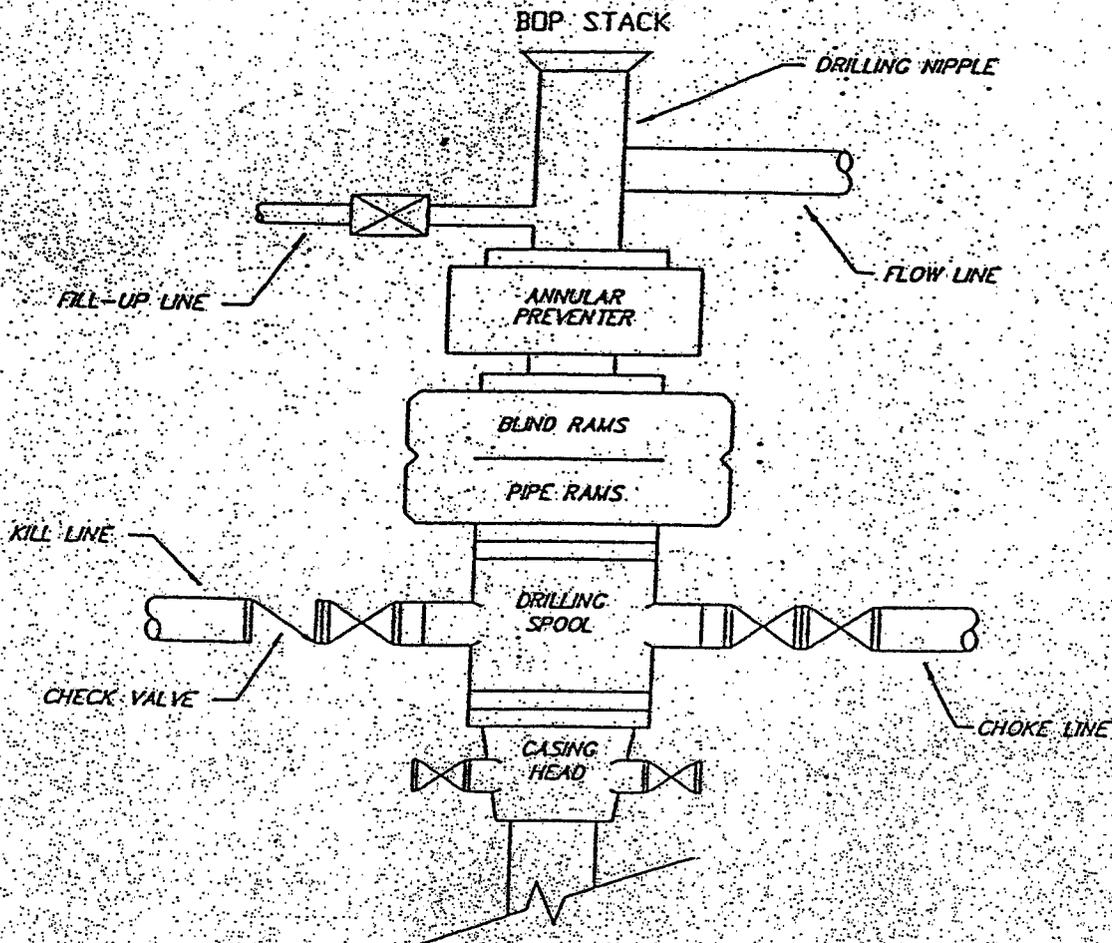
Federal Approval Of This
Action Is Necessary

(5/2000)

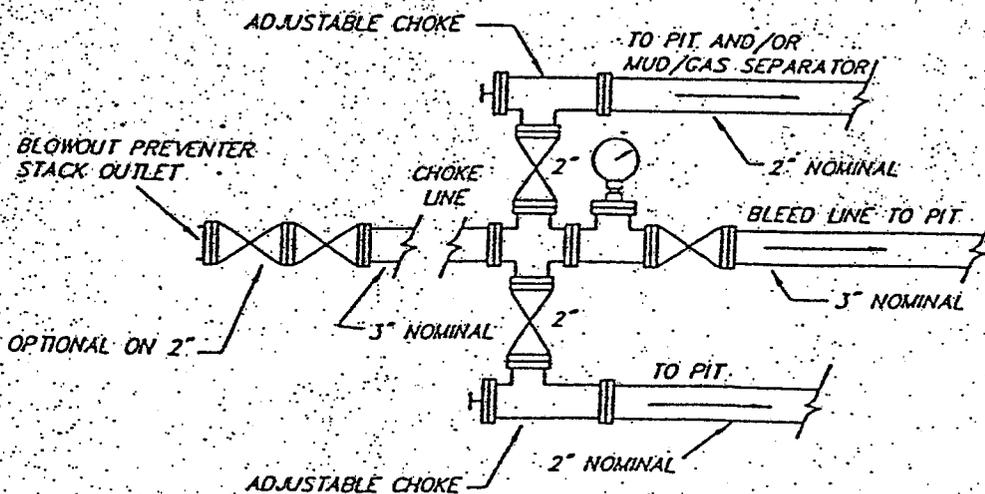
Date: 5/23/03
By: *[Signature]*

(See Instructions on Reverse Side)

TYPICAL 3,000 p.s.i.
BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i.
CHOKER MANIFOLD SCHEMATIC



005

CONFIDENTIAL

FORM 9

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-66801

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
n/a

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.

7. UNIT or CA AGREEMENT NAME:
Jack Canyon Unit

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Jack Canyon Unit Federal #18-3

2. NAME OF OPERATOR:
BILL BARRETT CORPORATION

9. API NUMBER:
007-30826

3. ADDRESS OF OPERATOR:
1099 18th St. Ste 2300 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:
(303) 312-8120

10. FIELD AND POOL, OR WILDCAT:
Undesignated

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1557' FSL x 1308' FWL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SW 18 12S 16E

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: _____	<input checked="" 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>Renew APD</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.

The name for this well has been changed
From: Jack Canyon #18-3
To: Jack Canyon Unit Federal #18-3

We understand the approval with UDOGM for this location expires April 30, 2003. Bill Barrett Corporation (BBC) respectfully requests an extension for this well for the maximum time possible.

All other information in the original APD remains the same.

Approved by the
Utah Division of
Oil, Gas and Mining

RECEIVED
MAR 19 2003
DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR
Date: 03-20-03
Initials: CHO

Date: 03-20-03
By: [Signature]

NAME (PLEASE PRINT) Debra K. Stanberry

TITLE Permit Specialist

SIGNATURE [Signature]

DATE 3/17/2003

(This space for State use only)

007

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

CONFIDENTIAL FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-66801

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
Jack Canyon Unit

8. WELL NAME and NUMBER:
Jack Canyon Unit Federal #18-3

9. API NUMBER:
4300730826

10. FIELD AND POOL, OR WILDCAT:
Nine Mile Canyon

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:
Bill Barrett Corporation

3. ADDRESS OF OPERATOR:
1099 18th St, Ste 2300 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:
(303) 312-8120

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1557' FSL x 1308' FWL COUNTY: Carbon
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SW 18 12S 16E STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
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	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

BILL BARRETT CORPORATION REQUESTS APPROVAL TO DEEPEN THIS WELL IN ORDER TO TEST THE MANCOS FORMATION. DUE TO THE INCREASED TOTAL DEPTH, CASING AND CEMENTING CHANGES ARE SET OUT BELOW:

INCREASE TOTAL DEPTH FROM 6,771' TO 10,000'

REVISE CASING PROGRAM AND ASSOCIATED CEMENT VOLUMES TO:

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12-1/4"	9-5/8"	36#	1,000'	420 sx
7-7/8"	5-1/2"	17#	10,000'	1095 sx

PLEASE SEE ATTACHED CASING DESIGN SHEETS AND CEMENTING PROGRAM.

WELL PAD SIZE WILL BE INCREASED FROM WIDTH 145' PLUS 50' FOR RESERVE PIT x LENGTH 300' TO WIDTH 150' PLUS 75' FOR RESERVE PIT x LENGTH 325'.

NAME (PLEASE PRINT) Debra K. Stanberry TITLE Permit Specialist

SIGNATURE *Debra K. Stanberry* DATE June 23, 2003

(This space for State use or)

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 07-01-03
By: *[Signature]*

COPY SENT TO OPERATOR
Date: 07-01-03
Initials: CMO

(See Instructions on Reverse Side)

RECEIVED
JUN 26 2003
DIV. OF OIL, GAS & MINING

CONFIDENTIAL



**Bill Barrett Corporation
1099 18th Street Suite 2300
Denver, Colorado 80202**

Nine Mile Canyon Cementing

Carbon County, Utah
United States of America

Surface and Production Casing Cementing Proposal

March 25, 2003
Version: 1

Submitted by:
Pat Kundert
Halliburton Energy Services
Denver 410 17th Co Us
410 Seventeenth St
Denver, Colorado 80202
303.899.4700

HALLIBURTON

Job Recommendation

Surface Casing

Fluid Instructions

Fluid 1: Water Spacer
Water Spacer w/Gel

Fluid Density: 8.50 lbm/gal
Fluid Volume: 20 bbl

Fluid 2: Lead Cement – (700 – 0')
Halliburton Light Premium, 6% gel standard
2 % Calcium Chloride (Accelerator)
0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight: 12.7 lbm/gal
Slurry Yield: 1.85 ft³/sk
Total Mixing Fluid: 9.90 Gal/sk
Top of Fluid: 0 ft
Calculated Fill: 700 ft
Volume: 78.09 bbl
Calculated Sacks: 237.01 sks
Proposed Sacks: 240 sks

Fluid 3: Primary Cement – (TD – 700')
Premium Cement
94 lbm/sk Premium Cement (Cement-api)
2 % Calcium Chloride (Accelerator)
0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight: 15.8 lbm/gal
Slurry Yield: 1.16 ft³/sk
Total Mixing Fluid: 4.97 Gal/sk
Top of Fluid: 700 ft
Calculated Fill: 300 ft
Volume: 36.56 bbl
Calculated Sacks: 176.81 sks
Proposed Sacks: 180 sks

Detailed Pumping Schedule

Fluid #	Fluid Type	Fluid Name	Surface Density lbm/gal	Estimated Avg Rate bbl/min	Downhole Volume
1	Spacer	Water Spacer w/Gel	8.5	5.0	20 bbl
2	Cement	Halliburton Light Cement	12.7	5.0	240 sks
3	Cement	Premium Cement	15.8	5.0	180 sks

Job Recommendation

Production Casing

Fluid Instructions

Fluid 1: Water Spacer
Water Spacer

Fluid Density: 8.40 lbm/gal
Fluid Volume: 5 bbl

Fluid 2: Reactive Spacer
SUPER FLUSH 101

Fluid Density: 10 lbm/gal
Fluid Volume: 20 bbl

Fluid 3: Water Spacer
Water Spacer

Fluid Density: 8.40 lbm/gal
Fluid Volume: 5 bbl

Fluid 4: Primary Cement – (TD – 2500’)
50/50 Poz Premium, 2% gel standard

3 % KCL (Additive Material)
0.75 % Halad(R)-322 (Low Fluid Loss Control)
3 lbm/sk Silicalite Compacted (Light Weight Additive)
0.2 % FWCA (Free Water Control)
0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)
1 lbm/sk Granulite TR 1/4 (Lost Circulation Additive)

Fluid Weight 13.40 lbm/gal
Slurry Yield: 1.49 ft³/sk
Total Mixing Fluid: 7.06 Gal/sk
Top of Fluid: 2500 ft
Calculated Fill: 7500 ft
Volume: 290.22 bbl
Calculated Sacks: 1093.61 sks
Proposed Sacks: 1095 sks

Job Procedure**Production Casing****Detailed Pumping Schedule**

Fluid #	Fluid Type	Fluid Name	Surface Density lbm/gal	Estimated Avg Rate bbl/min	Downhole Volume
1	Spacer	Water Spacer	8.4	5.0	5 bbl
2	Spacer	SUPER FLUSH 101	10.0	5.0	20 bbl
3	Spacer	Water Spacer	8.4	5.0	5 bbl
4	Cement	50/50 Pozmix, 2% gel Cement	13.4	5.0	1095 sks

Well name:	Utah Nine Mile
Operator:	Bill Barrett Corporation
String type:	Production: Frac
Location:	Uintah County

Design parameters:

Collapse

Mud weight: 9.500 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 6,000 psi
 Internal gradient: 0.023 psi/ft
 Calculated BHP: 6,234 psi
 Annular backup: 9.50 ppg

Minimum design factors:

Collapse:

Design factor: 1.125

Burst:

Design factor: 1.20

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 8,559 ft

Environment:

H2S considered? No
 Surface temperature: 60 °F
 Bottom hole temperature: 200 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 0,000 ft
 Minimum Drift: 4.750 in
 Cement top: 2,375 ft

Non-directional string.

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 (USD)
1	10000	5.5	17.00	N-80	LT&C	10000	10000	4.767	0
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	4935	6290	1.275	6000	8758	1.46	146	348	2.39 J

Prepared by: Troy Schindler
 Bill Barrett

Phone: (303) 312-8156
 FAX: (303) 312-8195

Date: March 25,2003
 Denver, Colorado

Remarks:

Collapse is based on a vertical depth of 10000 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

In addition, burst strength is biaxially adjusted for tension.

Well name:	Utah Nine Mile
Operator:	Bill Barrett Corporation
String type:	Surface
Location:	Uintah County

Design parameters:

Collapse

Mud weight: 9.500 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 2,735 psi
 Internal gradient: 0.220 psi/ft
 Calculated BHP: 2,955 psi
 Annular backup: 9.50 ppg

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 859 ft

Environment:

H2S considered? No
 Surface temperature: 60 °F
 Bottom hole temperature: 74 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,000 ft
 Minimum Drift: 8.750 in
 Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 10,000 ft
 Next mud weight: 9.500 ppg
 Next setting BHP: 4,935 psi
 Fracture mud wt: 10,000 ppg
 Fracture depth: 10,000 ft
 Injection pressure: 5,195 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 (USD)
1	1000	9.625	36.00	J-55	LT&C	1000	1000	8.796	0
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	493	2020	4.094	2735	3613	1.32	31	453	14.64 J

Prepared by: Troy Schindler
 Bill Barrett

Phone: (303) 312-8156
 FAX: (303) 312-8195

Date: March 25, 2003
 Denver, Colorado

Remarks:
 Collapse is based on a vertical depth of 1000 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

In addition, burst strength is biaxially adjusted for tension.

008

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-66801

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
n/a

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.

7. UNIT or CA AGREEMENT NAME:
Jack Canyon Unit

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Jack Canyon Ut Federal #18-3

2. NAME OF OPERATOR:
BILL BARRETT CORPORATION

9. API NUMBER:
4300730826

3. ADDRESS OF OPERATOR:
1099 18th St Ste 2300 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:
(303) 312-8120

10. FIELD AND POOL, OR WILDCAT:
Nine Mile Canyon

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1557' FSL x 1308' FWL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SW 18 12S 16E

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 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 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: <u>renew APD</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.

BILL BARRETT CORPORATION UNDERSTANDS THAT THE APPROVED STATE APD FOR THIS WELL WILL EXPIRE APRIL 30, 2004. BILL BARRETT CORPORATION RESPECTFULLY REQUESTS AN EXTENSION OF THIS APPROVAL FOR THE MAXIMUM TIME POSSIBLE.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 03-11-04
By: *[Signature]*

COPY SENT TO OPERATOR
Date: 3-16-04
Initials: CHD

NAME (PLEASE PRINT) Debra K. Stanberry

TITLE Permit Specialist

SIGNATURE *[Signature]*

DATE 3/8/2004

(This space for State use only)

RECEIVED

MAR 10 2004

DIV. OF OIL, GAS & MINING

RESET

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-007-30826
Well Name: JACK CANYON UNIT FEDERAL #18-3
Location: SW SEC 18-T12S-R16E, CARBON COUNTY, UTAE
Company Permit Issued to: BILL BARRETT CORPORATION
Date Original Permit Issued: 4/30/2002

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No N/A

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

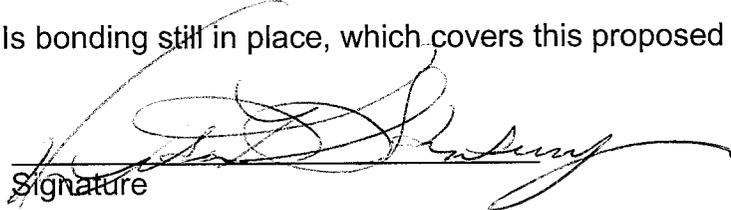
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No


Signature

3/8/2004
Date

Title: Permit Specialist

Representing: Bill Barrett Corporation

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MAR 10 2004
DIV. OF OIL, GAS & MINING

009

From: "Tracey L. Fallang" <tfallang@billbarrettcorp.com>
To: "Diana Whitney" <dianawhitney@utah.gov>
Date: 3/15/2005 6:39:42 AM
Subject: RE: Expired APD

Diana, we would like to rescind this APD. Thank you.

-----Original Message-----

From: Diana Whitney [mailto:dianawhitney@utah.gov]
Sent: Monday, March 14, 2005 10:45 AM
To: Tracey L. Fallang
Subject: Expired APD

Hi Tracey,

The Jacks Canyon Unit Federal 18-3 has expired. Will you let me know if Bill Barrett want's to renew or if they would like me to rescind this APD.

Thanks,
Diana



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

March 18, 2005

Tracey Fallang
Bill Barrett Corporation
1099 18th Street, Suite 2300
Denver, Colorado 80202

Re: APD Rescinded – Jacks Canyon U Federal 18-3 Sec. 18, T.12S, R. 16E
Carbon County, Utah API No. 43-007-30826

Dear Ms. Fallang:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on April 30, 2002. On March 20, 2003 and March 11, 2004 the Division granted a one-year APD extension. On March 15, 2005, you requested that the division rescind the state approved APD.

No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 15, 2005. A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Whitney
Engineering Technician

cc: Well File
Bureau of Land Management, Moab



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY REFER TO:
3160
(U-922)

August 15, 2005

Certified Mail - Return Receipt Requested

Bill Barrett Corporation
attn: Doug Gundry White
1099 18th Street
Suite 2300
Denver, CO 80202

43007 30826
S 18 T12S R16E

Re: Invalidation of Jack's Canyon Unit
Carbon County, Utah

Gentlemen:

In accordance with the Certification and Determination of the Jack's Canyon Unit Agreement, said unit agreement is hereby declared *invalid ab initio*.

The decision is based on your failure to commence drilling requirements within specified timeframes as outlined in Section 9 of the Jack's Canyon Unit Agreement.

You have the right to request a State Director Review of our decision as specified in 43 CFR 3165.3. Such request including all supporting documentation, must be filed in writing within twenty (20) business days of this notice to State Director (U-920), Bureau of Land Management, P.O. Box 45155, Salt Lake City, Utah 84145-0155. As stated in the regulations at 43 CFR 3165.3(e), a request for State Director Review does not automatically suspend the decision.

Sincerely,

/s/ Terry L. Catlin

Terry L. Catlin
Acting Chief, Branch of Fluid Minerals

RECEIVED

AUG 1 / 2005

DIV. OF OIL, GAS & MINING

bcc: DM Moab
Jack's Canyon Unit File
Mary Higgins U-942
Division of Oil, Gas, and Mining
SITLA
Agr. Sec. Chron.
Fluid Chron
Tickler (August 2005)