



## TALON RESOURCES INC

April 7, 2004

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—WhitMar Exploration Company  
 27-2, 853' FNL, 630' FWL, NW/4 NW/4, Section 27, T13S, R11E, SLB&M, Carbon County, Utah

Dear Mrs. Mason:

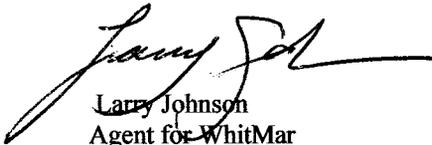
On behalf of WhitMar Exploration Company (WhitMar), Talon Resources, Inc. respectfully submits the enclosed original and one copy of the *Application for Permit to Drill (APD)* for the above referenced well. Included with the APD is the following supplemental information:

- Exhibit "A" - Survey plats and layouts of the proposed well site;
- Exhibit "B" - Proposed location maps with pipe, power, and 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.

Please accept this letter as WhitMar's, written request for confidential treatment of all information contained in and pertaining to this application.

Thank you very much for your timely consideration of this application. Please feel free to contact myself or Whitney Marvin of WhitMar at 713-739-7300 if you have any questions or need additional information.

Sincerely,



Larry Johnson  
 Agent for WhitMar

cc: Whitney Marvin, WhitMar  
 Mark Jones, DOGM, Price Office  
 Ed Bonner, SITLA— State Office

RECEIVED

APR 09 2004

DIV. OF OIL, GAS & MINING

ORIGINAL

CONFIDENTIAL

001

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>		5. MINERAL LEASE NO: Fee	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: WhitMar Exploration Company		9. WELL NAME and NUMBER: 27-2	
3. ADDRESS OF OPERATOR: 1021 Main, Suite 1100 CITY Houston STATE TX ZIP 77002		10. FIELD AND POOL, OR WILDCAT: <del>undesignated</del> <i>W. L. Jones</i>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 853' FNL, 630' FWL AT PROPOSED PRODUCING ZONE: 853' FNL, 630' FWL		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 27 13 S 11 E <i>SE</i>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 9.32 miles northeast of Wellington, Utah		12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 472'	16. NUMBER OF ACRES IN LEASE: 360	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2,400'	19. PROPOSED DEPTH: 2,900	20. BOND DESCRIPTION: Pending	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6,060'	22. APPROXIMATE DATE WORK WILL START: 5/15/2004	23. ESTIMATED DURATION: 14 days	

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12-1/4"	8-5/8" J-55 ST 24 #	350	Howco Prem Plus V	200 sacks	1.20 cu.ft/sk 15.6 ppg
7-7/8"	5-1/2" J-55 ST 15.5 #	2,800	Howco CBM Lt LCM	90 sacks	4.59 cu.ft/sk 10.5 ppg
			Howco CBM Light	80 sacks	1.99 cu.ft/sk 13.0 ppg

RECEIVED  
APR 09 2004

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

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

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NAME (PLEASE PRINT) Larry Johnson TITLE Agent for WhitMar Exploration Company

SIGNATURE *Larry Johnson* DATE 4/7/2004

(This space for State Use only)

API NUMBER ASSIGNED: 43-007-30939

APPROVAL:

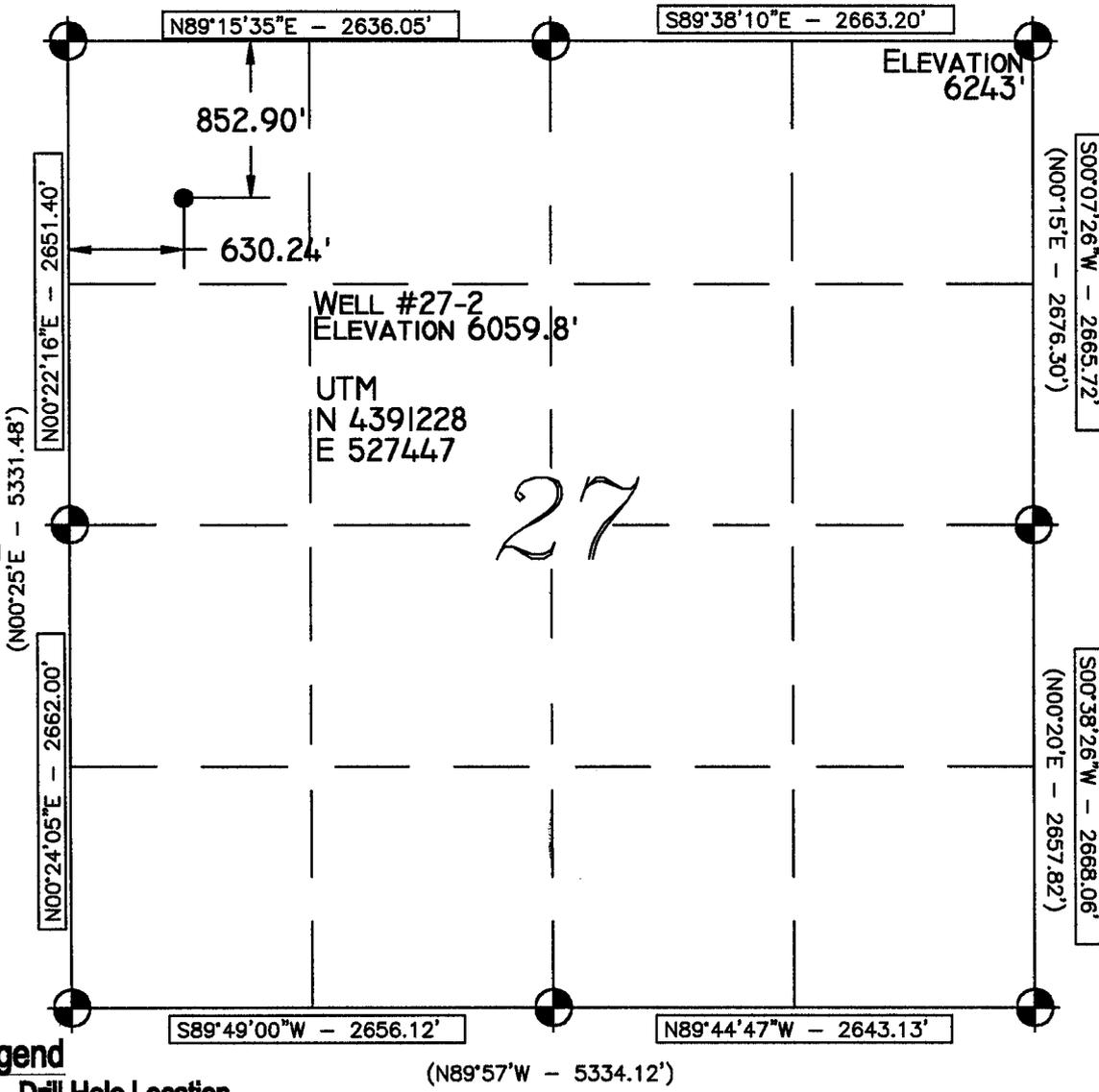
Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 03-17-05  
By: *[Signature]*

# Range 11 East

(WEST - 5316.96')

Township 13 South



WELL #27-2  
ELEVATION 6059.8'

UTM  
N 4391228  
E 527447

27

**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 6243' BEING AT THE NORTHEAST CORNER OF SECTION 27, TOWNSHIP 13 SOUTH, RANGE 11 EAST SALT LAKE BASE & MERIDIAN, AS SHOWN ON THE DEADMAN CANYON QUADRANGLE 7.5 MINUTE SERIES MAP.

**Description of Location:**  
PROPOSED DRILL HOLE LOCATED IN THE NW 1/4, NW 1/4 OF SECTION 27; BEING 852.90' SOUTH AND 630.24' EAST FROM THE NORTHWEST CORNER OF SECTION 27, T13S, R11E, SALT LAKE BASE AND MERIDIAN.

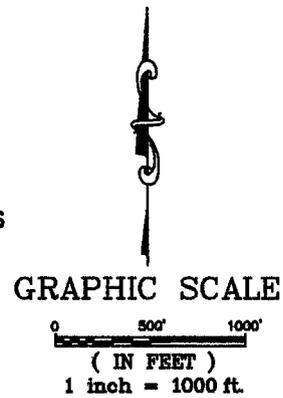
**Surveyor's Certificate:**  
I, ALBERT J. SPENSKO, A REGISTERED PROFESSIONAL LAND SURVEYOR, HOLDING CERTIFICATE 146652 STATE OF UTAH, DO HEREBY CERTIFY THAT THE INFORMATION ON THIS DRAWING IS A TRUE AND ACCURATE SURVEY BASED ON DATA OF RECORD AND WAS CONDUCTED UNDER MY PERSONAL DIRECTION AND SUPERVISION AS SHOWN HEREON.



- Legend**
- Drill Hole Location
  - ⊙ Brass Cap (Found)
  - Brass Cap (Searched for, but not found)
  - △ Calculated Corner
  - ( ) GLO
  - GPS Measured

**NOTE:**  
UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS WASS SYSTEM AND ARE SHOWN IN NAD 27 DATUM.

LAT/LONG  
39°40'20"N  
110°40'48"W





**Talon Resources, Inc.**  
195 North 100 West  
Huntington, Utah 84528  
Ph: 435-687-5310  
Fax: 435-687-5311

---

**WHITMAR EXPLORATION COMPANY**  
WELL #27-2  
Section 27, T13S, R11E, S.L.B.&M.  
Carbon County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J./A.P.C.
Drawing No. A-1	Date: 02/09/04
Scale: 1" = 1000'	
Job No. 1274	

Sheet 1 of 4

**Drilling Program**  
Exhibit "D"

Attached to UDOGM Form 3  
WhitMar Exploration Company  
27-2  
NW/4 NW/4, Sec. 27, T13S, R11E, SLB & M  
853' FNL, 630' FWL  
Carbon County, Utah

1. The Geologic Surface Formation

Blue Gate Shale Member of the Mancos Shale

2. Estimated Tops of Important Geologic Markers

<u>Marker</u>	<u>Depth (MD)</u>
Mancos Blue Gate Marker	2,200'
Ferron Sandstone	2,500'
Total Depth	2,800'

3. Projected Gas & Water Zones

Ferron coals and sandstones                      2,500' to 2,760'

No groundwater is expected to be encountered. 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 1000 psi.

4. The Proposed Casing and Cementing Programs

<u>HOLE SIZE</u>	<u>SETTING DEPTH (INTERVAL)</u>	<u>SIZE (OD)</u>	<u>WEIGHT, GRADE &amp; JOINT</u>	<u>CONDITION</u>
12-1/4"	350'	8-5/8"	24# J-55 ST&C	New
7-7/8"	2,800'	5-1/2"	15.5# J-55 ST&C	New

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

Surface Casing: 200 sacks Howco Premium Plus V + CaCl + Flocele;  
Weight: 15.6 #/gal  
Yield: 1.20 cu.ft/sk

Production Casing: 90 sacks Howco CBM Light LCM  
Weight: 10.5 #/gal  
Yield: 4.59 cu.ft/sk  
80 sacks Howco CBM Light  
Weight: 13.0 #/gal  
Yield: 1.99 cu.ft/sk

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 - 350'      12-1/4" hole      Drill with air, will mud-up if necessary.

350' - TD      7-7/8" hole      Drill with air, will mud-up if necessary.  
500 psi @ 1500-2300 Scf.

If fluid is necessary it will be fresh water + Quik-Gel +Pac-R + Therma-Thin + Barolift at 8.5 – 8.8 #/gal maximum.

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

350-TD      Schl Neutron-Density, PEX-AITH

Overpressuring

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.

Lost Circulation

Previous drilling records in this area indicate potential lost circulation while drilling or cementing the production casing for the wells. We plan to include lost circulation material in the production cement and have lost circulation material /additives on location while drilling.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: May 15, 2004.

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  
WhitMar Exploration Company  
27-2  
NW/4 NW/4, Sec. 27, T13S, R11E, SLB & M  
853' FNL, 630' FWL  
Carbon County, Utah

**1. Existing Roads**

- a. The proposed access road will encroach the Knight Ideal Mine Road in which approval to upgrade an existing encroachment is pending approval 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 50' of new road will be constructed to access the well site(see Exhibit "B").
- b. Maximum Width: 20' travel surface with a 24' base.
- c. Maximum grade: 10 %.
- c. Turnouts: None.
- d. Drainage design: approximately 1 – 18" culvert 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 no existing wells 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. Buried powerlines and gathering lines, when installed, will follow the proposed access roads and tie-in at the county road (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 air 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 reserve pit will be lined and three sides of the 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 Lester C. & Carol Lynn Thayn, Trust; 7310 East Highway 6, Wellington, Utah 84542. Lester Thayn can be reached at 435-637-4512. 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 an old abandoned cabin approximately 4,000' southeast. Nearest live water is Coal Creek approximately 400' east.
- 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**

Whitney Marvin – Landman, President and Chairman  
WhitMar Exploration Company  
1021 Main Street, Suite 1100  
Houston, Texas 77002

(713) 739-7300 office  
(713) 739-7333 fax

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

Company Representative

**Excavation Contractor**

To be awarded in the future

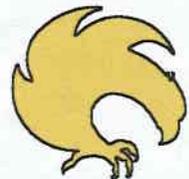
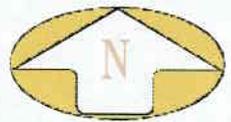
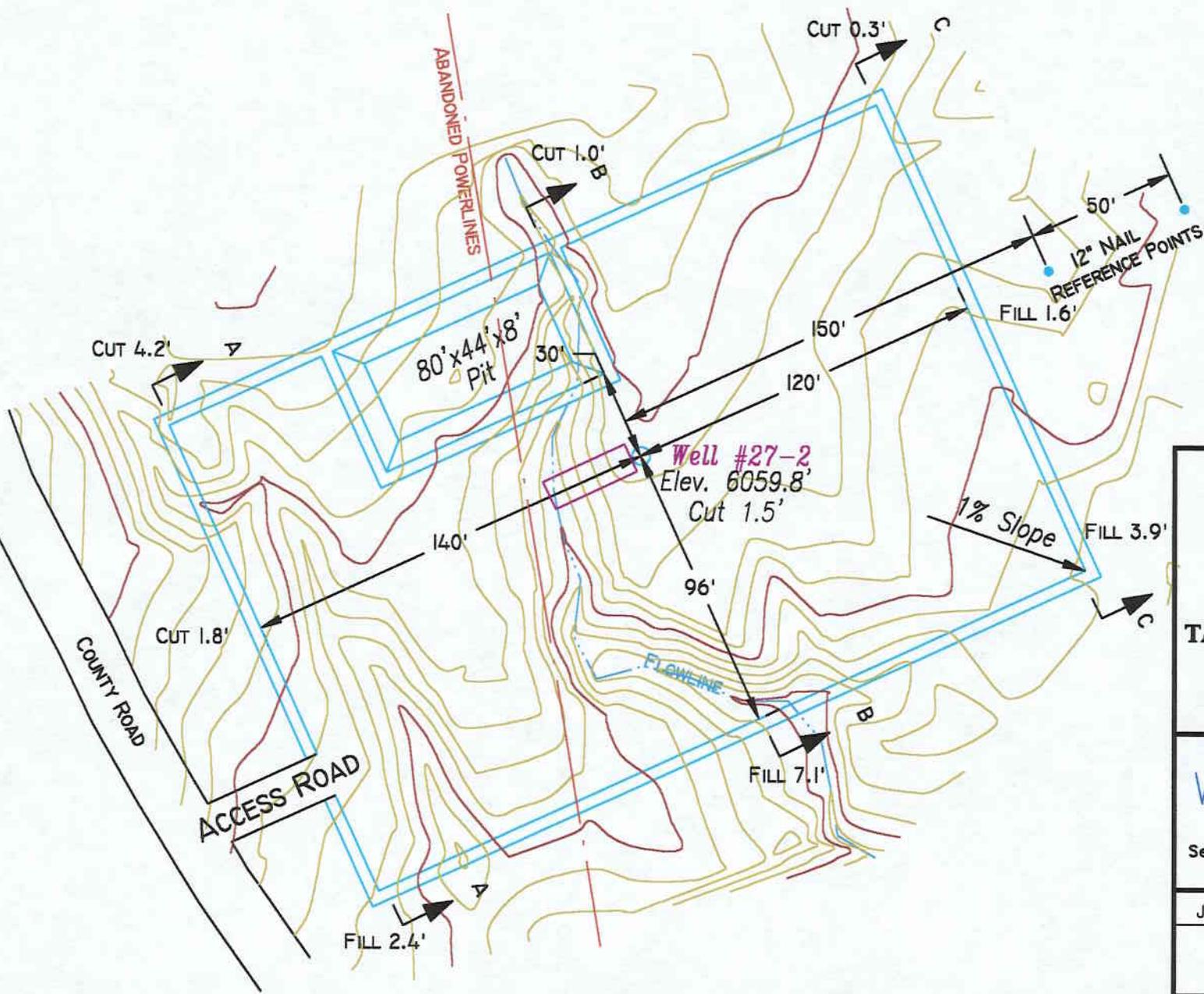
14. **Certification**

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 WhitMar and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

4/7/04  
Date

  
\_\_\_\_\_  
Larry Johnson for WhitMar Exploration Company

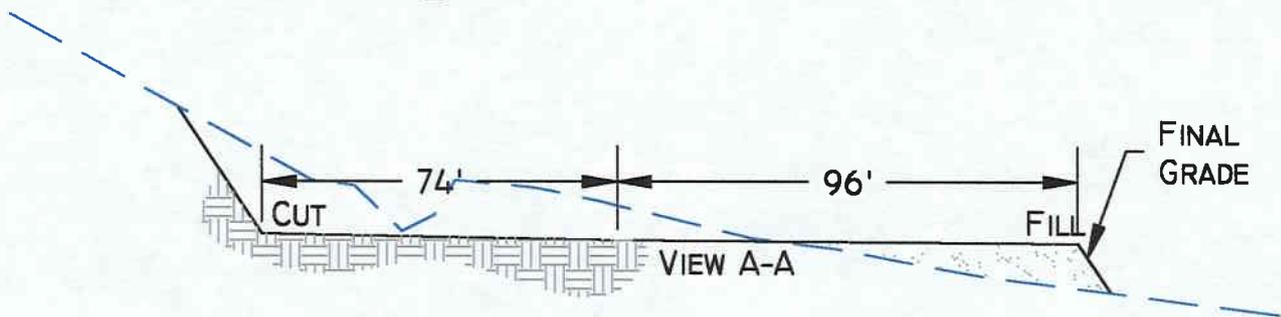
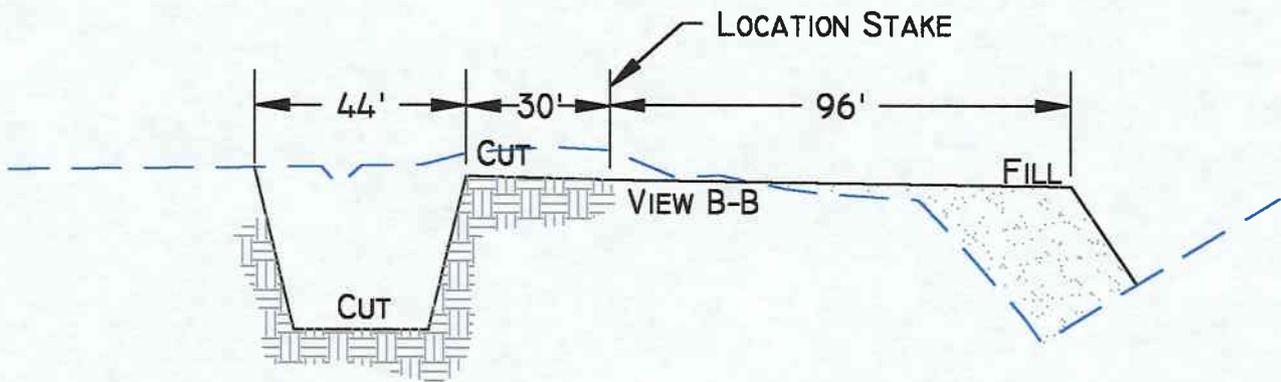
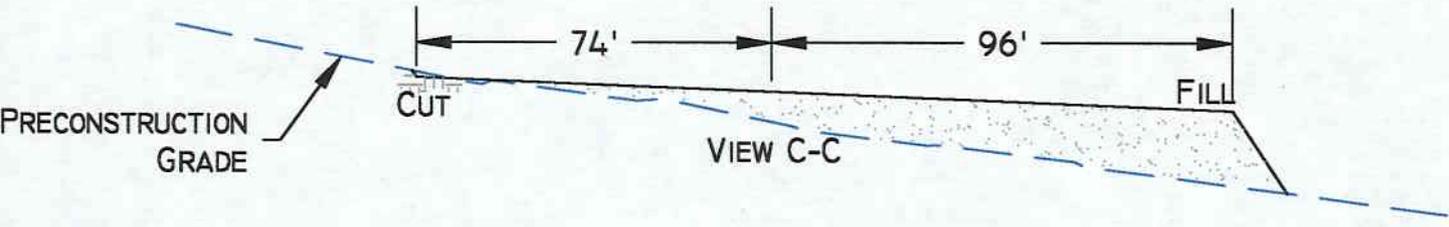
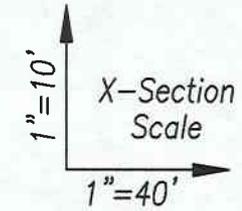
ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6059.8'  
 ELAVATION OF GRADED GROUND AT LOCATION STAKE = 6059.3'



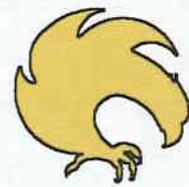
**TALON RESOURCES, INC.**  
 195 North 100 West P.O. Box 1290  
 Huntington, Utah 84528  
 Phone (435)687-5310 Fax (435)687-5311  
 E-Mail talonnetv.net

**WHITMAR EXPLORATION COMPANY**  
 LOCATION LAYOUT  
 Section 27, T13S, R11E, S.L.B.&M.  
 WELL #27-2

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 02/04/04
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 1274



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



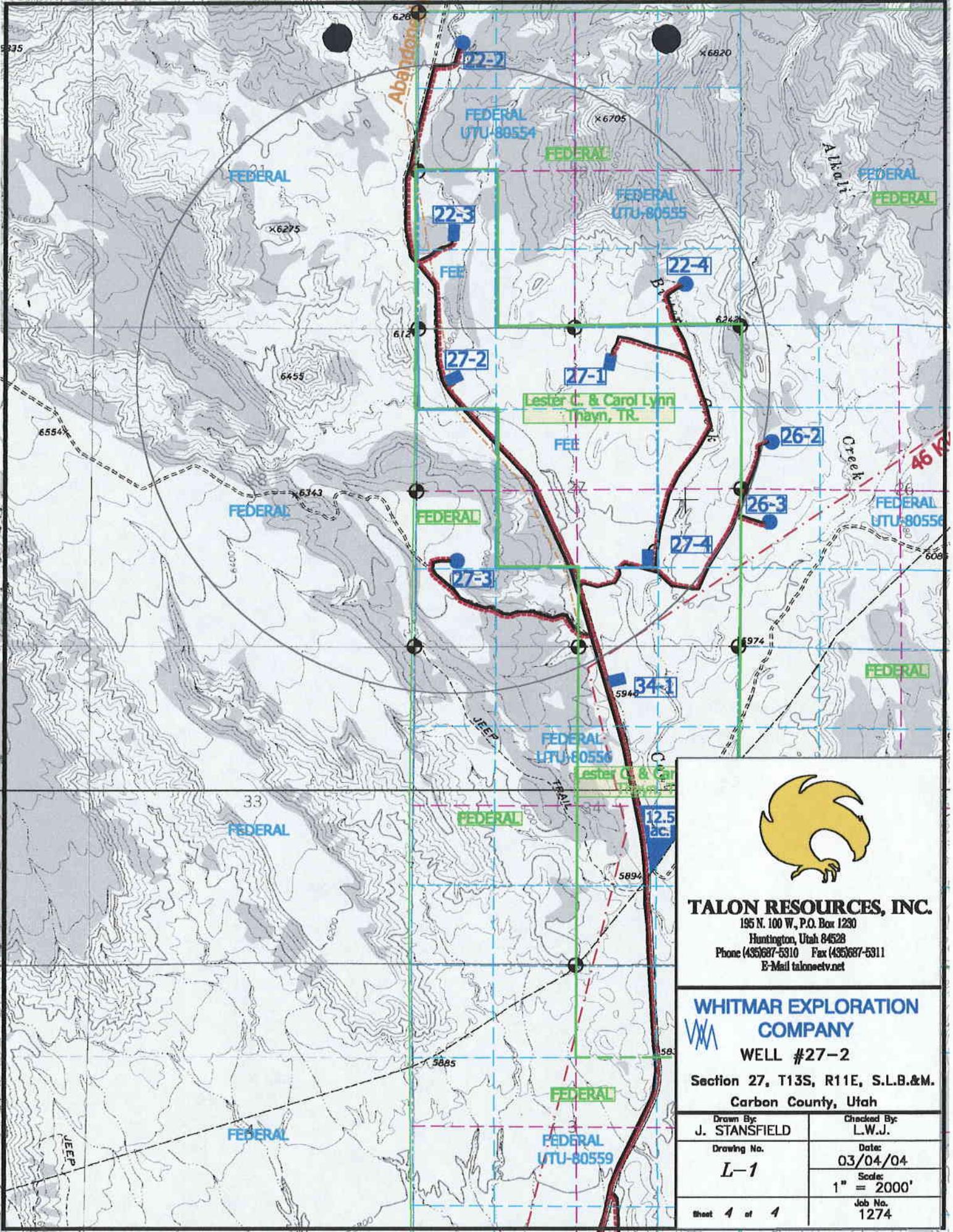
**TALON RESOURCES, INC**  
195 North 100 West P.O. Box 1230  
Huntington, Utah 84528  
Phone (435)687-5310 Fax (435)687-5311  
E-Mail talonsetv.net

**WHITMAR EXPLORATION COMPANY**

TYPICAL CROSS SECTION  
Section 27, T13S, R11E, S.L.B.&M.  
WELL #27-2

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 02/04/04
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 1274

APPROXIMATE YARDAGES  
(6") TOPSOIL STRIPPING = 750 Cu. Yds.  
REMAINING LOCATION = 875 Cu, Yds.  
(INCLUDING TOPSOIL STRIPPING)  
TOTAL CUT (INCLUDING PIT) = 1,725 Cu. Yds.  
TOTAL FILL = 1,720 Cu. Yds.



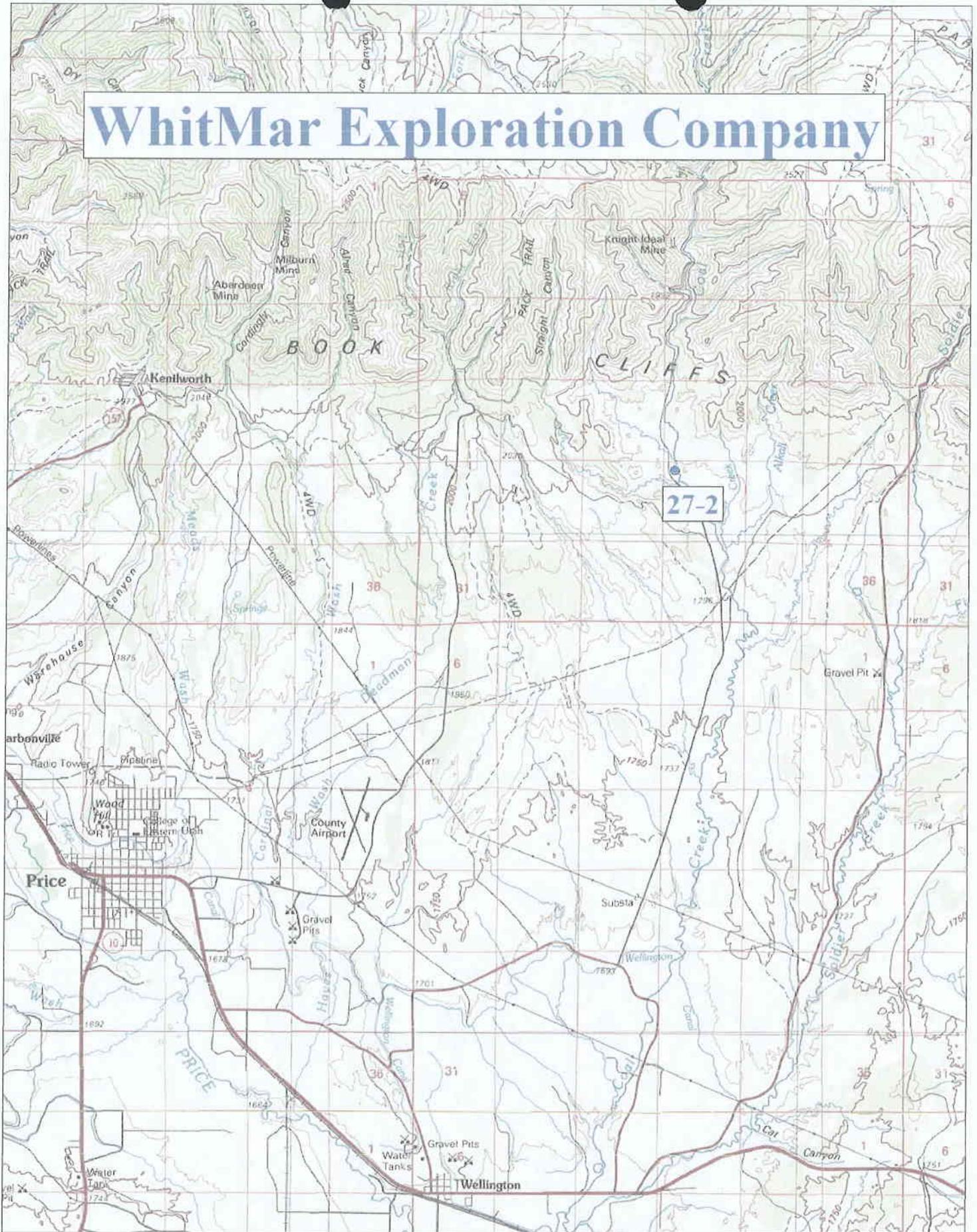
**TALON RESOURCES, INC.**  
 195 N. 100 W., P.O. Box 1230  
 Huntington, Utah 84528  
 Phone (435)687-5310 Fax (435)687-5311  
 E-Mail talonecvt.net

**WHITMAR EXPLORATION COMPANY**  
**WELL #27-2**

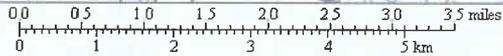
Section 27, T13S, R11E, S.L.B.&M.  
 Carbon County, Utah

Drawn By: <b>J. STANSFIELD</b>	Checked By: <b>L.W.J.</b>
Drawing No. <b>L-1</b>	Date: <b>03/04/04</b>
	Scale: <b>1" = 2000'</b>
Sheet <b>4</b> of <b>4</b>	Job No. <b>1274</b>

# WhitMar Exploration Company



TN MN  
12 1/2°



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BLOOIE  
PIT

PIPE RACKS

PIPE RACKS

BASKET

BASKET

BASKET

BASKET

RESERVE PIT

MUD PIT

13'

50'

RIG

SUBST

WATER TANK 10'

40'

22'

PUMP

PUMP

LIGHT PLANT

8'

8'

DIESEL FUEL 26'

PROPANE

35'

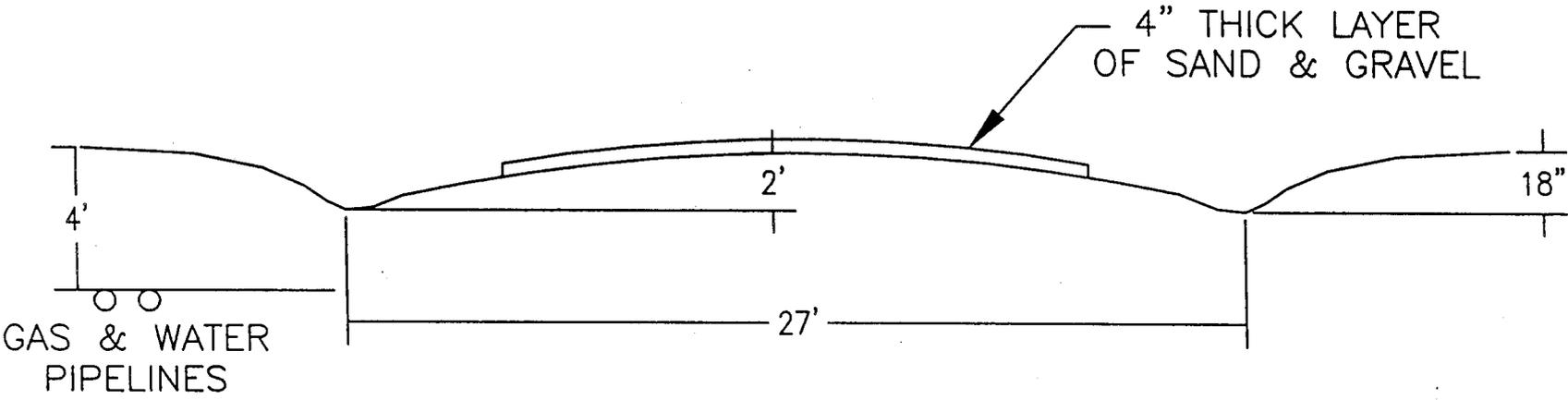
TRAILER 8'

AIR  
PACKAGE

APPROXIMATE LAYOUT OF RIG & EQUIPMENT  
(Not to Scale)

EXHIBIT "C"

# TYPICAL ROAD CROSS-SECTION



# BOP Equipment

2000 psi WP

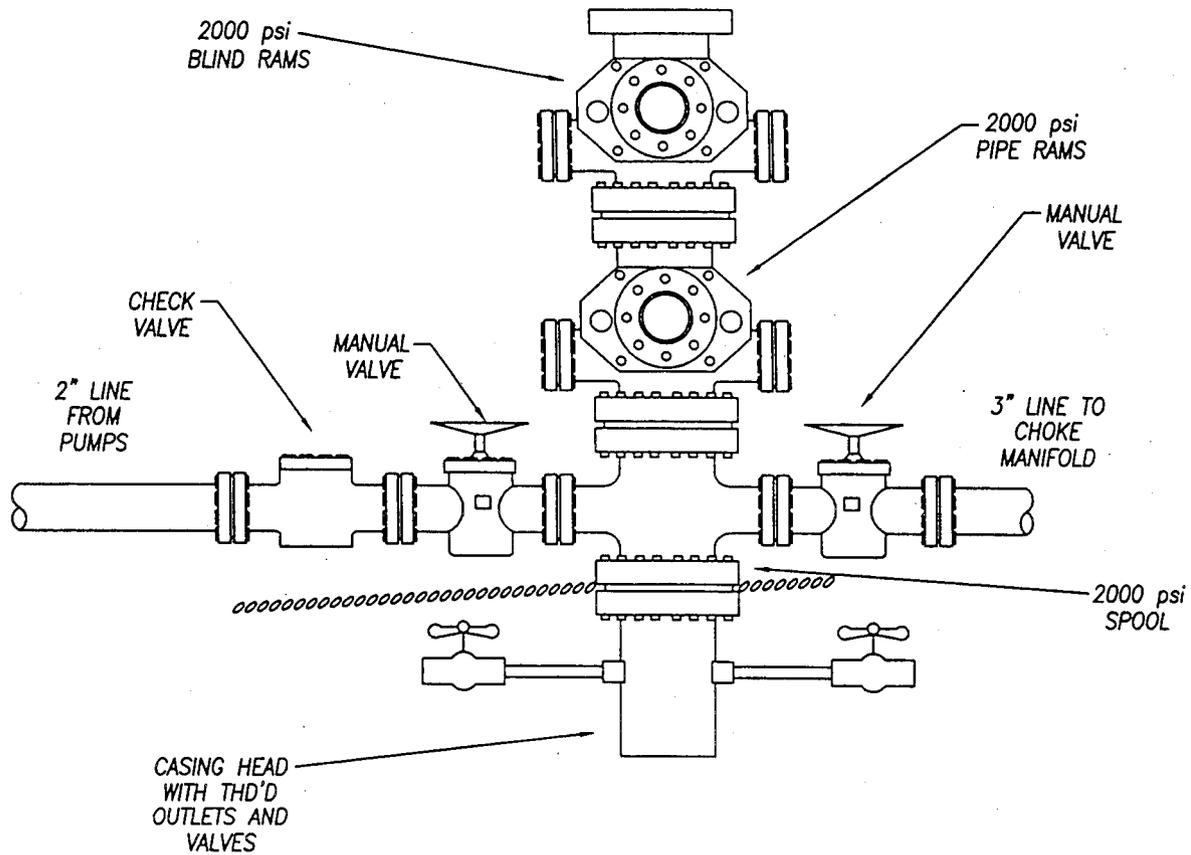
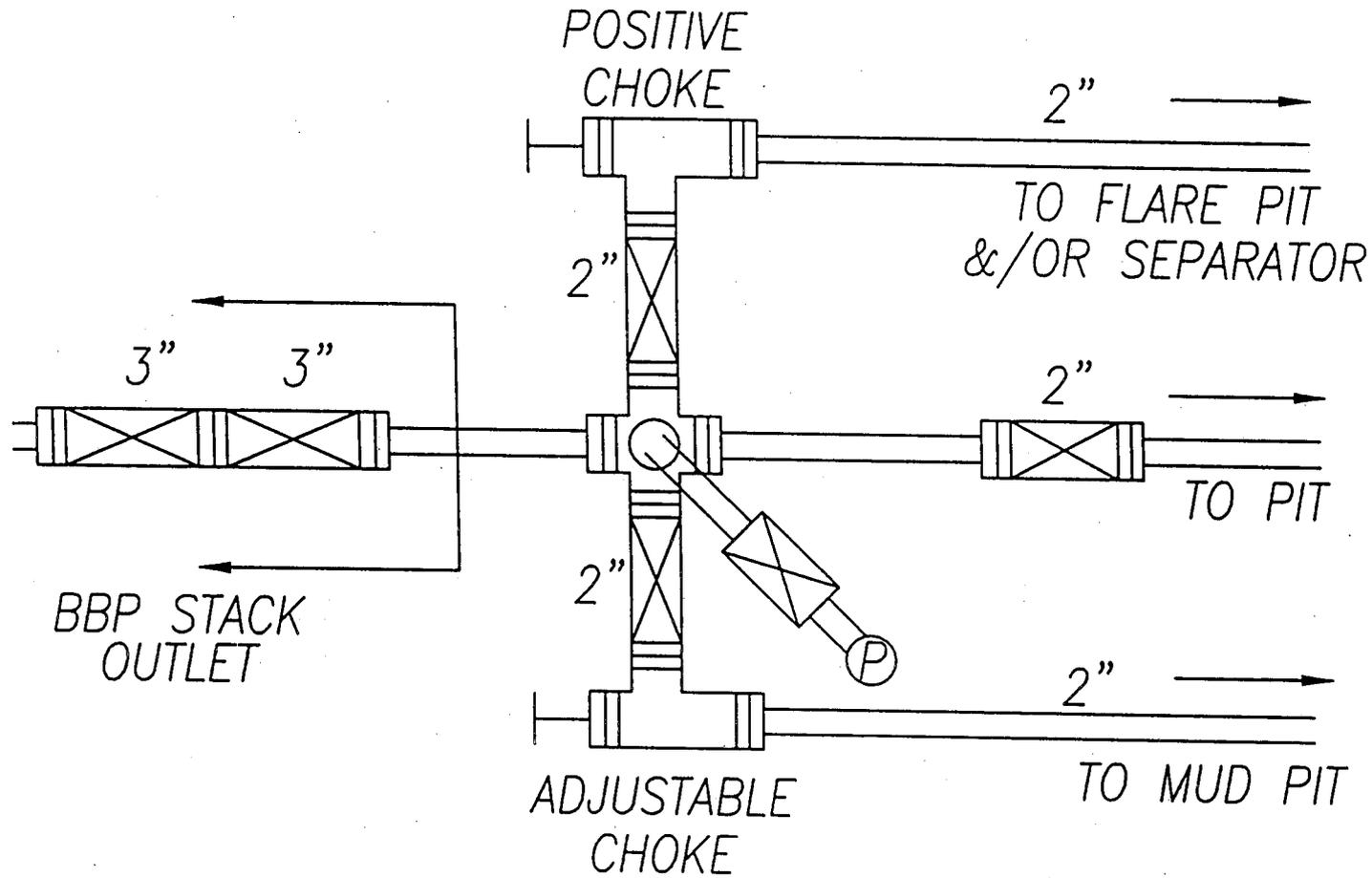


EXHIBIT "G"

# CHOKE MANIFOLD



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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>				5. MINERAL LEASE NO: <b>Fee</b>	6. SURFACE: <b>Fee</b>
1A. TYPE OF WORK: <b>DRILL</b> <input checked="" type="checkbox"/> <b>REENTER</b> <input type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>	
B. TYPE OF WELL: <b>OIL</b> <input type="checkbox"/> <b>GAS</b> <input checked="" type="checkbox"/> OTHER _____ <b>SINGLE ZONE</b> <input checked="" type="checkbox"/> <b>MULTIPLE ZONE</b> <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: <b>N/A</b>	
2. NAME OF OPERATOR: <b>WhitMar Exploration Company</b>				9. WELL NAME and NUMBER: <b>27-2</b>	
3. ADDRESS OF OPERATOR: <b>1021 Main, Suite 1100</b> CITY <b>Houston</b> STATE <b>TX</b> ZIP <b>77002</b>			PHONE NUMBER: <b>(713) 739-7300</b>	10. FIELD AND POOL, OR WILDCAT: <del>undesignated</del> <b>Widened</b>	
4. LOCATION OF WELL (FOOTAGES)  AT SURFACE: <b>853' FNL, 630' FWL</b>  AT PROPOSED PRODUCING ZONE: <b>853' FNL, 630' FWL</b>				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNW 27 13 11 S</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>9.32 miles northeast of Wellington, Utah</b>				12. COUNTY: <b>Carbon</b>	13. STATE: <b>UTAH</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>472'</b>	16. NUMBER OF ACRES IN LEASE: <b>360</b>	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>160</b>			
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>2,400'</b>	19. PROPOSED DEPTH: <b>2,900</b>	20. BOND DESCRIPTION: <b>Pending</b>			
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>6,060'</b>	22. APPROXIMATE DATE WORK WILL START: <b>5/15/2004</b>	23. ESTIMATED DURATION: <b>14 days</b>			

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12-1/4"	8-5/8"    J-55 ST    24 #	350	Howco Prem Plus V	200 sacks	1.20 cu.ft/sk	15.6 ppg
7-7/8"	5-1/2"    J-55 ST    15.5 #	2,800	Howco CBM Lt LCM	90 sacks	4.59 cu.ft/sk	10.5 ppg
			Howco CBM Light	80 sacks	1.99 cu.ft/sk	13.0 ppg

**RECEIVED**  
**APR 09 2004**

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

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

**CONFIDENTIAL**

NAME (PLEASE PRINT) Larry Johnson    TITLE Agent for WhitMar Exploration Company

SIGNATURE     DATE 4/7/2004

(This space for State use only)

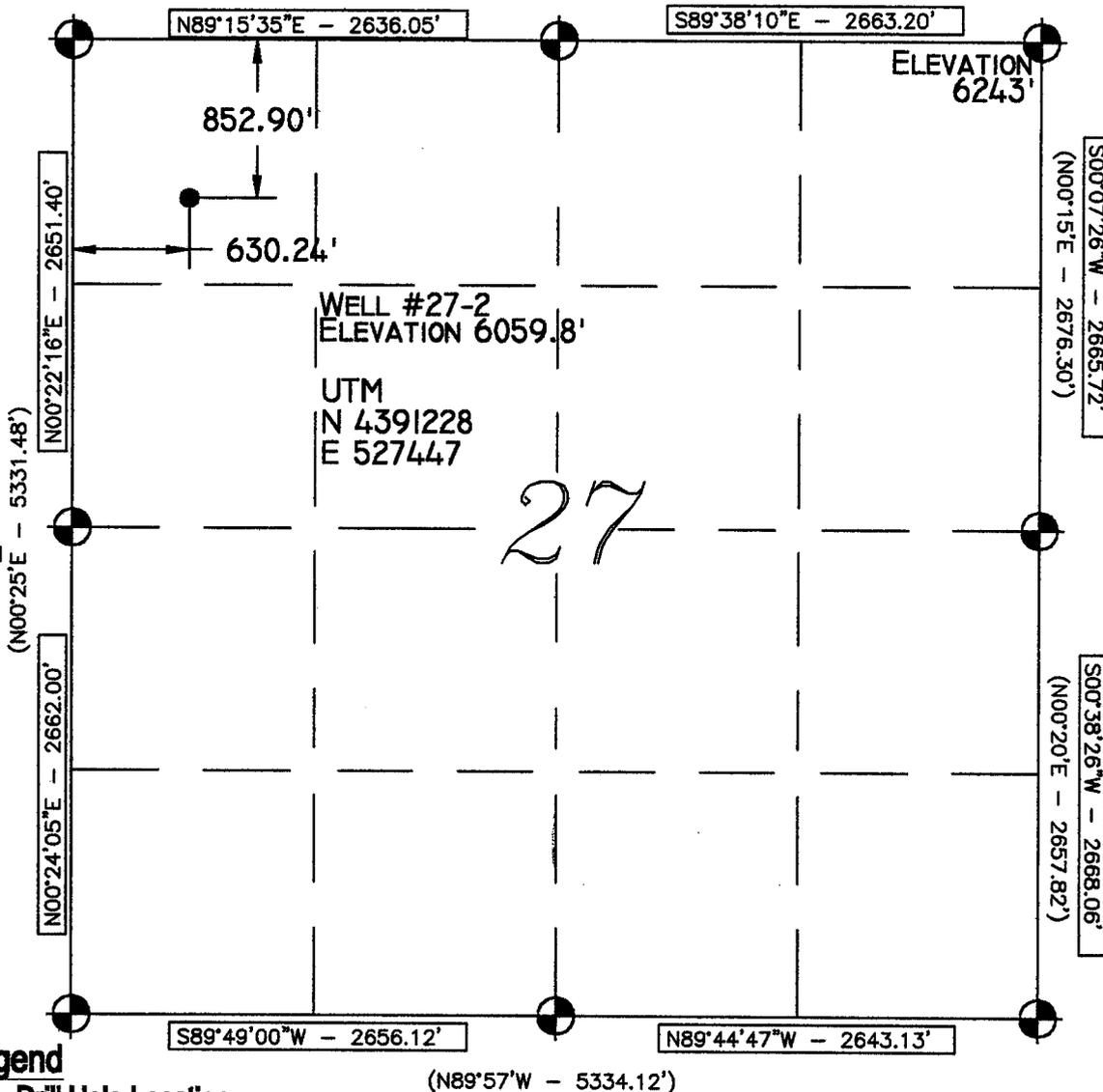
API NUMBER ASSIGNED: 43-007-30939

APPROVAL:

# Range 11 East

(WEST - 5316.96')

Township 13 South



WELL #27-2  
ELEVATION 6059.8'

UTM  
N 4391228  
E 527447

27

### Legend

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

NOTE:  
UTM AND LATITUDE / LONGITUDE COORDINATES  
ARE DERIVED USING A GPS WASS SYSTEM AND  
ARE SHOWN IN NAD 27 DATUM.

LAT/LONG  
39°40'20"N  
110°40'48"W

### Location:

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

### Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

### GLO Bearing:

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

### Basis of Elevation:

BASIS OF ELEVATION OF 6243' BEING AT THE NORTHEAST CORNER OF SECTION 27, TOWNSHIP 13 SOUTH, RANGE 11 EAST SALT LAKE BASE & MERIDIAN, AS SHOWN ON THE DEADMAN CANYON QUADRANGLE 7.5 MINUTE SERIES MAP.

### Description of Location:

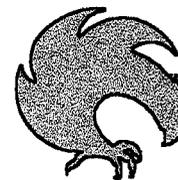
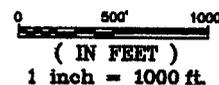
PROPOSED DRILL HOLE LOCATED IN THE NW 1/4, NW 1/4 OF SECTION 27; BEING 852.90' SOUTH AND 630.24' EAST FROM THE NORTHWEST CORNER OF SECTION 27, T13S, R11E, SALT LAKE BASE AND MERIDIAN.

### 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



### Talon Resources, Inc.

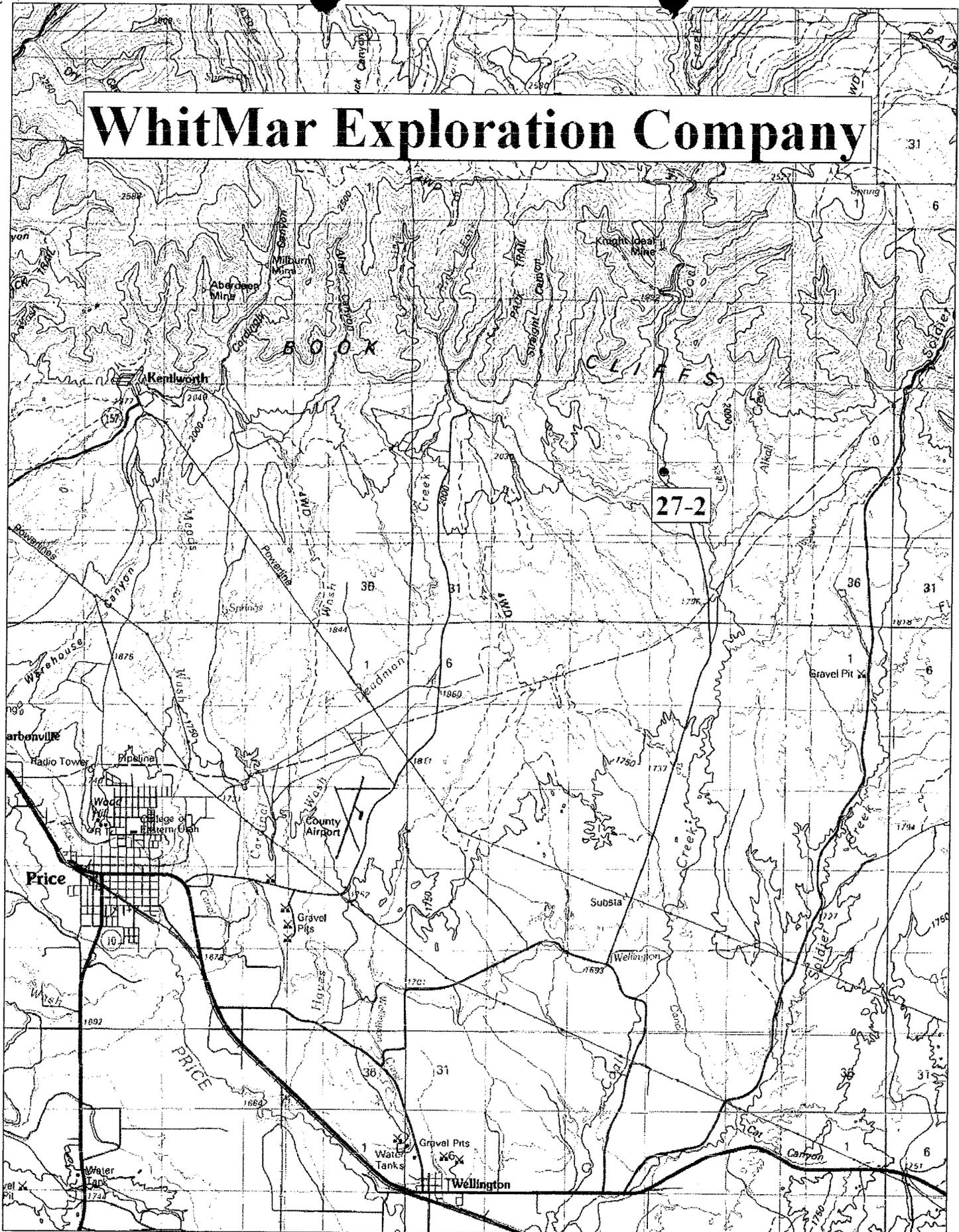
195 North 100 West  
Huntington, Utah 84528  
Ph: 435-687-5310  
Fax: 435-687-5311

### WHITMAR EXPLORATION COMPANY

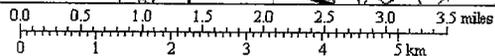
WELL #27-2  
Section 27, T13S, R11E, S.L.B.&M.  
Carbon County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J./A.P.C.
Drawing No. A-1	Date: 02/09/04
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 1274

# WhitMar Exploration Company



TN MN  
12 1/2°



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WORKSHEET

APPLICATION FOR PERMIT TO DRILL

004

APD RECEIVED: 04/09/2004

API NO. ASSIGNED: 43-007-30939

WELL NAME: 27-2

OPERATOR: WHITMAR EXPLORATION ( N2585 )

CONTACT: LARRY JOHNSON

PHONE NUMBER: 713-739-7300

PROPOSED LOCATION:

NWNW 27 130S 110E
SURFACE: 0853 FNL 0630 FWL
BOTTOM: 0853 FNL 0630 FWL
CARBON
WILDCAT ( 1 )

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? YES

INSPECT LOCATN BY: / /

Table with 3 columns: Tech Review, Initials, Date. Rows include Engineering (DKD, 8/3/04), Geology, and Surface.

LATITUDE: 39.67222

LONGITUDE: -110.6801

RECEIVED AND/OR REVIEWED:

- Plat
Bond: Fed[] Ind[] Sta[] Fee[] (No. LPM8792527 )
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:

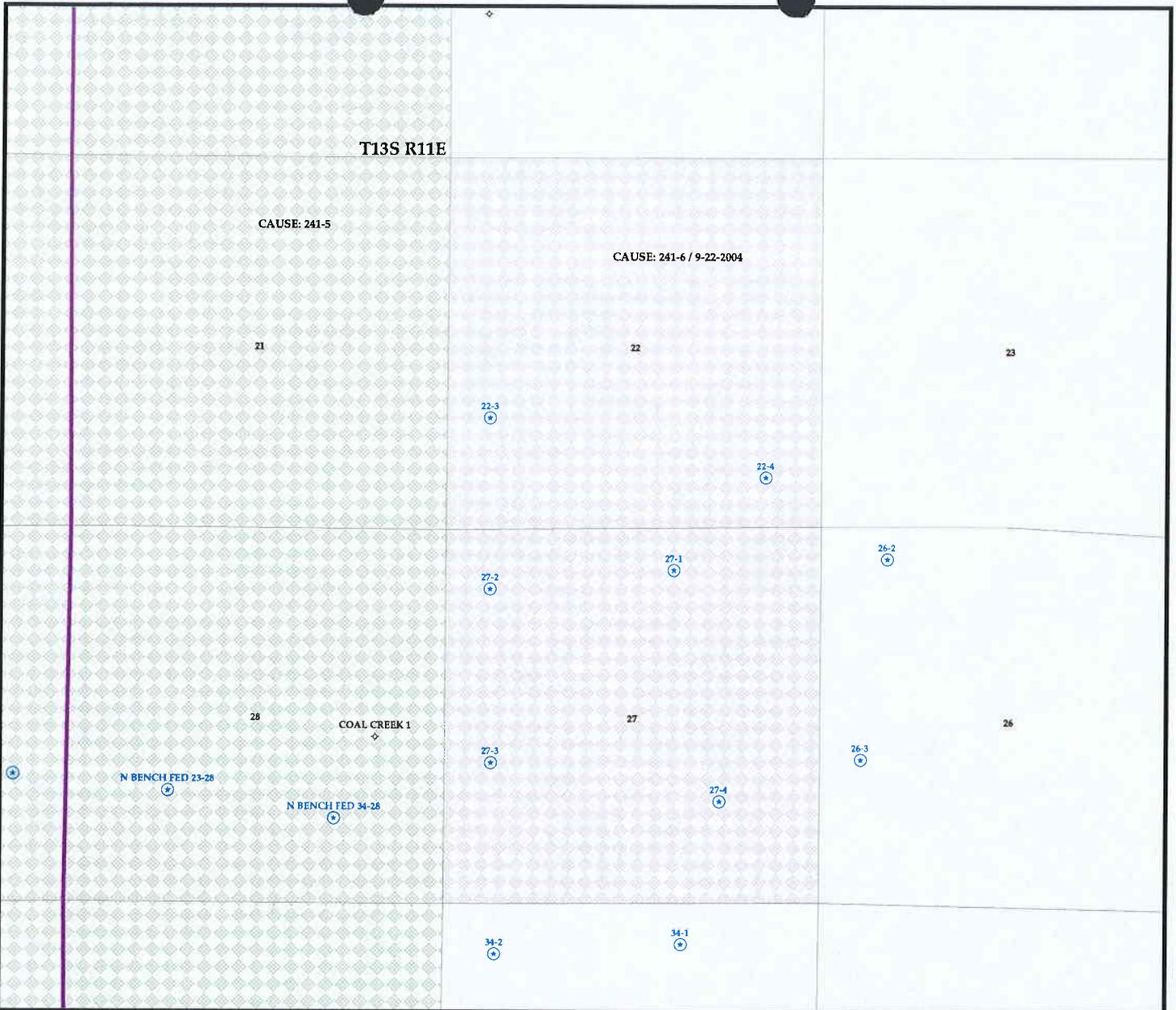
- R649-2-3.
Unit
R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
R649-3-3. Exception
Drilling Unit
Board Cause No: 241-6
Eff Date: 9-22-04
Siting: 460' fr outer bdrly n 8' 920' fr other wells
R649-3-11. Directional Drill

COMMENTS:

Recd Permit 4-28-04

STIPULATIONS:

1 STATEMENT OF BASIS



OPERATOR- WHITMAR EXPL CO (N2585)

SEC. 22 & 27 T.13S R.11E

FIELD: WILDCAT (001)

COUNTY: CARBON

CAUSE: 241-6 / 9-22-2004



Wells	Units.shp	Fields.shp
♣ GAS INJECTION	□ EXPLORATORY	□ ABANDONED
⊙ GAS STORAGE	□ GAS STORAGE	□ ACTIVE
× LOCATION ABANDONED	□ NF PP OIL	□ COMBINED
⊕ NEW LOCATION	□ NF SECONDARY	□ INACTIVE
⊖ PLUGGED & ABANDONED	□ PENDING	□ PROPOSED
⊛ PRODUCING GAS	□ PI OIL	□ STORAGE
● PRODUCING OIL	□ PP GAS	□ TERMINATED
⊙ SHUT-IN GAS	□ PP GEOTHERML	
⊙ SHUT-IN OIL	□ PP OIL	
× TEMP. ABANDONED	□ SECONDARY	
○ TEST WELL	□ TERMINATED	
▲ WATER INJECTION		
◆ WATER SUPPLY		
♣ WATER DISPOSAL		



PREPARED BY: DIANA WHITNEY  
DATE: 17-MARCH-2005

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/09/2004

API NO. ASSIGNED: 43-007-30939

WELL NAME: 27-2  
 OPERATOR: WHITMAR EXPLORATION ( N2585 )  
 CONTACT: LARRY JOHNSON

PHONE NUMBER: 713-739-7300

PROPOSED LOCATION:  
 NWNW 27 130S 110E  
 SURFACE: 0853 FNL 0630 FWL  
 BOTTOM: 0853 FNL 0630 FWL  
 CARBON  
 WILDCAT ( 1 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DREO	8/3/04
Geology		
Surface		

LEASE TYPE: 4 - Fee  
 LEASE NUMBER: FEE  
 SURFACE OWNER: 4 - Fee  
 PROPOSED FORMATION: FRSD  
 COALBED METHANE WELL? NO

LATITUDE: 39.67222  
 LONGITUDE: 110.68007

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[4]  
 (No. 1pm8792527)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
 (No. MUNICIPAL)
- RDCC Review (Y/N)  
 (Date: 05/01/2004)
- 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: Needs Permit 04-28-04

STIPULATIONS: 1- Spacing Strip



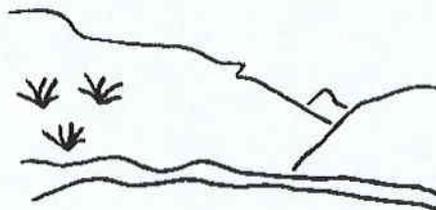
OPERATOR: WHITMAR EXPL CO (N2585)

SEC. 27 T.13S, R.11E

FIELD: WILDCAT (001)

COUNTY: CARBON

SPACING: R649-3-2 / GENERAL SITTING



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

Unit Status

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

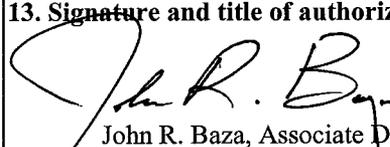
Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY  
DATE: 16-APRIL-2004

**STATE ACTIONS**  
**Governor's Office of Planning and Budget**  
**Resource Development Coordinating Committee**  
**P.O. Box 145610**  
**1594 W. North Temple, Suite 3710**  
**SLC, UT 84114-5610**  
**538-5535**

<b>1. Administering State Agency</b> Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	<b>2. Approximate date project will start:</b>  Upon Approval or May 15, 2004
<b>3. Areawide clearinghouse(s) receiving state action:</b> (to be sent out by agency in block 1)  Southeastern Utah Association of Governments	
<b>4. Type of action:</b> // Lease <input checked="" type="checkbox"/> / Permit // License // Land Acquisition  // Land Sale // Land Exchange // Other _____	
<b>5. Title of proposed action:</b>  Application for Permit to Drill	
<b>6. Description:</b>  WhitMar Exploration Company proposes to drill the 27-2 well (wildcat) on a Fee 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>7. Land affected (site location map required) (indicate county) – include UTM coordinates where possible</b> 853' FNL 630' FWL NW/4, NW/4, Section 27, Township 13 S, Range 11 E, Carbon County, Utah	
<b>8. Jordan River Natural Areas Forum review – If the proposed action affects lands within the Jordan River Natural Areas Corridor.</b> N/A	
<b>9. Has the local government(s) been contacted?</b> No If yes, a. How was contact made? b. Who was contacted? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
<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> N/A	
<b>12. For further information, contact:</b>  Diana Whitney <b>Phone:</b> (801) 538-5312	<b>13. Signature and title of authorized officer</b>  John R. Baza, Associate Director <b>Date:</b> April 16, 2004

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

OPERATOR: WhitMar Exploration Company  
WELL NAME & NUMBER: 27-2  
API NUMBER: 43-007-30939  
LEASE: Fee FIELD/UNIT: \_\_\_\_\_  
LOCATION: 1/4, 1/4 NWNW Sec: 27 TWP: 13S RNG: 11E 853 FNL 630 FWL  
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.  
GPS COORD (UTM): X = 527447 E; Y = 4391228 N SURFACE OWNER: L. Thayne Trust

**PARTICIPANTS**

M. Jones (DOGM), A. Childs (TALON for WhitMar).

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

Proposed location is ~8.5 miles northeast of Price, Utah. Staked location lies south of the abandoned Knight Ideal coal mine ~2.5 miles in the Coal Creek area. Access to this well will be along existing Carbon County maintained roadways. Approximately 50' of new road will be built to access this location. The direct area drains to the southeast into Coal Creek then south-eastwardly eventually into the Price River, a year-round live water source. Dry washes run throughout the area, which have the potential of carrying large volumes of water in thunderstorm events.

**SURFACE USE PLAN**

CURRENT SURFACE USE: Wildlife habitat and grazing.

PROPOSED SURFACE DISTURBANCE: 170' x 260' (80' x 44' x 8' included pit.)

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 6 proposed well are within a 1 mile radius of the above proposed well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Along roadside.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and transported in.

ANCILLARY FACILITIES: None anticipated.

**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 via an approved 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: Dry washes.

FLORA/FAUNA: sagebrush, greasewood, grasses, deer, antelope, small game, raptors and other fowl, and rodents.

SOIL TYPE AND CHARACTERISTICS: sandy clay.

EROSION/SEDIMENTATION/STABILITY: Stable until disturbed.

PALEONTOLOGICAL POTENTIAL: None observed.

**RESERVE PIT**

CHARACTERISTICS: Dugout earthen pit.

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

**SURFACE RESTORATION/RECLAMATION PLAN**

As per surface use agreement.

SURFACE AGREEMENT: Agreement signing contingent upon BLM EA approval.

CULTURAL RESOURCES/ARCHAEOLOGY: Arch study completed by Senco-Pheonix.

**OTHER OBSERVATIONS/COMMENTS**

Note that bonding was not in place yet at time of pre-site inspection.

Abandoned power line running through the proposed location will be removed during construction of the location with UP&L approval.

**ATTACHMENTS**

Photos of this location were taken and placed on file.

Mark L. Jones  
DOGM REPRESENTATIVE

April 28, 2004 / 10:30 am  
DATE/TIME

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

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>2</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>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>0</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**            12            (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:** WhitMar Exploration Company  
**WELL NAME & NUMBER:** 27-2  
**API NUMBER:** 43-007-30938  
**LOCATION:** 1/4,1/4 NWNW Sec: 22 TWP: 13S RNG: 11E 853 FNL 630 FWL

**Geology/Ground Water:**

Significant volumes of high quality ground water are unlikely to be encountered at this location. A poorly permeable soil is likely to be developed on the Blue Gate Member of the Mancos Shale. The proposed casing and cementing program should adequately isolate any zones of fresh water that may be penetrated. One surface water right has been filed within a mile of the proposed well site.

**Reviewer:** Christopher J. Kierst

**Date:** 5/26/2004

**Surface:**

Proposed location is ~8.5 miles northeast of Price, Utah. Staked location lies south of the abandoned Knight Ideal coal mine ~2.5 miles in the Coal Creek area. Access to this well will be along existing Carbon County maintained roadways. Approximately 50' of new road will be built to access this location. The direct area drains to the southeast into Coal Creek then south-eastwardly eventually into the Price River, a year-round live water source. Dry washes run throughout the area, which have the potential of carrying large volumes of water in thunderstorm events. Pit ranking criteria scored at level II, liner optional. Operator will install a synthetic liner, 12 mil. minimum, if deemed necessary during construction of the reserve pit. Abandoned power line running through the proposed location will be removed during construction of the location with UP&L approval. The surface owner and Carbon County were invited but chose not to attend this on-site meeting.

**Reviewer:** Mark L. Jones

**Date:** May 24, 2004

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

1. Berm the location and pit.
2. Divert all existing drainages around the location.
3. A minimum 12 mil. synthetic liner required lining the reserve pit if deemed necessary by the operator.

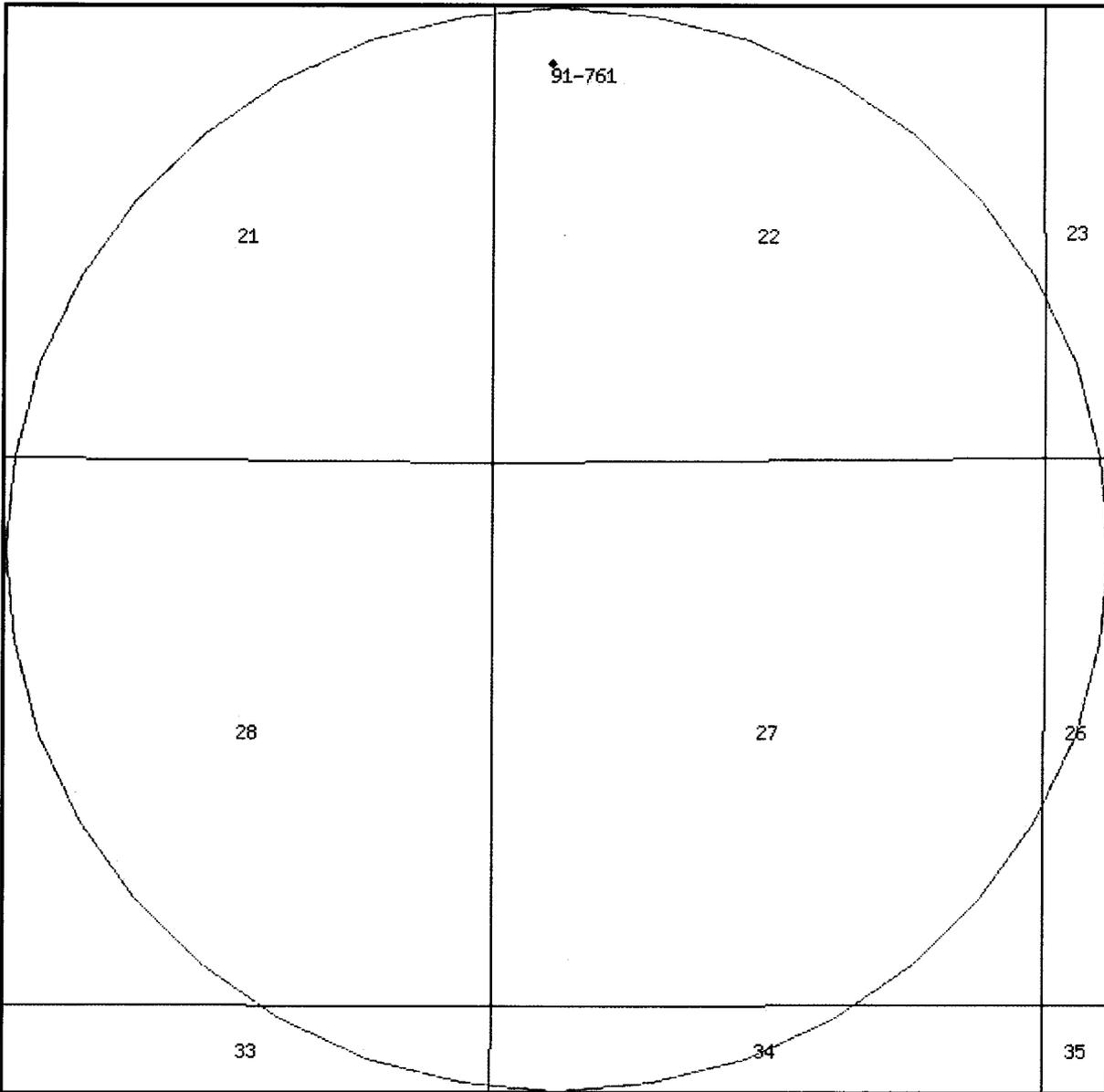


# UTAH DIVISION OF WATER RIGHTS

## WRPLAT Program Output Listing

Version: 2004.03.26.00      Rundate: 05/26/2004 01:55 PM

Radius search of 5280 feet from a point S853 E630 from the NW corner, section 27, Township 13S, Range 11E, SL b&m Criteria:wrtypes=W,C,E podtypes=S,U,Sp status=U,A,P usetypes=all



0    700    1400    2100    2800 ft

**Water Rights**

<b>WR Number</b>	<b>Diversion Type/Location</b>	<b>Well Log</b>	<b>Status</b>	<b>Priority</b>	<b>Uses</b>	<b>CFS</b>	<b>ACFT</b>	<b>Owner</b>
<u>91-761</u>	Surface  S1380 E550 NW 22 13S 11E SL		P	18720000	DIS	2.000	0.000	George M. Thayn Wellington 84542

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

Well name:	<b>07-04 Whitmar 27-2</b>	
Operator:	<b>Whitmar Exploration</b>	Project ID:
String type:	Surface	43-007-30939
Location:	Carbon County	

**Design parameters:**

**Collapse**

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

**Burst**

Max anticipated surface pressure: -11 psi  
 Internal gradient: 0.468 psi/ft  
 Calculated BHP: 153 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: 306 ft

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 70 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 200 ft  
  
 Cement top: 23 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 2,800 ft  
 Next mud weight: 8.800 ppg  
 Next setting BHP: 1,280 psi  
 Fracture mud wt: 19.250 ppg  
 Fracture depth: 350 ft  
 Injection pressure: 350 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	350	8.625	24.00	J-55	ST&C	350	350	7.972	16.9
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	153	1370	8.970	153	2950	19.32	8	244	29.05 J

Prepared by: Clinton Dworshak  
 Utah Div. of Oil & Mining

Phone: 801-538-5280  
 FAX: 801-359-3940

Date: July 30, 2004  
 Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 350 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:	<b>07-04 Whitmar 27-2</b>	
Operator:	<b>Whitmar Exploration</b>	Project ID:
String type:	Production	43-007-30939
Location:	Carbon County	

**Design parameters:**

**Collapse**

Mud weight: 8.800 ppg  
 Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: -29 psi  
 Internal gradient: 0.468 psi/ft  
 Calculated BHP: 1,280 psi  
 No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor: 1.125

**Burst:**

Design factor: 1.00

**Tension:**

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

Tension is based on air weight.  
 Neutral point: 2,427 ft

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 104 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 368 ft  
 Cement top: 773 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft <sup>3</sup> )
1	2800	5.5	15.50	J-55	ST&C	2800	2800	4.825	87.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1280	4040	3.156	1280	4810	3.76	43	202	4.65 J

Prepared by: Clinton Dworshak  
 Utah Div. of Oil & Mining

Phone: 801-538-5280  
 FAX: 801-359-3940

Date: July 30,2004  
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2800 ft, a mud weight of 8.8 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

07-04 Whitmar 27-2

Casing Schematic

Mancus Shale

Surface

propose Cement To Surface

8-5/8"  
MW 8.4  
Frac 19.3

TOC @  
23.

Surface  
350. MD

w/ 18% washout  
Surface w/ 15% washout

BHP

$$(.052)(5.8)(2800) = 1281$$

Anticipate 1,000

Gco

$$(.12)(2800) = 336$$

MASP = 945

BoPE - 2,000 proposed ✓

Surf. Csg - 2950

$$70\% = 2065$$

propose FAT TO 1,000 ✓

Adequate Data 8/3/04

TOC @  
773.

2200  
Blow back

2236 TOC  
Tail

2800  
Frac on S.S.

w/ 15% washout  
Surface w/ 4% washout

5-1/2"  
MW 8.8

Production  
2800. MD

# WHITMAR EXPLORATION COMPANY

002

Market Square Center  
1400 16<sup>th</sup> Street, Suite 400  
Denver, Colorado 80202  
Telephone 720-932-8197 • Fax 720-932-8100

One City Centre  
1021 Main Street, Suite 1100  
Houston, Texas 77002  
Telephone 713-739-7300 • Fax 713-739-7333  
Joseph Kilchrist, Operations Engineer  
Email: jkilchrist@whitmar.com

14 July 2004

Mr. Allen Parker Childs, President  
Talon Resources, Inc.  
Post Office Box 1230  
Huntington, Utah  
84528

RE: Surface Damage Release and Surface Right of Way Grant

Dear Allen;

Please find attached the referenced document, which is a copy of the original. Both parties notarized the original.

I trust this shall suffice for the regulatory bodies for purposes of Application for Permit to Drill (APD) and that Talon Resources will submit same in a timely manner.

If this is not the case, please notify Ms. Lynn Latiolais of this office as soon as practical.

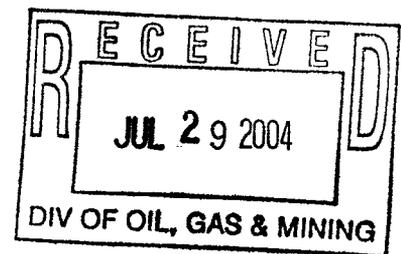
Kind regards,



jk

(1) Enclosure

cc Ms. Lynn Latiolais



SURFACE DAMAGE RELEASE AND SURFACE RIGHT OF WAY GRANT

IN CONSIDERATION of the sum of Fifteen (\$15.00) per rod for access roads and One Thousand (\$1,000.00) per well site pad for each well drilled on the subject land, paid by WHITMAR EXPLORATION COMPANY, hereinafter referred to as "WhitMar", the receipt and sufficiency of which are hereby acknowledged, the undersigned, LESTER C. THAYN and CAROL LYNN THAYN, husband and wife, hereinafter referred to as the "Surface Owner" being the present owner of all or part of the surface covering:

Township 13 South, Range 11 East, SLM  
Section 22: W2SW  
Section 27: W/2NE, E/2NW, NWNW, NWSE, NESW  
Section 34: E2  
Township 14 South, Range 11 East, SLM  
Section 3: N2NE  
Containing 960 acres, more or less

does hereby release, acquit, and forever discharge WhitMar Exploration Company, its successors and assigns, of all liability for all damages created or caused by reasons of the clearing, use, and all operations including drilling, completing, and subsequent operation of oil and/or gas well(s), which may be drilled by WhitMar and/or an assignee of WhitMar on any of the above described lands.

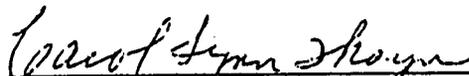
This release is intended to cover all surface damages to crops, trees, grass and/or other vegetation and soil damage. It is understood that WhitMar will have use of the wellsite surface and access road if the well(s) subject hereto is completed as a producer. Contemporaneously herewith, in consideration of the hereinabove said \$15.00 per rod for access roads and \$1,000.00 per well site pad, Surface Owner does hereby grant to WhitMar, its successors and assigns, any surface and subsurface rights in Sections 22, 27, and 34 of Township 13 South, Range 11 East, SLM; Section 3 of Township 14 South, Range 11 East, SLM necessary for the drilling, completing, and subsequent operation of well(s), including but not limited to rights-of-way, right of ingress and egress, easement rights, right to build and use roadways, right to build drilling pad and mud pits, right to place production equipment and/or storage tanks on the surface for said well, and the right to lay a pipeline under the surface for production from said well.

Location will be kept clean and free of trash and will be restored to original condition as near as possible after well is drilled and completed or plugged and abandoned. The undersigned represents that there is no tenant lessee or authorized persons in possession of the above described lands, other than is indicated below, and further agrees to defend, indemnify and hold WhitMar harmless against any claim or demand for payment of surface damages occasioned by damage to the above described lands, to any third party.

In WITNESS WHEREOF, this instrument has been executed by the undersigned this 14 day of June, 2004.

SURFACE OWNER

  
LESTER C. THAYN

  
CAROL LYNN THAYN

WHITMAR EXPLORATION COMPANY

  
Whitney D. Marvin, President

ACKNOWLEDGMENT

State of Utah )

County of Carbon )

§

On this 14 day of June, in the year 2004, before me Lester C. Thayn & Carol Lynn Th, a notary public, personally appeared LESTER C. THAYN and CAROL LYNN THAYN, proved on the basis of satisfactory evidence to be the persons whose names are subscribed to this instrument, and acknowledged they executed the same. Witness my hand and official seal.



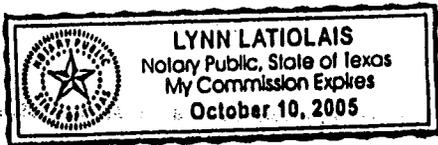
Marie A. Birch  
NOTARY PUBLIC  
Printed Name: Marie A. Birch

State of Texas )

County of Harris )

§

On this 8 day of June, in the year 2004, before me Lynn Latiolais, a notary public, personally appeared Whitney H. Marvin, President of WHITMAR EXPLORATION COMPANY, an Oklahoma corporation, proved on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and acknowledged he executed the same. Witness my hand and official seal.



Lynn Latiolais  
NOTARY PUBLIC  
Printed Name: Lynn Latiolais



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

MARY ANN WRIGHT  
*Acting Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

March 17, 2005

WhitMar Exploration Company  
1021 Main, Suite 1100  
Houston, TX 77002

Re: 27-2 Well, 853' FNL, 630' FWL, NW NW, Sec. 27, T. 13 South, R. 11 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 43-007-30939.

Sincerely,

*For* John R. Baza  
Associate Director

pab  
Enclosures

cc: Carbon County Assessor

Operator: WhitMar Exploration Company

Well Name & Number 27-2

API Number: 43-007-30939

Lease: Fee

Location: NW NW                      Sec. 27                      T. 13 South                      R. 11 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)

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

Name of Company: WHITMAR EXPLORATION COMPANY

Well Name: 27-2

Api No: 43-007-30939 Lease Type: FEE

Section 27 Township 13S Range 11E County CARBON

Drilling Contractor BEAMAN DRILLING RIG # 22

**SPUDDED:**

Date 05/25/05

Time 4:00 PM

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by BOZE STINSON

Telephone # 1-435-630-6344

Date 05/26/2005 Signed CHD

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

FORM 6

ENTITY ACTION FORM

Operator: WhitMar Exploration Company  
Address: 555 17th Street, Suite 880  
city Denver  
state CO zip 80202

Operator Account Number: N2585

Phone Number: 303-991-9400

Well 1

NWSW

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-007-30952	10-3		NWSE	10	14S	11E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	14744	5/19/05		6/2/05		
Comments: <u>FRSD</u>							<b>CONFIDENTIAL</b>

K

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-007-30958	27-3		NWSW	27	13S	11E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	14745	5/23/05		6/2/05		
Comments: <u>FRSD</u>							<b>CONFIDENTIAL</b>

K

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-007-30939	27-2		NWNW	27	13S	11E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	14746	5/26/05		6/2/05		
Comments: <u>FRSD</u>							<b>CONFIDENTIAL</b>

K

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)

Carrie Hanson  
Name (Please Print)  
Carrie R. Hanson  
Signature  
Land Assistant 10-2-05  
Title Date

RECEIVED

JUN 02 2005

DIV. OF OIL, GAS & MINING

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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: Private
2. NAME OF OPERATOR: WhitMar Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
3. ADDRESS OF OPERATOR: 555 17th Street, Suite 880 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: NA
4. LOCATION OF WELL FOOTAGES AT SURFACE: 853' FNL, 630 FWL		8. WELL NAME and NUMBER: 27-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW/4 NW/4 Section 27, T13S, R11E, SLB&M		9. API NUMBER: 43-007-30939
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: wildcat
STATE: UTAH		

CONFIDENTIAL

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

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

See Attached Drilling Report

NAME (PLEASE PRINT) Carrie R. Hanson TITLE Sr. Land Administrator  
SIGNATURE Carrie R. Hanson DATE 6-2-05

RECEIVED

JUN 06 2005

DIV. OF OIL, GAS & MINING

(This space for State use only)

# WHITMAR EXPLORATION COMPANY

*Qwest Tower*  
*555 17<sup>th</sup> Street, Suite 880*  
*Denver, Colorado 80202-3908*  
*Telephone 303-991-9400 ▪ Fax 303-991-9401*

CONFIDENTIAL

East Helper  
Fed #27-2

NW/4 NW/4, Section 27, T13S, R11E, SLB&M  
Carbon County, Utah

## DAILY OPERATIONS

5/23/05	Moved over to start location, took down power lines and started moving dirt. Location roughed out.
5/24/05	Continued to prepare location.
5/25/05	Installed pit liner, bladed off location & fenced in pit, ready to move rig on location.
5/31/05	Drilling rat. hole for surface casing.
6/01/05	Running pipe in evening. Will cement in hole on 6/2/05, in am.

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: Fee
2. NAME OF OPERATOR: WhitMar Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 1021 Main, Suite 1100 CITY Houston STATE TX ZIP 77002		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 853' FNL, 630' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 27 13 11E S		8. WELL NAME and NUMBER: 27-2
PHONE NUMBER: (713) 739-7300		9. API NUMBER: 4300730939
STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: undesignated

CONFIDENTIAL

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

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

WhitMar Exploration Company will replace the submitted and approved surface casing cement program (200 sacks Howco Premium Plus V + CaCl + Flocele) with ready mix. Every attempt will be made to bring the ready-mix to surface.

*↳ Astm Type I (class A)*

All other aspects of the drilling plan remain the same at this time.

ORIGINAL

NAME (PLEASE PRINT) <u>Don Hamilton</u>	TITLE <u>Agent for WhitMar Exploration Company</u>
SIGNATURE <u>Don Hamilton</u>	DATE <u>5/31/2005</u>

(This space for State use only)

COPY SENT TO OPERATOR  
Date: 6-2-05  
Initials: CHD

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

DATE: 6/7/05  
BY: [Signature]

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: Private
2. NAME OF OPERATOR: WhitMar Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
3. ADDRESS OF OPERATOR: 555 17th Street, Suite 880 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: NA
4. LOCATION OF WELL FOOTAGES AT SURFACE: 853' FNL, 630 FWL		8. WELL NAME and NUMBER: 27-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW/4 NW/4 Section 27, T13S, R11E, SLB&M		9. API NUMBER: 43-007-30939
PHONE NUMBER: 303-991-9400		10. FIELD AND POOL, OR WILDCAT: wildcat
COUNTY: Carbon		STATE: UTAH

**CONFIDENTIAL**

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

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

See Attached Drilling Report

NAME (PLEASE PRINT) Carrie Hanson  
SIGNATURE Carrie Hanson

TITLE Sr. Land Administrator  
DATE 6-9-05

(This space for State use only)

RECEIVED

JUN 13 2005

DIV. OF OIL, GAS & MINING

## WHITMAR EXPLORATION COMPANY

555 17<sup>th</sup> Street, Suite 880  
Denver, Colorado 80202-3908  
Telephone 303-991-9400 ▪ Fax 303-991-9401

CONFIDENTIAL

East Helper  
Fed #27-2

NW/4 NW/4, Section 27, T13S, R11E, SLB&M  
Carbon County, Utah

### DAILY OPERATIONS

- 5/23/05                      Moved over to start location, took down power lines and started moving dirt. Location roughed out.
- 5/24/05                      Continued to prepare location.
- 5/25/05                      Installed pit liner, bladed off location & fenced in pit, ready to move rig on location.
- 5/31/05                      Drilling rat. hole for surface casing.
- 6/01/05                      Running pipe in evening. Will cement in hole on 6/2/05, in am.
- 6/02/05                      Depth 370', moving to next location.  
7 am – 8:30 am set up & washed down casing 3', 8:30 am – 12 pm circulating hole mix more mud & waiting on cement truck to arrive. 12 pm – 12:30 pm set up to pump cement, 12:30 pm – 1:30 pm pumped 240 sks redi mix with 4 bbls good cement to surface @ 14.5 # pg, 1:30- 2:30 pm rig down & prep to move Monday. Weather rainy and roads are muddy. Cement: Redi Mix, amount:240 sks. Cement Report:broke circulation, pumped 240 sks redi mix cement @ 15# pg, with 4 good bbls returns of 14.5 ppg displaced with 22 bbls fresh water.

CONFIDENTIAL

06/03/05	Waiting on drilling rig, raining hard.
06/04/05	Waiting on drilling rig, raining hard.
06/05/05	Waiting on drilling rig.
06/06/05	Waiting on drilling rig.
06/07/05	Waiting on drilling rig.

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 <u>CONFIDENTIAL</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: Private
2. NAME OF OPERATOR: WhitMar Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
3. ADDRESS OF OPERATOR: 555 17th Street, Suite 880 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: NA
4. LOCATION OF WELL FOOTAGES AT SURFACE: 853' FNL, 630 FWL		8. WELL NAME and NUMBER: 27-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW/4 NW/4 Section 27, T13S, R11E, SLB&M		9. API NUMBER: 43-007-30939
PHONE NUMBER: 303-991-9400		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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

See Attached Drilling Report

NAME (PLEASE PRINT) Carrie Hanson TITLE Sr. Land Administrator  
SIGNATURE Carrie R Hanson DATE 6-16-05

(This space for State use only)

RECEIVED  
JUN 20 2005

# WHITMAR EXPLORATION COMPANY

555 17<sup>th</sup> Street, Suite 880  
Denver, Colorado 80202-3908  
Telephone 303-991-9400 • Fax 303-991-9401

CONFIDENTIAL

East Helper  
Fed #27-2  
NW/4 NW/4, Section 27, T13S, R11E, SLB&M  
Carbon County, Utah

## DAILY OPERATIONS

- 5/23/05 Moved over to start location, took down power lines and started moving dirt. Location roughed out.
- 5/24/05 Continued to prepare location.
- 5/25/05 Installed pit liner, bladed off location & fenced in pit, ready to move rig on location.
- 5/31/05 Drilling rat. hole for surface casing.
- 6/01/05 Running pipe in evening. Will cement in hole on 6/2/05, in am.
- 6/02/05 Depth 370', moving to next location.  
7 am – 8:30 am set up & washed down casing 3', 8:30 am – 12 pm circulating hole mix more mud & waiting on cement truck to arrive. 12 pm – 12:30 pm set up to pump cement, 12:30 pm – 1:30 pm pumped 240 sks redi mix with 4 bbls good cement to surface @ 14.5 # pg, 1:30- 2:30 pm rig down & prep to move Monday. Weather rainy and roads are muddy. Cement: Redi Mix, amount:240 sks. Cement Report:broke circulation, pumped 240 sks redi mix cement @ 15# pg, with 4 good bbls returns of 14.5 ppg displaced with 22 bbls fresh water.
- 06/03/05 Waiting on drilling rig, raining hard.
- 06/04/05 Waiting on drilling rig, raining hard.
- 06/05/05 Waiting on drilling rig.

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- 06/06/05      Waiting on drilling rig.
- 06/07/05      Waiting on drilling rig.
- 06/08/05      Waiting on drilling rig.
- 06/09/05      Waiting on drilling rig.
- 06/10/05      7am – 9:30 am no activity, 9:30 am – 7am move rig on location to rig up.
- 06/11/05      Depth: 690', Present Operations: Drilling.

7am – 3 pm rig up tp drill and nipped up BOP to test, 3 pm – 5 pm test BOP , 5 pm – 7 pm repairs on rig and maintance, 7 pm – 10 pm finished rigging up, 10 pm -12 am TIH with 7 7/8 hammer and collars, 12 am – 5 am hit cement at 335' drilled out to 567' survey at 500' \_5 am – 7 am drilled to 690'

- 06/12/05      Depth: 2091', Present Operations: drilling  
7am – 11:30 am drilling to 1036', 11:30 am – 12 pm run survey @ 1000', 2 ¾ degrees out, 12 pm – 2 pm drilled to 1161' 2 pm – 6 pm repairs on booster, 6 pm – 7 pm drilled to 1280' 7 pm – 7:30 pm drilled to 1340', 7:30 pm – 8:30 pm repairs on U-Joint on rotary table, 8:30 pm – 10:30 pm drilling to 1562' 10:30 pm – 11 pm survey @ 1500' @ 3 ¾ degrees out, 11 pm – 3 am drilled to 1842' 3 am – 3:30 am survey @ 1800' @ 4 degrees out, 3:30 am – 6 am drilled to 2059' 6 am – 6:30 am survey @ 2000' @ 3 ½ degrees out, 6:30 am – 7 am drilled to 2091'.

- 06/13/05      Current Operations: drilling/tricone  
7 am – 3 pm drilled from 2091' to 2554' 3 pm – 3:30 pm survey @ 2500' @ 3 ¾ degrees out, 3:30 pm – 7 pm drilled from 2554' to 2735' 7 pm – 8 pm drilled from 2735' to 2801' 8 pm – 8:30 pm survey @ 2800' @ 3 ½ degrees out, 8:30 pm – 6 am TOOH, changed bit to tricone & TIH, 6 am – 7 am drilled from 2801' to 2850'

- 06/14/05      Depth: 3490', Present Operations: mixing mud.  
7am – 11:30 am drilled from 2801' to 3033' 11:30 – 12 pm survey @ 3000' @ 3 ¾ degrees out 12 pm – 1 pm injecting water 1 pm – 2 pm repaired air leak & slip drill line 2 pm – 7 pm drilled from 3033' to 3190' 7 pm – 3 am drilled from 3190' to 3490' & T.D. 3 am – 4 am tripped up hole to 2930' 4 am – 7 am mixed mud & drill

06/15/05 Present Operations: moving.

7 am – 12 pm mixed mud & tried to break circulation, (no circulation) ,  
12pm – 4 pm run through bottom TOOH, 4 pm – 7 pm rigged up loggers  
& logged 7 pm – 10 pm waiting on orders to run casing, 10 pm – 3 am run  
84 jts of 5 ½ casing to 3660.12' , 3 am – 6 am rigged up BJ to cement  
pipe, safety meeting, tested lines, pumped 195 sks lead, 100 sks tail  
displace with no cement returns to surface, broke circulation @ 41 bbls  
into displacement

**Cement: lead/tail Amount: 195/100, Cement Report: pumped 25 bbls  
fresh water & 20 bbls gel w/ 100 # cedar flake, 10 bbls water spacer, 195  
sks CBM lite 11.2 ppg, lead 100 sks of 14.2 ppg tail cement broke  
circulation @ 41 bbls into displacement, lift pressured up to 840 PSI, plug  
down @ 5:50am 6-16-05, checked float & holding. Float Equipment \_5 ½  
float shoe 1.6'**

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.

<b>1. TYPE OF WELL</b>		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b>
OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <u>CONFIDENTIAL</u>		Private
<b>2. NAME OF OPERATOR:</b> WhitMar Exploration Company		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
		NA
<b>3. ADDRESS OF OPERATOR:</b> 555 17th Street, Suite 880		<b>7. UNIT or CA AGREEMENT NAME:</b>
CITY <u>Denver</u> STATE <u>CO</u> ZIP <u>80202</u>		NA
PHONE NUMBER: <u>303-991-9400</u>		<b>8. WELL NAME and NUMBER:</b>
		27-2
<b>4. LOCATION OF WELL</b>		<b>9. API NUMBER:</b>
FOOTAGES AT SURFACE: 853' FNL, 630 FWL		43-007-30939
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW/4 NW/4 Section 27, T13S, R11E, SLB&M		<b>10. FIELD AND POOL, OR WILDCAT:</b>
COUNTY: Carbon		wildcat
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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.

See Attached Drilling Report

NAME (PLEASE PRINT) Carrie R. Hanson TITLE Sr. Land Administrator  
SIGNATURE Carrie R. Hanson DATE 6-23-05

(This space for State use only)

RECEIVED  
JUN 2 / 2005

CONFIDENTIAL

*WHITMAR EXPLORATION COMPANY*  
*555 17<sup>th</sup> Street, Suite 880*  
*Denver, Colorado 80202-3908*  
*Telephone 303-991-9400 ▪ Fax 303-991-9401*

East Helper  
Fed #27-2  
NW/4 NW/4, Section 27, T13S, R11E, SLB&M  
Carbon County, Utah

**DAILY OPERATIONS**

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- 7am – 11:30 am drilled from 2801' to 3033' 11:30 – 12 pm survey @ 3000' @ 3 ¾ degrees out 12 pm – 1 pm injecting water 1 pm – 2 pm repaired air leak & slip drill line 2 pm – 7 pm drilled from 3033' to 3190'

7 pm – 3 am drilled from 3190' to 3490' & T.D. 3 am – 4 am tripped up hole to 2930' 4 am – 7 am mixed mud & drill

06/15/05 Present Operations: moving.

7 am – 12 pm mixed mud & tried to break circulation, (no circulation), 12pm – 4 pm run through bottom TOO H, 4 pm – 7 pm rigged up loggers & logged 7 pm – 10 pm waiting on orders to run casing, 10 pm – 3 am run 84 jts of 5 ½ casing to 3660.12', 3 am – 6 am rigged up BJ to cement pipe, safety meeting, tested lines, pumped 195 sks lead, 100 sks tail displace with no cement returns to surface, broke circulation @ 41 bbls into displacement

**Cement:** lead/tail **Amount:** 195/100, **Cement Report:** pumped 25 bbls fresh water & 20 bbls gel w/ 100 # cedar flake, 10 bbls water spacer, 195 sks CBM lite 11.2 ppg, lead 100 sks of 14.2 ppg tail cement broke circulation @ 41 bbls into displacement, lift pressured up to 840 PSI, plug down @ 5:50am 6-16-05, checked float & holding. Float Equipment \_\_5 ½ float shoe 1.6'

06/16/05 Ran production casing to 3,450'; cemented production casing; tearing down rig

06/17-18/05 Depth: 3460' Present Operations: getting slips on 5 ½.

7 am – 8 am set slip & cut off casing. 8 am – 8:30 am released rig to move on 27-1 loc. 8:30 am – 7 am, Rig move.

06/20/05 Currently cementing well casing.

06/21/05 Finishing cementing well casing.

06/22/05 Drop from report until completion activity starts.

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: Private
2. NAME OF OPERATOR: WhitMar Exploration Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
3. ADDRESS OF OPERATOR: 555 17th Street, Suite 880 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: NA
PHONE NUMBER: 303-991-9400		8. WELL NAME and NUMBER: 27-2
4. LOCATION OF WELL FOOTAGES AT SURFACE: 853' FNL, 630 FWL		9. API NUMBER: 43-007-30939
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW/4 NW/4 Section 27, T13S, R11E, 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input 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.

*no activity, waiting on completion activity*

NAME (PLEASE PRINT) <u>Carrie Hanson</u>	TITLE <u>Sr. Land Administrator</u>
SIGNATURE <u>Carrie R Hanson</u>	DATE <u>7-1-05</u>

space for State use only)

RECEIVED  
JUL 05 2005  
DIV. OF OIL, GAS & MINING

(See Instructions on Reverse Side)

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.

6. LEASE DESIGNATION AND SERIAL NUMBER:

Private

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

NA

7. UNIT or CA AGREEMENT NAME:

NA

8. WELL NAME and NUMBER:

27-2

9. API NUMBER:

43-007-30939

10. FIELD AND POOL, OR WILDCAT:

wildcat

1. TYPE OF WELL

OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:

WhitMar Exploration Company

3. ADDRESS OF OPERATOR:

555 17th Street, Suite 880

CITY Denver

STATE CO

ZIP 80202

PHONE NUMBER:

303-991-9400

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

853' FNL, 630 FWL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

NW/4 NW/4 Section 27, T13S, R11E, SLB&M

STATE:

UTAH

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

TYPE OF SUBMISSION

TYPE OF ACTION

NOTICE OF INTENT  
(Submit in Duplicate)

Approximate date work will start:

SUBSEQUENT REPORT  
(Submit Original Form Only)

Date of work completion:

ACIDIZE

ALTER CASING

CASING REPAIR

CHANGE TO PREVIOUS PLANS

CHANGE TUBING

CHANGE WELL NAME

CHANGE WELL STATUS

COMMINGLE PRODUCING FORMATIONS

CONVERT WELL TYPE

DEEPEN

FRACTURE TREAT

NEW CONSTRUCTION

OPERATOR CHANGE

PLUG AND ABANDON

PLUG BACK

PRODUCTION (START/RESUME)

RECLAMATION OF WELL SITE

RECOMPLETE - DIFFERENT FORMATION

REPERFORATE CURRENT FORMATION

SIDETRACK TO REPAIR WELL

TEMPORARILY ABANDON

TUBING REPAIR

VENT OR FLARE

WATER DISPOSAL

WATER SHUT-OFF

OTHER: \_\_\_\_\_

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

*No activity, waiting on completion activity*

NAME (PLEASE PRINT)

Carrie R. Hanson

TITLE

Sr. Land Admin.

SIGNATURE

*Carrie R. Hanson*

DATE

7-8-05

(space for State use only)

RECEIVED

JUL 13 2005

DIV. OF OIL, GAS & MINING

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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OIL WELL  GAS WELL  OTHER \_\_\_\_\_

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3. ADDRESS OF OPERATOR: 555 17th Street, Suite 880  
CITY Denver STATE CO ZIP 80202 PHONE NUMBER: 303-991-9400

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 853' FNL, 630 FWL

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Private

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7. UNIT or CA AGREEMENT NAME:  
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8. WELL NAME and NUMBER:  
27-2

9. API NUMBER:  
43-007-30939

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wildcat

COUNTY: Carbon  
STATE: UTAH

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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.

NO ACTIVITY.

COMPLETION RIG SCHEDULED TO BE AT LOCATION IN OCTOBER 2005.

NAME (PLEASE PRINT) STACEY L. BERKOWITZ TITLE ENGINEERING ADMIN.

SIGNATURE *Stacey L. Berkowitz* DATE 7.15.05

(This space for State use only)

RECEIVED  
JUL 18 2005

DIV. OF OIL, GAS & MINING

**WHITMAR EXPLORATION COMPANY**  
555 17<sup>th</sup> Street, Suite 880  
Denver, Colorado 80202-3908  
Telephone 303-991-9400 ▪ Fax 303-991-9401

CONFIDENTIAL

East Helper  
Fed #27-2  
NW/4 NW/4, Section 27, T13S, R11E, SLB&M  
Carbon County, Utah

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- 06/05/05      Waiting on drilling rig.
- 06/06/05      Waiting on drilling rig.

Drilling Report-Continue  
East Helper 27-2

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- 06/11/05      Depth: 690', Present Operations: Drilling.

7am – 3 pm rig up tp drill and nipped up BOP to test, 3 pm – 5 pm test BOP , 5 pm – 7 pm repairs on rig and maintance, 7 pm – 10 pm finished rigging up, 10 pm -12 am TIH with 7 7/8 hammer and collars, 12 am – 5 am hit cement at 335' drilled out to 567' survey at 500' \_5 am – 7 am drilled to 690'

- 06/12/05      Depth: 2091', Present Operations: drilling  
7am – 11:30 am drilling to 1036', 11:30 am – 12 pm run survey @ 1000', 2 ¾ degrees out, 12 pm – 2 pm drilled to 1161' 2 pm – 6 pm repairs on booster, 6 pm – 7 pm drilled to 1280' 7 pm – 7:30 pm drilled to 1340', 7:30 pm – 8:30 pm repairs on U-Joint on rotary table, 8:30 pm – 10:30 pm drilling to 1562' 10:30 pm – 11 pm survey @ 1500' @ 3 ¾ degrees out, 11 pm – 3 am drilled to 1842' 3 am – 3:30 am survey @ 1800' @ 4 degrees out, 3:30 am – 6 am drilled to 2059' 6 am – 6:30 am survey @ 2000' @ 3 ½ degrees out, 6:30 am – 7 am drilled to 2091'.

- 06/13/05      Current Operations: drilling/tricone  
7 am – 3 pm drilled from 2091' to 2554' 3 pm – 3:30 pm survey @ 2500' @ 3 ¾ degrees out, 3:30 pm – 7 pm drilled from 2554' to 2735' 7 pm – 8 pm drilled from 2735' to 2801' 8 pm – 8:30 pm survey @ 2800' @ 3 ½ degrees out, 8:30 pm – 6 am TOOH, changed bit to tricone & TIH, 6 am – 7 am drilled from 2801' to 2850'

- 06/14/05      Depth: 3490', Present Operations: mixing mud.  
7am – 11:30 am drilled from 2801' to 3033' 11:30 – 12 pm survey @ 3000' @ 3 ¾ degrees out 12 pm – 1 pm injecting water 1 pm – 2 pm repaired air leak & slip drill line 2 pm – 7 pm drilled from 3033' to 3190'

7 pm – 3 am drilled from 3190' to 3490' & T.D. 3 am – 4 am tripped up hole to 2930' 4 am – 7 am mixed mud & drill

06/15/05 Present Operations: moving.

7 am – 12 pm mixed mud & tried to break circulation, (no circulation), 12pm – 4 pm run through bottom TOO H, 4 pm – 7 pm rigged up loggers & logged 7 pm – 10 pm waiting on orders to run casing, 10 pm – 3 am run 84 jts of 5 ½ casing to 3660.12', 3 am – 6 am rigged up BJ to cement pipe, safety meeting, tested lines, pumped 195 sks lead, 100 sks tail displace with no cement returns to surface, broke circulation @ 41 bbls into displacement

**Cement:** lead/tail **Amount:** 195/100, **Cement Report:** pumped 25 bbls fresh water & 20 bbls gel w/ 100 # cedar flake, 10 bbls water spacer, 195 sks CBM lite 11.2 ppg, lead 100 sks of 14.2 ppg tail cement broke circulation @ 41 bbls into displacement, lift pressured up to 840 PSI, plug down @ 5:50am 6-16-05, checked float & holding. Float Equipment \_\_5 ½ float shoe 1.6'

06/16/05 Ran production casing to 3,450'; cemented production casing; tearing down rig

06/17-18/05 Depth: 3460' Present Operations: getting slips on 5 ½.

7 am – 8 am set slip & cut off casing. 8 am – 8:30 am released rig to move on 27-1 loc. 8:30 am – 7 am, Rig move.

06/20/05 Currently cementing well casing.

06/21/05 Finishing cementing well casing.

06/22/05 Drop from report until completion activity starts.

**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>FEE</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>
		7. UNIT or CA AGREEMENT NAME: <b>N/A</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>27-2</b>	
2. NAME OF OPERATOR: <b>WhitMar Exploration Company</b>	9. API NUMBER: <b>4300730939</b>	
3. ADDRESS OF OPERATOR: <b>555 17th Street, Suite 880 Denver CO 80202</b>	PHONE NUMBER: <b>(303) 991-9400</b>	10. FIELD AND POOL, OR WILDCAT: <b>undesignated</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>853' FNL, 630' FWL</b>		COUNTY: <b>Carbon</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNW 27 13 11E S</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 checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <b>1/24/2006</b>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input 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 Completed and online. Date of 1st production 1/24/06

NAME (PLEASE PRINT) <u>Heather Mitchell</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Heather Mitchell</i></u>	DATE <u>1/25/2006</u>

(This space for State use only)

**RECEIVED**  
**JAN 26 2006**

# WHITMAR EXPLORATION COMPANY

555 17th Street, Suite 880  
Denver, CO 80202-3908  
(303) 991-9400  
Fax (303) 991-9401

January 25, 2006

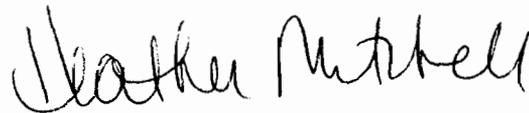
Carol Daniels  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, UT 84116

Re: East Helper Notice of First Production

Dear Ms. Daniels:

Please find the enclosed Notice of First Production on the 22-4, 26-2, 26-3, 27-1, 27-2, 27-3, 34-1, 34-2 and the SWD #2 wells in Utah. I will be sending the other requested information shortly. If you have any questions or concerns, please call me at 303-991-9400 ext. 100.

Sincerely,



Heather Mitchell

RECEIVED  
JAN 26 2006  
DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well  Oil Well  Gas Well  Dry  Other  
 b. Type of Completion  New Well  Work Over  Deepen  Plug Back  Diff. Resrv.,  
 Other \_\_\_\_\_

2. Name of Operator **WhitMar Exploration Company**

**CONFIDENTIAL**

3. Address **555 17th Street, Suite 880, Denver, CO 80202**

3a. Phone No. (include area code)  
**303-991-9400**

4. Location of Well (Report location clearly and in accordance with Federal requirements)\*

At surface **853' FNL & 630' FWL**

At top prod. interval reported below **Same**

At total depth **Same**

14. Date Spudded  
**05/19/2005**

15. Date T.D. Reached  
**06/14/2005**

16. Date Completed **12/21/2005**  
 D & A  Ready to Prod.

17. Elevations (DF, RKB, RT, GL)\*  
**GL: 6060**

18. Total Depth: MD **3490**  
TVD **3490**

19. Plug Back T.D.: MD  
TVD

20. Depth Bridge Plug Set: MD  
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

**Dual Induction & Neutron Density**

22. Was well cored?  No  Yes (Submit analysis)  
 Was DST run?  No  Yes (Submit report)  
 Directional Survey?  No  Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/4	8 5/8	24	0	350	350	Lead 195		0	0
7 7/8	5 1/2	15.5			3450	Tail 100			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 7/8								

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) <b>Feron</b>			<b>3070-3100</b>			<b>open</b>
B) <b>Feron</b>			<b>3126-34</b>			<b>open</b>
C) <b>Feron</b>			<b>3190-94</b>			<b>open</b>
D) <b>Feron</b>			<b>3176</b>			<b>open</b>

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material

**MAR 24 2005**

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
02/05/2006			→	0	9	896			
Choke Size	Tbg. Press Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

\*(See instructions and spaces for additional data on page 2)

**28b. Production - Interval C**

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

**28c. Production - Interval D**

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

**29. Disposition of Gas (Sold, used for fuel, vented, etc.)**

**Sold & Used for fuel**

**30. 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.

**31. Formation (Log) Markers**

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth

**32. Additional remarks (include plugging procedure):**

**33. Indicate which items have been attached by placing a check in the appropriate boxes:**

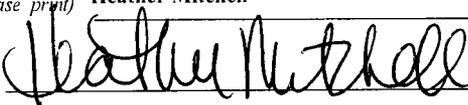
- Electrical/Mechanical Logs (1 full set req'd.)  
  Geologic Report  
  DST Report  
  Directional Survey  
 Sundry Notice for plugging and cement verification  
  Core Analysis  
  Other:

**34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\***

Name (please print) **Heather Mitchell**

Title **Administrative Assistant**

Signature



Date **03/22/2006**

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.

CONFID

*WHITMAR EXPLORATION COMPANY*  
555 17<sup>th</sup> Street, Suite 880  
Denver, Colorado 80202-3908  
Telephone 303-991-9400 ▪ Fax 303-991-9401

East Helper  
Fed #27-2  
NW/4 NW/4, Section 27, T13S, R11E, SLB&M  
Carbon County, Utah

**DAILY OPERATIONS**

5/23/05                    Moved over to start location, took down power lines and started moving dirt. Location roughed out.

5/24/05                    Continued to prepare location.

5/25/05                    Installed pit liner, bladed off location & fenced in pit, ready to move rig on location.

5/31/05                    Drilling rat. hole for surface casing.

6/01/05                    Running pipe in evening. Will cement in hole on 6/2/05, in am.

6/02/05                    Depth 370', moving to next location.  
7 am – 8:30 am set up & washed down casing 3', 8:30 am – 12 pm circulating hole mix more mud & waiting on cement truck to arrive. 12 pm – 12:30 pm set up to pump cement, 12:30 pm – 1:30 pm pumped 240 sks redi mix with 4 bbls good cement to surface @ 14.5 # pg, 1:30- 2:30 pm rig down & prep to move Monday. Weather rainy and roads are muddy. Cement: Redi Mix, amount:240 sks. Cement Report:broke circulation, pumped 240 sks redi mix cement @ 15# pg, with 4 good bbls returns of 14.5 ppg displaced with 22 bbls fresh water.

06/03/05                Waiting on drilling rig, raining hard.

06/04/05                Waiting on drilling rig, raining hard.

06/05/05                Waiting on drilling rig.

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- 06/06/05      Waiting on drilling rig.
- 06/07/05      Waiting on drilling rig.
- 06/08/05      Waiting on drilling rig.
- 06/09/05      Waiting on drilling rig.
- 06/10/05      7am – 9:30 am no activity, 9:30 am – 7am move rig on location to rig up.
- 06/11/05      Depth: 690', Present Operations: Drilling.  
  
7am – 3 pm rig up tp drill and nipped up BOP to test, 3 pm – 5 pm test BOP , 5 pm – 7 pm repairs on rig and maintance, 7 pm – 10 pm finished rigging up, 10 pm -12 am TIH with 7 7/8 hammer and collars, 12 am – 5 am hit cement at 335' drilled out to 567' survey at 500' \_5 am – 7 am drilled to 690'
- 06/12/05      Depth: 2091', Present Operations: drilling  
7am – 11:30 am drilling to 1036', 11:30 am – 12 pm run survey @ 1000', 2 ¾ degrees out, 12 pm – 2 pm drilled to 1161' 2 pm – 6 pm repairs on booster, 6 pm – 7 pm drilled to 1280' 7 pm – 7:30 pm drilled to 1340', 7:30 pm – 8:30 pm repairs on U-Joint on rotary table, 8:30 pm – 10:30 pm drilling to 1562' 10:30 pm – 11 pm survey @ 1500' @ 3 ¾ degrees out, 11 pm – 3 am drilled to 1842' 3 am – 3:30 am survey @ 1800' @ 4 degrees out, 3:30 am – 6 am drilled to 2059' 6 am – 6:30 am survey @ 2000' @ 3 ½ degrees out, 6:30 am – 7 am drilled to 2091'.
- 06/13/05      Current Operations: drilling/tricone  
  
7 am – 3 pm drilled from 2091' to 2554' 3 pm – 3:30 pm survey @ 2500' @ 3 ¾ degrees out, 3:30 pm – 7 pm drilled from 2554' to 2735' 7 pm – 8 pm drilled from 2735' to 2801' 8 pm – 8:30 pm survey @ 2800' @ 3 ½ degrees out, 8:30 pm – 6 am TOO, changed bit to tricone & TIH, 6 am – 7 am drilled from 2801' to 2850'
- 06/14/05      Depth: 3490', Present Operations: mixing mud.  
  
7am – 11:30 am drilled from 2801' to 3033' 11:30 – 12 pm survey @ 3000' @ 3 ¾ degrees out 12 pm – 1 pm injecting water 1 pm – 2 pm repaired air leak & slip drill line 2 pm – 7 pm drilled from 3033' to 3190'

7 pm – 3 am drilled from 3190' to 3490' & T.D. 3 am – 4 am tripped up hole to 2930' 4 am – 7 am mixed mud & drill

06/15/05 Present Operations: moving.

7 am – 12 pm mixed mud & tried to break circulation, (no circulation) , 12pm – 4 pm run through bottom TOOH, 4 pm – 7 pm rigged up loggers & logged 7 pm – 10 pm waiting on orders to run casing, 10 pm – 3 am run 84 jts of 5 ½ casing to 3660.12' , 3 am – 6 am rigged up BJ to cement pipe, safety meeting, tested lines, pumped 195 sks lead, 100 sks tail displace with no cement returns to surface, broke circulation @ 41 bbls into displacement

**Cement:** lead/tail **Amount:** 195/100, **Cement Report:** pumped 25 bbls fresh water & 20 bbls gel w/ 100 # cedar flake, 10 bbls water spacer, 195 sks CBM lite 11.2 ppg, lead 100 sks of 14.2 ppg tail cement broke circulation @ 41 bbls into displacement, lift pressured up to 840 PSI, plug down @ 5:50am 6-16-05, checked float & holding. Float Equipment \_\_5 ½ float shoe 1.6'

06/16/05 Ran production casing to 3,450'; cemented production casing; tearing down rig

06/17-18/05 Depth: 3460' Present Operations: getting slips on 5 ½.

7 am – 8 am set slip & cut off casing. 8 am – 8:30 am released rig to move on 27-1 loc. 8:30 am – 7 am, Rig move.

06/20/05 Currently cementing well casing.

06/21/05 Finishing cementing well casing.

06/22/05 Drop from report until completion activity starts.

12/15/05 3:30 pm – 4:30 pm: Move, rig up and prep to run tubing

4:30 pm – 6 pm: tally and start in hole with 4 ¾ bit and 25 joints

6 pm – 6:30 pm: SDFN

- 12/16/05      8 am – 9 am: arrive on location started up equip.  
9 am – 10 am: TIH with pipe.  
10 am – 2:30 pm: Tagged fill and wash down to 3093.  
2:30 pm – 3:30 pm: Pump plunger broke, Shut down rig for night and wait on foam unit
- 12/17/05      7 am – 8 am: started up equip. and deliver air foam unit  
8 am – 9 am: Spot up and rig up foam unit, picked up 2 joints and prepped to clean out hole.  
9 am – 12:30 pm: Blew down fill to plug, drilled and cleaned fill to 3460  
12:30 pm – 1:30 pm: Circulate hole clean  
1:30 pm – 3 pm: TOOH  
3 pm – 4 pm: Waiting on orders  
4 pm – 5:30 pm: Laid down 8 joints and TIH with pump and BHA  
5:30 pm – 6:30 pm: Nipple down BOP and nipple up wellhead
- 12/18/05      7 am – 8 am: arrive on location started up equip.  
8 am – 9:30 am: Wait on truck to moved tubing trailer and spot rod trailer  
9:30 am – 11:30 am: TI H with rods and prep rods with boxes and guides  
11:30 am- 12 pm: Lunch  
12 pm – 3 pm: TIH with rods  
3 pm – 4 pm: hang off drivehead and space out well.  
4 pm – 5 pm: Rig down
- 12/21/05      Wilson Supply spaced out PCP pumps and tested Units.  
Nelco continued flow line and separated hook up.  
Well to be completed in 15 days.  
Consider this as final report.

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12/29/05      8:30 am – 10 am: Rig up  
                  9 am – 10:30 am: TOOH to change to notched collar  
                  10 am - 1 pm: Picked up rod string, rods parted, screwed into part, TOOH  
                  1 pm – 4 pm: TIH & Hung well off  
                  4 pm – 5:30 pm: Nippled up drive head & SDFN

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

CONFIDENTIAL

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>FEE</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>
		7. UNIT or CA AGREEMENT NAME: <b>N/A</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>27-2</b>
2. NAME OF OPERATOR: <b>WhitMar Exploration Company</b>		9. API NUMBER: <b>4300730939</b>
3. ADDRESS OF OPERATOR: 555 17th Street, Suite 880 CITY: <u>Denver</u> STATE: <u>CO</u> ZIP: <u>80202</u>	PHONE NUMBER: <b>(303) 991-9400</b>	10. FIELD AND POOL, OR WILDCAT: <b>undesignated</b>

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **853' FNL, 630' FWL** COUNTY: **Carbon**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWNW 27 13 11E S** 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>1/24/2006</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input 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 completed and online. Date of 1st production 1/24/06*

NAME (PLEASE PRINT) Heather Mitchell TITLE Administrative Assistant

SIGNATURE *Heather Mitchell* DATE 1/25/2006

(This space for State use only)

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

AMENDED REPORT  FORM 8  
(highlight changes)

CONFIDENTIAL

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: WhitMar Exploration Company

3. ADDRESS OF OPERATOR: 555 17th Street, Ste. 880 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 991-9400

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: 853' FNL & 630'FWL  
AT TOP PRODUCING INTERVAL REPORTED BELOW: same  
AT TOTAL DEPTH: same

5. LEASE DESIGNATION AND SERIAL NUMBER: FEE

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

7. UNIT or CA AGREEMENT NAME: n/a

8. WELL NAME and NUMBER: 27-2

9. API NUMBER: 4300730939

10. FIELD AND POOL, OR WILDCAT: undesignated

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 27 13 11E S

12. COUNTY: Carbon 13. STATE: UTAH

14. DATE SPUDDED: 5/19/2005 15. DATE T.D. REACHED: 6/14/2005 16. DATE COMPLETED: 12/21/2005 ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL): GL: 6060

18. TOTAL DEPTH: MD 3,490 TVD 3,490 19. PLUG BACK T.D.: MD TVD 20. IF MULTIPLE COMPLETIONS, HOW MANY? \* 21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each): Dual Induction, Neutron Density and cement bond 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	24	0	350		Lead 195		855'	0
7 7/8	5/5	15.5	0	3,485		tail 100			

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 7/8								

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Ferron					3,070 3,100			Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) Ferron					3,126 3,134			Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C) Ferron					3,190 3,194			Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(D) Ferron					31,763 3,289			Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

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: Producing

RECEIVED  
APR 25 2006

RECEIVED  
APR 13 2006

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 1/28/2006		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 9	WATER – BBL: 896	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

Sold and used for fuel

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)
				Ferron	3,009

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) Heather Mitchell TITLE Administrative Assistant  
 SIGNATURE *Heather Mitchell* DATE 4-11-06

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



# 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  
3105  
UT-922

May 4, 2006

Whitmar Exploration Company  
Attn: Jessica Lambuth  
555 17<sup>th</sup> Street  
Suite 880  
Denver, Colorado 80202

Gentlemen:

Enclosed is one approved copy of Communitization Agreement No. UTU84384. This agreement communitizes all rights as to natural gas and associated liquid hydrocarbons producible from the Ferron Formation, covering the NW $\frac{1}{4}$  of Section 27, Township 13 South, Range 11 East, SLB&M, Carbon County, Utah. This agreement conforms with the spacing set forth in Order No. 241-6 which was issued by the State of Utah, Board of Oil, Gas and Mining on September 22, 2004.

This agreement is effective as of June 1, 2005. The communitized area covers 160.00 acres and includes portions of Federal oil and gas lease UTU80556.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

Minerals Management Service Form MMS-4054, "Oil & Gas Operations Report", must be submitted for this agreement beginning with the month in which drilling operations commence for Well No. 27-2, NWNW, Section 27, Township 13 South, Range 11 East, SLB&M, Carbon County, Utah, API # 43-007-30939, on a fee lease. Form MMS-4054 is to be mailed to the Minerals Management Service, Minerals Revenue Management Reporting Services, P. O. Box 17110, Denver, Colorado 80217-0110.

Please furnish all interested principals with necessary evidence of this approval.

Sincerely,



Douglas F. Cook  
Chief, Branch of Fluid Minerals

Enclosure

CONFIDENTIAL

K

RECEIVED

MAY 08 2006

DIV. OF OIL, GAS & MINING

**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>FEE</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>
		7. UNIT or CA AGREEMENT NAME: <b>UTU84384</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>27-2</b>	
2. NAME OF OPERATOR: <b>WhitMar Exploration Company</b>		9. API NUMBER: <b>4300730939</b>
3. ADDRESS OF OPERATOR: <b>555 17th Street, Suite 880</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80202</b>	PHONE NUMBER: <b>(303) 991-9400</b>	10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>853' FNL, 630' FEL</b>		COUNTY: <b>Carbon</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWNW 27 13S 11E</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 checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Classify as Wildcat</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.

Please find the attached information to re-classify the 27-2 as a wildcat well

**THIS REQUEST FOR WILDCAT WELL DESIGNATION IS BEING DENIED (see attached Statement of Basis).**

CC: STATE TAX COMMISSION (Emailed)

*[Signature]*  
November 19, 2007  
Utah Division of Oil, Gas and Mining

NAME (PLEASE PRINT) <u>Heather Mitchell</u>	TITLE <u>Operations Coordinator</u>
SIGNATURE <i>[Signature]</i>	DATE <u>10/1/2007</u>

(This space for State use only)

COPY SENT TO OPERATOR  
Date: 11-20-07  
Initials: DM  
(5/2006)

(See Instructions on Reverse Side)

**RECEIVED**  
**OCT 02 2007**  
**DIV. OF OIL, GAS & MINING**

1.2.2

In December 2005 and January 2006, WhitMar was targeting the Ferron Coal section of the Ferron Sandstone Formation in all nine of its wells in sections 22, 26, 27, and 34 of 13S-11E. At the time of completion in December 2005 and January 2006, there were no known producing wells within 1 mile of any of WhitMar's wells.

Two wells within 1 mile of the designated area were being drilled in this same timeframe late November 2005), in section 28-13S-11E:

API # 4300730974

API # 4300730973

Both of these wells were in the process of being drilled in late November 2005, and all of this information was confidential.

1.2.3

There were no known producing wells within one mile of WhitMar's nine wildcats at the time of completion.

1.2.4

No specific structure was targeted in the nine WhitMar wildcats.

As depicted in the attached plats, the 27-4 was completed in December 2005, as part of a 9-well batch completion program, whose 8 other completions followed directly and without interruption in January 2006. As outlined in the pre-drill operations prognosis, information from the 27-4 would not (and did not) dictate the completion decisions of the 8 other wells.

1.2.5

BHP=1375 psi

In essence, the nine wells were drilled and completed in rapid succession, with no producing wells within 1 mile, and without sufficient time to determine if any of the 9 wells were productive. With this evidence, we are seeking wildcat classification for the 9 wells in question.

# Completion Date

<p>13</p> <p>2005/12/24 2004/07/27</p> <p>20</p> <p>2004/12/14</p>	<p>21</p>	<p>13S 11E</p> <p>22</p> <p>2005/01/28</p> <p>22-4</p> <p>27-1</p>	<p>23</p> <p>26-2</p> <p>2006/01/28</p> <p>2006/01/25</p>	<p>24</p>
<p>2004/12/14</p> <p>2005/11/23</p> <p>29</p> <p>2005/11/30</p> <p>2005/12/18</p>	<p>28</p> <p>1875/01/25</p> <p>2005/11/21</p> <p>2005/11/22</p>	<p>27-3</p> <p>2006/01/27</p> <p>27</p> <p>27-4</p> <p>2005/12/19</p> <p>34-2</p> <p>34-1</p>	<p>26-3</p> <p>2006/01/29</p> <p>26</p>	<p>25</p>
<p>2003/11/30</p> <p>2003/12/05</p> <p>32</p> <p>2003/12/05</p> <p>2004/05/27</p> <p>Y10</p>	<p>2007/05/26</p> <p>2007/06/01</p> <p>33</p> <p>2007/06/15</p> <p>2007/06/07</p>	<p>2006/01/29</p> <p>2008/01/27</p> <p>34</p> <p>SWD-1</p> <p>2008/01/21</p>	<p>35</p>	<p>36</p>
<p>2004/06/15</p> <p>2003/12/08</p> <p>5</p> <p>2004/06/22</p> <p>2007/06/19</p> <p>2008</p>	<p>2005/01/16</p> <p>2007/06/03</p> <p>4</p> <p>2007/06/16</p> <p>2007/06/10</p>	<p>3</p>	<p>2</p>	<p>1</p>

**Wildcat Well Determination  
STATEMENT OF BASIS**

**Applicant:** WhitMar Exploration Company

**Location:** NWNW Sec. 27 T13S, R11E, Carbon County, Utah

**WELL NAME:** 27-2 **API #:** 43-007-30939

**FINDINGS**

1. This well was completed on December 21, 2005 in the Ferron formation. Pipe was set at Total Depth on June 14, 2005.
2. The Coal Creek 1 well, located within 1 mile of the subject well was drilled and tested in 1975 as having gas shows in the Ferron formation.
3. This well was < 1 mile from known production in the Ferron Formation at the time of the completion and the start of commercial production. Two of these wells, the N Bench Fed 34-28 well and the N Bench Fed 23-28 were put on production on November 22, 2005 and November 21, 2005 respectively. Although all information on these wells may not have been readily available at the time of completion of the subject well, there was information available and these wells were not classified as confidential.
4. This well is approximately 2 miles from the N Bench St 32-32 well that has been producing commercial quantities of gas from the Ferron formation since December of 2003.
5. This well is within Cause No. 241-6 that was approved by the Board of Oil, Gas and Mining on September 22, 2004 at the request of WhitMar Exploration. The Order defines Sections 22 and 27 as a common source of supply and an extension of previous Orders of the Board in the Ferron formation in the East Helper area. Cause No. 241-6 directly offsets Cause No. 241-5 which was an extension of Cause No. 241-4 and Cause No. 241-1. The Board orders in these Cause Nos. defined the Ferron formation as a pool.
6. Evidence presented in Cause No. 241-6 showed the continuity of the Ferron Formation through the subject well. Also, several wells drilled several miles to the east and prior to the drilling of the subject well further support and show the continuity of Ferron Formation through the area.
7. 10 wells were drilled by WhitMar in the immediate area prior to putting any one into production. 1 of these wells had already been drilled prior to this well being drilled.
8. The Wildcat Tax Credit application was received almost 2 years after completion of the subject well (see submittal requirements in R649-3-35-1).

**CONCLUSIONS**

Based on the findings above the Division has determined the 27-2 well was drilled into a known producing area for the Ferron Formation. All wells in this area were drilled within a spaced drilling unit or just outside a spaced drilling unit. WhitMars' own testimony in Cause No. 241-6 was that the Ferron formation was known to contain hydrocarbons in paying quantities in this area, insofar as much as the Board agreed and set up drilling and spacing units according to that evidence. No

information was provided in the testimony or in the application that supported the subject well being drilled in a separate pool. The drilling of 10 wells (9 eventual producers and 1 disposal well) prior to putting any wells online also helps support the fact that this was a known area for production in the Ferron formation. Because of the different nature of Coal Bed Methane (CBM) production, you do need to remove the hydrostatic from the coals in order to produce the gas. A pattern of several wells does help de-water the coals and allow for quicker recovery of the gas and would be expected in a known CBM area.

The application was also received after the Well Completion Report was submitted and after production had commenced in the area. Future requests for wildcat well determination should be submitted in accordance with R649-3-35-1.

Therefore, the Division finds that this well does not qualify for the severance tax exemption under Section 59-5-102(2)(d) for wildcat wells. This determination was made in accordance with Oil and Gas General Conservation Rule R649-3-35. If the operator disagrees with this determination, the decision may be appealed to the Board of Oil Gas and Mining.

Reviewer(s): Dustin K. Doucet *DKD* Date: 11/19/2007

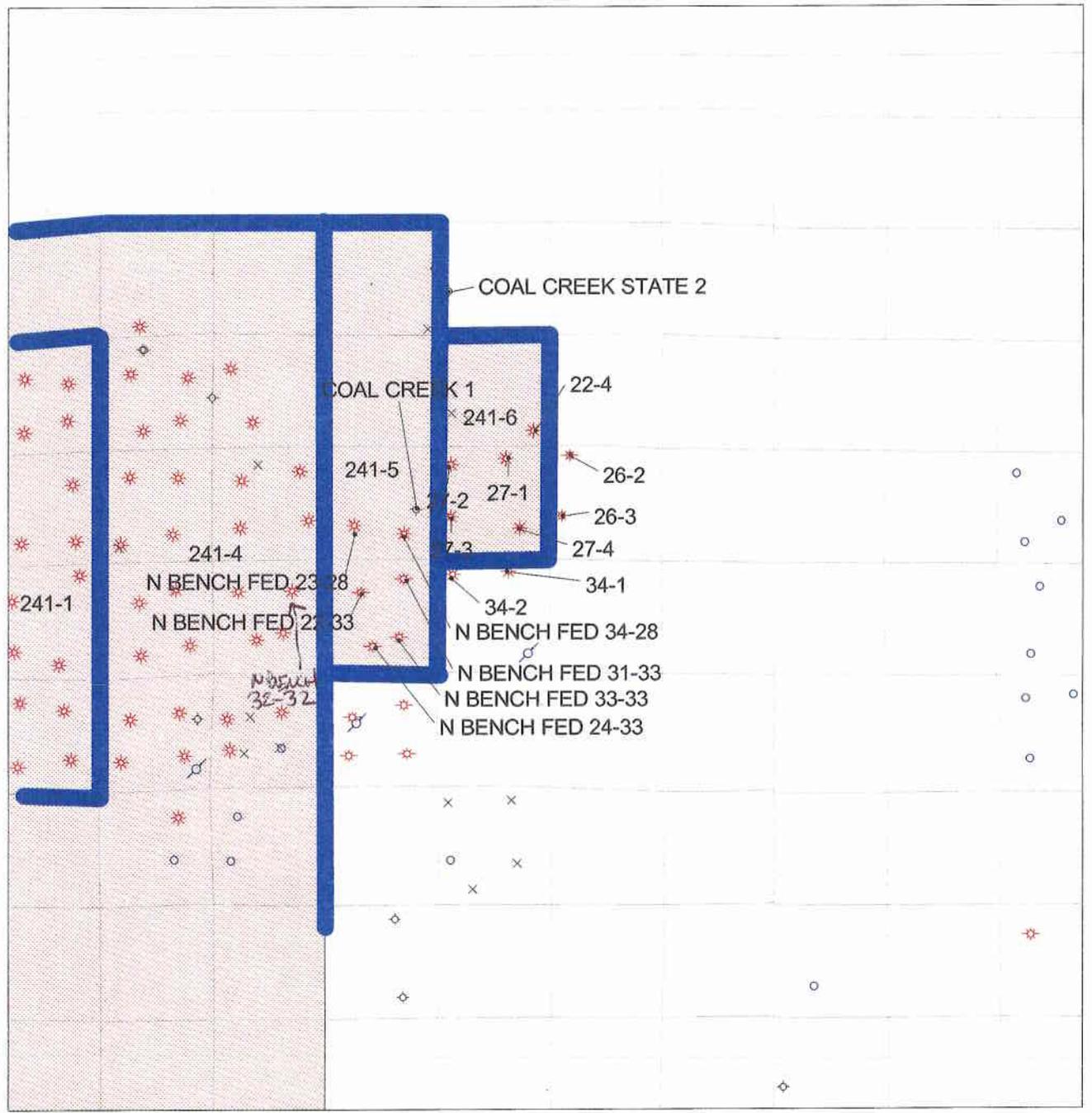
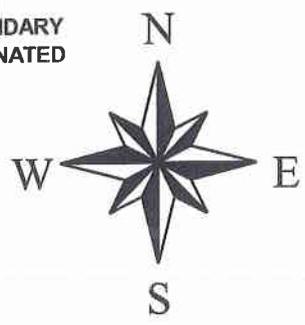
**THIS REQUEST FOR WILDCAT WELL DESIGNATION IS BEING DENIED.**

*[Signature]* November 19, 2007  
Utah Division of Oil, Gas and Mining

- Sections.shp
- Wells.shp
- 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
  - ⊕ DRILLING
  - ▲ RETURNED GAS
  - ▲ RETURNED OIL
  - ✳ GAS INJECTION SI
  - ▲ WATER DISP. SUSP.
  - ▲ WATER INJ. SUSP.

- 160.shp
- ▨ ACTIVE
  - VACATED

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



# Whitmar CBM Wildcat AOR

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET (for state use only)**

**ROUTING**  
 CDW

**X - Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

1/1/2012

**FROM:** (Old Operator):  
 N2585- Whitmar Exploration Company  
 555 17th Street Suite 880  
 Denver, CO 80202  
 Phone: 1 (

**TO:** ( New Operator):  
 N3695- Emery Resources Holdings, LLC  
 8350 E Raintree Dr Suite 12  
 Scottsdale, AZ 85260  
 Phone: 1 (480) 528-6836

CA No.

Unit:

N/A

WELL NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
See Attached List						

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 4/16/2012
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 4/16/2012
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 11/9/2012
- a. Is the new operator registered in the State of Utah: \_\_\_\_\_ Business Number: 6724027-0160
- 5a. (R649-9-2)Waste Management Plan has been received on: Yes
- 5b. Inspections of LA PA state/fee well sites complete on: N/A
- 5c. Reports current for Production/Disposition & Sundries on: 11/9/2012
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM Not et BIA N/A
- Federal and Indian Units:**  
 The BLM or BIA has approved the successor of unit operator for wells listed on: N/A
- Federal and Indian Communization Agreements ("CA"):**  
 The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 4/27/2012

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 11/13/2012
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 11/13/2012
- Bond information entered in RBDMS on: 11/13/2012
- Fee/State wells attached to bond in RBDMS on: 11/13/2012
- Injection Projects to new operator in RBDMS on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: N/A

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: UTB002885
- Indian well(s) covered by Bond Number: N/A
- a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 29209491  
29209509
- b. The **FORMER** operator has requested a release of liability from their bond on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

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

**COMMENTS:**

Whitmar Exploration Company (N2585) to  
 Emery Resources Holdings, LLC (N3695)  
 Effective 1/1/2012

Well Name	Sec	Twp	Rng	API Number	Entity	Lease	Type	Status	Conf
SWD #1	34	130S	110E	4300730979	14920	Federal	WD	A	
10-3	10	140S	110E	4300730952	14744	Federal	GW	OPS	C
34-1	34	130S	110E	4300730884	14968	Federal	GW	P	
27-2	27	130S	110E	4300730939	14746	Fee	GW	P	
27-4	27	130S	110E	4300730940	14757	Fee	GW	P	
26-3	26	130S	110E	4300730957	15014	Federal	GW	P	
27-3	27	130S	110E	4300730958	14745	Federal	GW	P	
34-2	34	130S	110E	4300730960	15038	Federal	GW	P	
22-4	22	130S	110E	4300730956	14983	Federal	GW	S	
26-2	26	130S	110E	4300730963	15003	Federal	GW	S	

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:
2. NAME OF OPERATOR: Emery Resource Holdings LLC N3695		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 8350 E Raintree Dr. Suite 12 CITY Scottsdale STATE AZ ZIP 85260		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		8. WELL NAME and NUMBER:
PHONE NUMBER: (480) 528-6836		9. API NUMBER:
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT:
STATE: UTAH		

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

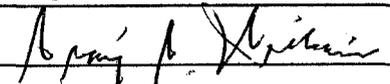
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT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

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

See attached list  
BLM Bond # UTB 002885  
Fee Bond # 0029209491 + 0029209509  
Effective date 1-1-2012

WHITMAR EXPLORATION COMPANY SOLD ALL OF ITS  
UTAH WELLS / ASSETS TO EMERY RESOURCES

Whitmar Exploration Co.  
name- BENJAMIN M. ZAPP  
signature-  03/30/12

NAME (PLEASE PRINT) Craig C. Williams	TITLE President
SIGNATURE 	DATE 1-12-12

(This space for State use only)

**APPROVED**

NOV 13 2012

DIV. OIL GAS & MINING

BY: Rachel Medina

(5/2000)

(See Instructions on Reverse Side)

**RECEIVED**

APR 16 2012

DIV. OF OIL, GAS & MINING

Well Name	API #		Section	Township	Range	Lease	
Well in operation							
SWD #1	43-007-30979	SESE	34	13S	11E	FEE w/ Fed Minerals	
34-1	43-007-30884	NWNE	34	13S	11E	FEE	
27-2	43-007-30939	NWNW	27	13S	11E	FEE	
27-4	43-007-30940	NWSE	27	13S	11E	FEE	
22-4	43-007-30956	SESE	22	13S	11E	Federal	
26-3	43-007-30957	NWSW	26	13S	11E	Federal	
27-3	43-007-30958	NWSW	27	13S	11E	Federal	
34-2	43-007-30960	NWNW	34	13S	11E	Federal	
26-2	43-007-30963	NWNW	26	13S	11E	Federal	
Well APD							
34-4	43-007-31335	NWSE	34	13S	11E	FEE w/ Fed Minerals	APD
34-3	43-007-31344	SWSW	34	13S	11E	Federal	APD
Well to be plugged							
10--3	43-007-30952	NWSW	10	14S	11E	Federal	



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

January 28, 2016

CERTIFIED MAIL NO. 7014 2870 0001 4232 4849

Mr. Craig Williams  
Emery Resource Holdings LLC  
10109 E. Windrose Dr.  
Scottsdale, AZ 85260

43 007 30939  
27-2  
27 135 11E

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Mr. Williams:

As of January 2016, Emery Resource Holdings LLC has two (2) Fee Lease Wells (see attachment A) that are currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status.

Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT.



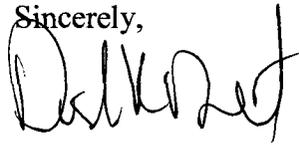
Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

**All Submittals should be sent via ePermit**

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

DKD/DD/js

cc: Compliance File  
Well File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

# ATTACHMENT A

	<b>Well Name</b>	<b>API</b>	<b>LEASE</b>	<b>Years Inactive</b>
1	27-2	43-007-30939	FEE	1 year 10 months
2	27-4	43-007-30940	FEE	1 year 10 months

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

RECEIVED

MAR 03 2016

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

2. NAME OF OPERATOR: Emery Resource Holdings N 3195

3. ADDRESS OF OPERATOR: 10109 East Windsor Dr. Scottsdale AZ PHONE NUMBER: 480-528-1851

4. LOCATION OF WELL: FOOTAGES AT SURFACE: COUNTY: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 27 13S 11E STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER: \_\_\_\_\_

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: \_\_\_\_\_

7. UNIT or CA AGREEMENT NAME: \_\_\_\_\_

8. WELL NAME and NUMBER: 27-2

9. API NUMBER: 43-007-30939

10. FIELD AND POOL, OR 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 checked="" type="checkbox"/> TEMPORARILY ABANDON extension
	<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: 2-27-16	<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.

Casing pressure 300  
Tubing Pressure 300  
Braden Head pressure 0  
Fluid level 1982.5

Well casing shows integrity with the differential between casing and Braden head.

We are completing new financing and plan to be back in production some time this coming summer.

NAME (PLEASE PRINT) Craig C. Williams TITLE President

SIGNATURE [Signature] DATE 2-27-16

REQUEST DENIED  
Utah Division of  
Oil, Gas and Mining  
Date: 5/25/2016  
By: [Signature]  
\* See Attached (See Instructions on Reverse Side)

(This space for State use only)

Emery Resource Holdings, LLC  
10109 East Windrose Dr.  
Scottsdale, Arizona 85260  
February 27, 2016

RECEIVED

MAR 03 2016

DIV. OF OIL, GAS & MINING

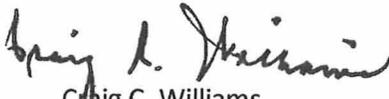
Dustin K. Doucet      Fax 801-359-3940  
Petroleum Engineer  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

Re: Extended Shut-in and Temporary Abandoned Well Requirement for Fee or State Leases

Dear Dustin:

Enclosed please find our Sundry Notices and Reports on Wells showing our well test and integrity reports.

Sincerely,

  
Craig C. Williams  
President

## ***REASONS FOR DENIAL OF REQUEST TO EXTEND SI/TA OF WELL***

Well Name and Number: 27-2  
API Number: 43-007-30939  
Operator: Emery Resource Holdings  
Reference Document: Original Sundry dated February 27, 2016, received by DOGM on March 3, 2016

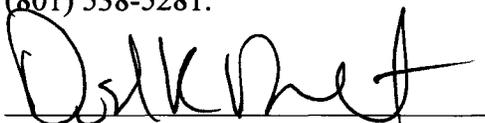
The well has been Shut-in/Temporarily Abandoned for 2 years 2 months. Insufficient information was submitted to the Division to approve the referenced well for continued Shut-in or Temporary Abandonment (SI/TA). The following requirements of R649-3-36 have not been met with this request for SI/TA approval.

1. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment. (R649-3-36-1.3)

The following concerns were noted with the data supplied.

1. Supporting documentation for the presented data was not provided.
2. The data did not correspond to observations made at recent field inspection. Namely, the pressure was not 300 psi on tubing and casing and there was no gauge and did not appear that there had been a gauge on the bradenhead in quite some time.

Please provide a plan for each of the wells. Submit these online via sundry notice on our epermit system. If the well is not to be put immediately back on production, provide the required information of R649-3-36. This includes a showing of integrity, a reason and length of time the well is to be shut in (plan for well). The Division should be notified to witness gathering of data. If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.



Dustin K. Doucet  
Petroleum Engineer

May 25, 2016

Date