



Talon Resources, Inc.

Service, Quality and Accuracy

375 South Carbon Avenue A-10
Suite 101
Price, Utah 84501
Phone: 435-637-8781

Cell: 435-650-1401
435-650-1402
435-650-1886
Fax: 435-636-8603
Email: talon@castlenet.com

April 23, 2002

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

RE: Application for Permit to Drill—Soldier Creek #5-28, Carbon County, Utah
1983' FSL, 801' FWL, Section 28, T12S, R12E, SLB&M.

Dear Ms. Cordova:

On behalf of J-W Operating Company, Talon Resources, Inc. respectfully submits the enclosed original of the *Application for Permit to Drill (APD)* for the above referenced well. Included with the APD is the following supplemental information:

- Exhibit "A" - Survey plats and layouts of the proposed well site;
- Exhibit "B" - Proposed location maps with road corridors;
- Exhibit "C" - Drilling site layout;
- Exhibit "D" - Drilling Program;
- Exhibit "E" - Multi Point Surface Use Plan;
- Exhibit "F" - Typical road cross-section;
- Exhibit "G" - Typical BOP diagram;
- Exhibit "H" - Typical wellhead manifold diagram.

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APR 23 2002

DIVISION OF
OIL, GAS AND MINING

ORIGINAL

CONFIDENTIAL

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

001

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5A. Type of Work: DRILL DEEPEN

5B. Type of Well: OIL GAS SINGLE ZONE MULTIPLE ZONE

2. Name of Operator: I-W Operating Company

3. Address and Telephone Number: P.O. Box 305, Wray, Colorado 80758; 970/332-3151

4. Location of Well (Footages)
At Surface: 1983' FSL, 801' FWL 4399283 39.74461
At Proposed Producing Zone: 535088 -110.59047

5. Lease Designation and Serial Number: Patented

6. If Indian, Allottee or Tribe Name: N/A

7. Unit Agreement Name: N/A

8. Farm or Lease Name: Soldier Creek

9. Well Number: #5-28

10. Field or Pool, or Wildcat: Undesignated Wildcat

11. Qtr/Qtr, Section, Township, Range, Meridian: NW/4 SW/4, Section 28, T12S, R12E, SLB&M

12. County: Carbon 13. State: Utah

14. Distance in miles and direction from nearest town or post office: 16.0 miles northeast of Wellington, Utah

15. Distance to nearest property or lease line (feet): 1037'

16. Number of acres in lease: 2020

17. Number of acres assigned to this well: 40 acres

18. Distance to nearest well, drilling, completed, or applied for, or 1212'

19. Proposed Depth: 3150'

20. Rotary or cable tools: Rotary

21. Elevations (show whether DF, RT, GR, etc.): 7270' GR

22. Approximate date work will start: June 2002

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" K-55 ST&C	24	500'	350 sacks Class G cement + 2% CaCl ₂ + 0.25 pps cellophane
7-7/8"	5-1/2" N-80 LT&C	17	3150'	350 sacks 10:1 RFC Class G cement + 0.25 pps cellophane

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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.

Surface Owner: Iriart Family Partnership, LTD; 503 East 100 North, Price, Utah 84501
Louise Iriart; 435/637-1186

Mineral Owner: Iriart Family Partnership, LTD; 503 East 100 North, Price, Utah 84501
Louise Iriart; 435/637-1186

Landowner Representative: Bernie Iriart; 435/637-6610

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 06-05-02
By: [Signature]

CONFIDENTIAL

24. Name & Signature: Robert C. Eller Robert C. Eller Title: Engineer Date: 4/18/2002

(This space for state use only)

API Number Assigned: 43-007-30849

Approval:

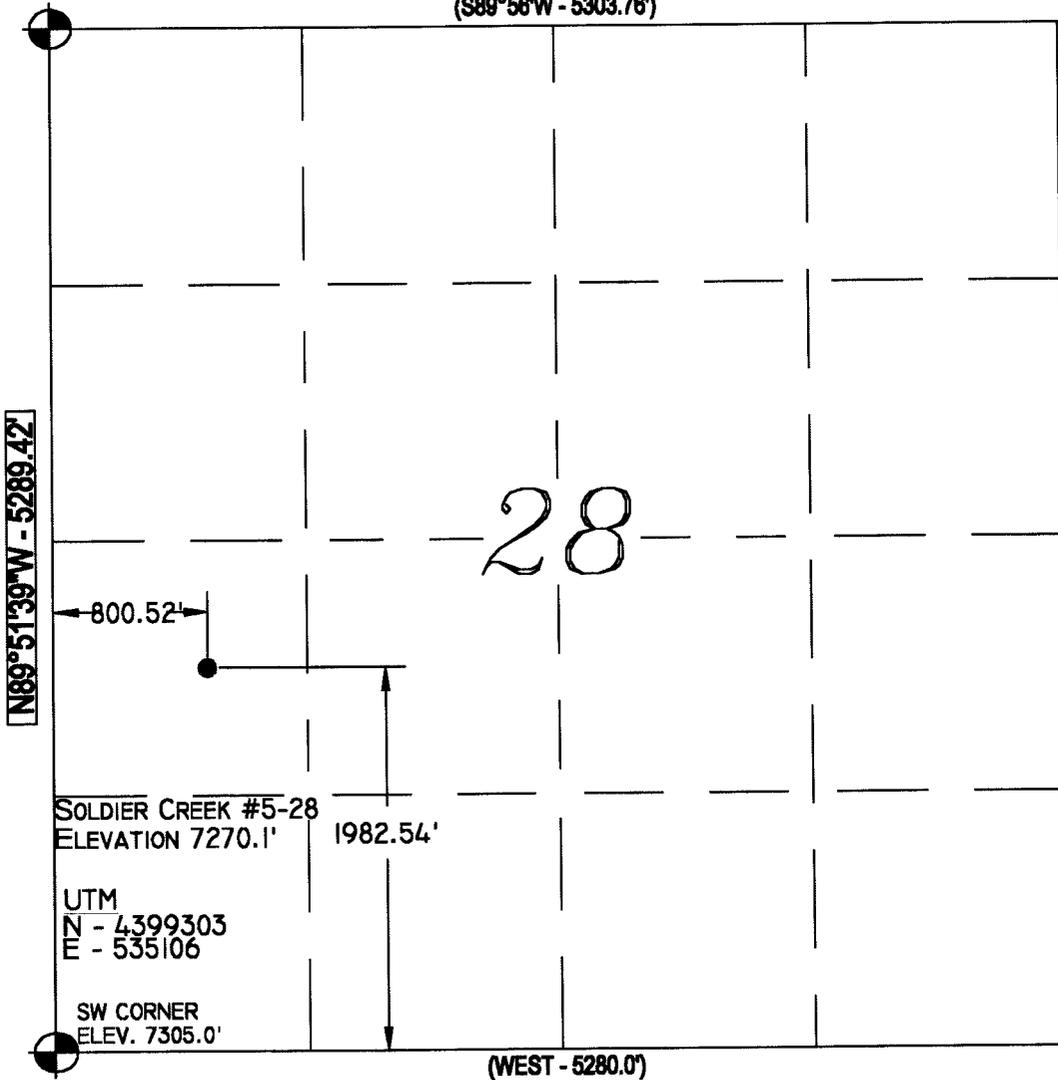
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ORIGINAL

Range 12 East

(S89°56'W - 5303.76')

Township 12 South



N89°51'39\"W - 5289.42'

N00°03'W - 5241.72'

(WEST - 5280.0')

Legend

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

GPS Measured

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

LAT / LONG
39°44'41\"N
110°35'25\"W

ORIGINAL



Location:

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

Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:

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

Basis of Elevation:

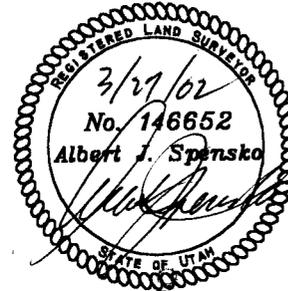
BASIS OF ELEVATION OF 7305' BEING AT THE SOUTHWEST SECTION CORNER OF SECTION 28, TOWNSHIP 12 SOUTH, RANGE 12 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE PINE CANYON QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE NW1/4, SW1/4 OF SECTION 28, T12S, R12E, S.L.B.&M., BEING 1982.54' NORTH AND 800.52' EAST FROM THE SOUTHWEST CORNER OF SECTION 28, T12S, R12E, SALT LAKE BASE & MERIDIAN.

Surveyor's Certificate:

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



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



WELL #5-28
 Section 28, T12S, R12E, S.L.B.&M.
 Carbon County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 03/26/02
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 584

AFFIDAVIT OF FACT

STATE OF COLORADO §
 §
COUNTY OF YUMA §

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Robert Eller, Engineer for J-W Operating Company, whose address is P. O. Box 305, Wray, Colorado 80758, to me well known, and who, after being by me duly sworn, deposes and says that:

He is well acquainted with the leasehold interests and surface use agreements in Carbon County, Utah, held by Cohort Energy Company, and;

That Cohort Energy Company has obtain a Surface Use Agreement dated June 18, 2001 and Amendment to Surface Use Agreement dated March 25, 2002, from the Iriart Family Limited Partnership, Louise L. Iriart, General Partner, covering, among other lands, the following:

Township 12 South, Range 12 East
Section 28: S/2NW/4, SW, NWSE, S/2SE
Section 29: NE/4, N/2SE, SWSE, S//2NW, NESW
Section 32: NW/4, NENE, S/2NE, S/2
Carbon County, Utah

and;

That due to the confidential nature of said Surface Use Agreement and Amendment to Surface Use Agreement, Cohort Energy Company elects not to have said Agreement part of the public records, however, Affiant acknowledges that true copies of said Agreements can be located in the files in Wray, Colorado.

Witnesses:

Sinclair Mahon
Dean Jantz

Robert Eller
Robert Eller, A f f i a n t

Subscribed and Sworn to before me, this 15th day of April 2002.

My Commission Expires:

My Comm. Expires 3/12/2005

Mary C. Swiss
Notary Public
In and for Yuma County, State of Colorado

Please accept this letter as J-W Operating Company's written request for confidential treatment of all information contained in and pertaining to this application, if said information is eligible for such consideration.

Thank you very much for your timely consideration of this application. Please feel free to contact myself, or Mr. Robert Eller with J-W Operating Company at 970/332-3151 if you have any questions or need additional information.

Sincerely,

Don Hamilton

Don Hamilton

Environmental Manager / Project Coordinator

cc: Mr. Mark Jones, Division of Oil, Gas and Mining
Mr. Robert Eller, J-W Operating Company
Mr. James Smith, J-W Operating Company
Mrs. Ginny Burchard, J-W Operating Company



DRILLING PROGRAM

Exhibit "D"

Attached to UDOGM Form 3
 J-W Operating Company
 Soldier Creek #5-28
 NW/4 SW/4, Sec. 28, T12S, R12E, SLB&M
 1983' FSL, 801' FWL
 Carbon County, Utah

1. The Geologic Surface Formation

Tertiary Colton Formation

2. Estimated Tops of Important Geologic Markers

Castlegate	2,280'
Blackhawk	2,570'
Sunnyside	2,760'
Gilson	2,990'
Kenilworth	3,040'

3. Projected Gas & H₂O zones (Blackhawk Formation)

Castlegate sandstone	2,280' – 2570'
Blackhawk coals and sandstones	2,570' – 2,760'
Gilson coals and sandstones	2,990' – 3,040'

No groundwater is expected to be encountered.

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

Surface casing will be tested to 500 psi.

4. The Proposed Casing and Cementing Programs

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	WEIGHT, GRADE & JOINT	CONDITION
12-1/4"	500'	8-5/8"	24# K-55 ST&C	New
7-7/8"	3150'	5-1/2"	17# N-80 LT&C	New

Cement Program -Every attempt will be made to bring cement back to surface.

Surface Casing: 350 sacks G + 2 % CaCl₂ + 0.25 pps cellophane flakes;
Weight: 15.8 #/gal
Yield: 1.16 cu.ft/sk

Production Casing: 350 sacks 10:1 RFC Class G cement + 0.25 pps cellophane flakes;
Weight: 14.2 #/gal,
Yield: 1.62 cu.ft/sk yield.

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

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

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A double gate 2000 psi BOP will be used. This equipment will be tested to 1000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-500	12-1/4" hole	Drill with water and gradually move to a light base mud.
500-TD	7-7/8" hole	Drill with water and gradually move to a light base mud.

7. The Testing, Logging and Coring Programs are as followed

500-TD gamma ray, sp, array induction, compensated neutron lithodensity with caliper.
 Injection Falloff Tests
 Bottomhole Pressure Surveys

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected to be under 2000 psi. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: June 2002.

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

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

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



MULTIPOINT SURFACE USE PLAN

Exhibit "E"

Attached to UDOGM Form 3
J-W Operating Company
Soldier Creek #5-28
NW/4 SW/4, Sec. 28, T12S, R12E, SLB&M
1983' FSL, 801' FWL
Carbon County, Utah

1. Existing Roads

- a. The proposed access road will encroach the Nine Mile Road in which approval to upgrade an existing encroachment is in place from the Carbon County Road Department (see Exhibit "B").
- b. We do not plan to change, alter or improve upon any other existing state or county roads. Existing roads will be maintained in the same or better condition.

2. Planned Access

- a. Approximately 300' of two-track road will be improved and 500' of new access will be constructed (see Exhibit "B").
- b. Maximum Width: 20' travel surface with a 24' base.
- c. Maximum grade: 6 %.
- c. Turnouts: None.
- d. Drainage design: approximately 3 – 18" culverts and 1 – 36" culvert/low water crossing may be required. Water will be diverted away from the planned access as necessary and practical.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.

3. Location of Existing Wells

- a. There are five proposed wells and one existing well within a one mile radius of the proposed well site (see Exhibit "B").

4. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, additional wells will be drilled and installation of production facilities will follow.
- b. Overhead powerlines and gathering lines, when installed, will follow the proposed access roads and tie-in South of Iriart surface (see Exhibit "B").
- c. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be obtained from a local water source (probably Price River Water Improvement District, a local source of municipal water).
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. All necessary construction materials needed will be obtained locally and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for handling waste disposal

- a. Since the well will be mud drilled, a reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will not be lined unless conditions encountered during construction warrant it or if deemed necessary by the DOGM representative during the pre-site inspection. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operation cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.
- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or pad location
- c. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

- a. We anticipate no need for ancillary facilities with the exception of camp trailers to be located on the drill site.

9. Wellsite Layout

- a. Available topsoil will be removed from the location and stockpiled. The location of mud tanks, reserve pits, and soil stockpiles will be located as shown on Exhibit "C".
- a. Access to the well pad will be as shown on Exhibit "B".
- d. Natural runoff will be diverted around the well pad.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and recontoured to minimize possible erosion.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.
- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by the existing conditions.
- e. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the wellsite is to be abandoned, all disturbed areas will be recontoured.

11. Surface Ownership

- a. The wellsite will be constructed on lands owned by the Iriart Family Partnership, LTD; 503 East 100 North, Price, Utah 84501. Louise Iriart can be reached at 637-1186 and Bernie Iriart her son. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

12. Other Information:

- a. The primary surface use is grazing. The nearest dwelling is an old abandoned cabin approximately 1,400' southwest. Nearest live water is Soldier Creek approximately 2,000' southeast.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.
- c. The backslope and foreslope will be constructed no steeper than 4:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be at the well site during construction and drilling operations.
- f. There will be no deviation from the proposed construction, drilling, and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. **Company Representatives**

Robert Eller – Production Engineer
J-W Operating Company
P.O. Box 305
Wray, Colorado 80758

(970) 332-3151 office
(970) 597-0019 mobile
(970) 332-5821 fax

Mail Approved A.P.D. To:

Company Representative

Excavation Contractor

To be awarded in the future

14. **Certification**

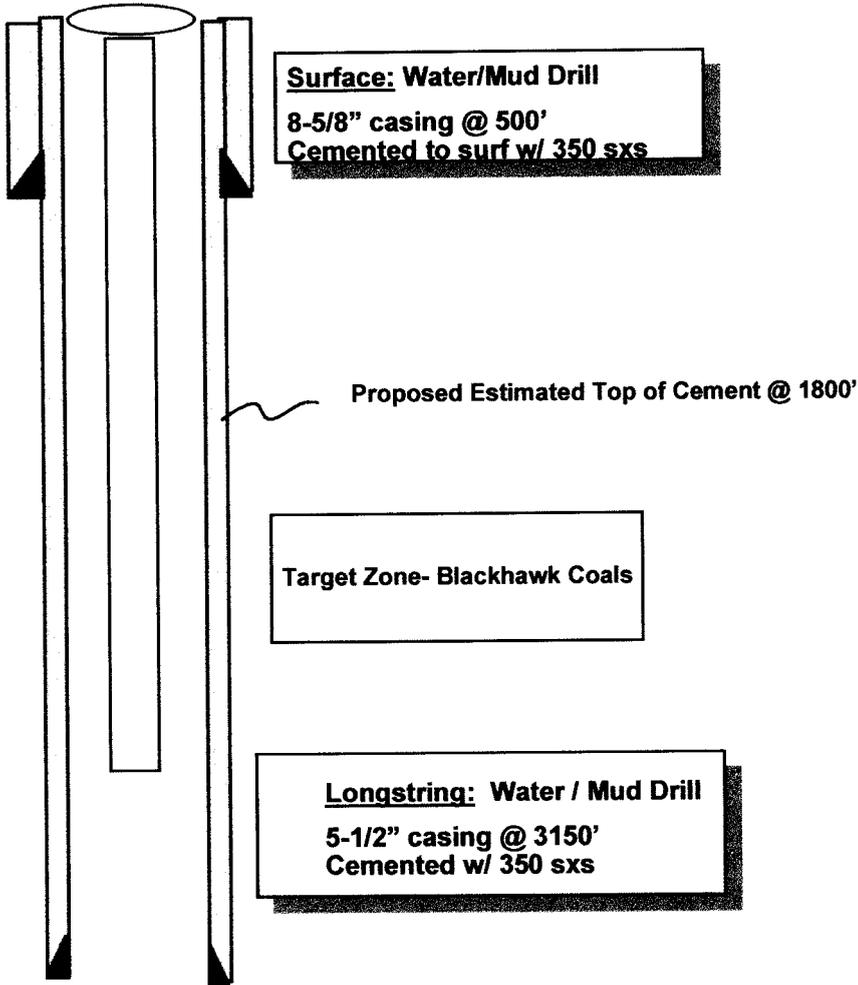
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill-site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by J-W Operating Company and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

4-18-02
Date

Robert Eller
Robert Eller for J-W Operating Company

ORIGINAL

SOLDIER CREEK#5-28
NW-SW/4 SEC 28-T12S-R12E

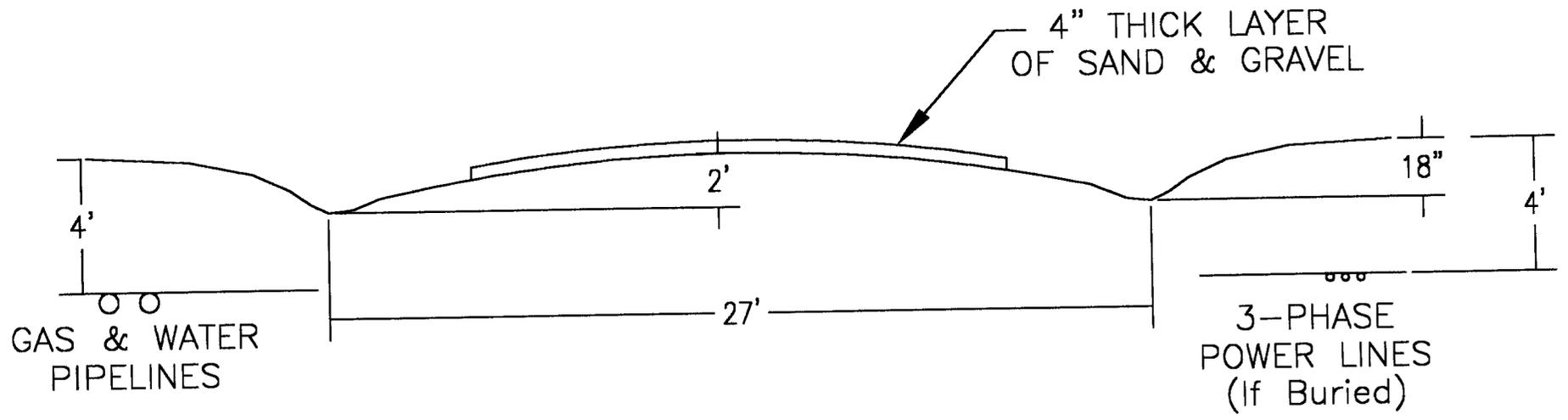


TD: 3150'

RCE 03/20/02

CONFIDENTIAL

TYPICAL ROAD CROSS-SECTION



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DIVISION OF
HIGHWAYS
EXHIBIT "F"



BOP Equipment

2000 psi WP

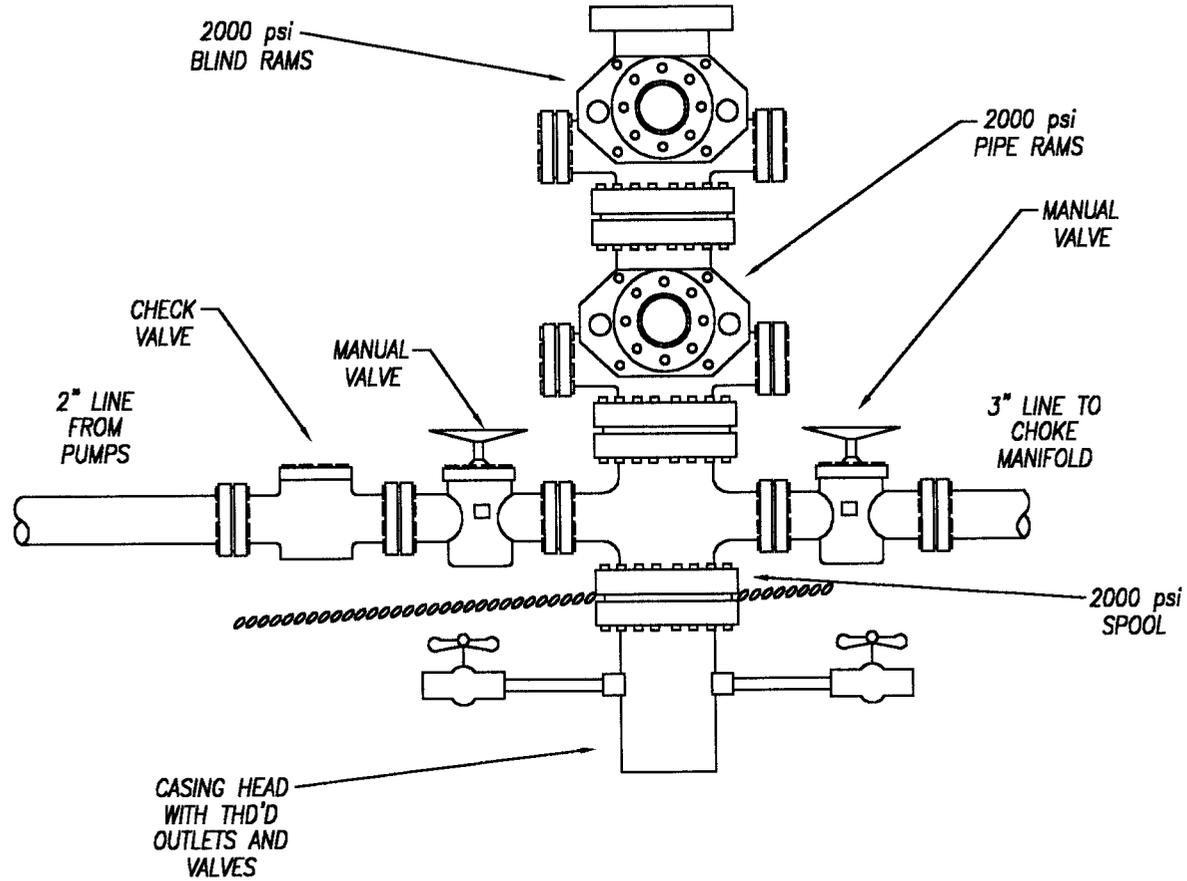


EXHIBIT "C"



CHOKE MANIFOLD

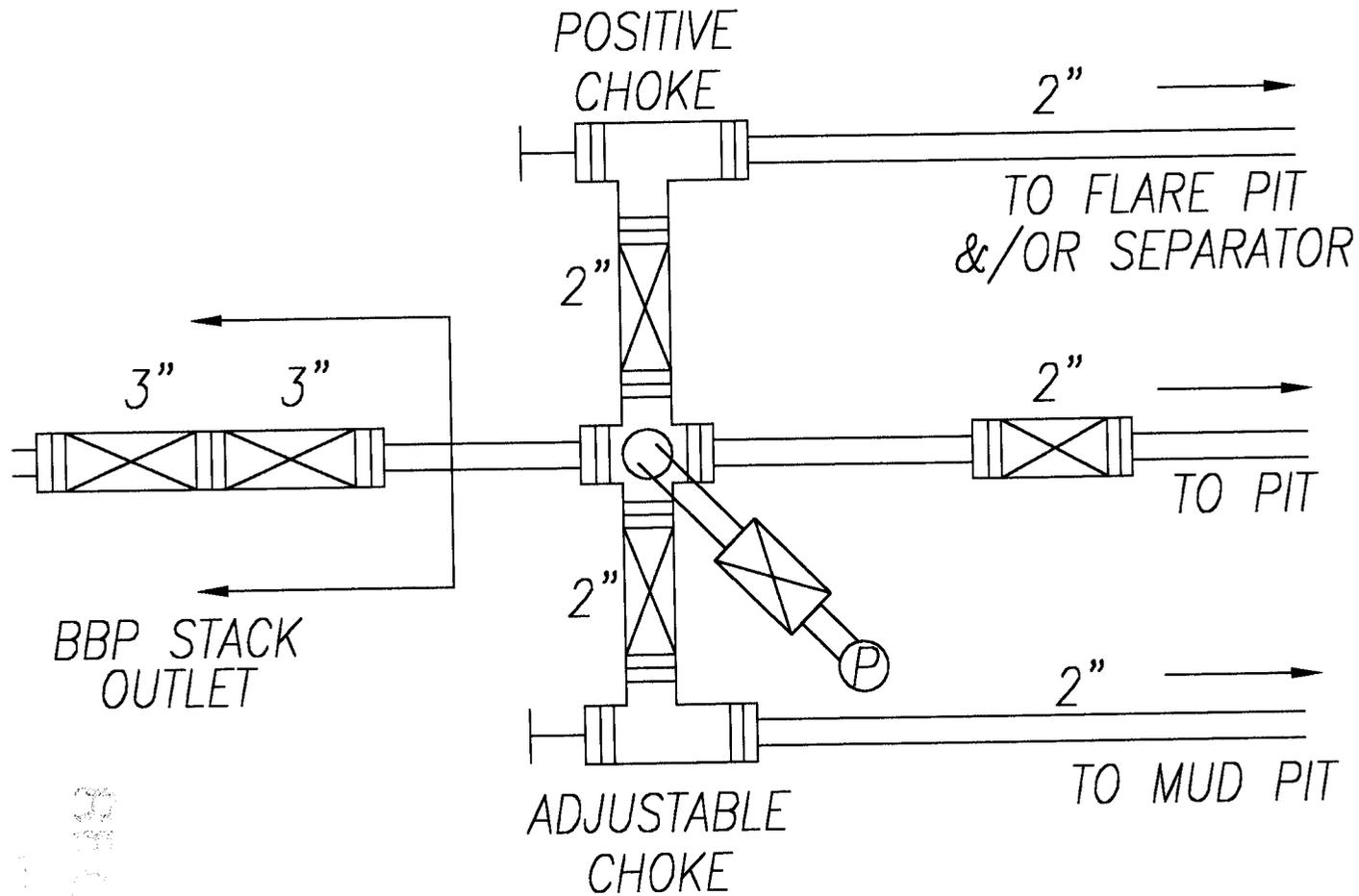
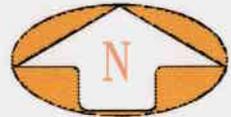
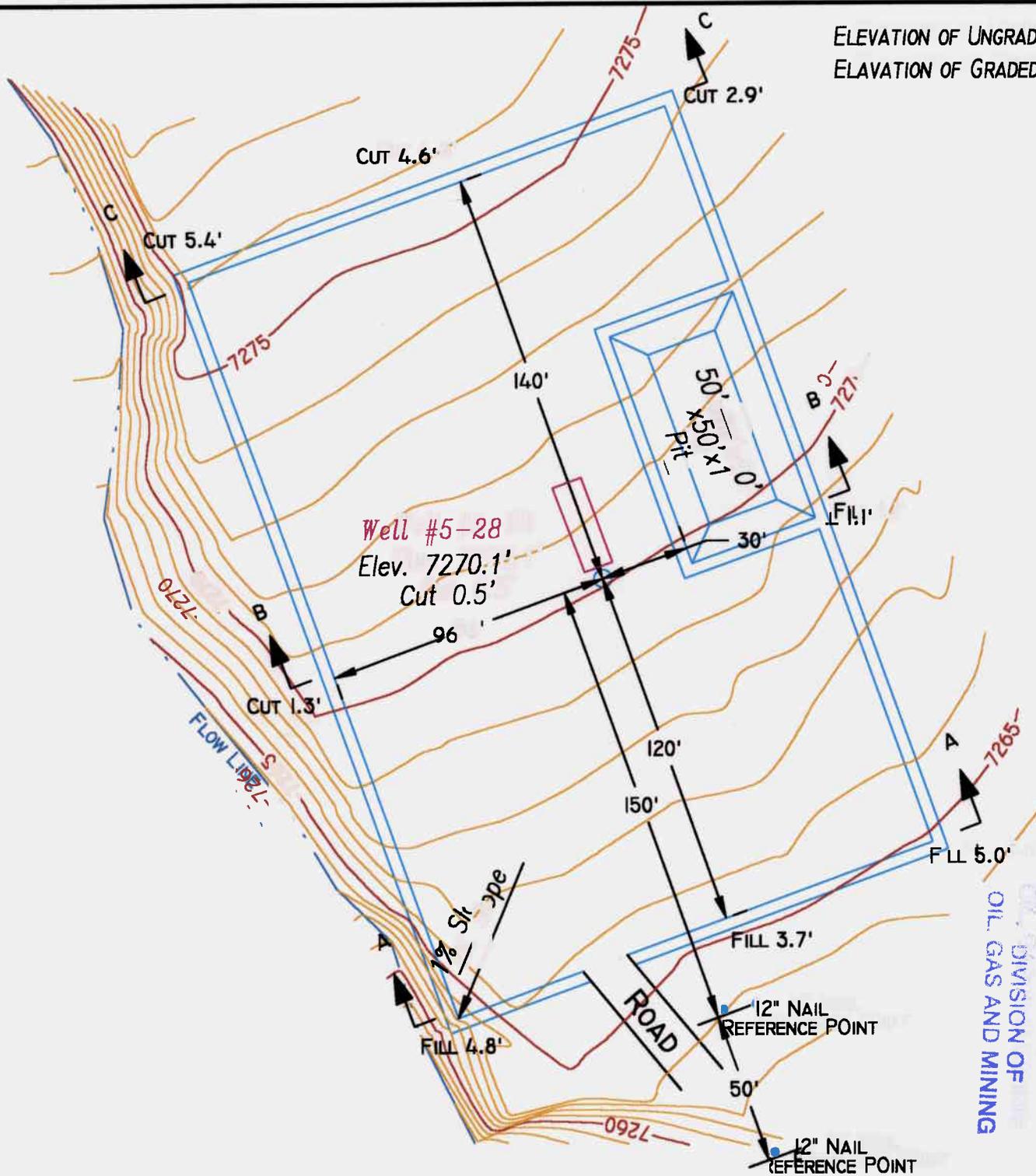


EXHIBIT "H"



ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 7270.1'
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 7269.6'



Location Resources Inc
 575 South Carbon Avenue, #101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-636-8603



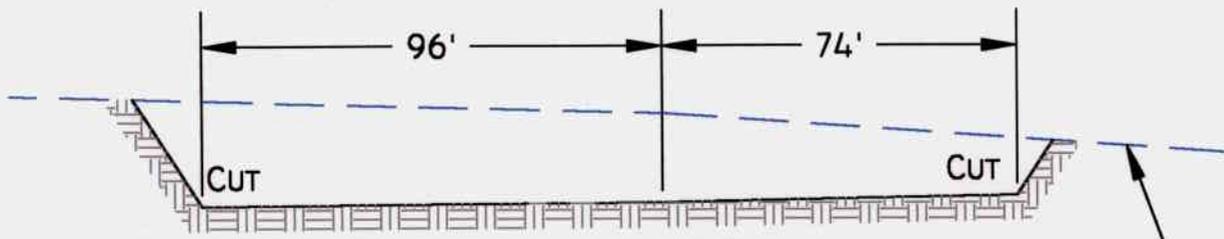
LOCATION LAYOUT

Section 28, T12S, R12E, S.L.B.&M.
 WELL #05-28

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 04/12/02
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 584

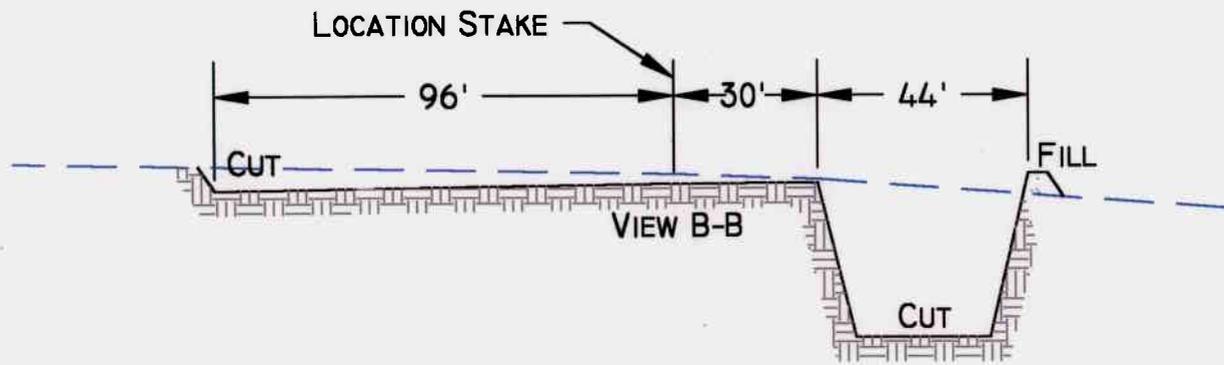
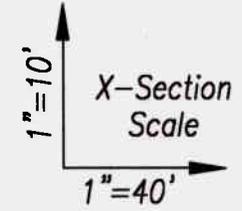
DIVISION OF OIL, GAS AND MINING
 APR 25 2002
 APR 21 2002

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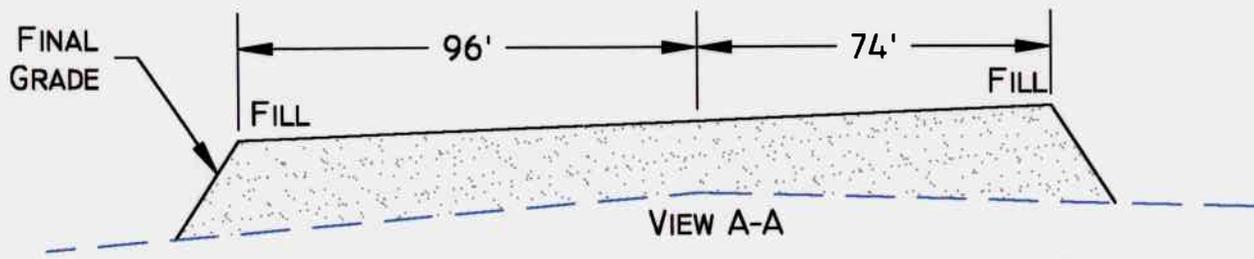
VIEW C-C

PRECONSTRUCTION GRADE



VIEW B-B

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



VIEW A-A



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

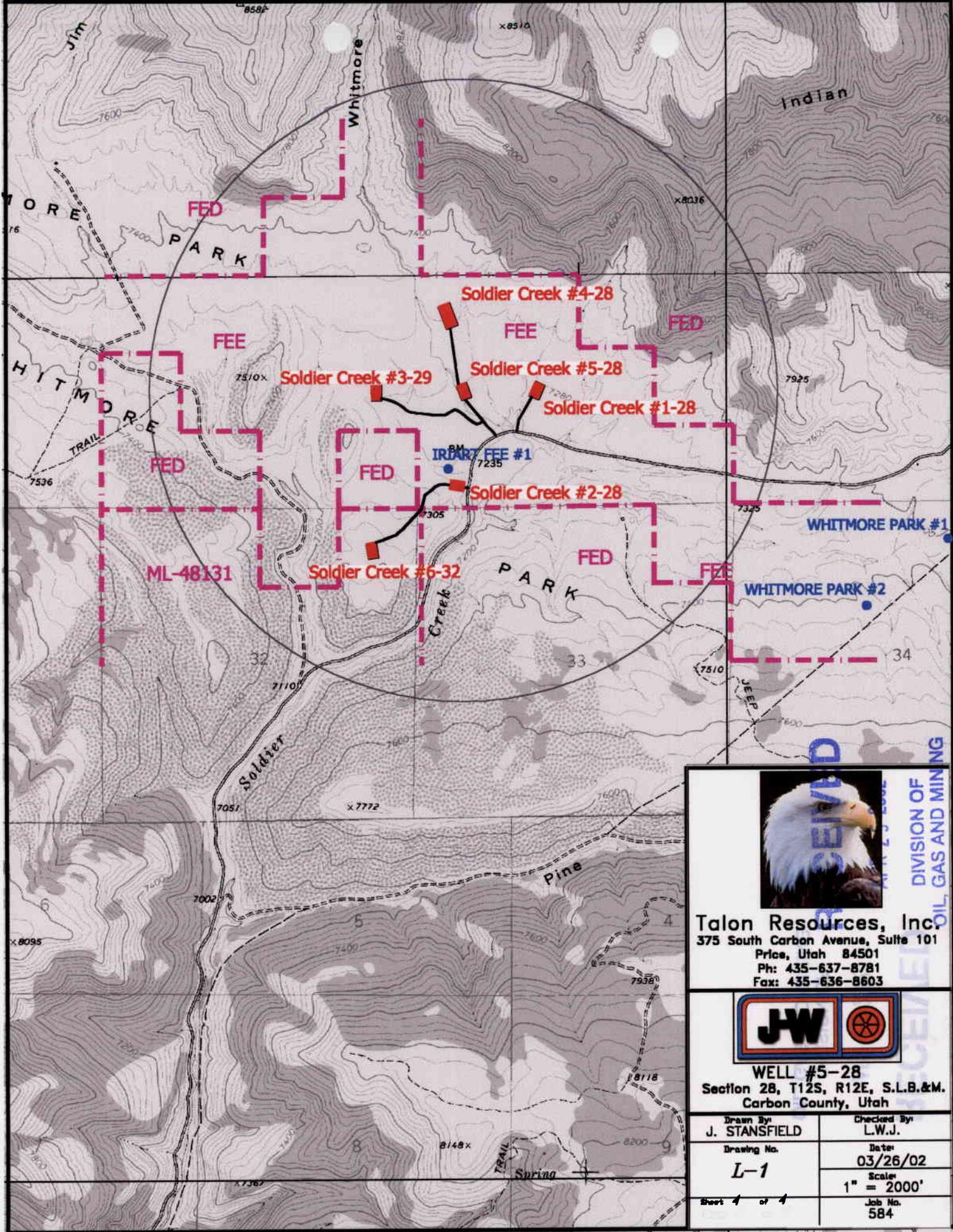


TYPICAL CROSS SECTION
Section 28, T12S, R12E, S.L.B.&M.
WELL #05-28

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 04/12/02
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 574

APPROXIMATE YARDAGES
CUT
(6")TOPSOIL STRIPPING = 750 CU. YDS.
REMAINING LOCATION = 2,410 CU, YDS.
TOTAL CUT = 3,160 CU. YDS.
TOTAL FILL = 1,620 CU. YDS.

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OIL, GAS AND MINING
APR 25 2002
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DIVISION OF OIL, GAS AND MINING

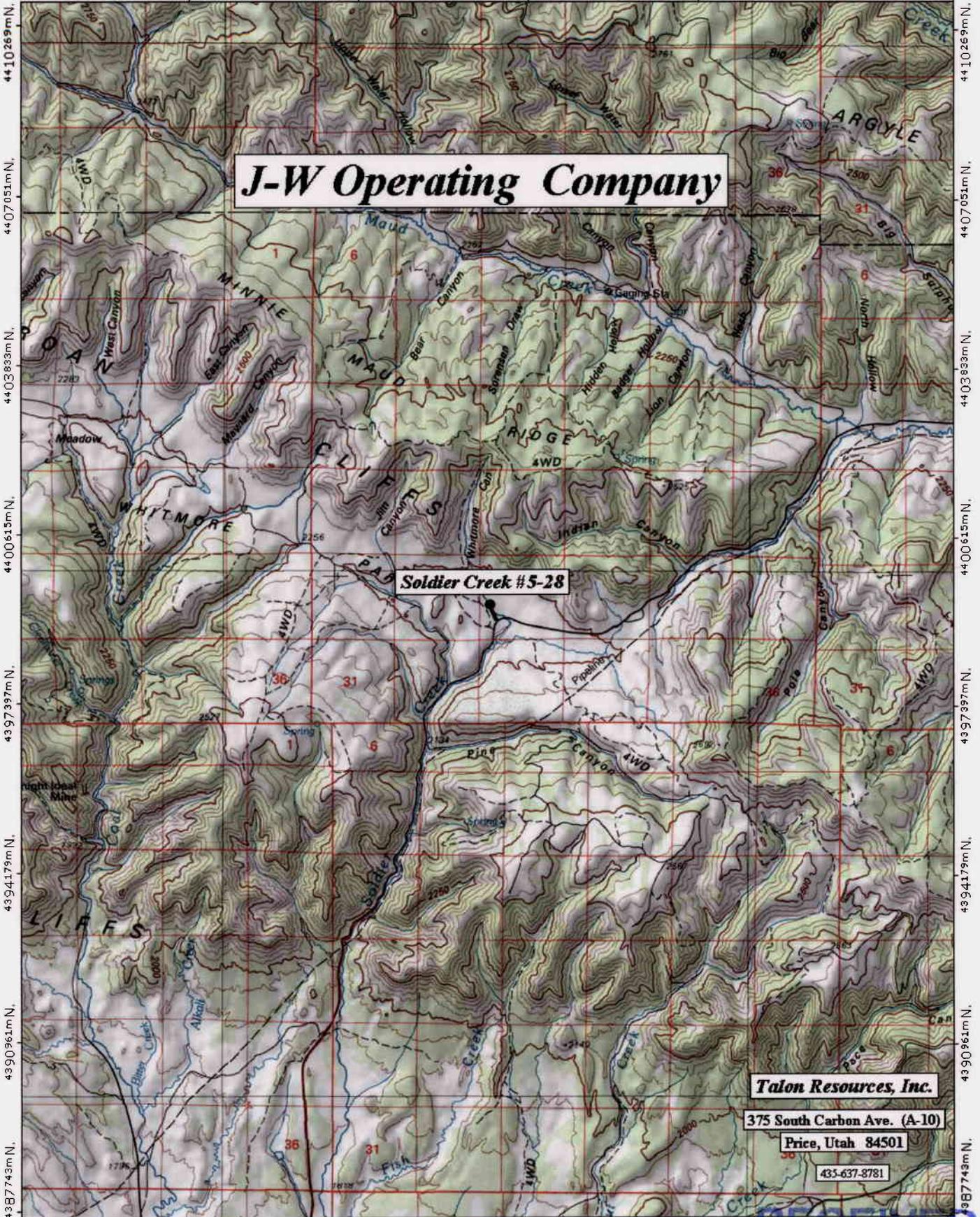
Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-636-8603



WELL #5-28
 Section 28, T12S, R12E, S.L.B.&M.
 Carbon County, Utah

Drawn By J. STANSFIELD	Checked By L.W.J.
Drawing No. L-1	Date 03/26/02
	Scale 1" = 2000'
Sheet 4 of 4	Job No. 584

529361m E. 532579m E. 535797m E. 539015m E. NAD27 Zone 12S 543842m E.



J-W Operating Company

Soldier Creek #5-28

Talon Resources, Inc.

375 South Carbon Ave. (A-10)

Price, Utah 84501

435-637-8781

TN MN
13°

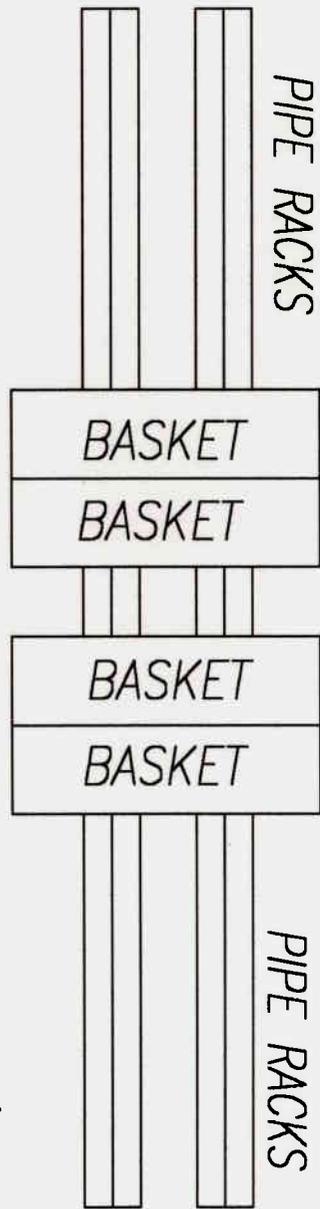
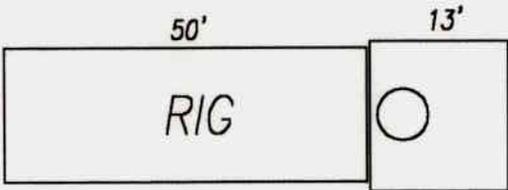
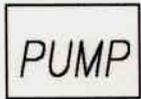
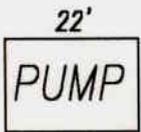
0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles
0 1 2 3 4 5 km

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NAD27 Zone 12S 543842m E.

APR 25 2002

DIVISION OF
OIL, GAS AND MINING



DIESEL FUEL 26' PROPANE



APPROXIMATE LAYOUT OF RIG & EQUIPMENT
(Not to Scale)

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APR 25 2002

DIVISION OF
OIL, GAS AND MINING
EXHIBIT 'C'



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

OPERATOR: JW Operating
WELL NAME & NUMBER: Soldier Creek #5-28
API NUMBER: 43-007-30849
LEASE: Fee FIELD/UNIT: _____
LOCATION: 1/4,1/4 NWSW Sec: 28 TWP: 12S RNG: 12E 1983' FSL 801' FWL
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.
GPS COORD (UTM): X =535110 E; Y = 4399302 N SURFACE OWNER: Iriart Family

PARTICIPANTS

M. Jones (DOGM), Robert Eller (JWO), D. Hamilton (Talon), Bernie Iriart (surface).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

The proposed location is on property owned by the Iriart Family located ~16.0 miles Northeast of Price, Utah. Soldier Creek, a year-round live water source lies South of the proposed location and is ~10 feet from the NW corner of the pad. The terrain directly associated with this location drains to the South to the Price River. Dry washes run throughout the area.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 160' X 270' and a 80 X 44 X 8 pit.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 5 proposed wells and 1 PA well exist within a 1 mile radius of the above proposed well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Along the roadway.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and transported in.

ANCILLARY FACILITIES: N/A

WASTE MANAGEMENT PLAN:

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill. Crude oil production is unlikely. Drilling fluid, completion / frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Produced water will be gathered to the evaporation pit and eventually injected into the Navajo Sandstone via a salt water disposal well. Used oil from drilling operations and support is hauled to a used oil recycler and reused.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Soldier Creek, a year-round live water source lies south of the above proposed location ~10 feet. As per Bernie Iriart, during normal and high water years water table surfaces and creates a swampy area near the county road. It dries up proceeding NW from county road. Dry washes running throughout the area.

FLORA/FAUNA: Sagebrush, native grasses, rabbit brush, elk, deer, coyote, various fowl and small game.

SOIL TYPE AND CHARACTERISTICS: Sandy clay loam.

SURFACE FORMATION & CHARACTERISTICS: Colton Formation - Dark reddish-brown to greenish variegated mudstones and shaley siltstones interlayered with variously yellowish to grayish thin, fine to medium grained quartzose sandstone beds, many crossbedded, and sparse limestones. Colton (basal) is a thin erosional edge, which is closely underlain by undivided Tertiary/Cretaceous Flagstaff/North Horn Formation, which presents various water-saturated permeable strata.

EROSION/SEDIMENTATION/STABILITY: Erosive on disturbance.

PALEONTOLOGICAL POTENTIAL: N/A

RESERVE PIT

CHARACTERISTICS: Dugout earthen pit. (As per APD.)

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

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: Surface use agreement has been signed.

CULTURAL RESOURCES/ARCHAEOLOGY: None required by surface owner.

OTHER OBSERVATIONS/COMMENTS

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

5/02/2002 / 4:30 pm
DATE/TIME

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

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

Final Score 75 (Level I Sensitivity)

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

06-02 JW Op Soldier Creel -28

Casing Schematic

Surface

Caitan

8-5/8"
MW 8.4
Frac 19.3

TOC @
0.

w/228 washout

Surface
500. MD

BOP

BHA

$$(0.052)(3150)(9) = 1474 \text{ psi}$$

Anticipated < 2000 psi

Gas

$$(0.12)(3150) = 378 \text{ psi}$$

@ 2000 psi MASP = 1622 psi
@ 1474 psi = 1096 psi

TOC @
1142.

- estimated TOC @ 1800'

w/158 washout

TOC @ surface w/0% wo

2280' -
Castlegate

2570' -
Blackhawk

2760' -
Sunrise

2920' -
G. Ison

3040' -
Ken. worth
5-1/2"
MW 9.

Production
3150. MD

2M BOPE proposed

Adequate

Dec
6/4/02

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work: DRILL DEEPEN
 B. Type of Well: OIL GAS SINGLE ZONE MULTIPLE ZONE

2. Name of Operator: I-W Operating Company
 3. Address and Telephone Number: P.O. Box 305, Wray, Colorado 80758; 970/332-3151

4. Location of Well (Footages)
 At Surface: 1983' FSL, 801' FWL 4399283 39.74461
 At Proposed Producing Zone: 535088 -110.59047

5. Lease Designation and Serial Number: Patented
 6. If Indian, Allottee or Tribe Name: N/A
 7. Unit Agreement Name: N/A
 8. Farm or Lease Name: Soldier Creek
 9. Well Number: #5-28
 10. Field or Pool, or Wildcat: Undesignated Wildcat
 11. Qtr/Qtr, Section, Township, Range, Meridian: NW/4 SW/4, Section 28, T12S, R12E, SLB&M

14. Distance in miles and direction from nearest town or post office: 16.0 miles northeast of Wellington, Utah
 12. County: Carbon 13. State: Utah

15. Distance to nearest property or lease line (feet): 1037' 16. Number of acres in lease: 2020 17. Number of acres assigned to this well: 40 acres
 18. Distance to nearest well, drilling, completed, or applied for, or 1212' 19. Proposed Depth: 3150' 20. Rotary or cable tools: Rotary
 21. Elevations (show whether DF, RT, GR, etc.): 7270' GR 22. Approximate date work will start: June 2002

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" K-55 ST&C	24	500'	350 sacks Class G cement + 2% CaCl ₂ + 0.25 pps cellophane
7-7/8"	5-1/2" N-80 LT&C	17	3150'	350 sacks 10:1 RFC Class G cement + 0.25 pps cellophane

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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.*

Surface Owner: Iriart Family Partnership, LTD; 503 East 100 North, Price, Utah 84501
 Louise Iriart; 435/637-1186
Mineral Owner: Iriart Family Partnership, LTD; 503 East 100 North, Price, Utah 84501
 Louise Iriart; 435/637-1186
Landowner Representative: Bernie Iriart; 435/637-6610

CONFIDENTIAL

24. Name & Signature: Robert C. Eller Robert C. Eller Title: Engineer Date: 4/18/2002

RECEIVED

(This space for state use only)
 API Number Assigned: 43-007-30849

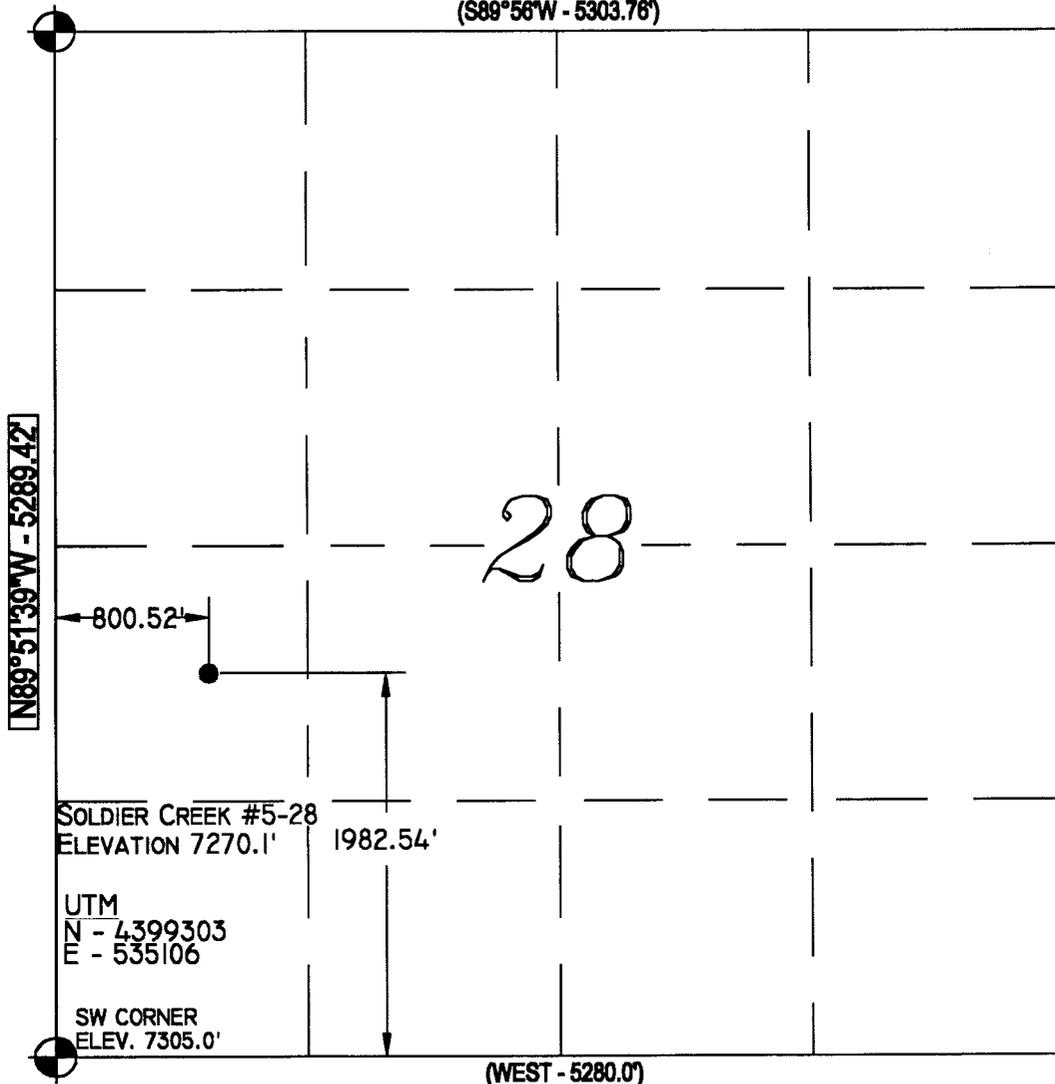
APR 25 2002 Approval:

ORIGINAL

Range 12 East

(S89°56'W - 5303.76')

Township 12 South



(N00°03'W - 5241.72')

(WEST - 5280.0')

Legend

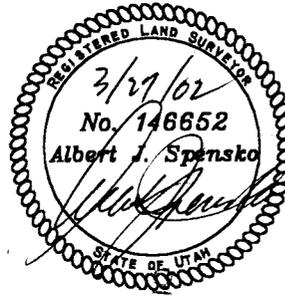
- Drill Hole Location
- ⊙ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Rock Pile
- () GLO
- GPS Measured

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

LAT / LONG
 39°44'41"N
 110°35'25"W

ORIGINAL GRAPHIC SCALE

 (IN FEET)
 1 inch = 1000 ft.



DIVISION OF
 OIL, GAS AND
 MINING
 APR 25 2002

RECEIVED

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

Basis of Bearing:
 THE BASIS OF BEARING IS GPS MEASURED.

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

Basis of Elevation:
 BASIS OF ELEVATION OF 7305' BEING AT THE SOUTHWEST SECTION
 CORNER OF SECTION 28, TOWNSHIP 12 SOUTH, RANGE 12 EAST, SALT
 LAKE BASE AND MERIDIAN, AS SHOWN ON THE PINE CANYON QUADRANGLE
 7.5 MINUTE SERIES MAP.

Description of Location:
 PROPOSED DRILL HOLE LOCATED IN THE NW1/4, SW1/4 OF SECTION 28,
 T12S, R12E, S.L.B.&M., BEING 1982.54' NORTH AND 800.52' EAST
 FROM THE SOUTHWEST CORNER OF SECTION 28, T12S, R12E, SALT
 LAKE BASE & MERIDIAN.

Surveyor's Certificate:

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

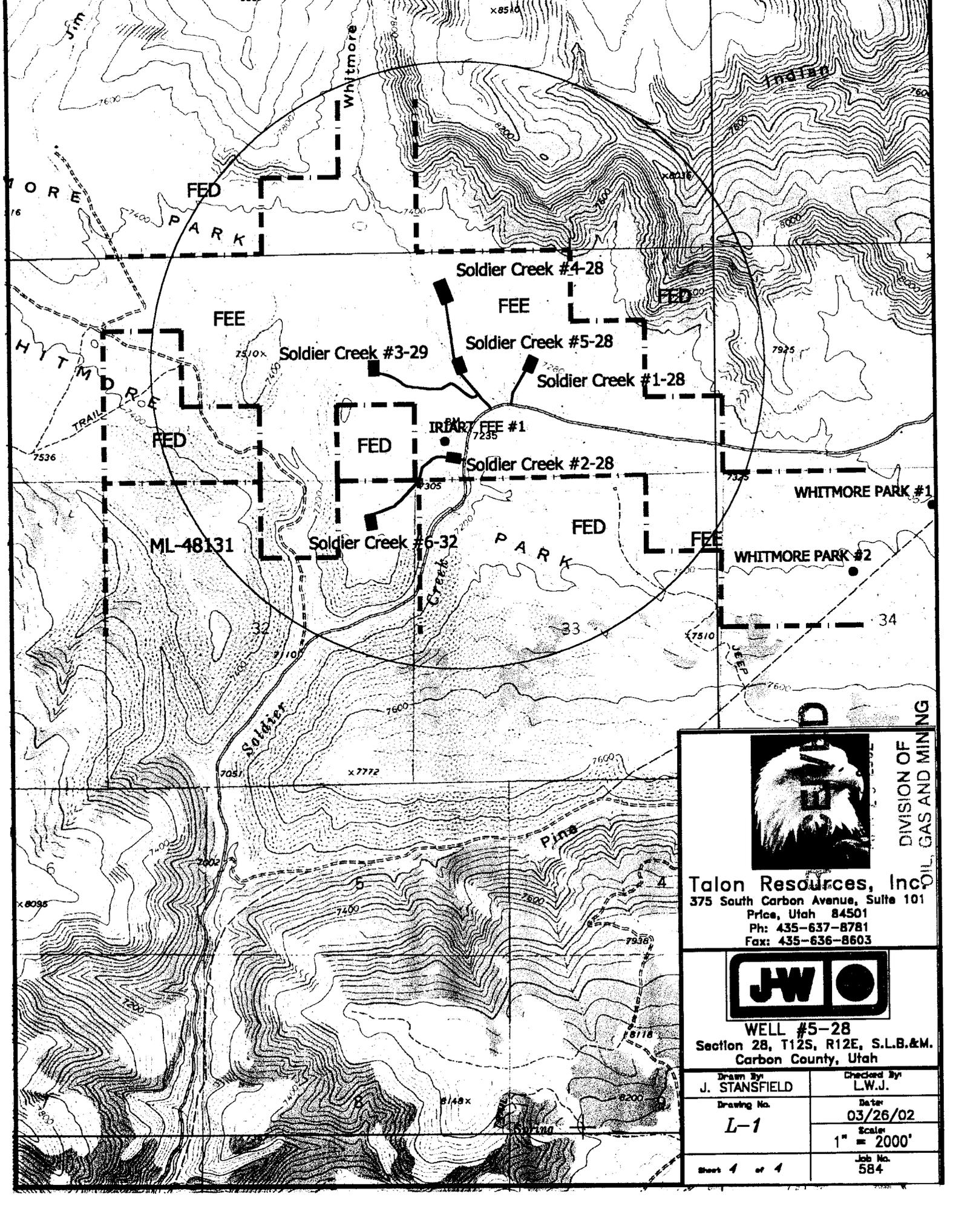


Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-636-8603



WELL #5-28
 Section 28, T12S, R12E, S.L.B.&M.
 Carbon County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 03/26/02
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 584



DIVISION OF OIL, GAS AND MINING

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



WELL #5-28
 Section 28, T12S, R12E, S.L.B.&M.
 Carbon County, Utah

Drawn By J. STANSFIELD	Checked By L.W.J.
Drawing No. L-1	Date 03/26/02
	Scale 1" = 2000'
Sheet 4 of 4	Job No. 584

002

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/25/2002

API NO. ASSIGNED: 43-007-30849

WELL NAME: SOLDIER CREEK 5-28
OPERATOR: J-W OPERATING COMPANY (N2145)
CONTACT: ROBERT ELLER

PHONE NUMBER: 970-332-3151

PROPOSED LOCATION:
NWSW 28 120S 120E
SURFACE: 1983 FSL 0801 FWL
BOTTOM: 1983 FSL 0801 FWL
CARBON
WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKE	6/4/02
Geology		
Surface		

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

PROPOSED FORMATION: BLKHK

RECEIVED AND/OR REVIEWED:

Plat

Bond: Fed[] Ind[] Sta[] Fee[4]
(No. RLB 0004156)

Potash (Y/N)

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

Water Permit
(No. MUNICIPAL)

RDCC Review (Y/N)
(Date: May 15, 2002)

Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3. Unit _____

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

R649-3-3. Exception

Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____

R649-3-11. Directional Drill

COMMENTS: Need presite (Recd 5-2-02)

STIPULATIONS: 1- Spacing Strip
2- Statement of basis

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

OPERATOR: J-W Operating
WELL NAME & NUMBER: Soldier Creek #5-28
API NUMBER: 43-007-30849
LEASE: Fee FIELD/UNIT: _____
LOCATION: 1/4,1/4 NWSW Sec: 28 TWP: 12S RNG: 12E 1983' FSL 801' FWL

Geology/Ground Water:

A plugged and abandoned well exists near (~1,300' south) this location. File documentation from that exploratory well (4300720253), which was drilled in 1967, documents several fresh water bearing Formations including the North Horn and Price River Formations, which occur within 2,000' of the surface. Information gleaned from the mud log of this well indicates that it started to become wet at about 375' of depth and by 425' of depth the rig had to go to misting. At 760' TD (North Horn Formation) the well was making 10 barrels of water per hour. At 2,000' TD it was making 75 barrels of water per hour and a flow of 214 barrels (9,000 gallons) per hour was reported at 2,350' in the Castlegate Sandstone. A well drilled at this location will likely spud into a poorly to moderately permeable soil developed on basal strata of the Tertiary Colton Formation. At Castlegate Field, which is about 8 1/2 miles west northwest, along the foot of the Colton Formation outcrop, the Spring Creek sand produced large amounts of moderately saline ground water from depths of ~1,600 feet to 2,000 feet, Total Depth. Water quality will deteriorate in the deeper strata. The nearest mapping of the base of moderately saline ground water (~8 miles east northeast) implies that the base of moderately saline ground water is likely to be about 2,000' to 4,000' above sea level. If so, fresh water is likely to be encountered in permeable strata in or above the Mesa Verde Group. Application has been made for a water right for a water well, which is located about ~1,000' south of the location. Many other water rights have been filed on other nearby surface water resources within a mile. Drainage is to the south into Soldier Creek, which eventually flows into the Price River. The proposed casing and cementing program and the freshwater/gel drilling fluid system should be sufficient protect the shallow ground water resource.

Reviewer: Christopher J. Kierst **Date:** 5/23/02

Surface:

The proposed location is on property owned by the Iriart Family located ~16.0 miles Northeast of Price, Utah. Soldier Creek, a year-round live water source lies South of the proposed location and is ~10 feet from the NW corner of the pad. The terrain directly associated with this location drains to the South to the Price River. Dry washes run throughout the area. Precipitation will be deflected around the location with berms and culverts. The site was photographed and characterized during pre-site inspection. Provision was made to ensure site rehabilitation, litter and waste control, preservation of drainage patterns and the integrity of local infrastructure, groundwater and other resources. The well utilities and gas gathering system will follow the approach roadway. Bernie Iriart, representing the Iriart Family, was in attendance at the on-site. Carbon County was invited as well as was DWR, both chose not to attend.

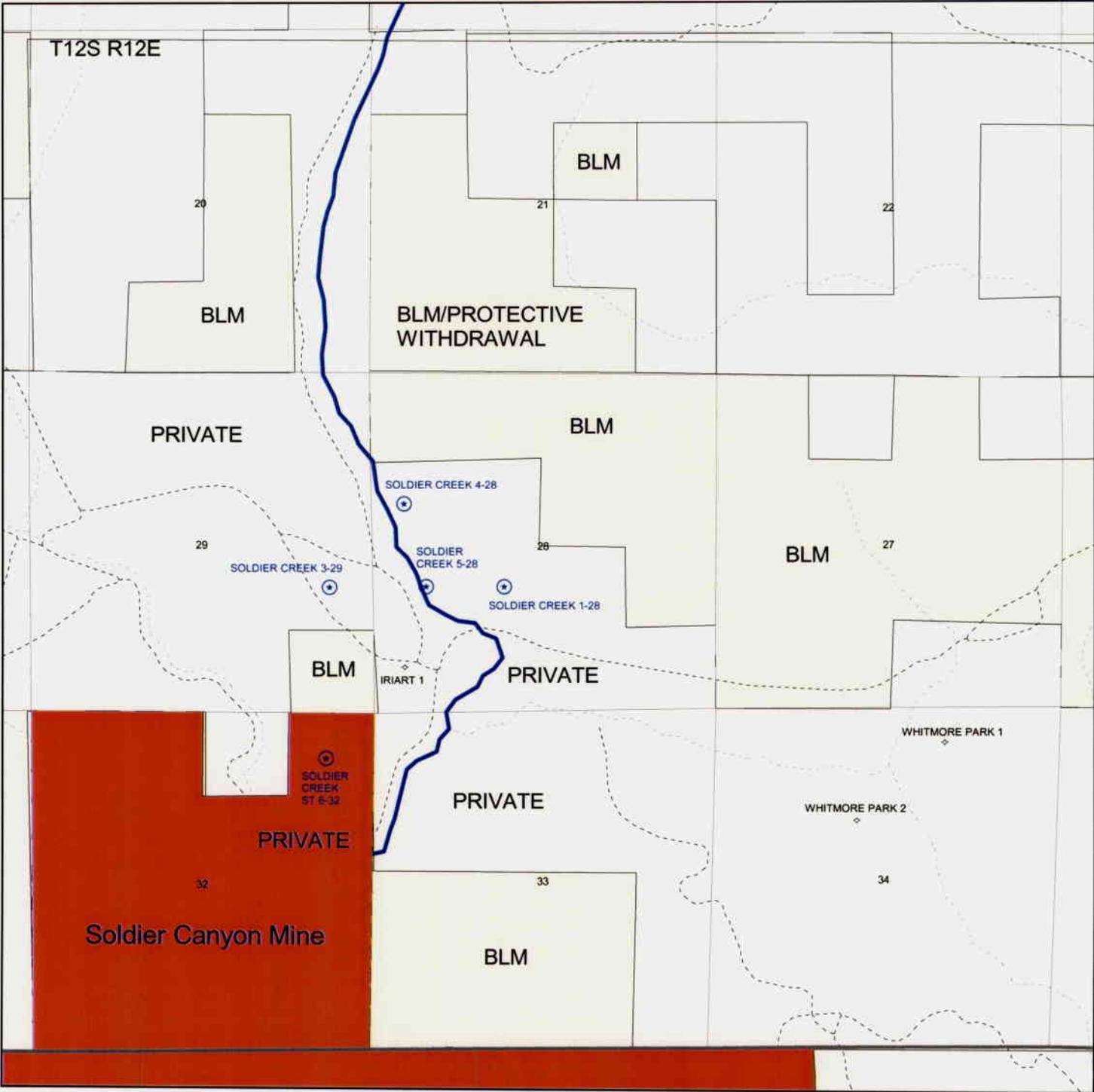
Reviewer: Mark L. Jones **Date:** May 22, 2002

Conditions of Approval/Application for Permit to Drill:

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



OPERATOR: J-W OPERATING CO (N2145)
 SEC. 28 & 32, T12S, R12E
 FIELD: WILDCAT (001)
 COUNTY: CARBON SPACING: R649-3-2/GEN ST



Well name:	06-02 JW Op Soldier Creek 5-28	
Operator:	J W Operating Company	Project ID:
String type:	Surface	43-007-30849
Location:	Carbon County	

Design parameters:

Collapse

Mud weight: 8.400 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 72 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 300 ft

Cement top:

0 ft

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.468 psi/ft
 Calculated BHP 234 psi

No backup mud specified.

Tension:

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

Tension is based on air weight.
 Neutral point: 437 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 3,150 ft
 Next mud weight: 9.000 ppg
 Next setting BHP: 1,473 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 500 ft
 Injection pressure 500 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)	Internal Capacity (ft³)
1	500	8.625	24.00	K-55	ST&C	500	500	7.972	24.1
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	218	1370	6.28	234	2950	12.62	12	263	21.92 J

Prepared by: Dustin K. Doucet
 Utah Dept. of Natural Resources

Phone: 801.538.5281
 FAX: 801.359.3940

Date: June 4, 2002
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 500 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

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

Well name:	06-02 JW Op Soldier Creek 5-28		
Operator:	J W Operating Company	Project ID:	43-007-30849
String type:	Production		
Location:	Carbon County		

Design parameters:

Collapse

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

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.468 psi/ft
 Calculated BHP: 1,473 psi
 No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on air weight.
 Neutral point: 2,720 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 109 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 368 ft

Cement top:

1,142 ft
Estimate TOC 1800'

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)	Internal Capacity (ft³)
1	3150	5.5	17.00	N-80	LT&C	3150	3150	4.767	108.6

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	1473	6290	4.27	1473	7740	5.26	54	348	6.50 J

Prepared by: Dustin K. Doucet
 Utah Dept. of Natural Resources

Phone: 801.538.5281
 FAX: 801.359.3940

Date: June 4, 2002
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

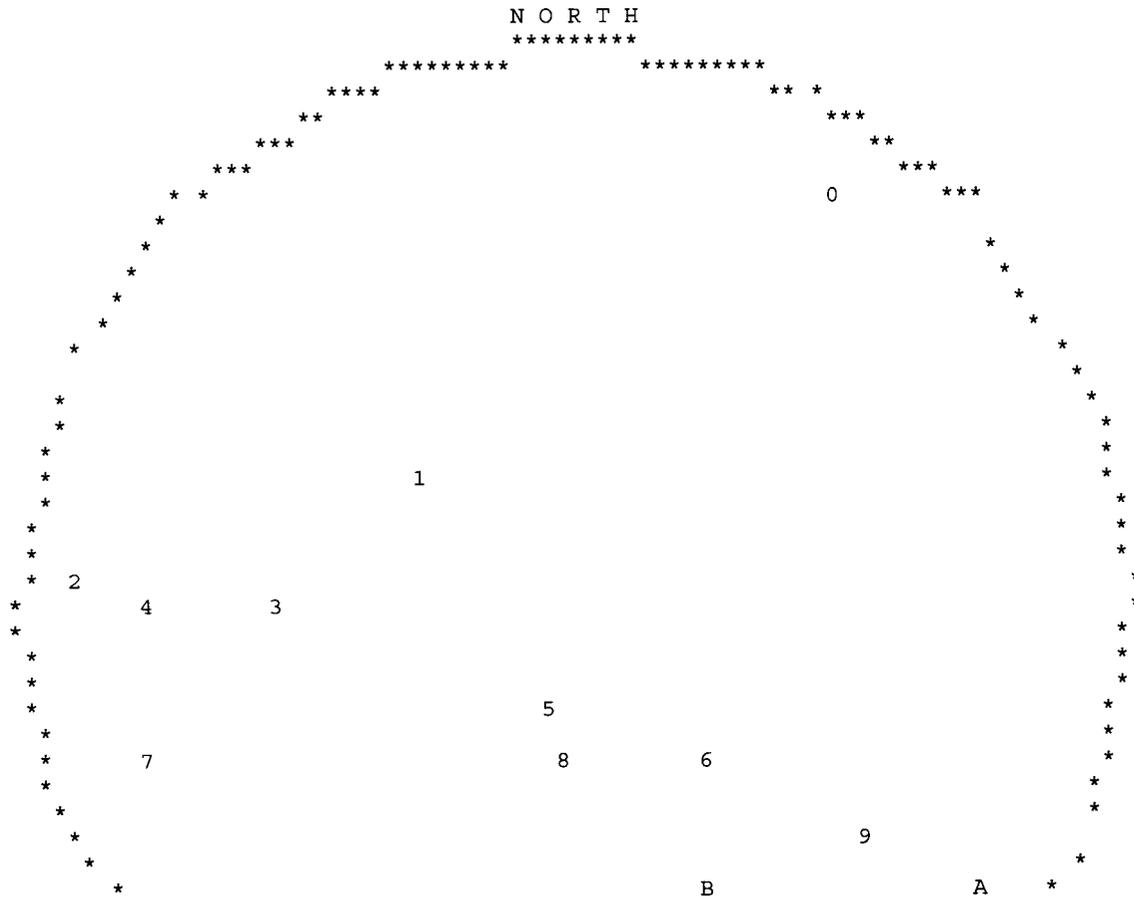
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 3150 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

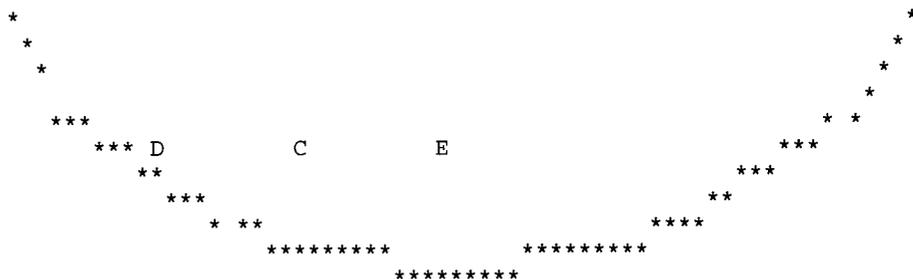
Engineering responsibility for use of this design will be that of the purchaser.

UTAH DIVISION OF WATER RIGHTS
 WATER RIGHT POINT OF DIVERSION PLOT CREATED THU, MAY 23, 2002, 4:38 PM
 PLOT SHOWS LOCATION OF 23 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
 N 1983 FEET, E 801 FEET OF THE SW CORNER,
 SECTION 28 TOWNSHIP 12S RANGE 12E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET





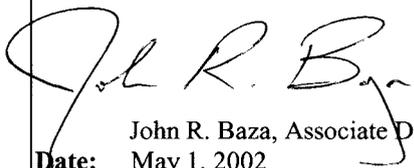
UTAH DIVISION OF WATER RIGHTS
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS AND/OR AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER DEPTH YEAR LOG	POINT OF DIVERSION DESCRIPTION NORTH EAST CNR SEC TWN RNG B&M	U A P T : N P E E I N P R R I	
0	90 1257	.0000	.00 Indian Canyon Creek			X
	WATER USE(S): USA Bureau of Land Management (Price Fie 125 South 600 West				PRIORITY DATE: 00/00/1885 Price	UT 84501
0	90 1257	.0000	.00 Indian Canyon Creek			X
	WATER USE(S): USA Bureau of Land Management (Price Fie 125 South 600 West				PRIORITY DATE: 00/00/1885 Price	UT 84501
1	91 2073	.0110	.00 Unnamed Spring Stream			X
	WATER USE(S): Iriart, Bernard			503 East 1st North	PRIORITY DATE: 00/00/1869 Price	UT 84501
2	t21359	.0000	1.00 Soldier Creek & Unnamed Tribut	N 2210 W 3900	SE 29 12S 12E SL	X
	WATER USE(S): OTHER Canyon Fuel Company LLC			6955 Union Park Center Suite 550	PRIORITY DATE: 07/25/1997 Midvale	UT 84047
3	91 2075	.0110	.00 Unnamed Spring			X
	WATER USE(S): Iriart, Bernard			503 East 1st North	PRIORITY DATE: 00/00/1869 Price	UT 84501
4	91 7076	.0000	.00 Trib. to Soldier Creek			X
	WATER USE(S): Iriart, Bernard				PRIORITY DATE: 00/00/1869	UT
4	91 7076	.0000	.00 Trib. to Soldier Creek			X

		WATER USE(S): Iriart, Bernard								PRIORITY DATE: 00/00/1869 UT	
4	91 2076	.0000	.00 Stream								X
		WATER USE(S): Iriart, Bernard		503 East 1st North					PRIORITY DATE: 00/00/1869 Price	UT 84501	
4	91 2076	.0000	.00 Stream								X
		WATER USE(S): Iriart, Bernard		503 East 1st North					PRIORITY DATE: 00/00/1869 Price	UT 84501	
5	91 4124	.1500	.00 6 300	N 1000 E 550	SW 28 12S 12E SL X						
		WATER USE(S): IRRIGATION DOMESTIC STOCKWATERING Iriart, Bernard		503 East 1st North					PRIORITY DATE: 06/12/1974 Price	UT 84501	
6	91 2098	.0000	.00 Soldier Creek								X
		WATER USE(S): Iriart, Bernard		503 East 1st North					PRIORITY DATE: 00/00/1869 Price	UT 84501	
6	91 2097	.0000	.00 Unnamed Stream								X
		WATER USE(S): Iriart, Bernard		503 East 1st North					PRIORITY DATE: 00/00/1869 Price	UT 84501	
7	91 1365	.0000	.00 Trib. to Soldier Creek								X
		WATER USE(S): Nelson, Lawrence C.							PRIORITY DATE: 00/00/1869 Cleveland	UT 84518	
7	91 1365	.0000	.00 Trib. to Soldier Creek								X
		WATER USE(S): Nelson, Lawrence C.							PRIORITY DATE: 00/00/1869 Cleveland	UT 84518	
8	91 2097	.0000	.00 Unnamed Stream								X
		WATER USE(S): Iriart, Bernard		503 East 1st North					PRIORITY DATE: 00/00/1869 Price	UT 84501	
8	91 2096	.0110	.00 Unnamed Spring								X
		WATER USE(S): Iriart, Bernard		503 East 1st North					PRIORITY DATE: 00/00/1902 Price	UT 84501	
8	91 2095	.0000	.00 Unnamed Stream								X
		WATER USE(S): Iriart, Bernard		503 East 1st North					PRIORITY DATE: 00/00/1902 Price	UT 84501	
9	91 522	.0220	.00 Bill Lines Spring								X
		WATER USE(S): STOCKWATERING Canyon Fuel Company LLC		CityPlace One Suite 300					PRIORITY DATE: 00/00/1902 St. Louis	MO 63141	
A	91 2098	.0000	.00 Soldier Creek								X
		WATER USE(S): Iriart, Bernard		503 East 1st North					PRIORITY DATE: 00/00/1869 Price	UT 84501	
B	91 523	.0000	.00 Soldier Creek								X

	WATER USE(S):		PRIORITY DATE: 00/00/1869
	Canyon Fuel Company LLC	CityPlace One Suite 300	St. Louis MO 63141
C	<u>91 2087</u>	.0000 .00 Soldier Creek	X :
	WATER USE(S):		PRIORITY DATE: 00/00/1869
	Iriart, Bernard	503 East 1st North	Price UT 84501
D	<u>91 2085</u>	.0000 .00 Unnamed Stream	X :
	WATER USE(S):		PRIORITY DATE: 00/00/1869
	Iriart, Bernard	503 East 1st North	Price UT 84501
E	<u>91 523</u>	.0000 .00 Soldier Creek	X :
	WATER USE(S):		PRIORITY DATE: 00/00/1869
	Canyon Fuel Company LLC	CityPlace One Suite 300	St. Louis MO 63141

STATE ACTIONS
State Clearinghouse Coordinator
116 State Capitol, SLC, UT 84114
538-1535

1. Administering State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. State Application Identifier Number: (assigned by State Clearinghouse)
3. Approximate date project will start: June 2002	
4. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Southeastern Utah Association of Governments	
5. Type of action: // Lease /X/ Permit // License // Land Acquisition // Land Sale // Land Exchange // Other _____	
6. Title of proposed action: Application for Permit to Drill	
7. Description: J-W Operating Company proposes to drill the Soldier Creek 5-28 and Soldier Creek State 6-32 wells (wildcat) on Patented leases, Carbon County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
8. Land affected (site location map required) (indicate county) NW/4, SW/4, Section 28 and NE/4, NE/4, Section 32, Township 12 South, Range 12 East, Carbon County, Utah	
9. Has the local government(s) been contacted? No	
10. Possible significant impacts likely to occur: Degree of impact is based on the discovery of oil or gas in commercial quantities.	
11. Name and phone of district representative from your agency near project site, if applicable: 	
12. For further information, contact: Lisha Cordova Phone: (801) 538-5296	13. Signature and title of authorized officer  John R. Baza, Associate Director Date: May 1, 2002



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WILDLIFE RESOURCES

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
John Kimball
Division Director

Southeastern Region
475 West Price River Drive, Suite C
Price, Utah 84501-2860
435-636-0260
435-637-7361 (Fax)

8 May 2002

Ms. Diana Mason
Division of Oil, Gas & Mining
1594 W. North Temple #1210
PO Box 145801
Salt Lake City, UT 84114-5801

RE: RDCC #1812 5/6/02, Soldier Creek 5-28, and Soldier Creek 6-32 wildcat wells (Sec. 28 & 32, T12S, R12E.)

Dear Ms. Mason,

In regards to the subject action the Utah Division of Wildlife Resources (UDWR) has the following comments:

The Whitmore Park area, where the wildcat wells are proposed, is important habitat for sage grouse, a species that has been petitioned for listing under the federal Endangered Species Act. Sections 28 and 32 are within critical sage grouse winter and brood habitat. We recognize that the three proposed wildcat wells are on private property; therefore the following comments are suggestions to minimize impacts to wildlife, particularly sage grouse.

- Minimize road and pipeline disturbance (width and length).
- Locate roads to avoid wet meadows (essential habitat for sage grouse brood survival).
- Locate power lines underground rather than overhead.
- Conduct a raptor nest survey in suitable habitat and avoid permanent surface occupancy within ½ mile of active raptor nests.

Thank you for considering these recommendations to minimize negative impacts to wildlife in the Whitmore Park area. If you have questions, please call Chris Colt (Wildlife Biologist) in our Price office (435-636-0279).

Sincerely,

Derris Jones
Acting Regional Supervisor

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MAY 13 2002

DIVISION OF
OIL, GAS AND MINING



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

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)

003
Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

June 5, 2002

J-W Operating Company
P O Box 305
Wray, CO 80758

Re: Soldier Creek 5-28 Well, 1983' FSL, 801 FWL, NW SW, Sec. 28, T. 12S, R. 12E,
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 43-007-30849.

Sincerely,

A handwritten signature in black ink, appearing to read 'John R. Baza'.

John R. Baza
Associate Director

pb
Enclosures
cc: Carbon County Assessor

Operator: J-W Operating Company
Well Name & Number Soldier Creek 5-28
API Number: 43-007-30849
Lease: Patented

Location: NW SW **Sec.** 28 **T.** 12S **R.** 12E

Conditions of Approval

1. General

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

2. Notification Requirements

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

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

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

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

3. Reporting Requirements

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

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

5. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

004

CONFIDENTIAL

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

CONFIDENTIAL

FORM 6

ENTITY ACTION FORM

Operator: J-W Operating Company
Address: P.O. Box 305
city Wray
state CO zip 80758

Operator Account Number: N 2145
Phone Number: 970-332-3151

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-007-30852	Soldier Creek #1-28	NESW	28	12S	12E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	99999	13522	6/17/02		6-24-02	
Comments:						

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-007-30849	Soldier Creek #5-28	NWSW	28	12S	12E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	99999	13523	6/17/02		6-24-02	
Comments:						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-007-30851	Soldier Creek #4-28	SWNW	28	12S	12E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	99999	13524	6/19/02		6-24-02	
Comments:						

ACTION CODES:

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

Kendall L. Read
Name (Please Print)
K-L. Read
Signature
E&P Manager
Title
6/21/02
Date

RECEIVED

JUN 24 2002

DIVISION OF
OIL, GAS AND MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL: OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR: J-W Operating Company

3. ADDRESS OF OPERATOR: P.O. Box 305 city Wray STATE CO ZIP 80758 PHONE NUMBER: 970-332-3151

4. LOCATION OF WELL: FOOTAGES AT SURFACE: 1983" TSL & 801" FWL COUNTY: Carbon QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: N35W/4, Section 28-T12S-R12E -SLB&M STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER: Patented

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

7. UNIT or CA AGREEMENT NAME: NA

8. WELL NAME and NUMBER: Soldier Creek #5-28

9. API NUMBER: 43-007-30849

10. FIELD AND POOL, OR WILDCAT: Wildcat

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 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"/> COMINGLE 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.

WEEKLY DRILL REPORT

NAME (PLEASE PRINT) Diane D. Koch TITLE: E&P Assistant

SIGNATURE *[Signature]* DATE: 7-26-02

(This space for State use only)

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JUL 29 2002

DIVISION OF OIL, GAS AND MINING

TIGHT HOLE!! INFORMATION CONTAINED IN THIS REPORT IS INTENDED FOR YOUR USE ONLY AND IS TO BE KEPT STRICTLY CONFIDENTIAL!!!

LEASE DESCRIPTION: Soldier Creek #5-28
 LOCATION: 1983' FSL & 801' FWL, NWSW/4 Section 28-T12S-R12E
 COUNTY: Carbon STATE: Utah API #: 43 007 30849

Page 2 of 2
 O/A #7401-005-1
 ELEV: 7270' GR
 FIELD: Wildcat

07/19/02: (RCE) @ 7:00 AM @ 2390' & Drl 7-7/8" Hole. Previous 24 Hrs – Drl 7-7/8" hole; Dev surv 1-1/2° @ 1530'; Drl 7-7/8" hole; Serv rig; Drl 7-7/8" hole; Dev surv 2° @ 1972'; Drl 7-7/8" hole, w/mwt 8.3#, vis 28.

ESTIMATED DAILY COST: \$14,160.00
 ESTIMATED ACCUMULATED COST: \$86,304.00

07/20/02: (RCE) @ 7:00 AM @ 2944' & Bit Trip. Previous 24 Hrs – Drl 7-7/8" hole; Dev surv 5° @ 2480'; Drl 7-7/8" hole; Dev surv 5-1/2° @ 2703'; MU; Drl 7-7/8" hole, w/mwt 8.9#, vis 34, PH 10.7, WL 15.2, Solids 4.2%, Sands 0.11%.

ESTIMATED DAILY COST: \$14,130.00
 ESTIMATED ACCUMULATED COST: \$100,434.00

07/21/02: (RCE) @ 7:00 AM @ 3223' & TOOH w/Core Barrell & Bit. Previous 24 Hrs – Bit Trip; RIH; Ream; Drl 7-7/8" hole; Serv Rig; Drl 7-7/8" hole; Dev surv 6° @ 3175'; Drl 7-7/8" hole (Core point); Circ; TOOH; RIH w/Core Barrell & Bit; Core well from 3212'-3223'; Core Barrell jamed; TOOH w/Barrell & Bit.

ESTIMATED DAILY COST: \$24,475.00
 ESTIMATED ACCUMULATED COST: \$124,909.00

07/22/02: (RCE) @ 7:00 AM @ TD of 3413' & Log well. Previous 24 Hrs – Lay down Core Barrell & Bit; Total Core recovery 11'; 4' coal recovery from 3219'-3223'; RIH w/Core Barrell & Bit; Core well from 3223'-3248'; TOOH; 25' full recovery; RIH w/7-7/8" bit; Ream; Drl 7-7/8" hole to TD of 3413' @ 1:00 AM, 07/22/02, w/mwt 9.2#, vis 37, PH 10.5, WL 12.8, Solids 6.3%, Sands 0.25; Circ; Dev surv 5-3/4° @ 3367'; TOOH to Log.

ESTIMATED DAILY COST: \$24,120.00
 ESTIMATED ACCUMULATED COST: \$149,029.00

07/23/02: (RCE) @ 7:00 AM @ TD of 3413' & Key Energy RDMO. Previous 24 Hrs - Log well w/Schlumberger Dual Induction SFL/GR, Hi-Res Compensated Litho Density & Dipole Sonic Log; Formation tops as follows: Price River 2157', Castle Gate 2612', Black Hawk 2818', Upper Sunny Side Sand 3045', Lower Sunny Side Sand 3118', Gilson Coal 3219', Kennilworth SS 3305'; RIH w/(78) jts 5-1/2", 17#, NSL Prod Csg, meas 3401', set @ 3415' KB; PBD @ 3383'; Wash w/(10) BBLs chemical wash; Cmmt w/(20) BBLs wtr spacer, (150) sx class "G" cmnt, 3% salt, 2% CaCl, using AFU shoe, (11) centralizers, (1) latch-down plug, (2) cmnt baskets set @ 3129' & 2880'; PD @ 3:00 AM, 07/23/02; Nipple down BOP; Set csg slips; Rel rig @ 6:00 AM, 07/23/02.

ESTIMATED DAILY COST: \$58,470.00
 ESTIMATED ACCUMULATED COST: \$207,499.00

DISTRIBUTION:

J-W Dallas (PDW)

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, LCH, RDJ, SS, NOS, GWM, MBS, PAM, JAW, DK, JB, HRG)

TIGHT HOLE!! INFORMATION CONTAINED IN THIS REPORT IS INTENDED FOR YOUR USE ONLY AND IS TO BE KEPT STRICTLY CONFIDENTIAL!!!

LEASE DESCRIPTION: Soldier Creek #5-28
LOCATION: 1983' FSL & 801' FWL, NWSW/4 Section 28-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43 007 30849

Page 1 of 2
O/A #7401-005-1
ELEV: 7270' GR
FIELD: Wildcat

06/17/02: (RCE) AFE \$463,918.00

06/18/02: @ 7:00 AM @ 50' & Weld Conductor. Previous 24 Hrs – Bill Jrs Bucket Rig MIRU; Spud surf @ 02:30 PM, 06/17/02; Drl 18" hole to 50'; Hit wtr @ 32'; Install cover plate over hole; SDFN.
ESTIMATED DAILY COST: \$1,300.00
ESTIMATED ACCUMULATED COST: \$12,127.00

06/19/02: @ 7:00 AM @ Cond set @ 50' & WORat Hole Rig. Previous 24 Hrs – Weld (1) 40', (1) 10' jt of 14" conductor pipe; Set conductor pipe @ 50'; Cmnt w/(10) sx; Drl rat & mouse hole; Bill Jrs Bucket Rig RDMO; SDFN.
ESTIMATED DAILY COST: \$2,125.00
ESTIMATED ACCUMULATED COST: \$14,252.00

06/20/02: (RCE) @ 7:00 AM RDMO. Previous 24 Hrs – Benco Anchor Service MIRU; Set permanent rig anchors & test to 20,000#; RDMO Benco Anchor Service.
ESTIMATED DAILY COST: \$1020.00
ESTIMATED ACCUMULATED COST: \$15,272.00

06/23/02: (RCE) @ 7:00 AM @ 65' & Drl 12-1/4" Hole. Previous 24 Hrs – Bill Jrs Rat Hole Rig MIRU; Drl 12-1/4" hole to 65'; POOH; SDFN.
ESTIMATED DAILY COST: \$1810.00
ESTIMATED ACCUMULATED COST: \$17,082.00

06/24/02: (RCE) @ 7:00 AM @ Surf TD of 525' & Prepare to install pit liner. Previous 24 Hrs – Drl 12-1/4" hole from 65' to 525'; POOH; RIH w/(12) jts of 8-5/8", 24# STC NLS csg w/(3) centralizers, meas 515', set @ 529' KB; Cmnt w/(275) sx premium w/2% Cacl & 1/4#/sx flocele; Circ (3) BBLs cmnt to pit; WOC; RDMO.
ESTIMATED DAILY COST: \$26,042.00
ESTIMATED ACCUMULATED COST: \$43,124.00

07/17/02: (RCE) @ 7:00 AM @ 404' & RIH w/7-7/8" Bit. Previous 24 Hrs – Key Energy Drl Rig MIRU; Nip up BOP; Rig repair (12) hrs; Test BOP, 2000 PSI, 8-5/8" csg 1000 PSI; RIH w/7-7/8" bit.
ESTIMATED DAILY COST: \$16,475.00
ESTIMATED ACCUMULATED COST: \$59,599.00

07/18/02: (RCE) @ 7:00 AM @ 1385' & Drl 7-7/8" Hole. Previous 24 Hrs – Tag cmnt @ 433' , drl plug & shoe out; Drl 7-7/8" hole; Dev surv 1/2° @ 519'; Drl 7-7/8" hole; Serv rig; Drl 7-7/8" hole; Dev surv 1/2° @ 1022'; Drl 7-7/8" hole, w/mwt 8.3#, vis 28.
ESTIMATED DAILY COST: \$12,545.00
ESTIMATED ACCUMULATED COST: \$72,144.00

DISTRIBUTION:

J-W Dallas (PDW)

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, LCH, RDJ, SS, NOS, GWM, MBS, PAM, JAW, DK, JB, HRG)

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

006

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Patented
2. NAME OF OPERATOR: J-W Operating Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
3. ADDRESS OF OPERATOR: P.O. Box 305 city Wray STATE CO ZIP 80758		7. UNIT or CA AGREEMENT NAME: NA
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1983" FSL & 801" FWL		8. WELL NAME and NUMBER: Soldier Creek #5-28
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW/4, Section 28-T12S-R12E -SLB&M		9. API NUMBER: 43-007-30849
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input 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"/> COMINGLE 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.

WEEKLY DRILL REPORT

RECEIVED

SEP 23 2002

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Diane D. Koch TITLE E&P Assistant
SIGNATURE *Diane D. Koch* DATE 9-20-02

(This space for State use only)

TIGHT HOLE!! INFORMATION CONTAINED IN THIS REPORT IS INTENDED FOR YOUR USE ONLY AND IS TO BE KEPT STRICTLY CONFIDENTIAL!!!

Page 3 of 3
O/A #7401-005-1
ELEV: 7270' GR
FIELD: Wildcat

LEASE DESCRIPTION: Soldier Creek #5-28
LOCATION: 1983' FSL & 801' FWL, NWSW/4 Section 28-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43 007 30849

09/15/02: (RCE) Bran-dex Wireline Service MIRU; Log well w/GR-CCL, CBL/CBL from PBTD of 3348'-2270'; Cmnt top @ 2485'; Perf for prod w/4" HSC, 23 gm, 123° charges from 3220'-3234', (4) shots per ft, EHD 0.4", TTP 21.93", total of 56 holes; Bran-dex Wireline Service RDMO; SI well.
ESTIMATED DAILY COST: \$8,843.00
ESTIMATED ACCUMULATED COST: \$216,342.00

09/18/02: (RCE) Schlumberger Frac Equipment MIRU; Test lines & load hole; Frac well as follows: Break down 734 PSIG @ (3) BBL per min; Average 1529 PSIG @ 14.6 BPM; ISIP 1440 PSIG, 5 minutes 1380 PSIG; All fluids contained 2% KCL wtr, 15#/1000 gal Crosslinked Gel, Biocides, Breakers, CBM Additives; Used a total of 1107 BBLs wtr; 90,080# 16/30 sand; Traced 16,000 gal pad w/(10) MCI SB-124; 36,000# 1-3# per gal sand, w/(13) MCI SC-46; 54,000#, 4-5# per gal sand, w/(23) MCI IR-192; Opened well to pit on 24-64" choke after (20) min; Flow back (10) BBLs fluid; Schlumberger RDMO.
ESTIMATED DAILY COST: \$48,830.00
ESTIMATED ACCUMULATED COST: \$265,172.00

09/19/02: (RCE) Key Workover Rig MIRU; Nip down Frac Valve; Nip up BOP; RIH w/(1) jt 2-7/8" tbg, (1) 2-7/8" seat nipple & (108) jts 2-7/8" tbg; EOT 3249' KB; Seat nipple @ 3218' KB; SDFN.
ESTIMATED DAILY COST: \$3,333.00
ESTIMATED ACCUMULATED COST: \$268,505.00

09/20/02: (RCE) SI Press 5-1/2" csg 0 PSIG; SI Press 2-7/8" tbg 0 PSIG; RIH w/2-7/8" swab, tag fluid @ 700'; Made (43) swab runs; Recovery (332) BBLs; Accumulative (342) BBLs; Left fluid level @ 1500'; SDFN.
ESTIMATED DAILY COST: \$3,957.00
ESTIMATED ACCUMULATED COST: \$272,462.00

RECEIVED

SEP 23 2002

**DIVISION OF
OIL, GAS AND MINING**

DISTRIBUTION:

J-W Dallas (PDW)
Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, LCH, RDJ, SS, NOS, GWM, MBS, PAM, JAW, DK, JB, HRG)

007

PERSONAL AND CONFIDENTIAL

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NUMBER: Patented
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
7. UNIT or CA AGREEMENT NAME: NA
8. WELL NAME and NUMBER: Soldier Creek #5-28
9. API NUMBER: 43-007-30849
10. FIELD AND POOL, OR WILDCAT: Wildcat

1. TYPE OF WELL OIL WELL [] GAS WELL [X] OTHER []

2. NAME OF OPERATOR: J-W Operating Company

3. ADDRESS OF OPERATOR: P.O. Box 305 CITY Wray STATE CO ZIP 80758 PHONE NUMBER: 970-332-3151

4. LOCATION OF WELL FOOTAGES AT SURFACE: 1983' TSSL & 801' FWL

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: N4SW/4, Section 28, T12S-R12E -SLB&M

COUNTY: Carbon STATE: UTAH

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

Table with columns: TYPE OF SUBMISSION (NOTICE OF INTENT, SUBSEQUENT REPORT) and TYPE OF ACTION (ACIDIZE, ALTER CASING, CASING REPAIR, CHANGE TO PREVIOUS PLANS, CHANGE TUBING, CHANGE WELL NAME, CHANGE WELL STATUS, COMMINGLE PRODUCING FORMATIONS, CONVERT WELL TYPE, DEEPEN, FRACTURE TREAT, NEW CONSTRUCTION, OPERATOR CHANGE, PLUG AND ABANDON, PLUG BACK, PRODUCTION (START/RESUME), RECLAMATION OF WELL SITE, RECOMPLETE - DIFFERENT FORMATION, REPERFORATE CURRENT FORMATION, SIDETRACK TO REPAIR WELL, TEMPORARILY ABANDON, TUBING REPAIR, VENT OR FLARE, WATER DISPOSAL, WATER SHUT-OFF, OTHER)

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

WEEKLY DRILL REPORT

RECEIVED OCT 07 2002 DIVISION OF OIL, GAS AND MINING

NAME (PLEASE PRINT) Diane D. Koch TITLE: E&P Assistant
SIGNATURE: [Signature] DATE: 10-3-02

(This space for State use only)

TIGHT HOLE!! INFORMATION CONTAINED IN THIS REPORT IS INTENDED FOR YOUR USE ONLY AND IS TO BE KEPT STRICTLY CONFIDENTIAL!!!

LEASE DESCRIPTION: Soldier Creek #5-28
LOCATION: 1983' FSL & 801' FWL, NWSW/4 Section 28-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43 007 30849

Page 4 of 4
O/A #7401-005-1
ELEV: 7270' GR
FIELD: Wildcat

09/25/02: (LCH) SI Press 5-1/2" csg 2 PSIG; SI Press 2-7/8" tbg 40 PSIG; Made (5) swab runs; Recovery (51) BBLs; Accumulative (1114) BBLs; Fluid Level @ 1400'; RDMO Jimmys Swab Rig; MIRU Key W/O Rig; NU BOP; POOH w/ (107) jts 2-7/8" tbg, (1) 2-7/8" SN & (1) jt 2-7/8" tbg. RIH w/ hydro-static bailer & (108) jts tbg. Tag sand @ 3235'; Clean sand out to 3363' (128' of Fill). POOH w/ bailer & tbg. ;Protechnics Loggers w/Slickline Unit MIRU; Log well w/after frac spectra scan from 3363'-2902'; Protechnics Loggers w/Slickline Unit RDMO; SDFN.

SDFN.

ESTIMATED DAILY COST: \$8832.00
ESTIMATED ACCUMULATED COST: \$291,413.00

09/26/02: (LCH) SI Press 5-1/2" csg 0 PSIG; RIH w/(1) jt 2-7/8" tbg w/ bull-plug,(1) 4' x 2 7/8" perforated sub, (1) 2 1/2" x 2 1/4" x 20' THC Pump Barrel w/ 10' x 1 1/4" gas anchor & (110) jts 2-7/8" tbg meas 3333'; EOT @ 3347' KB;ND BOP; Land Tbg; Made (28) swab runs; Recovery (251) BBLs; Accumulative (1365) BBLs; Left fluid level @ 1000'; SDFN.

ESTIMATED DAILY COST: \$3980.00
ESTIMATED ACCUMULATED COST: \$295,393.00

09/27/02: (LCH) SI Press 5-1/2" csg 10 PSIG; SI Press 2-7/8" tbg 25 PSIG;Made (13) swab runs; Recovery (132) BBLs; Accumulative (1497) BBLs; POOH w/ swab; RIH w/(1) 2-1/4"x2' plunger, (124) 7/8" "D" guided rods, (1) 8', (1) 6', (1) 4'x7/8" pony rods & (1) 1-1/2"x26' polish rod; Stroke pump w/ rig to 1000 PSIG; Clamp off polish rod 10" from tag; RDMO Key W/O Rig; SDFN.

ESTIMATED DAILY COST: \$7001.00
ESTIMATED ACCUMULATED COST: \$302,394.00

09/28/02: (LCH) SI Press 5-1/2" csg 10 PSIG; SI Press 2-7/8" tbg 0 PSIG; Level & spread road base around wellhead;Set Universal 228 Pumping Unit on pad; Hang off on polish rod. Mount engine & sheaves; Install belt. SDFN.

ESTIMATED DAILY COST: \$36,901.00
ESTIMATED ACCUMULATED COST: \$339,295.00

DISTRIBUTION:

J-W Dallas (PDW)

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, LCH, RDJ, SS, NOS, GWM, MBS, PAM, JAW, DK, JB, HRG)

CONFIDENTIAL

J-W OPERATING COMPANY

P. O. BOX 305
WRAY, COLORADO 80758-0305
(970) 332-3151

November 19, 2002

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Form 8
Soldier Creek #5-28 (Sec. 28-T12S-R12E)
Soldier Creek #2-28 (Sec. 28-T12S-R12E)
Soldier Creek #6-32 (Sec. 32-T12S-R12E)
Carbon County, Utah

Gentlemen:

Please find attached one original well completion report (Form 8) for each of the referenced wells that were recently completed. Also find enclosed the following logs:

Soldier Creek #2-28: Cement Bond Log, Gamma Ray/ SP /Array Induction Log, Compensated Neutron Litho-Density Log, Geological Mud Log and Core Log.

Soldier Creek #5-28: Cement Bond Log, Gamma Ray/ SP /Array Induction Log, Compensated Neutron Litho-Density Log and Geological Mud Log.

Soldier Creek #6-32: Cement Bond Log, Gamma Ray/ SP /Array Induction Log, Compensated Neutron Litho-Density Log, Geological Mud Log and Core Log.

J-W Operating Company would like to request that the logs be kept confidential for a period of one (1) year. Thank you for your time and attention relating to this matter. If you have any questions or comments, please do not hesitate to contact this office.

Sincerely,



Robert Eller
Engineer

Cc: Well File

RECEIVED

NOV 21 2002

DIVISION OF
OIL, GAS AND MINING

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

AMENDED REPORT [] FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL [] GAS WELL [x] DRY [] OTHER []
b. TYPE OF WORK: NEW WELL [x] HORIZ. LATS. [] DEEP-EN [] RE-ENTRY [] DIFF. RESVR. [] OTHER []

2. NAME OF OPERATOR: J-W OPERATING COMPANY

3. ADDRESS OF OPERATOR: P.O. BOX 305 CITY WRAY STATE CO ZIP 80758 PHONE NUMBER: (970) 332-3151

4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1983' FSL & 801' FWL AT TOP PRODUCING INTERVAL REPORTED BELOW: AT TOTAL DEPTH:

14. DATE SPUNDED: 6/17/2002 15. DATE T.D. REACHED: 7/22/2002 16. DATE COMPLETED: 9/28/2002 ABANDONED [] READY TO PRODUCE [x]

18. TOTAL DEPTH: MD 3,413 TVD 19. PLUG BACK T.D.: MD 3,383 TVD 20. IF MULTIPLE COMPLETIONS, HOW MANY? *

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) GR/SP/ARRAY INDUCTION LOG; COMPENSATED NEUTRON LITHODENSITY LOG; CBL; GEOLOGICAL MUD LOG
23. WAS WELL CORED? NO [] YES [x] (Submit analysis) WAS DST RUN? NO [x] YES [] (Submit report) DIRECTIONAL SURVEY? NO [x] YES [] (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well) Table with columns: HOLE SIZE, SIZE/GRADE, WEIGHT (#/ft.), TOP (MD), BOTTOM (MD), STAGE CEMENTER DEPTH, CEMENT TYPE & NO. OF SACKS, SLURRY VOLUME (BBL), CEMENT TOP **, AMOUNT PULLED

25. TUBING RECORD Table with columns: SIZE, DEPTH SET (MD), PACKER SET (MD)

26. PRODUCING INTERVALS Table with columns: FORMATION NAME, TOP (MD), BOTTOM (MD), TOP (TVD), BOTTOM (TVD), INTERVAL (Top/Bot - MD), SIZE, NO. HOLES, PERFORATION STATUS
27. PERFORATION RECORD Table with columns: INTERVAL (Top/Bot - MD), SIZE, NO. HOLES, PERFORATION STATUS

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC. Table with columns: DEPTH INTERVAL, AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS: [x] ELECTRICAL/MECHANICAL LOGS [x] GEOLOGIC REPORT [] DST REPORT [] DIRECTIONAL SURVEY [] SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION [x] CORE ANALYSIS [] OTHER:

30. WELL STATUS: PUMPING

NOV 2 2003
DIVISION OF OIL, GAS AND MINING

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 10/1/2002		TEST DATE: 10/1/2002		HOURS TESTED: 24		TEST PRODUCTION RATES: <input type="checkbox"/>	OIL - BBL: 0	GAS - MCF: 0	WATER - BBL: 485	PROD. METHOD: P.U.
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: <input type="checkbox"/>	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in Item #26)

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

INTERVAL D (As shown in Item #26)

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

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

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
GILSON	3,212	3,223	CORE WELL; REC 4' CORE		
GILSON	3,223	3,248	CORE WELL; REC 25' CORE		
				PRICE RIVER	2,157
				CASTLE GATE	2,612
				BLACK HAWK	2,818
				U. SUNNYSIDE SS	3,045
				GILSON	3,219
				KENILWORTH	3,305

35. ADDITIONAL REMARKS (Include plugging procedure)

MADE TWO (2) CORE RUNS. WELL IS CURRENTLY PUMPING VIA PUMPING UNIT.

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

NAME (PLEASE PRINT) ROBERT ELLER TITLE ENGINEER
 SIGNATURE *Robert Eller* DATE 11/19/2002

This report must be submitted within 30 days of

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

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

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

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

RECEIVED
 NOV 21 2002
 DIVISION OF OIL, GAS AND MINING

J-W OPERATING COMPANY

P. O. BOX 305
WRAY, COLORADO 80758-0305

OIL AND GAS PROPERTY MANAGEMENT

PHONE 970 332-3151

March 19, 2003

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

RE: FORM 9 SUNDRY NOTICE REPORT
Soldier Creek #5-28
NW-SW/4 Sec.28 T12S-R12E
Carbon County, Utah

Gentlemen:

Enclosed, please find one (1) original and one (1) copy of a Form 9, Sundry Notice Report.

Should you have any questions or require additional information regarding the Soldier Creek #5-28 well, please do not hesitate to contact this office.

Sincerely,

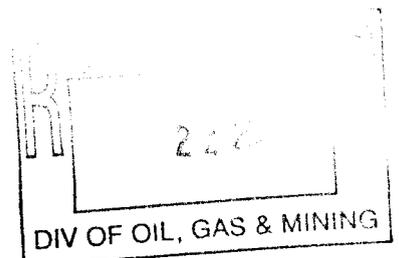
J-W OPERATING COMPANY



Robert C. Eller
Engineer

Encls.

cc: Well File
File - RCE
Dallas File



008

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

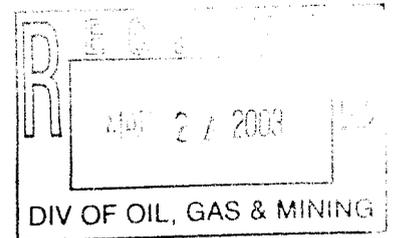
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: PATENTED
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: J-W OPERATING COMPANY		8. WELL NAME and NUMBER: SOLDIER CREEK #5-28
3. ADDRESS OF OPERATOR: P.O. BOX 305 CITY WRAY STATE CO ZIP 80758		9. API NUMBER: 4300730849
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1983' FSL & 801' FWL		10. FIELD AND POOL, OR WILDCAT: SOLDIER CREEK
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 28 12S 12E		COUNTY: CARBON
		STATE: UTAH

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

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

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

RESUME PRODUCTION ON THE SOLDIER CREEK #5-28 ON MARCH 11, 2003.



NAME (PLEASE PRINT) ROBERT C. ELLER	TITLE ENGINEER
SIGNATURE <i>Robert C. Eller</i>	DATE 3/19/2003

(This space for State use only)

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

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: PATENTED
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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: J-W OPERATING COMPANY		8. WELL NAME and NUMBER: SOLDIER CREEK #5-28
3. ADDRESS OF OPERATOR: P.O. BOX 305 CITY WRAY STATE CO ZIP 80758		9. API NUMBER: 4300730849
PHONE NUMBER: (970) 332-3151		10. FIELD AND POOL, OR WILDCAT: WILDCAT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1983' FSL & 801' FWL		COUNTY: CARBON
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 28 12S 12E		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: 12/4/2002	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input checked="" 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.
Well was shut-in on 12/04/02 for water disposal issues.

RECEIVED
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Robert Eller</u>	TITLE <u>Engineer</u>
SIGNATURE <u><i>Robert Eller</i></u>	DATE <u>12/27/2002</u>

(This space for State use only)

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
UT-007-00001-001

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:
N/A

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Soldier Creek #5-28

2. NAME OF OPERATOR:
J-W Operating Company

9. API NUMBER:
4300730849

3. ADDRESS OF OPERATOR:
7074 S Revere Parkway Centennial CO 80112

PHONE NUMBER:
(720) 385-3077

10. FIELD AND POOL, OR WILDCAT:
Soldier Creek

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **1983' FSL & 801' FWL**

COUNTY: **Carbon**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWSW 28 12S 12E S**

STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/17/2005	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Replace downhole pump</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.

Successfully replaced downhole pump at 3200' KB.

NAME (PLEASE PRINT) **Judith K. Pruitt**

TITLE **Engineering Technician**

SIGNATURE *Judith K. Pruitt*

DATE **12/7/2005**

(This space for State use only)

RECEIVED
DEC 20 2005
DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UT-007-0001-001
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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: n/a
2. NAME OF OPERATOR: J-W Operating Company		8. WELL NAME and NUMBER: Soldier Creek #5-28
3. ADDRESS OF OPERATOR: 7074 S Revere Parkway CITY Centennial STATE CO ZIP 80112		9. API NUMBER: 4300730849
		10. FIELD AND POOL, OR WILDCAT: WILDCAT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1983' FSL & 801' FWL		COUNTY: Carbon
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 28 12S 12E 6		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: 8/2/2006	<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: Shut In notice
	<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.

Well was shut in on August 2, 2006.

NAME (PLEASE PRINT) <u>Judith K. Pruitt</u>	TITLE <u>Engineering Technician</u>
SIGNATURE <u><i>Judith K. Pruitt</i></u>	DATE <u>8/15/2006</u>

(This space for State use only)

AUG 1 / 2006



J-W OPERATING COMPANY
7074 South Revere Parkway
Centennial, CO 80112-3932
PHONE: (303) 422-4990
FAX: (720) 407-0784

OIL AND GAS PROPERTY MANAGEMENT

August 15, 2006

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Re: Shut in Notices
Soldier Creek #1-28
Soldier Creek #2-28
Soldier Creek #3-29
Soldier Creek #4-28
Soldier Creek #5-28
Soldier Creek #6-32
Soldier Creek #7-32H

Gentlemen:

Enclosed are an original and 2 copies of Shut in Notices (effective August 2, 2006) for the above captioned wells in Carbon County, Utah.

If you have any questions, please call me at (303) 422-4990.

Sincerely,

A handwritten signature in cursive script that reads 'Judy Pruitt'.

Judith K. Pruitt
Engineering Technician

/jkp
Enclosures

RECEIVED
AUG 17 2006
DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

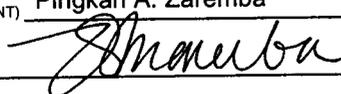
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UT-007-0001-001
2. NAME OF OPERATOR: J-W OPERATING COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 7074 S. Revere Parkway CITY Centennial STATE CO ZIP 80112		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1983' FSL & 801' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 28 12S 12E 6		8. WELL NAME and NUMBER: SOLDIER CREEK # 5-28
PHONE NUMBER: (303) 422-4990		9. API NUMBER: 4300730849
COUNTY: CARBON		10. FIELD AND POOL, OR WILDCAT: WILDCAT
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input 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: 9/6/2006	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Well was placed on-line on September 6, 2006.
Operator have also resumed sampling the produced water.

NAME (PLEASE PRINT) <u>Pingkan A. Zaremba</u>	TITLE <u>Engineering Technician</u>
SIGNATURE 	DATE <u>9/28/2006</u>

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RECEIVED
OCT 02 2006

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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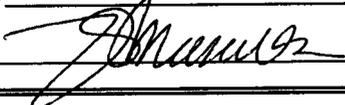
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UT-007-0001-001
2. NAME OF OPERATOR: J-W OPERATING COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 7074 S REVERE PARKWAY CITY CENTENNIAL STATE CO ZIP 80112		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1983' FSL & 801' FWL		8. WELL NAME and NUMBER: SOLDIER CREEK # 5-28
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 28 12S 12E 6		9. API NUMBER: 4300730849
COUNTY: CARBON		10. FIELD AND POOL, OR WILDCAT: WILDCAT
STATE: UTAH		

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	<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: 10/24/2006	<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>SHUT IN WELL</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.

Well was shut in on October 24, 2006

NAME (PLEASE PRINT) <u>Pingkan A. Zaremba</u>	TITLE <u>Engineering Tech.</u>
SIGNATURE 	DATE <u>10/26/2006</u>

(This space for State use only)

RECEIVED
OCT 30 2006

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

FORM 9

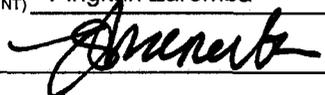
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UT-007-0001-001
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
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2. NAME OF OPERATOR: J-W OPERATING COMPANY		8. WELL NAME and NUMBER: SOLDIER CREEK 5-28
3. ADDRESS OF OPERATOR: 7074 S REVERE PARKWAY CITY CENTENNIAL STATE CO ZIP 80112		9. API NUMBER: 4300730849
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1983' FSL 801' FEL		10. FIELD AND POOL, OR WILDCAT: WILDCAT
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 28 12S 12E 6		COUNTY: CARBON
		STATE: UTAH

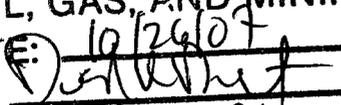
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>10/15/2007</u> <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

J-W OPERATING COMPANY intent to plug and abandon this well on October 15, 2007.
Attached are the procedure and the well bore diagram

COPY SENT TO OPERATOR
Date: 10-30-07
Initials: Rm

NAME (PLEASE PRINT) <u>Pingkan Zaremba</u>	TITLE <u>Eng.Tech</u>
SIGNATURE 	DATE <u>9/25/2007</u>

(This space for State use only) **APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING**
DATE: 10/26/07
BY: 
(See Instructions on Reverse Side)
* see conditions of Approval (Attached)

RECEIVED
OCT 09 2007
DIV. OF OIL, GAS & MINING

J-W Operating Company

Soldier Creek No. 5-28
1983' FSL & 801' FWL, Section 28-T12S-R12E
Soldier Creek Field, Carbon County, Utah
API No. 43-007-30849

PRESENT WELLBORE SCHEMATIC - 04/24/06

Ground Elevation = 7270'

RKB = 7,284"

529'

14" Conductor set @ 50' KB; Cmt w/ 10 sxs Portland

12 1/4" Hole

Surface Casing:

8-5/8", 24#, J-55, ST&C

Cmtd w/ 275 sxs Premium + 2% CaCl

1/4#/sx flo-cele, Circ (3) bbls to pit

Tubing Detail:

(from surf down)

(100) jts 2-7/8" 6.4# J-55 tbg, (1) 2-7/8" x 4' pup jt,

(1) 3-1/2" x 2-7/8" XO, (1) 3-1/2" X 4' PUP jt

(1) 26' x 4-1/2" stator, (1) 5-1/2" x 2-7/8" no-turn tool,

(4) jts 2-7/8" x 6.4# J-55 EUE tbg

EOT AT 3200' KB

2-7/8" Notched Collar on bottom of string

(1) 8', (2) 4' & (1) 6" x 1" pony rod at top

(118) High strength 1" rods w/ guides

TOC @ 2485' CBL

7-7/8" Hole

(1) 26' PC Rotor

(1) Progressive cavity stator 25.71'

(1) 5-1/2" X 2-7/8" No-turn tool (RH torque)

(4) JTS 2-7/8" 6.4# J-55 Tbg EOT @ 3200'

Perfs: Gilson
(56 Holes) 3220' - 3234'
120° Phase, 4 JSPF

Frac w/ 1107 BBLs 20# crosslink gel & 90,080# 16/30 sand

FC @ 3383'

TD @ 3413'

Production Casing:

5-1/2", 17#, J-55, LT&C SET @ 3415' KB

Cmtd w/ (20) BBLs water spacer, 150 sxs Class 'G',

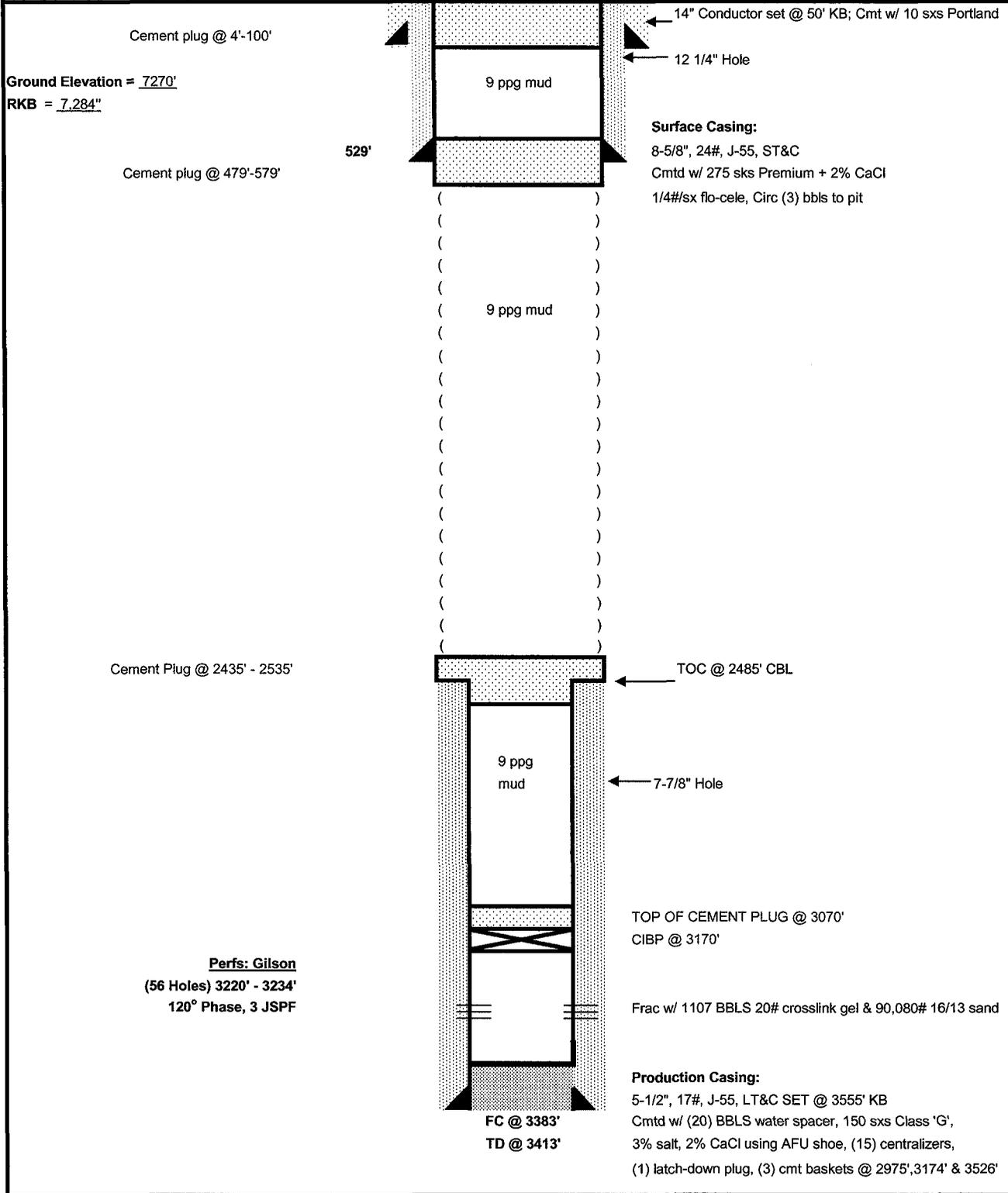
3% salt, 2% CaCl using AFU shoe, (11) centralizers,

(1) latch-down plug, (2) cmt baskets @ 2880' & 3129'

J-W Operating Company

Soldier Creek No. 5-28
1983' FSL & 801' FWL, Section 28-T12S-R12E
Soldier Creek Field, Carbon County, Utah
API No. 43-007-30849

PROPOSED WELLBORE SCHEMATIC - 9/4/07



J-W OPERATING COMPANY
SOLDIER CREEK NO. 5-28
API No. 43-007-30849
1983' FSL & 801' FWL, Section 28-T12S-R12E
SOLDIER CREEK FIELD
CARBON COUNTY, UTAH

Date: 20 September 2007

AFE No.:

AFE Cost: \$27,453

Purpose: Plug and Abandon Procedure.

	<u>OD, IN</u>	<u>DRIFT ID, IN</u>	<u>WT, #/FT</u>	<u>GRADE</u>	<u>DEPTH, FT.</u>	<u>CMT, SKS.</u>	<u>EST. TOC, FT</u>	<u>CAP. BBL/FT</u>	<u>BURST, PSI</u>	<u>COLLAPSE, PSI</u>
Surface	8-5/8	7.972	24	J-55	540	275	Surface	0.0636	2950	1370
Production	5 1/2	4.767	17	J-55	3525	150	2360	0.0232	5320	4910
Tubing	2-7/8	2.347	6.4	J-55	3193			0.0057	7260	7680

Items needed :

- See attached wellbore schematic for borehole and casing information.
- 2 % KCl water
- BOP
- (1) 5-1/2" CIPB
- Pump and tank
- Casing jacks
- 5-1/2: casing jet cutter
- Cement bulk truck

Procedures:

1. Bleed down casing & tubing to 0 #.
2. MIRU work over rig with tank and pump.

3. ND tree and NU BOP.
4. POOH w/ (1) 8', (2) 4', (1) 6"x1" pony rod at top, (118) high strength 1" rods w/ guides, (1) 26' Rotor.
5. Release packer.
6. POOH w/ (100) jts 2-7/8" 6.4# J-55 tbg, (1) 2-7/8" x 4' pup joint, (1) 3-1/2"x 2-7/8" XO, (1) 3-1/2" x 4' pup joint, (1) 26' x 4-1/2" stator, (1) 5-1/2" x 2-7/8" no -turn tool, (4) jts 2-7/8"x 6.4# J-55 EUE tbg, 2-7/8" notched collar. Stand back tubing.
7. MIRU wireline.
8. RIH wireline w/ lubricator and w/ 4.5" OD gauge ring and junk basket ± 3383' for clearance. POOH w/ gauge ring and junk basket.
9. PU and RIH with 5-1/2" CIBP. Set BP at +/- 3170' (+/- 50' above of the top perf at 3220') -Spot 11 sxs Class G Premium cement plug on top of CIBP (total height of cement plug will be 100', top of the cement plug approximately 3070').
10. ND BOP, Un-screw tubing head; MIRU casing jacks.
11. RU wireline; PU & RIH w/ 5-1/2" 17# jet casing cutter. Cut 5-1/2" casing at estimated TOC 2485'. POOH wireline. Lay down 5-1/2" 17# K-55 on the racks.
12. RIH w/ tubing 2-7/8" approximately ± 3070' and displace hole with (13 bbls) mud spacer 9 ppg from 2535'-3070'
13. Mix, pump and spot (100') 21 sxs Class G Premium cement plug from 2435'-2535'. Reverse circulation tubing clean w/ fresh water. POOH and lay down tubing to racks. While POOH with tubing, displace hole (111 bbls) with mud spaces 9 ppg from 579'-2435'.
14. Mix, pump and spot (100') 31 sxs Class G Premium cement plug from 479'-579'. The cement plug will be ½ (± 50') inside casing and ½ (± 50'). Reverse circulation tubing clean w/ fresh water. POOH and lay down tubing to racks. While POOH with tubing, displace hole (25 bbls) with mud spaces 9 ppg from 479'-100'.

15. Continue POOH to 100' LD 2-7/8" tubing. Mix and spot (\pm 100') 31 sks Class G Premium cement plug from \pm 4'-100'.
16. POOH finish LD 2-7/8" tubing.
17. Cut wellhead 4' below ground level.
18. RDMO w/o rig.
19. Weld 1/4" thick steel plate over casing stub and install dry hole marker.
20. Remove Surface equipment from location.
21. Restore and reclaim the location.

-- ∞ --



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

***CONDITIONS OF APPROVAL
TO PLUG AND ABANDON WELL***

Well Name and Number: Soldier Creek 5-28
API Number: 43-007-30849
Operator: J-W Operating Company
Reference Document: Original Sundry Notice dated September 25, 2007,
received by DOGM on October 9, 2007.

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration. Evidence of compliance with this rule should be supplied to the Division upon completion of reclamation.
3. Balance plugs shall be tagged to ensure they are at the depths specified in the proposal.
4. All annuli shall be cemented from a minimum depth of 100' to the surface.
5. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
6. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
7. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

October 26, 2007

Date

Wellbore Diagram

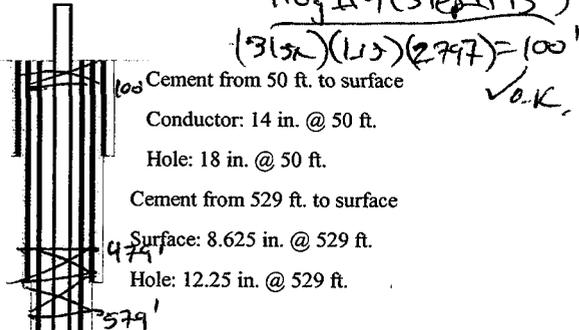
API Well No: 43-007-30849-00-00 Permit No:
 Company Name: J-W OPERATING COMPANY
 Location: Sec: 28 T: 12S R: 12E Spot: NWSW
 Coordinates: X: 535088 Y: 4399283
 Field Name: SOLDIER CREEK
 County Name: CARBON

Well Name/No: SOLDIER CREEK 5-28

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (f/cf)
HOL1	50	18			
COND	50	14	48	50	
HOL2	529	12.25			
SURF	529	8.625	24	529	2.797
HOL3	3415	7.875			
PROD	3415	5.5	17	3415	7.661
T1	3347	2.875			

7 7/8" OH (208) → 20531



Plug #4 (step #15)
 $(15x)(1.15)(2797) = 100'$
 ✓ o.k.

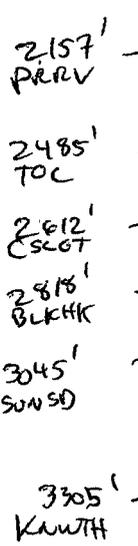
Plug #3 (step #14)
 OH 50' / (1.15)(20531) = 215x
 8 7/8" (9.5x)(1.15)(2797) = 29'
 * 50' min required
 TOC must be @ 479' minimum
 (50' above surface shoe)
 Tag Plug ✓ o.k.

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
COND	50	0	UK	10
PROD	3415	2485	G	150
SURF	529	0	PM	275

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
3220	3234			



Plug #2 (step #13)
 Plug 50' / (1.15)(7661) = 65x
 OH (15x)(1.15)(20531) = 35' → 50' min req. - TOC must be @ 2435' min. (50' above stub)
 * Plug may be reqd from 2200' to 2100' if casing is not free below that depth
 Tag Plug ✓ o.k.

Formation Information

Formation	Depth
PRRV	2157
CSLGT	2612
BLKHK	2818
SUNSD	3045
KNWTH	3305

Plug #1 (step #9)
 $(11x)(1.15)(7661) = 97'$
 Cement from 3415 ft. to 2485 ft. TOC @ ± 3070'
 Tubing: 2.875 in. @ 3347 ft.
 Production: 5.5 in. @ 3415 ft.
 Hole: 7.875 in. @ 3415 ft.
 ✓ o.k.

TD: 3413 TVD: 3413 PBD: 3383

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
UT-007-0001-001

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Soldier Creek 5-28

2. NAME OF OPERATOR:
J-W Operating Company

9. API NUMBER:
4300730849

3. ADDRESS OF OPERATOR:
7074 S. Revere Parkway CITY Centennial STATE CO ZIP 80112

PHONE NUMBER:
(303) 422-4990

10. FIELD AND POOL, OR WILDCAT:
Wild Cat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1983' FSL 801' FWL

COUNTY: CARBON

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 32 12S 12E 6

STATE:

UTAH

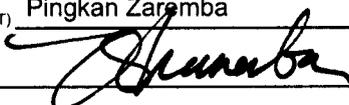
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<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/15/2007	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> 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.

Set a 5-1/2" CIBP @ 3170',
Pump 11 sxs cement class G on top CIBP from 3170'-3070'
Pump 9.5 bbl 9 ppg mud spacer from 3070' to 2535'
Mix and pump 11 sxs cement plug Class G up from 2535' to 2435'
Shot 4 sqz holes @ 579'
Pump 57 bbl 9 ppg mud spacer up to 579'.
Mix and pump 210 cement Class G from 579' in between casing 5-1/2" and 12-1/2" up to surface and also inside 5-1/2" casing from 579' all the way to the surface.

Attached wellbore diagram and cement job summary. The plugging job was inspected by representative from the state.

NAME (PLEASE PRINT) Pingkan Zaremba
SIGNATURE 

TITLE Engineering Tech
DATE 12/18/2007

(This space for State use only)

RECEIVED
DEC 26 2007

J-W Operating Company

Soldier Creek No. 5-28
1983' FSL & 801' FWL, Section 28-T12S-R12E
Soldier Creek Field, Carbon County, Utah
API No. 43-007-30849

ACTUAL P&A WELLBORE SCHEMATIC - 12/18/07

Ground Elevation = 7270'

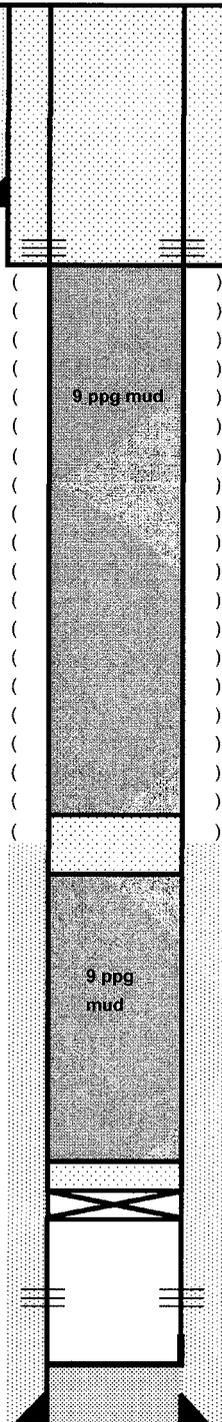
RKB = 7,284"

210 sxs Cement plug from
579' to the surface.

Perf @ 579' 4 jspf

Cement Plug @ 2435' - 2535'

Perfs: Gilson
(56 Holes) 3220' - 3234'
120° Phase, 3 JSPF



14" Conductor set @ 50' KB; Cmt w/ 10 sxs Portland

12 1/4" Hole

Surface Casing:

8-5/8", 24#, J-55, ST&C

Cmtd w/ 275 sxs Premium + 2% CaCl

1/4#/sx flo-cele, Circ (3) bbls to pit

9 ppg mud

9 ppg mud

TOC @ 2485' CBL

7-7/8" Hole

11sxs cement Class G on top of CIBP

5-1/2" CIBP @ 3170'

Frac w/ 1107 BBLs 20# crosslink gel & 90,080# 16/13 sand

Production Casing:

5-1/2", 17#, J-55, LT&C SET @ 3555' KB

Cmtd w/ (20) BBLs water spacer, 150 sxs Class 'G',

3% salt, 2% CaCl using AFU shoe, (15) centralizers,

(1) latch-down plug, (3) cmt baskets @ 2975', 3174' & 3526'

RECEIVED

DEC 26 2007

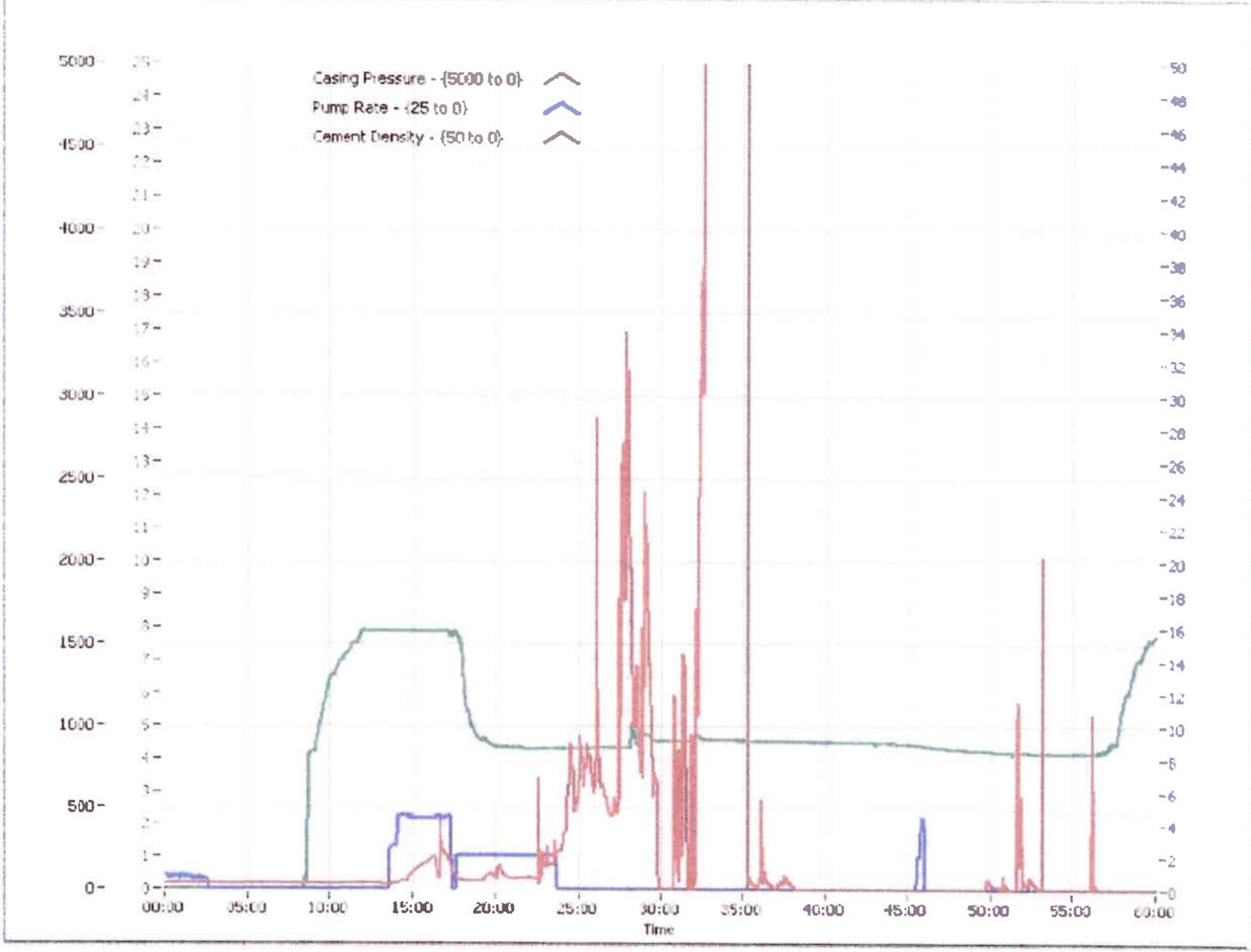
DIV. OF OIL, GAS & MINING

{1} Primary - Units

Casing Pressure	CASING-psi	psi
Pump Rate	PUMPF	bpm
Pump 1 Rate	PUMP1f	bpm
Pump 2 Rate	PUMP2f	bpm
Cement Density	DENSITY-ppg	ppg
Slurry Fluid Volume Stage	SLRY VOL STG-bbls	bbl
Slurry Fluid Volume Job	SLRY VOL TOT-bbls	bbl

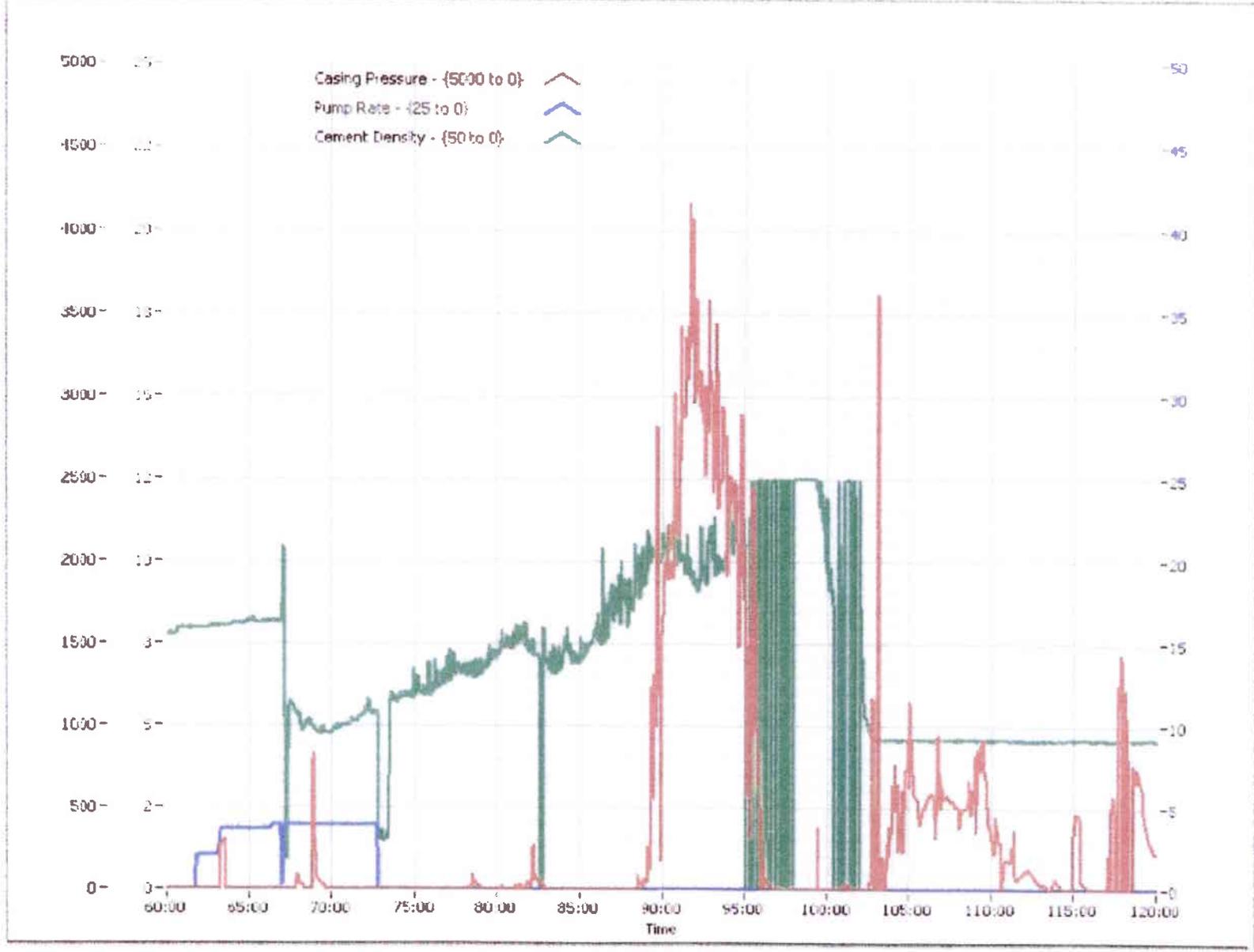


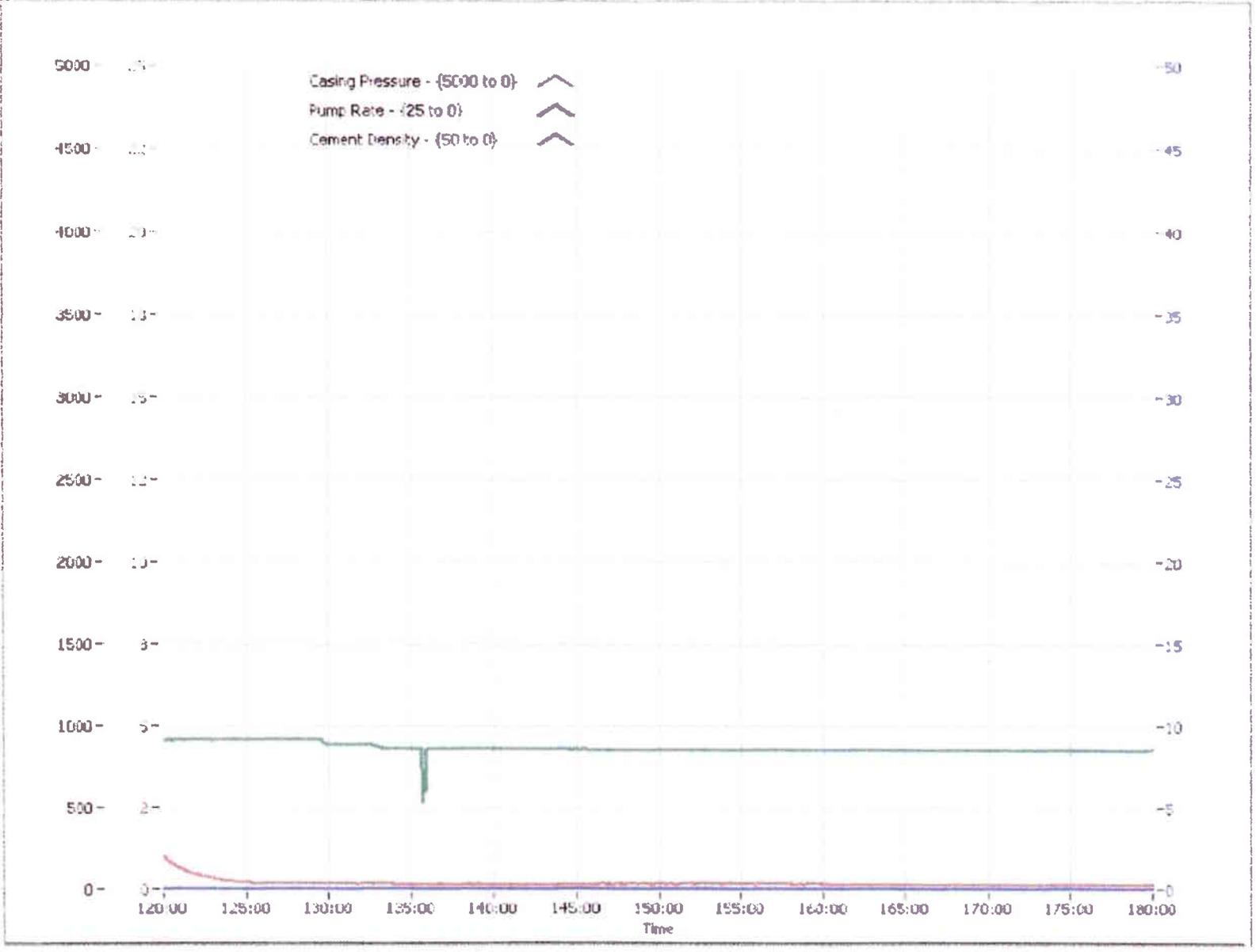
{1} Primary - Relative Time Chart



0-000484-00-1-RT-1



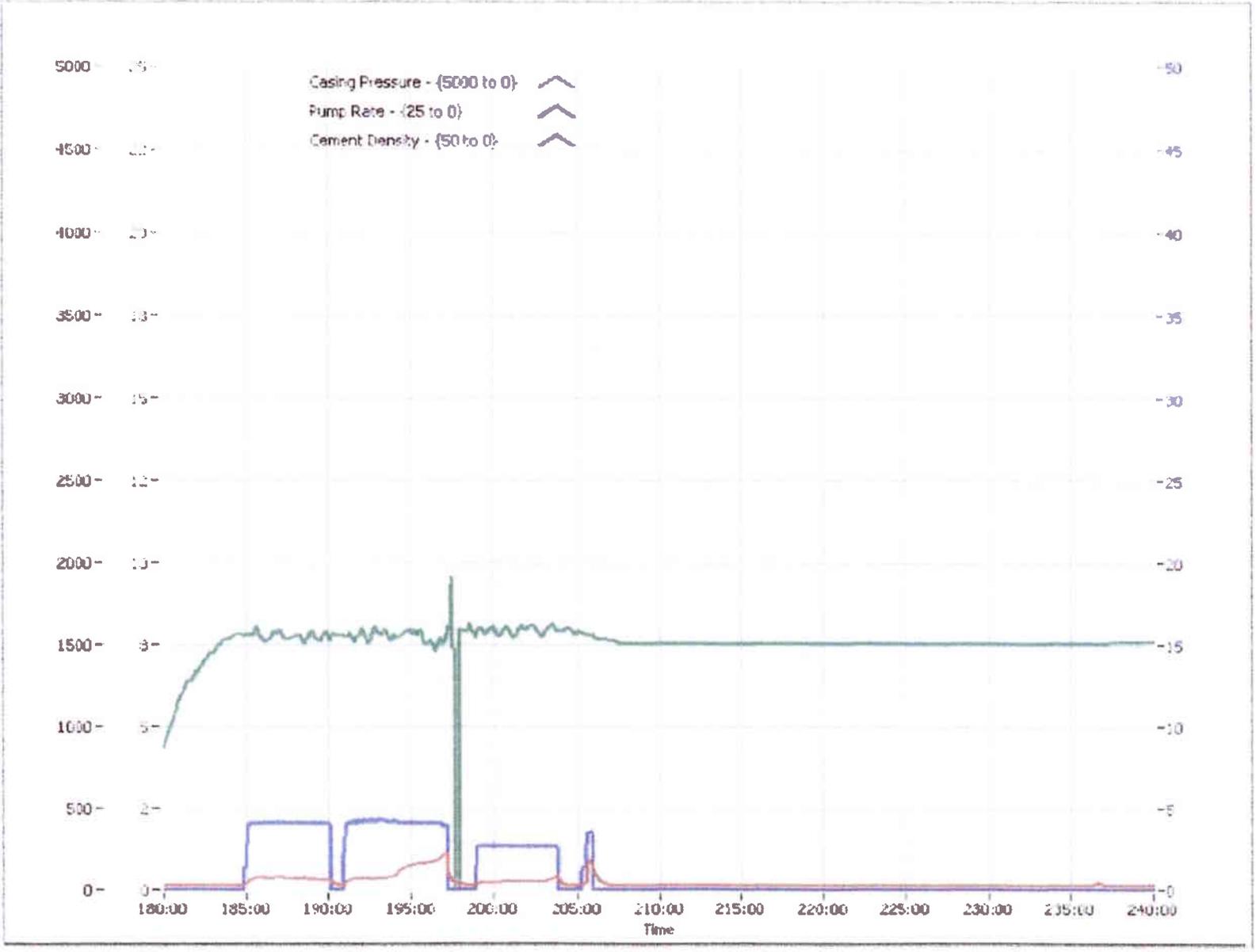




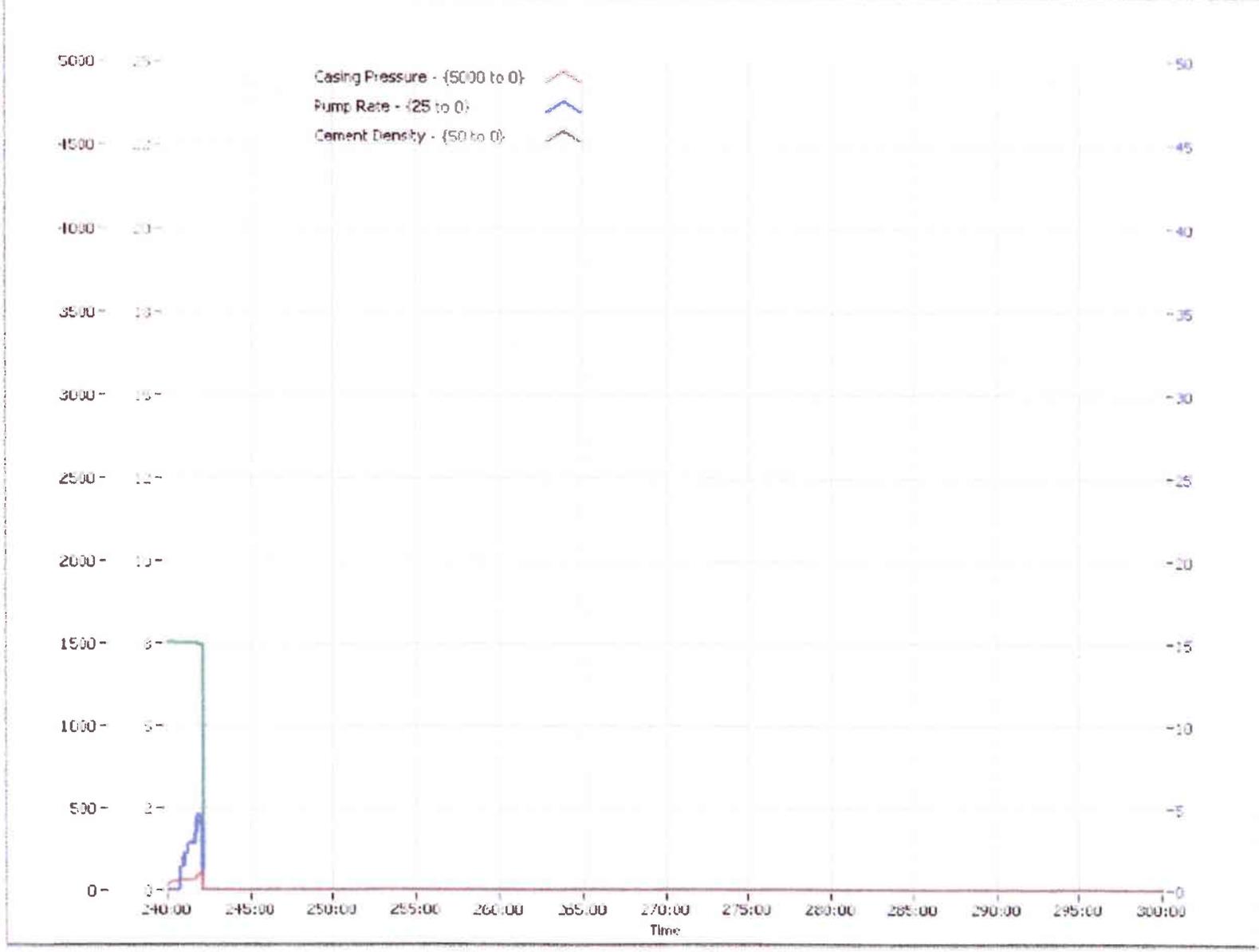
jw operating

SOLDIER CREEK 5-28

0-000484-00



0-000484-00-1-RT-4



Post Job Summary



JOB SUMMARY

CUSTOMER:
WELL #:
JOB TYPE:

J.W.OPERATING
SOLDIER CREEK
P.T.A.

	TYPE	BBLs.	DENSITY
PRE FLUSH #1	H2O	10	8.33

	ADDITIVES	DENSITY	YIELD	WATER
CEMENT				
SKS.				
232	2%CaCl ₂	15.8	1.15	5.2

	ADDITIVES	DENSITY	YIELD	WATER
SKS				

43-007-30849
28 12s 12e



J-W OPERATING COMPANY
7074 South Revere Parkway
Centennial, CO 80112-3932
PHONE: (303) 422-4990
FAX: (720) 407-0784

OIL AND GAS PROPERTY MANAGEMENT

Dec 28th, 2007

Utah Division Of Oil, Gas and Mining
1594 West North Temple
Suite 1210.
Salt Lake City, UT-84114-5801

Re: Plan of reclamation the Soldier Creek Emergency Evaporation Pit and well sites.

Dear Sir/Madam,

J-W Operating Company has decided to discontinue operation production at the State of Utah. J-W Operating Company would like to terminate the Soldier Creek Emergency Evaporation pit discharge permit. All the producing wells at the Soldier Creek field in Carbon County already have been plugged and abandoned. The abandonment was witnessed by Mr. Mark Jones a representative of Utah Division of Oil, Gas and Mining. The Sundries for wells that were plugged have been submitted. Most of the equipment has been removed from the locations. This will be continued as weather permits. It is planned to remove out all the equipment by early 2008. The emergency pit is currently empty. We are negotiating an agreement with the land owner to reclaim the well sites. The pit liner and fences are still installed at the emergency pit location. The land owner would like us to leave the liner in places as he plans to turn the emergency pit into a fishing pond or a stock pond. J-W Operating Company will comply with Utah regulations concerning restoration of well sites.

The attached plan covers reclamation of the Soldier Creek Emergency pit and well sites. Please advise if we need to file a form to terminate the discharge permit. Please advise which file to release the bonds in place.

Should you have any question or require additional information regarding this matter, please do not hesitate to contact me at 303-422-4990.

Sincerely,

A handwritten signature in black ink, appearing to read "Pingshan Zaremba".
Pingshan Zaremba.

**Approved by the
Utah Division of
Oil, Gas and Mining**
Date: 2-25-08
By: A handwritten signature in black ink, appearing to read "Mark Jones".

RECEIVED

DEC 31 2007

DIV. OF OIL, GAS & MINING

The Plan for Reclamation of well sites and Emergency Evaporation Pit

1. Plugged and Abandoned.

- a. State of Utah Division Oil, Gas and Mining was notified when J-W Operating Company plugged and abandoned the wells at Soldier Creek field.
- b. Plugged and abandoned wells were witnessed by State of Utah Division Oil, Gas and Mining representative.
- c. Subsequent Sundry notices regarding the plugged and abandoned wells were sent, include the wellbore diagram and cement job summary.
- d. The plugging procedures followed the State of Utah Division Oil, Gas and Mining requirements.

2. Well Sites Restoration.

- a. There are 7 well sites in Soldier Creek field that need to be restored.
- b. All the liquid waste and trash has been hauled from the well sites.
- c. All the equipments is to be moved out from the location.
- d. J-W Operating Company is negotiating an agreement with the land owner to have him reclaim the well sites.
- e. J-W Operating Company will receive a release of liability from the land owner when an agreement is reached.
- f. Reclamation will comply with State of Utah regulations and landowner requirements.
- g. If an agreement with the land owner can not be reached, J-W Operating Company will restore the well sites as follows:
 - All the well sites will be graded and re-contoured to as near the original condition as possible.
 - Available topsoil will be evenly distributed over the disturb areas and will be reseeded as prescribe by land owner.

- All equipment and material related to production operation will be removed from the location.
- h. J-W Operating Company will meet all surface reclamation requirements for final bond release.

3. Emergency Evaporation Pit Restoration

- a. An agreement with the land owner regarding reclaim the site is in process and J-W Operating Company will have release of liability from the land owner when an agreement is reached.
- b. Emergency Evaporation Pit is empty at this time.
- c. If an agreement can not be reached, J-W will restore the site as follow:
- Fences and liners will be taken out and moved from the site.
 - Any foreign material from the pit will be removed.
 - All the disturbed area will be re-contoured as close as to original landscape as possible.
 - Available top soil will be evenly distributed over disturbed areas and the areas will be reseeded as prescribe by the land owner.
- d. J-W Operating Company will meet all surface reclamation requirements for final bond release.



J-W OPERATING COMPANY
7074 South Revere Parkway
Centennial, CO 80112-3932
PHONE: (303) 422-4990
FAX: (720) 407-0784

OIL AND GAS PROPERTY MANAGEMENT

9 May 2008

Utah Division of Oil, Gas and Mining
1594 West North Temple
Suite 1210
Salt Lake City, UT 84114-5801

Re: Soldier Creek Field Reclamation and Release Agreement

Dear Sir/Madam,

Enclose with this letter you will find a copy of the surface reclamation, release and indemnity agreement between J-W Operating Company and the Iriart Family Limited Partnership (Iriart). As you know the weather is still important role to be able working in the Soldier Creek area. As soon as weather permits, J-W Operating will continue the clean-up process on the areas as per agreement. Approximate date to continue the clean up process is May 15, 2008.

Should you have any question or require additional information regarding this matter, please do not hesitate to contact me at 303-422-4990 or pzaremba@jwoperating.com

Sincerely,


Pingkan Zaremba

RECEIVED

MAY 15 2008

UTAH DIVISION OF OIL, GAS & MINING

J-W OPERATING COMPANY

7074 SOUTH REVERE PARKWAY
CENTENNIAL, COLORADO 80112-3932

OIL AND GAS PROPERTY MANAGEMENT

PHONE 303 422-4990
FAX 303 422-0178

May 16, 2008

Mr. Bernie Iriart
Iriart Family Limited Partnership
P.O. Box 293
Price, Utah 84501

Re: Amendment to Surface Reclamation, Release, and Indemnity Agreement
Signed March 21, 2008
Soldier Creek Prospect
Carbon County, Utah

Dear Mr. Iriart:

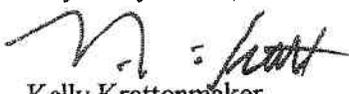
It has come to our attention that the Soldier Creek State #6-32 and Soldier Creek State #7-32H wells were inadvertently left off the captioned Surface Reclamation, Release, and Indemnity Agreement. The purpose of this letter is to amend such Agreement to include those wells and accurately reflect our understanding in writing. Accordingly, please evidence The Iriart Family Limited Partnership's agreement to including these two wells in the captioned Agreement by having Louise sign below and returning one originally signed copy of this letter using the enclosed self addressed envelope.

We apologize for any inconvenience this may cause you.

Do not hesitate to call me at 720-385-3075 should you have any questions...

Your cooperation is appreciated.

Very Truly Yours,



Kelly Krattenmaker
Rocky Mountain Business Manager

Agreed to and accepted this _____ day of May, 2008 by Iriart Family Limited Partnership:

Louise L. Iriart P.O.A. Bernie Iriart
Louise L. Iriart, General Partner

SURFACE RECLAMATION, RELEASE, AND INDEMNITY AGREEMENT

This Surface Reclamation, Release, and Indemnity Agreement (the "Agreement") is by and between J-W Operating Company ("J-W") and the Iriart Family Limited Partnership ("Iriart"). J-W and Iriart may be collectively referred to herein as the "Parties." The Agreement pertains to certain well locations in Carbon County, Utah further described as:

- A. Soldier Creek #1-28 Well;
- B. Soldier Creek #2-28 Well;
- C. Soldier Creek #3-29 Well;
- D. Soldier Creek #4-28 Well; and
- E. Soldier Creek #5-28 Well

(hereinafter collectively referred to as the "Wells"). The phrase "Well Sites" as used herein shall include but is not limited to the location of the Wells, the roads leading to the locations of the Wells, and any surface use associated with the drilling, production, plugging and abandonment of the Wells.

The Agreement also includes reclamation, release and indemnity with regard to the Emergency Pit located near the Soldier Creek #4-28 Well (the "Pit").

Recitations

1. Each of the Wells has been plugged and abandoned by J-W.
2. Iriart is the fee simple owner of the property upon which the Wells and Well Sites are located.
3. J-W and Iriart have previously entered into a Surface Use Agreement with respect to the Well Sites (the "Surface Use Agreement"), a copy of which is attached hereto as **Exhibit A**. J-W has previously been issued permission by the State of Utah, Department of Natural Resources, Division of Oil, Gas & Mining to construct the Pit, pursuant to a Permit Statement of Basis with a review date of August 13, 2002, a copy of which is attached hereto as **Exhibit B** (the "Statement of Basis").
4. For purposes of this Agreement, the term "Reclamation" includes but is not limited to the restoration, regrading, reseeding, contouring, scarification, and stabilization, of the Well Sites and/or Pit and the removal, cleanup, disposal, monitoring and/or testing of water or for precipitated solids and/or hazardous materials at the Well Sites and/or Pit.
5. J-W and Iriart wish to enter into an agreement for Reclamation, release, and indemnity with respect to the Well Sites and Pit. In connection therewith, Iriart wishes to assume sole responsibility for all Reclamation of the Well Sites and Pit. Therefore, in consideration of the foregoing recitals and the mutual promises contained therein, the Parties agree as follows:

Agreement

6. For each entity named herein, the Release and Indemnity provisions shall include and inure to benefit of its parent corporations, subsidiary corporations, officers, directors, attorneys, employees, assigns, agents and representatives, predecessors and successors, and any and all other persons, firms, parties and corporations that might be in privity with it, whether named herein or not, all and each of them.
7. The foregoing recitals are true and correct.
8. Iriart warrants that it is the fee simple owner of the property upon which the Wells and Well Sites are located. Iriart warrants that it has not transferred or assigned any part of the property or the claims released herein to any third persons or entities. Iriart expressly warrants that no claim, claims or cause of action of any type is reserved against any of the parties released herein.
9. J-W agrees to pay Iriart ONE HUNDRED THOUSAND AND NO/DOLLARS (\$100,000.00), to be paid at the time of execution of this Agreement, the receipt, adequacy and sufficiency of which is hereby acknowledged by Iriart.
10. J-W agrees to repair the pit liner on the Pit and to replace the fence around the Pit on or before July 31, 2008. J-W agrees to provide Iriart with a key to the fenced area surrounding the Pit, no later than July 31, 2008.
11. J-W agrees to remove the equipment remaining on the Wells Sites no later than July 31, 2008. J-W agrees to blind flange the tap on the Pioneer Pipeline at the Soldier Creek #5-28 Well Site on or before July 31, 2008.
12. Iriart agrees to perform Reclamation of the Well Sites in accordance with Utah Administrative Code R649-3-34 (Well Site Restoration) and the Surface Use Agreement, and agrees and affirms that such Reclamation actions by Iriart satisfy any obligation of J-W to perform Reclamation at the Well Sites pursuant to the Utah Administrative Code R649-3-34 (Well Site Restoration) and the Surface Use Agreement.
13. Iriart agrees to perform Reclamation of the Pit in accordance with the Statement of Basis and/or any amended or additional requirements of the State of Utah and/or the United States. If Iriart wishes to use the Pit for livestock purposes, Iriart shall make appropriate arrangements with the State of Utah for such use, obtain the State of Utah's consent for such use, and shall comply with the State of Utah's requirements for such use.
14. **Release.** For and in consideration of the agreements and payment set forth herein, the undersigned, Iriart Family Limited Partnership, hereby releases, acquits, and forever discharges J-W Operating Company and the State of Utah of and from any and all claims arising out of the Well Sites and/or the Pit, including but not limited to: (1) claims arising from or relating to the Reclamation of the Well Sites and/or the Pit, (2) claims arising

from or relating to the well site Reclamation requirements referenced in Utah Administrative Code R649-3-34, (3) claims arising from or relating to the Surface Use Agreement; (4) claims arising from or relating to the Statement of Basis; (5) claims arising from or relating to the cleanup of precipitated solids or hazardous materials or contamination of water at or from the Well Sites and/or the Pit; and (6) any claims arising from or relating to the effect of the Reclamation of the Well Sites and/or the Pit on Iriart's subsequent use of the property.

15. **INDEMNITY.** FOR AND IN FURTHER CONSIDERATION OF THE AGREEMENTS AND PAYMENT SET FORTH HEREIN, THE UNDERSIGNED, IRIART HEREBY AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS J-W OF AND FROM ANY AND ALL PAST, PRESENT OR FUTURE CLAIMS, DEMANDS, ACTIONS OR CAUSES OF ACTION INCLUDING BUT NOT LIMITED TO LEGAL FEES, COURT COSTS, SETTLEMENTS AND JUDGMENTS, IF ANY, STEMMING FROM ANY CLAIM OR CLAIMS ASSERTED BY, THROUGH OR UNDER IRIART OR ITS SUCCESSORS OR ASSIGNS, THE STATE OF UTAH, OR THE UNITED STATES, BY REASON OF OR BASED UPON THE MANNER, METHOD, OR PERFORMANCE OF THE RECLAMATION OF THE WELL SITES AND/OR THE PIT. SUCH RIGHT OF COMPLETE INDEMNITY SHALL EXIST IN FAVOR OF THE J-W EVEN IF THE CLAIMS ASSERTED AGAINST J-W, INCLUDING ANY CLAIM ALLEGING J-W'S OWN NEGLIGENCE, WERE THE SOLE CAUSE, OR A CONTRIBUTING CAUSE OR CONCURRING CAUSE OF THE CLAIM OR CLAIMS, DEMAND, CONTROVERSY OR CAUSE OF ACTION IN QUESTION.
16. Iriart and J-W warrant that they are legally competent and authorized to execute this Agreement. Iriart and J-W acknowledge they have read the Agreement and fully understand its contents and effect.
17. Iriart and J-W agree that the provisions herein are contractual in nature and are not mere recitals and that they have independently consulted with legal counsel and sought counsel's advice, or have had the opportunity to seek counsel's advice, in connection with the construction, meaning and purpose of this Agreement.
18. It is further agreed and understood by Iriart that this Agreement contains the entire agreement of the Parties and that no other promise or representation of any kind or character, whether oral or written, has been made to Iriart as an inducement to the execution of this Agreement.
19. Iriart expressly represents it intends this Agreement and the Release and Indemnity provisions contained herein to be interpreted as broadly and as comprehensively as possible in favor of the parties released and indemnified herein to effectuate the purposes hereof.
20. The Release contained herein shall be construed and governed exclusively in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, Iriart Family Limited Partnership and J-W Operating Company have duly executed this Agreement effective as of the date their signatures are acknowledged.

SIGNED this 31 day of March, 2008.

Iriart Family Limited Partnership

By: Louise L. Iriart by Bernard F. Iriart
Louise L. Iriart, General Partner
Iriart
P.O.A.

J-W Operating Company

By: Kelly Knattenmeyer
Name: Kelly Knattenmeyer
Title: Rocky Mountain Business Manager

