



*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  
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Email: talon@castlenet.com

**RECEIVED**

MAY 01 2002

DIVISION OF  
OIL, GAS AND MINING

May 1, 2002

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

RE: Application for Permit to Drill—Soldier Creek #2-28, Carbon County, Utah  
400' FSL, 647' 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**

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

001

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

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:

#2-28

10. Field or Pool, or Wildcat:

Undesignated Wildcat

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

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

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:

400' FSL, 647' FWL

4392800

39.74026

At Proposed Producing Zone:

585041

-110.59105

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

16.0 miles northeast of Wellington, Utah

12. County:

Carbon

13. State:

Utah

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

400.49'

16. Number of acres in lease:

2002

17. Number of acres assigned to this well:

40 acres

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

1589'

19. Proposed Depth:

3150'

20. Rotary or cable tools:

Rotary

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

7245' GR

22. Approximate date work will start:

June 2002

23. PROPOSED CASING AND CEMENTING PROGRAM

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

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

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

RECEIVED

MAY 8 2002

DIVISION OF OIL, GAS AND MINING

24. Name & Signature: Robert E. Iriart Title: Engineer Date: 5/23/02

(This space for state use only)  
API Number Assigned: 43-007-30854

Approved by the Utah Division of Oil, Gas and Mining

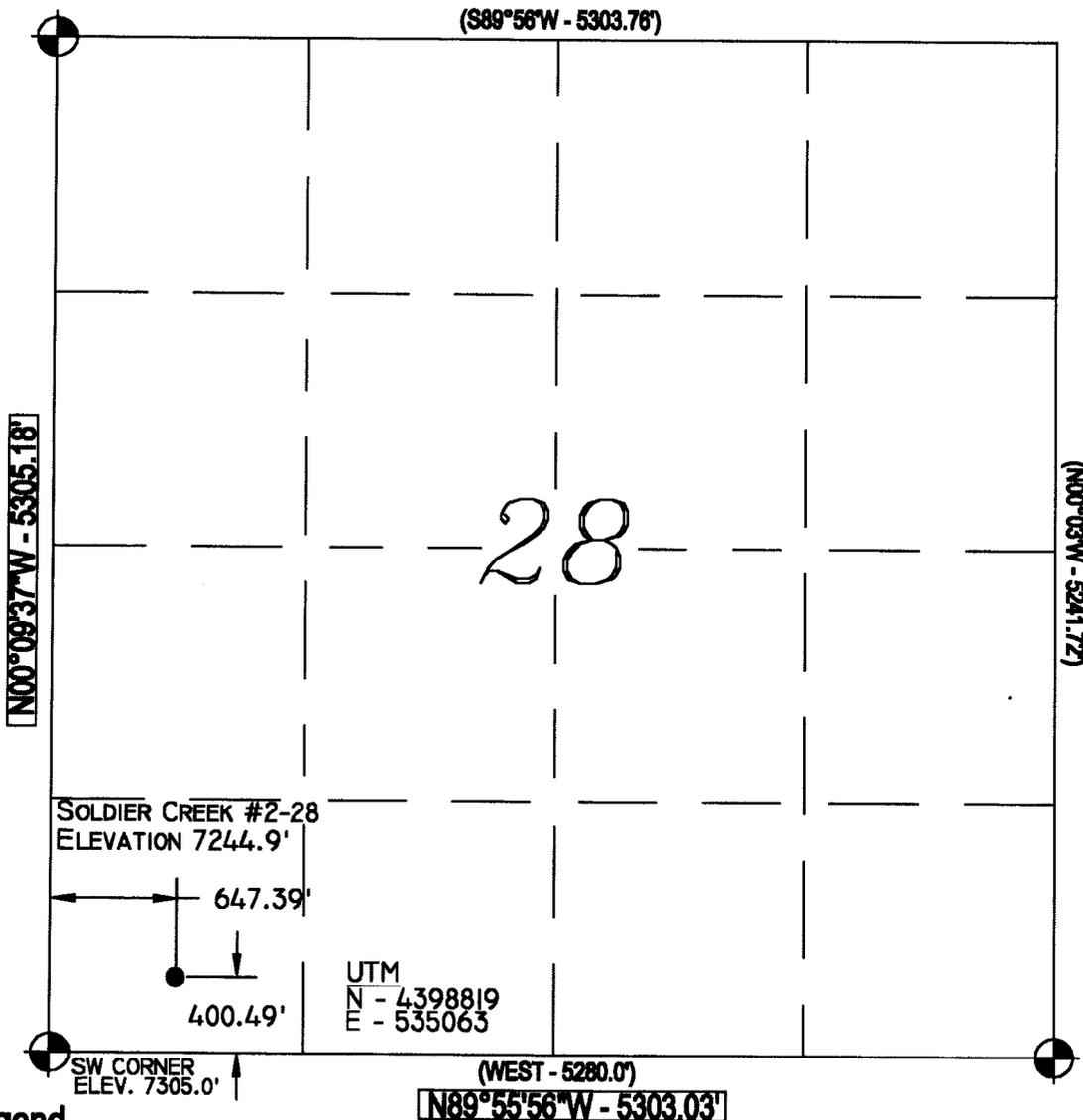
Date: 05-16-02  
By: [Signature]

CONFIDENTIAL

ORIGINAL

# Range 12 East

Township 12 South



**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, SW1/4 OF SECTION 28, T12S, R12E, S.L.B.&M., BEING 400.49' NORTH AND 647.39' EAST FROM THE SOUTHWEST CORNER OF SECTION 28, T12S, R12E, SALT LAKE BASE & MERIDIAN.

**Surveyor's Certificate:**

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



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



**WELL #2-28**  
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: 04/19/02
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 584

**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°44'26"N  
110°35'27"W

ORIGINAL

GRAPHIC SCALE



( IN FEET )

1 inch = 1000 ft.



**DRILLING PROGRAM**  
Exhibit "D"

Attached to UDOGM Form 3  
J-W Operating Company  
Soldier Creek #2-28  
SW/4 SW/4, Sec. 28, T12S, R12E, SLB&M  
400' FSL, 647' FWL  
Carbon County, Utah

1. The Geologic Surface Formation

Tertiary Colton Formation

2. Estimated Tops of Important Geologic Markers

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

3. Projected Gas & H2O zones (Blackhawk Formation)

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

No groundwater is expected to be encountered.

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

Surface casing will be tested to 500 psi.

4. The Proposed Casing and Cementing Programs

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

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

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

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

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

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

5. The Operator's Minimum Specifications for Pressure Control

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

6. The Type and Characteristics of the Proposed Circulating Muds

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

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

500-TD        gamma ray, sp, array induction, compensated neutron lithodensity with caliper.

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 #2-28  
SW/4 SW/4, Sec. 28, T12S, R12E, SLB&M  
400' FSL, 647' FWL  
Carbon County, Utah

#### 1. Existing Roads

- a. The proposed access road will encroach the Nine Mile Road in which approval to construct an encroachment is approved 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 85' of new road will be constructed (see Exhibit "B").
- b. Maximum Width: 20' travel surface with a 24' base.
- c. Maximum grade: 10 %.
- c. Turnouts: None.
- d. Drainage design: approximately 2 – 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 300' north. Nearest live water is Soldier Creek approximately 400' 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**

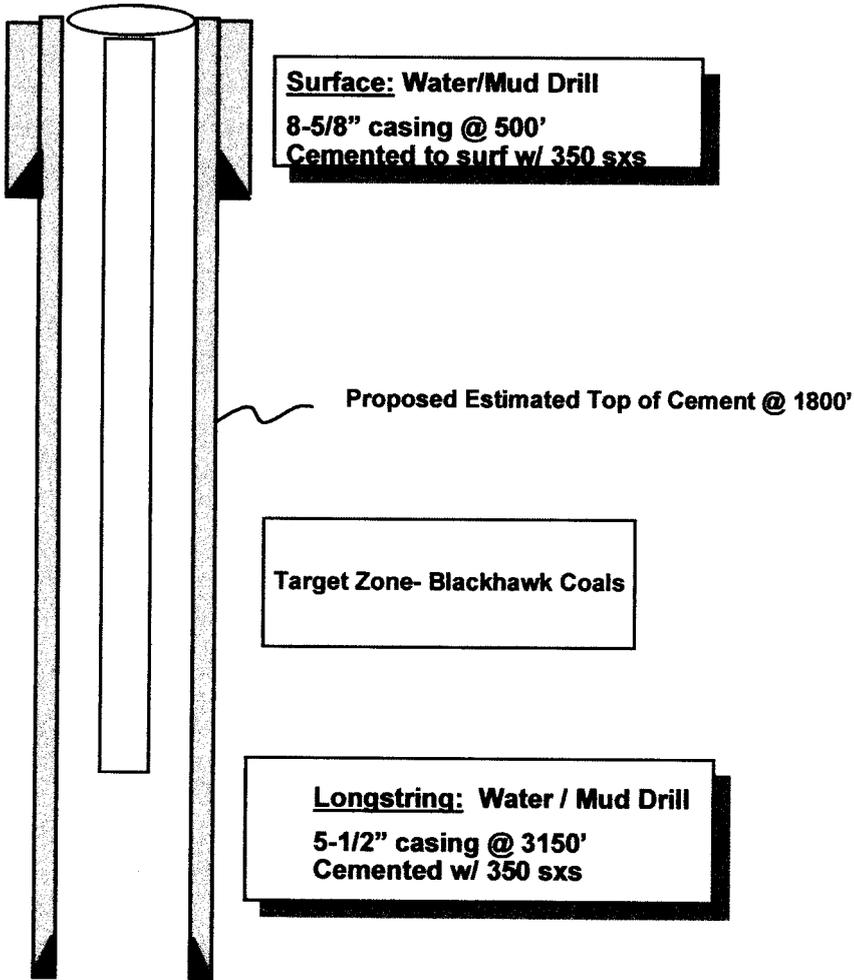
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill-site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated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

4/23/2002  
Date

Robert Eller  
Robert Eller for J-W Operating Company

ORIGINAL

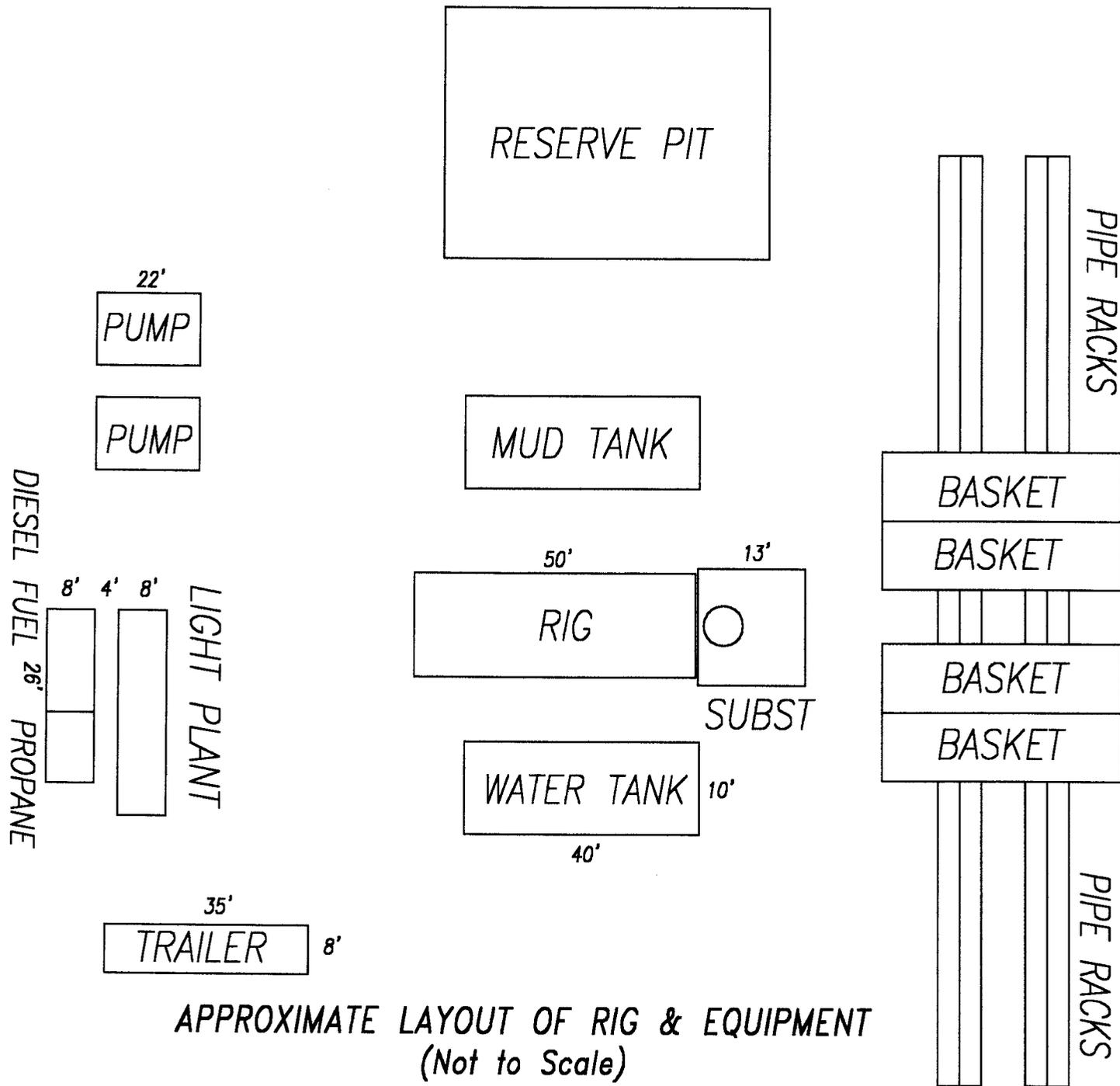
**SOLDIER CREEK#2-28**  
**SW-SW/4 SEC 28-T12S-R12E**



**TD: 3150'**

RCE 03/20/02

**CONFIDENTIAL**



APPROXIMATE LAYOUT OF RIG & EQUIPMENT  
(Not to Scale)

EXHIBIT "C"



# BOP Equipment

2000 psi WP

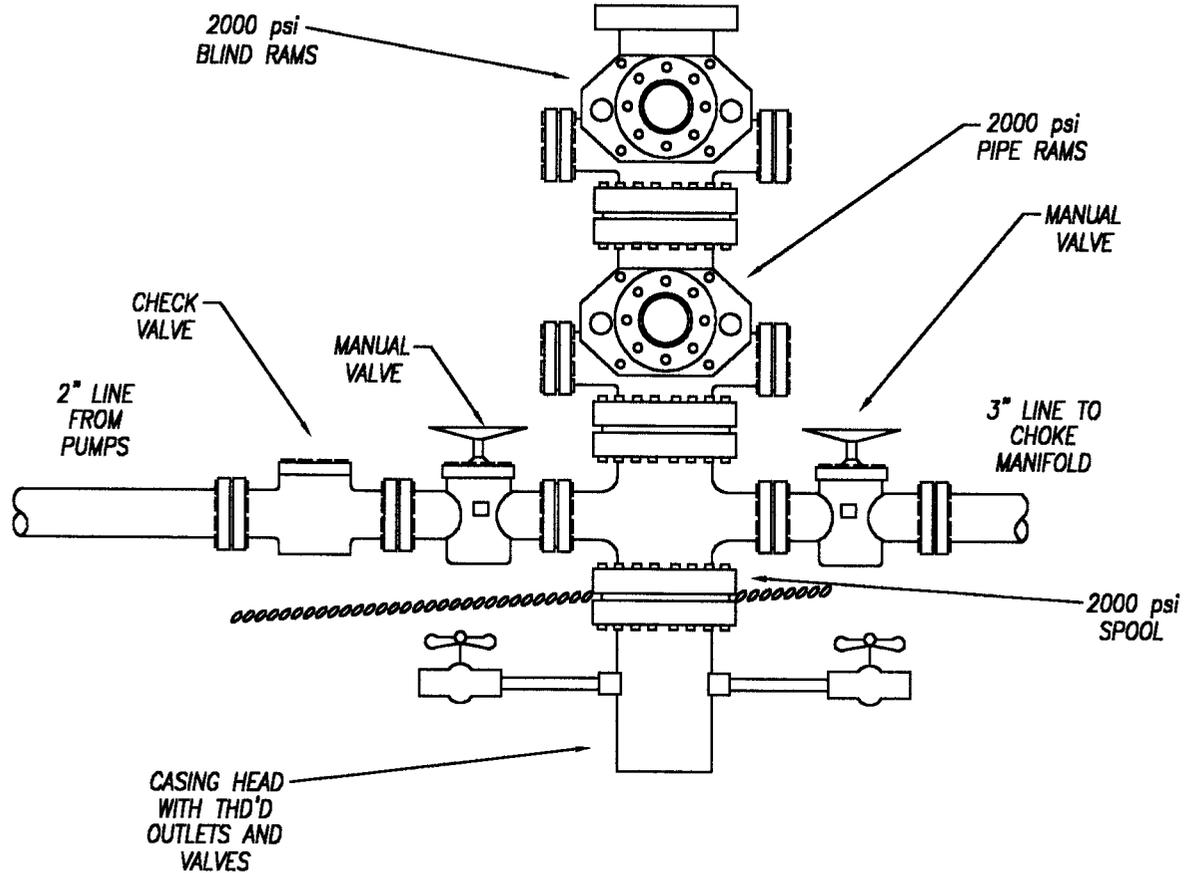
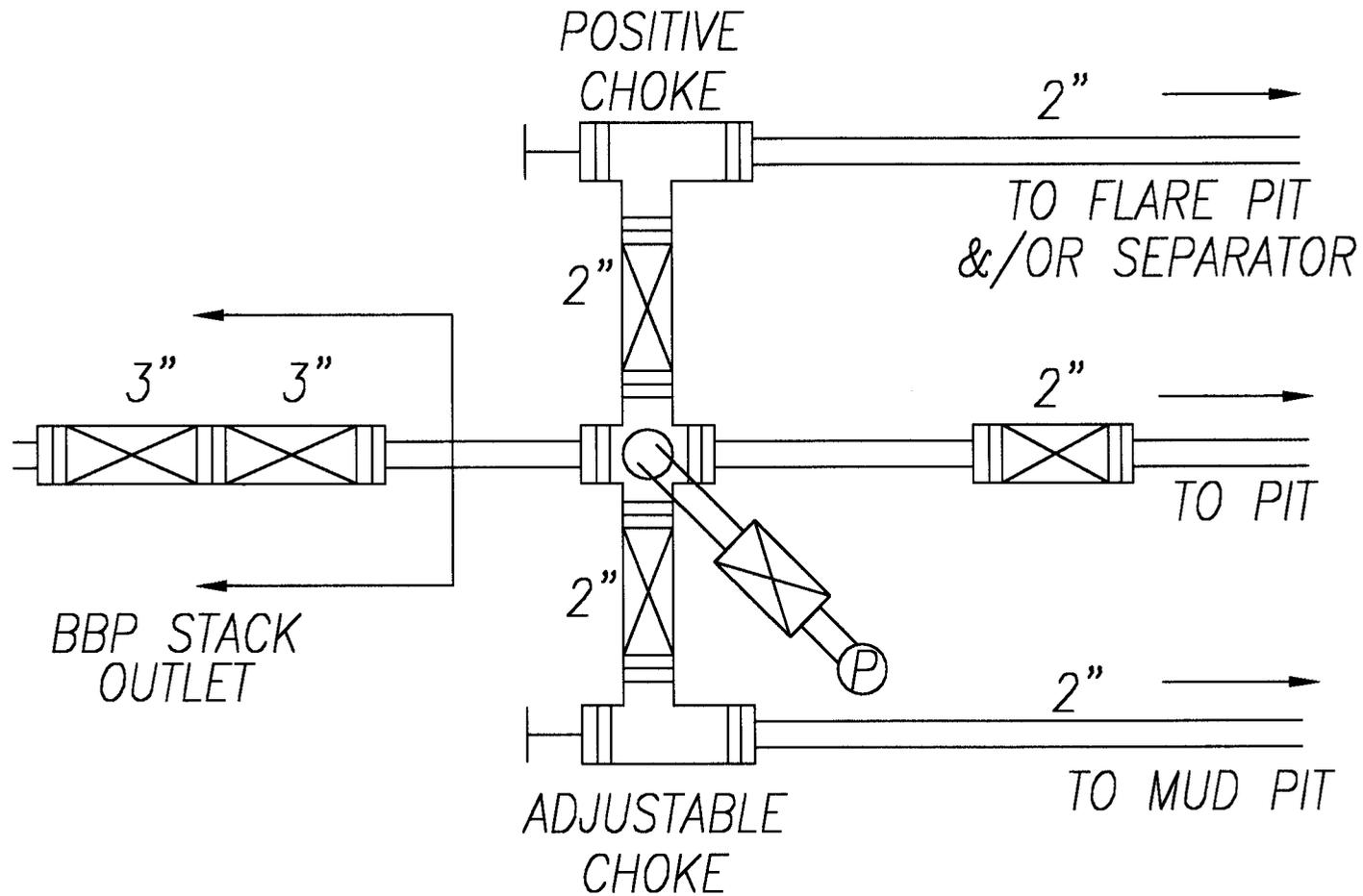


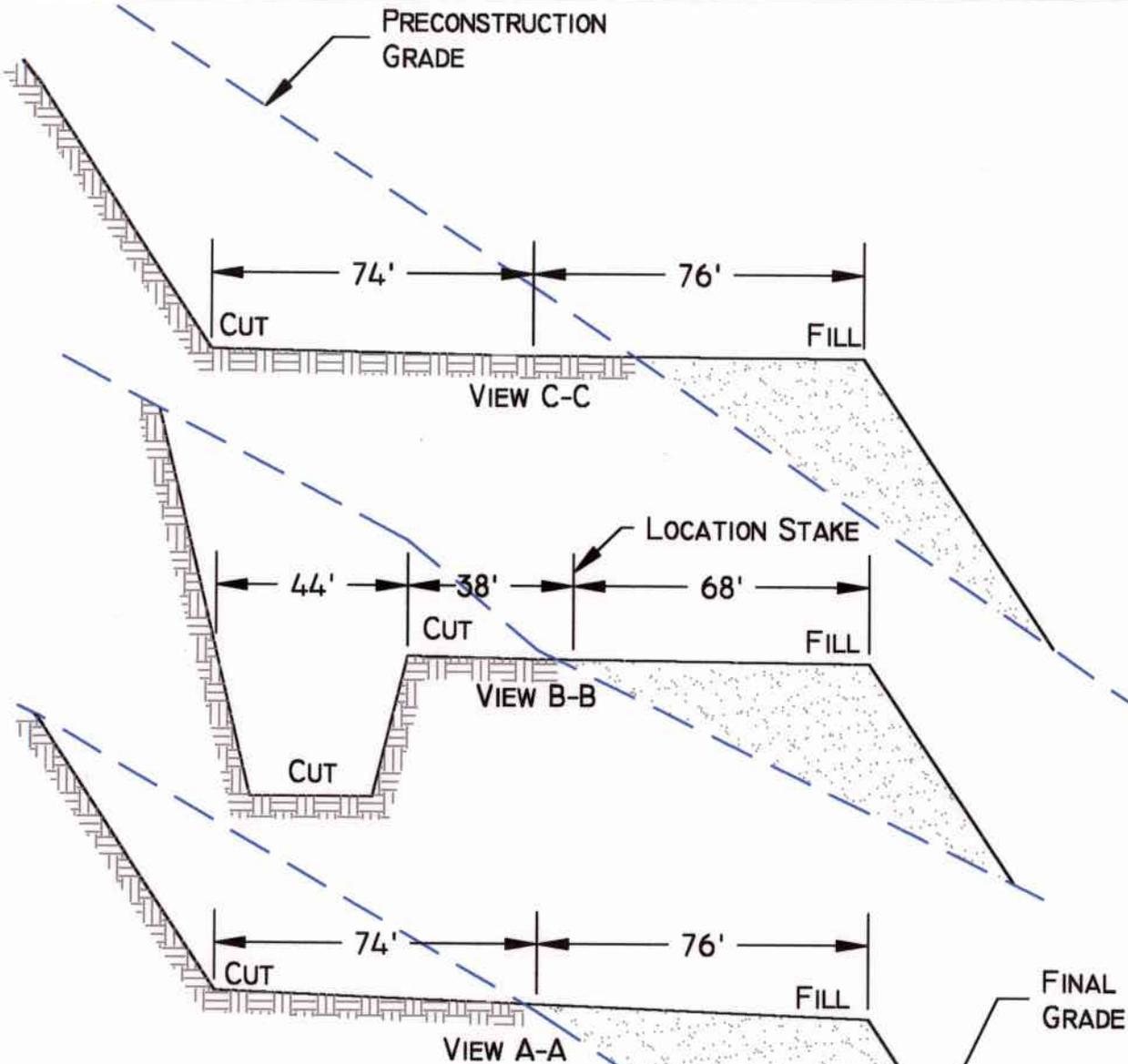
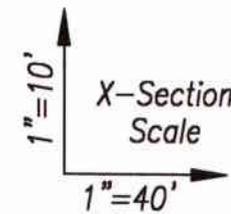
EXHIBIT "C"



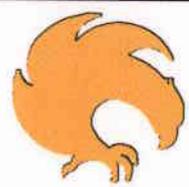
# CHOKE MANIFOLD







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



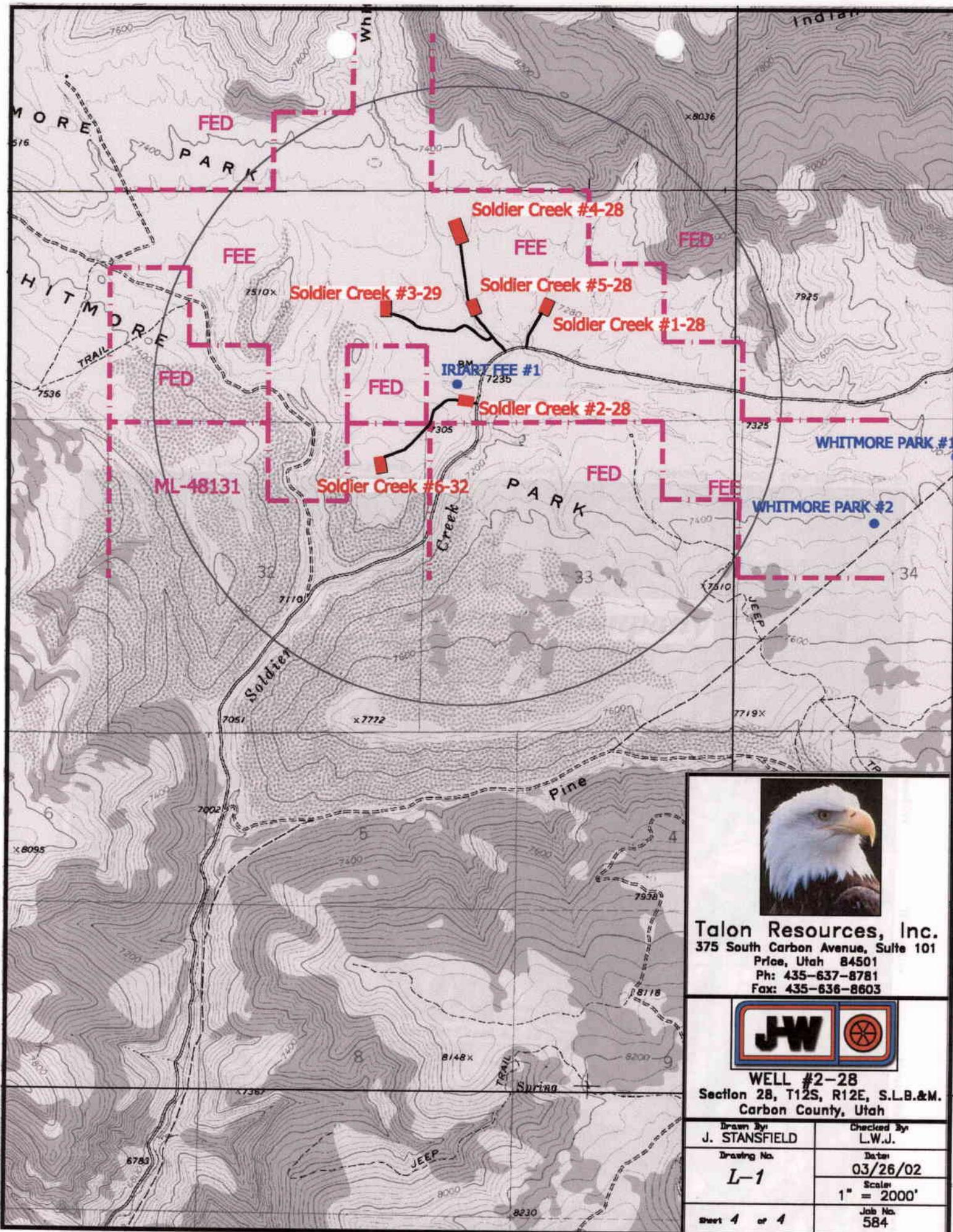
**TALON RESOURCES, INC.**  
375 S. CARBIN AVE., SUITE 101 (A-10)  
Price, Utah 84501  
Phone (435)637-8781 Fax (435)636-8603  
E-Mail taloncastnet.com



**TYPICAL CROSS SECTION**  
Section 28, T12S, R12E, S.L.B.&M.  
WELL #02-28

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 04/19/02
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 584

**APPROXIMATE YARDAGES**  
CUT  
(6")TOPSOIL STRIPPING = 750 CU. YDS.  
REMAINING LOCATION = 4,605 CU, YDS.  
TOTAL CUT = 5,355 CU. YDS.  
TOTAL FILL = 3,025 CU. YDS.



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



**WELL #2-28**  
 Section 28, T12S, R12E, S.L.B.&M.  
 Carbon County, Utah

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

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

002

APD RECEIVED: 05/06/2002

API NO. ASSIGNED: 43-007-30854

WELL NAME: SOLDIER CREEK 2-28  
 OPERATOR: J-W OPERATING COMPANY ( N2145 )  
 CONTACT: ROBERT ELLER

PHONE NUMBER: 970-332-3151

PROPOSED LOCATION:  
 SWSW 28 120S 120E  
 SURFACE: 0400 FSL 0647 FWL  
 BOTTOM: 0400 FSL 0647 FWL  
 CARBON  
 WILDCAT ( 1 )

INSPECT LOCATN BY: / /		
<b>Tech Review</b>	<b>Initials</b>	<b>Date</b>
Engineering	<i>DER</i>	6/11/02
Geology		
Surface		

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

LATITUDE: 39.74026  
 LONGITUDE: -110.5911

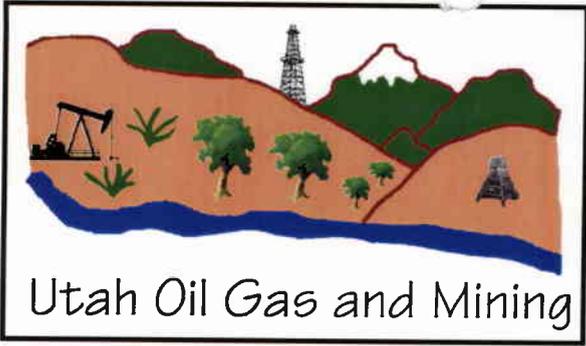
PROPOSED FORMATION: BLKHK

- RECEIVED AND/OR REVIEWED:
- Plat
  - Bond: Fed[] Ind[] Sta[] Fee[4]  
(No. RLB 0004156 )
  - Potash (Y/N)
  - Oil Shale 190-5 (B) or 190-3 or 190-13
  - Water Permit  
(No. MUNICIPAL )
  - RDCC Review (Y/N) *no comments*  
(Date: May 31, 2002 ) *Rec'd*
  - Fee Surf Agreement (Y/N)

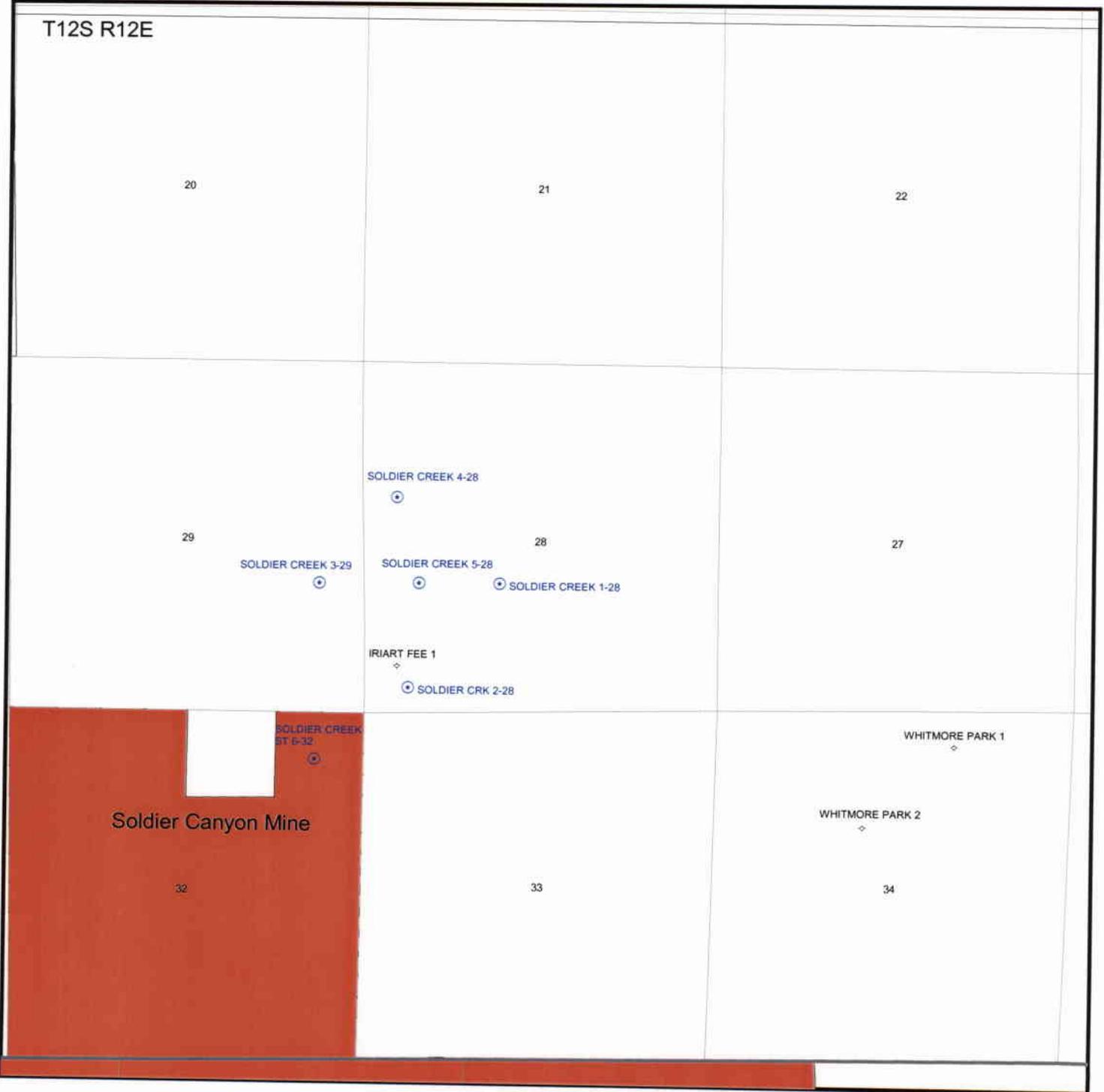
- LOCATION AND SITING:
- R649-2-3.  
Unit \_\_\_\_\_
  - R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
  - R649-3-3. Exception
  - Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
  - R649-3-11. Directional Drill

COMMENTS: Nud Print (Rec'd 5-2-02)

STIPULATIONS: STATEMENT OF BASIS



OPERATOR: J-W OPERATING CO (N2145)  
 SEC. 28, T12S, R12E  
 FIELD: *Whidcot*  
 COUNTY: CARBON



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

OPERATOR: JW Operating  
WELL NAME & NUMBER: Soldier Creek #2-28  
API NUMBER: 43-007-30854  
LEASE: Fee FIELD/UNIT: \_\_\_\_\_  
LOCATION: 1/4,1/4 SWSW Sec: 28 TWP: 12S RNG: 12E 400' FSL 647' FWL  
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.  
GPS COORD (UTM): X =535066 E; Y = 4398821 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 East of the proposed well ~200 yards. A developed livestock watering well also exists ~ 100 yards to the north of the location. The terrain directly associated with this location drains to the South to the Price River. Dry washes run throughout the area.

**SURFACE USE PLAN**

CURRENT SURFACE USE: Grazing and wildlife habitat.

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

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

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Along the roadway.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and transported in.

ANCILLARY FACILITIES: N/A

**WASTE MANAGEMENT PLAN:**

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

**ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: Soldier Creek, a year-round live water source lies East of the above proposed location ~200 yards. A developed livestock watering well is located ~100 yards North of the proposed location. 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: Exactly on the mapped interformational contact between the Tertiary Colton Formation and the Tertiary/Cretaceous undivided Flagstaff/North Horn Formation - Colton Formation is 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. Undivided Tertiary/Cretaceous Flagstaff/North Horn Formation is described as reddish-brown to grayish-brown mudstones with interbedded siltstone, fine grained quartzose sandstone, limestone conglomerate, limestone and some carbonaceous shale.

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

5/02/2002 / 3:00 pm

**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>20</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>10</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>10</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</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**      65      (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

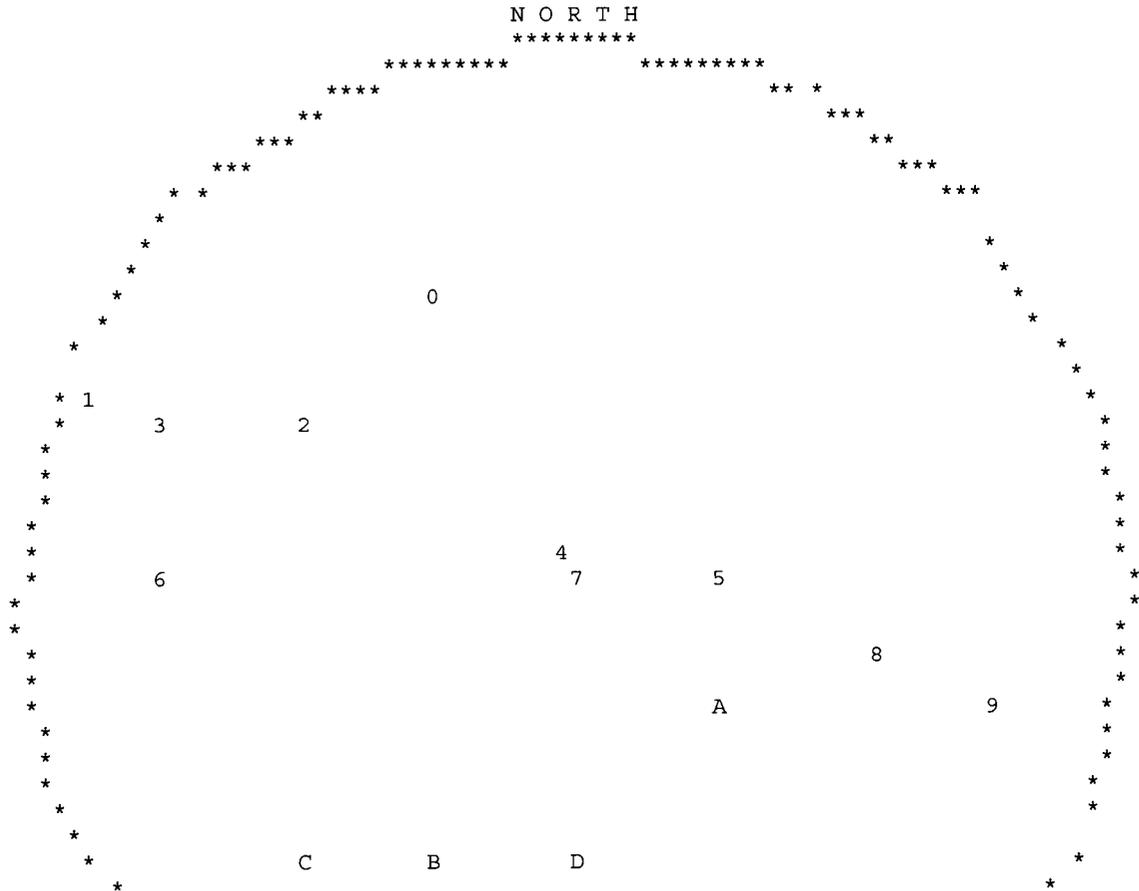
Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.

UTAH DIVISION OF WATER RIGHTS  
 WATER RIGHT POINT OF DIVERSION PLOT CREATED WED, JUN 5, 2002, 9:26 AM  
 PLOT SHOWS LOCATION OF 22 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT  
 N 400 FEET, E 647 FEET OF THE SW CORNER,  
 SECTION 28 TOWNSHIP 12S RANGE 12E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET





UTAH DIVISION OF WATER RIGHTS  
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	CFS	QUANTITY 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	91 2073	.0110	.00	Unnamed Spring Stream		X
				Water Use(S): Iriart, Bernard	503 East 1st North	
					PRIORITY DATE: 00/00/1869 Price	UT 84501
1	t21359	.0000	1.00	Soldier Creek & Unnamed Tribut	N 2210 W 3900 SE 29 12S 12E SL	X
				Water Use(S): OTHER Canyon Fuel Company LLC	6955 Union Park Center Suite 550	
					PRIORITY DATE: 07/25/1997 Midvale	UT 84047
2	91 2075	.0110	.00	Unnamed Spring		X
				Water Use(S): Iriart, Bernard	503 East 1st North	
					PRIORITY DATE: 00/00/1869 Price	UT 84501
3	91 7076	.0000	.00	Trib. to Soldier Creek		X
				Water Use(S): Iriart, Bernard		
					PRIORITY DATE: 00/00/1869	UT
3	91 7076	.0000	.00	Trib. to Soldier Creek		X
				Water Use(S): Iriart, Bernard		
					PRIORITY DATE: 00/00/1869	UT
3	91 2076	.0000	.00	Stream		X
				Water Use(S): Iriart, Bernard	503 East 1st North	
					PRIORITY DATE: 00/00/1869 Price	UT 84501
3	91 2076	.0000	.00	Stream		X

	WATER USE(S):								PRIORITY DATE: 00/00/1869	
	Iriart, Bernard		503 East 1st North						Price	UT 84501
4	91 4124	.1500	.00 6 300		N 1000 E 550	SW 28 12S 12E SL X			PRIORITY DATE: 06/12/1974	
	WATER USE(S): IRRIGATION DOMESTIC STOCKWATERING								Price	UT 84501
	Iriart, Bernard		503 East 1st North							
5	91 2098	.0000	.00 Soldier Creek							X :
	WATER USE(S):								PRIORITY DATE: 00/00/1869	
	Iriart, Bernard		503 East 1st North						Price	UT 84501
5	91 2097	.0000	.00 Unnamed Stream							X :
	WATER USE(S):								PRIORITY DATE: 00/00/1869	
	Iriart, Bernard		503 East 1st North						Price	UT 84501
6	91 1365	.0000	.00 Trib. to Soldier Creek							X :
	WATER USE(S):								PRIORITY DATE: 00/00/1869	
	Nelson, Lawrence C.								Cleveland	UT 84518
6	91 1365	.0000	.00 Trib. to Soldier Creek							X :
	WATER USE(S):								PRIORITY DATE: 00/00/1869	
	Nelson, Lawrence C.								Cleveland	UT 84518
7	91 2097	.0000	.00 Unnamed Stream							X :
	WATER USE(S):								PRIORITY DATE: 00/00/1869	
	Iriart, Bernard		503 East 1st North						Price	UT 84501
7	91 2096	.0110	.00 Unnamed Spring							X :
	WATER USE(S):								PRIORITY DATE: 00/00/1902	
	Iriart, Bernard		503 East 1st North						Price	UT 84501
7	91 2095	.0000	.00 Unnamed Stream							X :
	WATER USE(S):								PRIORITY DATE: 00/00/1902	
	Iriart, Bernard		503 East 1st North						Price	UT 84501
8	91 522	.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
9	91 2098	.0000	.00 Soldier Creek							X :
	WATER USE(S):								PRIORITY DATE: 00/00/1869	
	Iriart, Bernard		503 East 1st North						Price	UT 84501
A	91 523	.0000	.00 Soldier Creek							X :
	WATER USE(S):								PRIORITY DATE: 00/00/1869	
	Canyon Fuel Company LLC		CityPlace One Suite 300						St. Louis	MO 63141
B	91 2087	.0000	.00 Soldier Creek							X :
	WATER USE(S):								PRIORITY DATE: 00/00/1869	
	Iriart, Bernard		503 East 1st North						Price	UT 84501
C	91 2085	.0000	.00 Unnamed Stream							X :

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

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

**OPERATOR:** Phillips Petroleum Company  
**WELL NAME & NUMBER:** Soldier Creek #2-28  
**API NUMBER:** 43-007-30854  
**LOCATION:** 1/4,1/4 SWSW Sec: 28 TWP: 12S RNG: 12E 400' FSL 647' FWL

**Geology/Ground Water:**

A plugged and abandoned well exists near (~270' north northwest) 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 or the Tertiary/Cretaceous undivided Flagstaff/North Horn Formation. At Castlegate Field, which is about 8 ½ 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 ~575' north 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:** 5/31/02

**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 East of the proposed well ~200 yards. A developed livestock watering well also exists ~ 100 yards to the north of the location. The integrity of this water well was discussed during the pre-site and it was agreed upon that this well would be tested prior to drilling as well as monitored and tested periodically through the drilling and life of the gas well. The terrain directly associated with this location drains to the South to the Price River. Dry washes run throughout the area. Precipitation will be deflected around the location with berms and culverts. The site was photographed and characterized during pre-site inspection. Provision was made to ensure site rehabilitation, litter and waste control, preservation of drainage patterns and the integrity of local infrastructure, groundwater and other resources. The well utilities and gas gathering system will follow the approach roadway. Bernie Iriart, representing the Iriart Family, was in attendance at the on-site. Carbon County was invited as well as was DWR, both chose not to attend.

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

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

1. Culverts sufficient to manage expected runoff, standing and surface water in crossed drainages.
2. Berm location and pit.
3. Site infrastructure as per drilling location plat.
4. Soil storage as per drilling location plat
5. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
6. Testing and periodic monitoring of the water well ~100 yards to the North of drill point prior to drilling and throughout the lifespan of the proposed gas well.

06-02 JW Op Soldier Creek -28

Casing Schematic

Surface

Colto.1

8-5/8"  
MW 8.4  
Frac 19.3

TOC @  
0.

Surface  
500. MD

w/ 22% washout

**BCP**

BHP

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

Anticipated  $\leq 2000 \text{ psi}$

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

$$\text{MASP} = 1096 \text{ psi}$$

2m BOPF proposed

Adequate DSD 6/11/02

TOC @  
1142.

estimated toe @ 1800'

w/ 15% washout

TOC @ surface w/ 0% washout

2280' -  
Castlegate

2570' -  
Blackhawk

2700' -  
Summit

2990' -  
Gilsco

3040' -  
Kensley

5-1/2"  
MW 9.

2280'

Gas  $\frac{30}{100} \text{ H}_2\text{O}$  zone

3040'

Production  
3150. MD

**06-02 JW Op Soldier Creek 2-28**

Well name:

Operator: **J W Operating Company**

String type: Surface

Project ID:

43-007-30854

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: 437 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:

0 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 3,150 ft  
Next mud weight: 9.000 ppg  
Next setting BHP: 1,473 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 500 ft  
Injection pressure: 500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	500	8.625	24.00	K-55	ST&C	500	500	7.972	24.1

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	218	1370	6.28	234	2950	12.62	12	263	21.92 J

BHP @ TD = 1473 psi

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

Phone: 801.538.5281  
FAX: 801.359.3940

Date: June 5, 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.*

**06-02 JW Op Soldier Creek 2-28**

Well name:

Operator: **J W Operating Company**

String type: Production

Project ID:

43-007-30854

Location: Carbon County

**Design parameters:**

**Collapse**

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

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

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

Cement top:

1,142 ft

**Burst**

Max anticipated surface pressure: 0 psi  
Internal gradient: 0.468 psi/ft  
Calculated BHP 1,473 psi

No backup mud specified.

**Tension:**

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

Non-directional string.

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

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	3150	5.5	17.00	N-80	LT&C	3150	3150	4.767	108.6

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1473	6290	4.27	1473	7740	5.26	54	348	6.50 J

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

Phone: 801.538.5281  
FAX: 801.359.3940

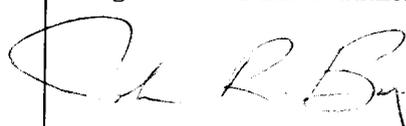
Date: June 5, 2002  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

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

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

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

<b>1. Administering State Agency</b> Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	<b>2. State Application Identifier Number: (assigned by State Clearinghouse)</b>  
<b>3. Approximate date project will start:</b> June 2002	
<b>4. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1)</b>  Southeastern Utah Association of Governments	
<b>5. Type of action:</b> // Lease <input checked="" type="checkbox"/> / Permit // License // Land Acquisition  // Land Sale // Land Exchange // Other _____	
<b>6. Title of proposed action:</b>  Application for Permit to Drill	
<b>7. Description:</b>  J-W Operating Company proposes to drill the Soldier Creek 2-28 well (wildcat) on Patented lease, 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.	
<b>8. Land affected (site location map required) (indicate county)</b>  SW/4, SW/4, Section 28, Township 12 South, Range 12 East, Carbon County, Utah	
<b>9. Has the local government(s) been contacted?</b> No	
<b>10. Possible significant impacts likely to occur:</b>  Degree of impact is based on the discovery of oil or gas in commercial quantities.	
<b>11. Name and phone of district representative from your agency near project site, if applicable:</b>  	
<b>12. For further information, contact:</b>  <b>Lisha Cordova</b> <b>Phone: (801) 538-5296</b>	<b>13. Signature and title of authorized officer</b>   John R. Baza, Associate Director <b>Date: May 16, 2002</b>

**Operator:** J-W Operating Company  
**Well Name & Number** Soldier Creek 2-28  
**API Number:** 43-007-30854  
**Lease:** Patented

**Location:** SW SW      **Sec.** 28      **T.** 12 South      **R.** 12 East

### Conditions of Approval

1. General

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

2. Notification Requirements

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

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

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

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

3. Reporting Requirements

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

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

5. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. No statements were received as of permit date.



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:  
3160  
(UT-920)

J-W Operating Company  
c/o Talon Resources, Inc.  
375 South Carbon Avenue A-10  
Price, UT 84501

JUN 07 2002

Gentlemen:

By letter dated June 4, 2002 you have requested our approval as an offset mineral owner the exception location for the proposed Soldier Creek #2-28, 400' FSL, 647' FWL Section 28, T.12S., R.12E., SLB&M, Carbon County, Utah. Please accept this letter as our consent to the requested action. We will also look into the un-leased acreage situation.

Sincerely,

R. A. Henricks  
Chief, Branch of Fluid Minerals



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)

June 11, 2002

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

Re: Soldier Creek 2-28 Well, 400' FSL, 647' FWL, SW SW, Sec. 28, T. 12 South, R. 12 East,  
Carbon County, Utah

Gentlemen:

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

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby 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 43-007-30854.

Sincerely,

A handwritten signature in cursive script, appearing to read 'John R. Baza'.

for John R. Baza  
Associate Director

pb  
Enclosures  
cc: Carbon County Assessor

**J-W OPERATING COMPANY**

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

Gil Hunt  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

June 12, 2002

RE: Cohort Energy & J-W Operating Company

Dear Mr. Hunt:

Pursuant to our conversation this morning concerning the correlation between Cohort Energy and J-W Operating Company, Cohort Energy is a subsidiary of J-W Operating Company.

Should you have any questions or comments, please do not hesitate to contact this office.

Sincerely,



Robert Eller  
Engineer

Cc: Well Files

**RECEIVED**

JUN 12 2002

DIVISION OF  
OIL, GAS AND MINING

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 15<sup>th</sup> day of April 2002.

My Commission Expires:

\_\_\_\_\_  
**My Comm. Expires 3/12/2005**

Margaret Susser  
Notary Public  
In and for Yuma County, State of Colorado



*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

June 7, 2002

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

RE: Request for Exception to Spacing (General State Spacing R649-3-3) J-W Operating Company  
Soldier Creek #2-28, 400' FSL, 647' FWL, Section 28, T12S, R12E, SLB&M, Carbon County, UT

Dear Mrs. Mason:

On behalf of J-W Operating Company, Talon Resources, Inc. respectfully submits the following request for exception to spacing and information to supplement the previously submitted *APD* for the above referenced well.

**A request for exception to spacing (R649-3-3 General State Spacing) is hereby requested based on topography since the well is located within 460' of the drilling unit boundary.**

**An un-leased federal tract exists within 460' of the proposed well location in which federal approval is attached. No other owner /operators exist within 460' of the proposed well site.**

Thank you for your timely consideration of this request. Please feel free to contact me or Mr. Robert Eller with J-W Operating Company at 1-970-332-3151 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

**RECEIVED**

JUN 13 2002

DIVISION OF  
OIL, GAS AND MINING

004

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

RECEIVED FORM 6

JUN 28 2002

ENTITY ACTION FORM

DIVISION OF  
OIL, GAS AND MINING

Operator: J-W Operating Company Operator Account Number: N2145  
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
43-007-30850	Soldier Creek #3-29	NESE	29	12S	12E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	99999	13529	6/20/02		6-28-02	
Comments: <b>CONFIDENTIAL</b>						

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-007-30853	Soldier Creek #6-32	NENE	32	12S	12E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	99999	13530	6/21/02		6-28-02	
Comments: <b>CONFIDENTIAL</b>						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-007-30854	Soldier Creek #2-28	SWSW	28	12S	12E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	99999	13531	6/25/02		6-28-02	
Comments: <b>CONFIDENTIAL</b>						

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)

Diane D. Koch  
Name (Please Print)  
Diane Koch  
Signature  
E&P Assistant 6/25/02  
Title Date

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

CONFIDENTIAL

FORM 9

005

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		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: NA
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: NA
2. NAME OF OPERATOR: J-W Operating Company		8. WELL NAME and NUMBER: Soldier Creek #2-28
3. ADDRESS OF OPERATOR: P.O. Box 305 CITY Wray STATE CO ZIP 80758		9. API NUMBER: 43-007-30854
4. LOCATION OF WELL FOOTAGES AT SURFACE: 400' FSL 647' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 28 12S 12E SLB&M		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"/> 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

RECEIVED  
AUG 27 2002  
DIVISION OF  
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Diane D. Koch</u>	TITLE <u>E&amp;P Assistant</u>
SIGNATURE <u><i>Diane Koch</i></u>	DATE <u>8-23-02</u>

(This space for State use only)

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 #2-28  
LOCATION: 400' FSL & 647' FWL, SWSW/4 Section 28-T12S-R12E  
COUNTY: Carbon STATE: Utah API #: 43 007 30854

Page 2 of 2  
O/A #7401-002-1  
ELEV: ' GR  
FIELD: Wildcat

07/27/02: (CK) @ 7:00 AM @ 2766' & Lay Down Core Barrell & Bit. Previous 24 Hrs – Drl 7-7/8" hole; Dev surv 4° @ 2549'; Drl 7-7/8" hole (Core point); Circ; Cond mud; Serv rig; TOO; RIH w/Core Barrell & Bit; Core well from 2736'-2766; 11' recovery; TOO w/Barrell & Bit; TIH; Drl 7-7/8" hole, w/mwt 8.9#, vis 37, PH 9.8, WL 15.2, Solids 4.2%, Sands 0.25; Dev surv 4-1/4° @ 2693';  
ESTIMATED DAILY COST: \$25,765.00  
ESTIMATED ACCUMULATED COST: \$132,914.00

07/28/02: (CK) @ 7:00 AM @ TD of 3160' & TOO for Loggers. Previous 24 Hrs – TIH; Wash & ream; Drl 7-7/8" hole; Serv rig; Rig repair; Drl 7-7/8" hole to TD of 3160' @ 4:30 AM, 07/28/02, w/mwt 9.0#, vis 35, PH 9.0, WL 12.8, Solids 4.8%, Sands 0.25%; Circ; Dev surv 5° @ 3110'; TOO to Log.  
ESTIMATED DAILY COST: \$27,815.00  
ESTIMATED ACCUMULATED COST: \$160,729.00

07/29/02: (CK) @ 7:00 AM @ TD of 3160' & RDMO. Previous 24 Hrs – TOO to Log; Log well w/Schlumberger Dual Induction SFL/GR & Hi-Res Compensated Litho Density; Formation tops as follows: Price River 1977', Castle Gate 2323', Black Hawk 2490', Upper Sunny Side Sand 2768', Lower Sunny Side Sand 2833', Gilson Coal 2948', Kennilworth SS 3058'; RIH w/(73) jts 5-1/2", 17#, LTC Prod Csg, meas 3134', set @ 3148' KB; PBTD @ 3112'; Wash w/(10) BBLs chemical wash; Cmnt w/(20) BBLs wtr spacer, (150) sx class "G" cmnt, 3% salt, 2% CaCl, using AFU shoe, (12) centralizers, (1) latch-down plug, (2) cmnt baskets; PD @ 08:30 PM, 07/28/02; Nipple down BOP; Set csg slips; Rel rig @ 12:00 AM, 07/29/02.  
ESTIMATED DAILY COST: \$51,810.00  
ESTIMATED ACCUMULATED COST: \$212,539.00

08/21/02: (RCE) Rocky Mountain Wireline MIRU; Log well w/GR-CCL Cmnt Bond Log, from PBTD of 3112'-1700'; Est top cmnt @ 2000'; Perf for prod w/4" HSC, 35 gm, 120° chgs from 2948' to 2960', (4) shots per ft; Total of (48) holes, 0.47"EHD, TTP 33.7"; Rocky Mountain Wireline RDMO; Cobra Slickline Unit MIRU; RIH w/BHP/Temp memory tool; Hang off @ 2960'; SDFN.  
ESTIMATED DAILY COST: \$3,400.00  
ESTIMATED ACCUMULATED COST: \$215,939.00

08/23/02: (RCE) Quick Test Injection Pump MIRU; Blow hole w/(45.4) gal, 2% KCL wtr; Starch Matrix Injection Fall off test, injecting 2% KCL wtr, 6.5 gal per minute into perfs, for 45 minutes; Total injection volume (377) gal; SI well for (3.5) hrs; Pull slickline BHP tool from well; SI well; Quick Test Injection Pump & Cobra Slickline Unit RDMO.  
ESTIMATED DAILY COST: \$4,225.00  
ESTIMATED ACCUMULATED COST: \$220,164.00

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AUG 17 2002

DIVISION OF  
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)

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

LEASE DESCRIPTION: Soldier Creek #2-28  
LOCATION: 400' FSL & 647' FWL, SWSW/4 Section 28-T12S-R12E  
COUNTY: Carbon STATE: Utah API #: 43 007 30854

Page 1 of 1  
O/A #7401-002-1  
ELEV: ' GR  
FIELD: Wildcat

06/26/02: (RCE) @ 7:00 AM @ 500' & Drl 12-1/4" Hole. Previous 24 Hrs – Bill Jr Rathole Rig MIRU; Spud @ 3:30 PM, 06/25/02; Drl 12-1/4" hole; Dusting to 75'; Misting @ 75' w/air, 2000 CFM; Drl 12-1/4" hole.  
ESTIMATED DAILY COST: \$15,822.00  
ESTIMATED ACCUMULATED COST: \$15,822.00

06/27/02: (RCE) @ 7:00 AM @ Surf TD of 554' & WOKey Energy Drl Rig. Previous 24 Hrs – Misting w/air, 2000 CFM to Surf TD of 554' @ 9:10 AM, 06/26/02; POOH w/bit; Drl mouse & rat hole; RIH w/(12) jts 8-5/8", 24# STC NLS csg, meas 530', set @ 544' KB; Cmmt w/(275) premium, 2% CaCl, ¼ flo-cele; Circ (5) BBLS to pit; PD @ 11:07 AM, 06/26/02; Bill Jr Rathole Rig & Cmnters RDMO; WOKey Energy Drl Rig.  
ESTIMATED DAILY COST: \$25,602.00  
ESTIMATED ACCUMULATED COST: \$41,424.00

07/12/02: (RCE) @ 7:00 AM @ WOKey Energy Drl Rig. Previous 24 Hrs – MIRU Benco Anchor Service; Set (4) permanent anchors; Test anchors to 20,000#; RDMO Benco Anchor Service; WOKey Energy Drl Rig.  
ESTIMATED DAILY COST: \$1,020.00  
ESTIMATED ACCUMULATED COST: \$42,444.00

07/24/02: (RCE) @ 7:00 AM @ 802' & Drl 7-7/8" Hole. Previous 24 Hrs – Key Energy MIRU; Nip up BOP; Test BOP, 2000 PSI, 8-5/8" csg 1000 PSI; Spud @ 5:00 PM, 07/23/02; RIH w/7-7/8" bit, tag cmnt @ 465'; Drl out cmnt & shoe; Dev surv 0° @ 465'; Drl 7-7/8" hole.  
ESTIMATED DAILY COST: \$24,955.00  
ESTIMATED ACCUMULATED COST: \$67,399.00

07/25/02: (CK) @ 7:00 AM @ 1750' & Drl 7-7/8" Hole. Previous 24 Hrs – Drl 7-7/8" hole; TOOH; Drl 7-7/8" hole; Dev surv 1/4° @ 1056'; Drl 7-7/8" hole; Dev surv 1-1/2° @ 1531'; Drl 7-7/8" hole w/mwt 8.3#, vis 28; Drl w/clear wtr. (Bit #1 – 1163' in 28 hrs – 41.5' p/hr). Backgrnd gas 0.2%.  
ESTIMATED DAILY COST: \$24,220.00  
ESTIMATED ACCUMULATED COST: \$91,619.00

07/26/02: (CK) @ 7:00 AM @ 2577' (Blackhawk) & Drl 7-7/8" hole. Previous 24 Hrs – Drl 7-7/8" hole; Serv rig; Dev surv 3° @ 2038; MU; Drl 7-7/8" hole. (51 rotating hrs – 39.4' p/hr; Top of Price River 1802', Top of Castlegate 2343', Top of Blackhawk 2465', Core point 2760').  
ESTIMATED DAILY COST: \$15,530.00  
ESTIMATED ACCUMULATED COST: \$107,149.00

**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)

006

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. TYPE OF WELL OIL WELL  GAS WELL  OTHER  **CONFIDENTIAL**

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: 400' FSL 647' FWL

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 28 12S 12E 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 #2-28

9. API NUMBER: 43-007-30854

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
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	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
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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

RECEIVED

SEP 09 2002

DIVISION OF  
OIL, GAS AND MINING

NAME (PLEASE PRINT) Diane D. Koch TITLE E&P Assistant  
SIGNATURE *Diane Koch* DATE 9-6-02

(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 #2-28  
 LOCATION: 400' FSL & 647' FWL, SWSW/4 Section 28-T12S-R12E  
 COUNTY: Carbon STATE: Utah API #: 43 007 30854

Page 3 of 4  
 O/A #7401-002-1  
 ELEV: ' GR  
 FIELD: Wildcat

08/29/02: (RCE) Weld 5-1/2" Bell nipple on 5-1/2" csg; Schlumberger Frac Equipment MIRU; Test lines & load hole; Pump prepad step-rate test; Frac well as follows: Average 1341 PSIG @ 15 BPM; ISIP 1656 PSIG, 5 minutes 1468 PSIG, 10 minutes 1396 PSIG; All fluids contained 2% KCL wtr, 14#/1000 gal Crosslinked Gel, Biocides, Breakers, CBM Additives; Used a total of 914 BBLs wtr; 75,020# 20/40 sand; Traced 11,000 gal pad w/(5) MCI SB-124; 30,000# 1-3# per gal sand, w/(11) MCI SC-46; 45,020#, 4-5# per gal sand, w/(20) MCI IR-192; Opened well to pit on 24-64" choke; Schlumberger Frac Equipment RDMO; SI well; SDFN.

ESTIMATED DAILY COST: \$70,943.00  
 ESTIMATED ACCUMULATED COST: \$291,107.00

08/30/02: (RCE) Key Workover Rig MIRU; RIH w/(1) jt of 2-7/8" tbg, (1) 2-7/8" seat nipple & (97) jts 2-7/8" tbg; Land seat nipple @ 2897'; EOT 2993'; RIH w/2-7/8" swab; Tag fluid level @ 50'; Made (22) swab runs, pulling from 2897'; Recovery (173) BBLs fluid; SDFN.

ESTIMATED DAILY COST: \$3,361.00  
 ESTIMATED ACCUMULATED COST: \$294,468.00

08/31/02: (RCE) SI Press 5-1/2" csg 10 PSIG; SI Press 2-7/8" tbg 10 PSIG; Pick up (2) jts 2-7/8" tbg; Land seat nip @ 2958'; EOT 2984'; RIH w/2-7/8" swab, tag fluid level 1200'; Made (47) swab runs; Recovery (300) BBLs fluid; Accumulative fluid recovery ( 473) BBLs, w/trace of coal fines; SDFN.

ESTIMATED DAILY COST: \$3,345.00  
 ESTIMATED ACCUMULATED COST: \$297,813.00

09/01/02: (RCE) SI Press 5-1/2" csg 13 PSIG; SI Press 2-7/8" tbg 9 PSIG; RIH w/2-7/8" swab, tag fluid level 700'; Made (57) swab runs; Recovery (273) BBLs fluid; Accumulative fluid recovery ( 746) BBLs; Recovered sand in fluid on last (8) runs, w/trace of coal fines; SI well; SDFWeekend.

ESTIMATED DAILY COST: \$3,750.00  
 ESTIMATED ACCUMULATED COST: \$301,563.00

09/04/02: (RCE) SI Press 5-1/2" csg 140 PSIG; SI Press 2-7/8" tbg 10 PSIG; RIH w/2-7/8" swab, tag fluid level 600'; Made (45) swab runs, pulling from 2958'; Recovery (256) BBLs fluid; Accumulative fluid recovery (1002) BBLs; After last swab run 5-1/2" csg 130 PSIG; 2-7/8" tbg 10 PSIG; SI well; Key Workover Rig RDMO; SDFN.

ESTIMATED DAILY COST: \$3,798.00  
 ESTIMATED ACCUMULATED COST: \$305,361.00

09/05/02: (RCE) SI Press 5-1/2" csg 130 PSIG; SI Press 2-7/8" tbg 10 PSIG; Bled 5-1/2" csg to 0 PSIG; Nip down BOP; Jimmy's Swab Rig MIRU; RIH w/2-7/8" swab, tag fluid level @ 850'; Made (26) swab runs, pulling from 2958'; Recovery (146) BBLs; Accumulative fluid recovery (1148) BBLs; Fluid level @ 1900' between swab runs; Jimmy's Swab Rig RDMO; Key Workover Rig MIRU.

ESTIMATED DAILY COST: \$2,307.00  
 ESTIMATED ACCUMULATED COST: \$307,668.00

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SEP 09 2002

DISTRIBUTION:  
 J-W Dallas (PDW)

DIVISION OF  
 OIL, GAS AND MINING

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

CONFIDENTIAL

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LEASE DESCRIPTION: Soldier Creek #2-28  
LOCATION: 400' FSL & 647' FWL, SWSW/4 Section 28-T12S-R12E  
COUNTY: Carbon STATE: Utah API #: 43 007 30854

Page 4 of 4  
O/A #7401-002-1  
ELEV: ' GR  
FIELD: Wildcat

09/06/02: (RCE) SI Press 5-1/2" csg 75 PSIG; SI Press 2-7/8" tbg 10 PSIG; Questar Gas Testing Unit MIRU; Pull gas sample & run annalis on sample; Nip up BOP; POOH w/(99) jts 2-7/8" tbg, (1) 2-7/8" seat nipple; (1) 2-7/8" tbg; RIH w/Hydrostatic Bailer & (100) jts 2-7/8" tbg; Tag Frac Sand @ 2985'; Clean fill out of well to 3118'; (133' of fill); Protechnics Loggers w/Slickline Unit MIRU; Log well w/after frac spectra scan from 3090'-2700'; Protechnics Loggers w/Slickline Unit RDMO; Unload Universal 228 pumping unit & pad; SDFN.

ESTIMATED DAILY COST: \$14,102.00

ESTIMATED ACCUMULATED COST: \$321,770.00

**RECEIVED**

SEP 09 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)

0071

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, reenter plugged wells, or to drill horizontal interests. 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 #2-28

9. API NUMBER:  
43-007-30854

10. FIELD AND POOL, OR WILDCAT:  
Wildcat

COUNTY: CARBON

STATE: UTAH

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: 400 TSL 547 DWL  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 28 12S 12E SLB&M

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
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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

RECEIVED  
SEP 23 2002  
DIVISION OF  
OIL, GAS AND MINING

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

SIGNATURE *Diane Koch* DATE 9-20-02

(This space for State use only)

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 COUNTY: Carbon STATE: Utah API #: 43 007 30854

Page 4 of 4  
 O/A #7401-002-1  
 ELEV: ' GR  
 FIELD: Wildcat

09/06/02: (RCE) SI Press 5-1/2" csg 75 PSIG; SI Press 2-7/8" tbg 10 PSIG; Questar Gas Testing Unit MIRU; Pull gas sample & run annalis on sample; Nip up BOP; POOH w/(99) jts 2-7/8" tbg, (1) 2-7/8" seat nipple; (1) 2-7/8" tbg; RIH w/Hydrostatic Bailer & (100) jts 2-7/8" tbg; Tag Frac Sand @ 2985'; Clean fill out of well to 3118'; (133' of fill); Protechnics Loggers w/Slickline Unit MIRU; Log well w/after frac spectra scan from 3090'-2700'; Protechnics Loggers w/Slickline Unit RDMO; Unload Universal 228 pumping unit & pad; SDFN.

ESTIMATED DAILY COST: \$14,102.00

ESTIMATED ACCUMULATED COST: \$321,770.00

09/09/02: (RCE) 5 12" SI 0 PSIG; 2 7/8" SI 0 PSIG; RIH w/(1) jt 2-7/8" tbg w/ bull-plug,(1) 4' x 2 7/8" perforated sub, (1) 2 1/2" x 2 1/4" x 20' THC Pump Barrel w/ 10' x 1 1/4" gas anchor & (100) jts 2-7/8" tbg meas 3035'; EOT @ 3049' KB; ND BOP's; Land Tbg;RIH w/(1) 2-1/4"x2' plunger, (118) 7/8" "D" guided rods, (1) 8', (1) 6', (1) 2'x7/8" pony rods & (1) 1-1/2"x26' polish rod; Stroke pump w/ rig to 1000 PSIG; Clamp off polish rod 10" from tag; SDFN.

ESTIMATED DAILY COST: \$9487.00

ESTIMATED ACCUMULATED COST: \$331,257.00

9/10/02: (RCE) Level & spread road base around wellhead;Set Universal 228 Pumping Unit on pad; Key Workover Rig RDMO.

ESTIMATED DAILY COST: \$22,386.00

ESTIMATED ACCUMULATED COST: \$353,643.00

09/12/02: (RCE) Relevel pumping unit pad; Mount & Install Engine,Sheaves & Belts on pumping unit; Repair horse head bracket & brake cable bracket; Hang off polish rod.

ESTIMATED DAILY COST: \$7322.00

ESTIMATED ACCUMULATED COST: \$360,965.00

09/17/02: (RCE) Plumb 2" wtr line from pumping unit flow tee to frac tank; Install 1" fuel line from wellhead to engine; SDFN.

ESTIMATED DAILY COST: \$2,121.00

ESTIMATED ACCUMULATED COST: \$363,086.00

09/18/02: (RCE) Install counter weights on pumping unit; Place well on pump 8 strokes per min, 86" stroke @ 3:00 PM, 09/17/02.

ESTIMATED DAILY COST: \$575.00

ESTIMATED ACCUMULATED COST: \$363,661.00

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SEP 23 2002

DISTRIBUTION:  
 J-W Dallas (PDW)

DIVISION OF  
 OIL GAS AND MINING

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

CONFIDENTIAL

**J-W OPERATING COMPANY**

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

November 19, 2002

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

**RE: Form 8**

**Soldier Creek #5-28 (Sec. 28-T12S-R12E)**

**Soldier Creek #2-28 (Sec. 28-T12S-R12E)**

**Soldier Creek #6-32 (Sec. 32-T12S-R12E)**

**Carbon County, Utah**

Gentlemen:

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

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

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

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

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

Sincerely,



Robert Eller  
Engineer

Cc: Well File

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NOV 21 2002

DIVISION OF  
OIL, GAS AND MINING

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

AMENDED REPORT  FORM 8  
(highlight changes)

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

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

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

2. NAME OF OPERATOR:  
**J-W OPERATING COMPANY**

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

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: 400' FSL & 647' FWL  
AT TOP PRODUCING INTERVAL REPORTED BELOW:  
AT TOTAL DEPTH:

14. DATE SPUNDED: 6/25/2002 15. DATE T.D. REACHED: 7/28/2002 16. DATE COMPLETED: 9/9/2002

18. TOTAL DEPTH: MD 3,160 TVD 19. PLUG BACK T.D.: MD 3,112 TVD 20. IF MULTIPLE COMPLETIONS, HOW MANY? \*

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

23. WAS WELL CORED? NO  YES  (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
12-1/4"	8-5/8 J-55	24	0	544		PREM 275	68	SURF(CIRC)	
7-7/8"	5-1/2 J-55	17	0	3,148		G 150	50	2000'(CBL)	

**25. TUBING RECORD**

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2.875	3,049							

26. PRODUCING INTERVALS					27. PERFORATION RECORD				
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) GILSON	2,948	2,960			2,948 2,960	0.47	48	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B) BLKHK/BGH								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
2948-2960	Used a total of 914 BBLs 2% KCL water and 75020# 20/40 sand. Traced 11,000 gal pad w/ (5) mci SB-124; 30,000# 1-3#/gal sand w/ (11) mci SC-46 & 45020# 4-5#/gal sand w/ (20) mci IR-192.

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: **PUMPING**

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31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 9/18/2002		TEST DATE: 9/18/2002		HOURS TESTED: 24		TEST PRODUCTION RATES: <input type="checkbox"/>		OIL - BBL: 0	GAS - MCF: 0	WATER - BBL: 388	PROD. METHOD: P.U.
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: <input type="checkbox"/>		OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
U. SUNNYSIDE	2,736	2,766	CORE WELL; REC 11' CORE	PRICE RIVER CASTLE GATE BLACK HAWK	1,977 2,323 2,490
				GILSON KENNILWORTH	2,948 3,058

35. ADDITIONAL REMARKS (Include plugging procedure)

WELL IS CURRENTLY PUMPING VIA PUMPING UNIT.

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

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

This report must be submitted within 30 days of

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

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

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

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

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

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NOV 21 2002

DIVISION OF  
 OIL, GAS AND MINING

# J-W OPERATING COMPANY

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

OIL AND GAS PROPERTY MANAGEMENT

PHONE 970 332-3151

March 19, 2003

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

RE: FORM 9 SUNDRY NOTICE REPORT  
Soldier Creek #2-28  
SW-SW/4 Sec.28 T12S-R12E  
Carbon County, Utah

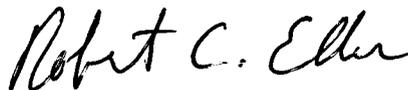
Gentlemen:

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

Should you have any questions or require additional information regarding the Soldier Creek #2-28 well, please do not hesitate to contact this office.

Sincerely,

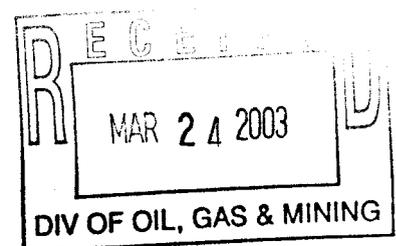
J-W OPERATING COMPANY



Robert C. Eller  
Engineer

Encls.

cc: Well File  
File - RCE  
Dallas File



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.

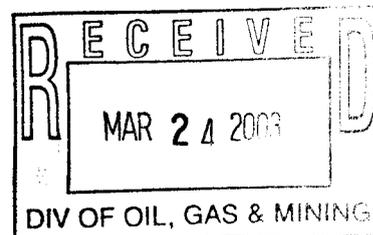
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>PATENTED</b>
2. NAME OF OPERATOR: <b>J-W OPERATING COMPANY</b>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>
3. ADDRESS OF OPERATOR: P.O. BOX 305 CITY <b>WRAY</b> STATE <b>CO</b> ZIP <b>80758</b>		7. UNIT or CA AGREEMENT NAME: <b>N/A</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>400' FSL &amp; 647' FWL</b>		8. WELL NAME and NUMBER: <b>SOLDIER CREEK #2-28</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSW 28 12S 12E</b>		9. API NUMBER: <b>4300730854</b>
COUNTY: <b>CARBON</b>		10. FIELD AND POOL, OR WILDCAT: <b>SOLDIER CREEK</b>
STATE: <b>UTAH</b>		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input 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.

RESUMED PRODUCTION ON THE SOLDIER CREEK #2-28 ON MARCH 11, 2003.



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

(This space for State use only)

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: PATENTED
2. NAME OF OPERATOR: J-W OPERATING COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P.O. BOX 305 CITY WRAY STATE CO ZIP 80758		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 400' FSL & 647' FWL COUNTY: CARBON QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 28 12S 12E STATE: UTAH		8. WELL NAME and NUMBER: SOLDIER CREEK #2-28
PHONE NUMBER: (970) 332-3151		9. API NUMBER: 4300730854
		10. FIELD AND POOL, OR WILDCAT: WILDCAT

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 12/4/2002	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input checked="" type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Well was Shut-In on 12/4/02 due to water disposal issues.

RECEIVED

DIV. OF OIL, GAS & MINING

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

(This space for State use only)

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: UT-007-00001-001
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 #2-28
3. ADDRESS OF OPERATOR: 7074 S Revere Parkway Centennial CO 80112		9. API NUMBER: 4300730854
PHONE NUMBER: (720) 385-3077		10. FIELD AND POOL, OR WILDCAT: Soldier Creek
4. LOCATION OF WELL FOOTAGES AT SURFACE: 400' FSL & 647' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW <sup>28</sup> 12S 12E S		COUNTY: Carbon STATE: UTAH

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

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

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

Successfully replaced downhole pump at 3044' KB.

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**BBC  
CONFIDENTIAL**

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

<b>SUBMIT IN TRIPLICATE- Other instructions on reverse side.</b>		5. Lease Serial No. <b>UTU 73896</b>
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>Bill Barrett Corporation</b>		7. If Unit or CA/Agreement, Name and/or No. <b>Prickly Pear Unit</b>
3a. Address <b>1099 18th Street, Suite 2300, Denver, CO 80202</b>		8. Well Name and No. <b>Prickly Pear Unit Fed #7-25</b>
3b. Phone No. (include area code) <b>303-312-8168</b>		9. API Well No. <b>4300730954</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>2115' FNL, 2063' FEL, SWNE, Sec. 25-T12S-R15E</b>		10. Field and Pool, or Exploratory Area <b>Prickly Pear Unit/Mesaverde</b>
		11. County or Parish, State <b>Carbon, UT</b>

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

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

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

**WEEKLY COMPLETION REPORT FROM 12/21/05 - 12/23/05.**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) <b>Matt Barber</b>	Title <b>Permit Analyst</b>
Signature <i>Matt Barber</i>	Date <b>12/24/2005</b>

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

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

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

(Instructions on page 2)

**RECEIVED  
JAN 17 2006**

# REGULATORY COMPLETION SUMMARY



Bill Barrett Corporation

Well Name : Prickly Pear Unit Fed #7-25-12-15

API : 43-007-30954

Area : West Tavaputs

Ops Date : 12/23/2005 Report # : 22

Summary : Flow back stage 2-3. Plug Perf Stage 4, frac stage 4. Flow back. RDMO Frac and BWWC.

End Time	Description
7:00:00 AM	Flow back stage 2-3 FCP 50 psi recovered 105 bbl in 16 hours avg. 6.56 BPM. 972 bbl left to recover
7:15:00 AM	Black Warrior EL. Stage 4 Price River. Pickup 10 perf gun with HES CFP RIH correlate to short joint run to depth set CFP @ 6840 pickup perforate Price River @ 6770-6780 3JSPF 120 phasing 25 gram shot .420 hole POOH turn well over to Frac
10:35:00 AM	70 Q Foam frac Stage 4 Price River. Load Break@ 5456 @ 5.7 BPM. Avg. Wellhead Rate: 17.4 BPM. Avg. Slurry Rate: 7 BPM. Avg. CO2 Rate: 9.7 BPM. Avg. Pressure: 4836 PSI. Max. Wellhead Rate: 18.52 BPM. Max. Slurry Rate: 7.8 BPM. Max. CO2 Rate: 10.7 BPM. Max. Pressure: 5793 BPM. Total Fluid Pumped: 5,099 Gal. Total Sand in Formation: 16,000 lb. screened out frac 8500 lbs in wellbore. (20/40 White Sand) CO2 Downhole: 50 tons, CO2 Cooldown: 5 tons. ISIP: N/A Frac Gradient: 0.44 psi/ft. pressure increased when 3# sand hit formation. cut sand off cut rate and pumps kicked out. tried to push frac away pressured up to max PSI pumps kicked out.( left 85 sacks of sand in wellbore. 160 sacks
12:00:00 PM	Flow back stages 2-4 850 PSi on 18ck. flowing heavy sand and foam
1:30:00 PM	rig down HES Frac and Black Warrior EL. move back to Prickly Pear 7-33
11:59:00 PM	flow stages 2-4

# REGULATORY COMPLETION SUMMARY



Well Name : Prickly Pear Unit Fed #7-25-12-15

API : 43-007-30954

Area : West Tavaputs

Ops Date : 12/22/2005 Report # : 21

Summary : Flow back stage 2. Plug & Perf Stage 3.  
frac stage 3. flow back stages 2-3

End Time	Description
7:00:00 AM	Flow stage 2. FCP 20 psi recovered 98 bbl in 12 hours avg. of 8 16 BPH. 503 bbl left to recover.
8:00:00 AM	Rig Black Warrior EL stage 3 Price River. Pickup HES CFP 6ft. perf gun 4ft. perf gun RIH correlate to short joint run to setting depth check depth to casing collar set HES CFP @ 7050 ft. pickup perforate Price River at 7009-7015 and 6986-6990 3JSPF 120 phasing 25 gram shot .420 hole. POOH
9:00:00 AM	wait for BOC and Halliburton frac crew.
10:30:00 AM	Halliburton crew on loc. repack grizzly CO2 pump fluid end. 11:00 AM Frac Time
12:30:00 PM	Pressure test pump lines
12:45:00 PM	Frac Stage 3 Price River, start pad CO2 pump truck grizzly packing not holding to pump CO2 shut down.
1:00:00 PM	repaired Grizzly pump packing nose cone seal
1:10:00 PM	Start Frac stage 3. repaired pump resumed pumping pad. had problems getting CO2 Rate. Quality during pad was approximately 62 %. Avg. Wellhead Rate: 33.1 BPM. Avg. Slurry Rate: 14 BPM. Avg. CO2 Rate: 17.7 BPM. Avg. Pressure: 4783 PSI. Max. Wellhead Rate: 38.9 BPM. Max. Slurry Rate: 18.6 BPM. Max. CO2 Rate: 24 bpm. Max. Pressure: 5818 PSI. Total Fluid Pumped: 17,231 gal. Total Sand in Formation: 80,400 lb. (20/40 White Sand) CO2 Downhole: 138 tons. CO2 Cooledown: 10 ton. ISIP: 3,570 psi. Frac Gradient: 0.95 psi/ft. on stage 4 lost booster flow meter and was showing 20 Quality. successfully flushed wellbore with 50Q foam 30 bbl over flush with 500 gal fluid cap.
2:30:00 PM	Flow stages 2&3 2900 psi. on 18/64 ck. 1077 bbl to recover.
11:59:00 PM	flow stages 2&3

# REGULATORY COMPLETION SUMMARY



Well Name : Prickly Pear Unit Fed #7-25-12-15

API : 43-007-30954

Area : West Tavaputs

Ops Date : 12/21/2005 Report # : 20

Summary : MIRU BWWC Set CIBP and bail two sacks cement. Perf Stage 2 P.R. MIRU HES Frac. frac stage 2. Flow back

End Time	Description
7:00:00 AM	MIRU BWWC EL. Set cast Iron Bridge Plug @ 7150 ft. POOH blow down casing 1300 psi 25% CO2 & trace of sand. bail two sacks Portland type 2 cement commercial grade on plug.
11:00:00 AM	Stage 2 Price River. pickup 4ft and 5 ft perf gun RIH correlate to short joint run to depth check depth to casing collar Perforate Price River @ 7105-7110 pickup perf @ 7074-7078 3JSPF 120 phasing 25 gram shot .420 hole.
10:30:00 AM	frac crew was to start @ 10:30 AM wait on Halliburton frac equipment started on loc at 12:45 PM rigged up at 3:45 PM.
3:45:00 PM	Pressure test. Frac Stage 2 Price River: Load Break @ 5375 @ 5.9 PM. Avg. Wellhead Rate: 35 BPM. Avg Slurry Rate: 14 BPM. Avg. CO2 Rate: 19.4 BPM. Avg. Pressure: 4687 PSI. Max. Wellhead Rate: 38.4 BPM. Max. Slurry Rate: 17.4 BPM. Max. CO2 Rate: 23.8 BPM. Max. Pressure: 5375 PSI. Total Fluid Pumped: 18,258 gal. Total Sand in Formation:80,200 LB. (20/40 White Sand) CO2 Down Hole: 140 tons CO2 Cooldown: 10 tons. ISIP: 3,320 PSI. Frac Gradient: 0.91 psi/ft. had trouble with flow meter on CO2 meter to read correctly during load and break. had trouble establishing solid rate on liquid until halfway through pad. Successfully flushed wellbore with 50 Q foam 30 bbl over flush with 50
7:00:00 PM	Start flow back stage 2. 2900 psi on 18 ck. 601 bbl to recover.
11:59:00 PM	flow stage 2

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**BBC  
CONFIDENTIAL**

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No <b>UTU 73896</b>
2. Name of Operator <b>Bill Barrett Corporation</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>1099 18th Street, Suite 2300, Denver, CO 80202</b>	3b. Phone No. (include area code) <b>303-312-8168</b>	7. If Unit or CA/Agreement, Name and/or No. <b>Prickly Pear Unit</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>2115' FNL, 2063' FEL, SWNE, Sec. 25-T12S-R15E</b>		8. Well Name and No <b>Prickly Pear Unit Fed #7-25</b>
		9. API Well No. <b>4300730954</b>
		10. Field and Pool, or Exploratory Area <b>Prickly Pear Unit/Mesaverde</b>
		11. County or Parish, State <b>Carbon, UT</b>

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

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

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

**WEEKLY COMPLETION REPORT FROM 12/24/05 - 12/28/05.**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) <b>Matt Barber</b>	Title <b>Permit Analyst</b>
Signature <i>Matt Barber</i>	Date <b>12/29/2005</b>

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

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

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

(Instructions on page 2)

**RECEIVED**

**JAN 17 2006**

# REGULATORY COMPLETION SUMMARY



Well Name : Prickly Pear Unit Fed #7-25-12-15

API : 43-007-30954

Area : West Tavaputs

Ops Date : 12/28/2005 Report # : 27

End Time Description

Summary : flow back stages 2-4

7:00:00 AM Stages 2-4 FCP 20 psi on 32 ck Dry flow

2:00:00 PM shut in build pressure try to unload sand and water

11:59:00 PM seven hour shut in 650 psi open well dry to light mist

Well Name : Prickly Pear Unit Fed #7-25-12-15

API : 43-007-30954

Area : West Tavaputs

Ops Date : 12/27/2005 Report # : 26

End Time Description

Summary : Flow back stages 2-4

7:00:00 AM Stages 2-4 FCP 20 psi on 20 ck. dry flow 1174 bbl left to recover

11:59:00 PM flow stages 2-4

Well Name : Prickly Pear Unit Fed #7-25-12-15

API : 43-007-30954

Area : West Tavaputs

Ops Date : 12/26/2005 Report # : 25

End Time Description

Summary : Flow back stages 2-4

7:00:00 AM Flowing stages 2-4 FCP 20 psi on 20 and 32 chokes dry flow

3:00:00 PM shut in casing for 8 hour buildup

11:59:00 PM SICP 700 psi. open on 20 and 32 cks. dry flow no fluid recovered

Well Name : Prickly Pear Unit Fed #7-25-12-15

API : 43-007-30954

Area : West Tavaputs

Ops Date : 12/25/2005 Report # : 24

End Time Description

Summary : Flow back stage 2-4

7:00:00 AM Stage FCP 20 psi on 30 and 32 chokes. Dry flow. 1174 bbl left in well

flow back stages 2-4

Well Name : Prickly Pear Unit Fed #7-25-12-15

API : 43-007-30954

Area : West Tavaputs

Ops Date : 12/24/2005 Report # : 23

End Time Description

Summary : Flow back stages 2-4

7:00:00 AM Flow back stages 2-4 FCP 20 psi on 30&32 chokes. dry flow

11:59:00 PM flow and shut in build pressure try to flow sand out of wellbore

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**BBC  
CONFIDENTIAL**

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

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

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>UTU 73896</b>
2. Name of Operator <b>Bill Barrett Corporation</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>1099 18th Street, Suite 2300, Denver, CO 80202</b>	3b. Phone No. (include area code) <b>303-312-8168</b>	7. If Unit or CA/Agreement, Name and/or No. <b>Prickly Pear Unit</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>2115' FNL, 2063' FEL, SWNE, Sec. 25-T12S-R15E</b>		8. Well Name and No. <b>Prickly Pear Unit Fed #7-25</b>
		9. API Well No. <b>4300730954</b>
		10. Field and Pool, or Exploratory Area <b>Prickly Pear Unit/Mesaverde</b>
		11. County or Parish, State <b>Carbon, UT</b>

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

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

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

**WEEKLY COMPLETION REPORT FROM 12/29/05 - 1/08/06.**

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

**Matt Barber**

Title **Permit Analyst**

Signature: *Matt Barber*

Date

**01/09/2006**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office \_\_\_\_\_

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**RECEIVED**

(Instructions on page 2)

**JAN 17 2006**

**DIV. OF OIL, GAS & MINING**

# REGULATORY COMPLETION SUMMARY



Well Name : Prickly Pear Unit Fed #7-25-12-15

API : 43-007-30954

Area : West Tavaputs

Ops Date : 1/8/2006 Report # : 38

Summary : Pickup tbg and bt RIH clean out sand  
POOH

End Time	Description
7:00:00 AM	SICP 350, blow down pump 20 bbl
7:30:00 AM	PU 43/4 cone bit and bit sub 33/4 OD. with X & XN nipples tally in hole 211 joints tag sand @ 6577
1:00:00 PM	Rig up Weatherford foam unit
1:30:00 PM	start circ with foam air.start clean out could not wash sand pickup power swivel. drill hard sand to 6600 ft. clean out from 6600 to 6625 bit fail free TIH to 6840 220 joints to CFP stage 4. clean up well bore .
4:00:00 PM	rig down swivel. start out of hole laying down tbg. layed down 116 joints, bit @ 3220 for night.
5:30:00 PM	SI. drain up equipment for night

Well Name : Prickly Pear Unit Fed #7-25-12-15

API : 43-007-30954

Area : West Tavaputs

Ops Date : 1/7/2006 Report # : 37

Summary : SI, Rig BWWC RIH tag sand. RDMO  
BWWC, HES Frac equipment. MIRU  
Duco WSU and equipment to clean out  
sand over stage 5.

End Time	Description
7:00:00 AM	SICP 1200
7:00:00 AM	Black Warrior EL. RIH with CFP and perf guns correlate to short joint RIH tag sand @ 6570. 23 ft. above top perf of stage 5. POOH Blow down casing no fluid or sand.
10:00:00 AM	RD Black Warrior EL. move off loc. Rig down Halliburton Frac move off loc.
12:00:00 PM	Move in rig up Duco Well Service Unit
3:00:00 PM	Wait on trucks to move well service equipment.
4:00:00 PM	Move in rig pump and tank. BOPs. Weatherford Foam Unit
4:25:00 PM	pump 30 bbl top kill
5:30:00 PM	Nipple down Well Head Inc. Frac Head. Nipple up Weatherford BOPs. rig work floor
5:30:00 PM	SI

Well Name : Prickly Pear Unit Fed #7-25-12-15

API : 43-007-30954

Area : West Tavaputs

Ops Date : 1/6/2006 Report # : 36

Summary : MIRU HES, BWWC, BOC. RUN  
EL.Perf & plug stage 5. tag sand fill @  
6480 113 ft over perms. flow back stages  
2-4

End Time	Description
2:00:00 PM	MI HES Frac equipment
2:00:00 PM	rig up frac equipment. and BOC Gases
2:00:00 PM	rig Black Warrior. Pickup perf gun and HES CFP. RIH correlate to short joint RIH tag sand fill @ 6480 ft. 113 ft fill over stage 5 perms. @ 6593 POOH with EL and tools.
5:00:00 PM	SICP 1200 psi. open well on two 32/64 chokes. well blew down to 0 psi. recovered 10 bbl fluid. no flow
6:30:00 PM	well started to flow light mist with sand
11:59:00 PM	flow stages 2-4 light mist with trace of sand no chokes. Shut in casing

# REGULATORY COMPLETION SUMMARY



Well Name : Prickly Pear Unit Fed #7-25-12-15	API : 43-007-30954	Area : West Tavaputs	
Ops Date : 1/5/2006	Report # : 35	End Time	Description
Summary : SI			SI
Well Name : Prickly Pear Unit Fed #7-25-12-15	API : 43-007-30954	Area : West Tavaputs	
Ops Date : 1/4/2006	Report # : 34	End Time	Description
Summary : SI		7:00:00 AM	SI
			SI
Well Name : Prickly Pear Unit Fed #7-25-12-15	API : 43-007-30954	Area : West Tavaputs	
Ops Date : 1/3/2006	Report # : 33	End Time	Description
Summary : SI			SI
Well Name : Prickly Pear Unit Fed #7-25-12-15	API : 43-007-30954	Area : West Tavaputs	
Ops Date : 1/2/2006	Report # : 32	End Time	Description
Summary : SI			SI
Well Name : Prickly Pear Unit Fed #7-25-12-15	API : 43-007-30954	Area : West Tavaputs	
Ops Date : 1/1/2006	Report # : 31	End Time	Description
Summary : Flow back stages 2-4		7:00:00 AM	Stages 2-4 FCP 20 PSi on 32 ck. dry flow
		11:59:00 PM	flow back stages 2-4
Well Name : Prickly Pear Unit Fed #7-25-12-15	API : 43-007-30954	Area : West Tavaputs	
Ops Date : 12/31/2005	Report # : 30	End Time	Description
Summary : Flow back stages 2-4		7:00:00 AM	Flow back stages 2-4 FCP 40psi. on 32 ck. Dry Flow
		11:59:00 PM	flow back stages 2-4
Well Name : Prickly Pear Unit Fed #7-25-12-15	API : 43-007-30954	Area : West Tavaputs	
Ops Date : 12/30/2005	Report # : 29	End Time	Description
Summary : Flow back stages 2-4		7:00:00 AM	Stages 2-4 FCP 20 psi. Dry to light mist. recovered 5 bbl in 24 hours 1174 bbl left to recover
		11:59:00 PM	flow stages 2-4
Well Name : Prickly Pear Unit Fed #7-25-12-15	API : 43-007-30954	Area : West Tavaputs	
Ops Date : 12/29/2005	Report # : 28	End Time	Description
Summary : Flow back stages 2-4		7:00:00 AM	stages 2-4 FCP 20 psi on 32 ck. dry flow 1174 bbl left to recover
		11:59:00 PM	flow stages 2-4

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

FORM 9

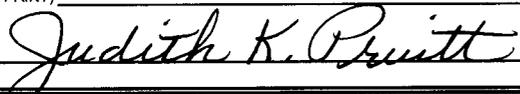
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UT-007-0001-001</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>n/a</b>
1. TYPE OF WELL    OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>n/a</b>
2. NAME OF OPERATOR: <b>J-W Operating Company</b>		8. WELL NAME and NUMBER: <b>Soldier Creek #2-28</b>
3. ADDRESS OF OPERATOR: <b>7074 S Revere Parkway</b> CITY <b>Centennial</b> STATE <b>CO</b> ZIP <b>80112</b>		9. API NUMBER: <b>4300730854</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>400' FSL &amp; 647' FWL</b>		10. FIELD AND POOL, OR WILDCAT: <b>WILDCAT</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSW 28 12S 12E 6</b>		COUNTY: <b>Carbon</b>
		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: <b>8/2/2006</b>	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>Shut In notice</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Well was shut in on August 2, 2006.

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

(This space for State use only)

**AUG 17 2006**



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

**OIL AND GAS PROPERTY MANAGEMENT**

August 15, 2006

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

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

Gentlemen:

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

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

Sincerely,

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

Judith K. Pruitt  
Engineering Technician

/jkp  
Enclosures

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

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UT-007-0001-001
2. NAME OF OPERATOR: J-W OPERATING COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 7074 S. Revere Parkway CITY Centennial STATE CO ZIP 80112		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 400' FSL & 647' FWL COUNTY: CARBON QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 28 12S 12E 6 STATE: UTAH		8. WELL NAME and NUMBER: SOLDIER CREEK # 2-28
PHONE NUMBER: (303) 422-4990		9. API NUMBER: 4300730854
		10. FIELD AND POOL, OR WILDCAT: WILDCAT

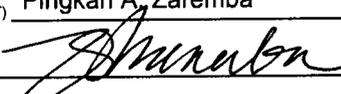
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 9/6/2006	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Well was placed on-line on September 6, 2006.

Operator have also resumed sampling the produced water.

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

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		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 # 2-28
3. ADDRESS OF OPERATOR: 7074 S REVERE PARKWAY CITY CENTENNIAL STATE CO ZIP 80112		9. API NUMBER: 4300730854
		10. FIELD AND POOL, OR WILDCAT: WILDCAT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 400' FSL & 647 FWL  QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 28 12S 12E 6		COUNTY: CARBON  STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input 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: 10/24/2006	<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 checked="" 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: <u>SHUT IN</u>

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

Well was shut in on October 24, 2006

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

(This space for State use only)

**RECEIVED**  
**OCT 30 2006**

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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4. LOCATION OF WELL FOOTAGES AT SURFACE: 400' FSL 647' FWL		8. WELL NAME and NUMBER: SOLDIER CREEK 2-28
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 28 12S 12E 6		9. API NUMBER: 4300730854
COUNTY: CARBON		10. FIELD AND POOL, OR WILDCAT: WILDCAT
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: <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
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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.

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

COPY SENT TO OPERATOR  
Date: 10/30/07  
Initials: RM

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

(This space for State use only) **APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING**

DATE: 10/26/07  
BY: D. S. [Signature] (See Instructions on Reverse Side)

\*See Conditions of Approval (Attached)

**RECEIVED**

OCT 09 2007

DIV. OF OIL, GAS & MINING

# J-W Operating Company

Soldier Creek No. 2-28  
400' FSL & 647' FWL, Section 28-T12S-R12E  
Soldier Creek Field, Carbon County, Utah  
API No. 43-007-30854  
PRESENT WELLBORE SCHEMATIC - 04/24/06

Ground Elevation = 7245'  
RKB = 7,259'

544'

12 1/4" Hole

**Surface Casing:**

8-5/8", 24#, J-55, ST&C  
Cmtd w/ 275 sks Premium + 2% CaCl  
1/4#/sx flo-cele, Circ (5) bbls to pit

**Tubing Detail:**

(from surf down)

(100) jts 2-7/8" 6.4# J-55 tbg  
(1) 2-1/2" x 2-1/4" x 16' THC pump barrel w/ 10' x 1-1/4" gas anchor  
(1) 4' x 2-7/8" pup jt  
(1) 4' x 2-7/8" perforated sub  
(1) jt 2-7/8" tbg w/ bull-plug (mud anchor)  
EOT @ 3044' KB

(1) 6' & (1) 2' x 7/8" pony rod at top  
(119) 7/8" Grade 'D' rods w/ guides

TOC @ 2000' CBL

7-7/8" Hole

(1) 2-1/4" x 4' plunger

(1) 4' x 7/8" slick rod

(1) 2-1/2" X 2-1/4" X 16' Pump Barrel  
w/ 10' x 1-1/4" gas anchor  
(1) 4' X 2-7/8" pup jt  
(1) 4' x 2-7/8" perforated sub

(48 Holes) 2948' - 2960'  
Re-perf on 1/13/05 (48 Holes) 120° Phase, 4 JSPP

Frac w/ 914 BBLs 14# crosslink gel & 75,020# 20/40 sand  
(1) mud anchor (1) jt 2-7/8" tbg w/ bull plug  
EOT @ 3044'

**Production Casing:**

5-1/2", 17#, J-55, LT&C SET @ 3148' KB  
Cmtd w/ (20) BBLs water spacer, 150 sxs Class 'G',  
3% salt, 2% CaCl using AFU shoe, (12) centralizers,  
(1) latch-down plug, (2) cmt baskets.

FC @ 3112'  
TD @ 3160'

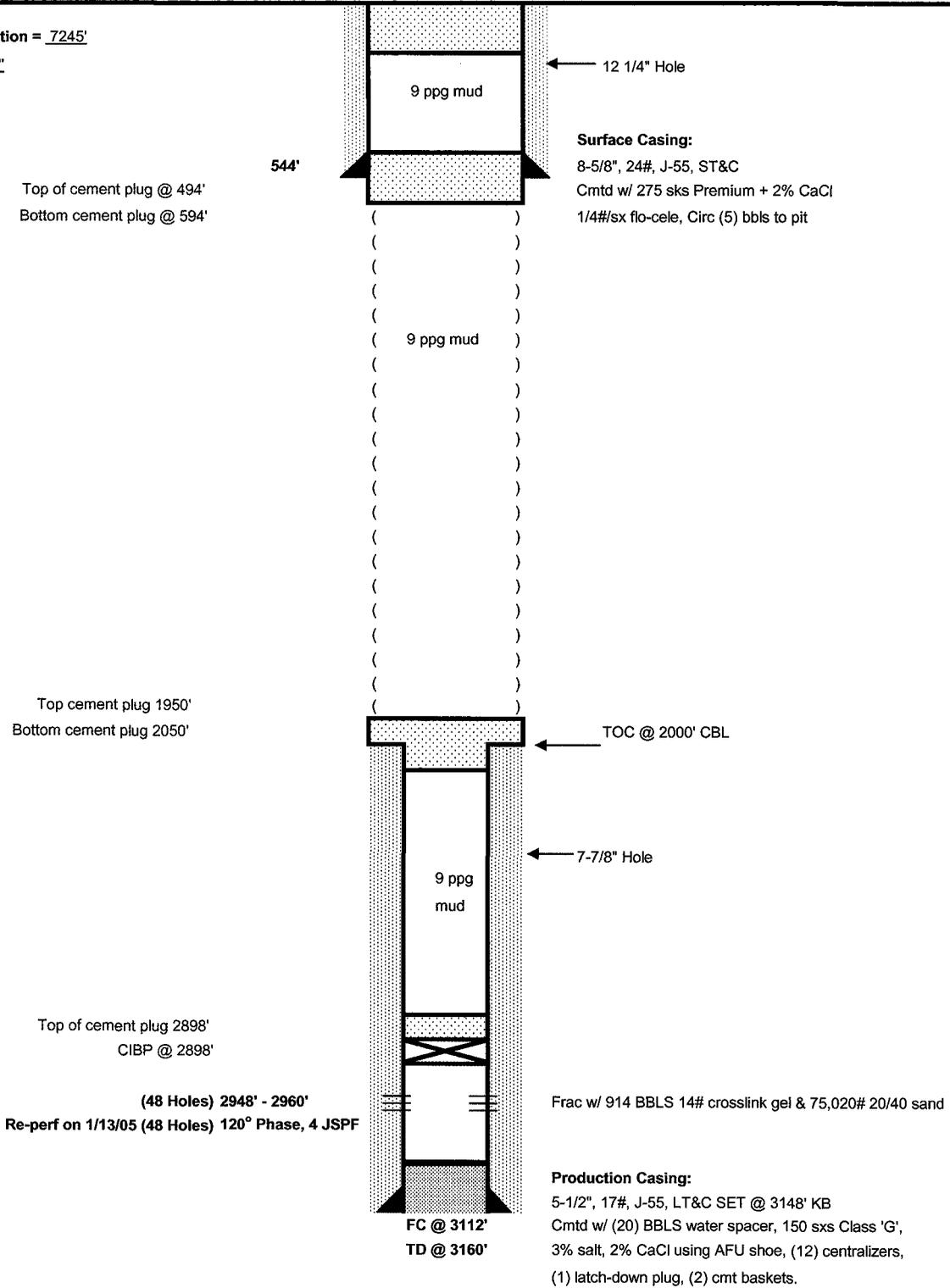
# J-W Operating Company

Soldier Creek No. 2-28  
400' FSL & 647' FWL, Section 28-T12S-R12E  
Soldier Creek Field, Carbon County, Utah  
API No. 43-007-30854

## PROPOSED WELLBORE SCHEMATIC - 9/04/07

Ground Elevation = 7245'

RKB = 7,259'



**J-W OPERATING COMPANY**  
**SOLDIER CREEK NO. 2-28**  
**API No. 43-007-30854**  
**400' FSL & 647' FWL, Section 28-T12S-R12E**  
**SOLDIER CREEK FIELD**  
**CARBON COUNTY, UTAH**

Date: 20 September 2007

AFE No.:

AFE Cost: \$51,047

Purpose: Plug and Abandon Procedure.

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

**Items needed :**

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

**Procedures:**

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

3. ND tree and NU BOP.
4. POOH w/ (1) 6' & (1) 2' x 7/8" pony rod, (119) 7/8" Grade D rods with guide, 2-1/4" x 4' plunger.
5. POOH (100) jts 2-7/8" 6.4# tbg J-55, (1) 2-1/2" x 2-1/4" x 16" THC pump barrel w/ 10' x 1-1/4" gas anchor, (1) 4' x 2-7/8" pup jt, (1) 4x2-7/8" perforated sub, (1) jt 2-7/8" tbg w/ bull plug. Stand back tubing.
6. MIRU wireline.
7. RIH wireline w/ lubricator and w/ 4.5" OD gauge ring and junk basket ± 3112' for clearance. POOH w/ gauge ring and junk basket.
8. PU and RIH with 5-1/2" CIBP. Set BP at +/- 2898' (+/- 50' above of the top perf at 3263') -Spot 12 sxs Class G Premium cement plug on top of CIBP (total height of cement plug will be 100', top of the cement plug approximately 2898').
9. ND BOP, Un-screw tubing head; MIRU casing jacks.
10. RU wireline; PU & RIH w/ 5-1/2" 17# jet casing cutter. Cut 5-1/2" casing at estimated TOC 2000'. POOH wireline. Lay down 5-1/2" 17# J-55 on the racks.
11. RIH w/ tubing 2-7/8" approximately ± 2898' and displace hole with (20 bbls) mud spacer 9 ppg from 2050'-2898'
12. Mix, pump and spot (100') 21 sxs Class G Premium cement plug from 1950'-2050'. Reverse circulation tubing clean w/ fresh water. POOH and lay down tubing to racks. While POOH with tubing, displace hole (82 bbls) with mud spaces 9 ppg from 594'-1950'
13. Mix, pump and spot (100') 30 sxs Class G Premium cement plug from 494'-594'. The cement plug will be 1/2 (± 50') inside casing and 1/2 (± 50'). Reverse circulation tubing clean w/ fresh water. POOH and lay down tubing to racks. While POOH with tubing, displace hole (25bbls) with mud spaces 9 ppg from 494'-100'.
14. Continue POOH to 100' LD 2-7/8" tubing. Mix and spot (± 100') 31 sxs Class G Premium cement plug from ± 4'-100'

15. POOH finish LD 2-7/8" tubing.
16. Cut wellhead 4' below ground level.
17. RDMO w/o rig.
18. Weld 1/4" thick steel plate over casing stub and install dry hole marker.
19. Remove Surface equipment from location.
20. Restore and reclaim the location.

-- ∞ --



State of Utah

Department of  
Natural Resources

MICHAEL R. STYLER  
*Executive Director*

Division of  
Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

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

Well Name and Number: Soldier Creek 2-28  
API Number: 43-007-30854  
Operator: J-W Operating Company  
Reference Document: Original Sundry Notice dated September 25, 2007,  
received by DOGM on October 9, 2007.

### Approval Conditions:

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

Dustin K. Doucet  
Petroleum Engineer

October 26, 2007

Date

# Wellbore Diagram

API Well No: 43-007-30854-00-00 Permit No:

Well Name/No: SOLDIER CREEK 2-28

Company Name: J-W OPERATING COMPANY

Location: Sec: 28 T: 12S R: 12E Spot: SWSW

Coordinates: X: 535041 Y: 4398800

Field Name: SOLDIER CREEK

County Name: CARBON

### String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity f/cf
HOLI	544	12.25			
SURF	544	8.625	24	544	2.797
HOL2	3148	7.875			
PROD	3148	5.5	17	3148	7.661
T1	3049	2.875			

Handwritten:  $(315 \times) (1.15) (2.797) = 100'$   
 o.k.  $7\frac{7}{8}"$  OH (202)  $\rightarrow$  2.0531

Cement from 544 ft. to surface

Surface: 8.625 in. @ 544 ft.

Hole: 12.25 in. @ 544 ft.

### Cement Information

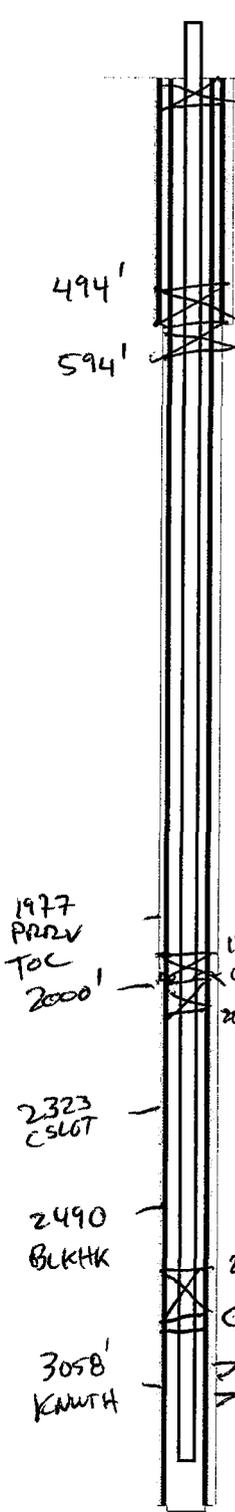
String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	3148	2000	G	150
SURF	544	0	PM	275

### Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
2948	2960			

### Formation Information

Formation	Depth
PRRV	1977
CSLGT	2323
BLKHK	2490
KNWTH	3058



Plug #4 (Step #14)

$(315 \times) (1.15) (2.797) = 100'$

Plug #3 (Step #13)

OH  $50' / (1.15) (2.0531) = 21.5 \times$

$8\frac{7}{8}"$   $(9.5 \times) (1.15) (2.797) = 29'$

\* 50' min required  
 TOC must be @ 494' minimum  
 (50' above surface shoe)  
 Tag Plug o.k.

Plug #2 (Step #12)

OH  $50' / (1.15) (7.661) = 6.5 \times$

OH  $(155 \times) (1.15) (2.0531) = 35'$

\* Plug req'de 2000' to 1950' if csg not tree

50' min req.  
 TOC must be @ 1950' min (50' above stub) Tag Plug o.k.

Plug #1 (Step #8)

$(125 \times) (1.15) (7.661) = 106'$

TOC @ 2798'

Cement from 3148 ft. to 2000 ft.

Tubing: 2.875 in. @ 3049 ft.

Production: 5.5 in. @ 3148 ft.

Hole: 7.875 in. @ 3148 ft.

Hole: Unknown

TD: 3160 TVD: 3160 PBD: 3112

**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:

7. UNIT or CA AGREEMENT 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.

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

8. WELL NAME and NUMBER:  
**Soldier Creek 2-28**

2. NAME OF OPERATOR:  
**J-W Operating Company**

9. API NUMBER:  
**4300730854**

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: **400 FSL 647' FWL**

COUNTY: **CARBON**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWSW 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: <b>11/8/2007</b>	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input 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.

Tubing stuck @ 2915' when trying to POOH.  
Shot tubing @ 2915' and left as fish.  
Set 5-1/2" CIBP @2898, Mix and pump 11 sxs cement Class G on top of CIBP @ 2898'-2888'.  
Pump 20 bbl 9 ppg mud spacer to 2050.  
Mix and pump 11 sxs cemet plug to 1950  
Pump 82 bbl 9 ppg mud spacer to 594'  
Perforate 4 sqz holes @ 594'  
Mix and pump 109 sxs cement plug Class G, pump from 594' all the way to surface include inside annulus.

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

**RECEIVED**  
**DEC 26 2007**

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Pingkan Zaremba

TITLE Engineering Tech

SIGNATURE *Pingkan Zaremba*

DATE 12/18/2007

(This space for State use only)

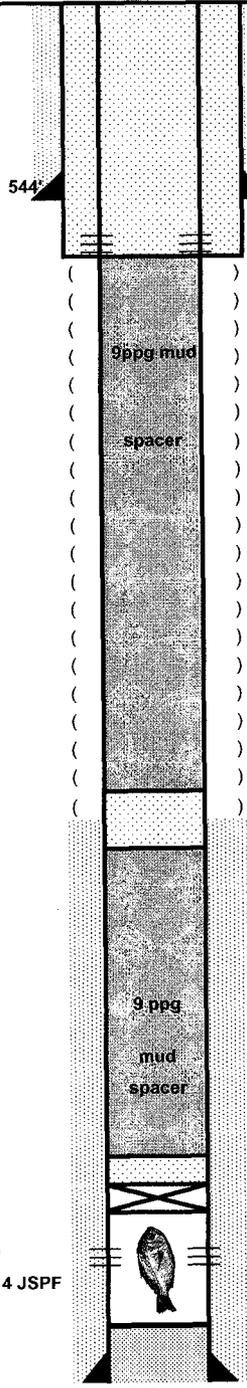
**J-W Operating Company**

**Soldier Creek No. 2-28**  
**400' FSL & 647' FWL, Section 28-T12S-R12E**  
**Soldier Creek Field, Carbon County, Utah**  
**API No. 43-007-30854**

**ACTUAL WELLBORE SCHEMATIC - 12/18/07**

Ground Elevation = 7245'  
RKB = 7,259"

Cement Plug from 594'  
109 sxs Class G  
Perf @ 594' with 4jspf



12 1/4" Hole

**Surface Casing:**

8-5/8", 24#, J-55, ST&C  
Cmtd w/ 275 sxs Premium + 2% CaCl  
1/4#/sx flo-cele, Circ (5) bbls to pit

544'

9 ppg mud

spacer

Cement Plug 1950'-2050'

TOC @ 2000' CBL

7-7/8" Hole

9 ppg  
mud  
spacer

Fish: (1) 2-7/8" tubing @ 2915'

Top of cement plug 2794'  
11 sxs cement Class G  
5-1/2" CIBP @ 2888'

(48 Holes) 2948' - 2960'

Re-perf on 1/13/05 (48 Holes) 120° Phase, 4 JSPP

Frac w/ 914 BBLs 14# crosslink gel & 75,020# 20/40 sand

**Production Casing:**

5-1/2", 17#, J-55, LT&C SET @ 3148' KB  
Cmtd w/ (20) BBLs water spacer, 150 sxs Class 'G',  
3% salt, 2% CaCl using AFU shoe, (12) centralizers,  
(1) latch-down plug, (2) cmt baskets.

FC @ 3112'  
TD @ 3160'

**RECEIVED**

**DEC 26 2007**

**DIV. OF OIL, GAS & MINING**



\*\*\*\*\*

**Customer Information**

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

\*\*\*\*\*

**Lease Information**

Lease Name	SOLDIER CREEK
Physical Location	WELLINGTON
County	CARBON
State	UTAH

\*\*\*\*\*

**Well Information**

Casing Size	2 3/8" TUBING	7" CASING
Casing Weight	4.7#	23#
Casing Connection	8 RD CSG	
Casing I.D.		
Hole Size	7 7/8"	
Calculated Annular Excess %		
BHST		
T.D.		
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 PNA
Service Center(s)	VERNAL
Bulk Location(s)	VERNAL
Supervisor(s)	KURY BUFFINGTON
Pumping Equipment	677
Auxillary Equipment	618
Time Called Out	11:00 AM
Time On Location	2:00 PM
Planned Time of Job	4 HRS
Weather Conditions	SUNNY

\*\*\*\*\*



{1} Primary - Job Log

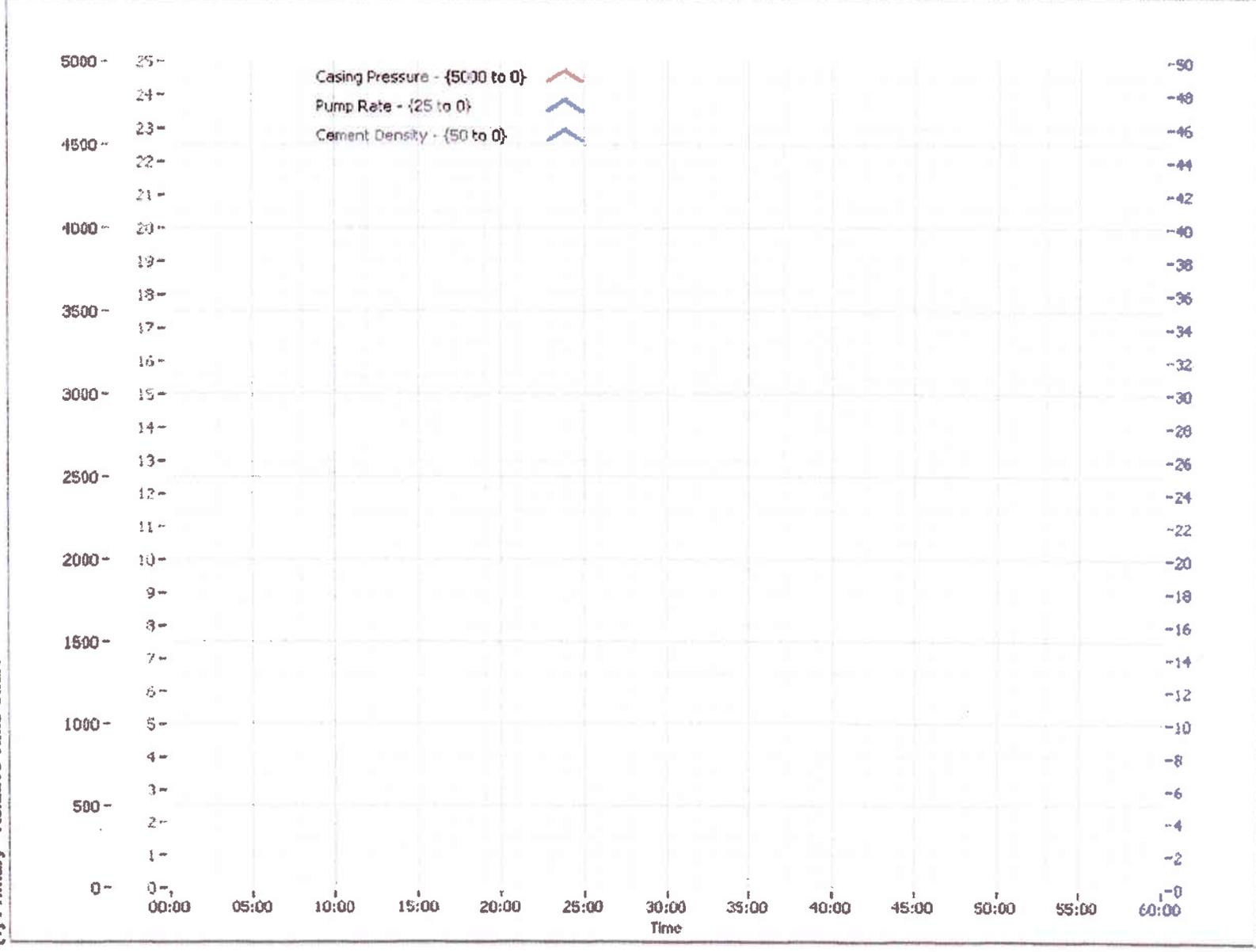
\*\*\*\*\*

{1} Primary - Units

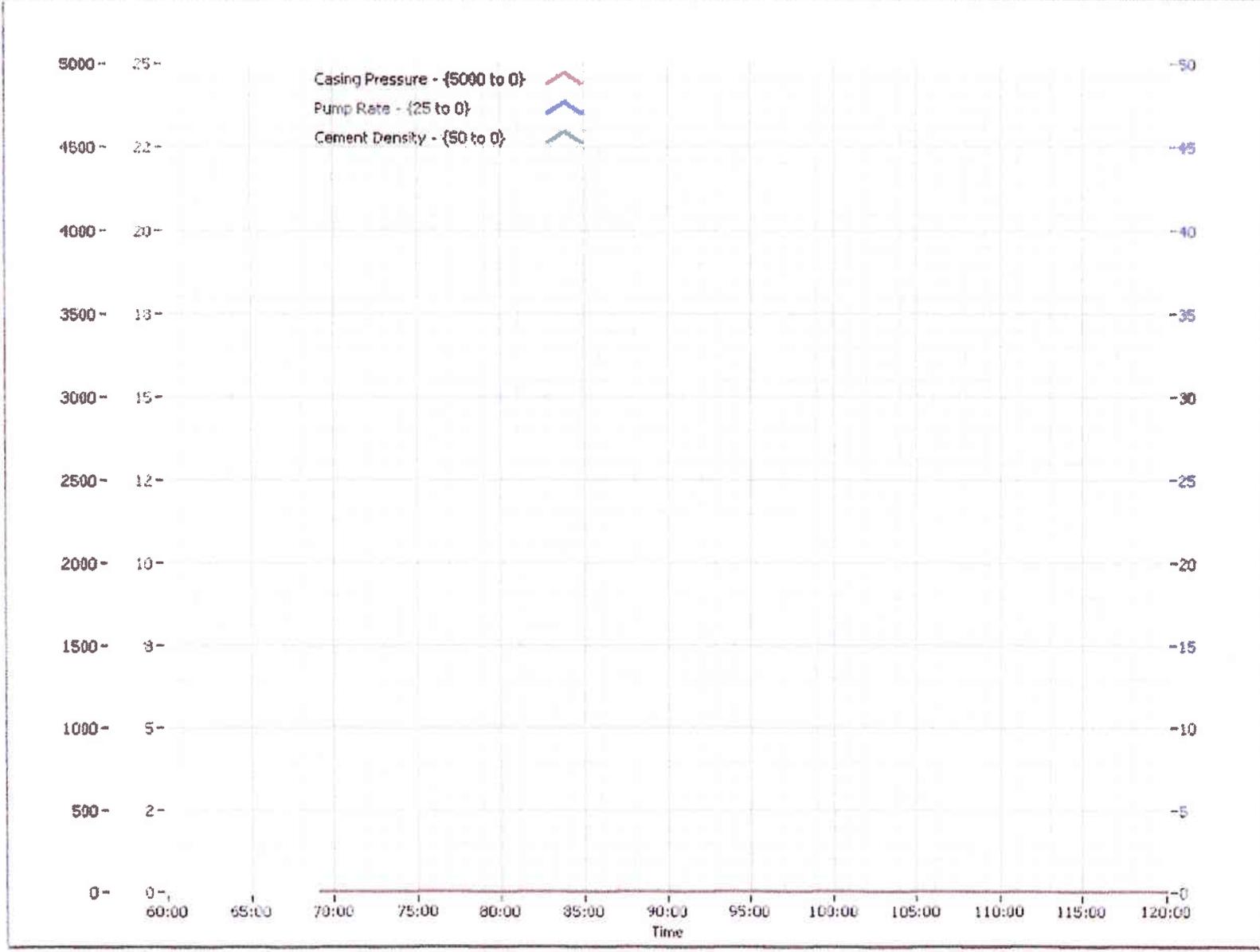
Casing Pressure	CASING-psi	psi
Pump Rate	PUMPf	bpm
Pump 1 Rate	PUMP1f	bpm
Pump 2 Rate	PUMP2f	bpm
Cement Density	DENSITY-ppg	ppg
Slurry Fluid Volume Stage	SLRY VOL STG-bbls	bbl
Slurry Fluid Volume Job	SLRY VOL TOT-bbls	bbl



(1) Primary - Relative Time Chart



29-000476-01-1-RT-1



29-000476-01-1-RT-2

\*\*\*\*\*

**Post Job Summary**

Pressure Test	2000
Initial Circulating Rate	3 BBLS
Initial Circulating Pressure	30 PSI
Lead Slurry Sacks	
Lead Slurry Volume	
Tail Slurry Sacks	
Tail Slurry Volume	
Bottom Plug Displacement	
Top Plug Displacement	
Cmt Vol Circulated to Surface	
Average Displacement Rate	
Final Circulating Rate	
Final Circulating Pressure	
Plug Bumped?	
Pressure When Plug Bumped	
Floats Hold?	



## JOB SUMMARY

CUSTOMER:  
WELL #:  
JOB TYPE:

J.W. OPERATING  
SOLDEIER CREEK 6-28  
P.T.A.

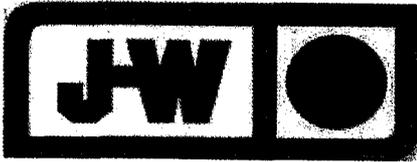
	TYPE	BBLs.	DENSITY
PRE FLUSH #1	FRESH	30	8.33

	ADDITIVES	DENSITY	YIELD	WATER
G CEMENT				
SKS.				
300	2%CACL2	15.8	1.15	5.2

	ADDITIVES	DENSITY	YIELD	WATER
SKS				



43-007-30854  
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 28<sup>th</sup>, 2007

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

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

Dear Sir/Madam,

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Pingkan Zaremba'.  
Pingkan Zaremba.

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

**RECEIVED**  
**DEC 31 2007**

**DIV. OF OIL, GAS & MINING**

## **The Plan for Reclamation of well sites and Emergency Evaporation Pit**

### **1. Plugged and Abandoned.**

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

### **2. Well Sites Restoration.**

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

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

### **3. Emergency Evaporation Pit Restoration**

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



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

*OIL AND GAS PROPERTY MANAGEMENT*

9 May 2008

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

Re: Soldier Creek Field Reclamation and Release Agreement

Dear Sir/Madam,

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

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

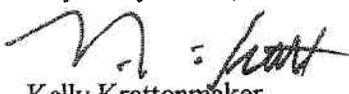
It has come to our attention that the Soldier Creek State #6-32 and Soldier Creek State #7-32H wells were inadvertently left off the captioned Surface Reclamation, Release, and Indemnity Agreement. The purpose of this letter is to amend such Agreement to include those wells and accurately reflect our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

