

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

001

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1A. Type of Work: DRILL  DEEPEN

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

2. Name of Operator: Klabzuba Oil and Gas, Inc.

3. Address and Telephone Number: 700 17th St., Ste. 1300, Denver, CO 80202 1-303-382-4443

4. Location of Well (Footages):  
At Surface: 1,452' FNL, 1,304' FEL 4384412 Y 39.61132  
At Proposed Producing Zone: 494428 X -111.06491

5. Lease Designation and Serial Number: ML-46537

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

7. Unit Agreement Name: N/A

8. Farm or Lease Name: Gordon Creek, State

9. Well Number: 1-18-14-8

10. Field or Pool, or Wildcat: Gordon Creek

11. Qtr/Qtr, Section, Township, Range, Meridian: SE/4 NE/4, Section 18, T14S, R8E, SLB&M

12. County: Carbon 13. State: Utah

14. Distance in miles and direction from nearest town or post office: 13.7 miles west of Price, Utah

15. Distance to nearest property or lease line (feet): 1,304'

16. Number of acres in lease: 1,679.36 acres

17. Number of acres assigned to this well: 40

18. Distance to nearest well, drilling, completed, or applied for, or 2,600'

19. Proposed Depth: +4,000'

20. Rotary or cable tools: Rotary

21. Elevations (show whether DF, RT, GR, etc.): 7,338' GR

22. Approximate date work will start: September, 2002

**PROPOSED CASING AND CEMENTING PROGRAM**

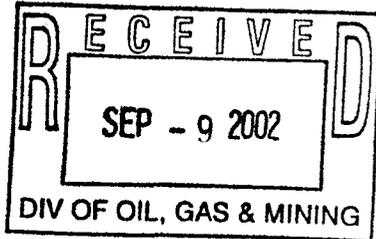
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" J-55 ST&C	24 #	2000'	300 sacks Class G cement + 2% CaCl <sub>2</sub> + 0.25 pps cellophane flakes
7-7/8"	5-1/2" J-55 ST&C	15.50 #	±4000'	230 sacks 50/50 pozmix + 8% gel + 10% salt + 0.25 pps cellophane flakes
				395 sacks Class G + 10-1 RFC + .25 pps cellophane flakes

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.\*

**Bond Information will be provided under separate cover from Klabzuba Oil and Gas, Inc.**

**Surface Owner:** State of Utah

**Landowner Representative:** SITLA; 675 East 500 South, SLC, Utah 84102-2818; 801-538-5100



Approved by the  
Utah Division of  
Oil, Gas and Mining

ORIGINAL

Date: 10-07-02  
By: [Signature]

CONFIDENTIAL

24. Name & Signature: Don Hamilton Don Hamilton Title: Agent for Klabzuba Date: 9-6-2002

(This space for state use only)

API Number Assigned: 43-007-30882

Approval:

# Range 8 East

(N89°49'E - 5253.60')

N88°58'42"E - 5247.02'

NORTHEAST CORNER

GC STATE 1-18-14-8  
ELEVATION 7338.2'

UTM  
N 4384629  
E 494415

1451.53'

1304.13'

18

S88°58'5"W - 1327.36'

S88°58'10"W - 1327.32'

(EAST - 5245.68')

S00°42'47"E - 5346.65'

Township 14 South

(N00°15'E - 5339.40')

### 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 7438' BEING AT THE SOUTHEAST SECTION CORNER OF SECTION 19, TOWNSHIP 14 SOUTH, RANGE 8 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE WATTIS QUADRANGLE 7.5 MINUTE SERIES MAP.

### Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE SE1/4 NE1/4 OF SECTION 18, T14S, R8E, SLB&M, BEING 1451.53' SOUTH AND 1304.13' WEST FROM THE NORTHEAST CORNER OF SECTION 18, T14S, R8E, SALT LAKE BASE & MERIDIAN.

### Surveyor's Certificate:

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



GRAPHIC SCALE

0 500' 1000'

( IN FEET )

1 inch = 1000 ft.

### LEGEND

● DRILL HOLE LOCATION

⊙ BRASS CAP (FOUND)

○ BRASS CAP (SEARCHED FOR, BUT NOT FOUND)

△ CALCULATED CORNER

( ) GLO

GPS MEASURED

⊠ MARKED SANDSTONE, ROCKPILES (FOUND)

### NOTE:

UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 83 DATUM.

LAT / LONG

39°36'41"  
111°03'54"



TALON RESOURCES, INC.

Price & Huntington, Utah

Phone (435)637-8781 Fax (435)636-8603

E-Mail talon@castlernet.com

KLABZUBA OIL & GAS

GC, STATE 1-18-14-8

Section 18, T14S, R8E, S.L.B.&M.

Carbon County, Utah

Drawn By:  
T.DAVIS

Drawing No.  
A-1

Sheet 1 of 4

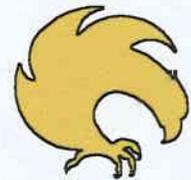
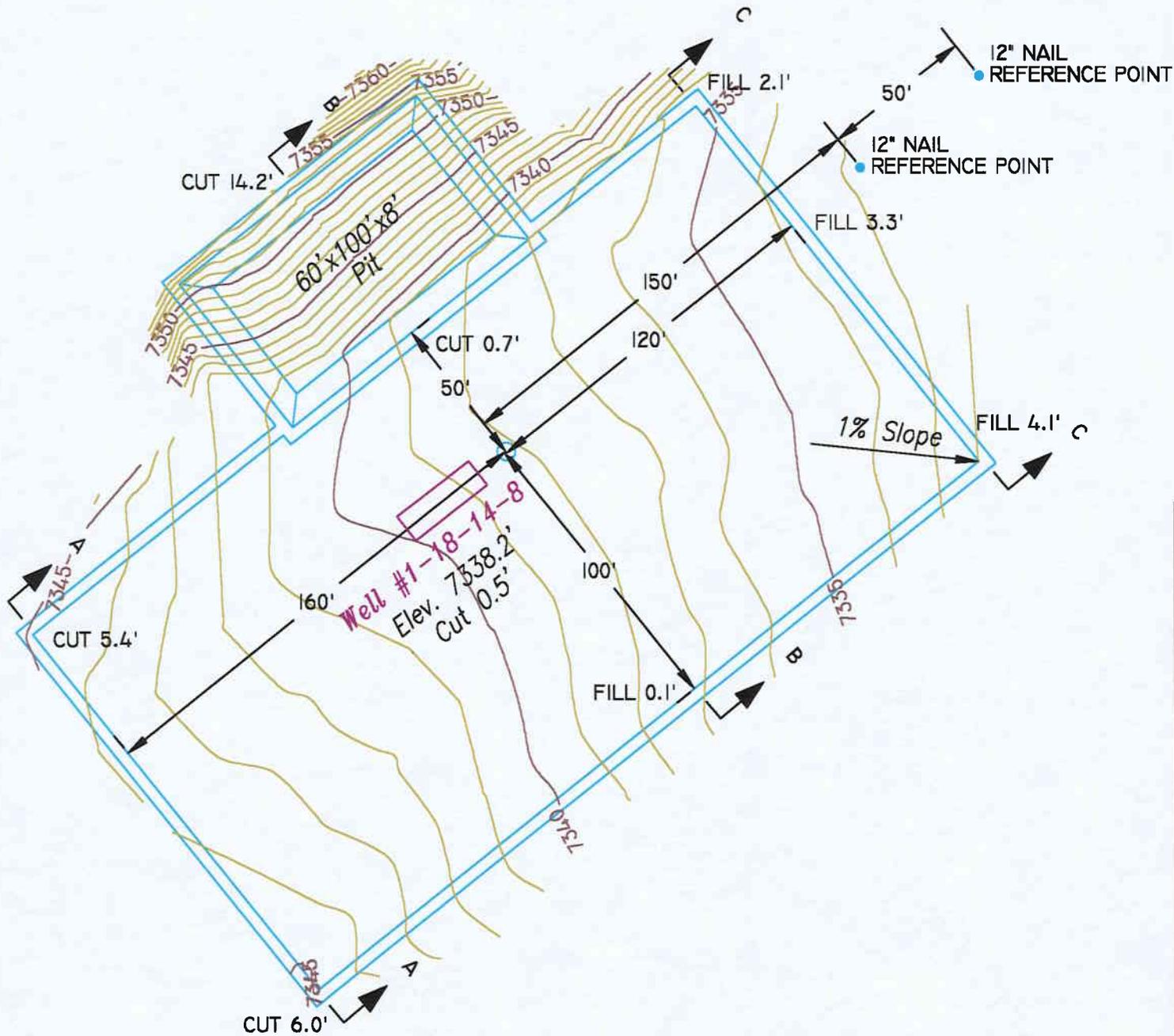
Checked By:  
L.W.J. / A.J.S

Date:  
9/4/02

Scale:  
1" = 1000'

Job No.  
526

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 7338.2'  
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 7337.7'

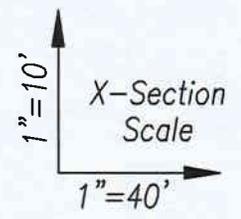
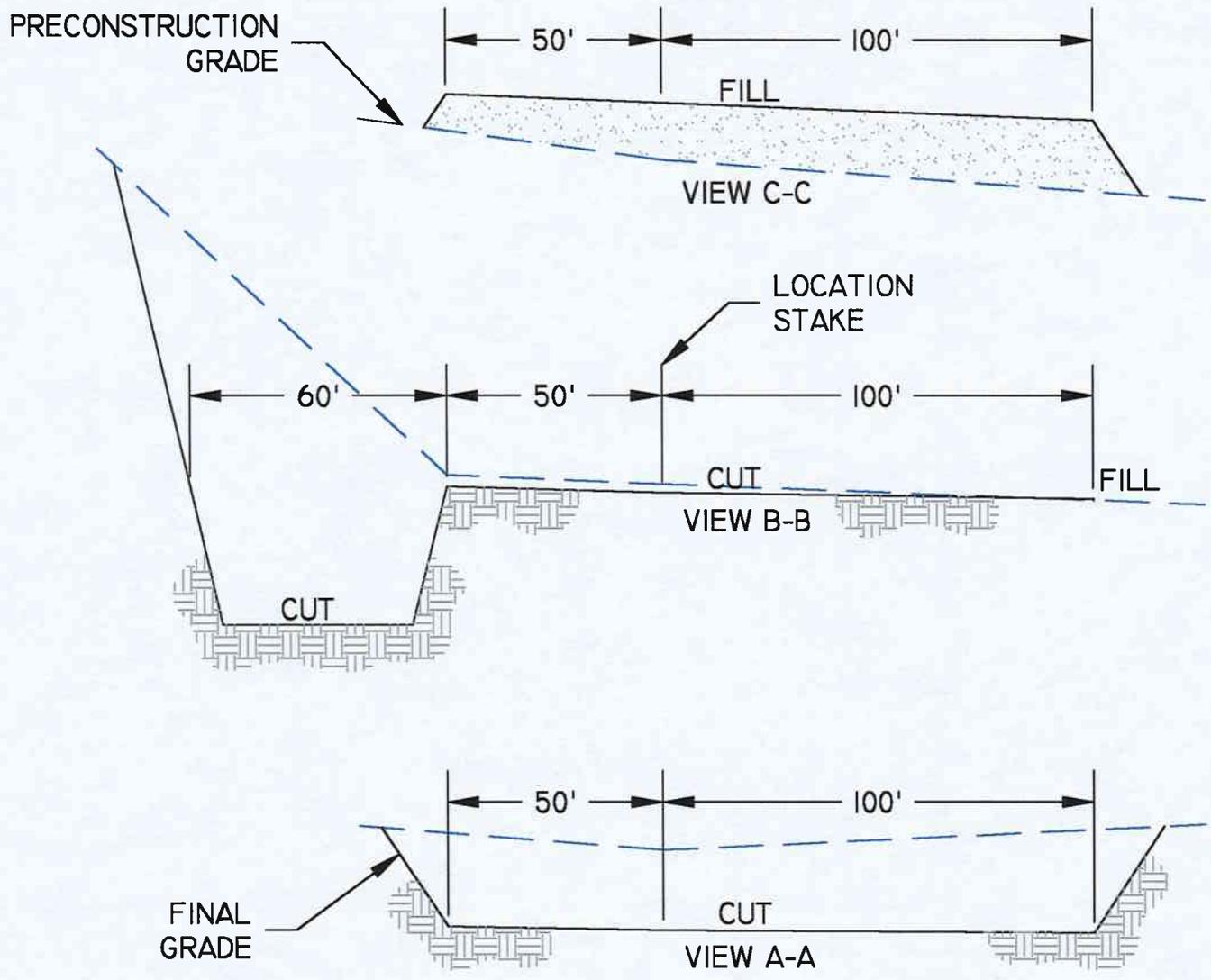


TALON RESOURCES, INC.

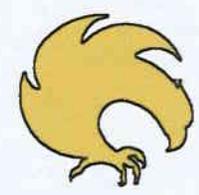
Price - Huntington, Utah  
 Phone (435)637-8781 Fax (435)636-8603  
 E-Mail talon@castlenet.com

**KLABZUBA OIL & GAS  
 LOCATION LAYOUT**  
 Section 18, T14S, R8E, S.L.B.&M.  
 WELL #1-18-14-8

Drawn By: T. DAVIS	Checked By: L.W.J.
Drawing No. A-2	Date: 8/30/02
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 526



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



TALON RESOURCES, INC

Price - Huntington, Utah  
 Phone (435)637-8781 Fax (435)636-8603  
 E-Mail taloncastlenet.com

KLABZUBA OIL & GAS  
 TYPICAL CROSS SECTION  
 Section 18, T14S, R8E, S.L.B.&M.  
 WELL #1-18-14-8

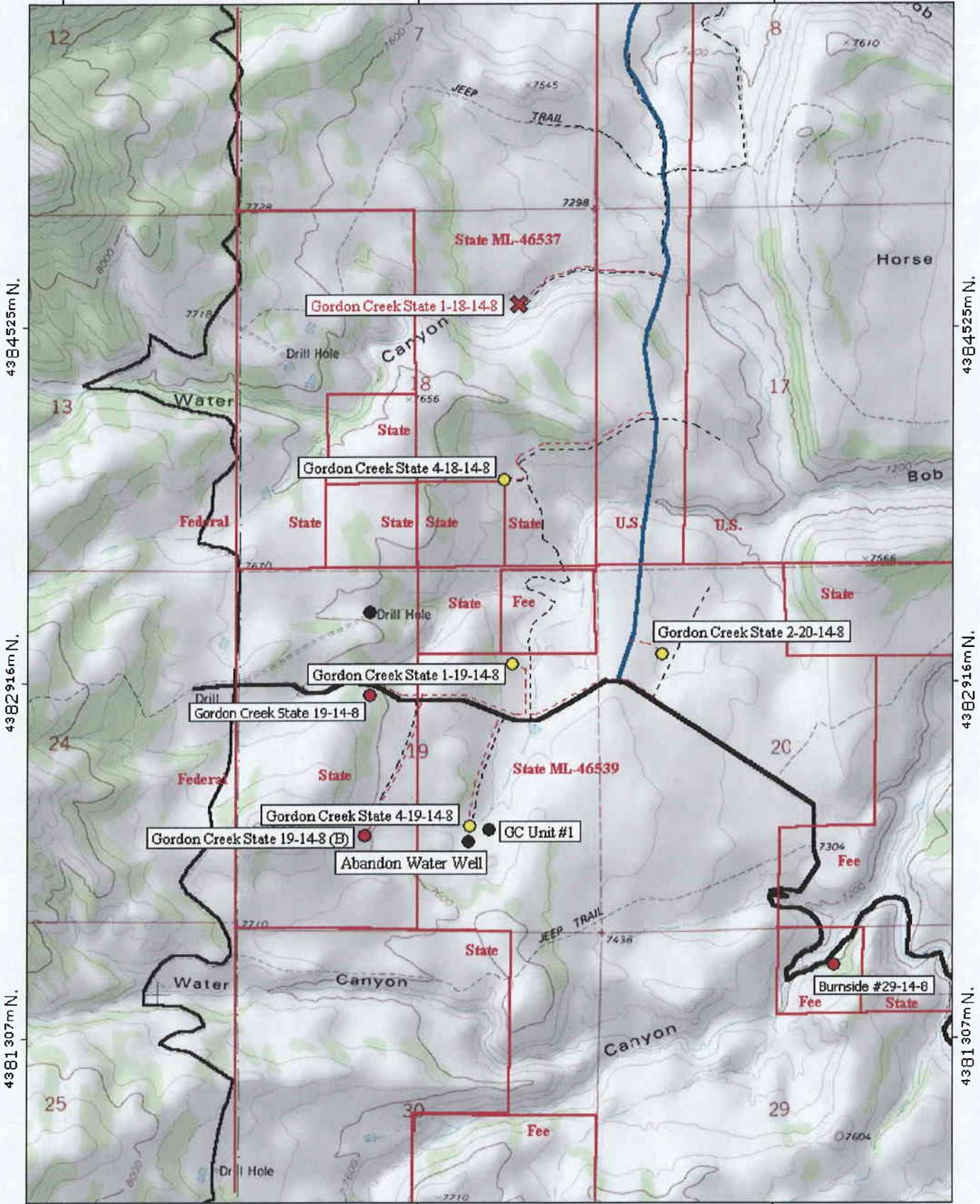
Drawn By: T. DAVIS	Checked By: L.W.J.
Drawing No. C-1	Date: 8/30/02
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 526

APPROXIMATE YARDAGES  
 CUT  
 (6") TOPSOIL STRIPPING = 750 CU. YDS.  
 REMAINING LOCATION = 2,585 CU, YDS.  
 TOTAL CUT = 5,825 CU. YDS.  
 TOTAL FILL = 1,125 CU. YDS.

492354m E.

493963m E.

WGS84 Zone 12S 495572m E.



4384525m N.

4382916m N.

4381307m N.

4384525m N.

4382916m N.

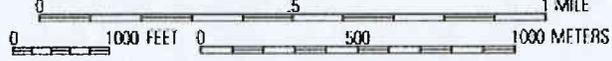
4381307m N.

492354m E.

493963m E.

WGS84 Zone 12S 495572m E.

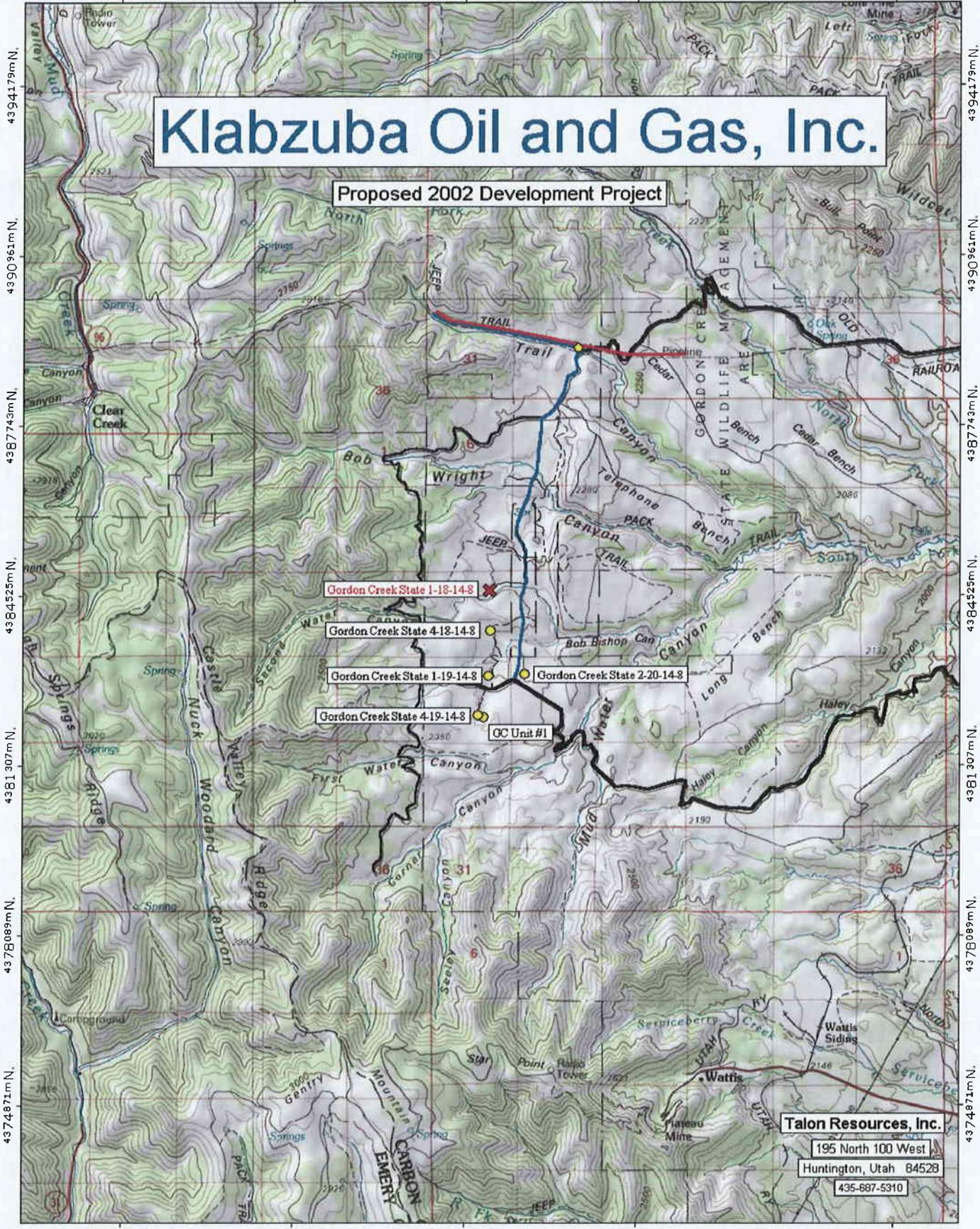
TN  
MN  
13°



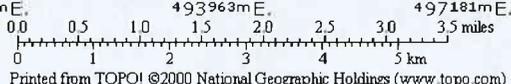
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# Klabzuba Oil and Gas, Inc.

## Proposed 2002 Development Project



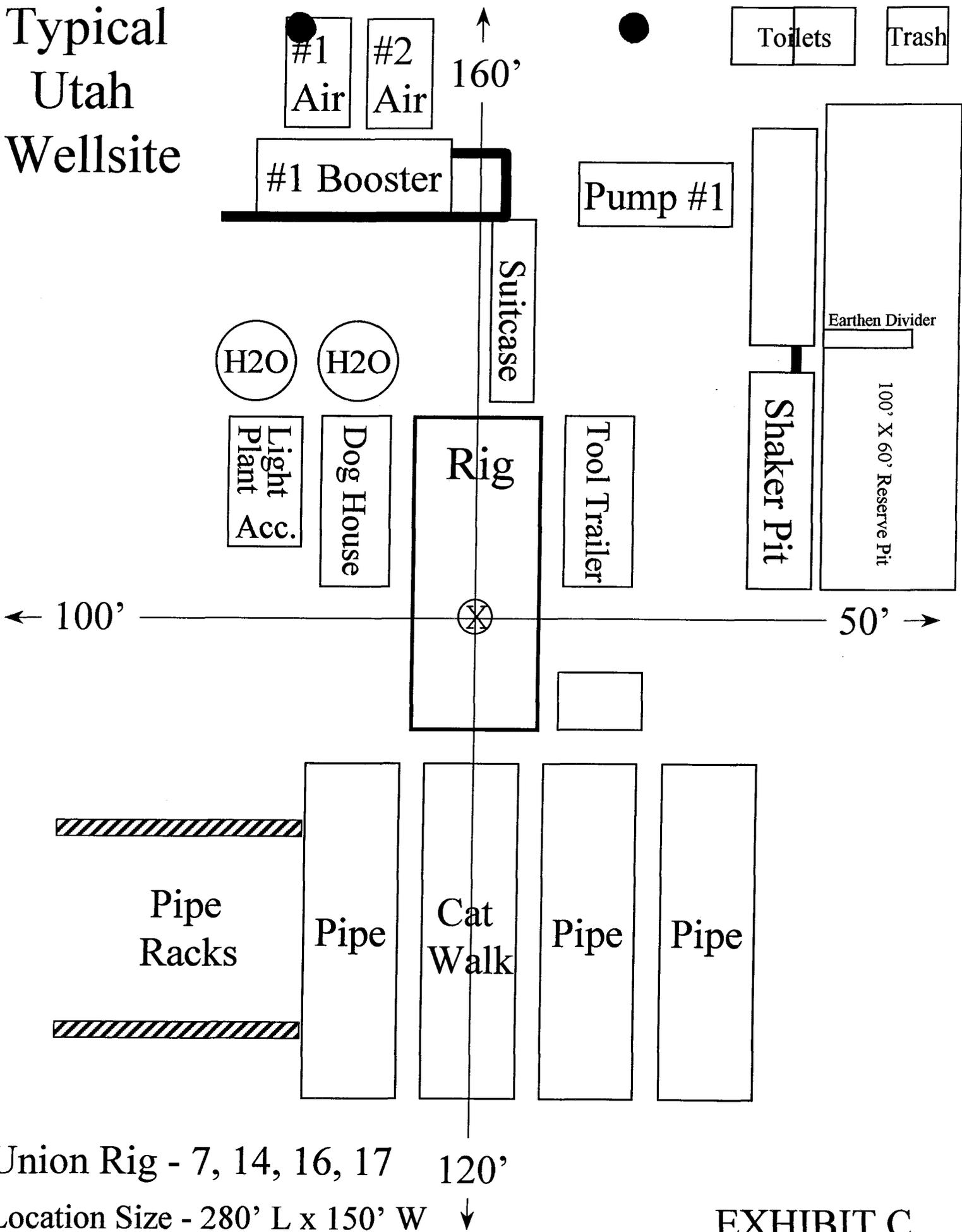
TN MN  
13°



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**Talon Resources, Inc.**  
 195 North 100 West  
 Huntington, Utah 84528  
 435-687-5310

# Typical Utah Wellsite



Union Rig - 7, 14, 16, 17 120'

Location Size - 280' L x 150' W

EXHIBIT C

# TYPICAL ROAD CROSS-SECTION

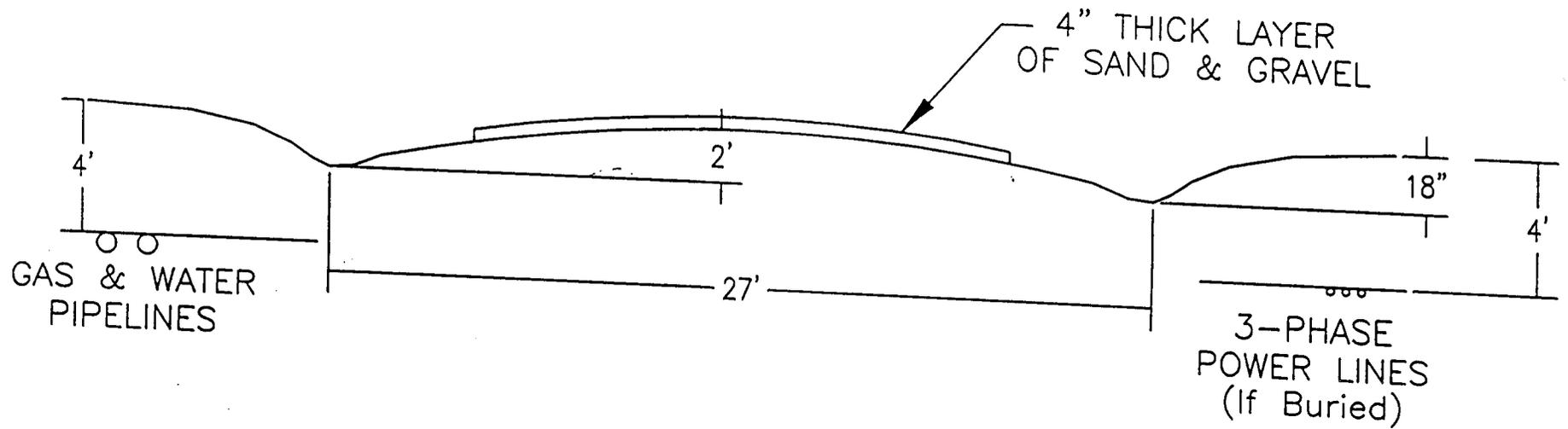


EXHIBIT "F"

# BOP Equipment

2000psi WP

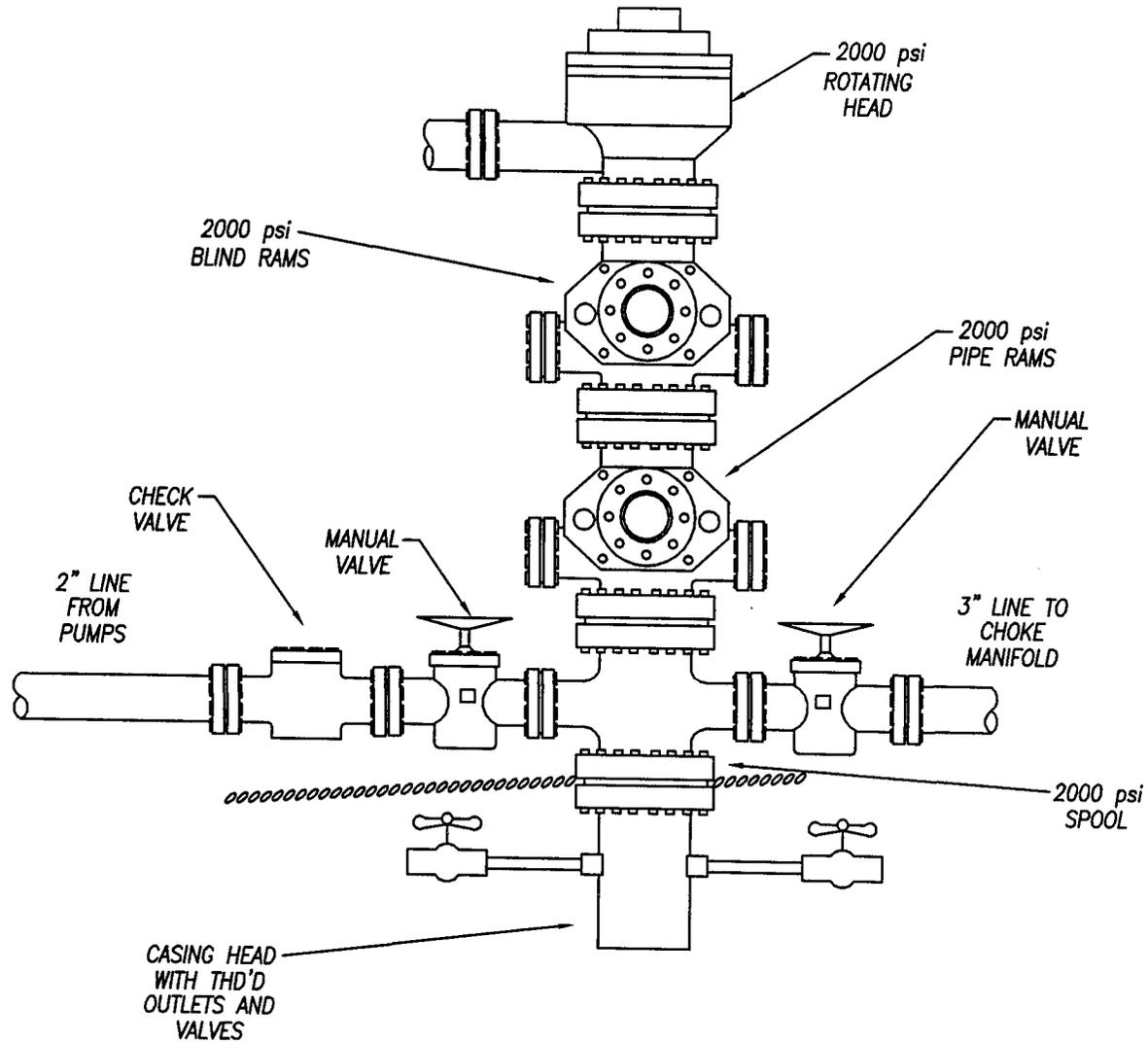
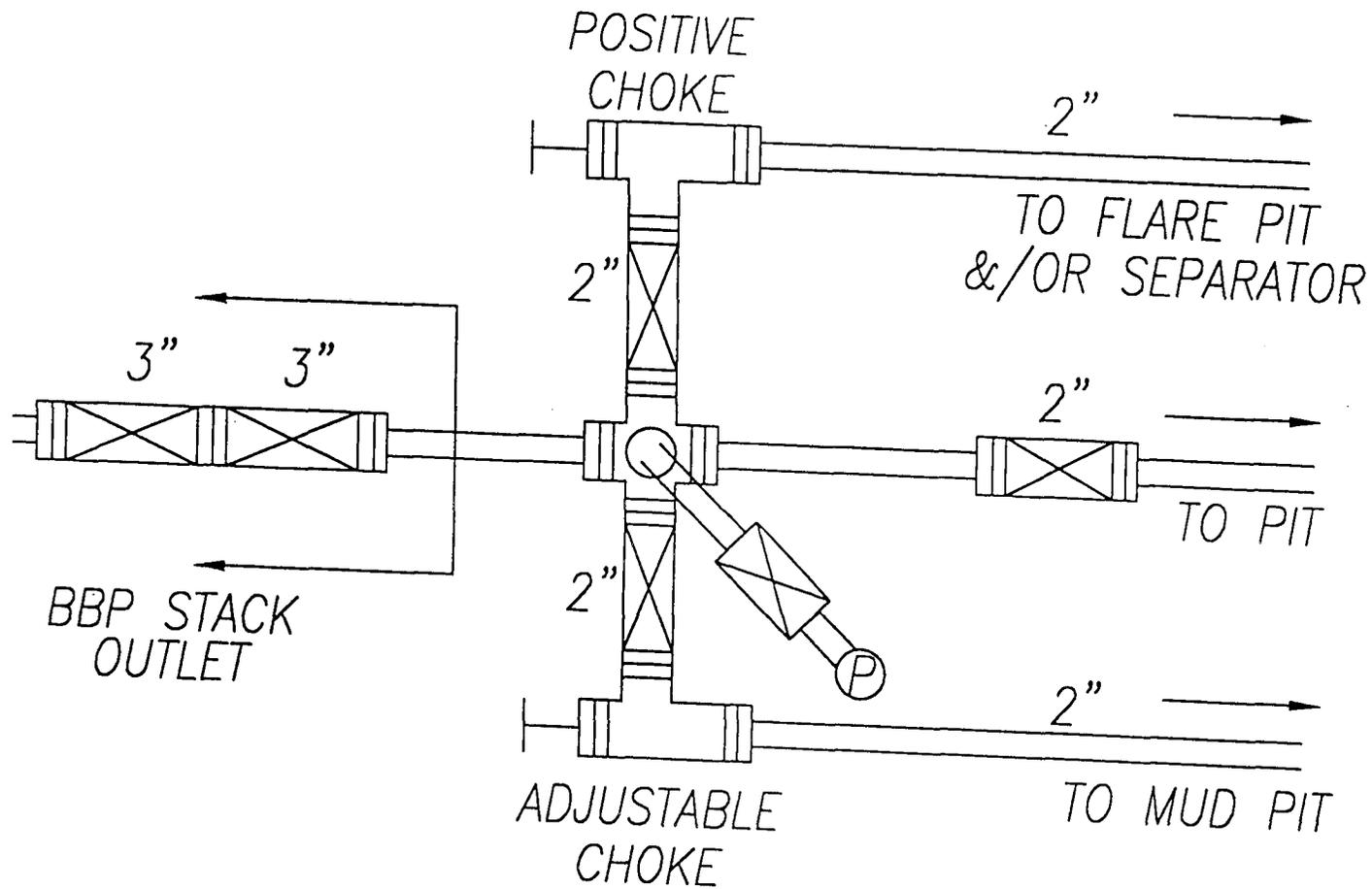


EXHIBIT "C"

# CHOKE MANIFOLD





P.O. Box 1230  
195 North 100 West  
Huntington, Utah 84528  
Phone: 435-687-5310

Cell: 435-650-1886  
Fax: 435-637-5311  
Email: talon@castlenet.com

September 6, 2002

Mrs. Diana Mason  
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 — Gordon Creek, State 1-18-14-8, Carbon County, Utah  
1452' FNL, 1304' FEL, Section 18, T14S, R8E, SLB&M.

Dear Mrs. Mason:

On behalf of Klabzuba Oil and Gas, Inc. (Klabzuba), 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;
- Exhibit "B" - Location Maps;
- 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 Choke Manifold Diagram;

**RECEIVED**

SEP 09 2002

DIVISION OF  
OIL, GAS AND MINING

**ORIGINAL**

**CONFIDENTIAL**



# HIGGINBOTHAM ASSOCIATES

INSURANCE & FINANCIAL SERVICES  
SINCE 1948

August 27, 2002

**RECEIVED**

AUG 28 2002

KLABZUBA FT. WORTH

Mr. Ed Bonner  
School & Institutional Trust Lands Administration  
675 E. 500 South, Suite 500  
Salt Lake City, Utah 84102-2818

*Attn: Tom*

Re: Klabzuba Oil & Gas, Inc.  
Blanket Bond No. B32644644  
\$80,000

Dear Mr. Bonner:

Enclosed please find the original signed executed bond as captioned. We trust this bond will meet with your approval.

Upon your acceptance of this Blanket Bond, we ask that Bond No. B32644629 and Bond No. 588080 be released. Please send your release in form of written letter from your office or the original bonds returned back to my attention so that I can return to the surety company.

Should you have any questions or concerns, please contact me at the number below.

Thank you.

Sincerely,

*Joyce Myers*

Joyce Myers, CISR  
Energy Division  
817-347-7086

**RECEIVED**

SEP 13 2002

DIVISION OF  
OIL, GAS AND MINING

/jm  
Enclosures

Cc: Mr. John R. Brown  
Klabzuba Oil & Gas, Inc.

Well/Prospect/Lease/Office/Other
Description
Company
Approved by

500 West 13th Street  
Fort Worth, TX 76102  
(800) 728-2374

3115 Preston Road, Suite 210  
Dallas, TX 75225  
(800) 728-2374

400 N. Correll Boulevard, Suite 200  
Denton, TX 76201  
(800) 255-3875

120 Palo Pinto Street  
Weatherford, TX 76086  
(800) 721-7451

www.higginbotham.net

TO: KOG DENVER

AUG. 30. 2002 7:52AM KLABZUBA OIL & GAS

#6513 P.002/002

KLABZUBA OIL&GAS

SEP.13.2002 12:51 303-299-9087

Please accept this letter as Klabzuba'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. George Rooney of Klabzuba at 303-382-4443 if you have any questions or need additional information.

Sincerely,

*Don Hamilton*

Don Hamilton

Agent for Klabzuba Oil and Gas, Inc.

cc: Mr. Mark Jones, Oil, Gas and Mining  
Mr. George Rooney, Klabzuba  
Mr. Tom Siirola, Klabzuba  
Mr. Mark Caldwell, Klabzuba  
Klabzuba Well File

EXHIBIT "D"  
DRILLING PROGRAM

Attached to UDOGM Form 3  
Klabzuba Oil and Gas, Inc.  
Gordon Creek, State 1-18-14-8  
SE/4 NE/4, Sec. 18, T14S, R8E, SLB & M  
1,452' FNL, 1,304' FEL  
Carbon County, Utah

1. The Geologic Surface Formation

Emery Sandstone Member of the Mancos Shale

2. Estimated Tops of Important Geologic Markers

Mancos Blue Gate Marker	<u>MD</u> 3,325'
-------------------------	---------------------

3. Projected Gas & Water Zones

Mancos Gas Zone:	2,100' – 2,875'
Ferron Sands:	3,420' – 3,740'

Groundwater may be encountered within the Emery Sandstone Member of the Mancos Shale. Water encountered will be reported on a Form 7 "Report of Water Encountered During Drilling".

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

Surface casing will be tested to 2000 psi.

4. The Proposed Casing and Cementing Programs

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	WEIGHT, GRADE & JOINT	CONDITION
12-1/4"	2000'	8-5/8"	24# J-55 ST&C	New
7-7/8"	2000' - TD ( $\pm 4000'$ )	5-1/2"	15.50# J-55 ST&C	New

Cement Program -

Surface Casing: 300 sacks G + 2 % CaCl<sub>2</sub> + 0.25 pps cellophane flakes;  
Weight: 15.8 #/gal  
Yield: 1.15 cu.ft/sk  
Excess: 125%

Production Casing: 230 sacks 50/50 pozmix + 8% gel + 10% salt + 0.25 pps cellophane flake  
Weight: 12.5 #/gal  
Yield: 2.08 cu.ft/sk  
Excess: 25%

395 sacks 10-1 RFC with 0.25 pps cellophane flakes  
Weight: 14.2 #/gal  
Yield: 1.61 cu.ft/sk  
Excess: 25%

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 with a rotating head. This equipment will be tested to 2000 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

0-2000	12-1/4" hole	Drill with air, will mud-up if necessary.
2000-TD	7-7/8" hole	Drill with air, will mud-up if necessary. 500 psi @ 1500-2300 Scf.

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

2000-TD      Gamma Ray, Density, Neutron Porosity, Induction, 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 is 1000 psi max. 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.: September 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.

EXHIBIT "E"  
MULTI-POINT SURFACE USE PLAN

Attached to UDOGM Form 3  
Klabzuba Oil and Gas, Inc.  
Gordon Creek, State 1-18-14-8  
SE/4 NE/4, Sec. 18, T14S, R8E, SLB & M  
1,452' FNL, 1,304' FEL  
Carbon County, Utah

**1. Existing Roads**

- a. The proposed access road will encroach the gravel-surfaced Haley Canyon Road under Carbon County Maintenance in which approval is pending. The approach will be constructed consistent with Carbon County Road specifications (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. No new access is required, existing disturbance will be utilized in its entirety (See Exhibit "B").
- b. Approximately 1.89 miles of existing two-track road accessing DWR and Oman surface will be upgraded and utilized from the county road.
- c. The existing pipeline corridor will be utilized for 0.40 miles as a temporary access to the well site. If the well is productive a permanent route will be pursued to the well.
- d. Maximum Width: 20' travel surface with 27' base.
- e. Maximum grade: 25%
- f. Turnouts: None
- g. Drainage design: 9 – 18" culverts may be required. Water will be diverted around the road as necessary and practical.
- h. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- i. All drainage structures will be armored at their outlet with riprap and or energy dissipating structures to minimize erosion potential in the area.

### **3. Location of Existing Wells**

- a. See Exhibit "B". There is one proposed and two existing wells within a one-mile radius of the proposed location.

### **4. Location of Existing and/or Proposed Facilities**

- a. If the well is a producer, installation of production facilities will follow the drilling and completion of the well.
- b. Buried power-lines and water lines will follow the proposed access road to the county road, then east along the county road to the intersection with the main pipeline corridor. The gas line will trend east along the existing road to the main pipeline corridor (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 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. Any necessary construction materials needed will be obtained locally from a private source 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. As the well is expected to be air drilled, a small 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 be lined with a synthetic liner. 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 operations 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 location.
- c. In the event fluids are produced, any oil will be retained in tanks 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 trailers to be located on the drill site.

## **9. Well-site Layout**

- a. Available topsoil will be removed from the location and stockpiled. Location of the rig, reserve and blooie pits, and drilling support equipment will be located as shown on Attachment "C".
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the blooie pit. The blooie pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. 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 contoured 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 then existed 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 well-site is to be abandoned, all disturbed areas will be re-contoured to the natural contour as is possible.

## 11. Surface Ownership

- a. The well-site and access road will be constructed on lands managed by the School and Institutional Trust Lands Administration, 675 East 500 South, SLC, Utah 84102-2818; 801-538-5100. 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 wildlife habitat. The nearest dwelling is approximately 6.6 miles southeast. Nearest live water is Summerhouse Spring approximately 5,800' northeast.
- 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 back-slope and fore-slope 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 on the well-site during construction and drilling operations.

***There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.***

13. **Company Representative**

George Rooney  
Klabzuba Oil and Gas, Inc  
700 – 17<sup>th</sup> Street  
Suite 1300  
Denver, Colorado 80202  
1-303-382-4443  
1-303-619-1908

**Permitting Consultant**

Don Hamilton  
Environ. Man. / Proj. Coord.  
Talon Resources, Inc.  
195 North 100 West  
Huntington, Utah 84528  
1-435-650-1886  
1-435-687-5310

**Excavation Contractor**

Dennis Jensen  
Vice President  
JNR Construction  
P.O. Box 1598  
Roosevelt, Utah 84066  
1-435-722-3996  
1-435-823-6590

**Mail Approved A.P.D. To:**

Company Representative

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 Klabzuba Oil and Gas, Inc. and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

9-6-02  
Date

Don Hamilton  
Don Hamilton  
Agent for Klabzuba Oil and Gas, Inc.

**ORIGINAL**

003

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/09/2002

API NO. ASSIGNED: 43-007-30882

WELL NAME: GORDON CREEK ST 1-18-14-8

OPERATOR: KLABZUBA OIL & GAS INC ( N1325 )

CONTACT: DON HAMILTON/AGENT

PHONE NUMBER: 435-687-5310

PROPOSED LOCATION:

SENE 18 140S 080E  
SURFACE: 1452 FNL 1304 FEL  
BOTTOM: 1452 FNL 1304 FEL  
CARBON  
GORDON CREEK ( 20 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	9/26/02
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-46537

SURFACE OWNER: 3 - State

LATITUDE: 39.61132

PROPOSED FORMATION: FRSD

LONGITUDE: 111.06491

RECEIVED AND/OR REVIEWED:

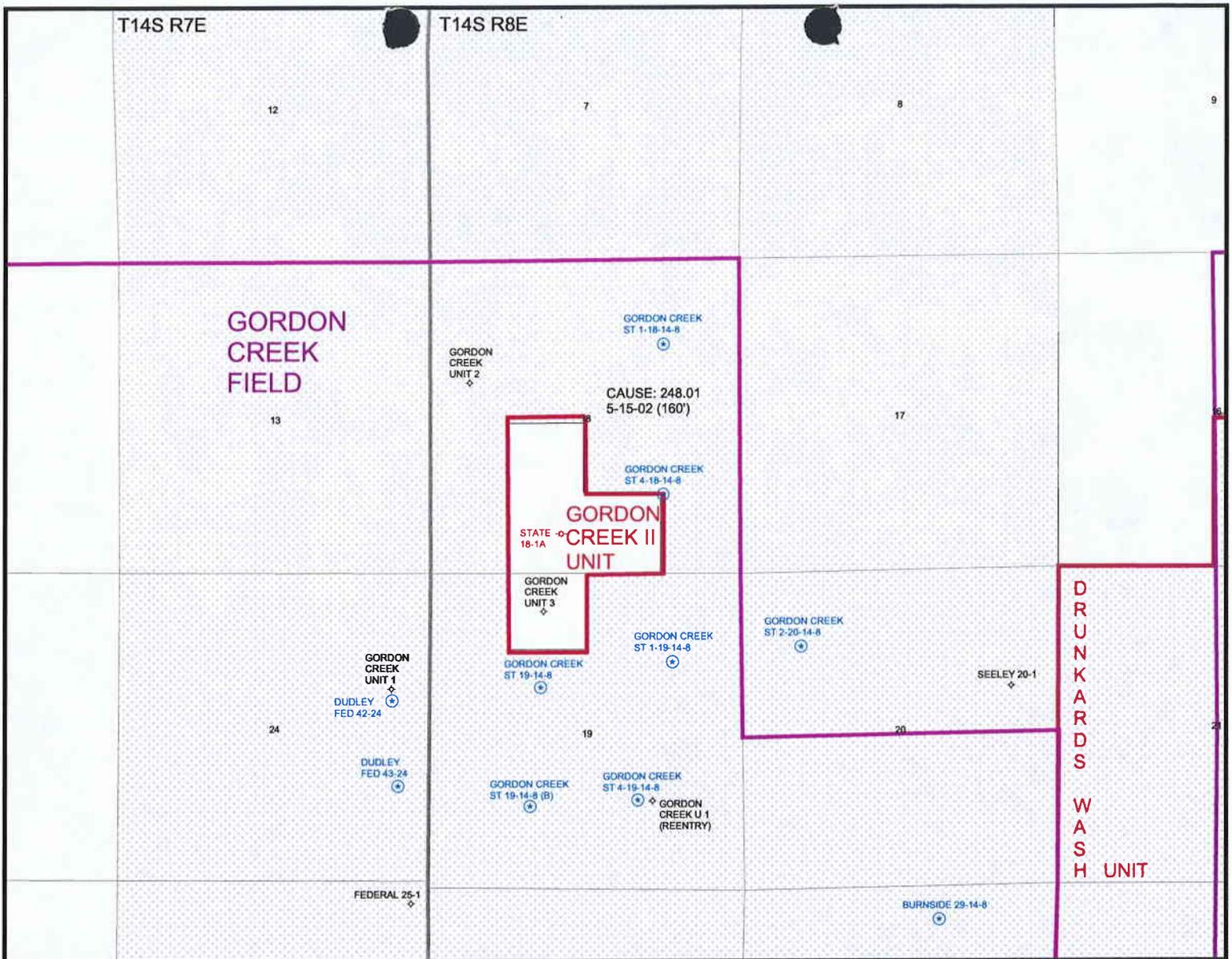
- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]  
(No. B32644044 5.m)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. MUNICIPAL)
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- \_\_\_ R649-2-3.  
Unit \_\_\_\_\_
- \_\_\_ R649-3-2. General  
Siting: 460' From Qtr/Qtr & 920' Between Wells
- \_\_\_ R649-3-3. Exception
- Drilling Unit  
Board Cause No: 248-01  
Eff Date: 5-15-02  
Siting: 460' fr unit boundary & 920' between wells.
- \_\_\_ R649-3-11. Directional Drill

COMMENTS: Need permits (Recd 9-27-02)  
12 1/4 Rig Skid to 43-007-30892.

STIPULATIONS: ① Surface Casing Cement Stop  
② STATEMENT OF BASIS



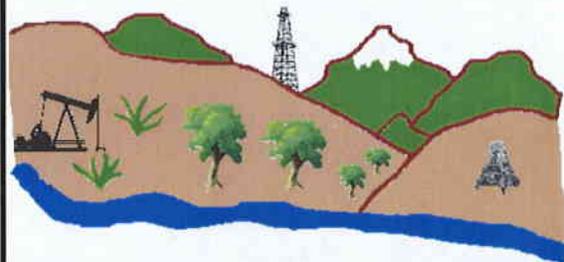
OPERATOR: KLABZUBA O&G CO (N1325)

SEC: 18 T14S R8E

FIELD: GORDON CREEK (20)

COUNTY: CARBON

SPACING: 248-01 / 5-15-02 (160')



Utah Oil Gas and Mining

**Well Status**

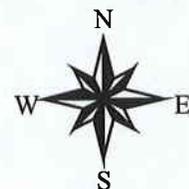
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

**Units Status**

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

**Field Status**

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED
- Sections.shp
- Township.shp
- Counties.shp



Prepared By: D. Mason  
Date: 12-SEPTEMBER-2002

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

**OPERATOR:** Klabzuba Oil and Gas, Inc.  
**WELL NAME & NUMBER:** Gordon Creek State 1-18-14-8  
**API NUMBER:** 43-007-30822  
**LEASE:** State **FIELD/UNIT:** Gordon Creek  
**LOCATION:** 1/4, 1/4 SENE Sec: 18 TWP: 14S RNG: 8E 1452' FNL 1304' FEL  
**LEGAL WELL SITING:** 460' from unit boundary 920' from another well.  
**GPS COORD (UTM):** X=494414 E; Y =4384420 N SURFACE OWNER: SITLA

**PARTICIPANTS**

M. Jones DOGM), Chris Colt (DWR), D. Hamilton (Talon), George Rooney (Klabzuba), Ed Bonner, SITLA. Carbon County was invited but chose not to attend.

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

The proposed location is ~7 miles west of the nearest dwelling. And ~15 miles west of Price, UT. The closest live water source is Second Water Creek 1.1 miles to the North. The area drains into Mud Water Canyon and eventually dumps into the Price River.

**SURFACE USE PLAN**

**CURRENT SURFACE USE:** Grazing and wildlife habitat.

**PROPOSED SURFACE DISTURBANCE:** 280' X 150' and ~ 1.89 miles of existing two-track will be upgraded for access.

**LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS:** No proposed and six existing within a one mile radius of the proposed location.

**LOCATION OF PRODUCTION FACILITIES AND PIPELINES:** Along roadways.

**SOURCE OF CONSTRUCTION MATERIAL:** Purchased locally and transported in.

**ANCILLARY FACILITIES:** None anticipated.

**WASTE MANAGEMENT PLAN:**

A lined reserve pit will be constructed to handle drill cuttings and liquid waste during the drilling process. Chemical toilets will be kept on site during drilling activities and will be disposed of at an appropriate municipal sewage facility. Trash will be kept in dumpsters and also taken to an appropriate municipal handling facility when drilling is completed.

**ENVIRONMENTAL PARAMETERS**

**AFFECTED FLOODPLAINS AND/OR WETLANDS:** Dry washes run throughout the immediate and surrounding area and are highly erosive in nature. One large dry wash exists 20' South of the proposed location.

**FLORA/FAUNA:** Native grasses, sagebrush, elk, deer, moose, fowl, rabbits.

**SOIL TYPE AND CHARACTERISTICS:** Loamy clay.

SURFACE FORMATION & CHARACTERISTICS: \_\_\_\_\_

EROSION/SEDIMENTATION/STABILITY: Highly erosive upon disturbance.

PALEONTOLOGICAL POTENTIAL: None observed.

**RESERVE PIT**

CHARACTERISTICS: dugout earthen pit, 60 X 100 X 8 pit not included within the pad boundaries.

LINER REQUIREMENTS (Site Ranking Form attached): Liner optional.

**SURFACE RESTORATION/RECLAMATION PLAN**

As per surface use agreement.

SURFACE AGREEMENT: On file with State.

CULTURAL RESOURCES/ARCHAEOLOGY: Completed and on file with State.

**OTHER OBSERVATIONS/COMMENTS**

**ATTACHMENTS**

Photos of this location were taken and placed on file.

Mark L. Jones  
DOGM REPRESENTATIVE

September 23, 2002 / 1:00 pm  
DATE/TIME

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

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>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>0</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</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**      15      (Level II Sensitivity)

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

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

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

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

**OPERATOR:** Klabzuba Oil and Gas, Inc.  
**WELL NAME & NUMBER:** Gordon Creek State 1-18-14-8  
**API NUMBER:** 43-007-30822  
**LEASE:** State      **FIELD/UNIT:** Gordon Creek  
**LOCATION:** 1/4, 1/4    SENE    **Sec:** 18    **TWP:** 14S    **RNG:** 8E    1452' FNL    1304' FEL

Geology/Ground Water:

This location is in a horst and graben area of the Wasatch Plateau. A search of the water rights database for this area show that there are 10 points of diversion within a mile of this location. Surface casing proposed for this well is 2000' and should adequately cover the Garley Canyon, and Emery Sandstones present in this area. This well is to be spud on Quaternary Alluvium overlying the Upper Blue Gate Member of the Mancos Shale. Below the Blue Gate are the Garley Canyon Sandstone and the three members of the Emery Sandstone. These four sands are the likely sources of the numerous springs and seeps the area. These possible water resources will be protected with proper amounts of cement across the sand intervals. In like manner any water zone encountered in the lower hole should also be placed behind pipe and cement will be placed across the zone for a minimum of 100' above and below the water bearing zone.

Reviewer: K. Michael Hebertson      Date: 27-September-2002

Surface:

The site was photographed and characterized on 9/23/2002. Rehabilitation of the site, litter and waste control, preservation and drainage patterns, groundwater and other resources was discussed and agreed on. Any well utilities and gathering systems will follow the roadways. Due to the erosive nature of the area and its soil special considerations should be made to protect and minimize the effect of possible erosion to the surrounding environment. DWR and SITLA were present during the pre-site. Carbon County was invited but chose not to attend.

Reviewer: Mark L. Jones      Date: September 24, 2002

Conditions of Approval/Application for Permit to Drill:

1. Appropriate actions to minimize erosion to the surrounding area, i.e. culverts, turnouts, armoring, and proper reseeded. All other construction as per APD.
2. The pad shall be bermed
3. (Optional) Line the reserve pit with a 12 mil., minimum, synthetic liner.

UTAH DIVISION OF WATER RIGHTS  
WATER RIGHT POINT OF DIVERSION PLOT CREATED FRI, SEP 27, 2002, 9:08 AM  
PLOT SHOWS LOCATION OF 10 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT  
S 1452 FEET, W 1304 FEET OF THE NE CORNER,  
SECTION 18 TOWNSHIP 14S RANGE 8E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET

N O R T H

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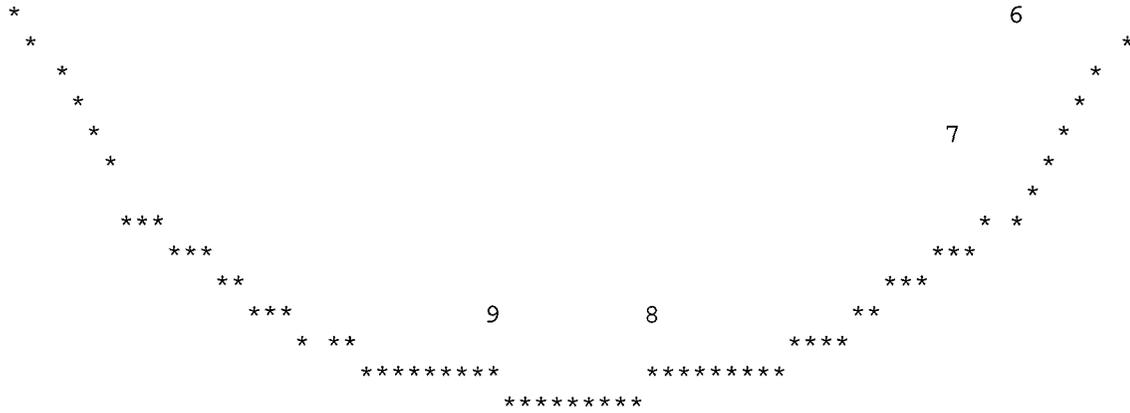
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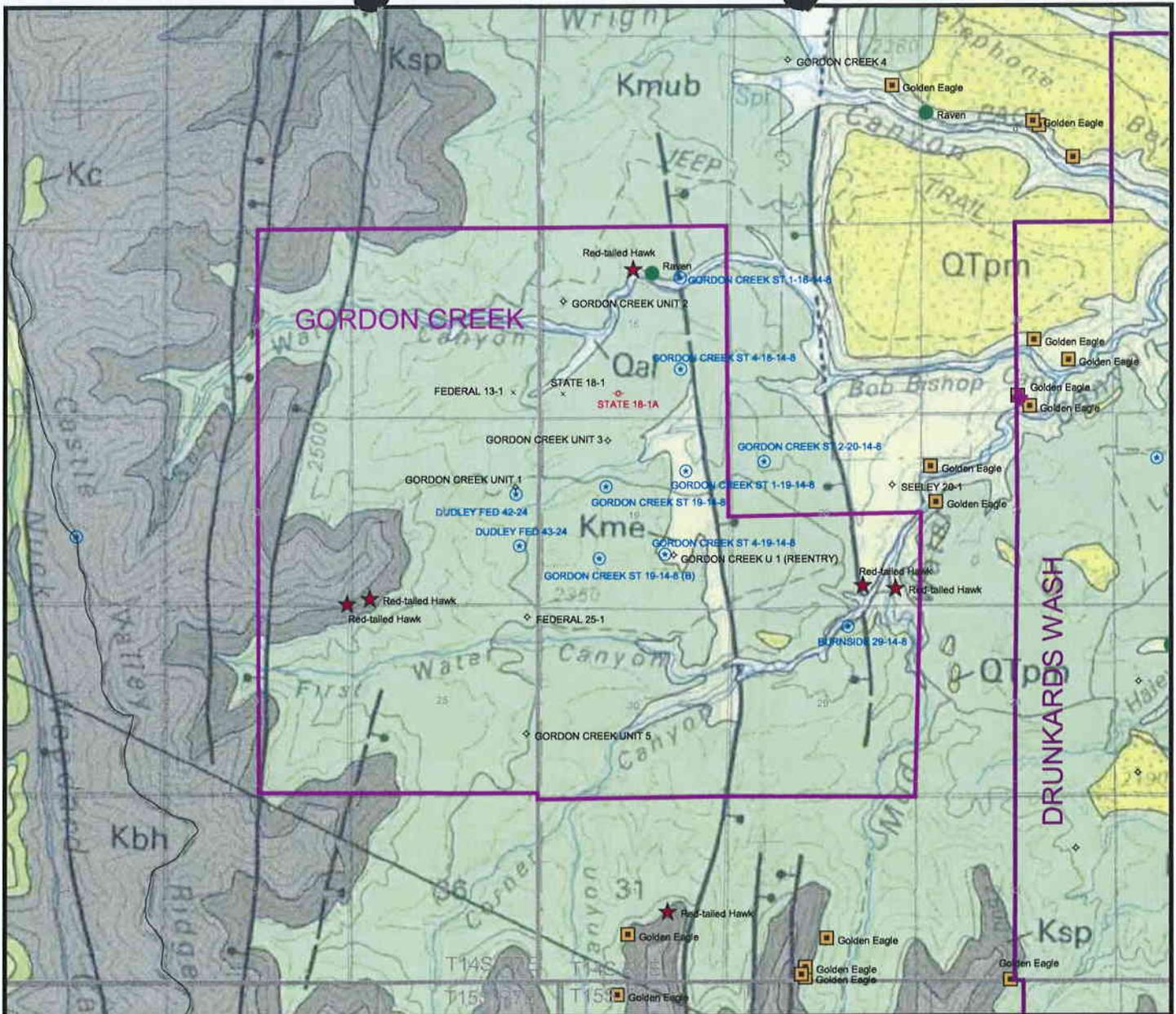
2



UTAH DIVISION OF WATER RIGHTS  
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS	AND/OR AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER DEPTH YEAR LOG	POINT OF DIVERSION DESCRIPTION NORTH EAST CNR SEC TWN RNG B&M	U A P T S		
						N P E E U	N P R R R	
0	91 3217	.0000	.00	Second Water Canyon Creek			X	X
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869		
		State of Utah School & Institutional Tru 675 East 500 South, 5th Floor				Salt Lake City	UT	84102
1	91 3103	.0000	.00	Second Water Canyon Creek			X	X
		WATER USE(S): DOMESTIC				PRIORITY DATE: 00/00/1869		
		Oman, Milton A. 717 Continental Bank Building				Salt Lake City	UT	
2	91 3103	.0000	.00	Second Water Canyon Creek			X	X
		WATER USE(S): DOMESTIC				PRIORITY DATE: 00/00/1869		
		Oman, Milton A. 717 Continental Bank Building				Salt Lake City	UT	
3	91 3217	.0000	.00	Second Water Canyon Creek			X	X
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869		
		State of Utah School & Institutional Tru 675 East 500 South, 5th Floor				Salt Lake City	UT	84102
4	91 3438	.0000	.00	Second Water Canyon Creek			X	X

		WATER USE(S): STOCKWATERING							PRIORITY DATE: 00/00/1869		
		McIntire, B. F.		382 L. Street					Salt Lake City		UT 84103
5	<u>91 992</u>	.0000	.00	Second Water Canyon Creek							X X
		WATER USE(S):							PRIORITY DATE: 00/00/1869		
		USA Forest Service		324 25th Street					Ogden		UT 84401
6	<u>91 151</u>	.0380	.00	Unnamed Spring		N 1624 W 162	S4 17 14S	8E SL			X X
		WATER USE(S): OTHER							PRIORITY DATE: 06/28/1946		
		McIntire, Brigham F.		382 L. Street					Salt Lake City		UT
7	<u>91 3439</u>	.0000	.00	Bob Bishop Canyon Creek					PRIORITY DATE: 00/00/1869		X X
		WATER USE(S): STOCKWATERING							Salt Lake City		UT 84103
		McIntire, B. F.		382 L. Street							
8	<u>91 3111</u>	.0110	.00	Unnamed Spring					PRIORITY DATE: 00/00/1869		X X
		WATER USE(S):							Salt Lake City		UT
		Oman, Milton A.		717 Continental Bank Building							
9	<u>91 3073</u>	.0000	.00	Bob Bishop Canyon Creek					PRIORITY DATE: 00/00/1869		X X
		WATER USE(S): STOCKWATERING							Salt Lake City		UT 84102
		State of Utah School & Institutional Tru		675 East 500 South, 5th Floor							



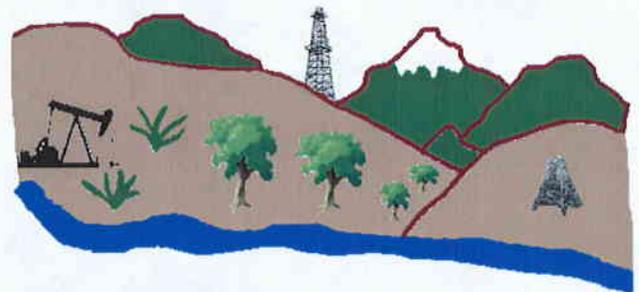
## LEGEND

### Well Status

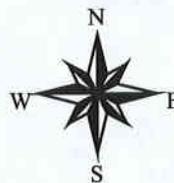
- ⚡ GAS INJECTION
- GAS STORAGE WELL
- ⋄ LOCATION ABANDONED
- ⊙ NEW LOCATION
- ⋄ PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- ⋄ TEMP. ABANDONED
- ⊙ TEST WELL
- ⊙ WATER INJECTION
- ⊙ WATER SUPPLY
- ⊙ WATER DISPOSAL

### Land Ownership

- Private Not Classed
- Forest Service
- BLM
- State Lands
- Native American
- Private
- Military
- National Parks
- State Parks
- State Wilderness
- National Recreation
- US Wildlife
- Wilderness
- Bankhead Jones
- Sovereign Lands
- Water
- Intermittent Water



## Utah Oil Gas and Mining



Prepared By: K. Michael Hebertson

Casing Schematic

Surface

BHP  
 $(0.052)(9)(4000) = 1872 \text{ psi}$   
 Anticipated = 1000 psi max

OGS  
 $(0.12)(4000) = 480 \text{ psi}$

MAASP = 1392 psi

2m BOP proposed

Adequately OK as of 2/20/02  
 Blue Gate 3325'

8-5/8"  
 MW 8.4  
 Frac 19.

5-1/2"  
 MW 9.

TOC @  
 53.

TOC @  
 1164.

Surface  
 2000. MD

2100'

Mangos Gas Zone

2575'

3420'

Ferron Sands

3746'

Production  
 4000. MD

Talked w/ Dent Hamilton  
 9/24/02 - need to bring  
 class 6 to surface  
~~Surface casing Cont Stop~~  
 w/ 8" washout

1748' TOC @ Production

Well name:	<b>09-02 Klabzuba Gordon Creek 1-18-14-8</b>		
Operator:	<b>Klabzuba Oil &amp; Gas Inc.</b>		
String type:	Production	Project ID:	43-007-30882
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

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 121 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 250 ft

**Burst**

Max anticipated surface pressure: 0 psi  
 Internal gradient: 0.468 psi/ft  
 Calculated BHP 1,870 psi  
  
 No backup mud specified.

**Burst:**  
 Design factor 1.00

Cement top: 53 ft

**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: 3,455 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ( )
1	4000	5.5	15.50	J-55	ST&C	4000	4000	4.825	16934

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	1870	4040	2.16	1870	4810	2.57	62	202	3.26 J

Prepared by: Dustin Doucet  
 Utah Dept. of Natural Resources

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

Date: September 20, 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 4000 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.  
 Burst strength is not adjusted for tension.

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

Well name:	<b>09-02 Klabzuba Gordon Creek 1-18-14-8</b>		
Operator:	<b>Klabzuba Oil &amp; Gas Inc.</b>		
String type:	Surface	Project ID:	43-007-30882
Location:	Carbon County		

**Design parameters:**

**Collapse**

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

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 93 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 250 ft

Cement top: 1,164 ft

**Burst**

Max anticipated surface pressure: 0 psi  
 Internal gradient: 0.468 psi/ft  
 Calculated BHP 935 psi

No backup mud specified.

**Tension:**

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

Tension is based on air weight.  
 Neutral point: 1,748 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 4,000 ft  
 Next mud weight: 9.000 ppg  
 Next setting BHP: 1,870 psi  
 Fracture mud wt: 19.000 ppg  
 Fracture depth: 2,000 ft  
 Injection pressure 1,974 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ( )
1	2000	8.625	24.00	J-55	ST&C	2000	2000	7.972	13103

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	873	1370	1.57	935	2950	3.16	48	244	5.08 J

Prepared by: Dustin Doucet  
 Utah Dept. of Natural Resources

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

Date: September 20, 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 2000 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.*



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5340 telephone  
(801) 359-3940 fax  
(801) 538-7223 TTY  
www.nr.utah.gov

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

October 7, 2002

Klabzuba Oil & Gas, Inc.  
700 17th St., Ste. 1300  
Denver, CO 80202

Re: Gordon Creek, State 1-18-14-8 Well, 1452' FNL, 1304' FEL, SE NE, Sec. 18,  
T. 14 South, R. 8 East, Carbon County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30882.

Sincerely,

John John R. Baza  
Associate Director

pb

Enclosures

cc: Carbon County Assessor  
SITLA

**Operator:** Klabzuba Oil & Gas, Inc.  
**Well Name & Number** Gordon Creek, State 1-18-14-8  
**API Number:** 43-007-30882  
**Lease:** ML-46537

**Location:** SE NE                      **Sec.** 18                      **T.** 14 South                      **R.** 8 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 State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

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

6. Surface casing shall be cemented to the surface.

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

005

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

5. Lease Designation and Serial Number: ML-46537
6. If Indian, Allottee or Tribe Name: N/A
7. Unit Agreement Name: N/A
8. Well Name and Number: Gordon Creek, State 1-18-14-8
9. API Well Number: 43-007-30882
10. Field or Pool, or Wildcat: Gordon Creek

1. Type of Well: OIL  GAS  OTHER:

2. Name of Operator:  
Klabzuba Oil and Gas, Inc.

3. Address and Telephone Number:  
700—17th Street, Ste. 1300, Denver, CO 80202 1-303-382-4443

4. Location of Well  
Footages: 1452' FNL, 1304' FEL  
QQ, Sec., T., R., M.: SE/4 NE/4, Section 18, T14S, R8E, SLB&M

County: Carbon  
State: Utah

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

NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<input type="checkbox"/> Abandon	<input type="checkbox"/> Abandon *
<input type="checkbox"/> Repair Casing	<input type="checkbox"/> Repair Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Convert to Injection
<input type="checkbox"/> Fracture Treat or Acidize	<input type="checkbox"/> Fracture Treat or Acidize
<input type="checkbox"/> Multiple Completion	<input checked="" type="checkbox"/> Other <u>Change of Water Source</u>
<input type="checkbox"/> Other _____	Date of work completion _____
Approximate date work will start _____	
<input type="checkbox"/> New Construction	<input type="checkbox"/> New Construction
<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Recomplete	<input type="checkbox"/> Reperforate
<input type="checkbox"/> Reperforate	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Water Shut-Off	

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.  
\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

**Water for construction and drilling of this well will be provided by *Application for Temporary Change of Water* #t27140 evidenced by *Water Right* #91-777 that was approved on October 9, 2002 and expires December 31, 2002.**

**This approved application allows for the withdrawal of water from the existing water well located in the NW/4 SE/4, Section 19, T14S, R8E, SLB&M.**

**Should this water source not be adequate, water will be purchased on a quantity basis from the municipal water supply though Price River Water Improvement District (a supplier of municipal water in Carbon County).**

**ORIGINAL**

13.  
Name & Signature: Don Hamilton Don Hamilton Title: Agent for Klabzuba Date: 10-15-02

(This space for state use only)

**RECEIVED**

**OCT 17 2002**

**DIVISION OF  
OIL, GAS AND MINING**

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

006

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER:	5. Lease Designation and Serial Number: ML-46537
2. Name of Operator: Klabzuba Oil and Gas, Inc.	6. If Indian, Allottee or Tribe Name: N/A
3. Address and Telephone Number: 700—17th Street, Ste. 1300, Denver, CO 80202 1-303-382-4443	7. Unit Agreement Name: N/A
4. Location of Well Footages: 1452' FNL, 1304' FEL QQ, Sec., T., R., M.: SE/4 NE/4, Section 18, T14S, R8E, SLB&M	8. Well Name and Number: Gordon Creek, State 1-18-14-8
	9. API Well Number: 43-007-30882
	10. Field or Pool, or Wildcat: Gordon Creek
	County: Carbon State: Utah

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

NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Multiple Completion <input type="checkbox"/> Other _____ Approximate date work will start _____	<input type="checkbox"/> Abandon * <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input checked="" type="checkbox"/> Other <u>Access Change</u> Date of work completion _____
<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recomplete <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.  
\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

**The access road for the Gordon Creek, State 1-18-14-8 has been relocated to accommodate surface use acquisition problems. The new access road crosses entirely state lands and avoids surface owned by Division of Wildlife Resources and Milton A. Oman, trustee.**

**The new access road is entirely new construction and does not utilize the existing roads in the area that cross DWR and Oman surface.**

**Cultural clearance is being completed at this time and a report will be forward to the SITLA when complete.**

RECEIVED

NOV 14 2002

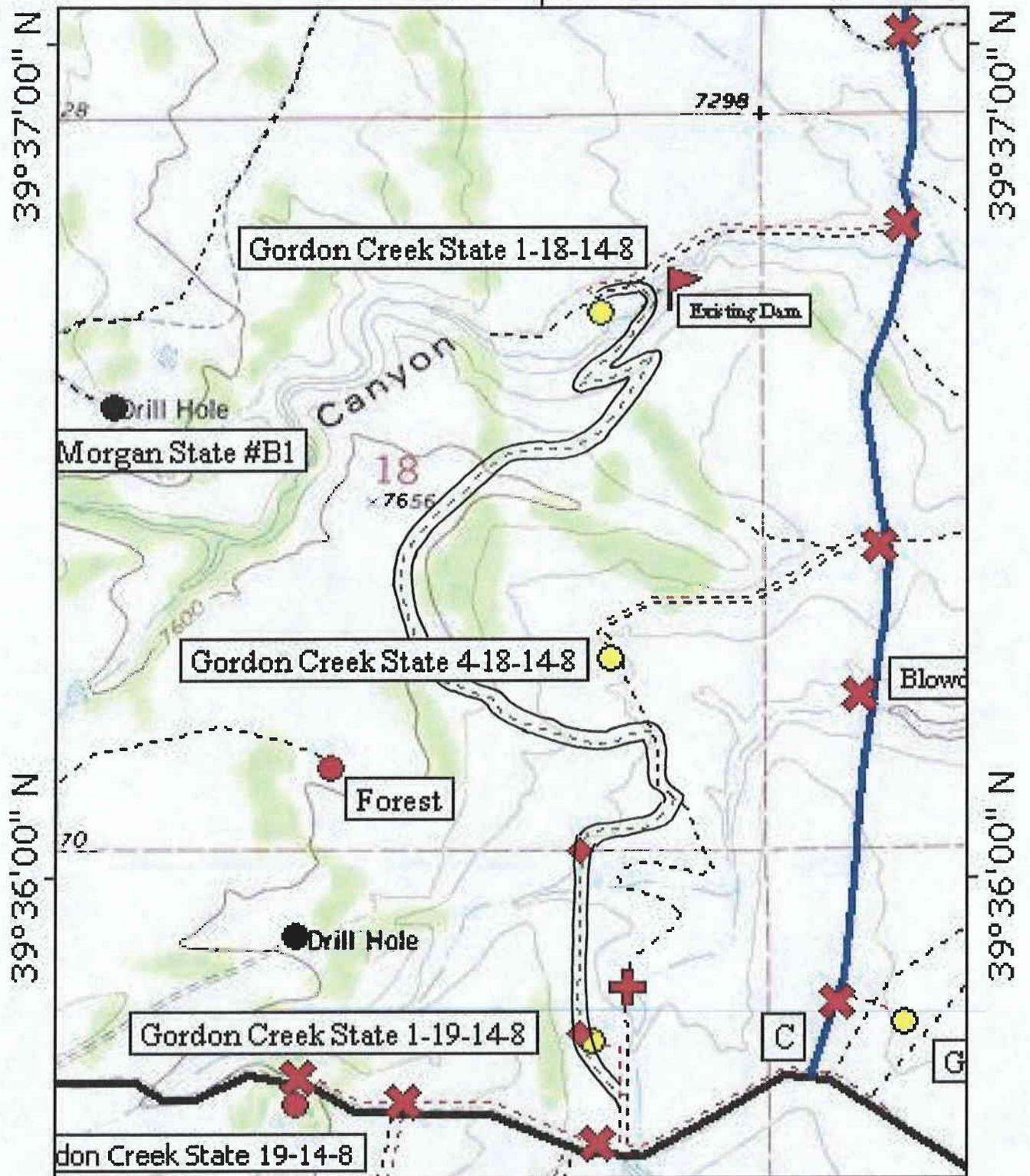
DIVISION OF  
OIL, GAS AND MINING

ORIGINAL

13. Name & Signature: Don Hamilton Don Hamilton Title: Agent for Klabzuba Date: 10-30-02

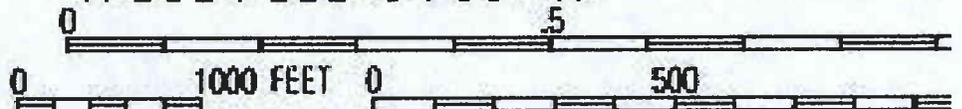
(This space for state use only)

Gordon Creek Area Map Scale: 1:12,000 GBR IV 10/25/0  
WGS84 111°04'00" W



TN \* MN  
13°

WGS84 111°04'00" W



Map created with TOPO!® ©2002 National Geographic (www.nation



STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

008

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEEN form for such proposals.

1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER:	5. Lease Designation and Serial Number: ML-46537
2. Name of Operator: Klabzuba Oil and Gas, Inc.	6. If Indian, Allottee or Tribe Name: N/A
3. Address and Telephone Number: 700—17th Street, Ste. 1300, Denver, CO 80202 1-303-382-4443	7. Unit Agreement Name: N/A
4. Location of Well Footages: 1452' FNL, 1304' FEL QQ, Sec., T., R., M.: SE/4 NE/4, Section 18, T14S, R8E, SLB&M	8. Well Name and Number: Gordon Creek, State 1-18-14-8
	9. API Well Number: 43-007-30882
	10. Field or Pool, or Wildcat: Gordon Creek
	County: Carbon State: Utah

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

**NOTICE OF INTENT**  
(Submit in Duplicate)

- |   |   |
|---|---|
| <input type="checkbox"/> Abandon  | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing                                      | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans                                    | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection                               | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Fracture Treat or Acidize                          | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion                                | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other <u>Plug, abandon and skid rig</u> |   |
- Approximate date work will start

11-20-02

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon *                 | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans           | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____               |   |
- Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

**Klabzuba Oil and Gas, Inc. requests permission to plug and abandon the Gordon Creek, State 1-18-14-8 well because of hole problems encountered earlier this week. Water was encountered at 540' that led to the breaching of the 40' conductor casing. Following numerous attempts to repair the breach it was decided to skid the rig approximately 20' South to avoid loss of the hole and possible problems associated with rig instability.**

**Klabzuba intends to plug the well from 540' to surface utilizing three open hole balance plugs.**  
*Class "G" cement*

**Communications between Klabzuba and Dustin R. Doucet gained verbal approval at 10:00 am on 11-20-02.**

**RECEIVED**

NOV 25 2002

**ORIGINAL**

13. DIVISION OF OIL, GAS AND MINING

Name & Signature: Don Hamilton Don Hamilton Title: Agent for Klabzuba Date: 11-20-02

(This space for state use only)

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

DATE: 11/25/2002  
BY: [Signature]

COPY SENT TO OPERATOR

Date: 11-25-02  
Initials: CHD

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

009

**SUNDRY NOTICES AND REPORTS ON WELLS**

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Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER:		5. Lease Designation and Serial Number: ML-46537
2. Name of Operator: Klabzuba Oil and Gas, Inc.		6. If Indian, Allottee or Tribe Name: N/A
3. Address and Telephone Number: 700—17th Street, Ste. 1300, Denver, CO 80202 1-303-382-4443		7. Unit Agreement Name: N/A
4. Location of Well Footages: 1452' FNL, 1304' FEL QQ, Sec., T., R., M.: SE/4 NE/4, Section 18, T14S, R8E, SLB&M		8. Well Name and Number: Gordon Creek, State 1-18-14-8
		9. API Well Number: 43-007-30882
		10. Field or Pool, or Wildcat: Gordon Creek
		County: Carbon State: Utah

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

NOTICE OF INTENT (Submit in Duplicate)		SUBSEQUENT REPORT (Submit Original Form Only)	
<input type="checkbox"/> Abandon	<input type="checkbox"/> New Construction	<input type="checkbox"/> Abandon *	<input type="checkbox"/> New Construction
<input type="checkbox"/> Repair Casing	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Repair Casing	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Reperforate
<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Reperforate	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Fracture Treat or Acidize	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat or Acidize	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input checked="" type="checkbox"/> Other <u>Plug, abandon and skid rig</u>	
<input type="checkbox"/> Other _____		Date of work completion _____	
Approximate date work will start _____		Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.	
		* Must be accompanied by a cement verification report.	

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**Klabzuba Oil and Gas, Inc. requests change of well status to plugged and abandon for the Gordon Creek, State 1-18-14-8 well because of hole problems encountered that led to the breaching of the 40' conductor casing. Following numerous attempts to repair the breach it was decided to skid the rig approximately 20' South to avoid loss of the hole and possible problems associated with rig instability.**

**Klabzuba has placed four plugs from 540' to surface utilizing 400 sacks of Class G cement with 3% CaCl<sub>2</sub> that was witnessed by UDOGM representative Mark Jones.**

**Klabzuba encountered rock at a depth of 41', following is the ideologies encountered:**

**Mancos Shale surface to 41' (Unconsolidated sands with shale)  
Emery Sandstone 41'—581' (TD)**

RECEIVED

NOV 25 2002

ORIGINAL

13. DIVISION OF OIL, GAS AND MINING

Name & Signature: Don Hamilton Don Hamilton Title: Agent for Klabzuba Date: 11-21-02

(This space for state use only)

**CONFIDENTIAL**

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

**ENTITY ACTION FORM**

Operator: Klabzuba Oil & Gas, Inc.  
Address: Box 40  
city Havre  
state MT zip 59501

Operator Account Number: N 1325  
Phone Number: (406) 262-9915

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300730882	Gordon Creek State 1-18-14-8		SENE	18	14S	8E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	13680	11/17/2002			12-5-02	
<b>Comments:</b>							

**Well 2**

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

**Well 3**

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

**RECEIVED**

DEC 05 2002

Janet Cortese

Name (Please Print)

Signature

Production Clerk

Title

12/2/2002

Date

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING  
OIL AND GAS PROGRAM

**PHONE CONVERSATION DOCUMENTATION FORM**

✓ Copy?

Conversation Pertains to:

**WELL** GORDON CREEK STATE 1-18-14-8

**OTHER**

Section 18 Township 14S Range 08E

API Number 43-007-30882

**Topic of Conversation:** WCR NEEDS TO BE SENT IN FOR PLUGGING OF WELL

Date of Phone Call: 1/10/2003

Time: 11:30 am

DOGM Employee (name): CAROL DANIELS

✓ Initiated Call?

Spoke with:

Name: KEVIN - CALL ORIGINALLY FOR GEORGE ROONEY WHO WAS NOT IN

✓ Initiated Call?

Of (company/organization): KLABZUBA OIL & GAS INC Phone: (303) 299-9097

**Highlights of Conversation:**

WE HAD RECEIVED A SUNDRY NOTICE (FORM 9) FOR THE PLUGGING PROCEDURES ON THIS WELL. I TOLD KEVIN WE NEEDED A FOLLOW-UP WELL COMPLETION OR RECOMPLETION REPORT AND LOG (FORM 8) FOR THIS WELL. HE SAID HE WOULD LET GEORGE KNOW

**NOTE:**

A RIG SKID WAS DONE FROM THIS WELL AND DIANA MASON, WITH OIL & GAS PERMIT GROUP, HAD BEEN TRYING TO GET A WCR IN FOR THE PLUGGING OF THIS WELL. ON 11/25/02 A SUBSEQUENT SUNDRY WAS RECEIVED FROM DON HAMILTON, AGENT FOR KLABZUBA. FOR THE PLUGGING PROCEDURES FOR THIS WELL. I CALLED DON HAMILTON AT THAT TIME AND TOLD HIM WE NEEDED A FOLLOW-UP WCR. HE SAID HE WOULD CONTACT GEORGE ROONEY AND HAVE HIM SEND ONE OUT AS HE DIDN'T HAVE ALL THE INFORMATION TO FILL ONE OUT. I SAID THAT WOULD BE FINE.

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING  
OIL AND GAS PROGRAM

---

**PHONE CONVERSATION DOCUMENTATION FORM**

---

Conversation Pertains to:

✓ Copy?

**WELL** GORDON CREEK STATE 1-18-14-8

**OTHER**

Section 18 Township 14S Range 08E

API Number 43-007-30882

---

**Topic of Conversation:** WILL WORK ON WCR AND SEND IT IN

Date of Phone Call: 4/9/2003

Time: 4:07 pm

---

DOGMA Employee (name): CAROL DANIELS

✓ Initiated Call?

Spoke with:

Name: VOICE MAIL LEFT BY GEORGE ROONEY

✓ Initiated Call?

Of (company/organization): KLABZUBA OIL & GAS INC Phone: (303) 382-2177

---

Highlights of Conversation:

WILL WORK ON THE WCR NEXT WEEK AND SEND IT IN. HE SAID HE THOUGHT ALL THE NECESSARY PAPERWORK WAS SENT IN.

013

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL  GAS  OTHER: **CONFIDENTIAL**

2. Name of Operator: Klabzuba Oil and Gas, Inc.

3. Address and Telephone Number: 700—17th Street, Ste. 1300, Denver, CO 80202 1-303-382-4443

4. Location of Well  
Footages: 1452' FNL, 1304' FEL  
County: Carbon  
QQ, Sec., T., R., M.: SE/4 NE/4, Section 18, T14S, R8E, SLB&M  
State: Utah

5. Lease Designation and Serial Number:  
ML-46537

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

7. Unit Agreement Name:  
N/A

8. Well Name and Number:  
Gordon Creek, State 1-18-14-8

9. API Well Number:  
43-007-30882

10. Field or Pool, or Wildcat:  
Gordon Creek

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

**NOTICE OF INTENT**  
(Submit in Duplicate)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandon                   | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing             | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans           | <input type="checkbox"/> Recomplete           |
| <input type="checkbox"/> Convert to Injection      | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion       | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____               |   |
- Approximate date work will start \_\_\_\_\_

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

- |   |   |
|---|---|
| <input type="checkbox"/> Abandon *  | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Repair Casing                                      | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans                                    | <input type="checkbox"/> Reperforate          |
| <input type="checkbox"/> Convert to Injection                               | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat or Acidize                          | <input type="checkbox"/> Water Shut-Off       |
| <input checked="" type="checkbox"/> Other <u>Plug, abandon and skid rig</u> |   |
- Date of work completion \_\_\_\_\_

Report results of Multiple Completions and Re Completions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

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**Klabzuba encountered rock at a depth of 41', following is the ideologies encountered:**

**Mancos Shale surface to 41' (Unconsolidated sands with shale)**  
**Emery Sandstone 41'—581' (TD)**

13.

Name & Signature: Don Hamilton Title: Agent for Klabzuba Date: 11-20-02

(This space for state use only)

**RECEIVED**

**MAY 30 2003**

DIV. OF OIL, GAS & MINING

014

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.

ML-46537

WELL COMPLETION OR RECOMPLETION REPORT AND LOG\*

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NA

1a. TYPE OF WORK

OIL WELL  GAS WELL  DRY  Other: \_\_\_\_\_

7. UNIT AGREEMENT NAME

NA

1b. TYPE OF WELL

NEW WELL  WORKOVER  DEEPEN  Plug Back  DIFF RESVR.  Other: \_\_\_\_\_

8. FARM OR LEASE NAME, WELL NO.

Gordon Creek State

2. NAME OF OPERATOR

Klabzuba Oil & Gas Co.

9. WELL NO.

1-18-14-8

3. ADDRESS AND TELEPHONE NO.

700 17th St. Suite 1300 Denver, CO 80202

10. FIELD AND POOL OR WILDCAT

NA

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)\*

At Surface  
1452' FNL & 1304' FEL (SE/NE) Sec. 18, Twp. 14S, Rng. 8E

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

SE/SE Sec. 18, Twp. 14S, Rng. 8E

At top prod. Interval reported below

Same

At total depth

Same

14. API NO.

43-007-30882

DATE ISSUED

Oct. 2002

12. COUNTY OR PARISH

Carbon

13. STATE

UT

15. DATE SPUNDED

11/17/02

16. DATE T.D. REACHED

11/22/02

17. DATE COMPL. (Ready to prod.)

11/22/02 NA

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\*

7338' GR

7348' KB

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

581' KB

21. PLUG BACK T.D., MD & TVD

581' KB

22. IF MULTIPLE COMPL., HOW MANY\*

23. INTERVALS DRILLED BY

----->

ROTARY TOOLS

X

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)\*

NA- Plugged and abandoned-skid rid to 1A-18-14-8 Set 3 plugs from 581 to surface to plug well

25. WAS DIRECTIONAL SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

27. WAS WELL CORED

No

23. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
14" conductor			40		

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	SPF/#shots

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.\* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)	WELL STATUS (Producing or shut-in)
		PA

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

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

SIGNED George Roofey  
George Roofey

TITLE Petroleum Engineer

DATE 5/27/2003

GBRIV

\*(See Instructions and Spaces for Additional Data on Reverse Side)

RECEIVED

MAY 30 2003

DIV. OF OIL, GAS & MINING

**KLABZUBA OIL AND GAS**  
A FAMILY LIMITED PARTNERSHIP

700 Seventeenth Street, Suite 1300  
Denver, Colorado 80202-3512  
Phone: 303-299-9097 Fax: 303-299-9087

**RECEIVED**

**APR 29 2005**

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

April 27, 2005

Division of Oil, Gas, and Mining  
P.O. Box 145801  
Salt Lake City, UT 84114-4820  
Attn: Dustin Doucet

Dear Dustin,

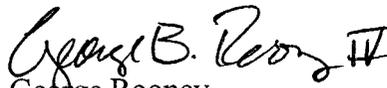
As a follow up to our phone conversation in early April, Klabzuba Oil & Gas Co. intends to plug the Burnside 29-14-8 and GCS 2-20-14-8 wells this summer. The GCS 1A-18-14 well is currently producing. There could be some confusion associated with the status of this well, as KOG plugged the original GCS 1-18-14-8 well due to conductor casing failure, and skidded the rig.

Klabzuba has submitted completion reports on all the wells mentioned in your March 3 letter, but I have included well bore diagrams.

I will follow up with a sundry notice to plug the wells and a proposal for doing the work.

Please call me at (303) 619-1908 if you have any questions.

Sincerely,

  
George Rooney

**Principal Office**

Lexington Place  
930 West First Street  
Fort Worth, Texas 76102  
Phone 817-336-5757 FAX 817-336-5927

**Havre Office**

P.O. Box 40  
4100 1st Street West  
Havre, Montana 59501  
Phone 406-262-9900 FAX 406-262-9400

**Arkoma Basin Office**

5908 Jenny Lind Road  
Fort Smith, Arkansas 72908-7497  
Phone 479-649-0300 FAX 479-649-0500

Spud Date: 12/05/02  
 Waiting on Final Completion  
 GL: 7359' KB: 7369'

# Gordon Creek State 2-20-14-8

Wellbore Diagram  
 Updated 11/28/03

Initial Production: NA MCFPD

## SURFACE CASING

CSG SIZE: 8-5/8"  
 GRADE: J-55  
 WEIGHT: 23#  
 LENGTH: 2178'  
 DEPTH LANDED: 2215' KB  
 HOLE SIZE: 12-1/4"  
 CEMENT DATA: Cmt'd with 665 sks Premium Lite II (lead), 280 sks Class G (tail), and 20 sks Class G A-10. Ready mix 12 yds (top out).

## INTERMEDIATE CASING

CSG SIZE:  
 GRADE:  
 WEIGHT:  
 LENGTH:  
 DEPTH LANDED:  
 HOLE SIZE:  
 CEMENT DATA:  
 CEMENT TOP AT:

## PRODUCTION CASING

CSG SIZE: 5-1/2"  
 GRADE: N-80  
 WEIGHT: 17.0#  
 LENGTH: 88 jts. + Landing Joint (3739')  
 DEPTH LANDED: 3733' KB  
 HOLE SIZE: 7 7/8"  
 CEMENT DATA: 60 sxs Prem. Lite II (Lead) & 150 sxs Prem. II (Tail)  
 CEMENT TOP AT: 2110' per CBL

## TUBING

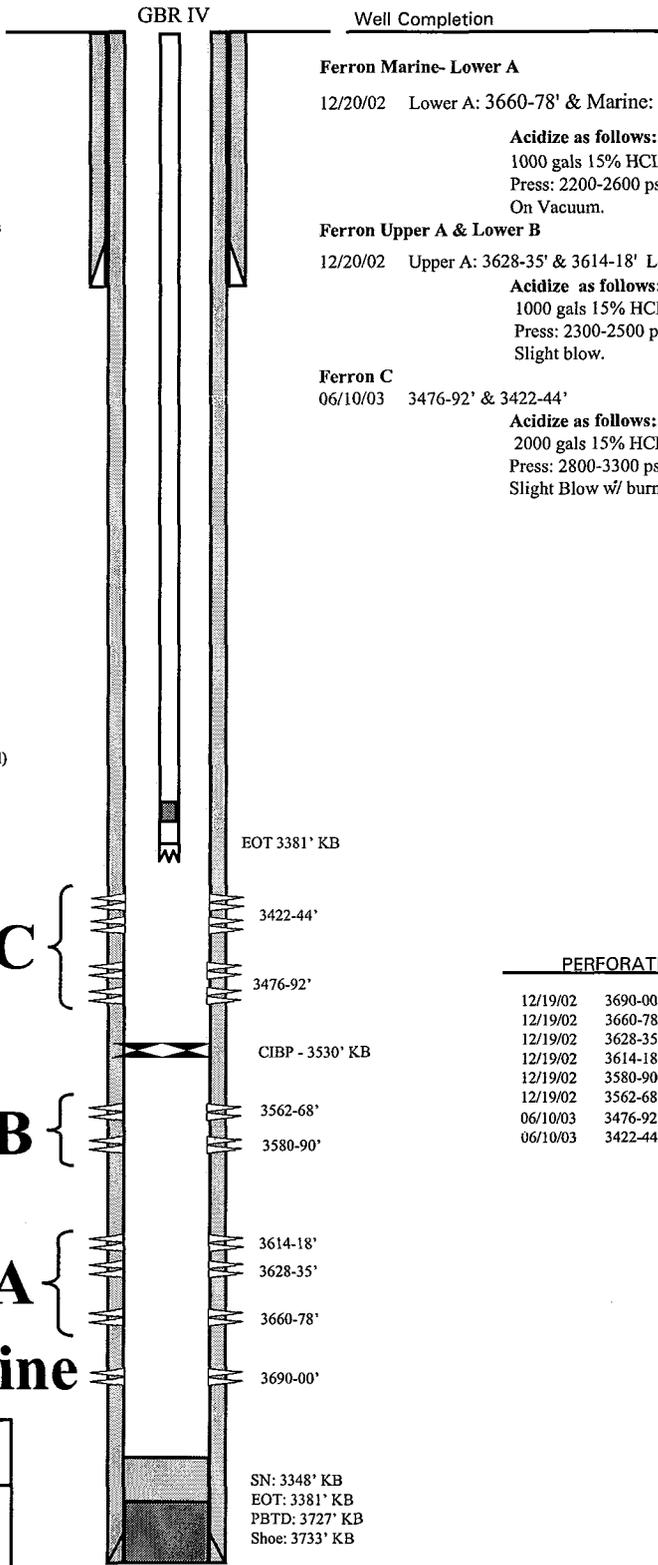
SIZE/GRADE/WT.: 2-3/8" / J-55 / 4.7#  
 NO. OF JOINTS: 103  
 SN: XN (1.10') @ 3348' KB  
 PACKER: None  
 EOT @ 3381' KB

## SUCKER RODS

POLISHED ROD:  
 SUCKER RODS:  
 PUMP SIZE:  
 STROKE LENGTH:  
 PUMP SPEED:

## Logs

LOGS: Open Hole DIL, CNLD, GR, SP  
 Cased hole: CBL



## Well Completion

**Ferron Marine- Lower A**  
 12/20/02 Lower A: 3660-78' & Marine: 3690'-3700'

**Acidize as follows:**  
 1000 gals 15% HCL 5.5 BPM.  
 Press: 2200-2600 psig. ISIP 2900 psig  
 On Vacuum.

## **Ferron Upper A & Lower B**

12/20/02 Upper A: 3628-35' & 3614-18' Lower B: 3580-90' & 3562-68'

**Acidize as follows:**  
 1000 gals 15% HCL 5.5 BPM.  
 Press: 2300-2500 psig. ISIP 660 psig  
 Slight blow.

## **Ferron C**

06/10/03 3476-92' & 3422-44'

**Acidize as follows:**  
 2000 gals 15% HCL 5.5 BPM.  
 Press: 2800-3300 psig. ISIP 560psig  
 Slight Blow w/ burnable gas

## PERFORATION RECORD

Date	Depth Range	Tool Joint	Holes
12/19/02	3690-00'	4 JSPF	40 holes
12/19/02	3660-78'	4 JSPF	72 holes
12/19/02	3628-35'	4 JSPF	28 holes
12/19/02	3614-18'	4 JSPF	16 holes
12/19/02	3580-90'	4 JSPF	40 holes
12/19/02	3562-68'	4 JSPF	24 holes
06/10/03	3476-92'	4 JSPF	64 holes
06/10/03	3422-44'	4 JSPF	88 holes

# Marine

**Klabzuba Oil & Gas Co.**

**Gordon Creek 2-20-14-8**

1018' FWL & 1250' FNL

NW/NW Section 20-T14S-R8E

Carbon Co, Utah

API #43-007-30883

State of Utah Lease # - ML-46539

SN: 3348' KB  
 EOT: 3381' KB  
 PBTD: 3727' KB  
 Shoe: 3733' KB

# Burnside 29-14-8

Wellbore Diagram

Initial Production:

Updated 03/23/04

Spud Date: 07/23/01  
Put on Production:  
GL: 7175' KB: 7186'

## SURFACE CASING

CSG SIZE: 9-5/8"  
GRADE: J-55  
WEIGHT: 36#  
LENGTH: 547'  
DEPTH LANDED: 558' KB  
HOLE SIZE: 12-1/4"  
CEMENT DATA: 350 sxs

## INTERMEDIATE CASING

CSG SIZE: 7"  
GRADE: J-55  
WEIGHT: 20#  
LENGTH: 2014'  
DEPTH LANDED: 2025' KB  
HOLE SIZE: 8 3/4"  
CEMENT DATA: 225 sxs  
CEMENT TOP AT: Surface

## PRODUCTION CASING

CSG SIZE: 4-1/2"  
GRADE: I-80  
WEIGHT: 11.6#  
LENGTH: 84 jts. (3522')  
DEPTH LANDED: 3533' KB  
HOLE SIZE: 6 1/4"  
CEMENT DATA: 140 sxs 50/50 poz & 105 sxs Class G  
CEMENT TOP AT: 1765' per CBL

## TUBING

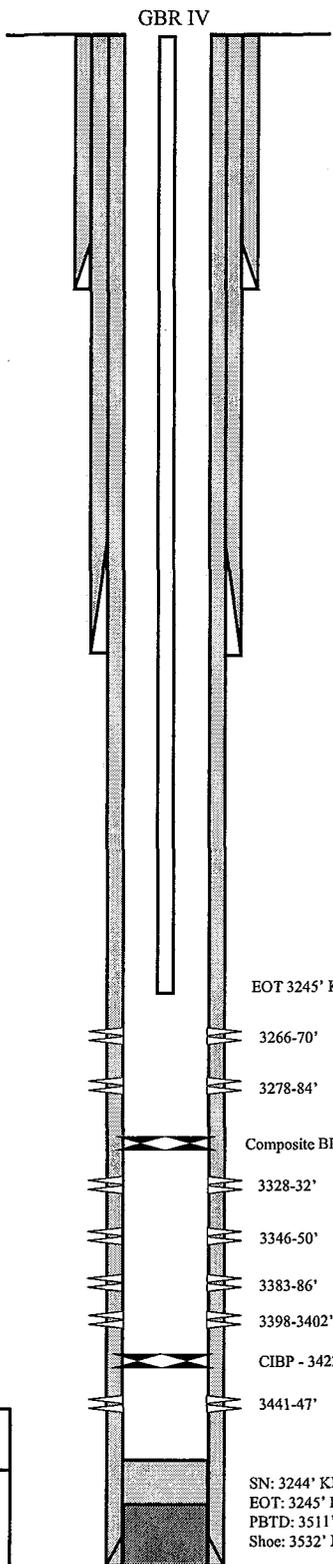
SIZE/GRADE/WT.: 2-3/8" / J-55 / 4.7#  
NO. OF JOINTS: 98 (3233')  
SN: (1.10')  
PACKER: None  
EOT @ 3245' KB

## SUCKER RODS

POLISHED ROD:  
SUCKER RODS:  
PUMP SIZE:  
STROKE LENGTH:  
PUMP SPEED:

## Logs

LOGS: Open Hole DILs across Ferron C  
Cased hole DIL/DN/GR?CAL



## Well Completion

09/09/01 3441-3447' **Acidize as follows:**  
**Ferron A** 500 gals 15% HCL. Breakdown 4.0 bpm  
2266 psig, Flush 9.6 BPM 2150 psig  
ISIP-1766 psig

09/12/01 3328-3402' **Acidize as follows:**  
**Ferron B** 1084 gals. 15% HCL, Breakdown 4.5 bpm  
@2500-300 psig w/balls, ISIP - 1675 psig

09/19/01 3328'-3402' **Frac as follows:**  
**Ferron B** 61,700# 16-30 snd in 890 bbls cross linked  
borate gel, 2-5 ppg @ 60 BPM job  
screened out. 5 min SI - 2610 psig

10/09/01 3266-3284' **Frac as follows:**  
**Ferron C** 110,600# 16-30 snd in 810 bbls gelled  
water & 418 MCF N2 (30 Q Foam) @  
20BPM. ISIP 2360 psig.

## PERFORATION RECORD

Date	Interval	Tool	Holes
10/06/01	3266-70'	4 JSPF	16 holes
10/06/01	3278-84'	4 JSPF	24 holes
09/11/01	3328-32'	4 JSPF	16 holes
09/11/01	3346-50'	4 JSPF	16 holes
09/11/01	3383-86'	4 JSPF	12 holes
09/11/01	3398-3402'	4 JSPF	16 holes
09/09/01	3441-47'	4 JSPF	24 holes

## Klabzuba Oil & Gas Co.

### Burnside 29-14-8

556' FNL & 1955' FEL  
NW/NE Section 29-T14S-R8E  
Carbon Co, Utah  
API #43-007-30725  
State Of Utah Lease # - ML-46539  
Federal Lease # - UTU-72358