



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@castnet.com

April 8, 2002

RECEIVED

APR 15 2002

DIVISION OF
OIL, GAS AND MINING

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 #4-28, Carbon County, Utah
2036' FNL, 535' 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.

ORIGINAL

CONFIDENTIAL

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

001

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: J-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: 2036' FNL, 535' FWL 4399477 39.74817
At Proposed Producing Zone: 534984 -110.59167

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: #4-29 4-28

10. Field or Pool, or Wildcat: Undesignated Wildcat

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

14. Distance in miles and direction from nearest town or post office: 16.2 miles northeast of Wellington, Utah

12. County: Carbon

13. State: Utah

15. Distance to nearest property or lease line (feet): 2000'

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 1200'

19. Proposed Depth: 3500'

20. Rotary or cable tools: Rotary

21. Elevations (show whether DF, RT, GR, etc.): 7328' 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
14"	9-5/8" J-55 ST&C	36	500' 503'	425 sacks Class G cement + 2% CaCl ₂ + 0.25 pps cellophane
8-3/4"	7" J-55 ST&C	23	3500' 3990'	800 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.*

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DIVISION OF OIL, GAS AND MINING

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24. Name & Signature: Robert C. Eiler Robert C Eiler Title: Engineer Date: 4/8/2002

(This space for state use only)
API Number Assigned: 43-007-30851

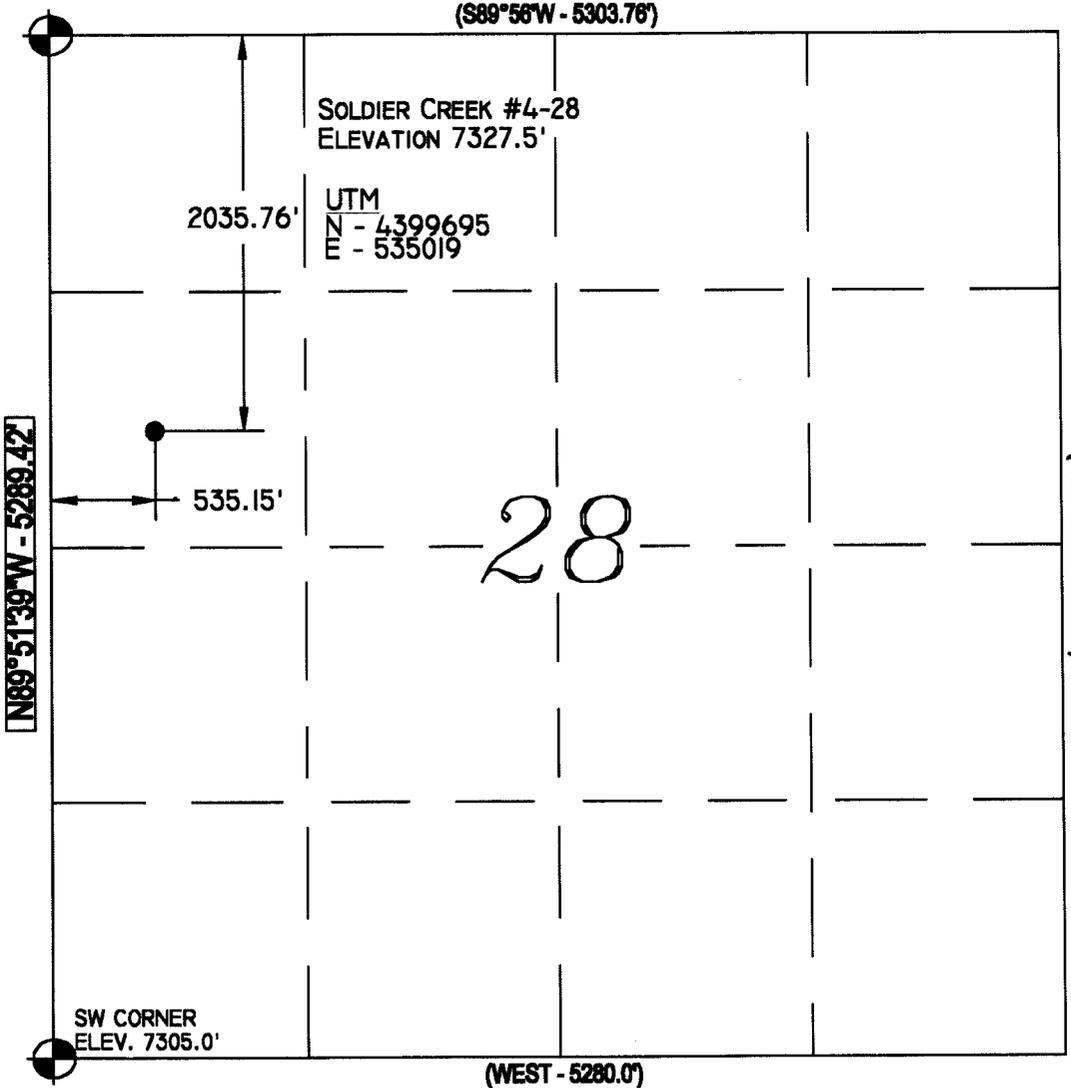
Approved by the Utah Division of Oil, Gas and Mining
Date: 05-23-02
By: [Signature]

ORIGINAL

Range 12 East

(S89°58'W - 5303.76')

Township 12 South



SOLDIER CREEK #4-28
ELEVATION 7327.5'

UTM
Easting - 4399695
Northing - 535019

2035.76'

535.15'

28

SW CORNER
ELEV. 7305.0'

(WEST - 5280.0')

N89°51'39"W - 5289.42'

N00°03'W - 5241.72'

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°44'54"N
110°35'29"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:

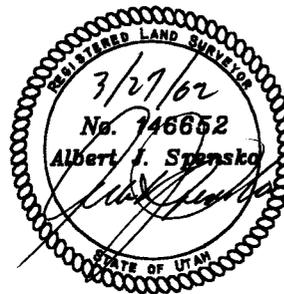
BASIS OF ELEVATION OF 7305' BEING AT THE SOUTHWEST SECTION CORNER OF SECTION 28, TOWNSHIP 12 SOUTH, RANGE 12 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE PINE CANYON QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

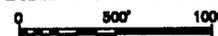
PROPOSED DRILL HOLE LOCATED IN THE SW1/4, NW1/4 OF SECTION 28, T12S, R12E, S.L.B.&M., BEING 2035.76' SOUTH AND 535.15' EAST FROM THE NORTHWEST CORNER OF SECTION 28, T12S, R12E, SALT LAKE BASE & MERIDIAN.

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.



GRAPHIC SCALE



(IN FEET)

1 inch = 1000 ft.



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



WELL #4-28
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, Affiant

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

My Commission Expires:

My Comm. Expires 3/12/2005

Mary C. Suss
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 #~~4-29~~ 4-28
 SW/4 NW/4, Sec. 28, T12S, R12E, SLB&M
 2036' FNL, 535' 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
14"	500'	9-5/8"	36# J-55 ST&C	New
8-3/4"	3500'	7"	23# J-55 ST&C	New

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

Surface Casing: 425 sacks G + 2 % CaCl₂ + 0.25 pps cellophane flakes;

Weight: 15.8 #/gal

Yield: 1.16 cu.ft/sk

Production Casing: 800 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 14" hole Drill with water and gradually move to a light base mud.

500-TD 8-3/4" 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.

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 #4-29 4-28
SW/4 NW/4, Sec. 28, T12S, R12E, SLB&M
2036' FNL, 535' 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 400' of two-track road will be upgraded and 1700' 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 4 – 18" culverts 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 2,700' southeast. Nearest live water is Soldier Creek approximately 3,100' 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**

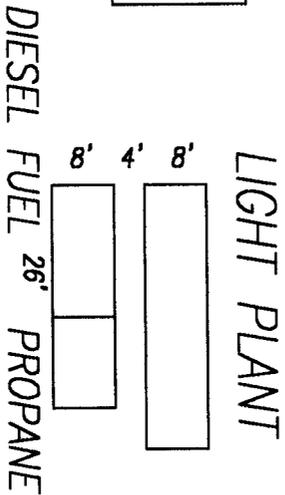
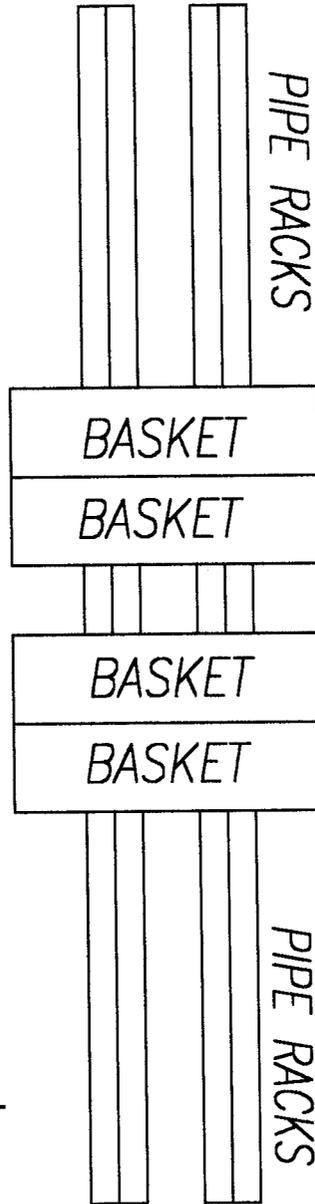
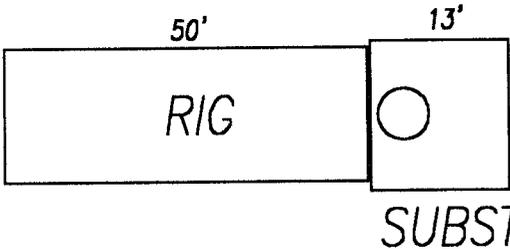
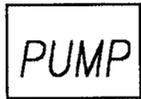
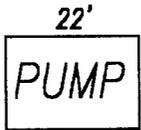
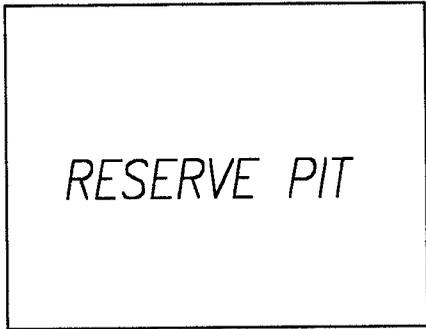
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill-site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated 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.

4/8/2002
Date



Robert Eller for J-W Operating Company

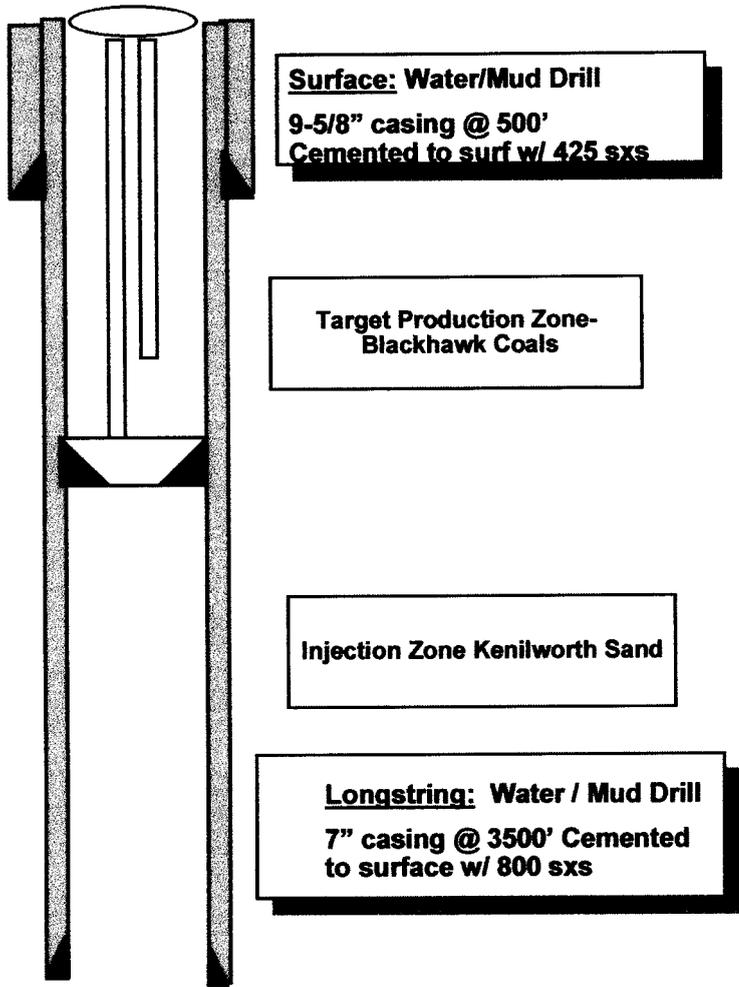
ORIGINAL



APPROXIMATE LAYOUT OF RIG & EQUIPMENT
(Not to Scale)



SOLDIER CREEK #4-28
SW-NW/4 SEC 28-T12S-R12E
Combination Injection Disposal Well



Surface: Water/Mud Drill
9-5/8" casing @ 500'
Cemented to surf w/ 425 sxs

Target Production Zone-
Blackhawk Coals

Injection Zone Kenilworth Sand

Longstring: Water / Mud Drill
7" casing @ 3500' Cemented
to surface w/ 800 sxs

TD: 3500'

TYPICAL ROAD CROSS-SECTION

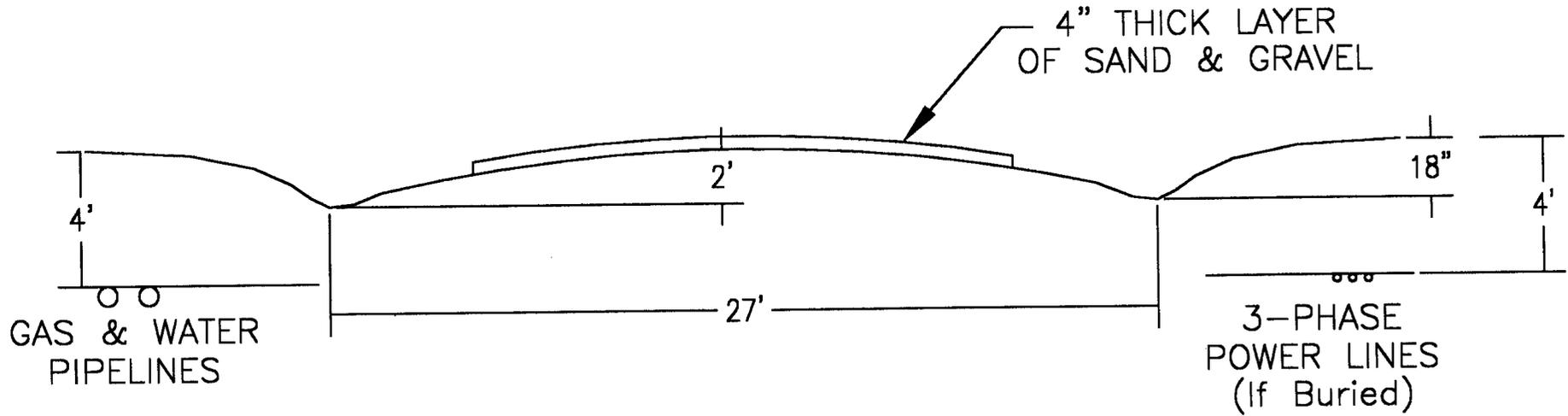
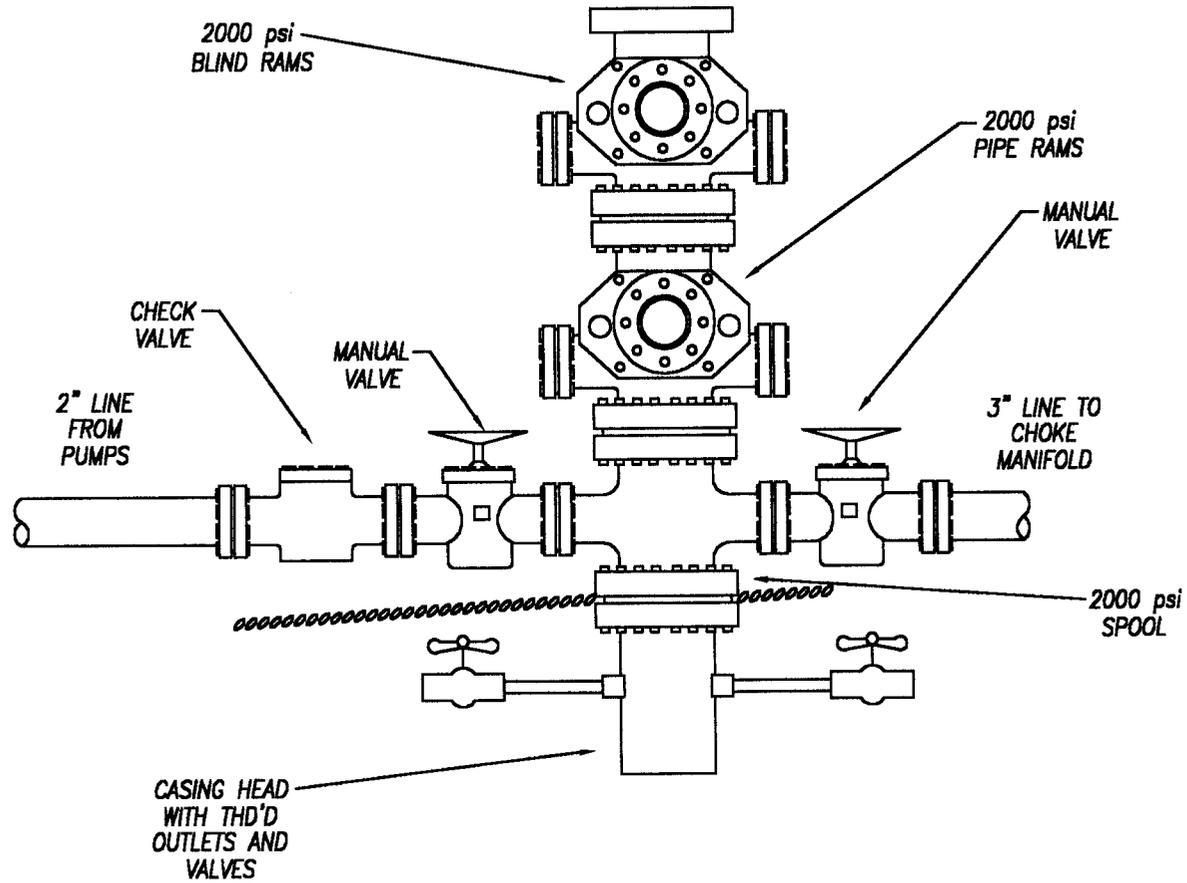


EXHIBIT "F"

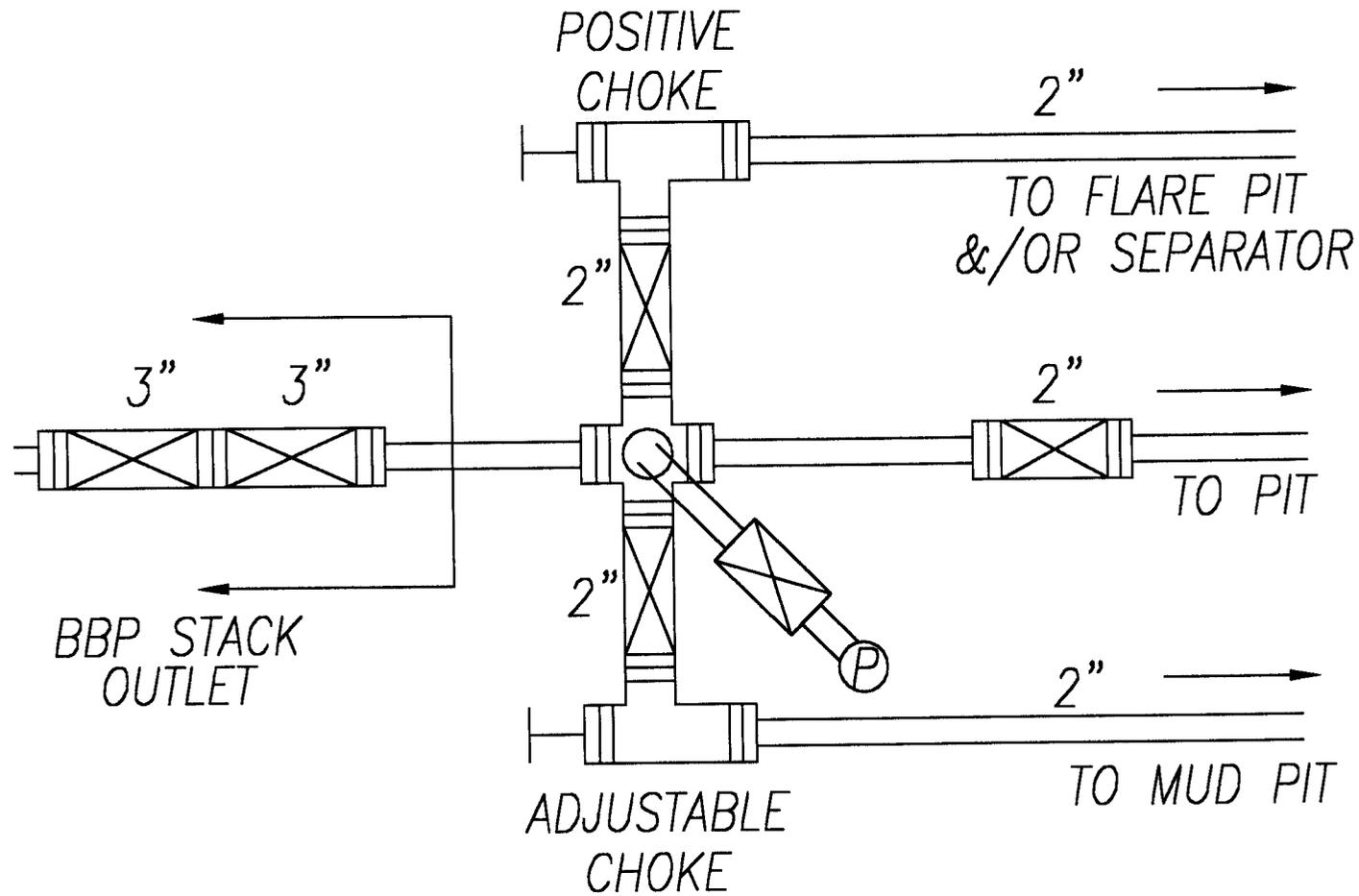


BOP Equipment

2000 psi WP

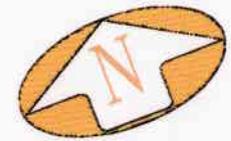
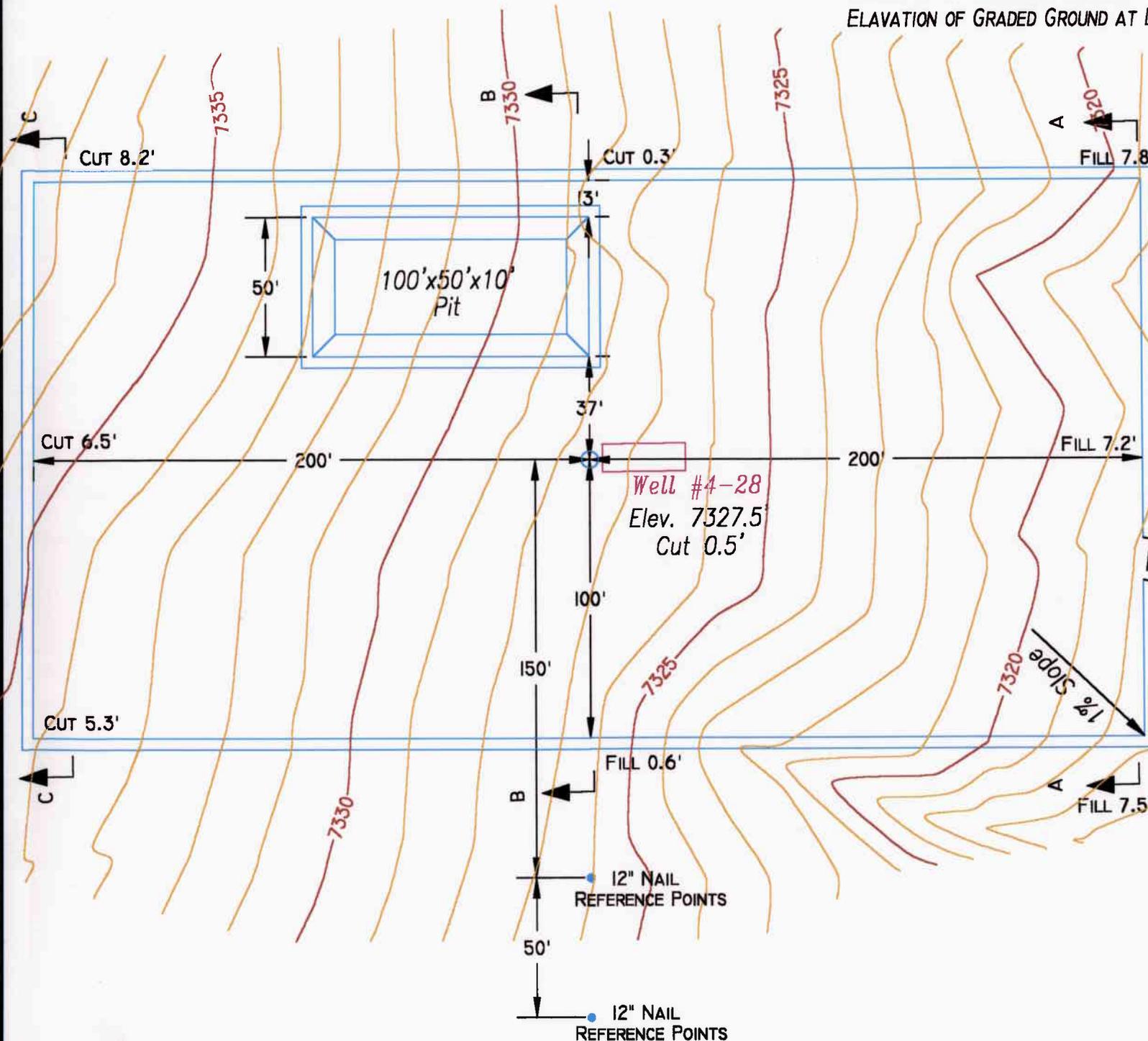


CHOKE MANIFOLD



ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 7327.5'

ELEVATION OF GRADED GROUND AT LOCATION STAKE = 7327.0'

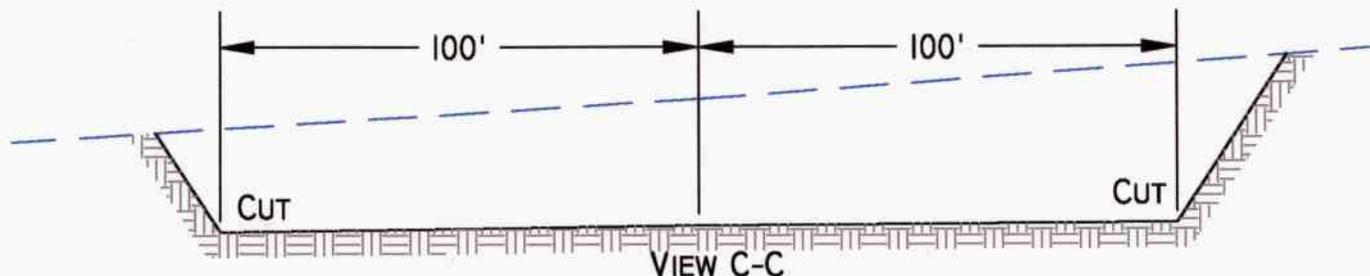


Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-636-8603

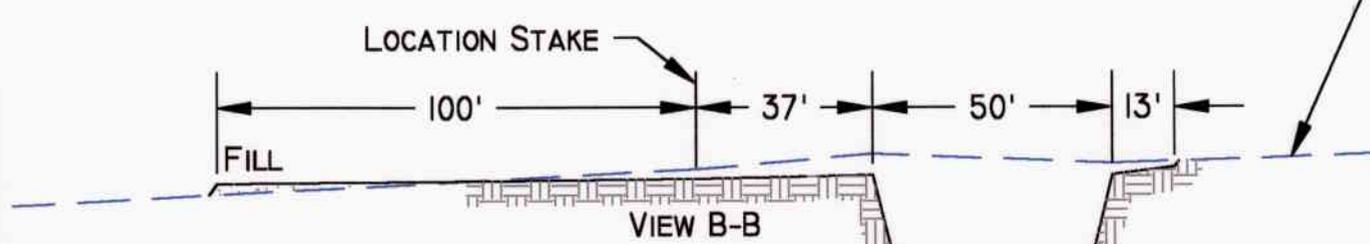


LOCATION LAYOUT
 Section 28, T12S, R12E, S.L.B.&M.
 WELL #4-28

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 03/28/02
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 584

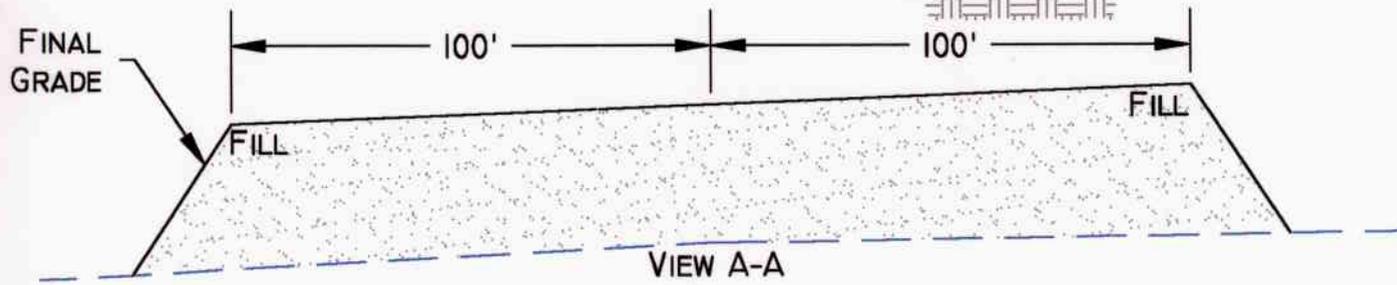


1"=10'
X-Section Scale
1"=40'



PRECONSTRUCTION GRADE

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



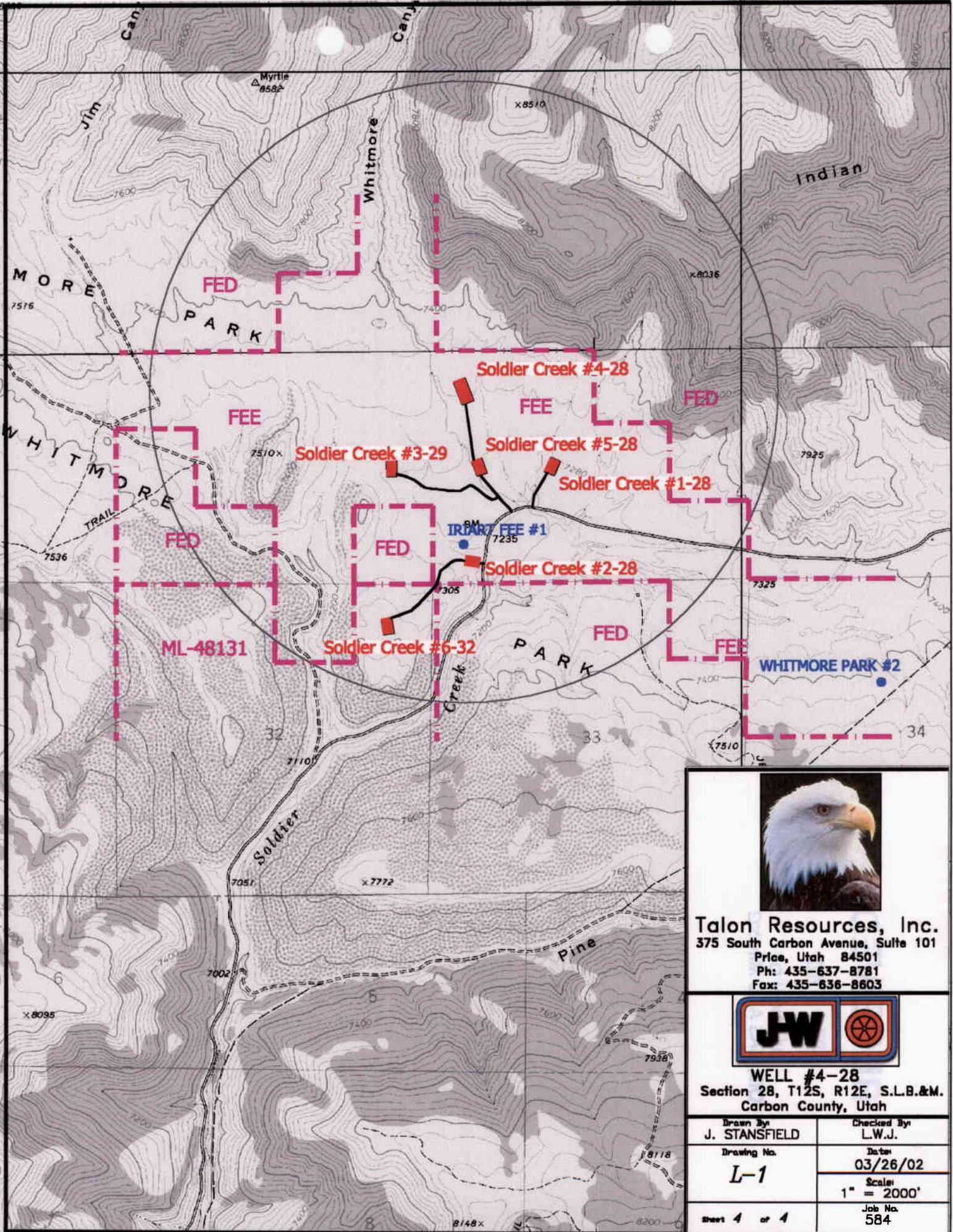
Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781
Fax: 435-636-8603



TYPICAL CROSS SECTION
Section 28, T12S, R12E, S.L.B.&M.
WELL #4-28

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 03/28/02
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 584

APPROXIMATE YARDAGES
CUT
(6")TOPSOIL STRIPPING = 750 Cu. Yds.
REMAINING LOCATION = 5,590 Cu, Yds.
TOTAL CUT = 7,590 Cu. Yds.
TOTAL FILL = 5,590 Cu. Yds.



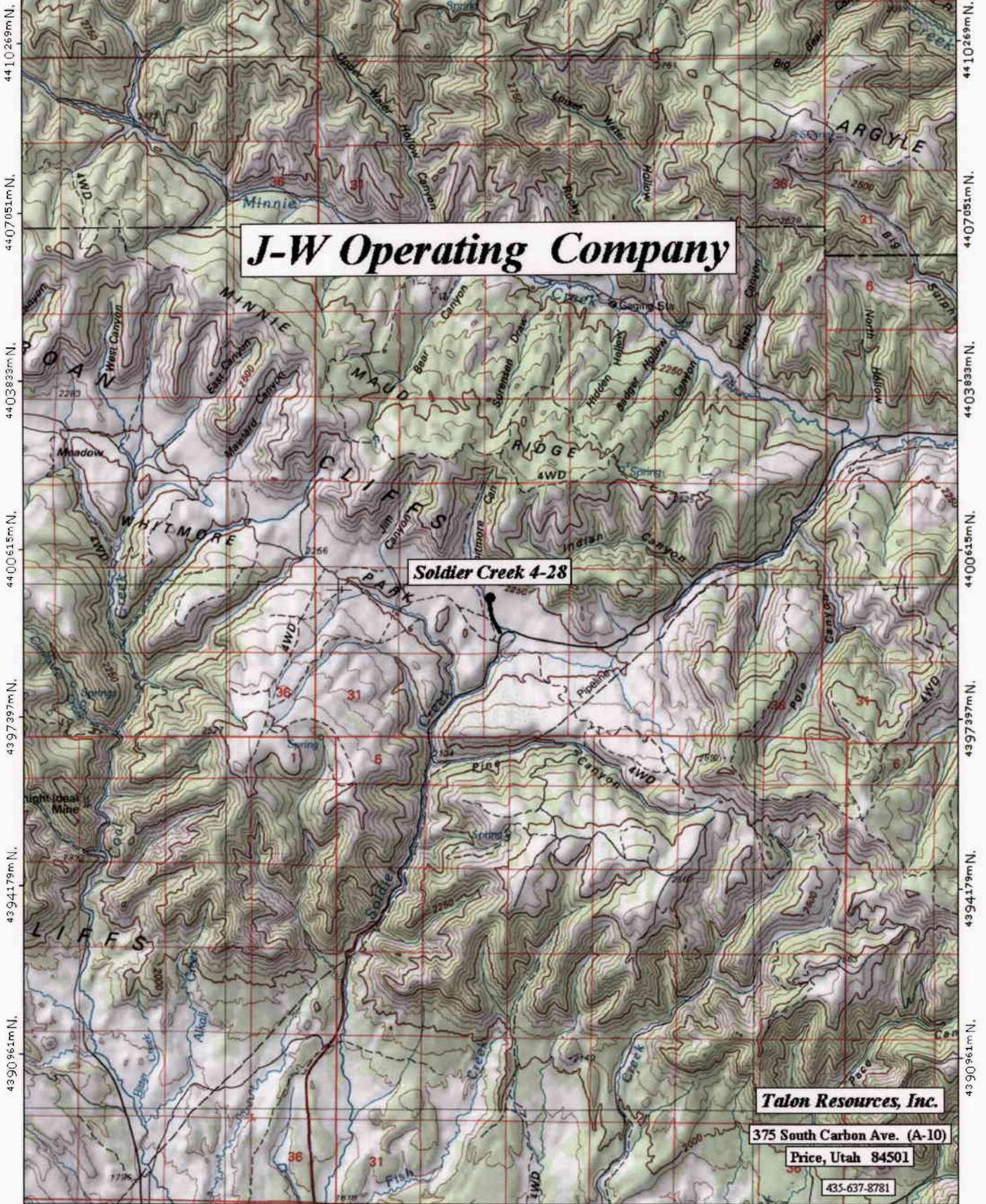
Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-636-8603



WELL #4-28
 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, 542233m E



J-W Operating Company

Soldier Creek 4-28

Talon Resources, Inc.

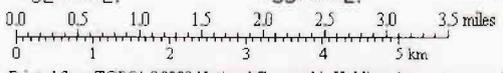
375 South Carbon Ave. (A-10)

Price, Utah 84501

435-637-8781

4410269m N, 4407051m N, 4403833m N, 4400615m N, 4397397m N, 4394179m N, 4390961m N, 4410269m N, 4407051m N, 4403833m N, 4400615m N, 4397397m N, 4394179m N, 4390961m N

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



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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: 2036' FNL, 535' FWL 4399677 39.74817
At Proposed Producing Zone: 534984 -110.59167

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:

#4-29 4-28

10. Field or Pool, or Wildcat:

Undesignated Wildcat

11. Qtr/Qtr, Section, Township, Range, Meridian:

SW/4 NW/4, Section 28,
T12S, R12E, SLB&M

14. Distance in miles and direction from nearest town or post office:

16.2 miles northeast of Wellington, Utah

12. County:

Carbon

13. State:

Utah

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

2000'

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

1200'

19. Proposed Depth:

3500'

20. Rotary or cable tools:

Rotary

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

7328' 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
14"	9-5/8" J-55 ST&C	36	500'	425 sacks Class G cement + 2% CaCl ₂ + 0.25 pps cellophane
8-3/4"	7" J-55 ST&C	23	3500'	800 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.*

RECEIVED

APR 15 2002

DIVISION OF
OIL, GAS AND MINING

CONFIDENTIAL

24.

Name & Signature: Robert C. Eller *Robert C. Eller* Title: Engineer Date: 4/8/2002

(This space for state use only)

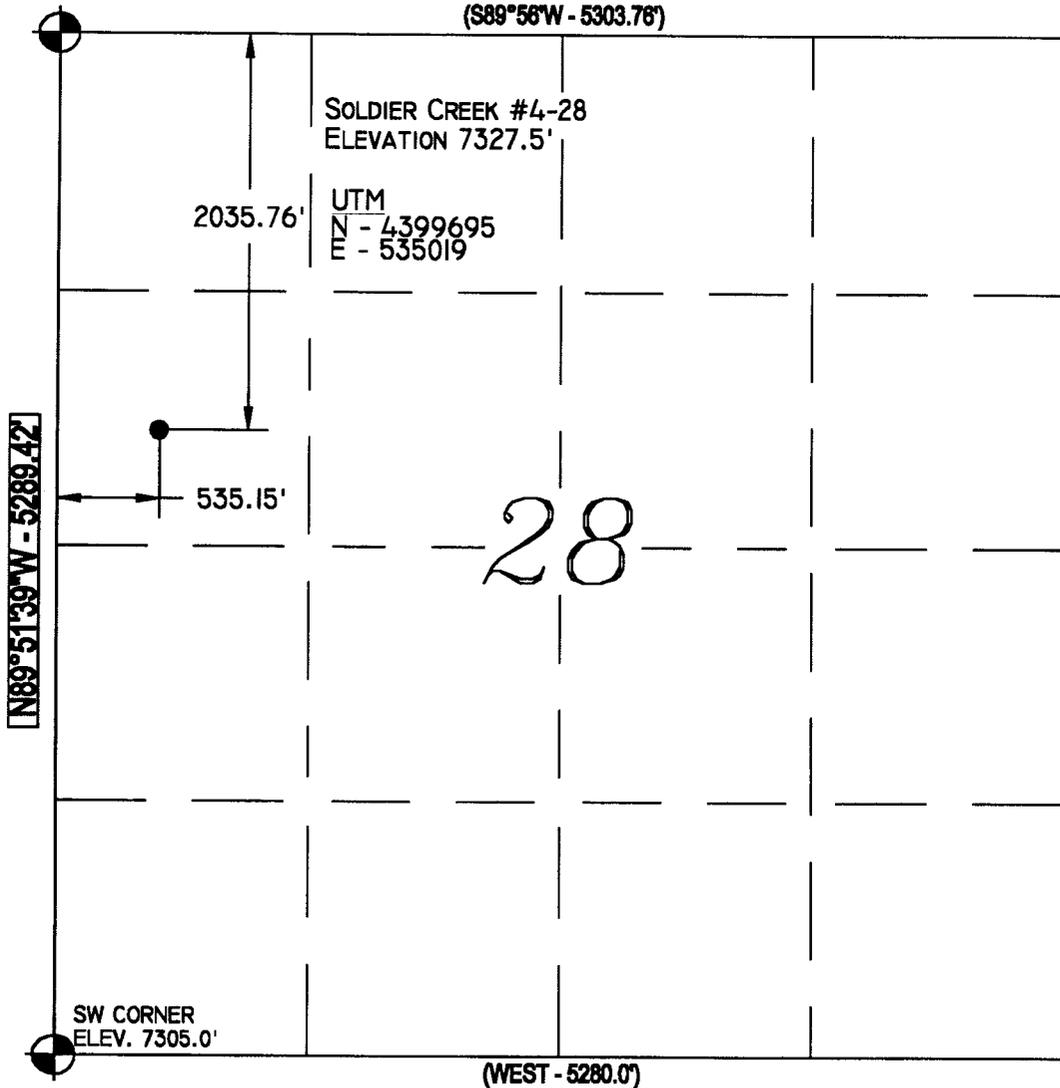
API Number Assigned: 43-007-30851

Approval:

ORIGINAL

Range 12 East

Township 12 South



SOLDIER CREEK #4-28
ELEVATION 7327.5'

UTM
N - 4399695
E - 535019

28

SW CORNER
ELEV. 7305.0'

(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°44'54"N
110°35'29"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.

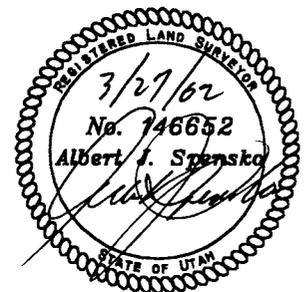
GLO Bearing:
THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED
FROM THE U.S. LAND OFFICE.

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 SW1/4, NW1/4 OF SECTION 28,
T12S, R12E, S.L.B.&M., BEING 2035.76' SOUTH AND 535.15' EAST
FROM THE NORTHWEST 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.

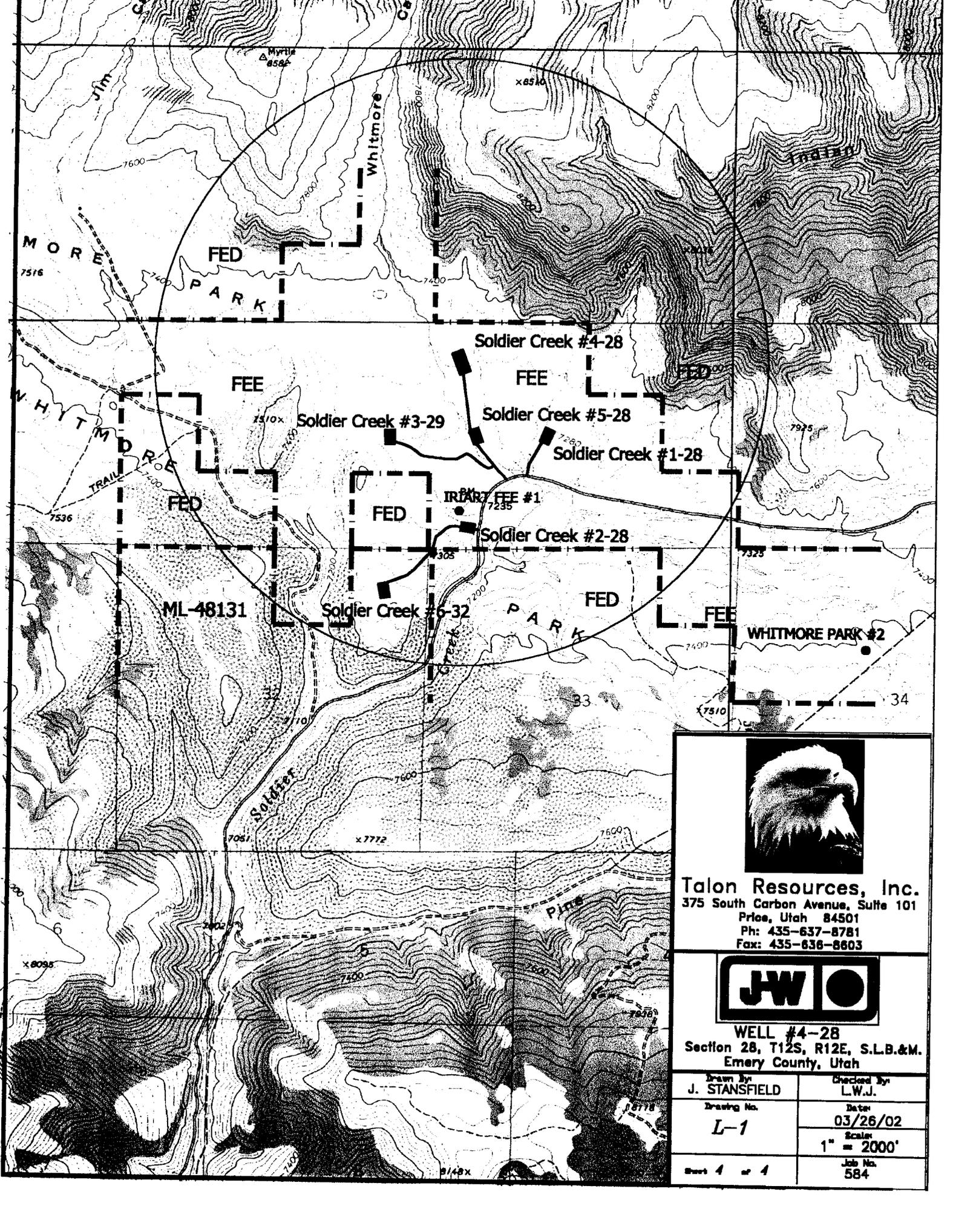


Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781
Fax: 435-636-8603



WELL #4-28
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



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



WELL #4-28
 Section 28, T12S, R12E, S.L.B.&M.
 Emery 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: 04/15/2002

API NO. ASSIGNED: 43-007-30851

WELL NAME: SOLDIER CREEK 4-28
OPERATOR: J-W OPERATING COMPANY (N2145)
CONTACT: ROBERT ELLER

PHONE NUMBER: 970-332-3151

PROPOSED LOCATION:
SWNW 28 120S 120E
SURFACE: 2036 FNL 0535 FWL
BOTTOM: 2036 FNL 0535 FWL
CARBON
WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	5/21/02
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. RBL0004156)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. MUNICIPAL)
- RDCC Review (Y/N)
(Date: 05/02/2002)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

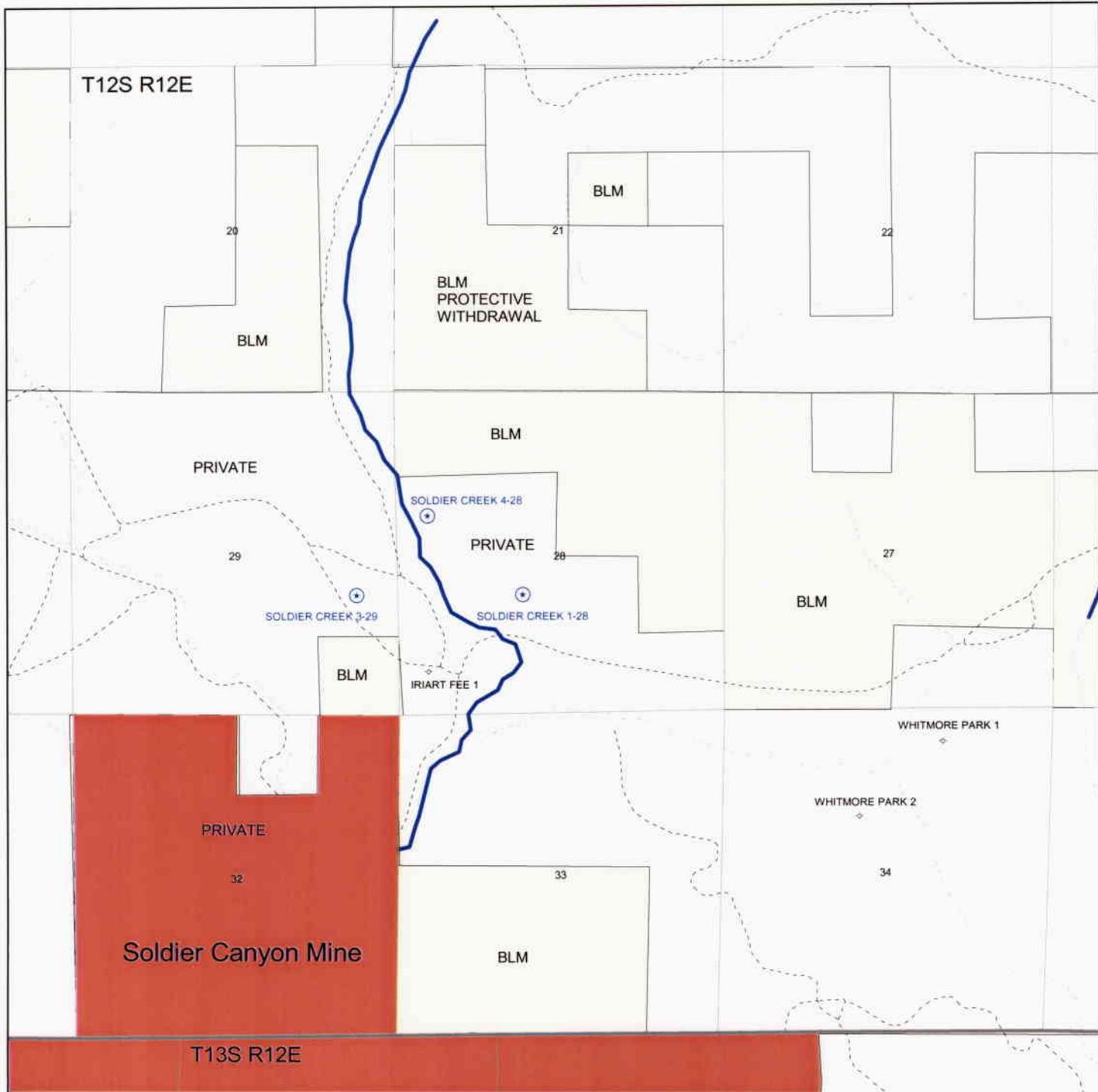
- R649-2-3. Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS: Need Permit (rec'd 5-2-02)

STIPULATIONS: 1- Spacing Strip
2- Statement of basis.



OPERATOR: J-W OPERATING CO (N2145)
SEC. 28 & 29, T12S, R12E
FIELD: WILDCAT (001)
COUNTY: CARBON



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

OPERATOR: J-W Operating
WELL NAME & NUMBER: Soldier Creek #4-28
API NUMBER: 43-007-30851
LEASE: Fee _____ FIELD/UNIT: _____
LOCATION: 1/4,1/4 SWNW Sec: 28 TWP: 12S RNG: 12E 2036' FNL 535' FWL

Geology/Ground Water:

A plugged and abandoned well exists near (~2,500' 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 ~2,300' 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 West of the proposed well ~80 yards. The terrain directly associated with this location drains 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 14, 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.

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

OPERATOR: JW Operating
WELL NAME & NUMBER: Soldier Creek #4-28
API NUMBER: 43-007-30851
LEASE: Fee FIELD/UNIT: _____
LOCATION: 1/4,1/4 SWNW Sec: 28 TWP: 12S RNG: 12E 2036' FNL 535' FWL
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER
WELL.GPS COORD (UTM): X =535023 E; Y = 4399697 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 West of the proposed well ~80 yards. The terrain directly associated with this location drains 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 West of the above proposed location ~80 yards. 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 through 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 / 5:15 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>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>2</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. 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>

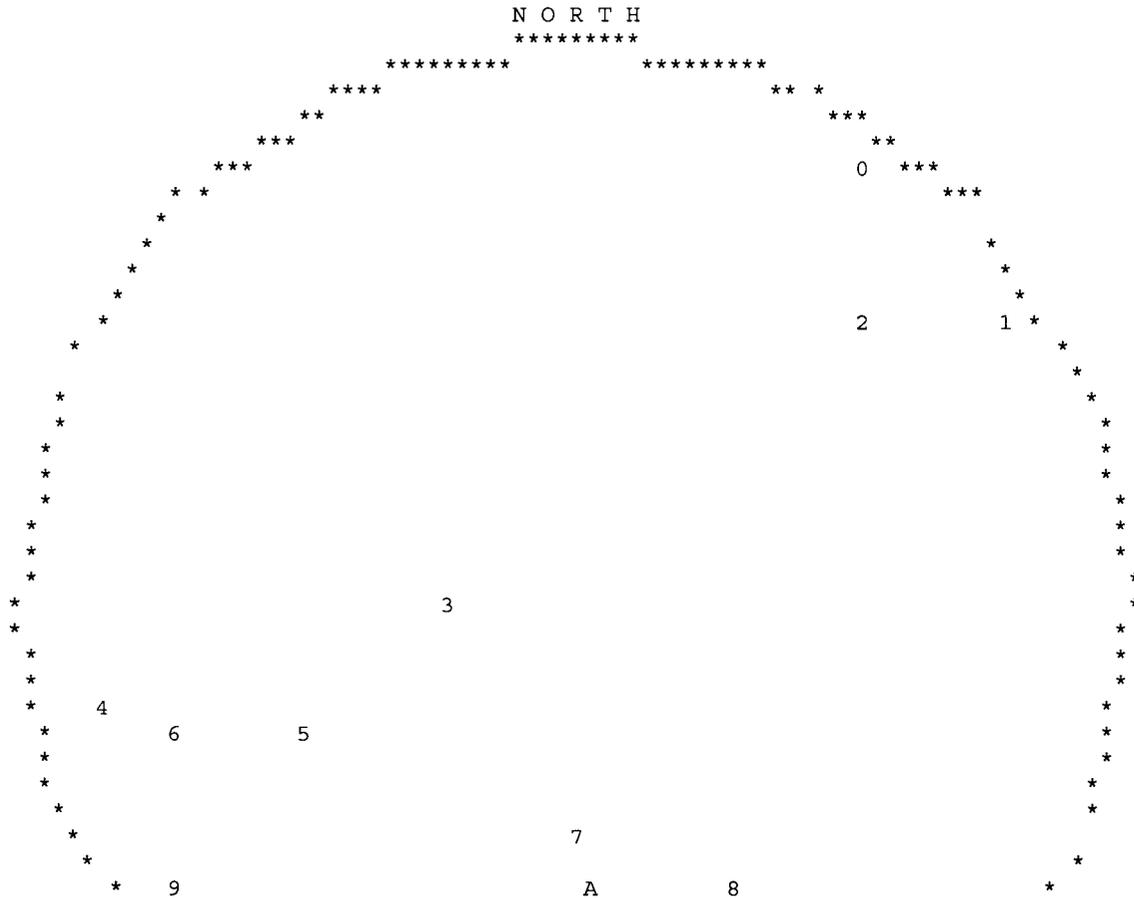
Final Score 37 (Level I Sensitivity)

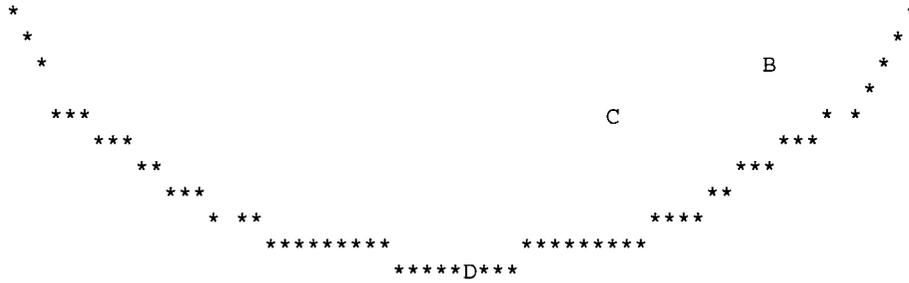
Sensitivity Level I = 20 or more; total containment is required.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.

UTAH DIVISION OF WATER RIGHTS
 WATER RIGHT POINT OF DIVERSION PLOT CREATED THU, MAY 23, 2002, 4:21 PM
 PLOT SHOWS LOCATION OF 26 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
 S 2036 FEET, E 535 FEET OF THE NW 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	90 883	.0000	.00	Indian Canyon Creek		X
		WATER USE(S):			PRIORITY DATE: 00/00/1885	
				Burk, Ralph B. P.O. Box 428	Midvale UT 84047	
				Wareham, Kenneth & Lyda	Ferron UT 84523	
				Singleton, Samuel M. & Alta B. 370 South State Street	Ferron UT 84523	
0	90 883	.0000	.00	Indian Canyon Creek		X
		WATER USE(S):			PRIORITY DATE: 00/00/1885	
				Burk, Ralph B. P.O. Box 428	Midvale UT 84047	
				Wareham, Kenneth & Lyda	Ferron UT 84523	
				Singleton, Samuel M. & Alta B. 370 South State Street	Ferron UT 84523	
0	90 884	.0000	.00	Indian Canyon Creek		X
		WATER USE(S):			PRIORITY DATE: 00/00/1885	
				Burk, Ralph B. P.O. Box 428	Midvale UT 84047	
0	90 884	.0000	.00	Indian Canyon Creek		X
		WATER USE(S):			PRIORITY DATE: 00/00/1885	
				Burk, Ralph B. P.O. Box 428	Midvale UT 84047	
1	90 881	.0000	.00	Indian Canyon Creek		X
		WATER USE(S):			PRIORITY DATE: 00/00/1885	
				Burk, Ralph B. P.O. Box 428	Midvale UT 84047	
				Wareham, Kenneth & Lyda	Ferron UT 84523	
				Singleton, Samuel M. & Alta B. 370 South State Street	Ferron UT 84523	

1	90 882	.0000	.00	Indian Canyon Creek							X	:
		WATER USE(S):						PRIORITY DATE: 00/00/1885				
		Burk, Ralph B.			P.O. Box 428			Midvale			UT	84047
2	90 1257	.0000	.00	Indian Canyon Creek							X	:
		WATER USE(S):						PRIORITY DATE: 00/00/1885				
		USA Bureau of Land Management (Price Fie 125 South 600 West						Price			UT	84501
2	90 1257	.0000	.00	Indian Canyon Creek							X	:
		WATER USE(S):						PRIORITY DATE: 00/00/1885				
		USA Bureau of Land Management (Price Fie 125 South 600 West						Price			UT	84501
3	91 2073	.0110	.00	Unnamed Spring Stream							X	:
		WATER USE(S):						PRIORITY DATE: 00/00/1869				
		Iriart, Bernard			503 East 1st North			Price			UT	84501
4	t21359	.0000	1.00	Soldier Creek & Unnamed Tribut	N 2210 W 3900	SE 29 12S 12E SL					X	:
		WATER USE(S): OTHER						PRIORITY DATE: 07/25/1997				
		Canyon Fuel Company LLC			6955 Union Park Center Suite 550			Midvale			UT	84047
5	91 2075	.0110	.00	Unnamed Spring							X	:
		WATER USE(S):						PRIORITY DATE: 00/00/1869				
		Iriart, Bernard			503 East 1st North			Price			UT	84501
6	91 7076	.0000	.00	Trib. to Soldier Creek							X	:
		WATER USE(S):						PRIORITY DATE: 00/00/1869				
		Iriart, Bernard									UT	
6	91 7076	.0000	.00	Trib. to Soldier Creek							X	:
		WATER USE(S):						PRIORITY DATE: 00/00/1869				
		Iriart, Bernard									UT	
6	91 2076	.0000	.00	Stream							X	:
		WATER USE(S):						PRIORITY DATE: 00/00/1869				
		Iriart, Bernard			503 East 1st North			Price			UT	84501
6	91 2076	.0000	.00	Stream							X	:
		WATER USE(S):						PRIORITY DATE: 00/00/1869				
		Iriart, Bernard			503 East 1st North			Price			UT	84501
7	91 4124	.1500	.00	6 300	N 1000 E 550	SW 28 12S 12E SL	X					
		WATER USE(S): IRRIGATION DOMESTIC STOCKWATERING						PRIORITY DATE: 06/12/1974				
		Iriart, Bernard			503 East 1st North			Price			UT	84501
8	91 2098	.0000	.00	Soldier Creek							X	:
		WATER USE(S):						PRIORITY DATE: 00/00/1869				
		Iriart, Bernard			503 East 1st North			Price			UT	84501
8	91 2097	.0000	.00	Unnamed Stream							X	:
		WATER USE(S):						PRIORITY DATE: 00/00/1869				
		Iriart, Bernard			503 East 1st North			Price			UT	84501

9	<u>91 1365</u>	.0000	.00 Trib. to Soldier Creek				X	:
		WATER USE(S):				PRIORITY DATE: 00/00/1869		
		Nelson, Lawrence C.				Cleveland	UT	84518
9	<u>91 1365</u>	.0000	.00 Trib. to Soldier Creek				X	:
		WATER USE(S):				PRIORITY DATE: 00/00/1869		
		Nelson, Lawrence C.				Cleveland	UT	84518
A	<u>91 2097</u>	.0000	.00 Unnamed Stream				X	:
		WATER USE(S):				PRIORITY DATE: 00/00/1869		
		Iriart, Bernard	503 East 1st North			Price	UT	84501
A	<u>91 2096</u>	.0110	.00 Unnamed Spring				X	:
		WATER USE(S):				PRIORITY DATE: 00/00/1902		
		Iriart, Bernard	503 East 1st North			Price	UT	84501
A	<u>91 2095</u>	.0000	.00 Unnamed Stream				X	:
		WATER USE(S):				PRIORITY DATE: 00/00/1902		
		Iriart, Bernard	503 East 1st North			Price	UT	84501
B	<u>91 522</u>	.0220	.00 Bill Lines Spring				X	:
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1902		
		Canyon Fuel Company LLC	CityPlace One Suite 300			St. Louis	MO	63141
C	<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
D	<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

Casing Schematic

Surface

Celton

9-5/8"
MW 8.4
Frac 19.3

TOC @
0.

TOC @
0.

Surface
500. MD

w/ 188 washout

BOP

BHP

$(0.052)(9)(3500) = 1638 \text{ psi}$
Anticipated < 2000 psi

$\frac{G_{gas}}{(0.12)(3500)} = 420 \text{ psi}$

MAASP = 1218 psi

2m BOPE proposed

Alcquite Drd

5/21/02

2280' -
Castlegate

2570' -
Blackhawk

2700' -
Sunnyside

2990' -
G.1507

3040' -
Kenilworth

7"
MW 9.

Production
3500. MD

w/ 238 washout

Well name:	05-02 JW Op Soldier Creek 4-28	
Operator:	J W Operating Company	Project ID:
String type:	Surface	43-007-30851
Location:	Carbon County	

Design parameters:

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

Burst
Max anticipated surface pressure: 0 psi
Internal gradient: 0.468 psi/ft
Calculated BHP: 234 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: 438 ft

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: Surface

Non-directional string.

Re subsequent strings:
Next setting depth: 3,500 ft
Next mud weight: 9.000 ppg
Next setting BHP: 1,636 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	9.625	36.00	J-55	ST&C	500	500	8.796	35.6

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	218	2020	9.26	234	3520	15.06	18	394	21.89 J

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

Phone: 801.538.5281
FAX: 801.359.3940

Date: May 21, 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:	05-02 JW Op Soldier Creek 4-28	
Operator:	J W Operating Company	Project ID:
String type:	Production	43-007-30851
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: 1,636 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: 3,026 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 114 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 368 ft

Cement top: Surface

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	3500	7	23.00	J-55	ST&C	3500	3500	6.25	161.8

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	1636	3270	2.00	1636	4360	2.66	81	284	3.53 J

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

Phone: 801.538.5281
 FAX: 801.359.3940

Date: May 21, 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 3500 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.

Well name:	05-02 JW Op Soldier Creek 4-28		Project ID:
Operator:	J W Operating Company		43-007-30851
String type:	Surface		
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:

Surface

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)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Tension is based on air weight.
 Neutral point: 438 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 3,500 ft
 Next mud weight: 9.000 ppg
 Next setting BHP: 1,636 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	9.625	36.00	J-55	ST&C	500	500	8.796	35.6

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	218	2020	9.26	234	3520	15.06	18	394	21.89 J

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

Phone: 801.538.5281
 FAX: 801.359.3940

Date: May 21, 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:	05-02 JW Op Soldier Creek 4-28	
Operator:	J W Operating Company	
String type:	Production	Project ID: 43-007-30851
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: 1,636 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: 3,026 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 114 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: Surface

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 (ft ³)
1	3500	7	23.00	J-55	ST&C	3500	3500	6.25	161.8

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	1636	3270	2.00	1636	4360	2.66	81	284	3.53 J

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

Phone: 801.538.5281
FAX: 801.359.3940

Date: May 21, 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 3500 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.



Talon Resources, Inc.

Service, Quality and Accuracy

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

Cell: 435-650-1886
Fax: 435-636-8603
Email: talon@castnet.com

RECEIVED

MAY 23 2002

DIVISION OF
OIL, GAS AND MINING

May 16, 2002

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

RE: Application for Injection Well—J-W Operating Company's Soldier Creek #4-28
2036' FNL, 535' FWL, Section 28, T12S, R12E, SLB&M.

Dear Mr. Hunt:

On behalf of J-W Operating Company, Talon Resources, Inc. respectfully submits the enclosed original of the *Application for Injection Well (UIC Form 1)* for the above referenced well. Included with the UIC Form 1 is the following supplemental information:

Exhibit "A" - Surface Use Plat;

Exhibit "B" - Civil Plat;

Exhibit "C" - Topographic Maps.

J-W Operating desires to submit this application now to begin the noticing process and comment period. Supplemental information will be submitted in the future by J-W Operating or Talon Resources, Inc. as the drilling and completion of the well occurs.

Thank you for your timely processing and review of this application. Please feel free to contact myself or Mr. Robert Eller of J-W Operating at 970-332-3151 if you have any questions or need additional information.

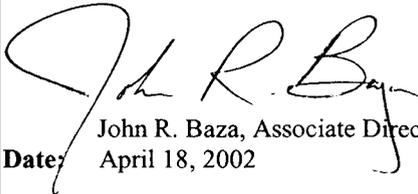
Sincerely,

Don Hamilton
Don Hamilton

Environmental Manager / Project Coordinator

cc: Mr. Robert Eller, J-W Operating Company
Mr. James Smith, J-W Operating Company
Mrs. Ginny Burchard, J-W Operating Company

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 <input checked="" type="checkbox"/> / 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 1-28, Soldier Creek 4-28, and the Soldier Creek 3-29 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) NE/4, SW/4, and SW/4 NW/4 Section 28 and NE/4 SE/4 Section 29, 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: April 18, 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)

6 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 #1777 4/29/02, Soldier Creek 1-28, Soldier Creek 4-28, and Soldier Creek 3-29 wildcat wells
(Sec. 29, 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 29 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 1/2 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

RECEIVED

MAY 13 2002

DIVISION OF
OIL, GAS AND MINING

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

UIC FORM 1

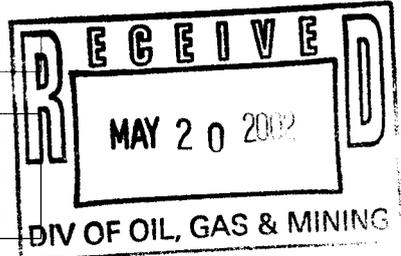
APPLICATION FOR INJECTION WELL

Name of Operator J-W Operating Company	Utah Account Number N	Well Name and Number Soldier Creek #4-28
Address of Operator P.O. Box 305 CITY <u>Wray</u> STATE <u>CO</u> ZIP <u>80758</u>	Phone Number (970) 332-3151	API Number 4300730851
Location of Well Footage : 2036' FNL 535' FWL County : Carbon		Field or Unit Name Undesignated
QQ, Section, Township, Range: <u>SWNW 28 12S 12E</u> State : <u>UTAH</u>		Lease Designation and Number Patented / <u>Surf. Fee</u>

Is this application for expansion of an existing project? Yes No

Will the proposed well be used for:

Enhanced Recovery?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Disposal?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Storage?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>



Is this application for a new well to be drilled? Yes No

If this application is for an existing well, has a casing test been performed? Yes No
Date of test: _____

UIC-292.1

Proposed injection interval: from 3,040 to 3,500

Proposed maximum injection: rate 1,500 bpd pressure 1,500 1800 psig

** See Board file.
(Ch. 2002-110)*

Proposed injection zone contains oil gas and / or fresh water within 1/2 mile of the well.

List of attachments: Attachments to follow under seperate cover

**ATTACH ADDITIONAL INFORMATION AS REQUIRED BY CURRENT
UTAH OIL AND GAS CONSERVATION GENERAL RULES**

I hereby certify that this report is true and complete to the best of my knowledge.

Name (Please Print) Robert C. Eller

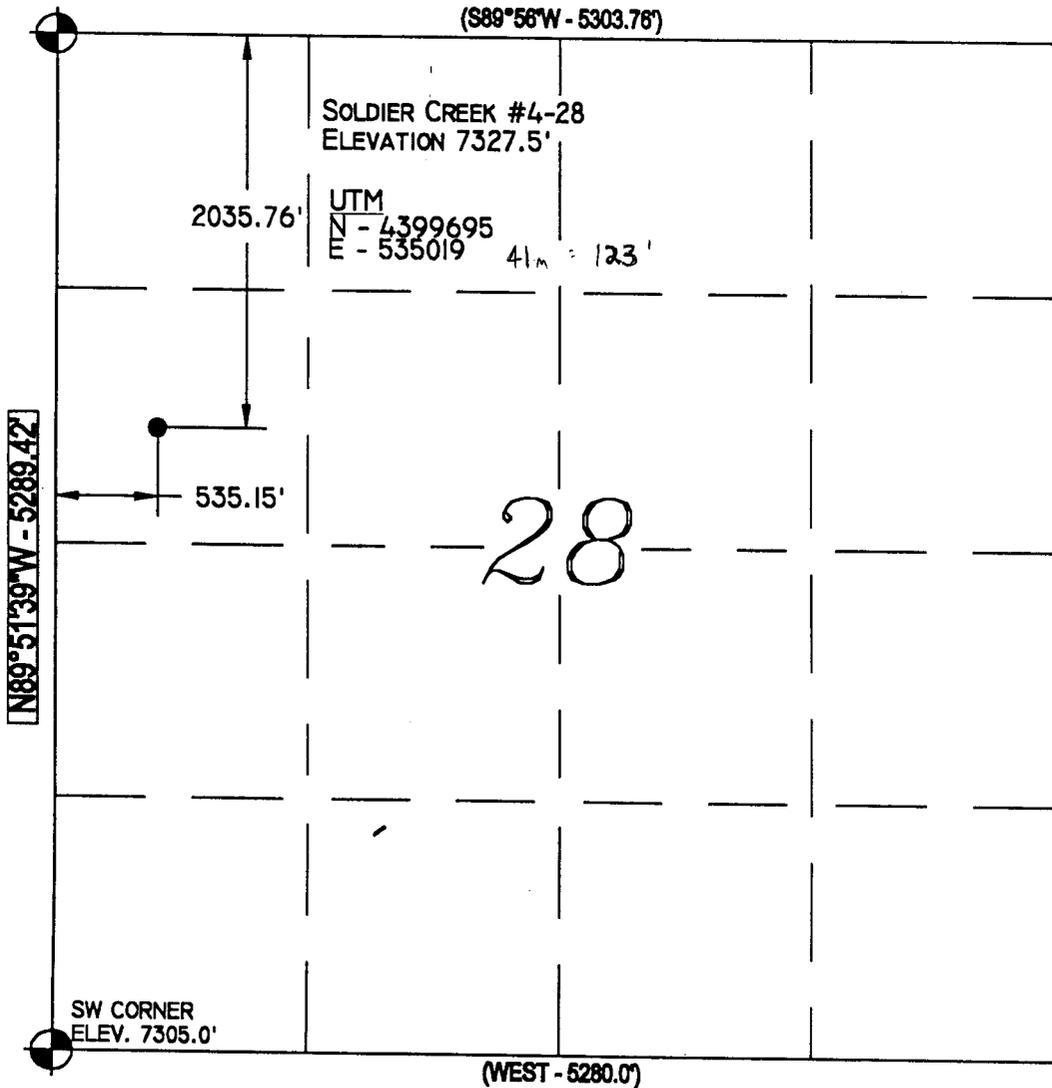
Title Engineer

Signature *Robert C. Eller*

Date 5/10/2002

Range 12 East

Township 12 South



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

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

LAT / LONG
 39°44'54"N
 110°35'29"W

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

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

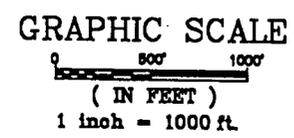
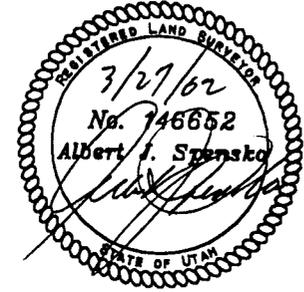
GLO Bearing:
 THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

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 SW1/4, NW1/4 OF SECTION 28, T12S, R12E, S.L.B.&M., BEING 2035.76' SOUTH AND 535.15' EAST FROM THE NORTHWEST 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.

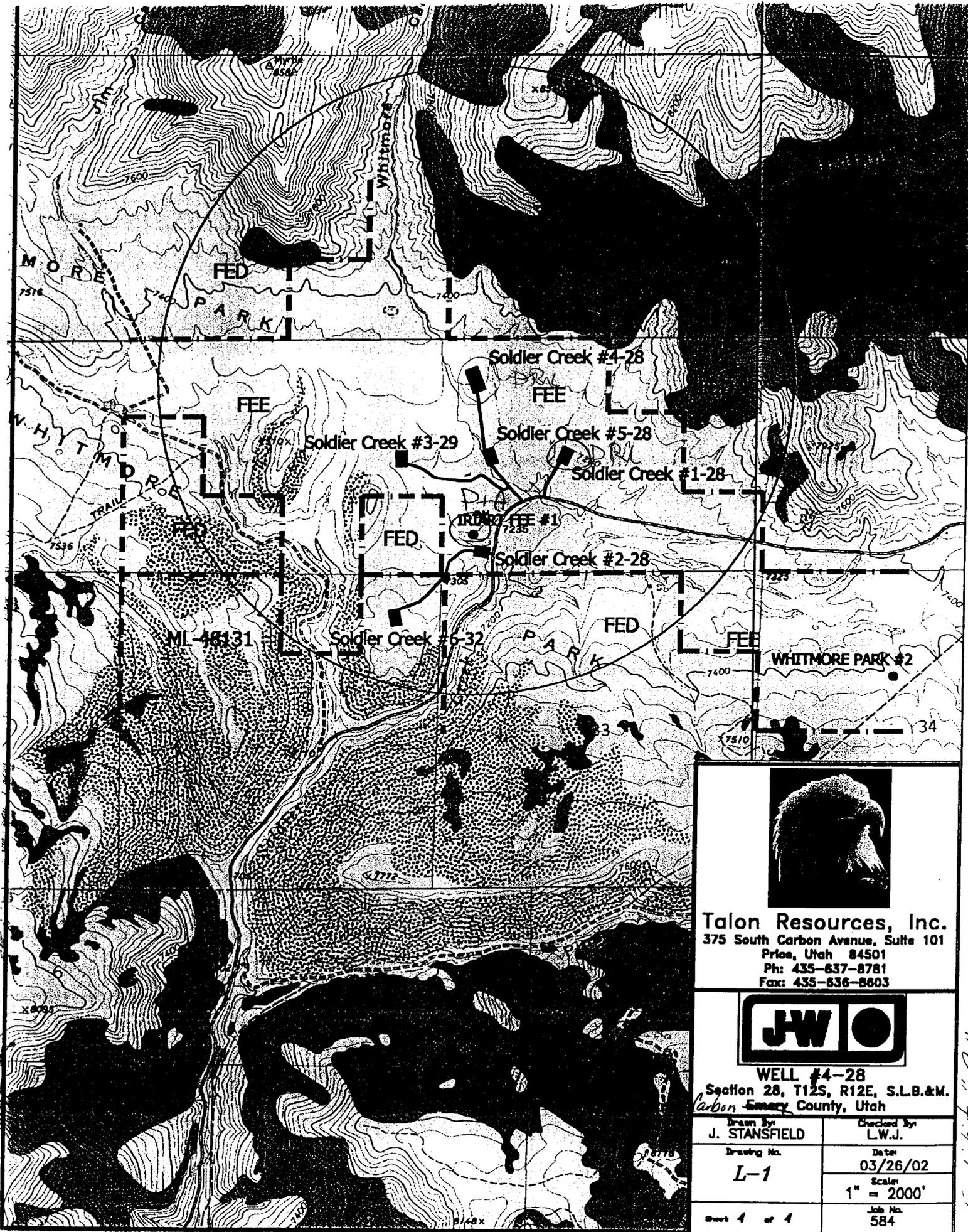


Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-636-8603



WELL #4-28
 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



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

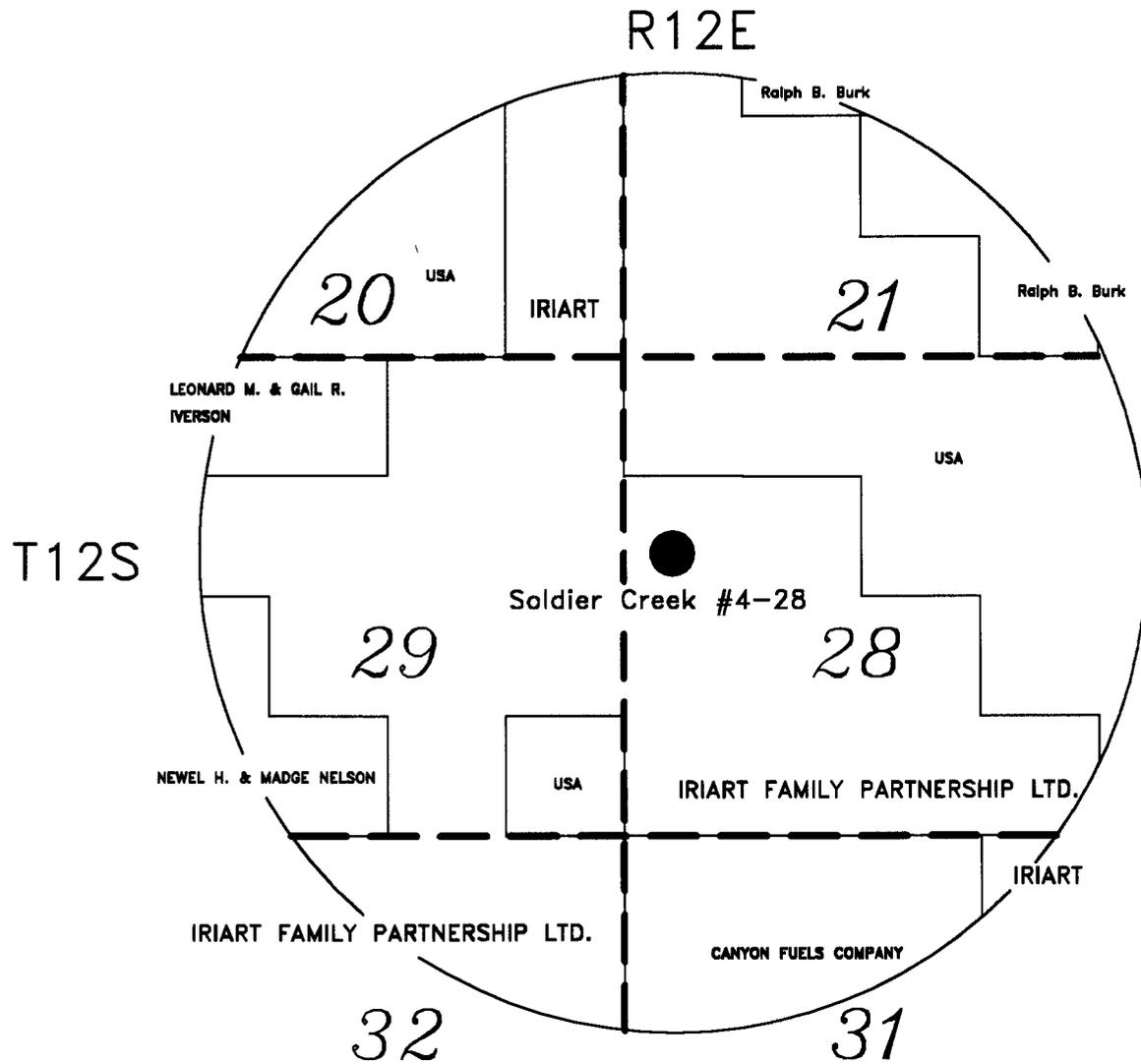


WELL #4-28
 Section 28, T12S, R12E, S.L.B.&M.
 Carbon Emery County, Utah

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

Exhibit "C"

SURFACE OWNERSHIP PLAT

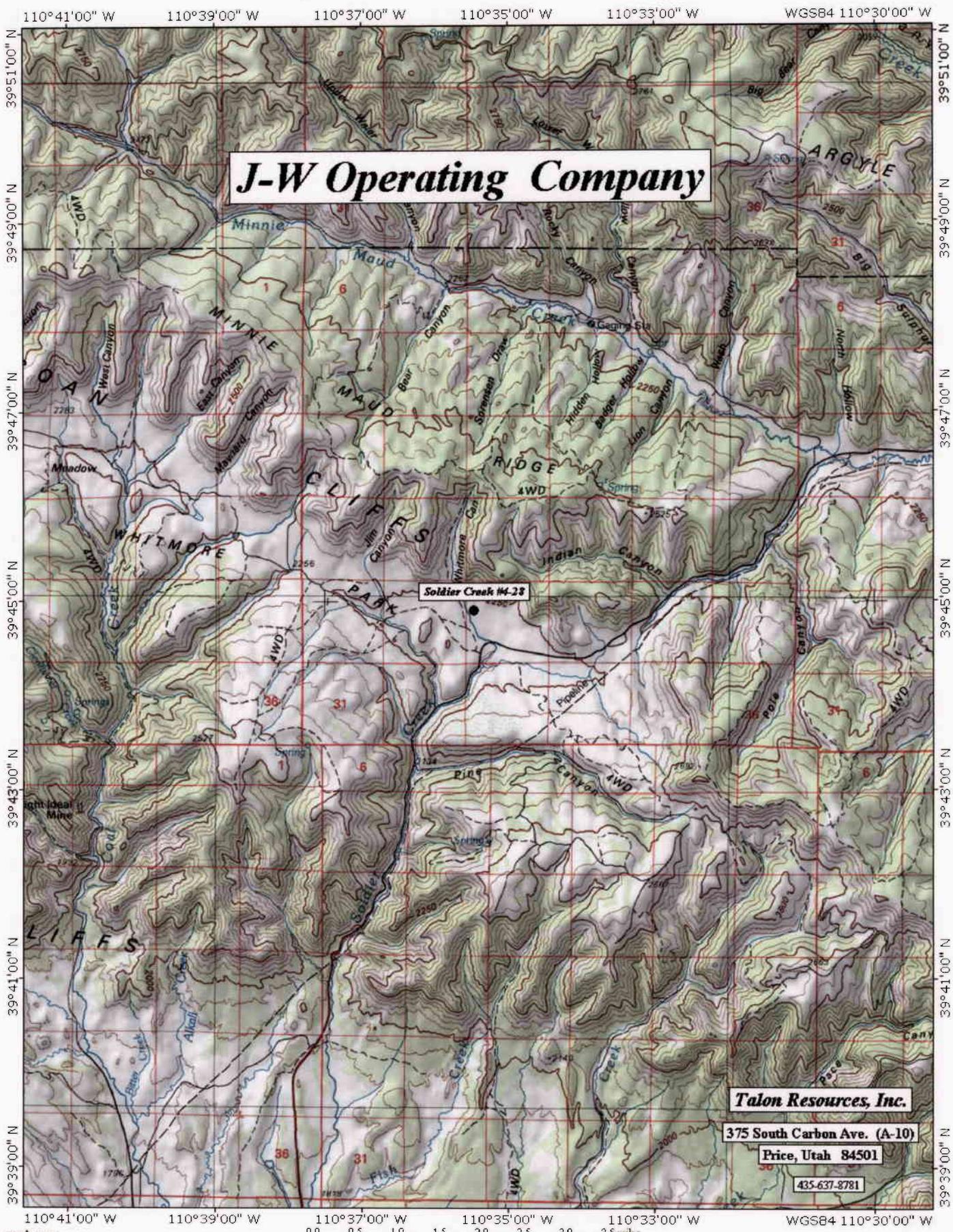


Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-636-8603

J-W OPERATING COMPANY
 SURFACE OWNERSHIP PLAT

Drawn By: D. HAMILTON	Checked By: L.W.J.
Drawing No. A-1	Date: 5-13-02
	Scale: 1" = 2000'
Exhibit A	Job No. 584

Exhibit A



J-W Operating Company

Soldier Creek #4-28

Talon Resources, Inc.
375 South Carbon Ave. (A-10)
Price, Utah 84501
435-637-8781



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

Printed from TOPO! ©2000 National Geographic Holdings (www.topo.com)

Exhibit "C"

003



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

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

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

May 23, 2002

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

Re: Soldier Creek 4-28 Well, 2036' FNL, 535' FWL, SWNW, 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 43-007-30851.

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 4-28

API Number: 43-007-30851

Lease: Patented

Location: SWNW **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

DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

SPUDDING INFORMATION

Name of Company: J-W OPERATING COMPANY

Well Name: SOLDIER CREEK 4-28

Api No. 43-007-30851 LEASE TYPE: FEE

Section 28 Township 12S Range 12E County CARBON

Drilling Contractor BILL JR RIG # RATHOLE

SPUDDED:

Date 06/19/02

Time 10:00 AM

How DRY

Drilling will commence _____

Reported by ROBERT ELLER

Telephone # "CELL" 1-970-597-0019

Date 06/21/2002 Signed: CHD

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

005

5. LEASE DESIGNATION AND SERIAL NUMBER:
Patented

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
NA

7. UNIT or CA AGREEMENT NAME:
NA

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.

8. WELL NAME and NUMBER:
Soldier Creek #4-28

9. API NUMBER:
43-007-30851

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
J-W Operating Company

10. FIELD AND POOL, OR WILDCAT:
Wildcat

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: 2036' FNL & 535' FWL COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW/4, Section 28-T12S-R12E -SLB&M 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"/> 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.

WEEKLY DRILL REPORT

NAME (PLEASE PRINT) Diane D. Koch TITLE E&P Assistant
SIGNATURE *Diane D. Koch* DATE 6-21-02

(This space for State use only)

RECEIVED

JUN 24 2002

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

LEASE DESCRIPTION: Soldier Creek #4-28
LOCATION: 2036' FNL & 535' FWL, SWNW/4 Section 28-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30851

Page 1 of 1
O/A #7401-004-01
ELEV: 7328' GR
FIELD: Wildcat

06/19/02: (RCE) AFE \$526,333.00

6/20/02: (RCE) @ 7:00 AM Weld Conductor. Previous 24 Hrs – Bill Jrs Bucket Rig MIRU; Spud surf @ 10:00 AM, 06/19/02; Drl 18" hole to 64'; Hit wtr @ 50'; MIRU Benco Anchor Service; Set permanent rig anchors & test to 20,000#; RDMO Benco Anchor Service; SDFN.

ESTIMATED DAILY COST: \$2820.00

ESTIMATED ACCUMULATED COST: \$15,910.00

06/21/02: (RCE) @ 7:00 AM Set Conductor Pipe 68' & WORat Hole Rig. Previous 24 Hrs – Weld (1) 40' & (1) 28' jt of 14' conductor together; Set 14" conductor pipe @ 68'; Cmmt w/(10) sx; Drl rat & mouse hole; Bill Jrs Bucket Rig RDMO.

ESTIMATED DAILY COST: \$4,329.00

ESTIMATED ACCUMULATED COST: \$20,239.00

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)

RECEIVED

6/24 2002

**DIVISION OF
OIL GAS AND MINING**

006

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 Operator Account Number: N 2145
 Address: P.O. Box 305
city Wray
state CO zip 80758 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

007

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

4. LOCATION OF WELL: FOOTAGES AT SURFACE: 2036' FNL & 535' FWL
 COUNTY: Carbon STATE: UTAH
 QTRCTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW/4, Section 28-T12S-R12E -SLB&M

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 #4-28

9. API NUMBER: 43-007-30851

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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input 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.

WEEKLY DRILL REPORT

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

SIGNATURE *Diane D. Koch* DATE 6-28-02

(This space for State use only)

RECEIVED

JUN 28 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 #4-28
LOCATION: 2036' FNL & 535' FWL, SWNW/4 Section 28-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30851

Page 1 of 1
O/A #7401-004-01
ELEV: 7328' GR
FIELD: Wildcat

06/19/02: (RCE) AFE \$526,333.00

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ESTIMATED DAILY COST: \$2820.00

ESTIMATED ACCUMULATED COST: \$15,910.00

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ESTIMATED DAILY COST: \$4,329.00

ESTIMATED ACCUMULATED COST: \$20,239.00

06/24/02: (RCE) @ 7:00 AM @ Surf TD of 525' & RIH w/9-5/8" csg. Previous 24 Hrs – Bill Jrs Rathole Rig MIRU; Drl 12-1/4" hole to surf TD of 525'; POOH.

ESTIMATED DAILY COST: \$15,705.00

ESTIMATED ACCUMULATED COST: \$35,944.00

06/25/02: (RCE) @ 7:00 AM @ Surf TD of 525' & WOKey Energy Rig #978. Previous 24 Hrs – RIH (11) jts 9-5/8" , 36# LTC NLS csg, meas 503', set @ 517' KB; Cmnt w/(200) sx premium, 2% CaCl, ¼ flo-cele; Circ (6) BBLs to pit; PD @ 7:30 AM, 06/24/02; WOKey Energy Drl Rig.

ESTIMATED DAILY COST: \$14,659.00

ESTIMATED ACCUMULATED COST: \$50,603.00

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)



Talon Resources, Inc.

Service, Quality and Accuracy

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

Cell: 435-650-1886
Fax: 435-636-8603
Email: talon@castlernet.com

July 15, 2002

Sally Wisely—Director
Bureau of Land Management—State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

CERTIFIED MAIL

RE: Notice of Application for Injection Well - J-W Operating Company - Soldier Creek #4-28 well
2036' FNL 535' FWL, Section 28, T12S, R12E, SLB&M, Carbon County, Utah

Dear Mrs. Wisely

On behalf of J-W Operating Company, Talon Resources, Inc. respectfully submits this notice that the Utah Division of Oil, Gas and Mining (UDOGM) is in receipt of an *Application for Injection Well (UIC Form 1)* for the above referenced well. A copy of the application with supplemental ownership and topographic information is being submitted to provide notice and information to you pursuant to R649-5-2.12 of the Oil and Gas Conservation, General Rules. Any person desiring to object to approval of such an application for an injection well shall file the objection in conformance with the procedural rules of the Board of Oil, Gas and Mining.

Written comments received by the State of Utah, Division of Oil, Gas, and Mining, (attn: Brad Hill), at P.O. Box 145801, Salt Lake City, Utah 84114-5801 within 15 days of public notice publication in the newspaper, will be considered in making the final decision on the approval/disapproval of the proposed application.

Please feel free to contact myself at 435-637-8781 or Mr. Brad Hill at UDOGM at 801-538-5315 if you have any questions or concerns that could be addressed prior an objection being submitted.

Sincerely,

Don Hamilton

Don Hamilton
Environmental Manager / Project Coordinator

Enclosures

cc: Mr. Brad Hill, UDOGM
Mr. Robert Eller, J-W Operating Company
Mrs. Ginny Burchard, J-W Operating Company

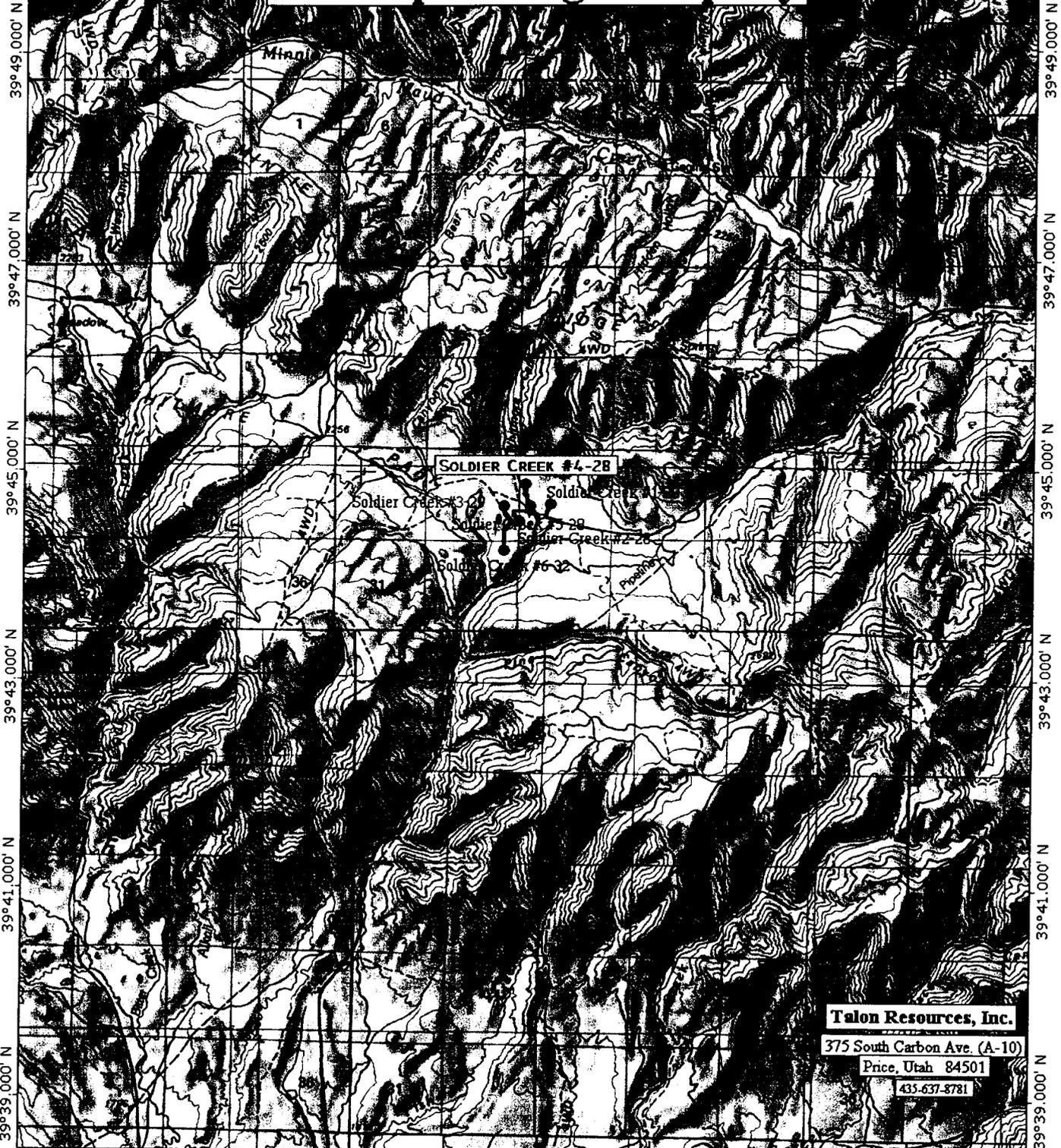
RECEIVED

JUL 18 2002

DIVISION OF
OIL, GAS AND MINING

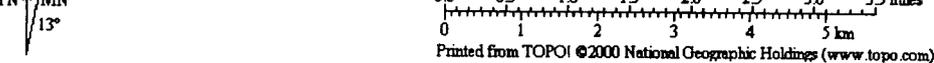
110°41.000' W 110°39.000' W 110°37.000' W 110°35.000' W 110°33.000' W WGS84 110°30.000' W

J-W Operating Company



Talon Resources, Inc.
 375 South Carbon Ave. (A-10)
 Price, Utah 84501
 435-637-8781

110°41.000' W 110°39.000' W 110°37.000' W 110°35.000' W 110°33.000' W WGS84 110°30.000' W



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J-W OPERATING COMPANY
4990 Miller Street, Wheatridge CO 80033
MAIL TO: PO Box 1148, Wheatridge CO 80034
Office: 303/422-4990 Fax: 720/898-0397
Email: gburchard@jwoperating.com

July 26, 2002

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

RE: Application for Injection Well
Soldier Creek #4-28
Carbon County, Utah

Gentlemen:

Enclosed, for your further handling, is an Affidavit of Service, executed on behalf of J-W Operating Company, as required under R649-5-2.12 of the Oil and Gas Conservation, General Rules.

Should you have any questions or wish to discuss the above in greater detail, please feel free to contact me at 303/422-4990.

Very truly yours,

J-W OPERATING COMPANY


Ginny Burchard
Landman

RECEIVED

AUG 01 2002

DIVISION OF
OIL, GAS AND MINING

AFFIDAVIT OF SERVICE

STATE: COLORADO
COUNTY: JEFFERSON
AFFIANT J-W OPERATING COMPANY
P. O. BOX 1148
WHEATRIDGE, COLORADO 80401
DATE OF EXECUTION: JULY 26, 2002

Affiant on oath swears that the following statement is true:

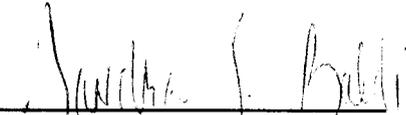
To the best of affiant's knowledge, a true and correct copy of that certain Application for Injection Well dated May 16, 2002 (Soldier Creek #4-28) along with a supplemental ownership plat and a topographic map has been provided to all oil and gas operators, mineral owners and surface owners located within a one-half mile radius of the proposed injection well location.

Affiant:

J-W OPERATING COMPANY

By: 
Ginny Butchard, Landman

Subscribed and sworn before me on this 26th day of July, 2002


Sandra J. Baldi, Notary Public
State of Colorado

My Commission Expires: 9/18/04

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

008

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 #4-28

9. API NUMBER:
43-007-30851

10. FIELD AND POOL, OR WILDCAT:
Wildcat

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: 2036' FNL & 535' FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW/4, Section 28-T12S-R12E -SLB&M

COUNTY: Carbon STATE: UTAH

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TYPE OF SUBMISSION	TYPE OF ACTION		
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	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
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	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

WEEKLY DRILL REPORT

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

SIGNATURE *Diane D. Koch* DATE 8-2-02

(This space for State use only)

RECEIVED

AUG 05 2002

DIVISION OF
OIL, GAS AND MINING

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LEASE DESCRIPTION: Soldier Creek #4-28
LOCATION: 2036' FNL & 535' FWL, SWNW/4 Section 28-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30851

Page 2 of 2
O/A #7401-004-01
ELEV: 7328' GR
FIELD: Wildcat

08/02/02: (CK) @ 7:00 AM @ 3012' & Drl 8-3/4" Hole. Previous 24 Hrs – Drl 8-3/4" hole; Dev surv 3° @ 2515'; Serv rig; Drl 8-3/4" hole.
ESTIMATED DAILY COST: \$13,345.00
ESTIMATED ACCUMULATED COST: \$122,472.00

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)

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Page 1 of 2
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ESTIMATED DAILY COST: \$2820.00

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06/21/02: (RCE) @ 7:00 AM Set Conductor Pipe 68' & WORat Hole Rig. Previous 24 Hrs – Weld (1) 40' & (1) 28' jt of 14' conductor together; Set 14" conductor pipe @ 68'; Cmnt w/(10) sx; Drl rat & mouse hole; Bill Jrs Bucket Rig RDMO.

ESTIMATED DAILY COST: \$4,329.00

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06/24/02: (RCE) @ 7:00 AM @ Surf TD of 525' & RIH w/9-5/8" csg. Previous 24 Hrs – Bill Jrs Rathole Rig MIRU; Drl 12-1/4" hole to surf TD of 525'; POOH.

ESTIMATED DAILY COST: \$15,705.00

ESTIMATED ACCUMULATED COST: \$35,944.00

06/25/02: (RCE) @ 7:00 AM @ Surf TD of 525' & WOKey Energy Rig #978. Previous 24 Hrs – RIH (11) jts 9-5/8" , 36# LTC NLS csg, meas 503', set @ 517' KB; Cmnt w/(200) sx premium, 2% CaCl, 1/4 flo-cele; Circ (6) BBLs to pit; PD @ 7:30 AM, 06/24/02; WOKey Energy Drl Rig.

ESTIMATED DAILY COST: \$14,659.00

ESTIMATED ACCUMULATED COST: \$50,603.00

07/30/02: (CK) @ 7:00 AM @ 790' & Drl 8-3/4" Hole. Previous 24 Hrs – MIRU; Nip up BOP; Test BOP, 2000 PSI, Test csg, 1000 PSI; RIH; Tag cmnt @ 438'; Drl out cmnt & shoe; Dev surv 0° @ 529'; Drl 8-3/4" hole, w/mwt 8.3#, vis 28.

ESTIMATED DAILY COST: \$30,820.00

ESTIMATED ACCUMULATED COST: \$69,297.00

07/31/02: (CK) @ 7:00 AM @ 1485' & Drl 8-3/4" Hole. Previous 24 Hrs – Drl 8-3/4" hole; Dev surv 3/4° @ 1026'; Serv rig; Drl 8-3/4" hole.

ESTIMATED DAILY COST: \$24,125.00

ESTIMATED ACCUMULATED COST: \$93,422.00

08/01/02: (CK) @ 7:00 AM @ 2344' & Drl 8-3/4" Hole. Previous 24 Hrs – Drl 8-3/4" hole; Dev surv 1° @ 1500'; Serv rig; Drl 8-3/4" hole; Dev surv 1-3/4° @ 1976'; Drl 8-3/4" hole.

ESTIMATED DAILY COST: \$15,705.00

ESTIMATED ACCUMULATED COST: \$109,127.00

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)

009

CONFIDENTIAL

FORM 9

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

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, re-enter 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: 2036' FNL & 535' FWL		8. WELL NAME and NUMBER: Soldier Creek #4-28
QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW/4, Section 28-T12S-R12E -SLB&M		9. API NUMBER: 43-007-30851
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

WEEKLY DRILL REPORT

RECEIVED

AUG 12 2002

DIVISION OF
OIL, GAS AND MINING

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

SIGNATURE *Diane Koch* DATE 8-9-02

(This space for State use only)

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 COUNTY: Carbon STATE: Utah API #: 43-007-30851

Page 2 of 2
 O/A #7401-004-01
 ELEV: 7328' GR
 FIELD: Wildcat

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 ESTIMATED DAILY COST: \$13,345.00
 ESTIMATED ACCUMULATED COST: \$122,472.00

08/03/02: (RCE) @ 7:00 AM @ 3400' & Drl 8-3/4" Hole. Previous 24 Hrs - Dev surv 3-1/4° @ 2994'; Drl 8-3/4" hole; MU; Drl 8-3/4" hole; Bit trip; Slip & cut Drl line; TIH; Ream; Drl 8-3/4" hole, w/mwt 8.6#, vis33, PH 9, WL 15.6, Sands 0.13%, Solids 2.4%.
 ESTIMATED DAILY COST: \$31,760.00
 ESTIMATED ACCUMULATED COST: \$154,232.00

08/04/02: (RCE) @ 7:00 AM @ 3858' & Drl 8-3/4" Hole. Previous 24 Hrs – Drl 8-3/4" hole; Dev surv 4-1/4° @ 3482'; Serv rig; Drl 8-3/4" hole, w/mwt 8.8#, vis 35, PH 10, WL 13.2, Sands 0.13%, Solids 3.5%.
 ESTIMATED DAILY COST: \$14,850.00
 ESTIMATED ACCUMULATED COST: \$169,082.00

08/05/02: (RCE) @ 7:00 AM @ TD of 3990' & Circ & Cond Hole to RIH w/Csg. Previous 24 Hrs – Drl 8-3/4" hole to TD of 3990' @ 2:30 PM, 08/04/02; Circ & cond hole; Dev surv 6° @ 3990'; TOOH to Log; Log well w/Schlumberger Dual Induction SFL/GR, Hi-Res Compensated Litho Density & FMI; Formation tops as follows: Price River 2271', Castle Gate 2770', Black Hawk 3002', Upper Sunny Side Sand 3285', Rock Canyon 3404'; Gilson Coal 3458', Kennilworth SS 3552', Aberdeen SS 3756'; TOOH; Circ & cond to RIH w/csg; Mwt 9.1#, vis 42, PH 10.2, WL 11.2, Sands 0.25%, Solids 5.8%.
 ESTIMATED DAILY COST: \$13,380.00
 ESTIMATED ACCUMULATED COST: \$182,462.00

08/06/02: (CK) @ 7:00 AM @ TD OF 3990' & RDMO. Previous 24 Hrs – Circ & Cond hole; RIH w/(96) jts 7", 23#, Prod Csg, meas 3948', set @ 3962' KB; PBD @ 3931'; Wash w/(10) BBLs chemical wash; Cmnt w/(20) BBLs wtr spacer, (185) sx 10-2 RFC cmnt, 3% salt, 2% CaCl, using AFU shoe, (15) centralizers, (1) latch-down plug, (2) cmnt baskets set @ 3641' & 3152'; PD @ 7:00 PM, 08/05/02; Circ DV tool; 2nd stage, Cmnt w/(210) sx light, (125) sx 10-2 RFC; PD @ 2:30 AM, 08/06/02; Nipple down BOP; Set csg slips; Rel rig @ 6:00 AM, 08/06/02; RDMO.
 ESTIMATED DAILY COST: \$33,895.00
 ESTIMATED ACCUMULATED COST: \$216,357.00

185
 210
 125

 520 OK reported

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)

010

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

CONFIDENTIAL

CONFIDENTIAL

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

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2036" FNL & 535" FWL
CONTRACT, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW/4, Section 28-T12S-R12E -SLB&M

PHONE NUMBER:
970-332-3151

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 #4-28

9. API NUMBER:
43-007-30851

10. FIELD AND POOL, OR WILDCAT:
Wildcat

COUNTY: Carbon

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicates) 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

AUG 27 2002

DIVISION OF
OIL, GAS AND MINING

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

SIGNATURE *Diane D. Koch* DATE 8-23-02

(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 2 of 3
O/A #7401-004-01
ELEV: 7328' GR
FIELD: Wildcat

LEASE DESCRIPTION: Soldier Creek #4-28
LOCATION: 2036' FNL & 535' FWL, SWNW/4 Section 28-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30851

08/02/02: (CK) @ 7:00 AM @ 3012' & Drl 8-3/4" Hole. Previous 24 Hrs – Drl 8-3/4" hole; Dev surv 3° @ 2515'; Serv rig; Drl 8-3/4" hole.
ESTIMATED DAILY COST: \$13,345.00
ESTIMATED ACCUMULATED COST: \$122,472.00

08/03/02: (RCE) @ 7:00 AM @ 3400' & Drl 8-3/4" Hole. Previous 24 Hrs - Dev surv 3-1/4° @ 2994'; Drl 8-3/4" hole; MU; Drl 8-3/4" hole; Bit trip; Slip & cut Drl line; TIH; Ream; Drl 8-3/4" hole, w/mwt 8.6#, vis33, PH 9, WL 15.6, Sands 0.13%, Solids 2.4%.
ESTIMATED DAILY COST: \$31,760.00
ESTIMATED ACCUMULATED COST: \$154,232.00

08/04/02: (RCE) @ 7:00 AM @ 3858' & Drl 8-3/4" Hole. Previous 24 Hrs – Drl 8-3/4" hole; Dev surv 4-1/4° @ 3482'; Serv rig; Drl 8-3/4" hole, w/mwt 8.8#, vis 35, PH 10, WL 13.2, Sands 0.13%, Solids 3.5%.
ESTIMATED DAILY COST: \$14,850.00
ESTIMATED ACCUMULATED COST: \$169,082.00

08/05/02: (RCE) @ 7:00 AM @ TD of 3990' & Circ & Cond Hole to RIH w/Csg. Previous 24 Hrs – Drl 8-3/4" hole to TD of 3990' @ 2:30 PM, 08/04/02; Circ & cond hole; Dev surv 6° @ 3990'; TOO H to Log; Log well w/Schlumberger Dual Induction SFL/GR, Hi-Res Compensated Litho Density & FMI; Formation tops as follows: Price River 2271', Castle Gate 2770', Black Hawk 3002', Upper Sunny Side Sand 3285', Rock Canyon 3404', Gilson Coal 3458', Kennilworth SS 3552', Aberdeen SS 3756'; TOO H; Circ & cond to RIH w/csg; Mwt 9.1#, vis 42, PH 10.2, WL 11.2, Sands 0.25%, Solids 5.8%.
ESTIMATED DAILY COST: \$13,380.00
ESTIMATED ACCUMULATED COST: \$182,462.00

08/06/02: (CK) @ 7:00 AM @ TD OF 3990' & RDMO. Previous 24 Hrs – Circ & Cond hole; RIH w/(96) jts 7", 23#, Prod Csg, meas 3948', set @ 3962' KB; PBDT @ 3931'; Wash w/(10) BBLs chemical wash; Cmnt w/(20) BBLs wtr spacer, (185) sx 10-2 RFC cmnt, 3% salt, 2% CaCl, using AFU shoe, (15) centralizers, (1) latch-down plug, (2) cmnt baskets set @ 3641' & 3152'; PD @ 7:00 PM, 08/05/02; Circ DV tool; 2nd stage, Cmnt w/(210) sx light, (125) sx 10-2 RFC; PD @ 2:30 AM, 08/06/02; Nipple down BOP; Set csg slips; Rel rig @ 6:00 AM, 08/06/02; RDMO.
ESTIMATED DAILY COST: \$33,895.00
ESTIMATED ACCUMULATED COST: \$216,357.00

08/17/02: (RCE) Pool Service Rig MIRU; Nip up BOP; RIH w/(1) 6-1/4" bit, (4) 4-3/4" drl collars & (20) jts 2-7/8" tbg; SDFN.
ESTIMATED DAILY COST: \$5,775.00
ESTIMATED ACCUMULATED COST: \$222,132.00

RECEIVED

AUG 27 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, DK, JB, HRG)

CONFIDENTIAL

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

LEASE DESCRIPTION: Soldier Creek #4-28
LOCATION: 2036' FNL & 535' FWL, SWNW/4 Section 28-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30851

Page 3 of 3
O/A #7401-004-01
ELEV: 7328' GR
FIELD: Wildcat

08/18/02: (RCE) Cont RIH; Pick up (62) jts 2-7/8" tbg; Tag DV tool @ 2829'; RIH; Circ head; Drl out DV tool; Cont RIH; Pick up (35) jts 2-7/8" tbg; Tag PBD @ 3931'; Circ well clean; POOH lay down (30) jts 2-7/8" tbg; SDFN.

ESTIMATED DAILY COST: \$6,340.00
ESTIMATED ACCUMULATED COST: \$228,472.00

08/20/02: (RCE) Finish POOH; Lay down (63) jts 2-7/8" tbg, (4) 4-3/4" drl collars & (1) 6-1/4" bit; SI well; Pool Service Rig RDMO.

ESTIMATED DAILY COST: \$3,395.00
ESTIMATED ACCUMULATED COST: \$231,867.00

RECEIVED

AUG 27 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, DK, JB, HRG)

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

CONFIDENTIAL

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 ZP 80758 PHONE NUMBER: 970-332-3151

4. LOCATION OF WELL: FOOTAGES AT SURFACE: 2036' FNL & 535' FWL

QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: S44N/4, Section 28-T12S-R12E -SLB&M

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 #4-28
9. API NUMBER: 43-007-30851
10. FIELD AND POOL OR WILDCAT: Wildcat
COUNTY: Carbon
STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input 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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
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	<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: _____
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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 2 of 3
O/A #7401-004-01
ELEV: 7328' GR
FIELD: Wildcat

LEASE DESCRIPTION: Soldier Creek #4-28
LOCATION: 2036' FNL & 535' FWL, SWNW/4 Section 28-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30851

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ESTIMATED DAILY COST: \$13,345.00
ESTIMATED ACCUMULATED COST: \$122,472.00

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ESTIMATED ACCUMULATED COST: \$169,082.00

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ESTIMATED DAILY COST: \$33,895.00
ESTIMATED ACCUMULATED COST: \$216,357.00

08/17/02: (RCE) Pool Service Rig MIRU; Nip up BOP; RIH w/(1) 6-1/4" bit, (4) 4-3/4" drl collars & (20) jts 2-7/8" tbg; SDFN.
ESTIMATED DAILY COST: \$5,775.00
ESTIMATED ACCUMULATED COST: \$222,132.00

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, DK, JB, HRG)

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

PERSONAL
AND
CONFIDENTIAL

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. LEASE DESIGNATION AND SERIAL NUMBER:
Patented

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
NA

7. UNIT or GA AGREEMENT NAME:
NA

8. WELL NAME and NUMBER:
Soldier Creek #4-28

9. API NUMBER:
43-007-30851

10. FIELD AND POOL OR WILDCAT:
Wildcat

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: 2036' FNL & 535' FWL

QTRCTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW/4, Section 28-112S-R12E -SLB&M

COUNTY: CAGDON 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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input 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.

WEEKLY DRILL REPORT

RECEIVED
OCT 02 2002
DIVISION OF
OIL, GAS AND MINING

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

SIGNATURE: *Diane Koch* DATE 9-30-02

(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 #4-28
LOCATION: 2036' FNL & 535' FWL, SWNW/4 Section 28-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30851

Page 3 of 3
O/A #7401-004-01
ELEV: 7328' GR
FIELD: Wildcat

08/18/02: (RCE) Cont RIH; Pick up (62) jts 2-7/8" tbg; Tag DV tool @ 2829'; RIH; Circ head; Drl out DV tool; Cont RIH; Pick up (35) jts 2-7/8" tbg; Tag PBTD @ 3931'; Circ well clean; POOH lay down (30) jts 2-7/8" tbg; SDFN.

ESTIMATED DAILY COST: \$6,340.00
ESTIMATED ACCUMULATED COST: \$228,472.00

08/20/02: (RCE) Finish POOH; Lay down (63) jts 2-7/8" tbg, (4) 4-3/4" drl collars & (1) 6-1/4" bit; SI well; Pool Service Rig RDMO.

ESTIMATED DAILY COST: \$3,395.00
ESTIMATED ACCUMULATED COST: \$231,867.00

09/15/02: (RCE) Bran-dex Wireline Service MIRU; Log well w/GR-CCL, CBL/CBL, from PBTD of 3928' to Surface; Perf Aberdeen sand for prod w/4" HSC, 36 gm, 120° charges from 3885'-3900', 3822'-3830', 3797'-3805' & 3757'-3790', (4) shots per ft, EHD 0.47", TTP 33.7", total of 256 holes; Bran-dex Wireline Service RDMO; SI well.

ESTIMATED DAILY COST: \$19,923.00
ESTIMATED ACCUMULATED COST: \$251,790.00

09/24/02: (LCH) MIRU Schlumberger Acid Equipment; test lines to 2500 PSI; Load hole; Displace 2500 gal, 7-1/2% HCL, Clay & Iron stabilizers, w/(40) BBLS fresh wtr to top of perms; Flush w/ 100 BBLS water ; Breakdown 5.1 BBLS per min @ 1290 PSIG with break back to 930 PSIG; Average 824 PSIG @ 5BPM; ISIP 770 PSIG; 5 Min 578 PSIG; 10 Min 443 PSIG; 15 Min 356 PSIG; SI well for 25 minutes; Pump Stepdown rate test as follows: 6 BPM @ 875 PSIG; 5 BPM @ 850 PSIG; 4 BPM @ 800 PSIG; 3 BPM @ 770 PSIG; 2 BPM @ 735 PSIG; 1 BPM @ 685 PSIG; Used total of 240 BBLS water & 60 BBLS HCL; SI well; RDMO Schlumberger.

ESTIMATED DAILY COST: \$10,750.00
ESTIMATED ACCUMULATED COST: \$262,540.00

DISTRIBUTION:

J-W Dallas (PDW)

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

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

PERSONAL
AND
CONFIDENTIAL

FORM 9

013

SUNDRY NOTICES AND REPORTS ON WELLS

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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: 2036' FNL & 535' FWL COUNTY: Garfield STATE UTAH

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

5. LEASE DESIGNATION AND SERIAL NUMBER: Patented

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

7. UNIT OR O.A. AGREEMENT NAME: NA

8. WELL NAME AND NUMBER: Soldier Creek #4-28

9. API NUMBER: 43-007-30851

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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANE	<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
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	<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: *Diane Koch* DATE 11/01/02

(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 #4-28
LOCATION: 2036' FNL & 535' FWL, SWNW/4 Section 28-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30851

Page 5 of 5
O/A #7401-004-01
ELEV: 7328' GR
FIELD: Wildcat

10/30/02: (RCE) Schlumberger Wireline Trk MIRU; Reperf Gilson Coal w/3-3/8" power jet charges from 3464' - 3474', 4 shots per ft; Total of (40) holes, 0.45" EHD, 38.6" TTP; Schlumberger Wireline Trk RDMO; Nip down BOP; Nip up Frac Valve; SDFN.
ESTIMATED DAILY COST: \$9,797.00
ESTIMATED ACCUMULATED COST: \$354,123.00

10/31/02: (RCE) Schlumberger Frac Equipment MIRU; Test lines & load hole; Re-Frac well as follows: Average 2769 PSIG @ 13.6 BPM; Pressure on 2# sand; Used a total of 575 BBLS wtr; 10,300# 20/40 sand; All fluids contained 2% KCL wtr, 15#/1000 gal Crosslinked Gel, Biocides, Breakers; Flow well back (14) BBLS to pit; Schlumberger RDMO; Nip down Frac valve; Nip up BOP; RIH w/(1) 2-3/8" latch collar; (1) 2-3/8" seat nip & 500' of 2-3/8" tbg; Circ gel out of hole to pit; Continue RIH w/tbg, every 500' circ hole clean; Tag Frac Sand @ 3302'; Lay down (2) jts 2-3/8" tbg; SDFN.
ESTIMATED DAILY COST: \$18,445.00
ESTIMATED ACCUMULATED COST: \$372,568.00

11/01/02: (RCE) 5 1/2" SI 20 PSIG; 2-7/8" SI 0 PSIG; RIH w/(2) jts 2-3/8" tbg, tag Frac Sand @ 3302'; Circ sand out of hole w/prod wtr @ rate of (3) BBLS per minute; Clean out to 3502' (28' below bottom perf); Lay down (2) jts 2-3/8" tbg; Land seat nipple @ 3446'; RIH w/2-3/8" swab; Tag fluid level @ surface; Made (30) swab runs; Recovery (184) BBLS fluid; Fluid remaining @ 1600' between runs; SDFN.
ESTIMATED DAILY COST: \$9,129.00
ESTIMATED ACCUMULATED COST: \$381,697.00

DISTRIBUTION:

J-W Dallas (PDW)

Wray (MS, RCK, RCE, KLR, AJB, RLB, TRL, BRM, LCH, RDJ, SS, NOS, GWM, MBS, PAM, 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 #4-28
 LOCATION: 2036' FNL & 535' FWL, SWNW/4 Section 28-T12S-R12E
 COUNTY: Carbon STATE: Utah API #: 43-007-30851

Page 4 of 5
 O/A #7401-004-01
 ELEV: 7328' GR
 FIELD: Wildcat

10/17/02: (RCE) 5-1/2" SI 0 PSIG; 2-3/8" SI 50 PSIG; Swab well; RIH w/2-3/8" swab; Tag fluid level @ 500'; Made (46) swab runs; Recovery (135) BBLs fluid; Accumulative (332) BBLs; PH 7; Chloride 1200 PPM; SDFN.

ESTIMATED DAILY COST: \$3,382.00
 ESTIMATED ACCUMULATED COST: \$287,987.00

10/18/02: (RCE) 5-1/2" SI 0 PSIG; 2-3/8" SI 50 PSIG; Swab well; RIH w/2-3/8" swab; Tag fluid level @ 500'; Made (47) swab runs; Recovery (128) BBLs fluid; Accumulative (460) BBLs; Pulled wtr samples sent to lab; Sample #1 TDS 4998; Sample #2 TDS 6330; SDFN.

ESTIMATED DAILY COST: \$4,163.00
 ESTIMATED ACCUMULATED COST: \$292,150.00

10/19/02: (RCE) 5-1/2" SI 0 PSIG; 2-3/8" SI 50 PSIG; Swab well; Made (20) swab runs; Recovery (68) BBLs fluid; Accumulative (528) BBLs; Pulled wtr samples sent to lab; POOH w/(112) jts 2-3/8" tbg, (1) seat nipple & (1) Arrow Set Packer; SDFWeekend.

ESTIMATED DAILY COST: \$2,282.00
 ESTIMATED ACCUMULATED COST: \$294,432.00

10/22/02: (RCE) Schlumberger Wireline & Pump Trk MIRU; Set 7" RBP on wireline @ 3735'; Load hole w/(6) BBL 2% KCL wtr, w/(2) sx sand; Perf Gilson Coal w/4", 25 gram exp. charges from 3464' - 3474', 4 shots per ft; Total of (40) holes, 0.66" EHD, 9" TTP; Conduct MIT test w/Mark Jones UOG CC Rep Pres; Test csg @ 1000 PSIG for 30 min; Test passed; Schlumberger Wireline & Pump Trk RDMO; Nip down BOP; Nip up Frac Valve; SDFN.

ESTIMATED DAILY COST: \$12,192.00
 ESTIMATED ACCUMULATED COST: \$306,624.00

10/23/02: (RCE) Schlumberger Frac Equipment MIRU; Test lines & load hole; Frac well as follows: Break down 902 PSIG @ (3) BBL per min; Average 1893 PSIG @ 11 BPM; ISIP 3504 PSIG; Shut down after pumping (49) BBL of pad & 5,000# 16/30 sand into formation, due to gel slug & pump problems; Repair pump & gel up; Used a total of 527 BBLs wtr; 12,000# 16/30 sand; Traced 15,000 gal pad w/(6) MCI SB-124; 12,000# 1-2# per gal sand, w/ (.5) MCI SC-46; All fluids contained 2% KCL wtr, 15#/1000 gal Crosslinked Gel, Biocides, Breakers, CBM Additives; Press out on 2# sand; Under flushed well (85) BBLs; Schlumberger RDMO; SDFN.

ESTIMATED DAILY COST: \$30,247.00
 ESTIMATED ACCUMULATED COST: \$336,871.00

10/24/02: (RCE) Scamp Rig-up Truck MIRU; RIH w/(1) 2-3/8" notched collar, (1) 2-3/8" seat nipple & (117) jts 2-3/8" tbg; Tag Frac Sand @ 3304'; Circ sand out of well bore; Clean out to 3640' KB; Pro Technics Loggers & Slickline Unit MIRU; Log well w/After Frac Spectra Scan, from 3640' to 3300'; Pro Technics Loggers & Slickline Unit RDMO; POOH w/tbg, seat nipple & notched collars; SDFN.

ESTIMATED DAILY COST: \$7,455.00
 ESTIMATED ACCUMULATED COST: \$344,326.00

DISTRIBUTION:

J-W Dallas (PDW)

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

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AND IS TO BE KEPT STRICTLY CONFIDENTIAL!!!**

Page 3 of 5
O/A #7401-004-01
ELEV: 7328' GR
FIELD: Wildcat

LEASE DESCRIPTION: Soldier Creek #4-28
LOCATION: 2036' FNL & 535' FWL, SWNW/4 Section 28-T12S-R12E
COUNTY: Carbon STATE: Utah API #: 43-007-30851

08/18/02: (RCE) Cont RIH; Pick up (62) jts 2-7/8" tbg; Tag DV tool @ 2829'; RIH; Circ head; Drl out DV tool; Cont RIH; Pick up (35) jts 2-7/8" tbg; Tag PBSD @ 3931'; Circ well clean; POOH lay down (30) jts 2-7/8" tbg; SDFN.

ESTIMATED DAILY COST: \$6,340.00
ESTIMATED ACCUMULATED COST: \$228,472.00

08/20/02: (RCE) Finish POOH; Lay down (63) jts 2-7/8" tbg, (4) 4-3/4" drl collars & (1) 6-1/4" bit; SI well; Pool Service Rig RDMO.

ESTIMATED DAILY COST: \$3,395.00
ESTIMATED ACCUMULATED COST: \$231,867.00

09/15/02: (RCE) Bran-dex Wireline Service MIRU; Log well w/GR-CCL, CBL/CBL, from PBSD of 3928' to Surface; Perf Aberdeen sand for prod w/4" HSC, 36 gm, 120° charges from 3885'-3900', 3822'-3830', 3797'-3805' & 3757'-3790', (4) shots per ft, EHD 0.47", TTP 33.7", total of 256 holes; Bran-dex Wireline Service RDMO; SI well.

ESTIMATED DAILY COST: \$19,923.00
ESTIMATED ACCUMULATED COST: \$251,790.00

09/24/02: (LCH) MIRU Schlumberger Acid Equipment; test lines to 2500 PSI; Load hole; Displace 2500 gal, 7-1/2% HCL, Clay & Iron stabilizers, w/(40) BBLS fresh wtr to top of perms; Flush w/ 100 BBLS water; Breakdown 5.1 BBLS per min @ 1290 PSIG with break back to 930 PSIG; Average 824 PSIG @ 5BPM; ISIP 770 PSIG; 5 Min 578 PSIG; 10 Min 443 PSIG; 15 Min 356 PSIG; SI well for 25 minutes; Pump Stepdown rate test as follows: 6 BPM @ 875 PSIG; 5 BPM @ 850 PSIG; 4 BPM @ 800 PSIG; 3 BPM @ 770 PSIG; 2 BPM @ 735 PSIG; 1 BPM @ 685 PSIG; Used total of 240 BBLS water & 60 BBLS HCL; SI well; RDMO Schlumberger.

ESTIMATED DAILY COST: \$10,750.00
ESTIMATED ACCUMULATED COST: \$262,540.00

10/15/02: (RCE) Key Workover Rig MIRU; Nip up BOP; RIH w/(1) 4.4' Arrow Set Packer, (1) 2-3/8" seat nipple & (112) jts of 2-3/8" tbg; Set packer @ 3743' Swab well; Fluid level @ 400' first run; Made (13) runs; Recovery (57) BBLS; Left fluid @ 2900'; SDFN.

ESTIMATED DAILY COST: \$17,313.00
ESTIMATED ACCUMULATED COST: \$279,853.00

10/16/02: (RCE) 5-1/2" SI 0 PSIG; 2-3/8" SI 10 PSIG; Swab well; Hit fluid level @ 500' first run; Made (46) swab runs; Recovery (140) BBLS fluid; Accumulative (197) BBLS; PH 7; Chloride 1200 PPM; SDFN.

ESTIMATED DAILY COST: \$4,752.00
ESTIMATED ACCUMULATED COST: \$284,605.00

DISTRIBUTION:

J-W Dallas (PDW)

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

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File _____
Soldier Creek 4-28
(Loc.) Sec 28 Twp 12S Rng 12E
(API No.) 43-007-30851

Suspense _____
(Return Date) _____
(To-Initials) _____

Other _____

1. Date of Phone Call: 7-29-02 Time: _____

2. DOGM Employee (name) Gil Hunt (Initiated Call)

Talked to:

Name Robert Ellen (Initiated Call) - Phone No. (_____)

of (Company/Organization) Jim Operating Co.

3. Topic of Conversation: _____

4. Highlights of Conversation: _____

Inj. zone Aberdeen sands

TDS less than 10,000 (approx 8700)

Need aquifer exemption approved by the Board.

* 8/5/02 Hold affidavit, do not notice at this time.

Alma

FILED

NOV 01 2002

**BEFORE THE BOARD OF OIL, GAS AND MINING SECRETARY, BOARD OF
DEPARTMENT OF NATURAL RESOURCES OIL, GAS & MINING
STATE OF UTAH**

IN THE MATTER OF THE APPLICATION)
OF J-W OPERATING COMPANY TO)
DESIGNATE THE SOLDIER CREEK 4-28)
WELL LOCATED IN SECTION 28,)
TOWNSHIP 12 SOUTH, RANGE 12 EAST,)
CARBON COUNTY, UTAH AS A CLASS II)
INJECTION WELL, AND TO OBTAIN AN)
AQUIFER EXEMPTION FOR THE)
ABERDEEN SANDSTONE OF THE)
BLACKHAWK FORMATION)

ORDER

Docket No. 2002-022

Cause No. UIC-292-01

The Utah Board of Oil, Gas and Mining, acting on the Motion for Expedited Hearing filed by J-W Operating Company, for good cause appearing, hereby grants J-W Operating Company an Expedited Hearing of the Request for Agency and Board Action at the December 4, 2002 Board Hearing.

Dated this 1st day of ~~October~~ ^{November}, 2002.

**STATE OF UTAH
BOARD OF OIL, GAS & MINING**

Elise Erlor

Elise L. Erlor, Chair

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing ORDER for Docket No. 2002-022, Cause No. UIC-292-01 was mailed to the following parties, postage prepaid, this 4th day of November 2002:

Robert G. Pruitt, III, Esq.
Attorney for J-W Operating Company
PRUITT, GUSHEE & BACHTELL
1850 Beneficial Life Tower
Salt Lake City, UT 84111

Kurt E. Seel, Esq.
Assistant Attorney General
Attorney for Board of Oil, Gas & Mining
160 East 300 South, Fifth Floor
P.O. Box 140815
Salt Lake City, UT 84114-0815

Steven F. Alder, Esq.
Assistant Attorney General
Attorney for Division of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116

John R. Baza
Associate Director, Oil and Gas
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116
(Hand Delivered)

Iriart Family Limited Partnership
Attention: Louis L. Iriart, General Partner
P.O. Box 293
Price, UT 84501

Robert L. Bayless Producer, LLC
621 Seventeenth Street, Suite 1640
Denver, CO 80293

United States Department of the Interior
Bureau of Land Management
125 South 600 West
P.O. Box 7004
Price, UT 84501

Bureau of Land Management
324 South State Street, Suite 300
P.O. Box 45155
Salt Lake City, UT 84145-0155



AMENDED

Exhibit H
Docket 2002-022
Cause #292-01

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

JIC FORM 1

APPLICATION FOR INJECTION WELL

Name of Operator <u>J-W Operating Company</u>	Utah Account Number <u>N</u>	Well Name and Number <u>Soldier Creek 4-28</u>
Address of Operator <u>P. O. Box 226406 City Dallas STATE TX ZIP 75222-6406</u>	Phone Number <u>972-233-8191</u>	AP Number <u>4300738051000</u>
Location of Well Footage: <u>2036' FNL and 535' FWL</u> County: <u>Carbon</u>		Field or Unit Name <u>Undesignated</u>
OO Section, Township, Range <u>SW 1/4 Sec 28 T2S R12E State: UTAH</u>		Lease Designation and Number <u>Irat Fee Surf. & Minerals</u>

Is this application for expansion of an existing project? Yes No

Will the proposed well be used for:

Enhanced Recovery?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Disposal?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Storage?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Is this application for a new well to be drilled? Yes No

If this application is for an existing well, has a casing test been performed? Yes No

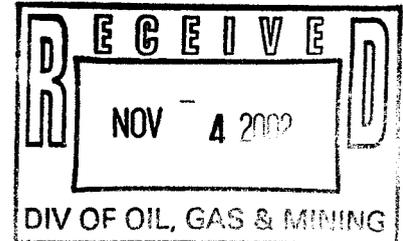
Date of test: 10-21-2002

Proposed injection interval: from 3757' to 3900'

Proposed maximum injection: rate 7000 bpd pressure 1800 psig

Proposed injection zone contains oil gas and / or fresh water within 1/4 mile of the well.

List of attachments: To be submitted



ATTACH ADDITIONAL INFORMATION AS REQUIRED BY CURRENT UTAH OIL AND GAS CONSERVATION GENERAL RULES

I hereby certify that this report is true and complete to the best of my knowledge.

Name (Please Print) Jerry C. Wooten Title Senior Petroleum Engineer

Signature Jerry C. Wooten Date 10/23/02

J-W OPERATING COMPANY

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

November 18, 2002

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

RECEIVED
NOV 20 2002
DIVISION OF OIL, GAS AND MINING
SALT LAKE CITY, UTAH

RE: Form 8

Soldier Creek #1-28 (Sec. 28-T12S-R12E)
Soldier Creek #4-28 (Sec. 28-T12S-R12E)
Soldier Creek #3-29 (Sec.29-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 #1-28: Cement Bond Log, Gamma Ray/ SP /Array Induction Log, Compensated Neutron Litho-Density Log and Geological Mud Log.

Soldier Creek #3-29: Cement Bond Log, Gamma Ray/ SP /Array Induction Log, Compensated Neutron Litho-Density Log and Geological Mud Log.

Soldier Creek #4-28: Cement Bond Log, Gamma Ray/ SP /Array Induction Log, Compensated Neutron Litho-Density Log, Geological Mud Log and FMI 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

RECEIVED

Cc: Well File

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 DRY OTHER
 b. TYPE OF WORK: NEW WELL HORIZ. LATS. DEEP-EN RE-ENTRY DIFF. RESVR. OTHER

5. LEASE DESIGNATION AND SERIAL NUMBER:
PATENTED

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT or CA AGREEMENT NAME
N/A

8. WELL NAME and NUMBER:
SOLDIER CREEK #4-28

2. NAME OF OPERATOR:
J-W OPERATING COMPANY

9. API NUMBER:
4300730851

3. ADDRESS OF OPERATOR:
P.O. BOX 305 CITY WRAY STATE CO ZIP 80758

10. FIELD AND POOL, OR WILDCAT
WILDCAT

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: **2036' FNL & 535' FWL**
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH:

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
SWNW 28 12S 12E

12. COUNTY **CARBON** 13. STATE **UTAH**

14. DATE SPURRED: **6/19/2002** 15. DATE T.D. REACHED: **8/5/2002** 16. DATE COMPLETED: **11/9/2002**
ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):
7328' GR

18. TOTAL DEPTH: MD **3,990** TVD

19. PLUG BACK T.D.: MD **3,931** TVD

20. IF MULTIPLE COMPLETIONS, HOW MANY? *
2

21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
GR/SP/ ARRAY INDUCTION; COMPENSATED NEUTRON LITHO-DENSITY; GR/CBL; GEOLOGICAL MUD LOG; FMI

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

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
18"	14 B	48	0	64		PORT 12	7	SURF(CIR)	
12-1/4"	9-5/8 J-55	36	0	517		PREM 200	40	SURF(CIR)	
8-3/4"	7" J-55	23	0	3,962	2,929	G 900	208	SURF(CIR)	
					2858 Log				

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	3,450		2-3/8"	3,732	3,740			

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) GILSON COAL	3,464	3,474		
(B) ABERDEEN SS				
(C) <i>BKHK/BCA</i>				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
3,464 3,474	0.47	40	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
3,757 3,990	0.47	256	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
3464-3474'	Used a total of 1102 BBLS 2% KCL water and 22,300# 20/40 sand. Traced 15,000 gal pad w/ (6) mci Sb-124; 12,000 1-2# per gal sand w/ (5) mci SC-46.

29. ENCLOSED ATTACHMENTS:

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

30. WELL STATUS:
SI

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

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

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

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)
				PRICE RIVER	2,271
				CASTLE GATE	2,770
				BLACK HAWK	3,002
				U. SUNNYSIDE SAND	3,285
				ROCK CANYON	3,404
				GILSON COAL	3,458
				KENILWORTH SS	3,552
				ABERDEEN SS	3,756

35. ADDITIONAL REMARKS (Include plugging procedure)

WELL IS NOT PRODUCING AS OF 11/18/2002. WAITING FOR WATER & GAS LINES CONNECTION.

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 11/18/2002

This report must be submitted within 30 days of

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

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

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

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

Phone: 801-538-5340
 Fax: 801-359-3940

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NOV 20 2002

DIVISION OF OIL, GAS AND MINING

TRANSACTION REPORT

P. 01

JAN-23-2003 THU 03:34 PM

FOR: OIL, GAS & MINING

801 359 3940

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
JAN-23	03:33 PM	5386016	1'00"	3	SEND	OK	051	

TOTAL : 1M 0S PAGES: 3



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)

Michael O. Leavitt
Governor
Lowell P. Braxton
Division Director

DIVISION OF OIL, GAS AND MINING
FACSIMILE COVER SHEET

DATE: 1-23-03

FAX #: 538-6016

ATTN: Kim Shelley (Info for Discharge permit filed by Div. of water Quality)

COMPANY: Div. of water Quality

DEPARTMENT: _____

NUMBER OF PAGES: (INCLUDING THIS ONE) 3

FROM: Lisha Cordova



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

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ATTN: Kim Shelley

COMPANY: Div. of Water Quality

DEPARTMENT: _____

NUMBER OF PAGES: (INCLUDING THIS ONE) 3

FROM: Yisha Cordova

If you do not receive all of the pages, or if they are illegible, please call (801)538-5340. We are sending from a Sharp facsimile machine. Our telecopier number is (801)359-3940.

MESSAGE: Water Analysis - Soldier Creek 4-28
GW Operating Company

Important: This message is intended for the use of the individual or entity of which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you.



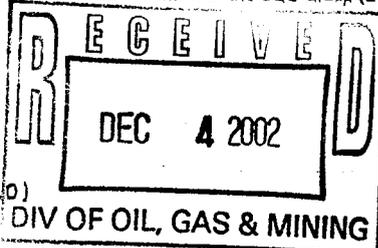
COMMERCIAL TESTING & ENGINEERING CO.

GENERAL OFFICES: 1818 SOUTH HIGHLAND AVE., SUITE 210-B, LOMBARD, ILLINOIS 60148 • TEL: 630-653-2300 FAX: 630-653-0306

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P.O. BOX 1020
HUNTINGTON, UT 84528
TEL: (435) 653-2311
FAX: (435) 653-2438
www.comt&e.com

December 2, 2002

TALON RESOURCES
375 S. CARBON AVE. (A-10)
PRICE UTAH 84501
ALLEN CHILDS

Sample identification by
J.W. Operating

ID: 4-28

Kind of sample Water
reported to us

RECEIVED 0815
SAMPLED 0815

Sample taken at 4-28

FIELD MEASUREMENTS
TEMP 20 COND 1800
PH 7.00

Sample taken by C.B.

PH, NITRITE, NITRATE, AND ORTHO PHOS
WAS EXPIRED WHEN ANALYZED
DIS. METALS
FILTERED @ LAB

Date sampled November 22, 2002

Date received November 22, 2002

Page 1 of 2

Analysis report no. 59-24864

Parameter	Result	MxL	Units	Method	Analyzed Date/Time/Analyst
Acidity	XXXX	5	mg/l	as CaCO ₃ D1067-92	- -
Alkalinity, Bicarbonate	XXXX	5	mg/l	as HCO ₃ EPA 310.1	- -
Alkalinity, Carbonate	XXXX	5	mg/l	as CO ₃ EPA 310.1	- -
Alkalinity, Total	XXXX	5	mg/l	as CaCO ₃ EPA 310.1	- -
Aluminum, Dissolved	XXXX	0.5	mg/l	EPA 202.1	- -
Anions	XXXX		meq/l		- -
Arsenic, Dissolved	XXXX	0.01	mg/l	EPA 206.2	- -
Boron, Dissolved	XXXX	0.06	mg/l	EPA 212.3	- -
Cadmium, Dissolved	XXXX	0.01	mg/l	EPA 213.1	- -
Calcium, Dissolved	XXXX	1	mg/l	EPA 215.1	- -
Cations	XXXX		meq/l		- -
Chloride	XXXX	0.5	mg/l	EPA 300.0	- -
Conductivity	1531		umhos/cm	SM2510-B	12-02-2001 0730 JJ
Copper, Dissolved	XXXX	0.1	mg/l	EPA 220.1	- -
Hardness, Total	XXXX		mg/l	as CaCO ₃ SM2340-B	- -
Iron, Total	XXXX	0.1	mg/l	EPA 236.1	- -
Iron, Dissolved	XXXX	0.1	mg/l	EPA 236.1	- -
Lead, Dissolved	XXXX	0.1	mg/l	EPA 239.1	- -
Magnesium, Dissolved	XXXX	1	mg/l	EPA 242.1	- -
Manganese, Total	XXXX	0.05	mg/l	EPA 243.1	- -
Manganese, Dissolved	XXXX	0.05	mg/l	EPA 243.1	- -
Molybdenum, Dissolved	XXXX	0.005	mg/l	EPA 246.1	- -
Nitrogen, Nitrate	XXXX	0.03	mg/l as N	EPA 300.0	- -
Nitrogen, Nitrite	XXXX	0.03	mg/l as N	EPA 300.0	- -

INCOMPLETE REPORT

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.



Huntington Laboratory

F-465

Original Watermarked For Your Reference

TERMS AND CONDITIONS ON REVERSE

PRINT TIME DEC. 2. 11:18AM



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December 2, 2002

TALON RESOURCES
375 S. CARBON AVE. (A-10)
PRICE UTAH 84501
ALLEN CHILDS

Sample identification by
J.W. Operating

ID:4-28

Kind of sample Water
reported to us

RECEIVED 0815
SAMPLED 0815

FIELD MEASUREMENTS

Sample taken at 4-28

TEMP 20 COND 1800
pH 7.00

Sample taken by C.B.

PH, NITRITE, NITRATE, AND ORTHO PHOS
WAS EXPIRED WHEN ANALYZED

Date sampled November 22, 2002

DIS.METALS

Date received November 22, 2002

FILTERED @ LAB

Page 2 of 2

Analysis report no. 59-24864

Parameter	Result	MrL	Units	Method	Analyzed Date/Time/Analyst
Oil & Grease	xxxx	2	mg/l	EPA 413.1	- -
pH	xxxx		pH units	EPA 150.1	- -
Phosphorous, Ortho-PO ₄	xxxx	0.05	mg/l as P	EPA 300.0	- -
Potassium, Dissolved	xxxx	1	mg/l	EPA 258.1	- -
Selenium, Dissolved	xxxx	0.01	mg/l	EPA 270.2	- -
Sodium, Dissolved	xxxx	1	mg/l	EPA 273.1	- -
Solids, Total Dissolved	968	10	mg/l	EPA 160.1	11-26-2002 0805 JJ
Sulfate	xxxx	0.5	mg/l	EPA 300.0	- -
Zinc, Dissolved	xxxx	0.01	mg/l	EPA 289.1	- -
Cation/Anion Balance	xxxx		%		- -

INCOMPLETE REPORT

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.



Huntington Laboratory

Navigation icons: back, forward, home, search, favorites, go, address bar.

Toolbox icons: print, save, copy, paste, delete, undo, redo, zoom, view, refresh, help.

IMIT EMIT **MIT Tests**

API Well No: Multiple Tests for This Well >>>

IMIT Test Date/Time: Reason For Test:

Data for Wells Using APM Type of IMIT Date to edit/view data for this well:

Ann. Mon. Result:

Initial Test Pressure: psig Test Result: Well Status:

Final Test Pressure: psig Witnessed?: Inj. Pressure: psig

Duration of Test: min. Insp. Name: Inj. Rate: BPD

Date Mod:

Notes:

Record: of 1

API Well Number

FLTR NUM

AOR Tracking

Date Mod: 06/27/2002

AOR No: LC000000005 Is AOR for Multiple Wells? API Well No.: 43-007-30851-00-00

Operator: J-W OPERATING COMPANY

Dt Appl Received: 05/20/2002 Topo Map? WHPA?

Dt Conversion Aprv: Invt. Cmpl't? Variance?

Dt Radius Prs:

Prs Infl:

Radius: 0.5

[Run AOR Finder](#)

Wells in AOR	Typ	Stat	Cmpl	Cls	TVD	Dist
▶ 43-007-30851-00-00	GW	DR				0
43-007-30852-00-00	GW	DR				0.382
43-007-30850-00-00	GW	DR				0.33
43-007-30849-00-00	GW	DR				0.254
43-007-20253-00-00	NA	PA				0.493

Record: 14 1 of 5

Well Statistics	Number of Wells Identified within the AOR			
	Total Wells	Defective Wells	Wells Requiring Corrective Action	Wells Penetrating Injection Zone
Abandoned:	1	0	0	0
Not Abandoned:	4	0	0	0

Results of Investigations

Casing Repair: 0

Oth Corr: 0

P&A: 0

Replug: 0

Date Apprvd:

Water Well Information

Public Use: 0

Drinking Water: 0

Notes: Aquifer exemption request & approval to convert to WDW pending Board approval; hearing scheduled for December 2002.



Find Wells in AOR Study Area

Wells in AOR

API Well Number: 43-007-30851-00-00 Well Name: SOLDIER CREEK 4-28

Operator: J-W OPERATING COMPANY County: CARBON

Latitude: 39.74817 Longitude: 110.59167 Radius (miles): 0.5

Wells within radius of Latitude/Longitude Center Point:

API Well Number	Well Name	Operator Name	Distance (mi)
43-007-30851-00-00	SOLDIER CREEK 4-28	J-W OPERATING COMPANY	0.00
43-007-30849-00-00	SOLDIER CREEK 5-28	J-W OPERATING COMPANY	0.25
43-007-30850-00-00	SOLDIER CREEK 3-29	J-W OPERATING COMPANY	0.33
43-007-30852-00-00	SOLDIER CREEK 1-28	J-W OPERATING COMPANY	0.38
43-007-20253-00-00	IRIART FEE 1	WALTON, PAUL T	0.49

Record: 1 of 5

Form View

FLTR

NUM

Incidents/Spills Well Inspections Date Mod 09/12/2002

Inspection Tracking Press/Rest

API Well No. 43-007-30851-00-00 Owner J-W OPERATING COMPANY County CARBON

Well Name SOLDIER CREEK 4-28

WI Typ Gas Well Fclty/Proj NA Well Status Spudded (Drilling commenced)

Well S-T-R S: 28 T: 12S R: 12E

Directions

Inspect No. iMLJ0000817 Type Routine/Periodic Purpose Operator at Time of Inspection

Violation? SNC? C Pit water level ok in this pit. Liner falling in. Pad erosion on SE corner.

Notification Type

Write Violation

Date Inspected 09/10/2002

Date NOV

Date RndyReq

Date Extension

Date Passed

Failed Items

Fail Code	Status	Description

Comply# Incident# Inspector Mark Jones

Nov. 17 PUBLISHED IN
TRIB + DES NEWS

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

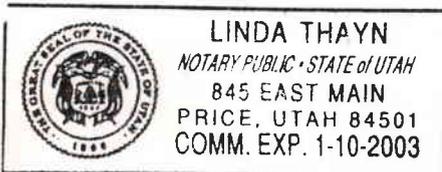
I, Ken Larson, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State a true copy of which is hereto attached, was published in the full issue of such newspaper for 1 (One) consecutive issues, and that the first publication was on the 14th day of November, 2002, and that the last publication of such notice was in the issue of such newspaper dated the 14th day of November, 2002.

Ken G. Larson
Ken G Larson - Publisher

Subscribed and sworn to before me this 14th day of November, 2002.

Linda Thayne
Notary Public My commission expires January 10, 2003 Residing at Price, Utah

Publication fee, \$ 172.48



NOTICE OF HEARING

DOCKET NO. 2002-022, CAUSE NO. UIC-292-01
BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES, STATE OF UTAH

IN THE MATTER OF THE APPLICATION OF J-W OPERATING COMPANY TO DESIGNATE THE SOLDIER CREEK 4-28 WELL LOCATED IN SECTION 28, TOWNSHIP 12 SOUTH, RANGE 12 EAST, CARBON COUNTY, UTAH AS A CLASS II INJECTION WELL, AND TO OBTAIN AN AQUIFER EXEMPTION FOR THE ABERDEEN SANDSTONE OF THE BLACKHAWK FORMATION.

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED MATTER.

Notice is hereby given that the Board of Oil, Gas and Mining ("Board"), State of Utah, will conduct a hearing on WEDNESDAY, DECEMBER 4, 2002, at 10 A.M., or as soon thereafter as possible, in the Board Room of the Department of Natural Resources, 1594 West North Temple, Suite 1050, Salt Lake City, Utah.

The hearing will be conducted as a formal administrative adjudication in accordance with the rules of the Board as set forth in Utah Administrative Code R641 et seq. (2002) as provided for by Utah Code Ann. § 40-6-1 et seq. (1998) and Utah Code Ann. § 63-46b-1 et seq. (2002).

The purpose of the proceeding will be for the Board to receive testimony and evidence regarding an Order:

1. Designating the Soldier Creek 4-28 well located in Section 28, Township 12 South, Range 12 East, SLB&M in Carbon County, Utah as a Class II Injection Well to enhance coalbed methane recovery.
2. Designating the Aberdeen Sandstone member of the Blackhawk formation as an "exempt aquifer" pursuant to Utah Administrative Code R649-5-4 (2002) to receive the injected fluids. (The injected water is of better quality and has lower total dissolved solids than the existing water in the Aberdeen formation.)
3. Providing for such other relief as may be just and proper under the circumstances.

Objections to this matter should be filed with the Secretary of the Board at the address listed below no later than NOVEMBER 20, 2002. Objections filed later may be considered by the Board at or before the regularly scheduled hearing for good cause shown.

Natural persons may appear and represent themselves before the Board. All other representation by parties before the Board will be by attorneys licensed to practice law in the State of Utah, or attorneys licensed to practice law in another jurisdiction which meet the rules of the Utah State Bar for practicing law before the Utah Courts. Attorney representation may be waived by the Board upon petition and good cause shown.

Persons interested in this matter may participate pursuant to the procedural rules of the Board. The Request for Agency Action, and any subsequent pleadings, may be inspected at the office of the undersigned. A party who fails to attend or participate in the hearing may be held in default.

Pursuant to the Americans with Disabilities Act, persons requiring auxiliary communicative aids and services to enable them to participate in this hearing should call Mary Potter at (801) 538-5327, at least three working days prior to the hearing date.

DATED this 8th day of November, 2002.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING
Elise L. Erler, Chair
/s/Mary E. Potter

Secretary to the Board
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116
(801) 538-5327



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 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

November 18, 2002

EK534518209US

Dan Jackson, UIC Team Leader
U. S. Environmental Protection Agency
999 18th Street, Suite 300
Denver, Colorado 80202-2466

Re: Aquifer Exemption Request, Section 28, T12S, R12E, Carbon County, Utah,
Cause No. UIC-292-01

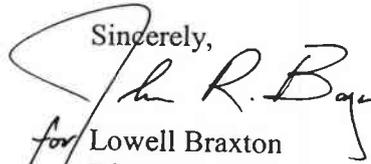
Dear Dan,

J-W Operating Company has petitioned the Board of Oil, Gas and Mining (Board) for an Underground Injection Control (UIC) permit to dispose of water into the Soldier Creek 4-28 well located in Section 28, T12S, R12E, Carbon County. Enclosed is a copy of the exhibits submitted in support of the application. Upon testing the water from the zone which they wish to inject into, they found it to contain less than 10,000 mg/l total dissolved solids and thus by definition is an Underground Source of Drinking Water (USDW). In order to be allowed to inject into this zone, J-W also must apply and receive an aquifer exemption, which would exempt the aquifer near this location from protection as a USDW. Their petition to the Board, Cause No. UIC-292-01, requests a class II injection permit and an aquifer exemption in the vicinity of the 4-28 well.

In accordance with our UIC program description, the Division is forwarding the application and supporting exhibits to your office for review. As you know, our rule R649-5-4, subjects any Board authorized aquifer exemption to EPA approval. The Board will hear this matter at their scheduled meeting on December 4, 2002, room 1050, at the DNR building in Salt Lake City. You are welcome to attend that meeting and comment on the record at that time.

Please consider this proposed aquifer exemption and supply the Division with your approval, comments and/or recommendations concerning it. If you would like to discuss this proposed exemption or need more information, please call me at 801-538-5370 or Gil Hunt at 801-538-5297.

Sincerely,


for Lowell Braxton
Director

GLH/er
Enclosures
cc: John Baza
Gil Hunt



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

November 18, 2002

Don Ostler, Director
Division of Water Quality
288 North 1460 West
Salt Lake City, Utah 84116

Re: Aquifer Exemption Request, Section 28, T12S, R12E, Carbon County, Utah,
Cause No. UIC-292-01

Dear Don,

J-W Operating Company has petitioned the Board of Oil, Gas and Mining (Board) for an Underground Injection Control (UIC) permit to dispose of water into the Soldier Creek 4-28 well located in Section 28, T12S, R12E, Carbon County. Enclosed is a copy of the exhibits submitted in support of the application. Upon testing the water from the zone which they wish to inject into, they found it to contain less than 10,000 mg/l total dissolved solids and thus by definition is an Underground Source of Drinking Water (USDW). In order to be allowed to inject into this zone, J-W also must apply and receive an aquifer exemption, which would exempt the aquifer near this location from protection as a USDW. Their petition to the Board, Cause No. UIC-292-01, requests a class II injection permit and an aquifer exemption in the vicinity of the 4-28 well.

In accordance with our UIC program description, the Division is forwarding the application and supporting exhibits to your Division of Water Quality, and the Division of Water Rights for review and comment on the proposal. The Board will hear this matter at their scheduled meeting on December 4, 2002, room 1050, in the DNR building. You are welcome to attend that meeting and comment on the record at that time, if preferred.

Please consider this proposed aquifer exemption and supply the Division with any comments and/or recommendations you have concerning it. If you would like to discuss this proposed exemption or need more information, please call me at 801-538-5370 or Gil Hunt at 801-538-5297.

Sincerely,


for Lowell Braxton
Director

glh/er

Enclosures

cc: John Baza

Gil Hunt



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

November 18, 2002

Jerry Olds, Director & State Engineer
Division of Water Rights
1594 West North Temple, Suite 220
Salt Lake City, Utah 84116

Re: Aquifer Exemption Request, Section 28, T12S, R12E, Carbon County, Utah,
Cause No. UIC-292-01

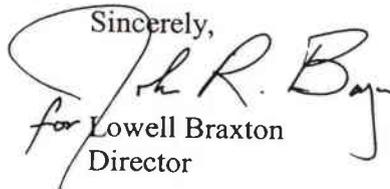
Dear Jerry,

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Sincerely,

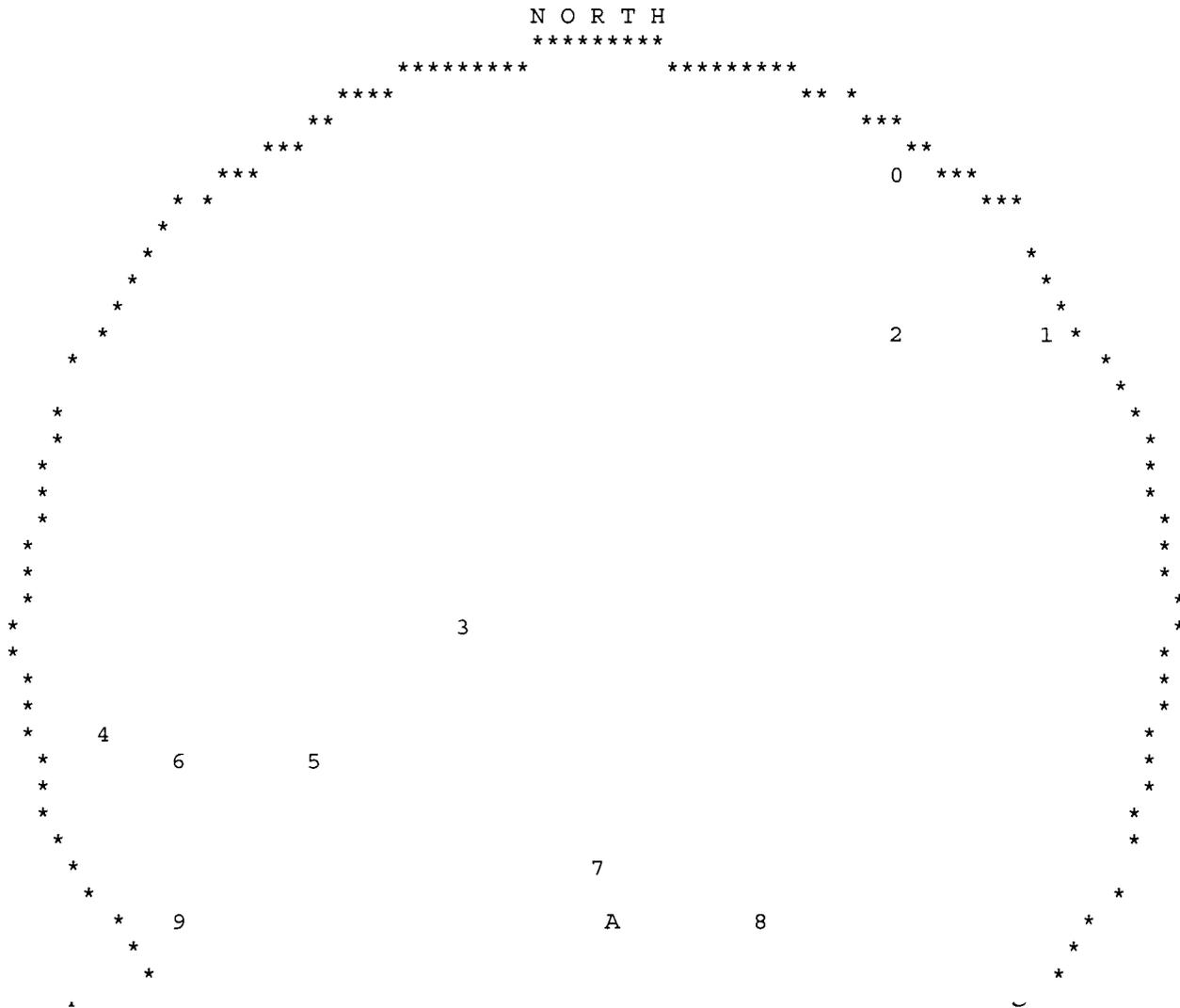

for Lowell Braxton
Director

Glh/er
Enclosures
cc: John Baza
Gil Hunt

UTAH DIVISION OF WATER RIGHTS
 WATER RIGHT POINT OF DIVERSION PLOT CREATED TUE, NOV 26, 2002, 4:47 PM
 PLOT SHOWS LOCATION OF 26 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
 S 2036 FEET, E 535 FEET OF THE NW CORNER,
 SECTION 28 TOWNSHIP 12S RANGE 12E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET





Utah!

Where ideas connect

Department of Environmental Quality
Division of Water Quality

Michael O. Leavitt
Governor
Dianne R. Nielson, Ph.D.
Executive Director
Don A. Ostler, P.E.
Director

288 North 1460 West
P.O. Box 144870
Salt Lake City, Utah 84114-4870
(801) 538-6146
(801) 538-6016 Fax
(801) 536-4414 T.D.D.
www.deq.utah.gov

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Dianne R. Nielson, Ph.D.
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Douglas E. Thompson, Mayor
J. Ann Wechsler
Don A. Ostler, P.E.
Executive Secretary

FILED

DEC 03 2002

**SECRETARY, BOARD OF
OIL, GAS & MINING**

December 2, 2002

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

Dear Mr. Braxton:

Subject: Aquifer Exemption Request, Section 28, T12S, R12E, Carbon County, Utah,
Cause No. UIC-292-01

Thank you for providing us the opportunity to review and comment on the above proposal by J-W Operating Company. After close review of the proposal, the Division of Water Quality has no objections to granting the aquifer exemption request.

Sincerely,

Dennis Frederick, Manager
Ground Water Protection Section

DAF:GLJ:bjr

File: GJACKSON\wpJ-W Op Co 12202.doc

RECEIVED

DEC 03 2002

DIV. OF OIL, GAS & MINING

COMMERCIAL TESTING & ENGINEERING CO.

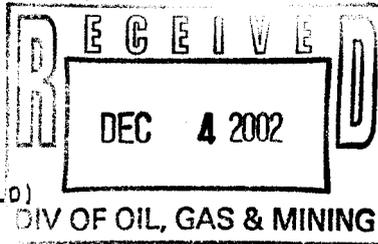
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December 2, 2002

TALON RESOURCES
375 S. CARBON AVE. (A-10)
PRICE UTAH 84501
ALLEN CHILDS

DIV OF OIL, GAS & MINING

Sample identification by
J.W. Operating

ID:4-28

Kind of sample Water
reported to us

RECEIVED 0815
SAMPLED 0815

Sample taken at 4-28

FIELD MEASUREMENTS
TEMP 20 COND 1800
pH 7.00

Sample taken by C.B.

PH, NITRITE, NITRATE, AND ORTHO PHOS
WAS EXPIRED WHEN ANALYZED
DIS.METALS
FILTERED @ LAB

Date sampled November 22, 2002

Date received November 22, 2002

Page 1 of 2

Analysis report no. 59-24864

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Alkalinity, Bicarbonate	xxxx	5	mg/l	as HCO ₃ EPA 310.1	- -
Alkalinity, Carbonate	xxxx	5	mg/l	as CO ₃ EPA 310.1	- -
Alkalinity, Total	xxxx	5	mg/l	as CaCO ₃ EPA 310.1	- -
Aluminum, Dissolved	xxxx	0.5	mg/l	EPA 202.1	- -
Anions	xxxx		meq/l		- -
Arsenic, Dissolved	xxxx	0.01	mg/l	EPA 206.2	- -
Boron, Dissolved	xxxx	0.06	mg/l	EPA 212.3	- -
Cadmium, Dissolved	xxxx	0.01	mg/l	EPA 213.1	- -
Calcium, Dissolved	xxxx	1	mg/l	EPA 215.1	- -
Cations	xxxx		meq/l		- -
Chloride	xxxx	0.5	mg/l	EPA 300.0	- -
Conductivity	1531		umhos/cm	SM2510-B	12-02-2001 0730 JJ
Copper, Dissolved	xxxx	0.1	mg/l	EPA 220.1	- -
Hardness, Total	xxxx		mg/l	as CaCO ₃ SM2340-B	- -
Iron, Total	xxxx	0.1	mg/l	EPA 236.1	- -
Iron, Dissolved	xxxx	0.1	mg/l	EPA 236.1	- -
Lead, Dissolved	xxxx	0.1	mg/l	EPA 239.1	- -
Magnesium, Dissolved	xxxx	1	mg/l	EPA 242.1	- -
Manganese, Total	xxxx	0.05	mg/l	EPA 243.1	- -
Manganese, Dissolved	xxxx	0.05	mg/l	EPA 243.1	- -
Molybdenum, Dissolved	xxxx	0.005	mg/l	EPA 246.1	- -
Nitrogen, Nitrate	xxxx	0.03	mg/l	as N EPA 300.0	- -
Nitrogen, Nitrite	xxxx	0.03	mg/l	as N EPA 300.0	- -

INCOMPLETE REPORT

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.



Huntington Laboratory



COMMERCIAL TESTING & ENGINEERING CO.

GENERAL OFFICES: 1819 SOUTH HIGHLAND AVE., SUITE 210-B, LOMBARD, ILLINOIS 60148 • TEL: 630-953-8300 FAX: 630-953-8308

SINCE 1908[®]



Member of the SGS Group (Société Générale de Surveillance)

ADDRESS ALL CORRESPONDENCE TO:
 P.O. BOX 1020
 HUNTINGTON, UT 84528
 TEL: (435) 653-2311
 FAX: (435) 653-2436
 www.comlaco.com

December 2, 2002

TALON RESOURCES
 375 S. CARBON AVE. (A-10)
 PRICE UTAH 84501
 ALLEN CHILDS

Sample identification by
 J.W. Operating

ID:4-28

Kind of sample Water
 reported to us

RECEIVED 0815
 SAMPLED 0815

FIELD MEASUREMENTS

Sample taken at 4-28

TEMP 20 COND 1800
 pH 7.00

Sample taken by C.B.

PH, NITRITE, NITRATE, AND ORTHO PHOS
 WAS EXPIRED WHEN ANALYZED

Date sampled November 22, 2002

DIS.METALS
 FILTERED @ LAB

Date received November 22, 2002

Page 2 of 2

Analysis report no. 59-24864

Parameter	Result	MrL	Units	Method	Analyzed Date/Time/Analyst
Oil & Grease	xxxx	2	mg/l	EPA 413.1	- -
pH	xxxx		pH units	EPA 150.1	- -
Phosphorous, Ortho-PO ₄	xxxx	0.05	mg/l as P	EPA 300.0	- -
Potassium, Dissolved	xxxx	1	mg/l	EPA 258.1	- -
Selenium, Dissolved	xxxx	0.01	mg/l	EPA 270.2	- -
Sodium, Dissolved	xxxx	1	mg/l	EPA 273.1	- -
Solids, Total Dissolved Sulfate	968	10	mg/l	EPA 160.1	11-26-2002 0805 JJ
Zinc, Dissolved	xxxx	0.5	mg/l	EPA 300.0	- -
Cation/Anion Balance	xxxx	0.01	mg/l	EPA 289.1	- -
			†		- -

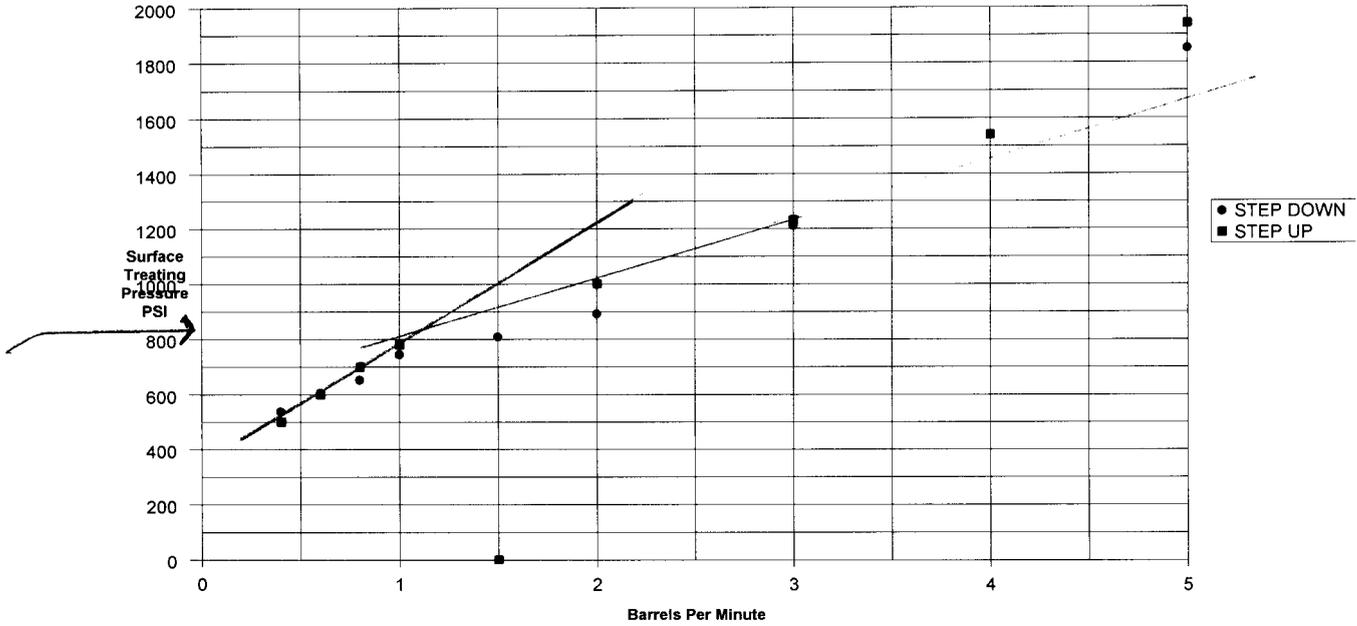
INCOMPLETE REPORT

Respectfully submitted,
 COMMERCIAL TESTING & ENGINEERING CO.



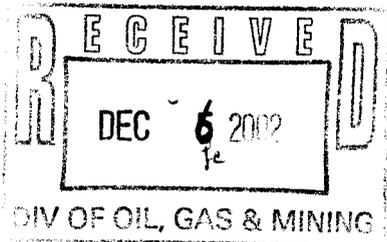
Huntington Laboratory

J-W OPERATING
COMPANY Soldier Creek
#4-28 Carbon County,
Utah Aberdeen Zone

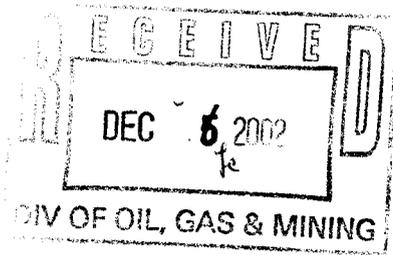


Operating press. ~ 825#

approve max at 775#

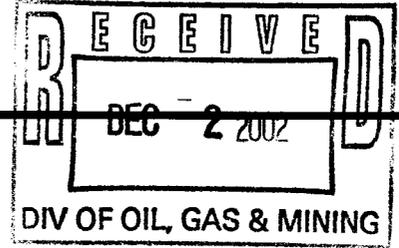


<i>Rate</i>	1	2
5	1850	1940
4	1538	1540
3	1211	1230
2	891	1000
1.5	808	
1	744	780
0.8	653	700
0.6	606	600
0.4	538	500

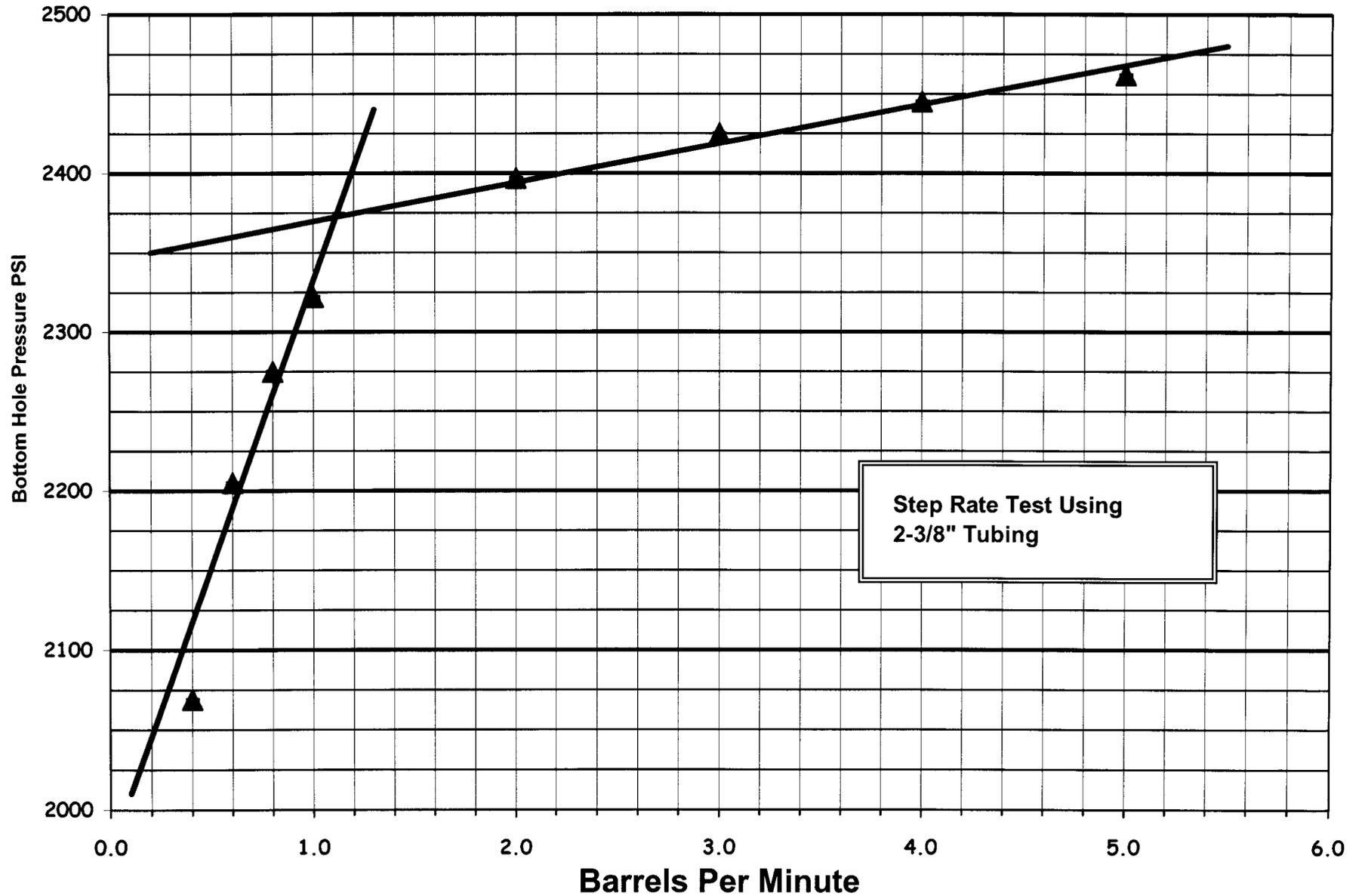


12/3/02 Test performed by
Production Logging Services (Vernal)
on 11/27/02 per Robert Ellen.

J-W OPERATING COMPANY



<< SOLDIER CREEK # 4-28 >>
Carbon Co., Utah- Aberdeen Zone



UIC INJECTION PERMIT ANALYSIS FORM
Soldier Creek 4-28 / 43-007-30851

RG49-5-2. Requirements For Class II Injection Wells Including Water Disposal, Storage And Enhanced Recovery Wells.	Completed Items, Needed Items, & Comments
<p>1. Injection wells shall be completed, equipped, operated, and maintained in a manner that will prevent pollution and damage to any USDW, or other resources and will confine injected fluids to the interval approved.</p> <p>2. The application for an injection well shall include a properly completed UIC Form 1 and the following:</p> <p>2.1. A plat showing the location of the injection well, all abandoned or active wells within a one-half mile radius of the proposed well, and the surface owner and the operator of any lands or producing leases, respectively, within a one-half mile radius of the proposed injection well.</p> <p>2.2. Copies of electrical or radioactive logs, including gamma ray logs, for the proposed well run prior to the installation of casing and indicating resistivity, spontaneous potential, caliper, and porosity.</p> <p>2.3. A copy of a cement bond or comparable log run for the proposed injection well after casing was set and cemented.</p> <p>2.4. Copies of logs already on file with the division should be referenced but need not be re-filed.</p> <p>2.5. A description of the casing or proposed casing program of the injection well and of the proposed method for testing the casing before use of the well.</p> <p>2.6. A statement as to the type of fluid to be used for injection, its source and estimated amounts to be injected daily.</p> <p>2.7. Standard laboratory analyses of (1) the fluid to be injected, (2) the fluid in the formation into which the fluid is being injected, and (3) the compatibility of the fluids.</p> <p>2.8. The proposed average and maximum injection pressures.</p> <p>2.9. Evidence and data to support a finding that the proposed injection well will not initiate fractures through the overlying strata or a confining interval that could enable the injected fluid or formation fluid to enter the fresh water strata.</p> <p>2.10. Appropriate geological data on the injection interval and confining beds, and nearby Underground Sources of Drinking Water, including the geologic name, lithologic description, thickness, depth, water quality, and lateral extent; also information relative to geologic structure near the proposed well which may effect the conveyance and/or storage of the injected fluids.</p> <p>2.11. A review of the mechanical condition of each well within a one-half mile radius of the proposed injection well to assure that no conduit exists that could enable fluids to migrate up or down the wellbore and enter improper intervals.</p> <p>2.12. An affidavit certifying that a copy of the application has been provided to all operators, owners and surface owners within a one-half mile radius of the proposed injection well.</p> <p>2.13. Any other additional information that the board or division may determine is necessary to adequately review the application.</p>	<p>1. Ok, received WCR and logs 11/20 & 11/27/2002.</p> <p>2. Ok, received 5/20/2002, amended 11/4/2002.</p> <p>2.1. Ok, Board Exhibit B.</p> <p>2.2. Ok, received logs 11/20 & 11/27/2002.</p> <p>2.3. Ok, received log 11/20/02, CBI has no Delta T Track & following log review, results in questions concerning adequacy of the cement bond.</p> <p>2.4. Ok.</p> <p>2.5. Ok, an acceptable MIT of the casing was performed on 10/21/2002 (1000 PSI bled down to 950 PSI in 30 minutes), witnessed by DOGM. An acceptable Radioactive Tracer (RAT) Survey was conducted on 11/15/2002, to test the tubing & packer of the dually completed well. An annual RAT Survey is required to verify continuing mechanical integrity of tubing & packer.</p> <p>2.6. Ok, produced water from 6 wells from the Gilson Coal seam of the Blackhawk formation, <u>at present</u> 400 bpd each, totalling 2400 bpd. Following Step Rate Test 11/27/2002 bpd will most likely be adjusted to 1 bpm or about 1500 bpd see also 2.9.</p> <p>2.7. Ok, produced water from the Gilson Coal seam of the Blackhawk formation approx. 16' thick in area, TDS ranges from 720 to 1100 mg/l with an average of 922 mg/l, analyses TDS only, no cat ions or an ions, the lower Aberdeen Sandstone (injection zone) TDS is 2074 mg/l (a Board approved aquifer exemption is required), (3) slight Calcium Carbonate scaling tendency at lower temperatures will be chemically treated as needed, no compatibility problems anticipated, scaling would occur whether the waters are mixed or not. (Exhibit's F, K, & L)</p> <p>2.8. Ok, the maximum allowable surface injection pressure was calculated to be 743 psi on an injection rate of about 1 bpm or about 1500 bpd (down 2-3/8 tubing). The proposed maximum pressure of 1800 psi was amended following a Step Rate Test, conducted 11/27/2002 see also 2.9. (Amends Exhibit M)</p> <p>2.9. Ok, during Step Rate Test, the fracture gradient (Aberdeen Sandstone) was measured at approx. 0.631 psi per foot, bottom hole fracture pressure was determined to be about 2370 psi, the maximum allowable surface injection pressure was calculated to be 743 psi (which includes a friction loss safety factor of nearly 10%), the corresponding injection rate at parting pressure is about 1 bpm or about 1500 bpd. Production & disposal zones are 300' apart & both are fractured, acidized, and propped. Could fractures cause communication? (Amends Exhibit M)</p> <p>2.10. Ok, lower tongue of the Aberdeen Sandstone (Blackhawk Formation 20-34 feet in project area), perms 3464-3474', marine shoreline sandstones laterally continuous for tens of miles along depositional strike with relatively high (10%-13% density-neutron porosity, 14% sonic porosity in the Iriart Fee 1) & permeability deposits pinching out between Soldier and Dugout canyons. The pinchout inhibits the potential movement of injected water in an easterly to southeasterly direction. Above the injection zone 33 feet of a tongue of the Mancos Shale and an additional 74 feet of interbedded sandstone and shale will isolate stratigraphically the injection zone and will act as aquitards, inhibiting any upward movement of water. Below the injection zone thousands of feet of Mancos Shale will inhibit any downward movement of water. The injection zone fluid is considered a USDW / 2074 mg/l TDS (a Board approved Aquifer Exemption is required). (Exhibit N & O)</p> <p>2.11. Ok, reviewed Iriart Fee 1/43-007-20253 (PA) & Soldier Creek 3-29/43-007-30850 (OW) well files & logs. No other wells in AOR penetrate the injection interval & other wells in AOR are modern completions in good mechanical condition.</p> <p>2.12. Ok, received affidavit 8/1/2002. Received Board info. 11/4/2002 requesting (1) dual completion, (2) Class II well designation, and (3) aquifer exemption. Noticed 11/1/2002, Cause No. UIC-292-01, Board hearing 12/4/2002.</p> <p>2.13. OK (DOGM), pending Board review on 12/4/2002.</p>

OTHER COMMENTS AND OBSERVATIONS: This document is intended to summarize the Division's evaluation of the completeness of the UIC Permit and supporting documentation, which is provided to the Division by the operator, with the UIC application. The items specified will need to be resolved through Board hearing (scheduled 12/4/2002), before a permit can be issued. If you have any questions please respond by email or call (801) 538-5296.

Production	2858'/Log	2 ND Stg. Lead	+/-2151	534	210	Light		
		2 ND Stg. Tail	2858	+/-2151	125	10-2 RFC	1.62	14.2
		1 ST Stg. Lead	+/-3962	2858	185	10-2 RFC	1.62	14.2

J-W Operating intends to produce coalbed methane (CBM) gas from the Gilson Coal seam (perfs 3464-3474') and inject Gilson Coal produced waters into the Aberdeen Sandstone Formation (perfs 3757-3900'). Production will be facilitated by setting 2-3/8 production tubing at 3432' KB. In addition, 2-3/8 injection tubing will be set at 3706' KB. Tubing anchors will be placed at 3457' KB. A packer will be placed between the injection perforations and the production perforations at 3700' KB. A Board approved aquifer exemption is required for the Aberdeen Sandstone aquifer.

DI SFL/GR, Hi-RES COMP, LITHO DENS, & FMI logs ran on 8/5/02 and GR/CCL CBL/VDL (Surface to 3928') ran on 9/15/02. Logs received 11/20/2002. An examination of the Cement Bond Log (CBL) results in questions concerning adequacy of the cement bond, and the log does not have a Delta T Track, which is needed for quality control in analyzing the log. A packer has been set at 3700' KB to prevent any upward migration of fluid between the Aberdeen Sandstone injection interval (3757-3900') and the Gilson Coal production interval (3462-3475'). An acceptable mechanical integrity test (MIT) of the casing was performed and witnessed by a representative of the Division of Oil, Gas and Mining (the Division) on 10/21/2002. A radioactive tracer (RAT) survey was conducted on 11/15/2002 to check the packer, possible upward channeling, and the injection profile of this proposed dually completed well. The survey shows no upward flow above the top perforations or around the packer.

Ground Water Protection:

There is high quality water, Total Dissolved Solids (TDS) less than 800 milligrams / liter (mg/l), from springs and streams found higher in the stratigraphic section (Colton, Flagstaff, and North Horn). Moderately saline ground water is likely to be encountered within 2000 feet below the current total depth (TD) of the Soldier Creek 4-28. The conductor, surface and production casings have all been set and cemented in place and will adequately protect the shallow alluvial sediments. Cement was circulated back to surface for all the casing strings, although the 7 inch production casing was cemented in two stages with a DV tool (located at 2858'), that will adequately protect the Tertiary (Colton, Flagstaff, Upper North Horn) and Cretaceous (Lower North Horn) aquifer' s.

Water samples, provided from the lower tongue of the Aberdeen Sandstone (lower Blackhawk Formation) in the Soldier Creek 4-28 well tested at 2074 mg/l, TDS. Testing was conducted on the water samples October 17-21, 2002, by Commercial Testing & Engineering Co. (Huntington Laboratory, UT).

The Aberdeen Sandstone aquifer is located at a depth of over 3700 feet and is classified, by definition, as an Underground Source of Drinking Water (USDW). J-W Operating is requesting an Aquifer Exemption from the Board of Oil, Gas and Mining (the Board), based upon the premise that the aquifer, (1) does not serve as a source of drinking water, (2) recovery would be costly & uneconomical to produce, and (3) there is little demand for drinking water in the immediate area based on lack of industry, commercial, or residential developments.

The Gilson Coal (upper Blackhawk Formation) contains the water that will be injected into the Aberdeen Sandstone aquifer. An analysis of produced water from 6 potential coalbed methane (CBM) source wells, in the Soldier Creek area, has revealed TDS levels of between 720 mg/l to 1100 mg/l, with an average of 922 mg/l.

The Gilson Coal is located at a depth of 2982 feet in the Soldier Creek 4-28 well. Each source well will be equipped with a pumping unit and a 6-inch water line buried approximately 5 feet deep. The produced water will be pumped to the Soldier Creek 4-28 (injection zone). If the project is successful, the well count will increase (with State & Board approval). In addition, approval to construct a Produced Water Emergency Pit (Soldier Creek 4-28), 236' X186' (not including monitoring station) with a capacity of 42,500 barrels (without utilizing 2 feet of freeboard), near the Soldier Creek 4-28 well location, was granted on August 28, 2002.

The proposed injection fluids are significantly lower in TDS (avg. 922 mg/l) than fluids found within the Aberdeen Sandstone aquifer (TDS 2,074 mg/l) and will only improve or dilute the Aberdeen Sandstone aquifer. The beach facies of the Aberdeen Sandstone can only be traced a short distance (just over a mile) to the southeast or seaward before the facies pinchout, which inhibits the potential movement of injected water in a easterly to southeasterly direction, however, along the depositional strike, or in a southwest-northeast direction, the beach sand is expected to be laterally continuous (Balsley, 1980). The dip is 9° to the north-northeast (N 16° E). It is unknown how many acre-feet of water are stored in the Aberdeen Sandstone aquifer. Injection at a rate of 1,512 bpd for 10 years would result in the injection of approximately 711 acre-feet of produced water. The porosity of the Aberdeen Sandstone is 10-15%, as recorded on the Compensated Neutron Triple Lithodensity log.

During a step-rate injection test conducted by Production Logging Services on the Soldier Creek 4-28 well on 11/27/2002, the fracture gradient in the Aberdeen Sandstone was determined to be approximately 0.63 psi per foot. The fracture gradient in the upper and lower bounding shales was calculated at approximately 0.70 and 0.69 psi per foot, respectively. The graph of surface pressure vs rate

shows a parting pressure of about 825 psi. The corresponding injection rate at parting pressure is slightly above 1 bpm or about 1500 bpd. The maximum allowable surface injection pressure will be 775 psi which allows for a 50 psi safety buffer, which will increase as injection proceeds and reservoir pressure increases.

Fractures are present in the section and extend northwest-southeast. The dominant surface fracture orientation is approximately parallel with the structural strike (N 74° W) with a minor trend at N 30° W (Anderson, 1978). The face cleat trend from the Rock Canyon coal seam at the Soldier Canyon Mine is N 68° W. A fracture trend which produced both gas and water in the Soldier Canyon Mine trends in a similar direction (Soldier Canyon Mine plan, 1993, DOGM public files). At present, the extent of fracturing in the project area is unknown.

The (Cherry and Freeze, 1979) hydraulic diffusivity equation, which comes from work in thermodynamics and models the time for the first pressure impact to be felt at some distance from the source of disturbance to a confined aquifer's equilibrium, was applied to estimate the time it will take for the arrival of the pressure front from injecting into the Aberdeen Sandstone aquifer (which must move up the structural dip) to reach the outcrop (some 3.8 miles to the south). In addition, studies on Mesozoic aquifers (Mesaverde aquifer) by the US Geological Survey (Freethy and Cordy, 1991) provides a range of lithologies from sandstone and conglomerates to shale and mudstone, which was also applied in conjunction with the Cherry and Freeze equation, to estimate the aquifers' storativity, hydraulic conductivity, and time (in years) to reach the outcrop. A range of values and estimates were reviewed. The most realistic calculation (using only the best portion of the perforated interval, 20 feet thick) has storativity at (0.00002), hydraulic conductivity at (0.7), and time to reach the outcrop at (31 years). The aquifer characteristics limit the speed of the pressure gradient regardless of the head imposed at the injection well.

find that the injection of Gilson Coal (upper Blackhawk Formation) produced waters into the Aberdeen Sandstone (lower Blackhawk Formation) proposed injection zone in the Soldier Creek 4-28 well, will likely improve and dilute the more saline waters present in the target injection zone. After injection ceases, increased pressure about the wellbore will abate over time. It is therefore to be concluded that no long term negative surficial or ground water impacts are anticipated resultant of the proposed injection operation. Gilson Coal produced waters will be safely sequestered in the deeper foreshore and shoreface strandline sandstone aquifers containing ground water, which is already inferior to that being injected.

Oil/Gas & Other Mineral Resources Protection:

The Gilson Coal gas zone and other Blackhawk coals are protected by casings and cements, which have been considered in the Well Integrity portion of this report. No other known potentially producible mineral or hydrocarbon zones were reported in the well. The injection zone is isolated over 283 feet below the productive interval of the Gilson Coal formation and good to excellent cement bond covers a sufficient length of hole to protect the shallower producing strata. This will be verified with a RAT Survey on a periodic basis.

The well records of the Division document four shallower Gilson Coal CBM production wells within the half (1/2) mile area of review (AOR), and two (2) additional Gilson Coal CBM production wells within a one (1) mile radius, of the proposed disposal well. All of these are modern completions in good mechanical condition although both the coalbed methane producing interval and the produced water disposition interval are fractured, propped, and acidized, and there is approximately 300 feet of vertical separation between the two intervals. There is one (1) plugged and abandoned well (Iriart Fee #1 / 43-007-20253) within the half (1/2) mile AOR. Division records and drilling log confirms that adequate plugs were

set throughout the wellbore (135-3150') isolating the intended injection zones from shallower aquifers up to a depth of approximately 136 feet. The well was capped with a valve for use as a water well, and released to Mr. Bernard Iriart in 1968. According to the Division of Water Rights, no water permit has ever been issued for the capped well. Personal communication (Paul Anderson) in October 2002, between Mr. Bernie Iriart (Iriart Family Partnership, LLC) and J-W Operating verifies that, (1) the abandoned well is equipped with a valve for use as a water well, and (2) the well was never used by the family ranch as a source of water.

The portal for Soldier Canyon Mine is located about 3¼ miles south-southwest of Soldier Creek 4-28 well. Mapping of the mine workings for the Soldier Canyon Mine indicate that the nearest workings are within 1½ miles to the south-southwest and about 1250 feet higher in elevation. The Soldier Canyon Mine was worked in the Rock Canyon and Sunnyside coals, which are stratigraphically above the Gilson coal.

Bonding:

J-W Operating Company, has an \$80,000 surety bond in place, which ensures plugging of this well. Bond No. RLB0004156, issued by RLI Insurance Company.

Actions Taken and Further Approvals Needed:

Notice of this application was published in the Salt Lake Tribune and the Carbon County Sun Advocate (noticed by the Board Secretary in conjunction with the Aquifer Exemption request). In addition, copies of the notice were provided to the Environmental Protection Agency (EPA), Bureau of Land Management (BLM) Price & SLC, Carbon County Planning, Iriart Family Limited Partnership, and Robert L. Bayless Producer, LLC. J-W Operating Company is seeking Board approval for, (1)

& SLC, Carbon County Planning, Iriart Family Limited Partnership, and Robert L. Bayless Producer, LLC. J-W Operating Company is seeking Board approval for, (1) an aquifer exemption for the Aberdeen Sandstone aquifer (lower Blackhawk Formation - TDS 2074 mg/l) for one-half ($\frac{1}{2}$) mile radius around the Soldier Creek 4-28 well, (2) a Class II well designation or approval to inject for the 4-28 well, which will inject into the Aberdeen Sandstone Formation (lower Blackhawk Formation), injection interval (3757-3900') perforated on 9/14/2002. The 4-28 will be a dual well completion, production zone Gilson Coal (3464-3474') and injection zone Aberdeen Sandstone (3757-3900'). An expedited hearing before the Board has been scheduled for December 4, 2002. In addition, the EPA will be sending a concurrence and approved minor UIC program revision to the Division pursuant to the Aquifer Exemption following the hearing.

A properly designed and constructed production / water disposal (dual completion) well, combined with periodic mechanical integrity tests, poses no threat to fresh or useable groundwater supplies.

The Division staff recommends approval of this application contingent upon no additional or unforeseen information being presented at the hearing which is relevant to this analysis or which modifies the data presented herein with the following conditions:

1. The Operator will conduct an annual radioactive tracer survey to verify continuing mechanical integrity of the well.
2. The well will be operated at or below a maximum allowable surface injection pressure of 775 psig.
3. The Board and EPA approval of the Aquifer Exemption, as required.

Reviewer(s): Lisha Cordova, Chris Kierst

Date: 12/4 amended 12/10/02



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 telephone
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Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

December 20, 2002

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

Re: Application for Class II Injection Permit, Soldier Creek 4-28 Well, Section 28, Township 12 South, Range 12 East, Carbon County, Utah, API No. 43-007-30851

Dear Robert:

J-W Operating Company petitioned the Board of Oil, Gas and Mining (the "Board") for an Underground Injection Control (UIC) permit to dispose of water into the above referenced well, and to exempt the Aberdeen Sandstone aquifer within a one-half mile radius of the well. The Board approved the above request on December 4, 2002, Cause No. UIC-292-01.

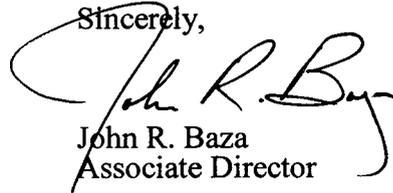
Pursuant to the Boards' approval, and Utah Admin. Code R649-5-3-3, the Division of Oil, Gas and Mining (the "Division") issues its administrative approval for conversion and operation of the referenced well as a Class II injection well. Accordingly, the following stipulations shall apply for full compliance with this approval:

1. Compliance with all applicable requirements for the operation, maintenance and reporting for Underground Injection Control ("UIC") Class II injection wells pursuant to Utah Admin. Code R649-1 et seq.
2. Conformance with all conditions and requirements of the complete application submitted by J-W Operating Company.
3. The Operator will conduct an annual radioactive tracer survey to verify continuing mechanical integrity of the well.
4. The well will be operated at or below a maximum allowable surface injection pressure of 775 psig.
5. EPA approval of the Aquifer Exemption, as required.

Page Two
J-W Operating Company
December 20, 2002

If you have any questions regarding this approval or the necessary requirements, please contact Lisha Cordova or Christopher Kierst at (801) 538-5340.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza". The signature is fluid and cursive, with a large initial "J" and "B".

John R. Baza
Associate Director

lc/er
cc: EPA, Dan Jackson
Board of Oil, Gas and Mining, Secretary
Carbon County Commission

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

N/A

7. UNIT or CA AGREEMENT NAME:

N/A

8. WELL NAME and NUMBER:

SOLDIER CREEK #4-28

9. API NUMBER:

4300730851

10. FIELD AND POOL, OR WILDCAT:

WILDCAT

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: 2036' FNL & 535' FWL

COUNTY: CARBON

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 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 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
	<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 remains Shut-In while waiting for injection equipment.

RECEIVED

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Robert Eller

TITLE Engineer

SIGNATURE

DATE 12/27/2002

(This space for State use only)

FILED

IAN 09 2003

Lieta
Jan 09, 2003
(mp)

**SECRETARY, BOARD OF
OIL, GAS & MINING**

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE APPLICATION)
OF J-W OPERATING COMPANY TO)
DESIGNATE THE SOLDIER CREEK 4-28)
WELL LOCATED IN SECTION 28,)
TOWNSHIP 12 SOUTH, RANGE 12 EAST,)
CARBON COUNTY, UTAH AS A CLASS)
II INJECTION WELL, AND TO OBTAIN)
AN AQUIFER EXEMPTION FOR THE)
ABERDEEN SANDSTONE OF THE)
BLACKHAWK FORMATION)

**FINDINGS OF FACT,
CONCLUSIONS OF LAW AND
ORDER**

Docket No. 2002-022

Cause No. UIC-292-01

This cause came on for hearing before the Utah Board Oil, Gas and Mining (the "Board") on Wednesday, December 4, 2002 at 10:00 a.m., in Salt Lake City, Utah.

The following Board members were present and participated in the hearing:

- Elise Erler, Chair
- Robert J. Bayer
- Douglas Johnson
- Stephanie Cartwright
- James Peacock
- Kent Petersen

Board member Allan Mashburn was excused from the hearing, citing a potential conflict of interest by virtue of work he performed on behalf of J-W Operating

Company, and did not vote on this matter. Attending and participating on behalf of the Division of Oil, Gas and Mining (the "Division") was John Baza, Associate Director-Oil and Gas, and Gil Hunt, Technical Services Manager. The Board and the Division were represented by Kurt Seel, Esq. and Steven F. Alder, Esq., Assistant Attorneys General, respectively. Attending and participating on behalf of the Bureau of Land Management ("BLM"), was Assad Raffoul, Petroleum Engineer.

Testifying on behalf of Petitioner J-W Operating Company ("J-W"), Jerry C. Wooten, Senior Petroleum Engineer with J-W Operating Company and Project Manager for the Soldier Creek Field, and Paul B. Anderson, a Utah registered professional geologist consulting for J-W. Robert G. Pruitt, III, Esq., Pruitt, Gushee, & Bachtell, appeared as attorney for J-W.

Both the Division and BLM, upon conclusion of J-W's case in chief, expressed support for the Request for Agency Action. Support for J-W's Request for Agency Action was also entered by the private fee surface and mineral ownership of Iriart Family Limited Partnership and Robert L. Bayless Producer, LLC. No statements were made at the hearing or otherwise in opposition of the Request for Agency Action, and no other parties appeared or participated at the hearing.

The Board, having considered the testimony presented, the application, and the exhibits received into evidence at the hearing, being fully advised, and for good cause appearing, hereby makes the following findings of fact, conclusions of law and order:

FINDINGS OF FACT

1. J-W is a Texas corporation in good standing and authorized to conduct business in the State of Utah. J-W appeared before the Board pursuant to a Motion for Expedited Hearing dated October 25, 2002, and granted pursuant to Order dated November 1, 2002.

2. A copy of the Request for Agency Action was mailed to all property owners within a one-half mile radius from the proposed injection well (J-W #4-28) at the last known address as disclosed by appropriate state, federal and county records.

3. Notice was duly published as required by Utah Administrative Code Rule R641-106-100.

4. J-W is presently engaged in a pilot test program referred to as the Soldier Creek Coalbed Methane (CBM) Project to recover natural gas from the Gilson Coal Seam in Carbon County, Utah.

5. Water in the coalbeds must be removed to lower the pressure within the coal and allow the natural gas to desorb from the coal.

6. The Request for Agency Action sought Board approval for a Class II underground injection well located within the existing J-W #4-28 well situated in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 28, Township 12 South, Range 12 East, SLB&M for disposal in the Aberdeen Sandstone, located 270 feet below the Gilson Coal Seam.

7. The Request for Agency Action was supported by an application for the injection well and aquifer exemption prepared by Jerry C. Wooten and Paul B. Anderson, dated November 4, 2002, which report and exhibits were entered into evidence for the administrative record upon the acceptance of the Board and the Division of the expertise of the authors.

8. The existing water in the Aberdeen Sandstone could qualify for an underground drinking water source under existing regulations because, with levels of total dissolved solids averaging around 2,000 milligrams per liter, the water in the Aberdeen Sandstone is cleaner than the 10,000 milligrams per liter total dissolved solid cut-off for potential drinking water sources.

9. The Aberdeen Sandstone qualifies for an aquifer exemption for an area of one-half mile surrounding the J-W #4-28 well because the aquifer cannot be economically developed, and is not being currently used, and is not foreseen to be used, as a source of drinking water. Furthermore, the water injected into the Aberdeen

Sandstone will have a total dissolved solid concentration of nearly half the total dissolved solids existing in that formation, so that the injection of produced water is anticipated to improve the quality of the water in the Aberdeen Sandstone.

10. Sufficient evidence was presented that the geology and the operations proposed by J-W will adequately protect the public interest and maximize the production of methane gas and produced water in a manner that is in the public interest.

11. Upon consideration of the evidence presented by J-W, the vote of the Board members present at the hearing in this cause was unanimous in favor of granting the Request for Agency Action, provided that the extent of the aquifer exemption extend only one-half mile from the J-W 4-28 well.

CONCLUSIONS OF LAW

1. Due and regular notice of the time, place and purpose of the hearing was properly given to all interested parties in the form and manner as required by law and the rules and regulations of the Board and the Division.

2. The Board has jurisdiction over all matters covered by the Request for Agency Action and all interested parties therein, and has the power and authority to render the Order herein set forth pursuant to Utah Code Ann. § 40-6-6(6).

3. The Request for Agency Action satisfies all statutory and regulatory requirements for the relief sought therein and should be granted.

ORDER

Based upon the Request for Agency Action, testimony and evidence submitted in the findings of fact and conclusions of law stated above, the Board hereby orders:

1. The Request for Agency Action in this cause is granted to allow the J-W #4-28 well to be operated as a Class II underground injection well disposing of water in the Aberdeen Sandstone, which is determined to be an exempt aquifer within one-half mile of said well eligible to receive the waters produced in conjunction with J-W's Soldier Creek CBM project in Carbon County, Utah.

2. Pursuant to Utah Admin. Code Rule R641 and Utah Code Ann. § § 63-46b-6 to -10, the Board has considered and decided this matter as a formal adjudication.

3. This Findings of Fact, Conclusions of Law and Order is based exclusively on the evidence of record in the adjudicative proceeding or on facts officially noted and constitutes a signed written order stating the Board's decision and the reasons for the decision, all as required by the Utah Administrative Procedures Act, Utah Code Ann. § 63-46b-10 and Utah Admin. Code Rule R641-109.

4. Notice re: Right to Seek Judicial Review by the Utah Supreme Court or to Request Board Reconsideration: As required by Utah Code Ann. § 63-46b-10(e) to -10(g), the Board hereby notifies all parties in interest that they have the right to seek judicial review of this final Board Order in this formal adjudication by filing a timely appeal with the Utah Supreme Court within 30 days after the date that this Order is issued. Utah Code Ann. § 63-46b-14(e)(a) and -16. As an alternative to seeking immediate judicial review, and not as a prerequisite to seeking judicial review, the Board also hereby notifies parties that they may elect to request the Board reconsider this Order, which constitutes a final agency action of the Board. Utah Code Ann. § 63-46b-13, entitled, "Agency review – Reconsideration," states:

(1)(a) Within 20 days after the date that an order is issued for which review by the agency or by a superior agency under Section 63-46b-12 is unavailable, and if the order would otherwise constitute final agency action, any party may file a written request for reconsideration with the agency, stating the specific grounds upon which relief is requested.

(b) Unless otherwise provided by statute, the filing of the request is not a prerequisite for seeking judicial review of the order.

(2) The request for reconsideration shall be filed with the agency and one copy shall be sent by mail to each party by the person making the request.

(3)(a) The agency head, or a person designated for that purpose, shall issue a written order granting the request or denying the request.

(b) If the agency head or the person designated for that purpose does not issue an order within 20 days after the filing of the request, the request for reconsideration shall be considered to be denied.

Id. The Board also hereby notifies the parties that Utah Admin. Code Rule R641-110-100, which is part of a group of Board rules entitled, “Rehearing and Modification of Existing Orders,” states:

Any person affected by a final order or decision of the Board may file a petition for rehearing. Unless otherwise provided, a petition for rehearing must be filed no later than the 10th day of the month following the date of signing of the final order or decision for which the rehearing is sought. A copy of such petition will be served on each other party to the proceeding no later than the 15th day of the month.

Id. See Utah Admin. Code Rule R641-110-200 for the required contents of a petition for Rehearing. If there is any conflict between the deadline in Utah Code Ann. § 63-46b-13 and the deadline in Utah Admin. Code Rule R641-110-100 for moving to rehear this matter, the Board hereby rules that the later of the two deadlines shall be available to any party moving to rehear this matter. If the Board later denies a timely petition for rehearing, the party may still seek judicial review of the Order by perfecting a timely appeal with the Utah Supreme Court within 30 days thereafter.

5. The Board retains continuing jurisdiction over all the parties and over the subject matter of this cause, except to the extent said jurisdiction may be divested by the filing of a timely appeal to seek judicial review of this order by the Utah Supreme Court.

6. For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

ISSUED this 9th day of January, 2003.

**STATE OF UTAH
BOARD OF OIL, GAS & MINING**

By: Elise Erler
Elise Erler, Chair



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 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

January 10, 2003

Dan Jackson, UIC Team Leader
U.S. Environmental Protection Agency
MS 8P-W-GW
999 18th Street, Suite 300
Denver, CO 80202-2466

Re: Aquifer Exemption Request, Section 28, T12S, R12 E, Carbon County, Utah,
Cause No. UIC-292-01.

Dear Dan,

I am forwarding the signed order signed by the Utah Board of Oil, Gas and Mining and proof of publications on the referenced matter.

Please forward your permit approval and conditions as soon as possible. If you have questions, you may contact me at (801) 538-5297 or Lisha Cordova at (801) 538-5296.

Sincerely,

Caroline Russell
for Gilbert L. Hunt
Technical Services Manager

er
enclosures

cc: John Baza
Lisha Cordova



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 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

January 13, 2003

Ground Water Program Director
U. S. Environmental Protection Agency
999 18th Street, Suite 300, 8P-W-GW
Denver, Colorado 80202-2466

Re: Aquifer Exemption Request for One-Half Mile radius around the Soldier Creek 4-28 Well, located 2036 feet FNL and 535 FWL Section 28, T12S, R12E, Carbon County, Utah, Cause No. UIC-292-01

Dear Sir,

J-W Operating Company petitioned the Board of Oil, Gas and Mining (Board) for an Underground Injection Control (UIC) permit to dispose of water into the Soldier Creek 4-28 well located in Section 28, T12S, R12E, Carbon County, and to exempt the Aberdeen Sandstone within one-half mile radius of the well. Proper public notice was given and a public hearing was held before the Board on December 4, 2002. No objections were received by mail or at the hearing in response to this matter. At that hearing the Board unanimously approved this request.

In accordance with 40 CFR Part 144.7, the Division requests your approval of a UIC program revision for this aquifer exemption.

Enclosed is a copy of the Board Order, public notices, and certificate of service submitted in support of this request. If you would like to discuss this requested exemption or need more information, please call me at 801-538-5370 or Gil Hunt at 801-538-5297.

Sincerely,

Lowell Braxton
Director

glh/er
Enclosures
cc: John Baza
Gil Hunt



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8

999 18TH STREET - SUITE 300

DENVER, CO 80202-2466

Phone 800-227-8917

<http://www.epa.gov/region08>

Ref: 8P-W-GW

JAN 23 2003

RECEIVED

JAN 27 2003

DIV. OF OIL, GAS & MINING

Mr. Lowell Braxton
Director
Utah Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple Suite 201
PO Box 145801
Salt Lake City, UT 84114-5801

RE: Concurrence With Aquifer Exemption: Aberdeen Sandstone Member of the Blackhawk Formation in the area of the Soldier Creek 4-28 Injection Well, and Underground Injection Control (UIC) Program revision approval

Dear Mr. Braxton:

As requested, the Region VIII Ground Water Program Office of the Environmental Protection Agency (EPA) has reviewed the notice of, and supporting information for, a proposed Utah Department of Natural Resources, Division of Oil, Gas and Mining (UDOGM) designation of a portion of the Aberdeen Sandstone Member of the Blackhawk Formation within a one half mile radius of the Soldier Creek #4-28 injection well located in Section 28, Township 12 South, Range 12 East, Carbon County, Utah, as an exempt aquifer pursuant to Utah Oil and Gas Conservation General Rule R649-5-4.

CONCURRENCE WITH PROPOSED AQUIFER EXEMPTION: Based on review of the supporting information provided by the applicant J-W Operating Company and UDOGM, and pursuant to 40 CFR 144.7(a)(3) and EPA GWPB Guidance #34, the EPA concurs with this designation and hereby **approves** a non-substantial program revision for exemption of the Aberdeen Sandstone Member between depths of approximately 3750' to 3900' within a one half mile radius of the Soldier Creek #4-28 injection well located in the SW NW of Section 28 (2036' FNL and 535" FWL) Township 12 South, Range 12 East, Carbon County, Utah. This aquifer exemption applies to the location and the injection activity described herein. Additional approvals may be required for additional injection activities.

OVERVIEW: Water is to be injected into the Soldier Creek #4-28 injection well for disposal of water produced in conjunction with overlying Gilson coal seam coal bed methane (CBM) gas production from wells in the vicinity of the subject well. The proposed injection zone in the Aberdeen Sandstone Member of the lower Blackhawk Formation (Aberdeen) is interpreted to be a strand-type shoreline deposit of limited areal extent. The proposed Aberdeen injection



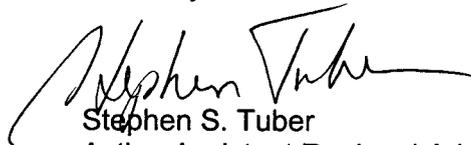
Printed on Recycled Paper

zone is approximately 3750' to 3900" below the ground surface at this locale and is separated from overlying shallow aquifers by at least 3000 feet of shales, coals and sandstones. Water quality of the proposed Aberdeen injection zone was determined by sample analysis to be approximately 2,074 mg/l total dissolved solids (TDS.) The proposed injection formation does not presently serve as an underground source of drinking water (USDW) in this vicinity. There are no municipal surface water supplies or municipal water intakes in the vicinity of the proposed well. Within one half mile of the proposed injection well there is one properly abandoned oil and gas well capped with a valve for use as a water well. Water rights were issued in 1974 for this well for withdrawal of up to .15 cfs from a depth of 300 feet or less for the purposes of irrigation, stock, or domestic use, but the well has never been used as a water source well by the owner. The existence of other water sources including several shallow fresh water zones that yield more water of better quality make it unlikely the proposed injection zone will be used in this area as a source of drinking water.

INJECTATE: The fluid to be injected consists of water produced in conjunction with CBM gas production from the overlying Gilson coals of the upper Blackhawk Formation. It is further noted that the produced CBM water that will be injected, at between approximately 720 - 1100 mg/l TDS, is of better quality than the native water in the proposed injection zone.

The basis of this approval is that the proposed Aberdeen injection zone is not presently a source of drinking water in this area and it is not reasonably expected to supply a public water supply system because it is situated at a depth and location which makes recovery of water for drinking water purposes economically or technologically impractical. Should you have questions or concerns regarding this approval, please contact Dan Jackson of my staff at 800.227.8917 extension 6155.

Sincerely,



Stephen S. Tuber
Acting Assistant Regional Administrator
Office of Partnerships
and Regulatory Assistance

cc: M. Salazar, OGWDW



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8

999 18TH STREET - SUITE 300

DENVER, CO 80202-2466

Phone 800-227-8917

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Ref: 8P-W-GW

JAN 23 2003

RECEIVED

JAN 27 2003

DIV. OF OIL, GAS & MINING

Mr. Lowell Braxton
Director
Utah Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple Suite 201
PO Box 145801
Salt Lake City, UT 84114-5801

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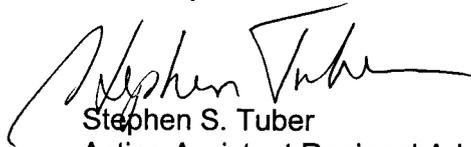
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Sincerely,



Stephen S. Tuber
Acting Assistant Regional Administrator
Office of Partnerships
and Regulatory Assistance

cc: M. Salazar, OGWDW

J-W OPERATING COMPANY

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

OIL AND GAS PROPERTY MANAGEMENT

PHONE 970 332-3151

February 4, 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 & JANUARY
MONTHLY INJECTION REPORT

Soldier Creek #4-28
SWNW 1/4 of Section 28-T12S-R12E
Carbon County, Utah

Gentlemen:

Enclosed, please find one (1) original and one (1) copy of a January Monthly Injection Report for the Soldier Creek #4-28. Also enclosed is one (1) original and one (1) copy of a Form 9 Sundry Notice.

Should you have any questions or require additional information regarding the Soldier Creek #4-28 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

RECEIVED

FEB 07 2003

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: 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:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: J-W OPERATING COMPANY		8. WELL NAME and NUMBER: SOLDIER CREEK #4-28
3. ADDRESS OF OPERATOR: P.O. BOX 305 CITY WRAY STATE CO ZIP 80758		9. API NUMBER: 4300730851
		10. FIELD AND POOL, OR WILDCAT: WILDCAT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2036' FNL & 535' FWL		COUNTY: CARBON
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 28 T12S 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 1/29/2003	<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
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	<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.

INSTALLED INJECTION FACILITIES AT WELLSITE & BEGAN INJECTING LEASE PRODUCTION WATER INTO ABERDEEN SANDSTONE ON JANUARY 29,2003. PUMPING UNIT ON THIS WELL REMAINS SI.

NAME (PLEASE PRINT) <u>ROBERT ELLER</u>	TITLE <u>ENGINEER</u>
SIGNATURE <u><i>Robert Eller</i></u>	DATE <u>2/4/2003</u>

(This space for State use only)

RECEIVED
FEB 07 2003

From: Don Staley
To: Carol Daniels
Date: 2/11/03 12:29PM
Subject: Soldier Creek 4-28 (confidentiality)...

Carol,

We discussed the Soldier Creek 4-28 well (4300730851) in management meeting to decide what to do about the confidential status. When the well was dual completed into a Gas Well / Disposal Well, the rules dictated that certain information pertaining to the UIC functions be made public. John feels, however, that the confidentiality of the gas well drilling (just completed in November 2002) still deserves some respect. He said to leave it in a confidential status in the database and in the PIC room. If someone comes in and asks to see the file, a manager will need to be consulted to determine what can and what can't be made public. We will try to protect as much information as possible pertaining to the drilling and completion of the producing zone.

Don

CC: Gil Hunt; Vicky Dyson

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 #4-28
SW-NW/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 #4-28 well, please do not hesitate to contact this office.

Sincerely,

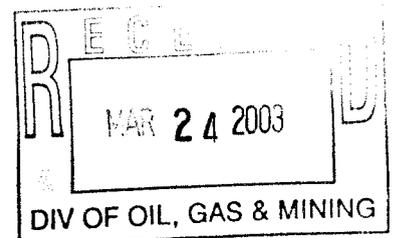
J-W OPERATING COMPANY



Robert C. Eller
Engineer

Encls.

cc: Well File
File - RCE
Dallas File



014

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

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:

N/A

7. UNIT or CA AGREEMENT NAME:

N/A

8. WELL NAME and NUMBER:

SOLDIER CREEK #4-28

9. API NUMBER:

4300730851

10. FIELD AND POOL, OR WILDCAT:

SOLDIER CREEK

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: 2036' FNL & 535' FWL

COUNTY: CARBON

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 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: _____	<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.

START PRODUCTION ON THE SOLDIER CREEK #4-28 ON MARCH 11, 2003.

NAME (PLEASE PRINT) ROBERT C. ELLER

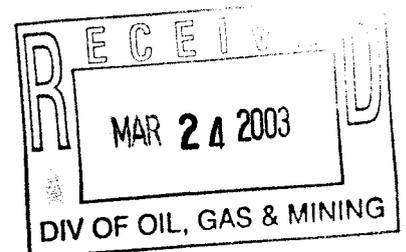
TITLE ENGINEER

SIGNATURE

Robert C. Eller

DATE 3/19/2003

(This space for State use only)



Well Data

WELL DATA		WELL HISTORY		WELL ACTIVITY	
WELL NAME	SOLDIER CREEK 4-28	API NUMBER	4300730851	WELL TYPE	GW
OPERATOR	J-W OPERATING COMPANY	ACCOUNT	N2145 #	WELL STATUS	P
DESIGNATED OPERATOR		ACCOUNT		OPERATOR APPROVED BY BLM / BIA <input type="checkbox"/>	
FIELD NAME	WILDCAT	FIELD NUMBER	1	FIRST PRODUCTION	
				LA / PA DATE	

WELL LOCATION:

SURF LOCATION: 2036 FNL 0535 FWL

Q. S. T. R. M. SWNW 28 12.0 S 12.0 E S

COUNTY: CARBON

UTM Coordinates:

SURFACE - N: 4399677.00 BHL - N:

SURFACE - E: 534984.00 BHL - E:

LATITUDE: 39.74817

LONGITUDE: 110.59167

CONFIDENTIAL FLAG: C

CONFIDENTIAL DATE: 12 9 2003

DIRECTIONAL / HORIZONTAL:

HORIZONTAL LATERALS:

ORIGINAL FIELD TYPE: W

WILDCAT TAX FLAG:

CB-METHANE FLAG: X

ELEVATION: 7328 GR

BOND NUMBER / TYPE: RLB0004156 4

LEASE NUMBER: FEE

MINERAL LEASE TYPE: 4

SURFACE OWNER TYPE: 4

INDIAN TRIBE:

C.A. NUMBER:

UNIT NAME:

CUMULATIVE PRODUCTION:

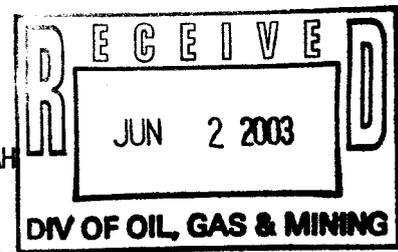
OIL:

GAS:

WATER:

COMMENTS: 020520 INT DUAL COMPL RECD UIC PERMIT:020624 ENTITY ADDED:021220 APRV CONV WDW (ABERDEEN SANDSTONE);DUAL COMPL PZ BLKHK:030207 CONV WDW EFF 01/29/03;DUAL COMPL; CONF STAT FOR GW WILL

BEFORE THE STATE ENGINEER OF THE STATE OF UTAH



IN THE MATTER OF FIXED-TIME)
)
APPLICATION NUMBER 91-5070 (F74771))

MEMORANDUM DECISION

Fixed-Time Application Number 91-5070 (F74771) in the name of J-W Operating Company was filed on February 7, 2003, to appropriate 0.259 cfs or 188.0 acre-feet of water from six underground gas wells located at the following points: 1) South 2036 feet and East 535 feet from the NW Corner, a 7-inch well 3990 feet deep; 2) North 1982 feet and East 2012 feet, a 6-inch well 3625 feet deep; 3) North 400 feet and East 647 feet, a 6-inch well 3160 feet deep; 4) North 1983 feet and East 801 feet, a 6-inch well 3413 feet deep; all three from the SW Corner; all four of Section 28; 5) North 1971 feet and West 692 feet from the SE Corner of Section 29, a 6-inch well 3540 feet deep; 6) South 707 feet and West 742 feet from the NE Corner of Section 32, a 6-inch well 3075 feet deep; all of T12S, R12E, SLB&M. The water is to be used for wastewater disposal in conjunction with methane gas production. Disposal of the produced water may take place by injection, which is administered by the Division of Oil, Gas, and Mining; evaporation from a proposed reservoir; or through irrigation of private land under lease by the applicant; or some combination of these methods. If the water is to be evaporated, it will be contained in a partially-incised, lined basin having a capacity of 5.477 acre-feet and inundating 1.0 acre of land. The application was advertised in The Sun Advocate on March 27 and April 3, 2003, and was not protested.

It is the opinion of the State Engineer that there is water that can be appropriated under this fixed-time application from the proposed deep aquifer. However, this right will not be granted in perpetuity. The fixed-time nature of this application has been discussed with the applicant, and the applicant is willing to accept the conditions of such an approval.

The annual consumption of water under this application is limited to 188.0 acre-feet. If the disposal method for the total volume of water were by land application (irrigation), 62.67 acres (188 acre-feet divided by three acre-feet per acre irrigation duty in the area) may be watered. If evaporation and irrigation methods are employed simultaneously, the aggregate consumption cannot exceed this limitation.

The applicant has the responsibility to obtain any other permits or authorizations that may be required by administrating agencies for the proposed project.

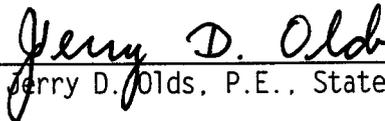
It is, therefore, **ORDERED** and Fixed Time Application Number 91-5070 (F74771) is hereby **APPROVED** subject to all prior rights, and the following conditions:

- 1) No more than 188 acre-feet of water may be consumed annually under this application.
- 2) This application is subject to Section 73-3-8, Utah Code Annotated, 1953, as revised, and approved for a fixed time, not to exceed ten years, at which time this application will permanently lapse, except as noted in Section 73-3-8, paragraph #2, Utah Code Annotated.
- 3) The applicant still has the responsibility of utilizing the water and for showing diligence to develop this right and for preparing and submitting proof of beneficial use of the water as required under Sections 73-3-12 and 73-3-16 of the Utah Code Annotated.

MEMORANDUM DECISION
FIXED-TIME APPLICATION NUMBER
91-5070 (F74771)
PAGE 2-

This Decision is subject to the provisions of Rule R655-6-17 of the Division of Water Rights and to Sections 63-46b-13 and 73-3-14 of the Utah Code Annotated, 1953, which provide for filing either a Request for Reconsideration with the State Engineer or an appeal with the appropriate District Court. A Request for Reconsideration must be filed with the State Engineer within 20 days of the date of this Decision. However, a Request for Reconsideration is not a prerequisite to filing a court appeal. A court appeal must be filed within 30 days after the date of this Decision, or if a Request for Reconsideration has been filed, within 30 days after the date the Request for Reconsideration is denied. A Request for Reconsideration is considered denied when no action is taken 20 days after the Request is filed.

Dated this 28th day of May, 2003.



Jerry D. Olds, P.E., State Engineer

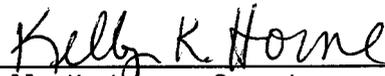
JDO:MPP:kkh

Mailed a copy of the foregoing Memorandum Decision this 28th day of May, 2003, to:

J-W Operating Company
P O Box 226405
Dallas, TX 75222-6406

Utah Division of Water Quality
150 N 1950 W
Salt Lake City, UT 84116

Utah Division of Oil, Gas and Mining
1594 W N Temple, St 1210
Salt Lake City, UT 84114-5801

BY: 

Kelly K. Horne, Secretary

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-07-00001-001
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 #4-28
3. ADDRESS OF OPERATOR: 7074 S Revere Parkway CITY Centennial STATE CO ZIP 80112		9. API NUMBER: 4300730851
PHONE NUMBER: (720) 385-3077		10. FIELD AND POOL, OR WILDCAT: Soldier Creek
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2036' FNL & 535' FWL		COUNTY: Carbon
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 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 type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <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.

On November 9, 2005 attempted to pull rod pump without success. Waiting on workover rig.

NAME (PLEASE PRINT) <u>Judith K. Pruitt</u>	TITLE <u>Engineering Technician</u>
SIGNATURE <u>Judith K. Pruitt</u>	DATE <u>12/7/2005</u>

(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 #4-28
3. ADDRESS OF OPERATOR: 7074 S Revere Parkway CITY Centennial STATE CO ZIP 80112		9. API NUMBER: 4300730851
PHONE NUMBER: (303) 422-4990		10. FIELD AND POOL, OR WILDCAT: WILDCAT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2036' FNL & 535' FWL		COUNTY: Carbon
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 8/2/2006	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: Shut In notice

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) Judith K. Pruitt	TITLE Engineering Technician
SIGNATURE	DATE 8/15/2006

(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		5. LEASE DESIGNATION AND SERIAL NUMBER: UT-007-0001-001 <i>FEF</i>
		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
		8. WELL NAME and NUMBER: SOLDIER CREEK 4-28
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		9. API NUMBER: 4300730851
2. NAME OF OPERATOR: J-W OPERATING COMPANY		10. FIELD AND POOL, OR WILDCAT: WILDCAT
3. ADDRESS OF OPERATOR: 7074 S REVERE PARKWAY CITY CENTENNIAL STATE CO ZIP 80112		PHONE NUMBER: (303) 422-4990
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2036' FSL 535' 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 checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>10/15/2007</u>	<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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 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: 10-15-07
 Initials: CHD

NAME (PLEASE PRINT) <u>Pingkan Zaremba</u>	TITLE <u>Eng.Tech</u>
SIGNATURE <u><i>Pingkan Zaremba</i></u>	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: 10/12/07
 BY: *[Signature]*
 *Tag Plugs noted - Verbal Approval Given 10/10/07

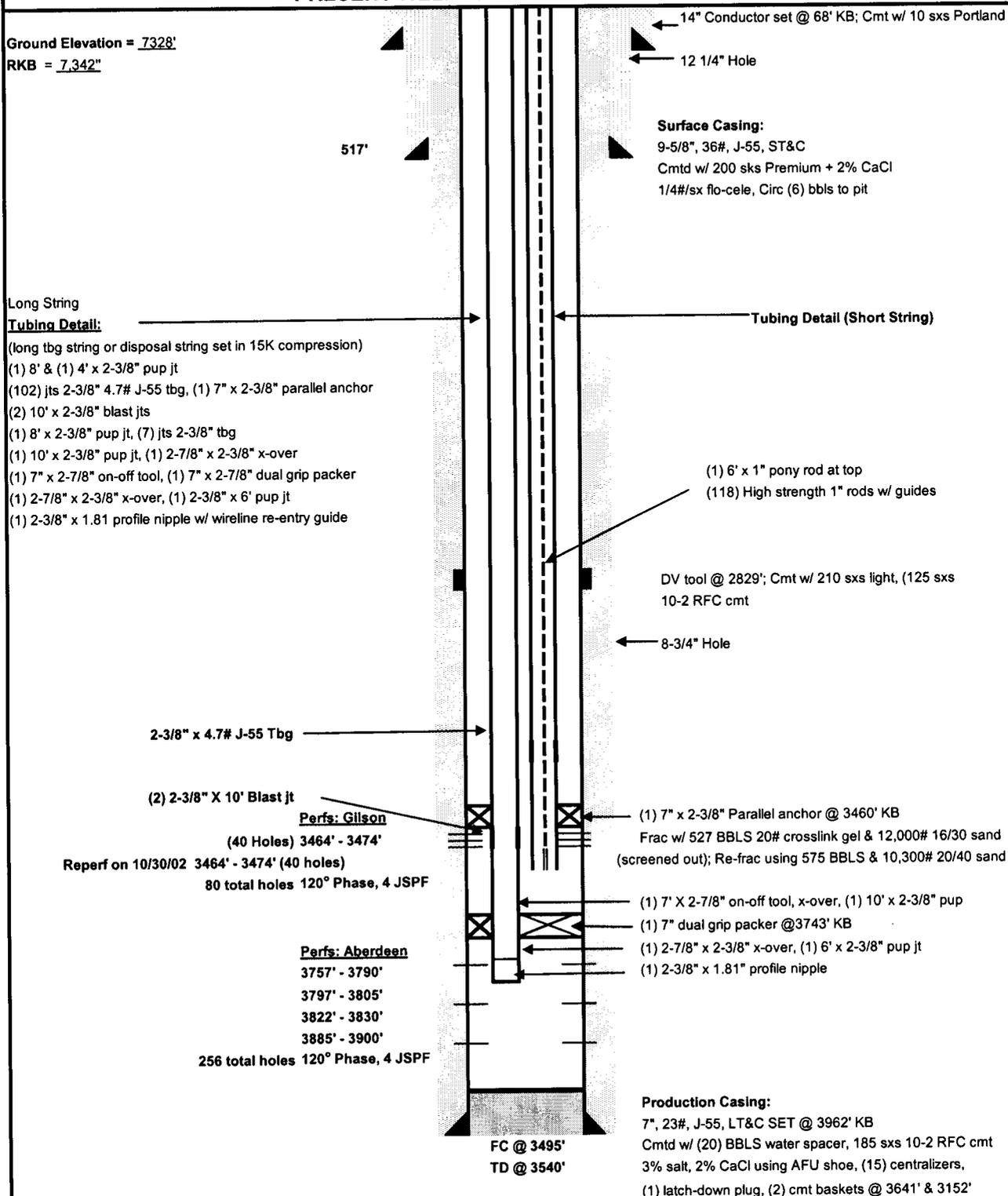
RECEIVED
OCT 09 2007
 DIV. OF OIL, GAS & MINING

J-W Operating Company

Soldier Creek No. 4-28
 2036' FSL & 535' FWL, Section 28-T12S-R12E
 Soldier Creek Field, Carbon County, Utah
 API No. 43-007-30851

PRESENT WELLBORE SCHEMATIC - 04/24/06

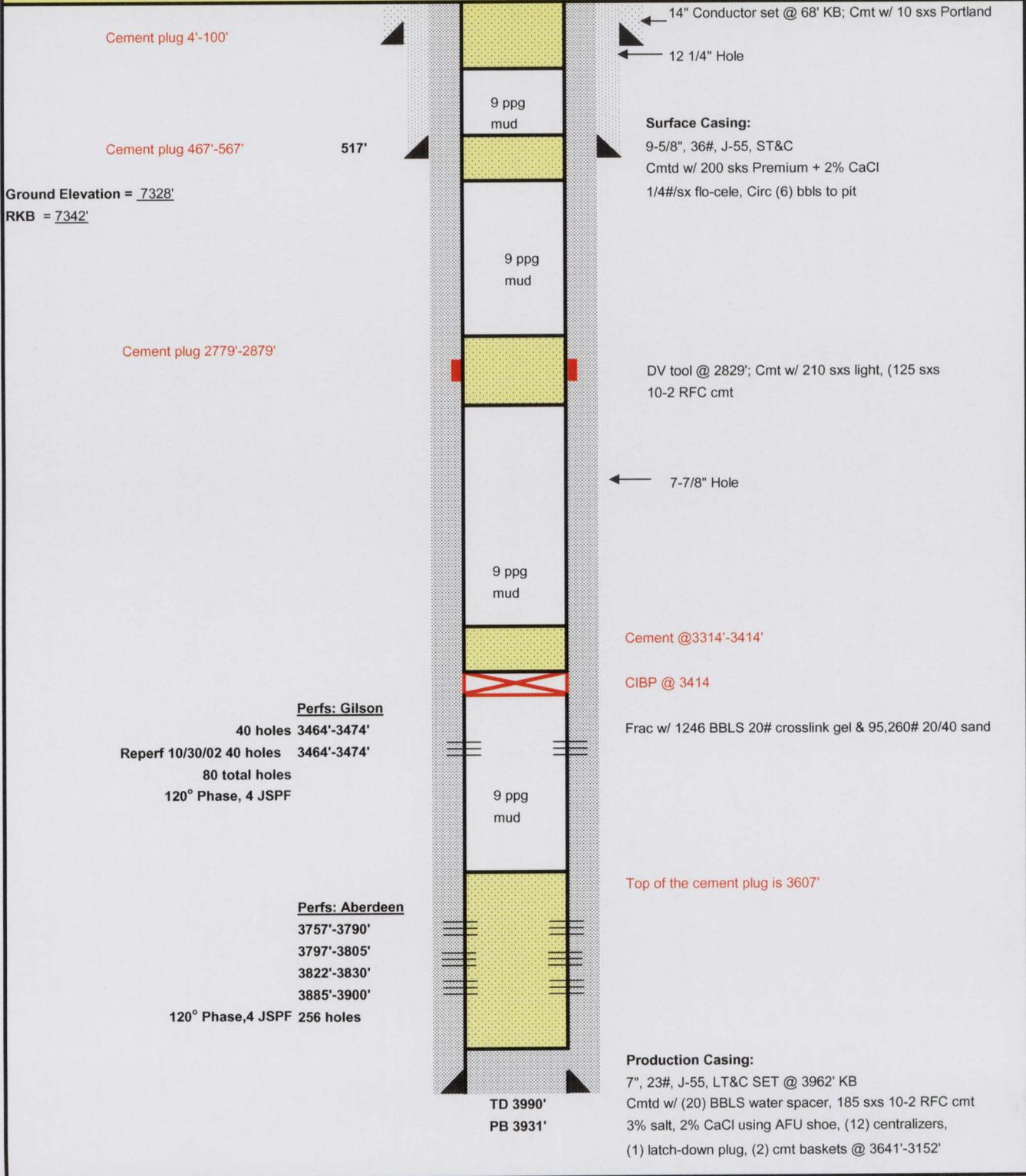
Ground Elevation = 7328'
 RKB = 7,342"



J-W Operating Company

Soldier Creek No. 4-28
 2036' FSL & 535' FWL, Section 28-T12S-R12E
 Soldier Creek Field, Carbon County, Utah
 API No. 43-007-30851

PROPOSED WELLBORE SCHEMATIC - 09/4/07



Cement plug 4'-100'

Cement plug 467'-567'

Ground Elevation = 7328'
 RKB = 7342'

Cement plug 2779'-2879'

517'

14" Conductor set @ 68' KB; Cmt w/ 10 sxs Portland

12 1/4" Hole

Surface Casing:

9-5/8", 36#, J-55, ST&C
 Cmt'd w/ 200 sxs Premium + 2% CaCl
 1/4#s/x flo-crete, Circ (6) bbls to pit

9 ppg
mud

9 ppg
mud

9 ppg
mud

9 ppg
mud

DV tool @ 2829'; Cmt w/ 210 sxs light, (125 sxs
 10-2 RFC cmt

7-7/8" Hole

Cement @3314'-3414'

CIBP @ 3414

Frac w/ 1246 BBLs 20# crosslink gel & 95,260# 20/40 sand

Perfs: Gilson

40 holes 3464'-3474'

Reperf 10/30/02 40 holes 3464'-3474'

80 total holes

120° Phase, 4 JSPF

Perfs: Aberdeen

3757'-3790'

3797'-3805'

3822'-3830'

3885'-3900'

120° Phase, 4 JSPF 256 holes

Top of the cement plug is 3607'

TD 3990'
 PB 3931'

Production Casing:

7", 23#, J-55, LT&C SET @ 3962' KB
 Cmt'd w/ (20) BBLs water spacer, 185 sxs 10-2 RFC cmt
 3% salt, 2% CaCl using AFU shoe, (12) centralizers,
 (1) latch-down plug, (2) cmt baskets @ 3641'-3152'

J-W OPERATING COMPANY
SOLDIER CREEK NO. 4-28
API No. 43-007-30851
2036' FSL & 535' FWL, Section 28-T12S-R12E
SOLDIER CREEK FIELD
CARBON COUNTY, UTAH

Date: 20 September 2007

AFE No.:

AFE Cost: \$138,688

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	9-5/8	8.765	36	J-55	517	200	Surface	0.0636	3950	257
Production	7	6.241	23	J-55	3962	185	Surface	0.0232	4360	3270
Tubing Short	2-3/8	1.901	4.7	J-55	3490				7700	8100
Long	2-3/8	1.901	4.7	J-55	3809			0.0057	7700	8100

Items needed :

- See attached wellbore schematic for borehole and casing information.
- 2 % KCl water
- BOP
- (1) 7" CIPB
- Pump and tank
- 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. Long Strings w/ 15 K compression. Release 7" x 2-7/8" PS-1X, 10K dual grip retriever packer @ 3743'
5. POOH w/ (1) 8' & (1) 4' x 2-3/8" 4.7# J-55 pup EUE 8rd; (102) jts 2-3/8" 4.7# J-55 tbg; (1) 7" x 2-3/8" parallel anchor; (2) 10' x 2-3/8" blast joint; (1) 2-3/8" x 8' pup joint; (7) 2-3/8" jts tbg; (1) 10' x 2-3/8" pup joint; (1) 2-3/8" x 2-7/8" x-over; (1) 7" x 2-7/8" on off tool; (1) 7" x 2-7/8" dual grip packer; (1) 2-7/8" x 2-3/8" X-over; (1) 2-3/8" x 6' pup jt; (1) 2-3/8" x 1.81 profile nipple w/ wireline entry guide. Stand back tubing.
6. The rest of short string will come out together with the long string at since the short string attached to the parallel anchor @ 3460'.
7. Short strings w/ 5K tension: POOH (64) 7/8" guide rod; (1) 40' x 1" gas anchor; (1) 1.9" x 2-3/8" anchor hold down; 4' x 2-3/8" perf pup jt; (1) 10' x 2-3/8" pup jt; (1) 2-3/8" x 2-1/4" x 15' tbg pump; 4' x 2-3/8" pup jts; (30) jts 2-3/8" tbg ; 8', 6' x 2-3/8" pup jts.
8. RIH wireline w/ lubricator and w/ 6.5" OD gauge ring and junk basket ± 3757' for clearance. POOH w/ gauge ring and junk basket.
9. RIH w/ 2-3/8" tubing approximately at PBDT 3931' and mix and spot 63 sks Class G premium cement plug from PBDT @ 3931 until 50' above Aberdeen formation at 3607'.
10. POOH tubing and displace hole with (6 bbls) mud spacer 9ppg from 3414'-3607'.
11. PU and RIH with 7" CIBP. Set BP at +/- 3414' (+/- 50' above of the top perf at 3464'). Mix and Spot 20 sxs Class G Premium cement plug on top of CIBP (total height of cement plug will be 100', top of the cement plug approximately 3314').
12. Continue POOH; displace hole with (18 bbls) mud spacer 9 ppg from 3314'-2879'.
13. Mix, pump and spot (100') 20 sks Class G Premium cement plug from 2779'-2879' (+/-) 50' above and 50' below the DV tool @ 2829. Reverse circulation tubing clean w/ fresh water. POOH and lay down tubing to racks. While POOH with tubing, displace hole (87 bbls) with mud spaces 9 ppg from 567'-2779'.
14. Mix, pump and spot (100') 20 sks Class G Premium cement plug from 467'-567'. The cement plug will be (± 50') above surface casing and (± 50') below surface casing.

15. Reverse circulation tubing clean w/ fresh water. POOH and lay down tubing to racks. While POOH with tubing, displace hole (15bbls) with mud spaces 9 ppg from 467'-100'.
16. Continue POOH to 100' LD 2-7/8" tubing. Mix and spot (\pm 100') 20 sks Class G Premium cement plug from \pm 4'-100'
17. POOH finish LD 2-3/8" tubing.
18. Cut wellhead 4' below ground level.
19. RDMO w/o rig.
20. Weld 1/4" thick steel plate over casing stub and install dry hole marker.
21. Remove Surface equipment from location.
22. Restore and reclaim the location.

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:

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:

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Soldier Creek 4-28

2. NAME OF OPERATOR:
J-W Operating Company

9. API NUMBER:
4300730851

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: **2036 FNL 535' FWL**

COUNTY: **CARBON**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWNW 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 checked="" 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: 10/24/2007	<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.

Mix and pump 63sxs cement Class G, tag cement plug @ 3610'
Displace 6 bbl 9 ppg mud spacer from 3610' to 3414'
Set 7" CIBP @ 3114 and 20 sxs cement plug on top of the CIBP.
Pump 18 bbl 9 ppg mud spacer to 2879'
Mix and pump 20 sxs cement plug Class G up from 2879' to 2779'
Tag cement @2830' just right below the DV tool.
Mix 15 sxs more cement class G and pump up to 2761'
Pump 87 bbl 9 ppg mud spacer up to 567'.
Mix and pump 110 cement Class G from 567' to all the way to surface.

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

NAME (PLEASE PRINT) Pingkan Zaremba TITLE Engineering Tech
SIGNATURE  DATE 12/18/2007

(This space for State use only)

RECEIVED

DEC 26 2007

J-W Operating Company

Soldier Creek No. 4-28
2036' FSL & 535' FWL, Section 28-T12S-R12E
Soldier Creek Field, Carbon County, Utah
API No. 43-007-30851

PROPOSED WELLBORE SCHEMATIC - 09/4/07

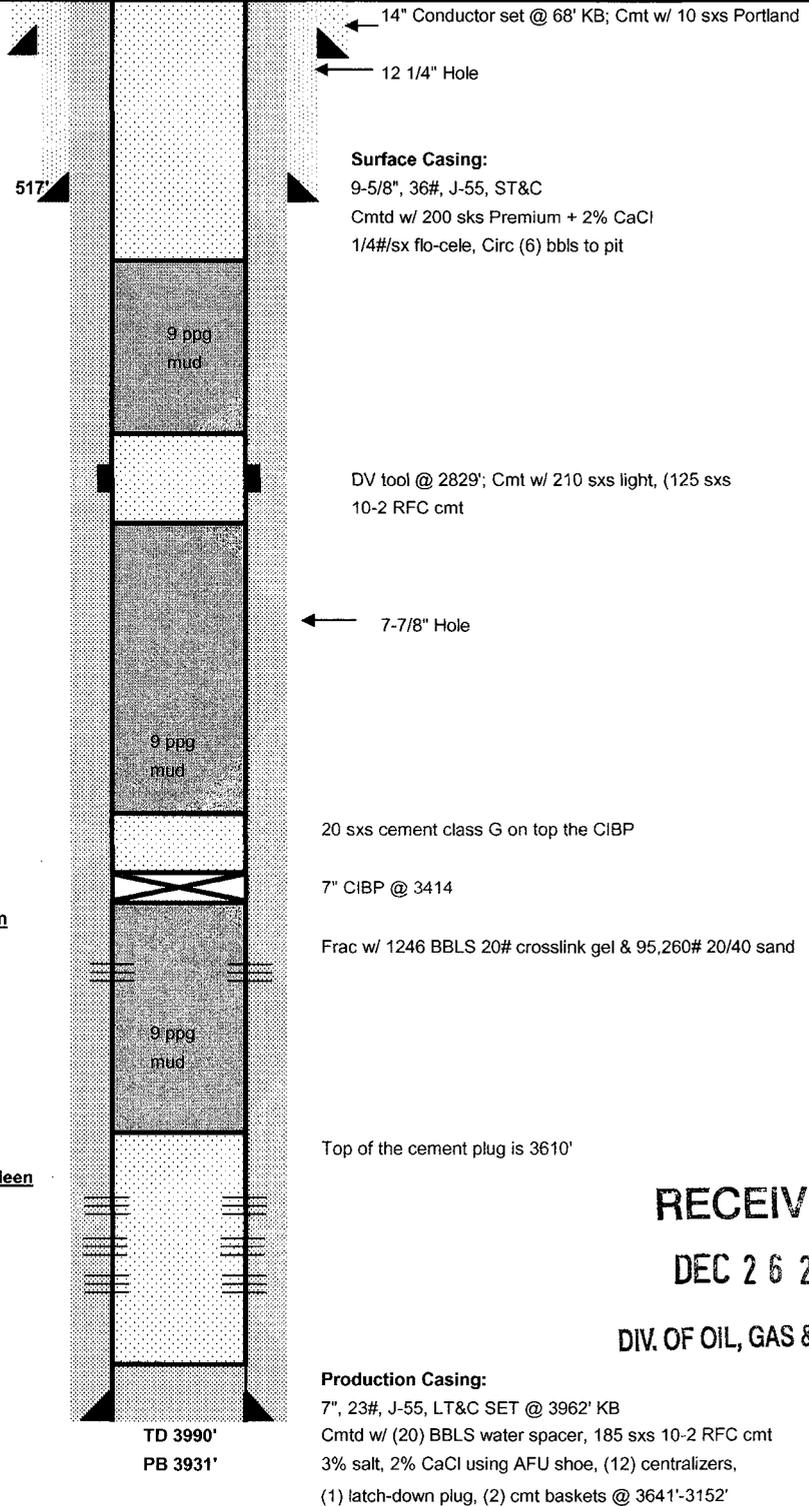
Ground Elevation = 7328'
 RKB = 7342'

110 sxs cement plug from
 567 to surface

Cement plug 2761'-2879'

Perfs: Gilson
 40 holes 3464'-3474'
 Reperf 10/30/02 40 holes 3464'-3474'
 80 total holes
 120° Phase, 4 JSPF

Perfs: Aberdeen
 3757'-3790'
 3797'-3805'
 3822'-3830'
 3885'-3900'
 120° Phase, 4 JSPF 256 holes



14" Conductor set @ 68' KB; Cmt w/ 10 sxs Portland
 12 1/4" Hole

Surface Casing:
 9-5/8", 36#, J-55, ST&C
 Cmtd w/ 200 sxs Premium + 2% CaCl
 1/4#/sxs flo-cel, Circ (6) bbls to pit

DV tool @ 2829'; Cmt w/ 210 sxs light, (125 sxs
 10-2 RFC cmt

7-7/8" Hole

20 sxs cement class G on top the CIBP

7" CIBP @ 3414

Frac w/ 1246 BBLs 20# crosslink gel & 95,260# 20/40 sand

Top of the cement plug is 3610'

Production Casing:
 7", 23#, J-55, LT&C SET @ 3962' KB
 Cmtd w/ (20) BBLs water spacer, 185 sxs 10-2 RFC cmt
 3% salt, 2% CaCl using AFU shoe, (12) centralizers,
 (1) latch-down plug, (2) cmt baskets @ 3641'-3152'

RECEIVED

DEC 26 2007

DIV. OF OIL, GAS & MINING

Customer Information

Customer Name	JW OPERATING COMPANY
District-Division	
Street	
City	WELLINGTON
State	UTAH

Lease Information

Lease Name	SOLDIER CREEK
Physical Location	9 MILE CANYON
County	CARBON
State	UTAH

Well Information

Casing Size	7"
Casing Weight	23#
Casing Connection	8 RD CSG
Casing I.D.	
Hole Size	7 7/8"
Calculated Annular Excess %	15%
BHST	
T.D.	3931'
Casing Length	
Shoe Joint	
Float Collar	
Calculated T.O.C.	
Previous Casing Depth	
Previous Casing Size	
Previous Casing Weight	
Drill Pipe Size	

Call-Out Information

Job Type	CEMENT
Service Center(s)	VERNAL
Bulk Location(s)	VERNAL
Supervisor(s)	KURY BUFFINGTON
Pumping Equipment	677
Auxillary Equipment	604
Time Called Out	3:00 AM
Time On Location	6:30 AM
Planned Time of Job	4 HRS
Weather Conditions	COLD



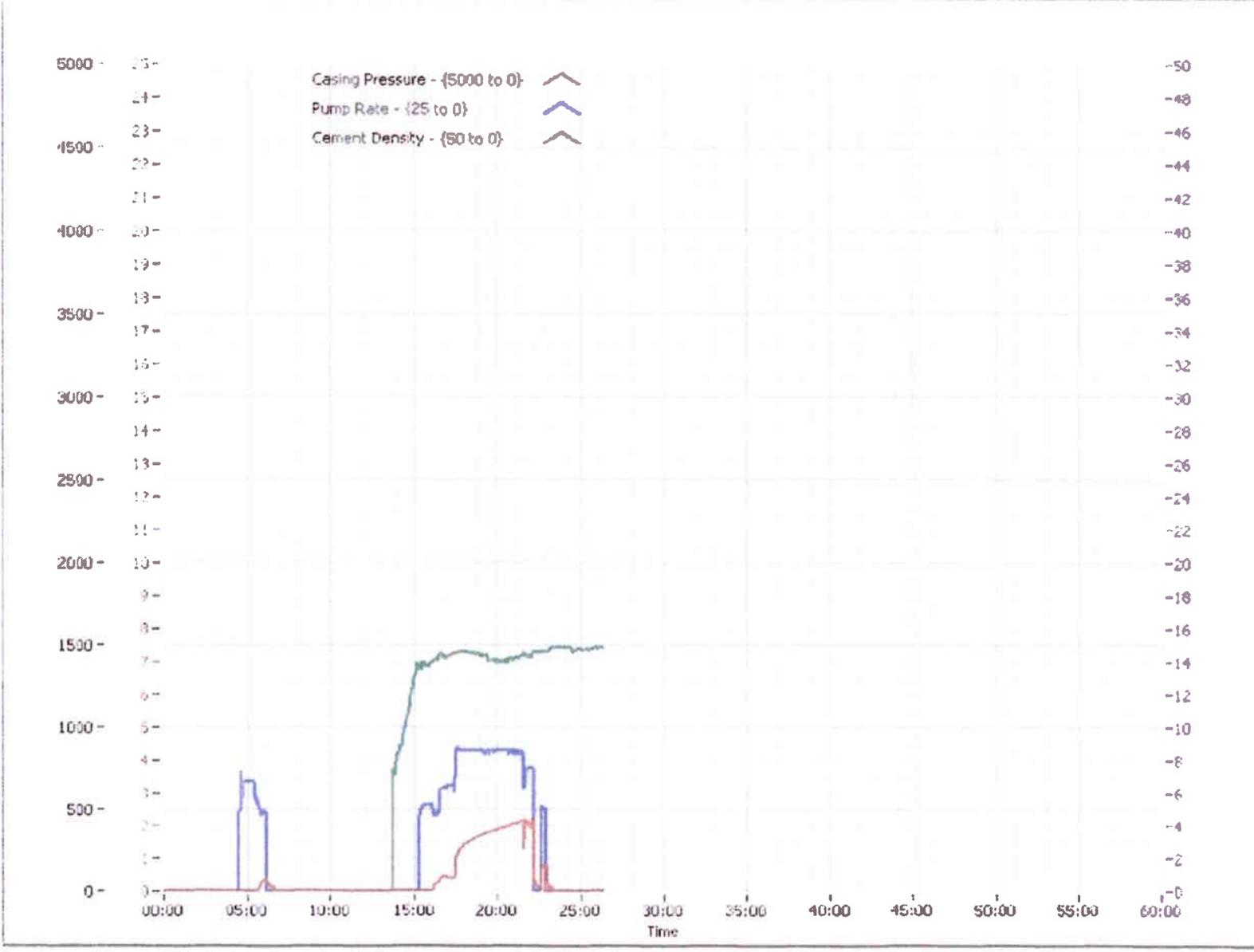
{1} Primary - Job Log

{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



Post Job Summary



JOB SUMMARY

CUSTOMER:
WELL #:
JOB TYPE:

JW OPERATING
Soldier Creek 4-28
PLUG AND ABANDON

	TYPE	BBLs.	DENSITY
PRE FLUSH #1	FRESH	30	8.33

	ADDITIVES	DENSITY	YIELD	WATER
G CEMENT SKS.				
260		15.8	1.15	5
	NEAT WITH 2% CALC2			

	ADDITIVES	DENSITY	YIELD	WATER
G CEMENT SKS				

JOB SUMMARY

CUSTOMER:
WELL #:
JOB TYPE:

JW OPERATING

PLUG AND ABANDON

	TYPE	BBLs.	DENSITY
PRE FLUSH #1	FRESH	30	8.33

	ADDITIVES	DENSITY	YIELD	WATER
G CEMENT SKS.				
260	NEAT WITH 2% CALC2	15.6	1.15	5

	ADDITIVES	DENSITY	YIELD	WATER
G CEMENT SKS				

JOB LOG

TIME	EVENT	PRESSURE	VOLUME	RATE
PATTERSON 778				
3:00	CALLED OUT			0
6:30	ON LOCATION			
6:30	SAFETY MEETING			
10:25	START FRESH	25	0	2
10:29	SHUTDOWN			
10:29	PRESSURED UP ON TUBING	780	2	2
10:40	REVERSE OUT TO CLEAR HOLE AND TUBING	240	5	2
11:00	START CIRC AGAIN	80	1	2
11:02	SHUTDOWN PRESSURE UP ON TUBING	800	1	1
11:15	REVERSE OUT TO CLEAR HOLE AND TUBING	120	4	2
7:36	WAIT ON MORE WATER TO SET PLUG			
13:21	START PLUG			
13:31	START CEMENT	15	0	3
13:05	END CEMENT	100	15	3
13:05	START DISPLACEMENT	90	0	3
13:12	END DISPLACEMENT	140	14	3
13:20	START CIRC	20	0	3
13:25	END CIRC	300	10	3
13:26	START CEMENT	380	0	3
13:31	END CEMENT	85	4	3
13:31	START DISPLACEMENT	85	0	3
13:35	END DISPLACEMENT	300	13	3
13:35	RIG PULL STANDS UP NEXT PLUG			
14:15	START CIRC	195	0	3
14:16	END CIRC	400	2	3
14:20	START CEMENT	350	0	3
14:22	END CEMENT	320	4	3
14:22	START DISPLACEMENT	320	0	3.5
14:25	END DIPLAECMENT	370	11	3
14:43	REVERSE TUBING	500	17	5
	END JOB			
9:27	START CIRC	400	0	3
9:35	START CEMENT	100	0	3
9:37	END CEMENT	50	2	3
9:37	START DISPLACEMENT	10	3	
9:39	END DISPLACEMENT	230	10	3
9:45	WAIT ON RIG TO PULL TUBING AND REVERSE		17	
	LET CEMENT SET TO TAG			
15:40	START CIRC	340	0	3
15:44	END CIRC	400	3	3
15:45	START CEMENT	10	0	3

15:46	END CEMENT	5	5	3
15:51	START DISPLACEMENT	5	0	3
15:52	END DISPLACEMENT	30	1.5	3
16:25	SHUTDOWN PULL TUBING REVERSE OUT		10	
8:54	START FRESH AHEAD	120	0	3
	END FRESH	330	6	3
9:03	START CEMENT	105	0	3
9:13	END CEMENT	350	20	3
9:30	SHUTDOWN PULL TUBING AND TOP OUT		2	

THANKS KURY AND CREW

43-007-30851
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 cursive script, appearing to read 'Pingkan Zaremba'.
Pingkan Zaremba.

**Approved by the
Utah Division of
Oil, Gas and Mining**
Date: 2-25-08
By: A handwritten signature in cursive script, 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:

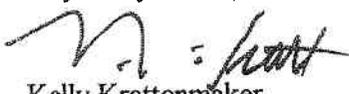
It has come to our attention that the Soldier Creek State #6-32 and Soldier Creek State #7-32H wells were inadvertently left off the captioned Surface Reclamation, Release, and Indemnity Agreement. The purpose of this letter is to amend such Agreement to include those wells and accurately reflect our 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

